

COASTAL CONSERVANCY

Project Summary

March 23, 2000

**VICTORINE RANCH
CRAVEN-NATION DISPOSITION PLAN**

File No. 81-043

Project Manager: Prentiss F. Williams

RECOMMENDED ACTION: Approval of an implementation plan (Exhibit 1) for the disposition of the "Craven-Nation" property in the Victorine Ranch (Monterey County Assessor's Parcel Numbers 243-211-017 and 243-221-019) directing sale of the property to carry out the Big Sur Restoration Plan adopted by the Conservancy in 1985. Authorization for the Executive Officer to direct the Department of General Services to transfer the property in accordance with the implementation plan, and authorization to disburse an amount not to exceed one hundred thousand dollars (\$100,000) for access road repairs and other infrastructure improvements necessary to carry out the approved implementation plan.

LOCATION: The Victorine Ranch subdivision, located on the east side of State Highway One, approximately 9 miles south of the City of Carmel (see Exhibit 2). The property is bordered on the south by Garapata State Park.

PROGRAM CATEGORY: Coastal Restoration

ESTIMATED COST: \$100,000 (undesignated General Fund FY 98/99)

PROJECT SUMMARY:

Staff is seeking approval of the Craven-Nation Disposition Plan, attached as Exhibit 1, and authorization to market and sell the Craven-Nation property, subject to easements, and two development credits created on the Conservancy's Kasler Point property pursuant to the disposition plan. Staff is also seeking authorization to disburse up to \$100,000 to repair the property's only access road that was damaged by winter storms in 1997 and 1998, and to complete any other infrastructure improvements that may be necessary to market the property effectively.

The proposed disposition plan and funding authorization were

previously submitted to the Conservancy for approval at its meeting of January 27, 2000. At that meeting, action on the proposed resolution was postponed and staff was directed to consult with Coastal Commission staff and try to resolve a number of concerns regarding development of the Craven-Nation property, raised in a memorandum to the Conservancy dated January 26, 2000 (see Exhibit 3). Staff was also directed to explore the possibility of selling the property to another public agency.

Staff has consulted with Coastal Commission staff, and we have reached some agreement on how best to protect the property's natural resources and preserve opportunities for public access (Exhibit 4). In order to assure protection of the scenic and natural resources present on the site, the Conservancy will reserve easements over those portions of the property that are within the Critical Viewshed and that contain Environmentally Sensitive Habitat Areas (ESHA's), including riparian corridors. (Any development on the property pursued by the future buyer would also require a Coastal Development Permit from Monterey County and be subject to a number of other development regulations.) Conservancy staff will work closely with Commission and Monterey County Planning staff to refine the Conservancy's preliminary identification of those areas with development potential (see Exhibit 5) that would not be subject to these easements.

Public access on the upper portion of the property would also be a permitted use under the terms of the conservation easement. The Conservancy would work with the staffs of the State Department of Parks and Recreation and the Coastal Commission to identify a suitable location on the property for a public accessway.

Staff has also contacted representatives of the State Department of Parks and Recreation, the County of Monterey, and the Big Sur Land Trust in order to determine the level of interest in a purchase of the Craven-Nation property by another public agency. Although all three organizations expressed a desire to protect the property's scenic and natural resources, none were able to commit to either a purchase price or a timeline for a public acquisition.

The marketing and sales procedures outlined in the Craven-Nation Disposition Plan are very similar to the procedures that were used to sell the Conservancy's 261-acre "Cascade Valley

Ranch,” located on the San Mateo coast. The property was sold subject to a number of conservation and public access easements that significantly limit the amount and location of future development on the property. Like the Craven-Nation property, the Cascade Valley Ranch property is adjacent to a State Park and is located in a highly scenic area. The easements retained by the Coastal Conservancy, together with coastal development regulations in San Mateo County, have served to protect the property’s scenic and natural resources while still allowing limited residential development. (The Cascade Valley Ranch sold for \$1,600,000 in 1999.)

Since sale of the Craven-Nation property in the near future is an integral part of the Conservancy’s long-term financial strategy, staff is recommending a sale of the property on the private market.

