

# Notice of Exemption

## Appendix E

**To:** Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

County Clerk

County of: Monterey  
168 West Alisal Street, 1st Floor  
Salinas, CA 93901

**From:** (Public Agency): City of Carmel-by-the-Sea  
Attn: Community Planning & Building Department  
PO Box CC, Carmel-by-the-Sea, CA 93921

(Address)

Project Title: Carmel Legacy Hotel (aka Hofsas House Hotel)

Project Applicant: Hofsas House, Inc

Project Location - Specific:

San Carlos Street 2 northwest of 4th Avenue (APN 010-124-001-000 and 010-124-014-000) (Block 34; Lots 1 & 3, 10, 12 X 14, 5X7 EXC S 9 IN OF L 7, E 30FT OF L 8, S 9 IN OF L 7 X ALL OF L 9, N 30FT OF L 11)

Project Location - City: Carmel-by-the-Sea

Project Location - County: Monterey

Description of Nature, Purpose and Beneficiaries of Project:

Demolition of the 38-room Hofsas House Hotel and construction of the 38-room Carmel Legacy Hotel. Replace on-site surface parking with structured parking. Convert the historic Donna Hofsas House from a single-family dwelling/manager's unit to two-apartments and accessory hotel uses for guests only.

Name of Public Agency Approving Project: City of Carmel-by-the-Sea

Name of Person or Agency Carrying Out Project: Hofsas House, Inc.

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: See below.
- ☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

Class 2 Section 15302 (Replacement or Reconstruction), Class 3 Section 15303 (New Construction or Conversion of Small Structures), Class 31 Section 15331 (Historical Resource Restoration/Rehabilitation), and Class 32 Section 15332 (In-Fill Development Projects). No exceptions to the exemptions apply pursuant to Section 15300.2. **\*\*SEE ATTACHED MEMO FOR ADDITIONAL INFORMATION\*\***

Lead Agency

Contact Person: Marnie R. Waffle, AICP

Area Code/Telephone/Extension: 8316202057

**If filed by applicant:**

1. Attach certified document of exemption finding.

2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: Marnie R. Waffle Date: 07/11/2024 Title: Principal Planner

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_



**City of Carmel-by-the-Sea**  
**COMMUNITY PLANNING AND BUILDING DEPARTMENT**  
POST OFFICE BOX CC  
CARMEL-BY-THE-SEA, CA 93921  
(831) 620-2010 OFFICE

## Notice of Exemption, Appendix E

Reason why project is exempt:

**The Project falls under the Class 2 Categorical Exemption in CEQA Guidelines Section 15302 for the Replacement/Reconstruction of Existing Structures.** The 38-room Hofsas House Hotel occupies a 36,200 square foot building site comprised of two legal lots of record, an 8,000 square foot lot (Block 34, Lots 1 & 3, APN 010-124-001) and a 28,200 square foot lot (Block 34, Lots 5, por. of 7, por. of 8, 9, 10, por. of 11, 12, 14, APN 010-124-014). The Hofsas House Hotel is proposed to be replaced with the proposed Carmel Legacy Hotel. The proposed 38-room Carmel Legacy Hotel will be located on the same 36,200-square-foot site that is currently occupied by the Hofsas House Hotel and will serve the same purpose: to provide overnight lodging accommodations to visitors. The Carmel Legacy Hotel will have the same 38-room capacity as the existing 38-room Hofsas House Hotel.

**The Project falls under the Class 32 Categorical Exemption in CEQA Guidelines Section 15332 for In-Fill Development.** Class 32 consists of projects characterized as in-fill development meeting the following conditions [(a)-(e)]:

*(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.*

**General Plan Consistency.** The General Plan Land Use designation for the project site is Commercial/Residential. This land use designation provides for a mix of residential dwellings and a limited range of office and service uses in scale with the character of the community. Less intense commercial uses and visitor accommodations are also allowed. Mixed-use developments of commercial and multi-family residential uses at a maximum density of thirty-three (33) units per acre are allowed. This area is also appropriate for public service uses.

Applicable General Plan policies include the following:

*P1-5 Preserve the development pattern established in the commercial area with a central core area of ground floor retail and service activities surrounded by a less intensive buffer area of residential, motels, offices, and other uses. (LUP)*

The project site is located within the less intensive buffer surrounding the central commercial core where hotels/motels are an appropriate use. The project is consistent with this General Plan policy.

