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Prepared September 26, 2025 for October 10, 2025 Hearing

To: Commissioners and Interested Persons

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Subject: Monterey County LCP Amendment Number LCP-3-MCO-25-0034-1-Part A (Accessory Dwelling Units)

SUMMARY OF STAFF RECOMMENDATION

Monterey County proposes an update of its existing ADU regulations for compliance with recent State ADU law changes. The existing LCP allows ADUs, but restricts them in various ways, including through blanket prohibitions in certain communities (e.g., in the entire North County area), through large lot requirements (e.g., only permissible for lots 40 acres or larger in the unincorporated Carmel area), and through numeric caps (i.e., a 50-unit cap in Big Sur). This area-specific approach is, in part, due to bona fide resource constraints (e.g., water supply concerns in North County and wastewater concerns in Carmel). It is also a vestige of a prior paradigm when ADUs were not seen as the type of development that should be encouraged, unlike today, where they are generally recognized as a relatively benign small housing type incidental to existing residences. Thus, the County developed the proposed ADU update to largely eliminate these restrictions and to rely on the existing LCP's coastal resource protection framework to ensure that needed housing opportunities are developed in an environmentally responsible way.

The proposed amendment would expand where ADUs are allowed to include all zones that currently allow for single-family residences. Minimum parcel size requirements would be eliminated and ADUs would be allowed in North County, unincorporated Carmel, and Big Sur without numeric limitation. In conjunction with these relaxed allowances that make ADUs potentially permissible land uses in areas where they currently are not, the amendment would require ADUs to meet all applicable LCP coastal resource requirements. These requirements include prohibitions in sensitive habitats (such as wetlands, streams, ESHA, and their corresponding buffers), conformance with LCP provisions protecting agriculturally productive soils and furthering the agricultural economy, prohibitions on visibility in Big Sur's critical viewshed, and required evidence of adequate water and wastewater (including through septic upgrades, as confirmed by the review of the County's Department of Environmental Health). The amendment also includes some area-specific ADU

requirements, including size and length of tenancy requirements in Big Sur to encourage longer-term housing available for workers, and water efficiency requirements in North County to reduce impacts on groundwater supplies. As explained in the remainder of this report in more detail, while the amendment raises questions as to how best address complex coastal resource and housing concerns in a coastal zone as large and varied as unincorporated Monterey County, staff believes the County's proposal adequately balances these issues. The end result is a robust ADU program that should provide for critically needed housing in a manner protective of the region's extraordinary resource values.

Staff has worked with County staff over several years on this amendment, and appreciates the County's collaboration. Staff recommends that the Commission determine that the proposed LUP portion of the amendment is in conformance with the Coastal Act, and that the proposed IP portion of the amendment is consistent with and adequate to carry out the LUP as amended, and that the Commission approve the proposed LCP amendment as submitted. The required motions and resolutions to effectuate staff's recommendation is found on page 4 of this report below.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on September 10, 2025. The proposed amendment affects the LCP's LUP and IP, and the 90-working-day action deadline is January 22, 2026. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until January 22, 2026 to take a final action on this LCP amendment.

Therefore, if the Commission fails to take a final action in this case (e.g., if the Commission instead chooses to postpone/continue LCP amendment consideration), then staff recommends that, as part of such non-final action, the Commission extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Alternate Time Extension Motion: *I move that the Commission extend the time limit to act on County of Monterey Local Coastal Program Amendment Number LCP-3-MCO-25-0034-1-Part A to January 22, 2027, and I recommend a yes vote.*

TABLE OF CONTENTS

1. MOTIONS AND RESOLUTIONS 4
 A. Certify the LUP Amendment as submitted..... 4
 B. Certify the IP Amendment as submitted 4
2. FINDINGS AND DECLARATIONS 5
 A. LCP Amendment Background 5
 B. Proposed LCP Amendment Description 5
 C. Evaluation of Proposed LCP Amendment 8
 D. California Environmental Quality Act (CEQA)..... 29
3. APPENDICES 30

EXHIBITS

- Exhibit 1: Monterey County Planning Areas
- Exhibit 2: Proposed LUP and IP Amendment (shown in strikethrough and underline)
- Exhibit 3: Existing IP ADU Regulations
- Exhibit 4: Proposed Map of Parcels Subject to ADU Parking Requirements

1. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, certify the proposed LCP amendment as submitted. Because there are both LUP and IP portions of the proposed amendment, and because they require individual actions in each case, the Commission needs to make two motions in order to act on this recommendation

A. Certify the LUP Amendment as submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Land Use Plan portion of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

Motion to Certify: *I move that the Commission certify Land Use Plan Amendment LCP-3-MCO-25-0034-1-Part A as submitted by Monterey County, and I recommend a **yes** vote.*

Resolution to Certify: *The Commission hereby certifies Land Use Plan Amendment LCP-3-MCO-25-0034-1-Part A for Monterey County and adopts the findings set forth below on the grounds that the amendment conforms with the policies of Chapter 3 of the Coastal Act. Certification of the amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the amendment may have on the environment.*

B. Certify the IP Amendment as submitted

Staff recommends a **NO** vote on the motion below. Failure of this motion will result in certification of the Implementation Plan portion of the amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion to Certify: *I move that the Commission reject Implementation Plan Amendment LCP-MCO-25-0034-1-Part A as submitted by Monterey County, and I recommend a **no** vote.*

Resolution to Certify: *The Commission hereby certifies Implementation Plan Amendment LCP-MCO-25-0034-1-Part A for Monterey County and adopts the findings set forth below on the grounds that the amended Implementation Plan conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the amended Implementation Plan complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amended Implementation Plan on the environment, or 2) there are no further feasible alternatives and mitigation*

measures that would substantially lessen any significant adverse impacts on the environment.

2. FINDINGS AND DECLARATIONS

A. LCP Amendment Background

Monterey County's coastal zone stretches from the Pajaro River at its northern border with Santa Cruz County to near Ragged Point in southern Big Sur at the San Luis Obispo County line to the south. Given this vast area with distinct geographical characteristics and development patterns, the Monterey County Local Coastal Program (LCP) is broken out into four separate area plans, one each for North County, Del Monte Forest, Carmel Area, and the Big Sur Coast (see **Exhibit 1**). Each area has its own LCP Land Use Plan (LUP) and Implementation Plan (IP), and those LUPs/IPs, along with an overarching IP zoning code (Title 20) that applies to all areas, constitute the certified LCP.

The Commission has approved multiple Monterey County LCP amendments in the last 15 years to respond to changes in State-mandated housing law, including as related to accessory dwelling units (ADUs) and junior ADUs (JADUs).¹ Most recently, the County began the process of updating the LCP again in 2020 to reflect State law changes and bring the County into conformance with California Government Code Sections 66310 - 66342, which constitute the State's ADU laws. The proposed amendment is designed to bring the County into alignment with current State law, including to streamline review of ADU applications and help provide for much-needed housing in the unincorporated County coastal zone, while also ensuring such housing is built in a manner protective of coastal resources.

B. Proposed LCP Amendment Description

While the previous LCP amendments provided for ADUs in certain portions of the coastal zone and subject to certain requirements, the proposed amendment would revamp these existing provisions via area-specific changes to the North County, Big Sur Coast, and Carmel Area LUPs related to ADUs, and make significant changes to the IP zoning code that governs all four coastal planning areas, including by replacing Section 20.64.030, which currently regulates ADUs. The proposed LUP changes include:

- **North County:** Add language encouraging the use of ADUs and JADUs as an appropriate way to provide more 'naturally occurring affordable housing,' and excluding them from the overall unit count that caps residential development in North County.
- **Carmel Area:** Remove the existing 40-acre minimum parcel size for detached ADUs and remove language limiting parcels to one ADU.
- **Big Sur Coast:** Remove the existing 50-unit ADU cap; allow for ADUs and JADUs on land with Watershed and Scenic Conservation and Rural Residential land use

¹ See Monterey County LCP amendments MCO-1-11 and LCP-3-MCO-15-0022-1, the latter of which was approved by the Commission in 2015 and was the last time the LCP was amended to address ADUs.

designations; reduce allowable ADU size from 1,200 square feet to 1,000 square feet; and require rentals of ADUs and JADUs to terms of 90 days or more.