Sale of the Craven-Nation property represents the final phase of the Conservancy's model “Transferable Development Credit” (TDC) project undertaken pursuant to the Big Sur Restoration Plan adopted by the Conservancy in 1985. The model TDC project was intended to demonstrate the feasibility of Monterey County’s TDC program, contained in the Monterey County Local Coastal Program’s Big Sur Coast Land Use Plan (LUP). The Big Sur Coast Land Use Plan defines as “Critical Viewshed” everything that is visible from State Highway 1 and other “major public viewing areas” in Big Sur. According to Monterey County's regulations for development in Big Sur, no new construction or development may take place within this Critical Viewshed. These regulations have the effect of prohibiting new development on a large number of privately owned lots in Big Sur. However, under the TDC Program, the owners of such restricted viewshed lots may take the development potential from that lot and transfer it to another lot that lies outside the Critical Viewshed area. The lot from which development potential is removed is called a "donor site" and the lot to which the development potential is transferred is labeled a "receiver site." All development potential on the donor site is permanently extinguished through recordation of an open space easement.

The 100-acre Craven-Nation property was purchased in 1987 to serve as a TDC receiver site. The Conservancy obtained the development credits needed to transfer to the receiver site through the purchase of a TDC donor site at Kasler Point, further south in Big Sur. The Kasler Point donor site, which is

now permanently restricted to open space, produced two development credits that will be offered for sale along with the Craven-Nation property. These two TDC's may be purchased by the buyer of the Craven-Nation property and used to create two additional building sites on the property, or they may be marketed to another landowner elsewhere in the area. The Coastal Conservancy has accomplished its project purposes pursuant to the Big Sur Restoration Plan and is now seeking authorization to convey the property back into the private market consistent with the restoration plan. Revenue from the sale of the Craven-Nation property is also an important component of the Conservancy's Long Term Financial Strategy to recoup the Conservancy's past project expenditures (\$1,143,500, including the proposed action) and to support future operations of the Conservancy.

COASTAL CONSERVANCY

Staff Recommendation
March 23, 2000

**VICTORINE RANCH
CRAVEN-NATION DISPOSITION PLAN**

File No. 81-043
Project Manager: Prentiss F. Williams

STAFF

RECOMMENDATION: Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby adopts the Craven-Nation Parcel Disposition Plan, attached as Exhibit 1 to the accompanying staff recommendation, to implement the Conservancy’s Big Sur Restoration Plan for the Victorine Ranch; directs the Executive Officer to request the Director of General Services to transfer title to the subject property (Monterey County Assessor’s Parcel Numbers 243-211-017 and 243-221-019) expeditiously and in accordance with the provisions of the implementation plan; and authorizes the disbursement of an amount not to exceed one hundred thousand dollars (\$100,000) for access road repairs and other infrastructure improvements as may be necessary to market the property.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The Coastal Conservancy has accomplished its project purposes pursuant to the Big Sur Restoration Plan, adopted by the Conservancy in 1985, and the Craven-Nation property is now surplus to the purposes of the Conservancy. Therefore, pursuant to the provisions of the Big Sur Restoration Plan and Public Resources Code Section 31200, the property should be conveyed back into private ownership;

2. Repairs to the road and completion of minor infrastructure improvements are necessary to effectively carry out the sale of the Craven-Nation property; and
3. Transfer of the Craven-Nation property pursuant to the property disposition plan is necessary to implement the Big Sur Restoration Plan approved by the Conservancy in 1985, and consistent with the authority of the Conservancy under Section 31107 of the Public Resources Code and with the Property Disposition Procedures developed by the Conservancy and the Department of General Services pursuant to Section 31107.1 of the Public Resources Code.”

STAFF DISCUSSION:

Project Description: Staff is seeking approval of the Craven-Nation Parcel Disposition Plan, attached as Exhibit 1, and authorization to market and sell the Craven-Nation property and two “Transferable Development Credits” (TDC’s) pursuant to the disposition plan. Staff is also seeking authorization to disburse up to \$100,000 to repair the property’s only access road, which was damaged during the winter storms of 1997 and 1998, and to pay any other infrastructure improvement costs that may be necessary in order to market the property effectively.

As discussed in greater detail in the “Project History” section below, the 100-acre Craven-Nation property was purchased to serve as a “receiver site” for a model Transferable Development Credit (TDC) project being implemented by the Coastal Conservancy pursuant to the Big Sur Restoration Plan, adopted by the Conservancy in 1985. The model TDC project was undertaken to demonstrate the feasibility of Monterey County’s TDC program. The TDC program had been adopted by the County in order to address the problems presented by the many viewshed lots that had been rendered unbuildable by the “Critical Viewshed” policy contained in the Big Sur Coast Land Use Plan (see Exhibit 6).