*P1-17 Prohibit the creation of any additional motel units within the City.*



The project is the replacement of an existing 38-room hotel, and the new hotel will have the same number of rooms. The project is consistent with this General Plan policy as no new/additional hotel units will be created as a result of the project.

*P1-59 Preserve the existing land use pattern in the commercial district with retail uses limited to the core area at ground level surrounded by a buffer area of residential uses, motels, and offices that provide a transition to the residential district. Ensure that land use and design standards for these two areas remain coordinated. (LUP)*

The project is located within a buffer area surrounding the commercial district where hotels/motels provide a transition to the residential district. The project is consistent with this General Plan policy.

**Zoning Consistency.** The zoning designation for the project site is Residential & Limited Commercial (RC). Carmel Municipal Code Section 17.14.010 (Purpose) states that the specific purpose of the RC District is to provide an appropriate location for permanent and transient residential uses, service and office uses, and limited retail uses that do not adversely impact the residential neighborhood. This district is intended to provide a transition and buffer between the more intense activities in the CC and SC districts and the less intense activities in the R-1 and R-4 districts. The existing Hofsas House Hotel is an establishment offering lodging to transient patrons for periods of less than 30 days (a transient residential use). The proposed Carmel Legacy Hotel would replace the existing Hofsas House Hotel and will continue to offer lodging to transient patrons for periods of less than 30 days and there would be no increase in the number of rooms.

As described in the April 10, 2024, staff report to the Planning Commission, the project is consistent with all applicable zoning regulations, including, but not limited to, building height, floor area, building coverage, setbacks, and parking. Further, the project meets the R-1 design objectives.

*(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

The project site is located between the west side of San Carlos Street and the east side of Dolores Street, north of 4th Avenue, within the City of Carmel-by-the-Sea city limits. The project site area is 36,200 square feet, which is 0.83 acres and well below the 5-acre maximum for this criterion. The project is substantially surrounded by urban uses as follows:

East: San Carlos Street and multi-family residential.

The project site is located near the intersection of San Carlos Street and Camino Del Monte Avenue. To the east of the roadway are the RC District and the Pine Terrace Condominiums, a multi-family residential development.

West: Hotel and Dolores Street/single-family residential.

Adjacent to a portion of the west property line is the RC District and another hotel known as Carmel Country Inn. The remainder of the west property line is adjacent to Dolores Street. To the west of Dolores Street is the R-1 District and single-family residences.

North: Unimproved 3rd Avenue Public Right-of-Way and single-family residential.

The project site abuts an unimproved portion of 3rd Avenue between San Carlos Street and Dolores Street. To the north of this area is the R-1 District and a single-family residence.

South: Hotel

Adjacent to the south property line is the RC District and the Svendgaards Inn Hotel.

(c) The project site has no value as habitat for endangered, rare, or threatened species.

The project site is fully developed with hotel and accessory buildings, a pool, and asphalt parking areas. The site is not located within an Environmentally Sensitive Habitat Area (ESHA) and has no value as habitat.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

**Traffic.** Hexagon Transportation Consultants, Inc. prepared a memorandum (VMT and Parking Assessment for the Proposed Legacy Hotel Carmel in Carmel-by-the-Sea, California) ("VMT analysis") dated November 27, 2023, for the proposed project to determine whether the project would result in a significant vehicle miles traveled (VMT) impact. The City of Carmel-by-the-Sea has not adopted a VMT policy, and therefore, the general practice is to follow the Governor's Office of Planning and Research (OPR)'s Technical Advisory on Evaluating Transportation Impacts in CEQA (December 2018). Per these guidelines, there are several categories of projects that could be presumed to have a less than significant VMT impact or be screened out of a VMT analysis. Screening Threshold for Small Projects (projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less than significant transportation impact.

The existing hotel has 38 rooms, and the proposed hotel would have the same number of rooms. Hexagon Transportation Consultants, Inc. concluded that the project would not generate more vehicle trips beyond what is currently generated by the existing hotel. Additionally, the project proposes to offer electric buses and limousine services to shuttle guests to and from local destinations in addition to the existing shuttle services that provide transportation to and from the Monterey airport. Last, the additional amenities provided within the project, such as a restaurant, café, and spa, would be limited for use by hotel guests only and thus would reduce the need for guests to make trips outside the hotel grounds, further reducing VMT.

