

## **EXHIBIT EIR2**

### **STATEMENT OF OVERRIDING CONSIDERATIONS**

Even with mitigation measures identified in the EIR for the Project and incorporated into the General Plan and adopted in the MMRP, the Project will have significant impacts that are unavoidable because no feasible mitigation is available to reduce the impacts to a less-than-significant level. Having adopted all feasible mitigation measures, rejected as infeasible alternatives to the Project discussed above, and recognized all significant, unavoidable impacts, the Board has weighed the economic, legal, social, technological, and other benefits of the 2010 General Plan against unavoidable significant environmental impacts in determining whether to approve the Project. In accordance with section 15093 of the CEQA Guidelines, the Board hereby finds that the benefits of the Project outweigh its unavoidable adverse environmental effects such that the adverse environmental effects may be considered “acceptable.” Each benefit set forth below constitutes an overriding consideration warranting approval of the Project, independent of the other benefits, despite each and every unavoidable impact.

#### **BENEFITS**

Monterey County is a large, diverse area that is predominately rural/agricultural in nature. Pursuant to Government Code Section 65300, the County is required to adopt “a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries which in the planning agency's judgment bears relation to its planning.” The California General Plan Guidelines of the Governor’s Office of Planning and Research recommend that a general plan have a 20-year planning horizon. As such, a 20-year growth plan (General Plan) will cause significant environmental impacts that cannot be fully mitigated. Substantial evidence in the record demonstrates the following benefits that the County would derive from the 2010 General Plan.

#### **A. Fiscal and Economic Considerations**

1. The 2010 General Plan best supports the local economy by designating the greatest feasible amount of land for development, while balancing the protection of agricultural and open space lands. The adopted 2010 General Plan would promote a strong, community-centered economy by focusing growth and development in Community Areas and, as a secondary objective, providing opportunities in existing Rural Centers. Such development will allow for thriving community-centered commercial uses in those areas consistent with the diversity of needs and lifestyles in the County. The 2010 General Plan recognizes that growth must be tied to infrastructure and requires concurrent provision of adequate public facilities and services.
2. The 2010 General Plan best protects the economic viability of agricultural land uses. In 2009, Monterey County was the third largest agricultural county in the State of California according to the California Department of Food and Agriculture “California Agricultural Resource Directory 2009”. The gross value of agricultural production in 2009 totaled \$4.03 billion according to the 2009 Crop Report compiled by the Monterey County Agricultural Commissioner. Agricultural operations and related industries bring substantial benefits to the local economy, including substantial employment opportunities.

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Between 1992 and 2006, 6,616 acres of agricultural land was converted to urban uses. Protection of agricultural land is a benefit to the agricultural economy and the county. The 2010 General Plan designates 1,185 million acres of land for agricultural uses, which represents 61 percent of the total land in the County.

Agricultural production in Monterey County requires substantial investment and returns fluctuate considerably depending upon weather and market conditions including international competition. In order to ensure that agriculture remains an economically viable use in the County, it is necessary to stabilize regulatory burdens on agricultural operators to the extent possible, consistent with prudent environmental management. The 2010 General Plan does this through policies in its Agriculture Element that direct the County to establish policies to exempt certain “Routine and Ongoing” Agricultural Activities from several policies of the General Plan and by providing agricultural operators with greater flexibility in complying with certain General Plan policies to minimize the regulatory burdens on agricultural production while ensuring environmentally sound agricultural operations. The 2010 General Plan also includes policies that limit the conversion of State-designated Important Farmlands to non-agricultural uses, protect existing operations through buffer policies, protect against “nuisance” claims through a strengthened “right to farm” ordinance, establish an Agricultural and Winery Corridor to provide for a better integrated and more a competitive viticulture industry, and require the passage of an ordinance to provide tax and economic incentives to enhance the competitive capability of the industry by promoting long-term conservation, enhancement and expansion of viable agricultural lands.