The bulk of the proposed changes are within the IP. The IP currently prohibits ADUs in the entirety of North County, within native Monterey cypress habitat in the Del Monte Forest, on lots under 40 acres in the unincorporated communities surrounding the City of Carmel-by-the-Sea (including in the Carmel Highlands neighborhood), and on lots with B-8 zoning overlays.² The proposed amendment would eliminate these restrictions, as well as the cap of 50 total ADUs in Big Sur. The amendment adds ADUs and JADUs as principally permitted uses in all zoning districts that allow for single-family residences, including all residential and many commercial and agricultural zoning districts.³ One ADU and one JADU would be allowed per lot with existing or proposed single-family dwellings, with more ADUs allowed on lots with multi-family dwellings.⁴ ADUs would be limited to a maximum of 1,200 square feet in all planning areas except for Big Sur and on lots with the B-8 zoning overlay, where they would be limited to a maximum of 1,000 square feet. JADUs would be limited to a maximum of 500 square feet in all cases. Off-street parking would not be required for JADUs and would only be required for ADUs in a small portion of the Carmel Point neighborhood (to protect limited public beach access parking in this area (see **Exhibit 4** for a map). Short-term rental use of JADUs and ADUs would be prohibited, with a required rental term of 31 days or more, except in Big Sur, where the required term would be 90 days or more.

In addition, the current 2-acre minimum parcel size limit for ADUs in Big Sur would be removed, as would the current 2-acre minimum parcel size in all areas for properties not served by a public sewer system. The amendment would also add a new set of water efficiency requirements for ADUs and JADUs in North County. Specifically, the proposed water efficiency requirements include requirements to retrofit all existing water-using fixtures and appliances, and replacement of all irrigated landscaping with drought-tolerant landscaping, on properties with existing development that are proposing ADUs.⁵ The amendment specifies that ADUs and JADUs that will be served by onsite wastewater treatment systems and private wells are required to demonstrate that such systems and wells have adequate capacity to serve such units, and must

² The B-8 zoning overlay identifies locations with limitations to water supply, water quality, sewage disposal capabilities, traffic impacts or similar measurable public facility type constraints. Most parcels with this overlay are located in the North County Area, with the remainder located in the Del Monte Forest area.

³ Specifically, High Density Residential (HDR), Medium Density Residential (MDR), Low Density Residential (LDR), Rural Density Residential (RDR), Watershed and Scenic Conservation (WSC), Coastal General Commercial (CGC), Moss Landing Commercial (MLC), Visitor Serving Commercial (VSC), Coastal Agricultural Preserve (CAP), and Agricultural Conservation (AC) zoning districts.

⁴ Up to eight detached ADUs would be allowed on lots with an existing multifamily building(s) so long as the number of ADUs does not exceed the number of units. Two detached ADUs would be allowed on lots with proposed new multi-family buildings.

⁵ Exceptions are made for subsistence gardens, including family gardens, community gardens, or fruit/nut trees, which may be efficiently irrigated (e.g., drip irrigation).

obtain authorization from the County's Environmental Health Bureau.⁶ Finally, the proposed IP changes include various updates and changes to ADU site design standards, including to be consistent with State ADU law, such as maximum height⁷ and minimum setback requirements,⁸ and other ADU-related rules, including allowing for the separate sale of ADUs under certain circumstances.⁹

Thus, the amendment eliminates many of the existing provisions that restrict ADU development in various parts of the County. Some of these restrictions will be completely eliminated (e.g., the minimum 40-acre parcel size limitation in the Carmel Area, and the complete prohibition on ADUs in North County), and some will be replaced with alternative language and/or reliance on other LCP provisions (e.g., removing the existing ADU prohibition in native Monterey cypress habitat, and instead relying on the specific native Monterey cypress habitat standards that apply to all new development in that area). And the amendment proposes some new ADU-specific requirements, including the above-described water efficiency requirements in North County and ADU-specific height, setback, and size regulations. But in all cases, as both now and as proposed, the rest of the existing LCP would apply. As such, LCP provisions that, for example, do not allow ADUs in sensitive habitats such as ESHA, wetlands, streams, and their required buffers; and that require ADUs to be set back a sufficient distance from coastal bluffs without shoreline armoring, and in a manner that protects significant public views, all will continue to govern ADU development.

With respect to permitting, and consistent with State ADU law, ADUs and JADUs would be subject to a streamlined permitting process, where CDP applications¹⁰ will be processed within 60 days and without a local public hearing (with required appeal processes to the Commission still intact), and certain JADUs and attached ADUs may

⁶ The County's Environmental Health Bureau is responsible for ensuring the safety, adequacy and reliability of such wastewater treatment systems and private wells in the County.

⁷ Specifically, attached ADUs would be limited to the height allowed for residences in the zoning district, and detached ADUs would be limited to 16 feet (on lots with existing/proposed single-family residences) or 18 feet (on lots with existing/proposed multi-family residences, or any lot within half a mile walking distance of a major transit stop). A height of 20 feet for detached ADUs would be allowable on lots within half a mile walking distance of a transit stop in order to accommodate a roof pitch alignment with the main house. Increases in allowable ADU height could also be considered by the zoning administrator to provide for architectural consistency/compatibility with the main structure.

⁸ New ADUs would need to comply with the front setback requirements of the zoning district, and would need four-foot minimum side and rear setbacks (unless they are 800 square feet or smaller). No setbacks would be required for ADUs converting or replacing existing structures with ADUs.

⁹ Namely, such separate sale is only allowed if a qualified nonprofit built the ADU and places a number of restrictions on the property, including a principal residence requirement, a repurchase option in favor of the nonprofit, and a 45-year affordability restriction, all of which emanates from similar state ADU law provisions (see Government Code Section 66341).

¹⁰ CDP applications would be processed through the County's Coastal Administrative Permit process, which allows for more expedited processing for principally permitted development of a minor and non-controversial nature, while still requiring findings of LCP consistency and still being appealable to the Commission if it meets the appealability criteria (e.g., located between the first public road and the sea).

be exempt from CDPs altogether (unless they cannot be exempt under the Commission's exemption regulations (for instance, if located in ESHA, within 50 feet of a coastal bluff, etc.)).¹¹ The amendment also includes proposed changes to the general CDP exemption language in the IP, intended to help bring that language better in line with the Commission's exemption regulations, including by closing potential loopholes that could have been improperly interpreted to allow for the exemption of development in inappropriate locations (e.g., in ESHA).

C. Evaluation of Proposed LCP Amendment

1. Standard of Review

The proposed amendment affects the LCP's LUP and IP. The standard of review for the LUP changes is that they must conform with the requirements of Chapter 3 of the Coastal Act, and the standard of review for the IP changes is that they must be consistent with and adequate to carry out the provisions of the certified LUP, as may be amended.

2. Proposed Land Use Plan Amendment

Applicable Coastal Act Provisions

The Coastal Act includes a series of provisions that are intended to protect, maintain, and enhance the quality of the coastal zone and coastal resources. This includes balancing uses and development in the coastal zone in a way that takes into account the social and economic needs of the state, while at the same time ensuring that coastal resources are protected through all LCP and CDP processes and outcomes. Relevant provisions include:

Section 30231. *The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

Section 30233(a). *The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following: (1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities. (2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps. (3) In open coastal waters, other than wetlands, including*

¹¹ See Title 14 California Code of Regulations Section 13250.

streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities. (4) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines. (5) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas. (6) Restoration purposes. (7) Nature study, aquaculture, or similar resource dependent activities.

Section 30240. *(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas. (b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Section 30241. *The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the areas' agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following: (a) By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses. (b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses or where the conversion of the lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development. (c) By permitting the conversion of agricultural land surrounded by urban uses where the conversion of the land would be consistent with Section 30250. (d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands. (e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality. (f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of such prime agricultural lands*

Section 30242. *All other lands suitable for agricultural use shall not be converted to nonagricultural uses unless (1) continued or renewed agricultural use is not feasible, or (2) such conversion would preserve prime agricultural land or concentrate development consistent with Section 30250. Any such permitted conversion shall be compatible with continued agricultural use on surrounding lands.*

Section 30250(a). *New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or,*

where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources....

Section 30251. *The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.*

Section 30253. *New development shall do all of the following: (a) Minimize risks to life and property in areas of high geologic, flood, and fire hazard. (b) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs. (c) Be consistent with requirements imposed by an air pollution control district or the State Air Resources Board as to each particular development. (d) Minimize energy consumption and vehicle miles traveled. (e) Where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses.*

Thus, the Coastal Act requires new residential development to be located within, contiguous with, or in close proximity to existing developed areas able to accommodate it in a manner without coastal resource harm. To implement this broad requirement, the Act specifies that, among other things, residential development is not allowed in certain sensitive habitats such as ESHA and wetlands, is not allowed to convert agricultural lands or adversely impact the agricultural economy unless certain findings can be made, is required to generally blend in with the surrounding developed aesthetic and not significantly adversely impact important public views, and be served by adequate water, sewer, and other public services. And near the shoreline, new development must not interfere with the public's right to access the coast, including through prohibitions on shoreline armoring.

