

**BUSINESS OF THE PLANNING COMMISSION
OF THE CITY OF HALF MOON BAY**

AGENDA REPORT

For meeting of: July 28, 2020

TO: Honorable Chair and Planning Commissioners

FROM: Jill Ekas, Community Development Director
Brittney Cozzolino, Associate Planner

TITLE: Local Coastal Land Use Plan Update – Study Session

RECOMMENDATION

Receive a presentation from staff on the final draft Land Use Plan (LUP) Update; hold a public comment forum; conduct a discussion and provide direction to staff.

BACKGROUND

The last meeting on the draft LUP update was a Joint Study Session with the City Council in October 2019, at which staff provided an overview of the main policy approaches in the draft LUP update, identified additional opportunities or improvements to make for the final draft version, and addressed major topics raised in comments received from the public and Coastal Commission staff. Since this time, staff has been working to incorporate direction from the Planning Commission, City Council, Coastal Commission staff, and the public into the final draft version of the LUP update. This study session is intended to provide an overview of changes made in this final draft version and to provide an opportunity for additional public comment and Planning Commission discussion prior to moving forward with adoption hearings.

DISCUSSION

The Planning Commission Final Review Draft of the LUP update is available at www.PlanHMB.org. Policy comparison tables are provided for each chapter to show specific strike-through/underline changes to final draft LUP policy language as compared to the 2018-19 public draft. The Public Works chapter (Chapter 3) requires additional time. Chapter 3 and the Appendices will be available on or before Monday August 3rd.

The final draft of the LUP update includes several important updates to address direction received by the Planning Commission, City Council, Coastal Commission staff, and the public. It has also been revised to improve readability and usability. Throughout the entire document, background information has been truncated and/or moved to an appendix. Programmatic policies have been revised to better guide future coastal development permit review and regulation or have been moved to an applicable general plan element.

A summary of other key changes follows below, organized by chapter. Staff will describe these changes and answer questions from the Commission and the public during the study session. Several changes are discussed in more detail following the summary.

1. Introduction and Framework

- Priority Uses: Clarified the scope for Coastal Act Priority Uses and Local Priority Uses.
- Coastal Resources: Added Coastal Commission guidance language highlighting the scope of coastal resources.
- Plan Administration: Moved “Plan Administration” section to an appendix

2. Development

- Reserve Land Use Designations: The Urban Reserve and Open Space Reserve land use designations are removed and replaced with a new “Rural Coastal” land use designation to support agricultural land per Coastal Commission direction; and further, in recognition that infrastructure capacity is not adequate to support significant development in the lands that had been held in reserve. This is discussed further below in this staff report.
- Planned Development (PD) Land Use Designation: Changes to the PDs are summarized here and discussed further below in this staff report:
 - Substantially Developed PDs: Several substantially developed PDs are re-designated to reflect their actual land uses per Coastal Commission direction (see table below)
 - Undeveloped PDs: Policies for the substantially undeveloped PDs are simplified to provide flexibility in master planning per Coastal Commission direction
 - No New PDs: The previous draft of the LUP included three potential new PDs to support better study and encourage discussion of these areas. For various reasons, none of them are moving forward. Thus, all previously proposed PDs are removed from this draft. These include Upper Grandview/Glenree (reverts to the current condition of Medium Density Residential); Stone Pine Conservation Corridor (proposed to be redesignated from Urban Reserve to Public Facilities and Institutions); and Dolores (proposed to be redesignated from Medium Density Residential to Low Density Residential due to land and infrastructure constraints).
- Workforce Housing Overlay: This new designation was further developed and will be applied through policy, and not mapped. Workforce Housing Overlay designation is discussed further in this report.
- Town Center: In response to City Council input, and in context with the Planning Commission’s on-going oversight, parts of Town Center are up-zoned in Heritage and South Downtown; Highway 92 frontage properties in North Downtown are designated Light Industrial including new allowances for low density live-work units.
- Neighborhoods and Community Character Policies: Community character policies and the discussion about established neighborhoods and associated policies will be moved to a General Plan Community Preservation Element.

3. Public Works - Pending

- Capacity Reservations for Priority Use: The updated chapter will include water supply and sewer capacity modeling and reservations for Coastal Act Priority Uses
- Town Boulevard: Discussion and policy for vehicular circulation moved from Chapter 5 (Coastal Access and Recreation) to Chapter 3 where the context is Highways 1 and 92 and the Town Boulevard.

4. Agriculture

- Definitions: Definitions of agricultural land use, supplemental agricultural uses, agricultural compatible uses, and farmworker housing are clarified.
- Agricultural Land Conversion: Conversion of agricultural lands policy including mitigation further developed based on Coastal Commission staff input.

