

**CITY OF CARMEL-BY-THE-SEA  
CITY COUNCIL**

**RESOLUTION NO. 2024-061**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DENYING AN APPEAL BY NEAL KRUSE, DATED APRIL 24, 2024, DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND UPHOLDING THE PLANNING COMMISSION'S APRIL 10, 2024 APPROVAL OF A DESIGN REVIEW (DR 24059) AND ASSOCIATED COASTAL DEVELOPMENT PERMIT AND USE PERMIT (UP 24060) FOR THE CARMEL LEGACY HOTEL PROJECT WHICH ENTAILS THE DEMOLITION OF THE 38-ROOM HOFASAS HOUSE HOTEL AND CONSTRUCTION OF THE 38-ROOM CARMEL LEGACY HOTEL LOCATED ON SAN CARLOS STREET 2 NORTHWEST OF 4<sup>TH</sup> AVENUE (APN: 010-124-001-000 and 010-124-014-000 )**

WHEREAS, on March 12, 2024, Eric Miller Architects, Inc. ("Applicant") submitted a Design Review application DR 24059 and UP 24060 (Hofsas House, Inc.) described herein as ("Application") on behalf of Hofsas House, Inc. ("Owner") for the Carmel Legacy Hotel, conversion of the historic Donna Hofsas House from a manager's unit to two apartments, and the addition of accessory uses both within the hotel and the historic house; and

WHEREAS, the Application is for two legal lots of record totaling 36,200 square feet located on San Carlos Street 2 northwest of 4th Avenue in the Residential and Limited Commercial (RC) District (Block 34, Lots 1, 3, 5, por. of 7, por. of 8, 9, 10, por. of 11, 12, 14); and

WHEREAS, the Applicant is proposing to demolish the existing 38-room Hofsas House Hotel and construct a 38-room Carmel Legacy Hotel in its place, which would also entail the conversion of the historic Donna Hofsas House from a manager's residential unit to two apartments, and establish hotel-related accessory uses for guest use only; and

WHEREAS, in accordance with Carmel Municipal Code (CMC) Section 17.58.030 (Commercial Design Review), new construction, alterations, rebuilds, additions, and demolitions require approval of a Residential Track Two Design Study by the Planning Commission; and

WHEREAS, in accordance with CMC 17.52.090 (Coastal Development Permit Required) a Coastal Development Permit is also required; and

WHEREAS, in accordance with CMC 17.14.030 (Land Use Regulations) a Use Permit is also required; and

WHEREAS, on January 26th and October 18th, 2023, the applicant and the hotel owner/operator hosted two meetings with the community, and on May 17th and May 25th, 2023, hosted two meetings with the Carmel Chamber of Commerce to present the project to the community and solicit feedback; and

WHEREAS, on February 2, 2023, the applicant submitted Conceptual Review application CR 23-097 (Hofsas House, Inc.) for the demolition of the Hofsas House Hotel and construction of a new hotel known as the Carmel Legacy Hotel; and

WHEREAS, on December 13, 2023, a conceptual design of the project was presented to the Planning Commission, and feedback was received from the public and the Commission some of which was incorporated into the project; and

WHEREAS, on December 18, 2023, the Historic Resources Board issued a Determination of Ineligibility for the Hofsas House Hotel, finding it did not meet the criteria for listing as a historic resource; and

WHEREAS, also on December 18, 2023, the Historic Resources Board issued a Determination of Eligibility for the Donna Hofsas House, finding it met the criteria for listing as a historically significant building; and

WHEREAS, on March 29, 2024, a notice of the public hearing scheduled for April 10, 2024, was published in the Carmel Pine Cone in compliance with State law (California Government Code 65091) and mailed to owners of real property within a 300-foot radius of the project indicating the date and time of the public hearing; and

WHEREAS, on or before March 31, 2024, the Applicant posted the public notice on the project site and hand-delivered a copy of the public notice to each property within a 100-foot radius of the project site indicating the date and time of the public hearing; and

WHEREAS, on or before April 5, 2024, the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on April 10, 2024, the Planning Commission held a duly noticed public hearing and adopted Resolution 2024-026-PC approving a Design Review, Lot Line Adjustment, and associated Coastal Development Permit for the Carmel Legacy Hotel and Resolution 2024-027-PC approving a Use Permit for the Carmel Legacy Hotel, the historic Donna Hofsas House and associated accessory uses; and

WHEREAS, on April 24, 2024, Neal Kruse, on behalf of the Carmel Preservation Association, filed an appeal of the Planning Commission's approval, citing a failure to adequately assess the environmental impacts of the project's demolition and construction phase under the California Environmental Quality Act (CEQA); and

WHEREAS, on June 21, 2024, a notice of the public hearing scheduled for July 9, 2024, was published in the Carmel Pine Cone in compliance with State law (California Government Code 65091) and mailed to owners of real property within a 300-foot radius of the project indicating the date and time of the public hearing; and

WHEREAS, on public notice was duly posted on the project site and a hand-delivered copy of the public notice given to each property within a 100-foot radius of the project site indicating the date and time of the public hearing; and

WHEREAS, on or before July 5, 2024, the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on July 9, 2024, the City Council did hear and consider all said reports, attachments, recommendations, and testimony herein above set forth and used their independent judgment to evaluate the project; and

WHEREAS, this Resolution and its findings are made based upon the analysis and evidence presented to the City Council, including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA"), together with State Guidelines (14 California Code Regulations §§ 15000, et seq., the "CEQA Guidelines") and City Environmental Regulations (CMC 17.60) require that certain projects be reviewed for environmental impacts and that environmental documents be prepared; and

WHEREAS, The City Council has analyzed the proposed Carmel Legacy Hotel Project and has determined, based on its independent judgment and review of the record, including but not limited to the staff report and attachments thereto, that: (1) the Project is categorically exempt from CEQA pursuant to Sections 15302 (Class 2 Replacement or Reconstruction), 15303 (Class 3 New Construction or Conversion of Small Structures), 15331 (Class 31 Historical Resource Preservation) and 15332 (Class 32 Infill Development) of the CEQA Guidelines; and (2) that the project does not entail any unusual circumstances and that none of the exceptions in CEQA Guidelines Section 15300.2 apply to negate the applicability of any of the above-referenced categorical exemptions; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Carmel-By-The-Sea does hereby deny the appeal by Neal Kruse, dated April 24, 2024 (APP 24118), determine that the project is categorically exempt from the California Environmental Quality Act, and uphold the Planning Commission's April 10, 2024 approval of a Design Review (DR 24059) and associated Coastal Development Permit and Use Permit (UP 24060) for the Carmel Legacy Hotel project which entails the demolition of the 38-room Hofsas House Hotel and construction of the 38-room Carmel Legacy Hotel located San Carlos Street 2 northwest of 4<sup>th</sup> Avenue (APN: 010-124-001-000 and 010-124-014-000).

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 9<sup>th</sup> day of July 2024, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

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Dave Potter  
Mayor

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Nova Romero, MMC  
City Clerk