All projects within the City are required to submit a Construction Management Plan before the issuance of a building permit. The plan is reviewed and approved by the Community Planning &



Building Director in consultation with the Building Official. The plan must include construction staging, truck haul routes, traffic control measures for material deliveries, contractor parking, project scheduling, construction hours, building materials storage, erosion control, and construction best management practices.

**Noise.** All projects in the City are required to comply with General Plan policy P9-4, which ensures that construction activities are managed to minimize overall noise impacts on surrounding land uses, and policy P9-17, which enforces state laws regarding unmuffled or improperly muffled motor vehicles. Additionally, all projects must comply with Carmel Municipal Code Section 15.08.180, which sets forth hours of construction as follows,

For projects requiring a building permit, the permitted hours of construction shall be from 8:00 a.m. to 6:30 p.m. Monday through Saturday unless other specified hours are approved or required by the Building Official or the Director of the Department of Community Planning and Building. These hours apply in all land-use districts. For the purpose of this section, the term "hours of construction" is defined as all times when builders, contractors, work crews, or other persons associated with the project are present on the property and engaged in any Class B noise activities related to or including construction.

CMC 8.56 defines Class B noise as "noise created or generated within or adjacent to residential property which is necessary and normally associated with property maintenance and construction. Class B noise includes, but is not limited to, noise created by power equipment and tools, appliances, workshops, vehicle repairs, and testing and construction projects."

CMC 8.56.040 states, "It shall be unlawful to create and emit Class B noise as defined in this chapter between the hours of 6:30 p.m. of one day and 8:00 a.m. of the following day."

Adherence to all applicable General Plan policies and regulations of the Carmel Municipal Code will ensure that the project will have a less-than-significant impact from temporary noise increases during construction.

**Air Quality.** The City of Carmel-by-the-Sea is located in the North Central Coast Air Basin, which is under the jurisdiction of the Monterey Bay Air Resources District (MBARD). The District has regulatory authority over stationary sources of air emissions, monitoring air quality within the air basin, providing guidelines for analysis of air quality impacts pursuant to CEQA, and preparing an air quality management plan to maintain or improve air quality in the air basin. The District has developed thresholds of significance for criteria air pollutants, which can be found in the District's CEQA Air Quality Guidelines (2008). Emissions from construction activities represent temporary impacts that are typically short in duration. Per the Monterey Bay Air Resources District CEQA Air Quality Guidelines (<https://www.mbard.org/ceqa>), construction emissions could potentially impact local air quality if grading and excavation activities disturb more than 2.2 acres per day. Projects above this threshold may have a significant impact on air quality. The project site is less



than 1 acre and has been disturbed by previous grading activities. The project is below the 2.2 acres of grading per day threshold and would not result in a significant impact on air quality.

A standard city requirement for all construction projects is the submission of a hazardous materials waste survey in conformance with the Monterey Bay Air Resources District. The identification of hazardous substances such as lead or asbestos is subject to State regulations for handling and disposal during construction.

Asbestos: The District is also responsible for regulating uncontrolled emissions of asbestos through implementation and enforcement of the federal National Emissions Standard for Hazardous Air Pollutants (NESHAP) for Asbestos and MBARD Rule 424. Prior to commencing any activity, a third-party California Certified Asbestos Consultant (CAC) is required to complete a thorough inspection for the presence, quantity and categories of asbestos-containing material (ACM). An asbestos survey is required for all renovations or demolitions prior to start of work. A survey is required regardless of the age of the building. The NESHAP requires that regulated asbestos-containing materials be removed under controlled conditions prior to demolitions or renovations so that asbestos fibers are not released into the air. Cal-OSHA requires that employees be trained before removing asbestos-containing materials. Contractors with specialized asbestos training and who are registered with Cal-OSHA must be utilized for asbestos removal projects. Contractors without special asbestos training must ensure that the job site is free of asbestos-containing materials before starting renovation or demolition work. The NESHAP requires that asbestos-containing waste materials be sealed in leak-tight, properly labeled containers and disposed of only at approved sites.