While not part of Coastal Act Chapter 3 and thus not technically part of the legal standard of review for this proposed LUP change, other Coastal Act provisions also provide relevant direction regarding this proposed amendment, including encouraging the provision of affordable housing and ensuring environmental justice in the coastal zone. Specifically, the Coastal Act states:

Section 30013. *The Legislature further finds and declares that in order to advance the principles of environmental justice and equality, subdivision (a) of Section 11135 of the Government Code and subdivision (e) of Section 65040.12*

of the Government Code apply to the commission and all public agencies implementing the provisions of this division. As required by Section 11135 of the Government Code, no person in the State of California, on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, genetic information, or disability, shall be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination, under any program or activity that is conducted, operated, or administered pursuant to this division, is funded directly by the state for purposes of this division, or receives any financial assistance from the state pursuant to this division.

Section 30604. ...*(f) The commission shall encourage housing opportunities for persons of low and moderate income... (g) The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone. (h) When acting on a coastal development permit, the issuing agency, or the commission on appeal, may consider environmental justice, or the equitable distribution of environmental benefits throughout the state.*

Putting all this together, the Coastal Act promotes housing, particularly affordable and moderate/workforce housing, when such housing is sited and designed in a manner protective of coastal resources.

Consistency Analysis

The Commission is aware that the state has a serious housing crisis, and in particular an affordable housing crisis, where such issues are also felt in the state's coastal zone. To address this critical need, the state legislature has enacted a number of housing laws in the last several years that are designed to eliminate barriers to providing housing and to help foster additional housing units – including critically needed affordable units – where they can be appropriately accommodated by adequate public services and where, in the coastal zone, they will not adversely affect coastal resources. These laws have triggered local governments in the coastal zone to update their LCPs to address such changes. Importantly, the changes to state law continue to explicitly require that the Coastal Act (and by extension LCP) coastal resource protections are not suspended in the construction of ADUs, and thus updated local government ADU provisions must continue to protect coastal resources.¹² In short, the goal of updating LCPs related to ADUs is to harmonize state ADU housing law changes with the Coastal Act in a way that continues to protect coastal resources while also reducing and eliminating barriers to ADUs.

Here, as explained in more detail below, Monterey County has worked to do just that with this proposed LCP amendment, including by making a number of changes requested by the California Department of Housing and Community Development (HCD) after their review of the LCP's existing ADU regulations. As described above, at its core, the proposal requires ADUs to be consistent with the LCP's coastal resource

¹² Put another way, state ADU laws do not supersede the Coastal Act, and are required to be consistent with the Act (see Government Code Section 66329).

protection framework. Put another way, the amendment provides for ADUs as an allowable land use throughout the coastal zone so long as they are found consistent with the LCP's resource protection provisions. Thus, at this broad level, the amendment ensures that ADUs are allowed – an important thing from a state/coastal zone housing perspective – in a manner protective of coastal resources, consistent with the framework described above regarding how state ADU law interplays with the Coastal Act.

That said, a few of the specific coastal resource issues engendered in Monterey County's coastal zone and its LCP require a bit more discussion. These are described below.

North County Area

The proposed changes to the North County LUP include the addition of language encouraging the use of ADUs and JADUs as an appropriate way to provide more naturally occurring affordable housing, and excluding them from the overall unit count that caps residential development overall in North County. While seemingly minor, the addition of language encouraging ADUs and JADUs significantly changes the existing LUP. Due to water supply concerns, which are explained in more detail below, the existing LUP includes no such language encouraging ADUs, and the existing IP actually prohibits them. Indeed, the LUP includes a suite of provisions intended to protect scarce water supply resources and groundwater health, which the Commission has interpreted over the years to prohibit most forms of residential development beyond the first single-family dwelling on an existing legal parcel, including most residential subdivisions, ADUs, and other similar intensifications of residential use.¹³ The proposed LUP amendment changes (along with the corresponding proposed IP changes to remove the affirmative ADU ban in North County) introduce language that significantly modifies how those policies relate to ADUs and JADUs (i.e., allowing/encouraging them on all parcels where residential use is allowed notwithstanding water concerns, and exempting them from the buildout caps intended to protect limited groundwater supplies), thus raising the question of whether such a change is consistent with the water supply and agricultural protections of the Coastal Act.

North County is an agricultural area with a large population of farmworkers. The entirety of the area's water supply is sourced from groundwater from critically overdrafted¹⁴ aquifers with generally worsening saltwater intrusion.¹⁵ The vast majority of water use in

¹³ See, for example, Commission actions on CDP Extension Request A-3-MCO-04-054-E3 (Sunridge Views Subdivision Extension), CDP application A-3-MCO-05-027 (Rancho Roberto Subdivision), and CDP application A-3-MCO-06-044 (Mayr Subdivision).

¹⁴ 'Critical overdraft' is a formal designation under the Sustainable Groundwater Management Act (SGMA) made by the California Department of Water Resources. As defined by the SGMA, "a basin is subject to critical overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts."

¹⁵ The North County area is located in two subbasins, the Pajaro Valley subbasin (north of Elkhorn Slough) and the 180/400-foot aquifer (south of Elkhorn Slough). Both are designated as critically overdrafted, and both have significant histories of saltwater intrusion. Yearly monitoring continues to show worsening seawater intrusion in the 180/400-foot aquifer. The Pajaro Valley subbasin has fared better in recent years, but has yet to meet sustainability goals.

the North County area (i.e., 80% to 90% or more) is for agricultural production purposes, which is a priority land use under the Coastal Act and LUP. In general, because agriculture is a coastal priority use, where water resources are limited, the Coastal Act prioritizes water for agricultural use over other uses. Indeed, Section 30241(e) specifically prohibits non-agricultural development from impairing agricultural viability through degraded water quality. In the case of North County, because aquifer overdraft is causing saltwater intrusion into aquifers underlying agricultural operations and increasing the salinity of the wells on which they depend (thus compromising water quality), new, non-coastal-priority water-using development – including residential development – that would add to the overdraft issue, is generally inconsistent with Section 30241(e). Such Coastal Act conformance issues, along with conformance with LUP policies that strictly limit the amount of new residential development, served as the basis for the LCP’s current prohibition of ADUs in North County.¹⁶ The County’s proposal to now allow for ADUs in this area raises core Coastal Act conformance questions.

While an argument can clearly be made that the status quo of no ADUs should be maintained, it is also important to look at the totality of the issue. First, as noted above, agriculture uses the vast majority of water in the region, up to 90 percent or more.¹⁷ As such, the totality of existing residential use has only a marginal relative impact to overall water supply, and the addition of ADUs and JADUs, which are predominately smaller and have fewer bathrooms than typical single-family residences (and therefore use less water), would have similar (and even lesser) marginal relative impacts. Second, a narrow focus on protecting the natural resource inputs needed for the long-term viability of agriculture (available land, soils, water, etc.) would ignore the broader range of factors that coalesce into the viable, sustainable, agricultural economy necessary to continue agricultural production in North County long into the future. To this end, Section 30241 speaks more broadly to “the protection of the area’s agricultural economy” as the intent of the specific requirements it imposes.

One of the reasons that North Monterey County is a thriving agricultural production zone is the area’s farmworkers. The agricultural economy is dependent on workers, who depend on access to stable and affordable housing; therefore, protecting agriculture in North County implicitly requires that workforce housing be appropriately accommodated. These farmworkers are not only essential to the labor force but are also integral members of the community, contributing to its fabric, culture, and identity. Furthermore, much of the North County area can be considered an environmental justice community, with higher poverty rates, lower household incomes, and a greater percentage of households using food assistance than other areas of the county.¹⁸

¹⁶ Which was approved by the Commission in 2015’s LCP-3-MCO-15-0022-1.

¹⁷ See the Salinas Valley Groundwater Basin 180/400-Foot Aquifer Subbasin 2022 GSP Amendment 1, and the Pajaro Valley Basin Management Plan Groundwater Sustainability Update 2022.