3. The 2010 General Plan plans for growth in a way that provides more housing and employment options for County residents (new and existing). The Economic Development Element will direct the County’s efforts toward attracting new businesses, which can supply employment opportunities for the County’s new residents. The Economic Development Element encourages the growth of key industries and targeted industry clusters to increase the County’s average wage level, encourage public/private partnerships to support economic growth, and provide a permit assistance process with incentives for projects that support key industry clusters.
4. The 2010 General Plan designates 13,959 (10,348 existing; 3,611 new) acres of land for job- and revenue-producing commercial and industrial uses. This is a 35% increase over the amount designated in the 1982 General Plan. This capacity will allow for efficient, market-based allocation of commercial and industrial growth as population increases in the County, while limiting these designations to 0.75% percent of the County’s land area.
5. The Agricultural and Winery Corridor Plan (AWCP) promotes the County’s wine growing industry by facilitating the permitting of up to 40 artisan wineries in the Salinas Valley. About 40,000 acres of Monterey County are in grape production

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(98% Salinas Valley/ 1% Carmel Valley, 1% Hames and San Antonio Valleys) with 28 established wineries. The ratio of vineyard acres to wineries makes Monterey County by far the highest ratio of acres per winery at 1,430 with the next highest being Santa Barbara at 369 acres/winery. Currently the existing wineries have facilities to ferment about 88% of the grape production in Monterey County, whereas only 5% of wines produced are produced as a Monterey appellation. Although viticulture revenues have grown to about \$380 million per year, strategic planned development of this industry would help to retain more of the economic benefits within Monterey County.

#### **B. Legal and Regulatory Considerations**

1. The County has been working on a General Plan Update since 1999 to take the place of the 1982 General Plan for the inland portions of the County. The 2010 General Plan acknowledges landowner and resident expectations arising from historic County land use planning. This Plan was developed as a continuation from multiple versions known as GPU1, GPU2, GPU3 and GPU4, which included circulation of environmental documents and significant public participation. The General Plan update process began with an intensive facilitated workshop process at the Land Use Advisory Committee (LUAC) level that provided input on concepts for the General Plan including goals, objectives, and policies to address key public concerns. Throughout the process, there has been continued involvement of stakeholders in shaping the 2010 General Plan, and the Board appointed various advisory committees to attempt to reach a consensus on General Plan issues.
2. The 2010 General Plan balances the protection of property rights, the need for decent housing and the need for economic growth with strong commitments to environmental protection. The General Plan represents the best compromise in balancing property owners' ability to fully use and enjoy their land with necessary environmental protections to protect the public good. The 2010 General Plan provides updated policies regarding water quality, long term water supply, geologic hazards, air quality, public services and general quality of life issues (aesthetics, open space). These are balanced against the needs and priorities of the community for a more time efficient and flexible regulatory environment. The General Plan implementation process will include and require the involvement of multi-interest stakeholders, regulatory community and scientific community in the development of ordinances and policy documents mandated by the Plan, thus continuing to address the balancing of economic interests with environmental protection.
3. The 2010 General Plan does not interfere with, or rely on, relinquishment of vested property rights obtained through development agreements or other mechanisms.

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4. The main purpose of creating an AWCP is to create a planned approach to development of the County and the wine industry, and to encourage wine related economic growth in the Salinas Valley. The AWCP is designed to provide a long-range plan for development of agricultural and winery related uses within specific areas of the County and provide a framework for the assessment of the environmental impacts associated with such a plan.
5. The 2010 General Plan represents the best compromise between accommodating new growth consistent with State General Plan law, and minimizing impacts to key resources by designating areas to accommodate growth with a focus on existing urbanized areas and existing rural centers. This is consistent with the goals of SB 375 (Steinberg) of 2008, which marries the achievement of regional greenhouse gas reduction targets and regional housing needs allocation (RHNA) targets so that greenhouse gas reduction strategies will recognize the need to accommodate community housing needs.

#### **C. Housing Considerations**

1. The State of California has made the early attainment of decent housing and a suitable living environment for every Californian a statewide priority. As set forth in Government Code section 65580, Monterey County must facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community. Similarly, CEQA recognizes the importance of balancing the prevention of environmental damage with the provision of a “decent home and satisfying living environment for every Californian.” (Public Resources Code § 21000(g)) The 2010 General Plan sets forth the County’s long-range plan for complying with regional housing needs during the present and future housing cycles, while balancing economic, environmental, fiscal factors and community goals. The 2010 General Plan acknowledges this principle and provides a variety of locales and types of communities where affordable housing may be located.
2. The 2010 General Plan is consistent with the County’s certified 2009-2014 Housing Element and provides for high density housing (30 dwelling units per acre) in the mixed use land use designation and Community Areas where the need for low cost housing is the greatest. This is also consistent with revised requirements that will be applied to the development of subsequent regional housing needs allocations to ensure that each revision to the Housing Element of the 2010 General Plan would comply with State Law. The General Plan also takes future employment opportunities into consideration consistent with the jobs/housing balance factor that was employed in the development of the Regional Housing Needs Plan by designating five Community Areas and seven Rural Centers as opportunity areas to provide higher density housing.
3. The 2010 General Plan provides numerous incentives for development, and retention, of affordable housing including density bonus (e.g. affordable housing