Due to changed conditions in Big Sur (see Project History), the TDC project has been substantially narrowed in scope since its inception. However, the Coastal Conservancy has accomplished its primary purposes pursuant to the Big Sur Restoration Plan and, consistent with the restoration plan, is ready to convey the property back into the private market. In

addition to the Craven-Nation property, the Conservancy will also market the two development credits generated from the donor site at Kasler Point. Should the buyer of the Craven-Nation property purchase the development credits as well, the credits could be used to apply for a four-unit subdivision on the property. Any development of the Craven-Nation property would require a Coastal Development Permit from Monterey County and would be subject to a number of other regulatory requirements.

There are a number of building constraints on the Craven-Nation property, including viewshed, slopes, geology and soils. As a result, only a small portion of the property has even the potential for residential development (see Exhibit 5). Prior to sale, the Conservancy would delineate an area of the property that staff has determined could support residential development (subject to LCP and building code restrictions) and place a conservation easement over the remainder of the property, prohibiting all development. The result would be the permanent protection of those portions of the property located in the Critical Viewshed and those areas containing ESHA's and wildlife corridors. Any significant resources and/or habitat areas identified within the area not subject to the conservation easement would be protected through site-specific development restrictions.

Public access on the upper portion of the property would also be a permitted use under the terms of the conservation easement. The Conservancy would work with the staffs of the State Department of Parks and Recreation and the Coastal Commission to identify a suitable location on the property for a public accessway.

In order to market the property effectively, a small number of improvements are necessary. Most importantly, the access road was severely damaged in the winter storms of 1997 and 1998 and needs to be repaired to enable vehicular access on the property. It may also prove cost-effective to extend existing water and utility lines onto the property at the same time as the road is under repair. These improvements are likely to render the property more attractive to potential buyers and increase the property's value.

Project Financing: Financial Summary of Big Sur Restoration Plan:

Current Request: \$ 100,000

Expenditures to Date:	
Purchase of Kasler Point:	\$ 302,500
Purchase of Craven-Nation Parcels:	502,500
Purchase of Allen Parcel:	210,000
Environmental Analysis:	40,000
Water System Construction:	70,000
<u>Common Road Maintenance:</u>	<u>18,500</u>
Total Expenditures:	\$1,143,500

Expected Revenue from Sale of	
Craven-Nation property:	\$1,500,000-
	\$2,000,000

Net Return to Conservancy:	\$ 356,500-
	\$ 856,500

(based on expected revenue above)

Site Description: The area known as the Victorine Ranch consists of approximately 460 acres subdivided into eighteen parcels and is a ranch in name only. It is located at the northern boundary of the Big Sur region, east of Highway One and just south of Malpaso Creek, which forms the boundary between the Big Sur LCP planning area and the more developed Carmel Highlands planning area (see Exhibit 2). The Victorine Ranch is bounded on south by Garapata State Park. There are currently two completed homes in the Victorine Ranch subdivision and two more under construction.

The project site consists of two parcels (APNs 243-211-17 and 243-221-19) owned by the State Coastal Conservancy and located at the southern boundary of the Victorine Ranch (see Exhibit 7). The two parcels comprise a total of 100 acres and are currently undeveloped. No permit applications have been previously filed for development of these two parcels.

Access to the Craven-Nation property is provided by a private road serving the other residential properties in the Victorine Ranch. The property is within the service area of the Victorine Ranch Mutual Water Company, and the Conservancy has secured entitlements for the future owner of the Craven-Nation property to subscribe to the private mutual for water service.

According to preliminary engineering studies and environmental analysis, only a small portion of the project site appears to be appropriate for residential development under the

standards of the Big Sur Land Use Plan (see Exhibit 5). The central portion of the property is level and contains a number of potential building sites outside the Critical Viewshed. The soils on this portion of the site are geologically stable and appear suitable for the placement of septic systems. No threatened or endangered plant or animal species have been found on the site. The site is currently zoned Watershed/Scenic Conservation with a minimum lot size of 40 acres.

The Kasler Point property that generated the two development credits also proposed for sale, is located approximately three miles down coast from the Victorine Ranch (see Exhibit 2). It consists of a rocky promontory overlooking the highly scenic Abalone Cove. Abalone Cove is a major public viewing area with a paved turnout area.

The Kasler Point property has a number of potential building sites, but all are located entirely within the Critical Viewshed and close to the public highway. In order to obtain approval from Monterey County to use the property as a TDC donor site, the Conservancy conducted a number of site studies to ascertain its potential for development. The Conservancy also had to demonstrate that the property had no building sites that could be located outside the Critical Viewshed. In order to generate the TDC's from the property, the Conservancy has permanently restricted the property to open space.