¹⁸ *Monterey County Vacation Rental Ordinance Socioeconomic Analysis*, prepared December 5, 2023, by Economic & Planning Systems, Inc. (EPS)

Although North County housing costs are comparatively lower than those in other coastal planning areas in the County, the need for additional housing is significant and acute, particularly for farmworkers and environmental justice communities dependent on them.

The Coastal Act explicitly identifies the need for equity and environmental justice and allows the Commission to consider coastal resource issues and impacts through that lens (see Sections 30013 and 30604(h)). To implement its Coastal Act environmental justice authority, the Commission adopted an Environmental Justice Policy (“EJ Policy”) to guide and inform its decisions and procedures in a manner that is consistent with the provisions in, and furthers the goals of, Chapter 3 of the Coastal Act. The EJ Policy includes provisions for housing, stating:

The Commission will work with local governments to adopt local coastal program policies that allow for a broad range of housing types including affordable housing, ADUs, transitional/supportive housing, homeless shelters, residential density bonuses, farmworker housing, and workforce/employee housing...

While the Commission’s EJ Policy and Coastal Act Sections 30013 and 30604(h) are not legal standards of review for the proposed changes to the LUP, they provide an important Coastal Act and EJ lens through which to understand the proposed changes. The proposed amendment is precisely the type of LUP policy change that would help address the inequities this community faces with respect to housing, and is consistent with the Commission’s EJ guidance in that respect.

Furthermore, the proposed LCP amendment also includes offsetting water savings requirements for any proposed ADU. Specifically, while these requirements are proposed IP provisions and discussed in the next section, the overall LCP takes these potential ADU water supply problems seriously, and requires properties that propose ADUs to institute a series of water savings measures applicable to all development on the property, including the ADU (including water efficiency requirements related to new water-using fixtures and appliances, retrofits of all existing water-using fixtures and appliances, replacement of all irrigated landscaping with drought-tolerant landscaping, etc.). While the requirements do not go so far as to require a 1:1 (or more) offset of the ADU’s new water demand, these types of requirements should be able to help offset new ADU water demand, in some cases significantly (e.g., sites with old fixtures, water-intensive landscaping, etc.). Thus, in the context of relatively limited residential water use overall in North County, and the ways in which ADU development could provide more affordable housing for farmworkers who are a necessity for maintaining the region’s agricultural economy (and social fabric), the water offsetting provisions help to support a finding that these new ADU regulations can be found consistent with Coastal Act provisions protecting groundwater health and agriculture in North County. In short, the proposed North County-related changes are a step towards increasing housing stock in an environmental justice community where such housing is of critical importance for the long-term viability of the area’s agricultural economy, and can be done so in a manner that is adequately protective of coastal resources.

Carmel Area

In the Carmel Area LUP, the amendment would remove the 40-acre minimum parcel size for ADUs and the limitation of one ADU per parcel. The end result would be to now allow ADUs in much of the area for the first time, given that most of the area is comprised of suburban-sized residential lots under 10,000 square feet, particularly in the neighborhoods to the north of the Carmel River and south of the City of Carmel-by-the-Sea. The 40-acre minimum parcel size was imposed originally in the LUP in the 1980s when it was first certified, albeit for caretaker units. Caretaker units were subsequently renamed ADUs in the LCP as a means to increase the supply of affordable workforce housing more broadly, as well as to reflect more modern terminology, but the 40-acre minimum parcel size remained.¹⁹ The reason for the 40-acre minimum parcel size for the development of these additional units was related largely to wastewater issues at the time. Specifically, the density of existing onsite wastewater treatment systems (OWTS), or septic systems, on smaller lots in the Carmel Highlands area south of Point Lobos State Natural Reserve has resulted in chronic water quality problems due to steep slopes, bedrock, and soils that made such systems problematic. For those parcels served by public sewer (including Carmel Meadows, Mission Fields, Hatton Fields, and Carmel Woods), capacity and water quality issues at the Carmel Area Wastewater District (CAWD) treatment plant dictated that development of additional units on existing parcels be restricted.

Since the time of LCP certification, when the 40-acre parcel minimum went into effect, capacity at the CAWD treatment plant has expanded and its treatment capabilities have also been upgraded to address previous discharge and associated water quality problems in the Carmel Bay.²⁰ As such, the reason underlying the ADU restriction in relation to sewer capacities has essentially been solved, and all parcels in the Carmel area served by the sewer system, regardless of size, can support additional wastewater loads affiliated with ADUs without impacting water quality. Allowing for ADUs connected to the sewer system in this area can be found Coastal Act consistent from a wastewater perspective.

With respect to parcels with OWTS, namely in the Carmel Highlands, the issue has not been so affirmatively solved, and some properties may or may not have capacity to serve an ADU on the site. This low-density residential area relies on wells and septic systems for water and wastewater, and both continue to have problems and are prone to failure, including septic contamination into wells and coastal waters. While CAWD has a long-term vision to provide sewer connections to these properties,²¹ implementation will likely take a significant amount of time.²² These circumstances were the rationale behind the County's recent prohibition on vacation rentals in this area,

¹⁹ As part of LCP-3-MCO-15-0022-1.

²⁰ Including as required by past Commission CDP actions (see CDP 3-82-199 as amended). The plant now provides tertiary treated water that is beneficially reused for various uses throughout the region, and has sufficient capacity to serve additional demand.

²¹ See CDP Amendment 3-82-199-A10, approved by the Commission in 2022, which allowed the district to annex the Highlands, which is the first step necessary to expand sewer service to them.

²² Indeed, the wastewater district's most recent attempt to expand sewer connections into part of this community was rejected by homeowners due to cost.

which the Commission approved in August 2025.²³ The development of ADUs on such properties raises consistency issues with Section 30231 requirements to protect the quality of coastal waters by minimizing adverse effects of wastewater discharges because the increased wastewater directed to problematic OWTS could result in capacity exceedance and system failures.

The County recognizes these constraints, but also acknowledges that an affirmative ban on all ADUs in the area, as is currently the case, is too harsh a reaction when not all parcels suffer from the same concerns. Allowing for ADUs may also be an incentive to upgrade older OWTS with new ones that meet modern water quality standards. Thus, in lieu of an affirmative ADU ban, the County's proposal seeks to address the issue in a different way, namely by requiring review and approval from the Monterey County Department of Environmental Health,²⁴ which will ensure that any ADU or JADU (including those that may be exempt from CDP requirements since these will still require County building permits) under these new regulations is served by adequate and functional water and wastewater capacity. The County has an entire department of qualified staff dedicated to ensuring OWTS are adequately sized and operational, and the proposed amendment requires their review and approval of a functioning OWTS as part of any ADU application (including outside of the Carmel Area too, as adequate OWTS is a requirement throughout the coastal zone). In discussions between Commission and County staff, County staff acknowledge that implementation of such requirement means that some ADU applications may need to be denied, or conditioned with significant OWTS upgrades. Some others may proceed without concern since the existing wastewater system is determined to have adequate capacity and to be in good working order. The County's point is that on-the-ground and site specific conditions can dictate whether or not the site's wastewater system can handle a proposed ADU, and the Commission concurs with this assessment. As proposed, this process will ensure that ADUs do not contribute to water quality issues associated with OWTS in this area. Furthermore, on properties with adequate wastewater systems in good working order, the proposed amendment would allow for increased housing opportunities in areas that Coastal Act Section 30250 would direct such development as most appropriate, namely existing developed areas able to accommodate it.

As such, the proposed regulations will avoid the potential adverse impacts of constructing additional residential density on properties without the wastewater service capacity to safely serve them, while allowing for increased housing density in a developed single-family residential area on properties where they can be accommodated without water quality or wastewater service concern. Overall, the proposed changes to the Carmel Area LUP will allow for the construction of more

²³ See LCP amendment LCP-3-MCO-24-0039-1 (Vacation Rentals).

²⁴ Most existing OWTS have been constructed to meet the minimum standards for the existing development they serve; therefore, an OWTS expansion is likely to be required for the establishment of an ADU/JADU. ADUs must have their own septic tank but may share the dispersal field with the primary dwelling. Construction of an ADU and in some case a JADU will be a trigger for a performance evaluation of the existing OWTS on the property.

housing in an area where such housing is needed and in locations where it is appropriate.