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overlay), fee reductions/waivers, expedited processing timeframes, modified development standards, and financial assistance. The General Plan also acknowledges the need for flexibility in providing necessary infrastructure with respect to the timing and contribution to local and regional fee programs. In addition, any residential development outside Community Areas and Rural Centers must provide at least 35% affordable housing. All development is subject to a 25% affordable component including workforce level housing. In addition, the General Plan requires developing a program for retaining affordable housing units.

4. The 2010 General Plan designates adequate land for housing, and serves to minimize to the extent feasible high housing costs in Monterey County by providing flexibility in its designation of residential lands where new development may occur and directing growth to areas where infrastructure exists or can reasonably and feasibly be provided. Studies have also shown that governmental restraints on the availability of land and a complex regulatory framework are major factors contributing to the cost of housing. (“Smart Growth: 100 Policies for Implementation”, International City/County Management Association and the Smart Growth Network, 2002) The 2010 General Plan makes the land available for housing and provides policies that encourage planning for compact growth including fee exemptions for affordable housing. It is therefore an effective option for reducing housing costs in Monterey County.

#### **D. Environmental Considerations**

1. The 2010 General Plan ensures community-centered growth by directing growth towards cities, Community Areas and Rural Centers where adequate infrastructure does or can exist. The General Plan incorporates many principles of “Smart Growth” which promotes compact land development patterns that reduce land consumption and vehicle trips. (“Ten Principles for Smart Growth on the Suburban Fringe,” Urban Land Institute, 2004) Encouraging development in existing areas results in fewer impacts from the construction of new infrastructure, maximizes use of existing impervious surfaces, reduces vehicle miles traveled which translates into a reduction in green house gas emissions, and reduces pressures on the conversion of farmland and open space (“Smart Mobility 2010 A Call to Action for the New Decade,” Caltrans, 2010).
2. The Plan requires that long term sustainable water supply needs of new development projects be taken into account before approval of discretionary permits or tentative subdivision maps. Specifically, criteria will be developed in order to demonstrate a confirmed water supply before approval of any discretionary permit, with limited exceptions.

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3. The Plan contains a development evaluation system that ensures that any development outside Community Areas and Rural Centers is evaluated based on environmental considerations, infrastructure availability and proximity to multiple modes of transportation.
4. The Plan contains policies regarding permits requirements for development on steep slopes, on erosive soils, and in areas with geologic constraints. The Plan contains policies addressing avoiding incompatible development in flood prone areas and requires an ongoing mapping program of inundation hazards, consistent with recommendations of the California Chapter of the American Planning Association regarding utilizing General Plan policies as a means of reducing the flood risk for new development. (“Show Me Flood Protection”, Cal Planner, September-October, 2006) The Plan also includes policies regarding criteria for new wastewater facilities (individual lots and systems) that take into consideration recent scientific knowledge regarding adequate systems, regulatory requirements, and ensure adequate technical, managerial and financial capability for system operators for ongoing maintenance and operation.

E. Social Considerations

1. The 2010 General Plan builds on work initiated on the Community Plans and Rural Centers from 1999-2010, and best reflects community consensus as a result of an extensive public planning process.
2. The 2010 General Plan best reflects the community’s expressions of quality of life and community values and guides the County’s future growth. The General Plan encourages a balance between population growth, economic development, and the need to protect the environment. The General Plan will expand housing and employment choices for its citizens while serving the regional demand for a diverse range of housing types, including low and very-low income housing.
3. The AWCP best reflects the community’s desire for a robust and world-class wine growing region in Monterey County.
4. The 2010 General Plan represents the best resolution of lengthy negotiations and deliberations by the Board, the Planning Commission and the community dating back to 1999 regarding land use, environmental and agricultural protection, and economic growth.