Project History: The Monterey County Big Sur Coast Land Use Plan, certified in 1987, contains a "Critical Viewshed Protection Policy" that prohibits new development that would be visible from State Highway One (see Exhibit 6). The Land Use Plan also authorizes the use of a Transfer of Development (TDC) mechanism whereby owners of lots located in the Critical viewshed may transfer their unusable development potential to "receiver sites" located outside of the Critical viewshed area.

In March of 1985, the State Coastal Conservancy adopted a restoration plan for the Big Sur area that provided for Conservancy assistance to the County in implementing the TDC policy through the development of a model donor-receiver project. The intended purpose of the model project was for the Conservancy to act as the first applicant under the new ordinances in order to clarify the procedures, identify any potential problem areas, and demonstrate the feasibility of the TDC program.

The Coastal Conservancy purchased the Craven-Nation property on the Victorine Ranch to serve as a TDC receiver site and acquired property at Kasler point, further south in Big Sur, to serve as a TDC donor site (see Exhibit 2). Staff obtained all of the necessary approvals from the Monterey County Planning Commission for the designation of the Kasler Point Property as a donor site. The site was permanently restricted to open space and has generated two TDC's that may be applied towards two additional units located anywhere outside the Critical Viewshed. The original intention of the Conservancy's model project was to use the two TDC's to create two additional parcels on the Craven-Nation property through the completion of a 4-unit subdivision. It was envisioned that staff would process all the necessary regulatory approvals and obtain a tentative subdivision map. The property would then be sold to a private party who would install improvements and file the final map.

To this end, staff has taken a number of actions over the past several years including:

- the design of a 4-unit subdivision map;
- contracting for environmental studies and preparation of documents necessary to submit the map for county approval;
- negotiating and entering into a cost-sharing arrangement with the other landowners in the Victorine Ranch subdivision for the construction and maintenance of the private road that serves the subdivision;
- paying a share of construction costs for the water system that serves all of the Victorine Ranch subdivision; and
- obtaining the right for its successor(s) to purchase shares in a mutual water company and obtain water service for the property.

Over the past several years however, conditions in Big Sur have changed, prompting staff to reassess the need, or even the desirability, of seeking approval of a tentative subdivision map for the Craven-Nation property.

First was the passage in 1988 of Proposition 70, which provided \$25,000,000 to the County of Monterey for the acquisition of viewshed lots in Big Sur. Over the next several years, the County and the Big Sur Land Trust were able to purchase outright a number of private properties located in the Critical Viewshed. This program of public acquisition in the

Critical Viewshed provided an alternative for owners who otherwise would have needed to participate in the TDC program in order to realize any financial value from their properties. In addition to eliminating many potential donor sites, the availability of the Proposition 70 funds also engendered a great deal of community support for public acquisition of viewshed properties. With the County's acquisition of several key viewshed properties, the number of buildable lots in the Critical Viewshed has been significantly reduced and the need for the TDC program is perceived to be less urgent.

Secondly, a number of transactions under the TDC program have been completed entirely in the private market over the past several years. The TDC program has thus been proven feasible and has even enjoyed some modest success.

Staff has concluded that it is no longer necessary to process a subdivision map for the Craven-Nation property in order to complete the model TDC project and fulfill the purposes of the Big Sur Restoration Plan.

At the meeting held on January 27, 2000, staff sought authorization from the Conservancy to sell the Craven-Nation parcel, along with two TDC's, to a private buyer. Staff also sought approval to disburse an amount not to exceed \$100,000 to repair the access road. At that meeting, the staff of the Coastal Commission presented a memorandum (dated January 26, 2000 and attached as Exhibit 3) outlining a number of concerns over the possible development of the property. The Conservancy also received a request from a local assemblyman to explore the possibility of a public acquisition of the Craven-Nation property. The Conservancy postponed action on the proposed authorization and directed staff to obtain more information from Coastal Commission staff regarding their concerns and, if possible, resolve any outstanding issues. Staff was also directed to follow up with the State Department of Parks and Recreation (DPR) and the County of Monterey (the County) on the potential for a public acquisition of the Craven-Nation property. Staff was instructed to return to the Conservancy at its March 23, 2000 meeting to present the results of these inquiries and discussions.