5. Coastal Access and Recreation

- Town Boulevard: Some circulation and traffic topics moved to Chapter 3. Public Works.
- Programmatic Policies: Some programmatic policies moved to Circulation Element.
- Lower Cost Visitor-Serving Uses: Policy for provision of lower-cost visitor serving uses further developed based on Coastal Commission input.

6. Natural Resources

- ESHA Mapping: Revisions to the ESHA maps to better reflect ESHA designation protocols and chapter terminology.
- Species Tables: Special status animal and plant species tables now a new Appendix C.
- State and Federal Regulations: Moved the background narrative summarizing State and federal regulations to Appendix A.
- ESHA and Buffers: The ESHA and ESHA buffer policies are revised to rely on strong site-specific biological studies for the purposes of ESHA identification and buffer policy application per Coastal Commission direction.
- Coastal Terrace Prairie: Clarified coastal terrace prairie definition as ESHA per Coastal Commission direction.
- Natural Shorelines: Natural Shorelines section incorporated into Dunes ESHA policies and Hazards chapter.

7. Environmental Hazards

- Environmental Hazards: The Chapter was renamed and reorganized to address shoreline hazards as a whole; followed by in-land hazards.
- Best Available Science: Sea level rise projections updated to reflect recent data from the Ocean Protection Council.

8. Cultural Resources

- Historic Resources: Historic resources narrative and policy will be moved to a General Plan Community Preservation Element.
- Archaeological Resource Map: The figure is re-focused on archaeological sensitivity areas.

- Tribal Consultation: Updated policies to be consistent with revised Coastal Commission guidance.

9. Scenic and Visual Resources

- Coastal Act Focus: The chapter is reorganized and streamlined to specifically follow Coastal Act structure.
- Scenic and Visual Resources Map: The figure is updated to reflect chapter changes.
- Visual Resource Area Designations: Agricultural uses are recognized as aesthetically significant, but not as visual resource areas; visual resource requirements for PDs and their master planning are clarified.

Appendices - Pending

- Appendix A: New appendix with a summary of the zoning map, zoning ordinance, and subdivision ordinance amendments needed to bring the Implementation Plan into conformance with the updated Land Use Plan. This appendix also includes a summary of procedures and other State and federal regulations related to carrying out the Local Coastal Program and coastal development permit review (previously contained in Chapters 2, 3, 6, and 8).
- Appendix B. Buildout: Updated to reflect changes to Chapter 2. Development and augmented to include infrastructure modeling information supportive to Chapter 3. Public Works.
- Appendix C: New appendix to include special status animal and plant species tables from Chapter 6. Natural Resources.
- Appendix D (formerly Appendix A): Amendments and Appeals updated to include recent downtown mixed-use zoning amendment.
- Appendix E: New appendix to include a summary of public outreach events, public study sessions, and public hearings held throughout the Land Use Plan update process. *(Note: this appendix will be produced prior to final adopted of the Land Use Plan update)*
- Glossary and List of Acronyms: Updated to reflect refinements and be consistent with definitions used throughout the various chapters.

Additional discussion is provided below regarding three of the more important changes since the previous draft Development chapter.

Planned Developments:

Policies for Substantially Undeveloped PDs: As was presented in the staff report for the Planning Commission's October 8, 2019 study session on the LUP update, Coastal Commission staff recommended that the policies for substantially undeveloped PDs be simplified to provide flexibility in the master planning process. Staff implemented this recommendation by removing the estimated buildout figures and modifying some of the potentially permitted uses, while retaining the same "vision" for each substantially undeveloped PD. The result is intended to provide clear guidance about the types of development that would be appropriate or desirable for each PD, flexibility to avoid sensitive habitat and hazard areas, and opportunities for creative master planning. Work done previously to estimate maximum buildout given site constraints

remained useful for analysis in Chapter 3. Public Works, which considers the City’s infrastructure capacity to support anticipated development.

PD Changes: As noted in the Chapter 2 summary above in this staff report, several PDs are proposed to revert to land use designations, presented here:

Site	Existing LUP Designation	2020 Final Draft LUP Update Designation
<i>Substantially Developed PDs</i>		
Casa Mira	PD	Residential – Medium Density
Guerrero	PD	Open Space for Conservation, Residential – Medium Density
Stoloski/Gonzalez	PD	Residential – Low Density
Pacific Ridge	PD	PD (Areas A and B in Open Space for Conservation)
Matteucci	PD	PD
Andreotti	PD	Commercial – General (Stone Pine Shopping Center) Residential – Medium Density (Cypress Cove) Light Industrial (vacant Highway 92-fronting parcels) City Park – Carter Park Mobile Home Park – existing Hilltop development
Main Street Park	PD	Residential – High Density
Ocean Colony	PD	PD
South Wavecrest	PD	Commercial – Visitor Serving
<i>Substantially Undeveloped PDs</i>		
Nurserymen’s Exchange	Residential – Low Density	PD
Surf Beach/Dunes Beach	PD	PD
Venice Beach	PD	PD
Pilarcitos West Urban Reserve	PD	Rural Coastal
Podesta	PD	PD
Carter Hill	PD	PD
L.C. Smith Estate	PD	Commercial – General
West of Railroad	Regional Public Recreation	Regional Public Recreation
North Wavecrest	PD	PD

Workforce Housing Overlay. The final draft LUP implements the new Workforce Housing Overlay land use designation through policy. The intent of the Overlay is to provide an opportunity for affordable workforce housing that would reduce commutes to Half Moon Bay for workers in essential local industries, including agriculture, horticulture, and public service.

City Council and the Planning Commission expressed support for this new land use designation and City Council specifically direction staff to ensure that the designation has adequate capacity. As originally presented, the designation supported about 200 hundred units; as amended, up to 300 units could potentially be located in various configurations and locations enabled by the Overlay.

Community input about the Workforce Housing Overlay has also been considered. A number of commenters requested stricter regulation of this workforce housing, including requirements limiting occupancy to on-site employees and imposing affordability restrictions in all cases. The current draft takes these comments into account, while providing two areas of limited, but important, flexibility.

First, the revised provisions allow for the possibility that agricultural workers and regional recreation staff (i.e. State Parks) could work either on-site or in the San Mateo County coastside. This flexibility seeks to accomplish the original goals of the Overlay (affordable housing for the local workforce that would reduce commutes in and through Half Moon Bay), while recognizing that there is a great demand for this type of workforce housing generally in the coastside area. Moreover, broadening the Overlay provisions could enable non-profit affordable housing developers to construction and manage the housing in some cases.

Second, while affordability of these units is essential, there may be instances where the intended workforce would not be eligible for housing if it is restricted to low-, very low-, or extremely low-income levels. One example might be teachers who are employed by the Cabrillo Unified School District. For this reason, the revised draft allows some flexibility in the affordability requirement.

Lastly, it is important to note that State law—the Employee Housing Act—already contains provisions allowing employers to provide housing to their employees, and, in some instances, restricting local jurisdictions’ ability to regulate that housing. When housing is provided to five or more employees in connection with their employment, whether or not rent is involved, the Employee Housing Act sets health, safety, and occupancy standards for that housing. That housing normally must receive a permit to operate from the Department of Housing and Community Development (HCD), and HCD enforces the housing’s compliance with the Act. The Employee Housing Act also regulates some types of housing rented to five or more agricultural employees, even when the housing is not provided in relation to their employment.

While employee housing regulated by the Employee Housing Act generally has to comply with local planning requirements, the Act overrides local land use requirements in two main ways. First, in a zoning district where single-family homes are permitted, when an employer provides housing in a single-family home to five to six employees, the local jurisdiction cannot require that this housing receive special land use approvals or pay taxes or fees different from those required of other single-family dwellings in the same zone. This is also true for a single-family home rented to five to six agricultural employees, even when the rental is not connected to their employment. Second, in agricultural zones, when housing is provided to five or more agricultural employees in connection with their employment and the housing consists no more than 36 beds in group quarters or no more than 12 multi-family units or mobile home spaces for 12 families, that

housing is deemed an “agricultural land use.” A local jurisdiction cannot require that this housing receive special land use approvals or that it be subject to taxes or fees beyond those required of other agricultural activities in the same zone. In some cases, housing rented to agricultural employees even not in connection to their employment can also be deemed an agricultural land use, but generally only when that housing is for seasonal or temporary residency, for permanent residency in mobile or modular units, or in permanent structures over 30 years old. These Employee Housing Act provisions aim to reduce barriers to the production of housing for agricultural employees in agricultural zones, and likely preempt local policies that impose stricter requirements – such as affordability deed restrictions – on housing that the Act already allows.

To ensure the City’s LUP is consistent with the Employee Housing Act, the final draft includes a provision clarifying that the City will require that the units be affordable unless that requirement is prohibited by state or federal law. It is also of note that the Act would not supersede the need for a coastal development permit for new development, nor would it restrict the City from ensuring proper siting of housing units such that they will not impact ESHA or be subject to coastal hazards.