Big Sur Coast

The proposed changes to the Big Sur Coast LUP include the removal of the existing 50-unit ADU cap (thereby allowing ADUs and JADUs on every parcel where residential use is allowed), the reduction of allowable ADU size from 1,200 square feet to 1,000 square feet, and limiting rentals of ADUs and JADUs to terms of 90 days or more. The allowance for ADUs and JADUs on all parcels where residential use is allowed would result in an increase in development potential throughout Big Sur. Like all new development, the potential for coastal resource impacts associated with ADUs and JADUs exists, depending on the circumstances of a given property. And also like all types of new development, the development of ADUs/JADUs must follow the LUP's coastal resource protection policies, including as related to environmentally sensitive habitat areas (ESHA), visual resources, slopes, and hazards, among other things.²⁵ For example, ADUs, like nearly all types of new development, would be required to meet the LUP's so called "critical viewshed" requirements, which prohibits new development within view of Highway 1 and other public areas. With these existing LUP protections in place, the proposed increase in development associated with the amendment would not be inconsistent with Coastal Act requirements to protect ESHA, visual resources, and other coastal resources. And the proposed reduction in maximum ADU size from 1,200 square feet to 1,000 square feet also ensures a relatively small development footprint for such units, which also helps keep them, relatively speaking, more 'naturally affordable'.

Furthermore, Big Sur has an acute lack of affordable housing, particularly for the employees who are critical for the functioning of Big Sur's visitor-serving economy. This is primarily due to the challenges that new construction faces in Big Sur: it is an area highly prone to fire, landslide, erosion, and flash flooding hazards, with significant areas of unbuildable and unstable steep slopes. It is also an area of extraordinary coastal resource and public recreational access value, with appropriately protective LUP policies to ensure development is carried out consistent with these values. Because of these constraints, the reality is that opportunities to build the amount of housing of all types (market rate, affordable, and workforce/employee) needed to satisfy demand are quite limited, and adding additional housing in the form of ADUs/JADUs in existing developed areas and adjacent to existing residences is an important way to address the region's acute need for more employee housing. That said, there is nothing in the proposed regulations that requires these ADUs to be used for Big Sur employees' housing. While it can be presumed that some will as the market adjusts to the availability of more ADUs for longer term residential use, it is also expected that many

²⁵ And, even though the proposed LCP amendment includes proposed CDP exemptions for some ADUs/JADUs (to match exemptions available under the Coastal Act and its implementing regulations), which would mean that LCP coastal resource provisions are not applied to those cases, those exemptions do not apply in ESHA, wetlands, designated visual resource areas, within 50 feet of a bluff, and in some cases seaward of the first public road pursuant to CCR Section 13250 locational restrictions. In Big Sur, where much of the potentially developable areas for ADUs would be in such areas, CDP exemptions are less likely, and would be limited to areas where these important coastal resources are not affected. See additional discussion on this point subsequently in this report.

will not, and will be used for other purposes. Commission and County staff discussed ways of limiting the use of these newly allowed ADUs to affordable and/or Big Sur-only employee/workforce housing, but there were questions about whether such limitations could be legally enforced, and additional questions about whether that might lead to fewer ADUs being constructed because of the lack of flexibility for their use, both of which could defeat the purpose of trying to encourage more of these small units to help bring Big Sur into a greater workplace-housing balance. Ultimately, the proposed amendment does not include these sorts of restrictions, and the Commission notes that it intends to closely monitor implementation to see how the market responds to the new regulations in terms of facilitating critically needed employee housing, and encourages the County to do the same, including to pursue future LCP amendments as appropriate to modify ADU regulations in Big Sur.

Bracketing that issue, the proposed amendment would allow for an increase in available housing stock in Big Sur while maintaining all existing coastal resource protections for Big Sur's extraordinary resource values. The proposed 1,000 square-foot limit and 90-day or more lease requirement should help direct the use of new ADUs towards the type of longer term and relatively more affordable housing acutely needed in Big Sur, all of which is critical to the long-term viability of the region's visitor-serving economy, including the staffing necessary to steward some of the most heavily visited public lands in the State.

Other

The proposed changes to these three LUPs include language that adds JADUs alongside ADUs as an encouraged unit type, to better provide for affordable and workforce housing. By definition, JADUs are contained entirely within a single-family residence and are a maximum of 500 square feet. This proposed change to encourage such units allows for such development to be literally concentrated and co-located within existing residences, where it can tap into and utilize existing utilities, driveways, and other residential elements without resulting in new developed footprint area and associated coastal resource impacts. All of which helps to encourage more housing units that share many of the same attributes as discussed above with respect to ADUs, and which can be found consistent for similar reasons.

In conclusion, the proposed changes to the Carmel, Big Sur, and North County LUPs to allow ADUs and JADUs in all areas where residential use is allowed can be found consistent with Coastal Act resource protection requirements because, like all forms of development, ADUs and JADUs will still be required to meet LUP coastal resource protection policies in order to be approved (unless exempt, but exemptions do not apply where significant coastal resource values are present, as explained in more detail subsequently). The proposed amendment will provide greater opportunity for increases in the availability and affordability of housing located in appropriate locations along the Monterey County coast, concentrated with existing residential development, and can be found consistent with the Coastal Act.

2. Proposed IP Amendment

Applicable LUP Provisions

The standard of review for the proposed IP changes is whether they are consistent with and adequate to carry out the provisions of the LCP's LUP, including as it is proposed to be amended. In addition to and as modified by LUP changes discussed above, which are considered a standard of review for the IP changes discussed below (see **Exhibits 2 and 3**), applicable LUP provisions include:

North County LUP

North County LUP Policy 2.5.1 (Key Water Policy): *The water quality of the North County groundwater aquifers shall be protected, and new development shall be controlled to a level that can be served by identifiable, available, long term-water supplies...*

North County LUP Policy 2.5.2.3: *New development shall be phased so that the existing water supplies are not committed beyond their safe long-term yields. Development levels that generate water demand exceeding safe yield of local aquifers shall only be allowed once additional water supplies are secured.*

North County LUP Policy 2.6.1 (Key Agriculture Policy): *The County shall support the permanent preservation of prime agricultural soils exclusively for agricultural use. The County shall also protect productive farmland not on prime soils if it meets State productivity criteria and does not contribute to degradation of water quality. Development adjacent to prime and productive farmland shall be planned to be compatible with agriculture.*

North County LUP Policy 2.6.2.1: *Prime and productive farmland designated for Agricultural Preservation and Agricultural Conservation land use shall be preserved for agricultural use to the fullest extent possible....*

North County LUP Policy 2.6.2.5. *Conversion of Agricultural Conservation lands to non-agricultural uses shall be allowed only if such conversion is necessary to: a) establish a stable boundary between agriculture and adjacent urban uses or sensitive habitats; or b) accommodate agriculture-related or other permitted uses which would economically enable continuation of farming on the parcel and adjacent lands.*

North County LUP Policy 2.6.2.6: *For new development adjacent to agricultural areas, well-defined buffer zones shall be established within the area to be developed to protect agriculture from impacts of new residential or other incompatible development and mitigate against the effects of agricultural operations on the proposed uses....*

North County LUP Policy 4.3.5.7: *New subdivision and development dependent upon groundwater shall be limited and phased over time until an adequate supply of water to meet long-term needs can be assured. In order to minimize the additional overdraft of groundwater accompanying new development, water conservation and on-site recharge methods shall be incorporated into site and structure design.*

North County LUP Policy 4.3.6.D.5: *Where public facilities or water supply necessary to support residential development are limited, residential growth should be phased to allow sufficient time for these essential elements to be provided.*

North County LUP Policy 2.5.3.A.1: *The County's policy shall be to protect groundwater supplies for coastal priority agricultural uses with emphasis on agricultural lands located in areas designated in the plan for exclusive agricultural use.*

North County LUP Policy 4.3.5.4: *Where there is limited land, water, or public facilities to support development, coastal-dependent agriculture, recreation, commercial and industrial uses shall have priority over residential and other non-coastal-dependent uses.*

North County LUP Policy 2.5.3.A.2: *The County's long-term policy shall be to limit ground water use to the safe-yield level. The first phase of new development shall be limited to a level not exceeding 50% of the remaining build-out as specified in the LUP. This maximum may be further reduced by the County if such reductions appear necessary based on new information or if required in order to protect agricultural water supplies. Additional development beyond the first phase shall be permitted only after safe-yields have been established or other water supplies are determined to be available by an approved LCP amendment. Any amendment request shall be based upon definitive water studies, and shall include appropriate water management programs.*

North County LUP Policy 4.3.6.D: Low and Moderate Income Housing ... 2: *The County shall encourage the expansion of housing opportunities for low and moderate income households. (a) Re-evaluate ordinances and policies which impose constraints to low and moderate income housing opportunities. (b) Require employee housing as a condition of all permits related to additions to existing visitor facilities or the construction of new facilities. Such housing must be provided prior to or concurrent with the proposed development, and must be permanently linked to the visitor-serving use through appropriate binding guarantees. (c) Encourage the use of accessory dwelling units and junior accessory dwelling units as an appropriate means of providing affordable housing. Subdivisions shall not be permitted to divide a principal residence from an accessory dwelling unit. All such units shall not be considered as part of the residential buildout allowed by this plan.*

North County LUP Policy 4.3.6.D: Low and Moderate Income Housing ... 3: *The County shall provide where feasible, affordable housing through the continuing good faith and the diligent efforts by the public sector. The County will: [...] c) Provide means to expedite projects which demonstrate innovative ways to implement housing policy.*

North County LUP Policy 4.3.6.D: Low and Moderate Income Housing ... 6: *The trailer and mobile home exclusion districts in the County Zoning Ordinance*

should be repealed to increase affordable housing opportunities and increase access to the Coastal Area for low and moderate income families.