Since the January 27 board meeting, Conservancy staff has initiated discussions with Coastal Commission staff regarding the issues that were raised in the January 26 memorandum.

Foremost among these were concerns over the protection of the visual and natural resources that exist on the Craven-Nation property. Conservancy staff has modified the original project proposal to afford stronger resource protection measures, which are discussed in more detail in the “Project Description” section above.

Conservancy staff initiated discussions with DPR staff to ascertain the level of interest in a purchase of the Craven-Nation property, and DPR’s Acquisitions Division is currently analyzing the feasibility and desirability of acquiring a fee title interest. Preliminary discussions with staff in the Acquisitions Division have indicated that DPR’s priority interests in the property are viewshed and open space protection, and preservation of public access opportunities from Garapata State Park to Point Lobos Ranch. Conservancy staff believes that the resource protection measures that have now been included in the modified project proposal (i.e. the reservation by the Conservancy of a conservation easement and the proposed public access easements) are sufficient to address the concerns of DPR.

Furthermore, the marketing and sales procedures outlined in the Craven-Nation Disposition Plan are very similar to the procedures that were used to sell the Conservancy’s “Cascade Valley Ranch” on the San Mateo coast. That property was sold subject to a number of conservation and public access easements that significantly limit the amount and location of future development on the property. Like the Craven-Nation property, the Cascade Valley Ranch property is adjacent to a State Park and is located in a highly scenic area. The easements retained by the Coastal Conservancy, together with coastal development regulations in San Mateo County, have served to protect the property’s scenic and natural resources while still allowing limited residential development.

Staff is therefore proposing to market and sell the Craven-Nation property and two TDC’s (generated from the Kasler Point property) on the private market, subject to the restrictions outlined in the “Project Description” section above.

PROJECT SUPPORT: The importance of a TDC Program for Big Sur has always been acknowledged by the County and the Coastal Commission, as well as by the Conservancy. In recent years, Commission staff and Conservancy staff have expressed different perspectives on the

direction of the Conservancy's model TDC project, and the use of the Victorine Ranch property as a receiver site in particular (see Exhibit 8). Coastal Commission staff would clearly prefer that the property remain in public ownership or that development be prohibited on it altogether. At the same time, Commission staff acknowledges that there may continue to be a need for TDC's in the Big Sur Area, and has expressed a willingness to work with the Conservancy to ensure protection of the property's natural resources if the Conservancy goes forward with the sale. Conservancy staff, therefore, believes that the revised Property Disposition Plan provides, on balance, the best means of achieving interagency and public goals for the Big Sur Coast.

CONSISTENCY WITH
CONSERVANCY'S
ENABLING LEGISLATION:

The Craven-Nation and Kasler Point properties were acquired by the Conservancy pursuant to Public Resources Code Sections 31200 *et seq.*, pertaining to Coastal Restoration projects. Under this section, Conservancy funds "shall be utilized for the assembly of parcels of land within designated coastal restoration areas, for the redesign of such areas, and the installation of public improvements required to serve such areas."

The Conservancy found that acquisition of the Craven-Nation property would help to implement the policies of the Big Sur Restoration Plan and the approved LCP Land Use Plan by providing development sites outside the Critical Viewshed to which development could be transferred from lands within the Critical Viewshed. The Conservancy also acquired property within the Critical Viewshed at Kasler Point, and obtained County approvals of this property as a donor site. As a result, the viewshed property of Kasler Point has been permanently restricted to open space, and its development credits can be made available for use outside the Critical Viewshed area.

Section 31200 further provides that "after redesign and installation of public improvements, if any, lands containing coastal restoration projects ... shall be conveyed to any person for the purpose of development in accordance with a restoration plan" Sale of the Craven-Nation property and the Kasler Point TDC's would carry out this legislative directive and, demonstrate the operation of the TDC program pursuant to the Big Sur Restoration Plan and the Big Sur Coast LUP.

Public Resources Code Section 31107 requires that the Director of General Services transfer any land acquired pursuant to Division 21 when so requested by the Conservancy, pursuant to an implementation plan approved by the Conservancy. Pursuant to Section 31107.1 of the Public Resources Code, the Conservancy and the Department of General Services have established procedures to ensure that Conservancy property transactions “are carried out efficiently and equitably and with proper notice to the public.” The Property Disposition Plan is consistent with the Conservancy’s authority to dispose of property acquired pursuant to Division 21 and procedures established with the Department of General Services.