Further, the applicant reached out to MBARD for a statement on potential health impacts from the project, and MBARD confirmed there should be no adverse impact on public health if MBARD's MESHP and Rule 424 and 439 requirements are satisfied. The project will have a less-than-significant impact on air quality from construction emissions.

**Water Quality.** All projects within the City are required to comply with Carmel Municipal Code Chapter 17.43 (Water Quality Protection Ordinance), which protects and enhances the coastal waters in accordance with policies in the City's Local Coastal Plan, the California Coastal Act, and the City's National Pollutant Discharge Elimination System (NPDES) Phase II Permit requirements. At the construction phase of development, Section 17.43.030 requires an erosion and drainage control plan to be prepared and submitted. The plan includes site-specific erosion control measures, including controls on grading, best management practices (BMPs) for staging, storage, and disposal of construction materials, design specification of sedimentation basins, and landscaping/revegetation of graded or disturbed areas. The project will comply with Carmel Municipal Code Chapter 17.43 and all BMPs and will have a less-than-significant impact on water quality.

*(e) The site can be adequately served by all required utilities and public services.*



The project site is in a heavily developed urban area currently served by all required public utilities and services.

**The Project's Proposed Conversion of the Donna Hofsas House also falls under the Class 3 and Class 31 Categorical Exemptions in CEQA Guidelines Section 15303 for the Conversion of Existing Small Structures and Section 15331 for the Preservation of Historical Resources.**

Class 3 consists of converting existing small structures from one use to another, with only minor exterior modifications. Donna Hofsas House is proposed to be converted from a single-family residence to a two-family residence with accessory 'guest only' hotel uses, including a gym/fitness center and business center. No exterior modifications to the structure are proposed.

Class 31 consists of projects limited to rehabilitation, restoration, preservation, or conservation of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Donna Hofsas House is proposed to be rehabilitated and preserved. At this time, only interior remodeling is proposed, and interior modifications are not subject to the Secretary of the Interior's Standards.

**None of the Exceptions to the Exemptions Apply.**

The following is a list of exceptions to categorical exemptions. If any of these exceptions apply, a project cannot be found categorically exempt from CEQA. As demonstrated below, none of the exceptions apply to this project.

**Location.** Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

As discussed above, the categorical exemptions applicable to the project include Class 2 (Replacement or Reconstruction), Class 3 (New Construction or Conversion of Small Structures), Class 31 (Historical Resource Restoration/Rehabilitation), and Class 32 (Infill Development Projects). This exception does not apply to categorical exemptions under classes 2, 31, and 32. The Class 3 exemption is limited to the repurposing of the historic Donna Hofsas House from a single-family residence to two apartments and accessory hotel uses, including a gym/fitness center and business center. No exterior modifications are proposed for Donna Hofsas House and the structure and its vicinity are not located in an area that has been designated, precisely mapped, or officially adopted by federal, state or local agencies as an environmental resource of hazardous or critical concern. This exception does not apply to the project.

**Cumulative Impact.** All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place over time is significant.

There is only one project: the demolition of a 38-room hotel, the construction of a new hotel with the same number of rooms, and the conversion of an existing single-family dwelling into two apartments and accessory hotel uses. No successive hotel replacement/reconstruction projects are proposed, so this exception does not apply.

**Significant Effect.** A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

The project includes the replacement of an existing 38-room hotel with a new 38-room hotel. The project site has a General Plan land use of Commercial/Residential and is located in the Residential & Limited Commercial (RC) District, which specifically identifies hotels/motels as an appropriate transitional use from the commercial core to the single-family residential area. Many hotels are located in the RC district and in fact two hotels abut the project site, one to the south and the other to the west. It is not unusual that a hotel would be located in the RC District. The established general plan land use designation and the zoning designation both place the RC District adjacent to the Single-Family Residential (R-1) District. Hotels are considered a transient residential use and are appropriate near single family residences. Further, the Carmel Municipal Code recognizes existing hotels in the R-1 District, allowing them to be reconstructed further demonstrating that the adjacency of hotels to residences is not unusual. This exception does not apply to the project.