North County LUP Policy 4.3.6.D.2: *Medium and high density residential areas shall be located only where urban services; water, sewers, roads, transit, fire protection, etc. are available. A mix of residence types and price ranges should be made available through the development of these areas. These areas should be fully developed before new areas are designated for medium and high density development.*

North County LUP Policy 4.1.3: *...Housing condition, low vacancy, low income, and the special conditions of farm workers appear to be the key housing problems in the area.*

North County LUP Policy 6.2 (Key Public Access Policy): *Public access to the shoreline and along the coast shall be protected and provided, and opportunities for recreational hiking access shall be enhanced. The provision of all future access and improvements to existing access areas must be consistent with the overriding objective of protecting coastal agriculture, environmentally sensitive habitats and other sensitive coastal resource areas. The beauty of the coast, its tranquility, and the health of its environment must not be marred by public overuse or carelessness. Visual access as well as physical access should be emphasized as an appropriate response to the needs of the public.*

Del Monte Forest LUP

Del Monte Forest LUP Policy 20: *Indigenous Monterey cypress habitat is an environmentally sensitive habitat area within the Del Monte Forest, and is presumed present within and adjacent to the area mapped in Figure 2a. All proposed development in this area shall be accompanied by a coordinated biological/arborist report prepared in consultation with the Del Monte Forest Conservancy and consistent with Policies 12 and 16, a primary purpose of which shall be to determine: the Monterey cypress habitat portion of the site; the "critical habitat area" for the site (i.e., the portion of Monterey cypress habitat on the site that is to be avoided to protect against potential damage or degradation of cypress habitat, including the microhabitat of individual cypress trees); the relative habitat sensitivity of all parts of the site, ranked from the highest sensitivity to the lowest sensitivity in terms of potential adverse impacts from development; the ways in which the cypress habitat portion of the site, the critical habitat area and the relative habitat sensitivity rankings relate to adjacent and surrounding habitat areas; and the measures to best protect Monterey cypress habitat on the site and overall, including on-site (and potentially offsite) restoration and enhancement measures. The critical habitat area shall at a minimum be defined by a 10-foot buffer applied to the outermost driplines (i.e., the tree canopies) of all of the Monterey cypress trees on and adjacent to the site, but shall also include any other areas on site that are deemed critical to preservation of existing cypress trees on and off site, or that are to be avoided due to high habitat sensitivity and/or cypress habitat preservation purposes for other reasons.*

All development in and adjacent to the Monterey cypress habitat mapped in Figure 2a shall be carefully sited and designed to avoid potential damage or degradation of Monterey cypress habitat, including the microhabitat of individual cypress trees, and shall be required to include measures that will enhance Monterey cypress habitat values. All use and development in or adjacent to indigenous Monterey cypress habitat areas shall be compatible with the objective of protecting this environmentally sensitive coastal resource. All improvements (such as structures and driveways, etc.) shall be carefully sited and designed to avoid potential damage and/or degradation of Monterey cypress habitat, including the microhabitat of individual cypress trees. Open space conservation and scenic easements are required for all undeveloped areas of a site within the Monterey cypress habitat area, and such easements shall be secured consistent with Policy 13.

Del Monte Forest LUP Key Housing Policy: *Housing opportunities for persons and families of low to moderate income should be protected and provided, both within the Forest and in outlying areas, as a function of new development within the Forest.*

Del Monte Forest LUP Policy 76: *Accessory dwelling units shall be encouraged as an appropriate means of providing affordable housing for caretakers, convalescent help, domestic employees, and others. New accessory dwelling units shall comply with all LUP development standards. Subdivisions shall not be permitted to divide a principal residence from an accessory dwelling unit...*

Del Monte Forest LUP Policy 119: *The County shall encourage the expansion of housing opportunities for low and moderate-income households, including a requirement that all new residential subdivisions contribute to the provision of low and moderate-income housing. The allowance of accessory dwelling units may also serve to further this objective in the Del Monte Forest.*

Del Monte Forest Key Public Access Policy: *Visual and physical public access to and along the shoreline and the enjoyment of public recreational values throughout the Del Monte Forest, consistent with the basic purpose of the California Coastal Act, shall be maximized. This LUP shall also seek to ensure that the beauty of the Del Monte Forest Area coast, its tranquility, and the health of its environment will not be marred by public overuse or neglect.*

Carmel Area LUP

Carmel Area LUP Policy 4.4.3.H.2: *The County shall encourage the expansion of housing opportunities in the Carmel area for low and moderate-income households. The County will:...(c) Encourage the use of accessory dwelling units and junior accessory dwelling units as an appropriate means of providing affordable housing for caretakers, ranch hands, convalescent help, and domestic employees. Subdivisions shall not be permitted to divide a principal residence from an accessory dwelling unit.*

Carmel Area LUP Policy 5.2.1: ... Inadequate parking capacity and lack of suitable -parking sites. Existing parking facilities do not satisfy the demand during peak use periods. The need for additional parking areas is indicated by the illegal though short-term parking that continually occurs at points along Scenic Road...

Carmel Area LUP Policy 5.3.1 (Key Public Access Policy): Public access shall be protected and provided where consistent with public safety needs and the need to protect the rights of private property owners and natural resource areas from overuse.

Carmel Area LUP Policy 5.3.3.1.a: The most important major access areas to be retained for long-term public use are: The Scenic Road corridor along Carmel Point, Carmel River State Beach and Point Lobos State Reserve.

Big Sur Coast LUP

Big Sur LUP Policy 3.2.1 (Key Visual Resource Policy): Recognizing the Big Sur coast's outstanding beauty and its great benefit to the people of the State and Nation, it is the County's objective to preserve these scenic resources in perpetuity and to promote the restoration of the natural beauty of visually degraded areas wherever possible. To this end, it is the County's policy to prohibit all future public or private development visible from Highway 1 and major public viewing areas (the critical viewshed), and to condition all new development in areas not visible from Highway 1 or major public viewing areas on the siting and design criteria set forth in Sections 3.2.3, 3.2.4, and 3.2.5 of this plan. This applies to all structures, the construction of public and private roads, utilities, lighting, grading and removal or extraction of natural materials.

Big Sur LUP Polic 5.1.2: A serious housing shortage exists for employees in Big Sur, particularly in the visitor industry. Because there is little housing available, employees have at times been forced to camp-out, live in cars, or move in with friends. The shortage of affordable housing has also made recruitment of skilled employees difficult. Several factors affect solutions to the housing problems: the costs of land and housing precludes the use of traditional housing assistance programs; and year-round employment is not at a high enough level to support traditional single and multiple family housing projects. Employee housing provided by an employer must be a primary source of affordable housing in the area. Accessory dwelling unit housing, which has traditionally provided shelter for many long-time residents and employees, will also continue to be an important element of the affordable housing supply.

Big Sur LUP Policy 5.3.3: ... Accessory dwelling units, consistent with State law, are allowed but must comply with all the resource protection provisions, including but not limited to the Critical Viewshed Policy of this LUP. Accessory dwelling units in the Big Sur Coastal Planning Area shall not exceed 1,000 square feet. Rental of an entire accessory dwelling unit or portion of an accessory dwelling unit for less than 90 days shall be prohibited.