Rural Coastal Designation. When the City adopted the 1996 LUP, it had serious questions about the ongoing viability of agriculture in the Planning Area. As a result, the 1996 LUP included several “Reserve” designations, which encompassed areas that were in agricultural use at the time but were expected to convert to urban uses as the town center developed. This transition away from agriculture did not occur as anticipated. Today, the City both treasures its agricultural heritage and wishes to support ongoing agricultural uses. To that end, the final draft LUP eliminates both the Urban and Open Space Reserve designations and replaces them with a new designation, “Rural Coastal.” This new designation supports the continued viability of agricultural and agricultural compatible operations through expanded permitted uses, such as boarding for researchers and other short-stays, visitor-serving agricultural related uses including farm-to-table and low density camping, and educational programming and other compatible temporary uses. Coastal Commission staff likewise recommended this change. The “Agricultural” designation introduced in the 2018-19 draft remains available to interested landowners, such as those who enter into Williamson Act contracts or otherwise take steps to preserve agricultural lands, such as through conservation easements.

SUMMARY

Next steps include a public hearing with the Planning Commission on August 25, 2020 to recommend the final draft LUP update to the City Council for approval and adoption.

Attachments:

1. Comment Letter from Half Moon Bay Conservation and Development Partners, Ltd. dated July 23, 2020
2. Chapter 1: Introduction and Framework
3. Chapter 1: Framework Policy Comparison Table
4. Chapter 2: Development
5. Chapter 2: Development Policy Comparison Table

6. Chapter 4: Agriculture
7. Chapter 4: Agriculture Policy Comparison Table
8. Chapter 5: Coastal Access and Recreation
9. Chapter 5: Coastal Access and Recreation Policy Comparison Table
10. Chapter 6: Natural Resources
11. Figure 6-1: Habitat Types
12. Figure 6-2: Habitat ESHAs
13. Figure 6-3: Special Status Species ESHAs
14. Figure 6-4: Summary of ESHAs and Potential ESHAs
15. Chapter 6: Natural Resources Policy Comparison Table
16. Chapter 7: Environmental Hazards
17. Chapter 7: Environmental Hazards Policy Comparison Table
18. Chapter 8: Cultural Resources
19. Chapter 8: Cultural Resources Policy Comparison Table
20. Chapter 9: Scenic and Visual Resources
21. Chapter 9: Scenic and Visual Resources Policy Comparison Table

July 23, 2020

Via email to City of Half Moon Bay Planning Division, bjett@hmbcity.com

Planning Commission
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019

Re: Final Draft Land Use Plan

Dear Chair Benjamin and Commissioners,

We are writing in reference to the City of Half Moon Bay's Final Draft Local Coastal Land Use Plan that will be before you on July 28. We are the owners of the Nurserymen's Exchange PD property and the adjacent Open Space Reserve parcels.

In these troubling times we recognize the challenge that the City staff has faced in sustaining their efforts to revise and refine the 2019 draft plan to reflect your commissions' many thoughtful comments and directions. It is reassuring to know that the final draft plan is now coming back to you for consideration, and we thank your staff for their commitment and hard work to that end.

Our purpose in writing to you is to request that you provide direction to your staff to consider an expanded list of optional land uses for the Nurserymen's Exchange PD property, ahead of the City Council's consideration of the Final Draft Plan. We understand that such a list must be grounded in the Cal. Coastal Act, Section 30222, which focuses on "... *protect priority for visitor-serving [land] uses over residential uses...*". And we feel certain that if the Planning Commission were to enable an expanded list, you will surely want it to stay within the intent and use designations covered in the Coastal Act.

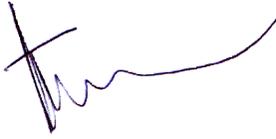
In the City's 2018 draft LUP, the allowed uses shown for the Nurserymen's Exchange PD, listed under Development Conditions are "Residential and limited commercial and services uses". Our intent in purchasing the property was – and is – to pursue a thoughtful development with residential uses. However, we also think there may well be compatible, other uses that we would want to explore once the new Local Coastal Land Use Plan is in effect.

Our vision for the evolution of the Nurserymen's Exchange property is a work in progress, and the completion of the Land Use Plan will be a significant milestone in bringing that vision into sharper focus. As the largest underutilized property at the northern entry to the City, the site has the potential to reflect the values embedded in the Final Draft Plan. We very much look forward to working with the City as you finalize and implement the new plan.

HALF MOON BAY CONSERVATION & DEVELOPMENT PARTNERS, LTD.

Thank you for the opportunity to comment and for your exceptional work.

Respectfully,

A handwritten signature in blue ink, appearing to read "Peter C. Ingram". The signature is stylized with a large initial "P" and a long, sweeping underline.

Peter C. Ingram, on behalf of the General Partner

Copy: Jill Ekas, Community Development Director