CONSISTENCY WITH
CONSERVANCY'S
PROGRAM GUIDELINES:

The proposed action is the final step to carrying out the Big Sur Restoration Plan that was adopted by the Conservancy in 1985 under the Coastal Restoration Program. At that time, the Big Sur Restoration Plan was found to be consistent with the Conservancy’s Restoration Program Guidelines.

CONSISTENCY WITH
THE COASTAL ACT:

Several Coastal Act policies are applicable to Big Sur resources. The key policies relative to the Conservancy's assembling a receiver site are Public Resources Code Sections 30251 and 30010. Section 30251 requires the protection of significant coastal visual resources. Views from Highway 1 and other points along the Big Sur coast have been designated as such significant visual resources in the Big Sur Coast the Land Use Plan (LUP). The LUP and the Monterey County Coastal Implementation Plan contain specific provisions for the protection of these resources.

Several potential development sites on Craven-Nation property lie outside the Critical Viewshed area so designated. Section 30010 requires that an LCP allow for reasonable economic use of the land to avoid giving rise to inverse condemnation. The TDC program is intended to provide such equity to the owners of parcels wholly in the Critical Viewshed and assign them a value in the form of a density allowance that can be recouped at a receiver site. The proposed sale of the Craven-Nation property as a receiver site, along with the TDC’s generated from the Kasler Point donor site, is therefore consistent with Section 30010 of the Coastal Act.

CONSISTENCY WITH
LOCAL COASTAL
PROGRAM POLICIES:

The preservation of the outstanding scenic resources of the Big Sur Coast and the prohibition of future development in the Critical Viewshed is the key policy in Section 3.2 of the Monterey County LCP Big Sur Coast Land Use Plan. The use of the Transfer of Development Credits is specifically called for in Sections 3.2.3(A) and 3.2.6.3 of the Land Use Plan as a component for the implementation of this key policy, and is included in the Coastal Implementation Plan as Chapter 20.156 of the Coastal Zoning Ordinance.

The proposed Conservancy action is also consistent with Section 3.2.6.1 of the Big Sur Coast Land Use Plan, which authorizes the utilization of a TDC system.

COMPLIANCE
WITH CEQA:

With the completion of actions called for by the Big Sur Restoration Plan, the Craven-Nation property is now surplus to needs of the Coastal Conservancy and, as such, its sale would be categorically exempt from review under CEQA pursuant to Public Resources Code Section 21084 and Section 15312 of the CEQA Guidelines. Pursuant to Section 15312 of the Guidelines, the sale of property located in the coastal zone is exempt only if the property does not have significant values for wildlife habitat and other environmental purposes, and its use and that of adjacent property has not changed since the time of purchase by the public agency (or if other conditions, not relevant here, obtain). With the retention of conservation easements, the unencumbered portion of the Craven-Nation property does not have significant values for wildlife habitat or other environmental purposes. When the Conservancy authorized its acquisition as a receiver site for development under the Big Sur Coast Land Use Plan in 1986, it adopted a Negative Declaration, attached to the October 16, 1986 staff recommendation, and determined that the project would not have a significant effect on the environment (Exhibit 9). At that time the Victorine Ranch properties, previously used for grazing, had been subdivided and sold into individual parcels for development. Residential development is permitted on these lots under the Monterey County Coastal Implementation Plan based on a slope-density formula and compliance with the Critical Viewshed policies. These permitted uses have not changed since the time of acquisition.

Furthermore, Section 15183 of the Guidelines provides that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The sale of property and development credits would not of itself have any direct physical effect on the environment, and the reasonably foreseeable indirect effects of the project – development in accordance with established densities under the relevant zoning and plan policies – does not require further environmental review. An Initial Study and Negative Declaration adopted by the Coastal Conservancy in 1996 (Exhibit 10) established that the property could be developed with up to four residences with no significant adverse environmental impacts. This is the maximum amount of development that could occur on the property, assuming use of the Conservancy’s development credits and processing of tentative and final subdivision maps. Thus, even if the categorical exemption did not obtain, the Conservancy has already determined that reasonably foreseeable indirect physical changes resulting from the proposed sale would not have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.

Repairs to the road and water system are categorically exempt from CEQA pursuant to 14 California Code of Regulation Sections 15301 and 15302, because they involve operation, repair, maintenance or minor alteration of existing facilities and/or the replacement or reconstruction of existing structures and facilities on the same site, and having the same purpose and capacity, as the structure or facility being replaced. Staff will file a Notice of Exemption upon Conservancy approval of the project.