Big Sur LUP Policy 5.4.3.1.2: *The County shall encourage the expansion of housing opportunities for low and moderate income households. The County shall:... (c) Encourage the use of accessory dwelling units and junior accessory dwelling units as an appropriate means of providing affordable housing for caretakers, ranch hands, convalescent help, and domestic employees. Subdivision shall not be permitted to divide a principal residence from an accessory dwelling unit.*

Big Sur LUP Policy 6.1.3 (Key Public Access Policy): *The rights of access to the shoreline, public lands, and along the coast, and opportunities for recreational hiking access, shall be protected, encouraged and enhanced...*

Consistency Analysis

As existing and amended, the LUPs include specific policy direction to provide for ADUs as an important means to facilitate affordable and workforce housing opportunities. The LUPs also include a suite of provisions that protect coastal resources, including ones that protect agriculturally productive soils, sensitive habitats, and public views. At this broad level, the proposed amendment is consistent with this framework since conformance with all applicable LCP provisions is required for non-exempt ADU development. Put another way, and as explained above, ADUs are a permissible land use in all zones that already allow single-family residences, but conformance with all applicable coastal resource protections of the LCP is required for all non-exempt ADUs.

More specifically, the proposed IP changes can largely be understood to have three primary functions: allowing for ADU construction in all zoning districts where residential use is allowed, introducing JADUs as an allowable form of housing, and streamlining the permitting process for ADUs and JADUs. The most substantial of these changes is the lifting of existing blanket prohibitions on constructing ADUs in certain areas and on certain parcels, including lifting the existing ban on ADUs on parcels two acres or smaller in Big Sur and/or not connected to public sewer, in native Monterey cypress habitat, and on parcels with a B-8 zoning overlay. The IP changes also mirror the LUP locational changes described above, including the elimination of both the 40-acre minimum parcel size in the Carmel Area and the 50-unit ADU cap in Big Sur. Notably, while the proposed amendment would lift certain blanket prohibitions on ADUs in these areas, other existing coastal resource protection policies that protect sensitive resources in these areas would remain in effect.²⁶ For instance, in the time since the Commission last approved LCP ADU changes in 2015, it approved significant policy

²⁶ Indeed, under the proposed changes, CDPs for ADUs/JADUs would be processed in accordance with IP Section 20.76, which requires findings of consistency with the LCP. Again, however, the proposed amendment also reflects the fact that the Coastal Act exempts certain residential development from CDP requirements (per Section 30610), and its implementing regulations specify the conditions under which such exemptions apply (per CCR Section 13250). Specifically, the regulations exempt attached ADUs from CDP requirements unless they are located on a beach, wetland, ESHA, seaward of the mean high tide line, and in areas that area designated highly scenic in the LUP. Detached ADUs are not exempt. The proposed amendment reflects these same provisions. As a result, exempt ADUs are not required to meet LCP requirements, which means the LCP's coastal resource protection policies will not apply in those cases. Fortunately, however, the restrictions against exemptions in significant coastal resource areas, discussed above, ensure that LCP provisions will be applied in areas where significant coastal resources are present.

protections for native Monterey cypress habitat located in the narrow stretch of coast between Cypress Point and Pescadero Point in the Del Monte Forest area, all of which the Commission has found to be ESHA.²⁷ Specifically, Policy 20 of the Del Monte Forest LUP (and its associated IP policy²⁸) lays out exacting standards for the protection of native Monterey cypress habitat,²⁹ and any ADU constructed in such habitat would have to adhere to these policies just as would any other development, including garages, residences, driveways, etc. As such, lifting the blanket prohibition on ADUs in these areas will not result in ADUs sited in inappropriate locations; it simply means that ADUs will be addressed in a different, but still resource-protective, way consistent with the same LCP requirements that govern other types of residential development. Similarly, while the IP changes would allow for ADUs within those agricultural zoning districts that already allow for other kinds of residential development,³⁰ the LUPs (and particularly the North County LUP³¹ where lands with such zoning are primarily located) strictly limit the conversion of agricultural lands. Because non-exempt ADUs must be consistent with these agricultural protection LUP policies, they will not be permitted to convert or otherwise adversely impact agricultural lands.³²

The proposed IP changes would also lift the prohibition on ADUs in North County and add a suite of water efficiency measures³³ intended to reduce residential water consumption on properties where ADUs/JADUs are developed. The existing ADU prohibition is in place because of the strict water use limitations imposed by the LUP due to the longstanding overdraft of the aquifers that comprise the sole water source in the North County area. As previously discussed in greater detail in the Coastal Act consistency findings, a narrow focus on maximizing water availability for agricultural

²⁷ See LCP amendment LCP-3-MCO-16-0070-2, approved in 2017.

²⁸ See IP Section 20.147.040.D.2.

²⁹ Among other things, by requiring development to be sited in the least sensitive portion of the site, prescribing a maximum building envelope of 15% of the lot, and requiring restoration and deed restrictions/open space easements on the remaining undeveloped portions of the lot.

³⁰ Notably, this allowance was specifically highlighted by State HCD as necessary for compliance with State ADU law.

³¹ See, for example, North County LUP Key Agricultural Policy 2.6.1.

³² In addition to the above-described LUP policies, the IP also includes standards for residential and other development to ensure it is sited and designed in a manner to avoid prime and productive soils and be subordinate to and not interfere with agricultural production. For example, IP Section 20.30.070(D) requires new development within the Coastal Agricultural Preserve zone, which covers most of North County's row crop operations, to "be sited in a manner to reduce loss of productive agricultural land, provide efficient farming practice and patterns, reduce impacts on adjoining agricultural operations, and preserve existing environmental resources." It is also important to note that much of North County's agricultural lands are comprised of large commercial row crop operations where the demand to convert such bona fide production to non-agricultural estate residential development is low. And, as described herein, there are tools to address any potential problematic proposals.

³³ One such requirement is that washing machines and dishwashers be Energy Star certified. The US EPA has recently indicated it intends to discontinue Energy Star certification. If the program is indeed discontinued, this policy would be understood to require the same water efficiency standards necessary for Energy Star certification (i.e., 4.3 gallons per cycle per cubic foot capacity for clothes washers and 3.2 gallons per cycle for dishwashers).

production would ignore the significant and important role housing plays in the broader agricultural economy. The agricultural economy is dependent on workers, who are dependent on reasonably affordable and available workforce housing. This nuance is implicitly acknowledged by the LUP, which includes a retinue of policies aimed at promoting affordable housing, including specifically encouraging “the use of accessory dwelling units and junior accessory dwelling units as an appropriate means of providing affordable housing.” Indeed, the LUP requires the County to “re-evaluate ordinances and policies which impose constraints to low and moderate income housing opportunities.” The proposed amendment does just this; it would lift the current prohibition on ADU construction in North County and add JADUs as an additional source of small-scale housing which is more likely to be more affordable. As such, while the LUP significantly restricts new water-using development, it also calls for more of the exact types of housing the proposed IP changes provide for (in part to protect the agricultural economy necessary for long-term agricultural viability). A balanced reading of these policies points to a framework like that proposed here, where ADUs and JADUs may be constructed in North County, so long as they are paired with water efficiency improvements. Such improvements will help reduce residential water use consumption and offset potential water supply impacts, ensuring consistency with the LUP Policy 4.3.5.7 requirement for water conservation measures for all new development.

Similar logic applies to the other planning areas (and particularly Big Sur), which are dominated by visitor-serving economies of critical importance to the public access experience. Such economies also rely on workers, whose presence in the community also helps weave its fabric, contributing to the special character of these coastal communities. However, many workers in coastal Monterey’s visitor-serving economy live far inland, commuting significant distances daily on congested roads because the housing that would be affordable to them is simply absent. Put another way, housing affordability on the Monterey coast is, at least in part, a public access issue. As such, all of the LUPs encourage the construction of affordable housing and specifically identify ADUs and JADUs as an appropriate approach to help provide housing that may be naturally more affordable. Furthermore, the restriction of rental terms to 31 days or more (90 or more in Big Sur) means that the ADUs and JADUs built under these new regulations are more likely to actually be used for the long-term housing so desperately needed across the County’s coastal zone. So, in this way, the proposed IP changes would benefit public access, which can be found consistent with the LUPs’ public access³⁴ and affordable housing³⁵ provisions.³⁶

As for potential impacts to general public coastal access, increasing the opportunities for ADU construction can generally be expected to be relatively innocuous, particularly

³⁴ See, for example, North County LUP Policy 6.2, Big Sur Coast LUP Policy 6.1.3, Carmel Area LUP Policy 5.3.1, and Del Monte Forest LUP Key Public Access Policy.

³⁵ See, for example, North County LUP Policy 4.3.6.D.; Big Sur Coast LUP Policies 5.1.2, 5.3.3, and 5.4.3.1.2; Carmel Area LUP Policy 4.4.3.H.2; and Del Monte Forest LUP Key housing policy and Policies 76 and 119.