**Scenic Highways.** A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.

The project site is bound by the intersection of San Carlos Street and Del Monte Avenue to the east and Dolores Street to the west. An unimproved portion of the 3rd Avenue right-of-way is to the north, and 4th Avenue is to the south, although the project does not abut 4th Avenue. None of these roadways are designated as state scenic highways. This exception does not apply.

**Hazardous Waste Sites.** A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.

Government Code Section 65962.5 requires the Department of Toxic Substances Control to submit a list of (1) All hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code. (2) All land designated as hazardous waste property or border zone property pursuant to former Article 11 (commencing with Section 25220) of Chapter 6.5 of Division 20 of the Health and Safety Code. (3) All information received by the Department of Toxic Substances Control pursuant to Section 25242 of the Health and Safety Code on hazardous waste



disposals on public land. (4) All sites listed pursuant to Article 5 (commencing with Section 78760) of Chapter 4 of Part 2 of Division 45 of the Health and Safety Code.

On June 21, 2024, City staff reviewed the California Environmental Protection Agency Cortese List of Data Sources (<https://calepa.ca.gov/sitecleanup/corteselist/>) and confirmed that the project site is not on any of the following lists:

- Hazardous Waste and Substances Site List (<https://www.envirostor.dtsc.ca.gov/public/>).
- State Water Resources Control Board GeoTracker for leaking underground storage tanks (<https://geotracker.waterboards.ca.gov/search>).
- State Water Resources Control Board list of solid waste disposal sites (<https://calepa.ca.gov/wp-content/uploads/sites/6/2016/10/SiteCleanup-CorteseList-CurrentList.pdf>).
- State Water Resources Control Board list of solid waste disposal sites (<https://calepa.ca.gov/wp-content/uploads/sites/6/2016/10/SiteCleanup-CorteseList-CurrentList.pdf>).
- State Water Resources Control Board list of active discharge of waste or hazardous materials (<https://calepa.ca.gov/wp-content/uploads/sites/6/2016/10/SiteCleanup-CorteseList-CDOCAOList.xlsx>).
- Additionally, the project site has not been identified as a hazardous waste facility under Health and Safety Code Section 25187.5 (<https://calepa.ca.gov/sitecleanup/corteselist/section-65962-5a/>).

This exception does not apply.

**Historical Resources.** A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

On December 18, 2023, the Historic Resources Board reviewed a Phase 1 Intensive Report prepared by qualified professional Margaret “Meg” Clovis, along with five other professional opinions on the historic eligibility of the hotel. The Board found that the Hofsas House Hotel does not meet the criteria for listing on the California Register or the Carmel Inventory of Historic Resources and issued a determination of ineligibility. A 10-working day appeal period followed the Board’s decision during which time no appeals were filed. This Determination remains valid for five (5) years.

On December 18, 2023, the Historic Resources Board reviewed a Phase 1 Intensive Report prepared by qualified professional Margaret “Meg” Clovis on the historic eligibility of the single-family residence located on a portion of the hotel property fronting Dolores Street. The Board found that the single-family residence, known as Donna Hofsas House, meets the criteria for listing on the Carmel Inventory of Historic Resources and added it to the historic inventory. A 10-working

day appeal period followed the Board's decision during which time no appeals were filed. The historic determination was filed with the Monterey County Clerk-Recorder on April 12, 2024.

No exterior modifications to the historic residence are proposed. Changes to the interior of the residence do not affect the significance of the historic resource. The residence will be preserved and protected during construction. The project will not cause a substantial adverse change in the significance of the historic Donna Hofsas House. This exception does not apply.

### **Conclusion**

Based on the evidence provided above, the project would not result in any significant environmental impacts. The project qualifies for a Categorical Exemption under CEQA as it meets the conditions described in Article 19, Sections 15302 (Replacement or Reconstruction), 15303 (New Construction or Conversion of Small Structures), 15331 (Historical Resource Restoration/Rehabilitation), and 15332 (In-Fill Development Projects) (Classes 2, 3, 31 and 32, respectively). None of the exceptions to the exemptions listed in CEQA Guidelines Section 15300.2 are applicable.



Marnie R. Waffle, AICP  
Principal Planner  
Community Planning & Building Department  
City of Carmel-by-the-Sea

07/11/2024

Date