³⁶ Where the same caveats identified above applicable to the lack of explicit limitations of use to employee housing in Big Sur also apply in the IP consistency analysis, and are incorporated by reference here.

since the vast majority of ADUs would not be constructed along the immediate shoreline given the particular geography of the County's built environment. In fact, the only residential neighborhood near the coast where residents significantly compete with visitors for scarce on-street beach parking is within the Carmel Point neighborhood, which sits on a rocky point dividing Carmel Beach from Carmel River State Beach, and where the limited public street parking is of critical importance for beach access. To address potential conflicts between public use of this parking for beach access and increased private use of this parking associated with ADUs that do not incorporate on-site parking, the proposed IP requires on-site parking for any ADUs³⁷ constructed on a handful of lots along the seaward edge of the neighborhood, where the public use of street parking for beach access is most common (see **Exhibit 4**). These few lots would be the only place in the County with on-site ADU parking requirements, and is the only location where such a requirement is prudent.³⁸ This will ensure consistency with Carmel LUP Policy 5.3.3.1.a that specifically identifies, and protects for public use, Scenic Road (the coastal road around Carmel Point) and Carmel River State Beach as two of the three most important public access areas in the Carmel area.

In terms of permitting, the proposed amendment creates a streamlined process for ADUs and JADUs consistent with State ADU law, where CDP applications will be processed within 60 days and without a local public hearing, and certain directly attached (to an existing residence) ADUs may be exempt from CDPs altogether. On this point, it is noted that Coastal Act Section 30610(a) establishes that certain types of improvements to existing single-family residences may be exempt from CDP requirements, and CCR Section 13250 identifies the circumstances that determine when a CDP is and is not required. That CCR section establishes that self-contained residential units that are directly attached to existing single-family residences, like ADUs, can be exempted, but that detached such units cannot.³⁹ Importantly, CCR Section 13250 also specifies the circumstances when any such residential development requires a CDP, including as it relates to such self-contained units (e.g., if located on/in beaches, wetlands, ESHA, seaward of the mean high tide line, designated highly scenic areas, or within 50 feet of the edge of a coastal bluff; certain types of development seaward of the first public road; if a prior CDP specified that future development would require a CDP; etc.). Thus, as long as an ADU is directly attached to an existing home (i.e., through a shared structural wall, etc.), then it may be exempt as long as it is not locationally or otherwise disqualified for an exemption under CCR Section 13250. The County has proposed language that mostly mirrors this understanding, stating that

³⁷ No such parking is required for JADUs.

³⁸ Again, this is because most residential development is located inland and away from the shore (e.g., in Big Sur and North County) or in areas where on-street parking is not in such a high demand and there is relatively little conflict between public vs. private use (e.g., in Yankee Point and within the Del Monte Forest).

³⁹ CCR Section 13250 had historically been interpreted by the Commission to mean that self-contained residential units were not exemptible, regardless if they were directly attached or detached. And the Commission's most recent ADU guidance distributed to local governments says as much. However, a recent appellate court case from just last year determined that CCR Section 13250 distinguishes between attached and detached units, where detached units are not exemptible but attached units are (see *Riddick v. City of Malibu* (2024) 99 Cal.App.5th 956, 317 Cal.Rptr.3d 895).

ADUs may be exempt from CDP requirements if they satisfy two criteria: they are directly attached to an existing residence, and they do not fall under any of the locational exceptions of CCR Section 13250 (see page 19 of **Exhibit 2**).

Two things to note. First, the County's proposed language refers to "an existing residence." However, CCR Section 13250 is clear that the exemption only potentially applies where there is an existing single-family residential building, and not a residence more broadly (e.g., a multi-family residential building is not covered by Coastal Act Section 30610(a) or CCR Section 13250). Second, where the County's proposed language refers to CCR Section 13250 for the circumstances when a proposed ADU would not be exempt, it only references that section's locational criteria. However, and as described above, although CCR Section 13250 includes locational criteria that establishes when a CDP is required, it also includes other criteria that establishes when a CDP is required. Because it derives its statutory authority as it pertains to coastal permitting from the Coastal Act, an LCP cannot exempt development from CDP requirements that is not exempt under the Coastal Act and its implementing regulations.⁴⁰ The County has indicated that its intent with this ADU exemption language was to match the CDP exemption potentially available to ADUs via Coastal Act Section 30610(a) and CCR Section 13250. Thus, in evaluating the proposed LCP amendment, the Commission understands proposed IP Section 20.64.030.G.1 to mean "an existing single-family residence" where it identifies "an existing residence," and to mean "the criteria that would require a CDP via" where it identifies "the locational exceptions of."⁴¹

Although exempt ADUs will not require CDPs and thus will not be measured against the LCP's coastal resource protection provisions, three additional things are noted. First, this is the manner in which CDP exemptions are treated under the Coastal Act, and it is therefore Coastal Act consistent that these projects not be subject to that scrutiny. Second, and importantly in any case, most exempt units will be located in areas without significant coastal resources because the criteria that require CDPs under CCR Section 13250 do not allow for exemptions in most significant resource areas, as described above. Third, while it is true that CCR Section 13250 does not explicitly require a CDP for self-contained residential units directly attached to single-family residential buildings on agricultural land, which is prevalent in the County's coastal zone, and particularly in the North County area, it is not expected that any applicable CDP exemptions will lead to any sort of significant agricultural impacts because such units would be limited to 1,200 square feet directly attached to single-family residential buildings, including via shared structural walls, and would presumably in most, if not all, cases share the same driveway for practical purposes.⁴² Put another way, the exemption is actually a self-regulating clustering provision that should be able to steer development to what is most likely an already generally developed area near an existing residence, and not to

⁴⁰ The Coastal Act provides for a different form of exemption through a categorical exclusion process, but that is a separate process from an LCP amendment process, and it is not proposed here.

⁴¹ In addition, no ADU can be exempt if improvements to water wells and septic systems are required (per Section 13250(b)(3)), so core water and wastewater services will be addressed too.

⁴² Construction of a new driveway associated with an ADU would require a CDP even if the ADU itself was exempt from CDP requirements.

somewhere that might lead to a significant diminishment of agricultural resource values. Non-exempt ADUs on agricultural land would be required to be evaluated against the LCP's coastal resource protection provisions, which should ensure the same thing. For these reasons, it is not necessary to add additional provisions specific to ADUs on agricultural land.

Furthermore, the proposed changes to general CDP exemption language in the IP will bring that language better in line with the Commission's own exemption regulations, closing potential loopholes that could have been interpreted to allow for the exemption of development in inappropriate locations (e.g., in ESHA).⁴³ Overall, these exemption and streamlining changes will allow for easier and faster permitting without sacrificing the LUPs' coastal resource protections, thus appropriately facilitating housing opportunities consistent with the LUPs.

Finally, the proposed IP amendment makes a number of other changes to bring the LCP into conformance with State ADU law that are non-substantive from a coastal resource/LUP consistency perspective. Such changes include updates to height and setback rules, and allowing for the sale of certain ADUs separate from the primary residence on the property, and do not raise consistency concerns with the LUPs.

In sum, the proposed IP changes are a suite of implementing regulations that broadly expand housing opportunities across the County's coastal zone without compromising the robust coastal resource protection provisions of the LUPs. As such, the Commission finds that the proposed LCP amendment conforms with and is adequate to carry out the LUPs, and can be approved as submitted.

D. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County exempted the proposed amendment from environmental review (citing CEQA Section 15265), and determined that no possibility exists that the amendment may have a significant effect on the environment.

The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural

⁴³ In any case, the specific language regarding potential CDP exemptions related to ADUs (in LCP Section 20.64.030.G.1) governs in this respect over the general LCP exemption language (found in LCP Section 20.70.120.A). This is important as the specific ADU language tracks the Commission's regulations in Section 13250 as described above, but the general language, if interpreted to apply to ADUs, does not, and could be used otherwise to authorize detached ADUs without a CDP. The Commission's understanding in reviewing and approving the proposed LCP amendment is based on the specific ADU exemption language taking precedence in this respect.

Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, and has concluded that approval of the proposed LCP amendment is not expected to result in any significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

3. APPENDICES

A. Substantive File Documents

- LCP Amendment File for LCP-3-MCO-25-0034-1 Part A

B. Staff Contact with Agencies and Groups

- Monterey County Housing and Community Development Department
- California Department of Housing and Community Development