



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

**ENVIRONMENTAL SERVICES AGENCY**

**DATE:** February 14, 2006  
**BOARD MEETING DATE:** March 14, 2006  
**SPECIAL NOTICE/HEARING:** 10 day published notice  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** Marcia Raines, Director, Environmental Services Agency  
**SUBJECT:** Midcoast Local Coastal Program (LCP) Update Project

**RECOMMENDATION**

1. Take tentative action for the remaining project topics.
2. Direct staff to prepare final LCP amendments that reflect the tentative action.

**VISION ALIGNMENT**

**Commitment:** Redesign our urban environment to increase vitality and reduce congestion. Preserve and provide access to our natural environment.

**Goals:** (12) Land use decisions consider transportation, infrastructure demand and environmental impacts. (13) The boundary between open space and development is fixed to protect the quality of the natural environment.

Board consideration of the project contributes to these commitments and goals, particularly, the recommendations to (1) lower the Midcoast growth rate limit, (2) initiate comprehensive lot merger, (3) ensure that small houses are built on small parcels, (4) protect Midcoast neighborhood commercial opportunities, and (5) strengthen water runoff limits to reduce environmental degradation.

**BACKGROUND**

The Board has held eight meetings to consider the Midcoast LCP Update Project. The project is intended to (1) update LCP baseline data and land use policy to guide future

Midcoast development, and (2) avert future development permit appeals. The Midcoast project area is shown as Attachment 1.

To date, the Board has taken tentative action on some policy proposals and deferred action on the others pending additional research and analysis.

In April, 2005, the Board appointed a subcommittee (Supervisors Gordon and Hill) to (1) assist in developing a set of principles to guide Midcoast growth, and (2) recommend policy changes that align with the principles.

In December, 2005, the Board held two hearings to consider the remaining project proposals for tentative action. The Board closed the public hearing and requested additional evaluation.

The balance of this report overviews the status of each project topic, and includes responses to the Board’s most recent requests and the Subcommittee’s revised recommendations. The project topics are discussed in the following order:

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## **REVIEWING AGENCIES**

County Counsel  
County Manager

## **FISCAL IMPACTS**

Reducing the residential growth rate limit could reduce annual building and planning permit revenues. Merging applicable substandard lots may require additional staff resources for a limited time. Otherwise, there would be no additional cost to the County to implement the proposals discussed in this report.

## **ATTACHMENTS**

1. Map of Midcoast Project Area.
2. Description of the Proportionality Rule.
3. Map Showing the "Burnham Strip."
4. Map Showing Areas for New Commercial and Other Employment Generating Uses.
5. Map of the Airport Overlay (AO) District.
6. Map of the Rural Residential Area.

# 1. Residential Buildout Estimate

## a. Background

Buildout is the planned end point in a community's growth when all land that has been designated for development has been developed.

There are 3,719 existing Midcoast residential units, and at buildout, there will be between 6,757 and 7,153 units. Thus, the Midcoast is approximately half built out.

R-1 Zoning District	4,804 units
R-3 Zoning District	443 units
R-3-A Zoning District	513 units
RM-CZ and PAD Zoning Districts	160 units
C-1 and CCR Zoning Districts	99-495 units
Second Units	466 units
Caretaker's Quarters	45 units
El Granada Mobile Home Park	227 units
<b>TOTAL</b>	<b>6,757-7,153 units</b>

The updated figures are based on 2001 parcel information and existing LCP land use policy, and assume that applicable substandard lots will be merged.

**The Board tentatively accepted the updated data, and directed staff to develop a program to identify the number of un-permitted Midcoast second units and to facilitate their legalization without punitive fines.**

## b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its previous action as stated above.**

## 2. Number of Substandard Lots

### a. Background

A nonconforming parcel is any parcel whose area is less than the required minimum parcel size. Subdivided nonconforming parcels are often called substandard lots.

Between 1906 and 1910, most of the Midcoast was subdivided into residential tracts. The predominant lot size is 2,500 sq. ft. to 3,500 sq. ft., smaller than the County's lowest minimum parcel size requirement of 5,000 sq. ft.

There are 4,899 substandard lots zoned residential in the project area; 3,294 lots are 1,604 developed parcels and 1,605 lots are 870 undeveloped parcels, as follows:

<u>DEVELOPED PARCELS</u>	<u>VACANT PARCELS</u>
197 lots are developed as one-lot parcels	271 lots occur as a one-lot parcel
2,262 lots are developed as two-lot parcels	944 lots occur as 472 two-lot parcels
807 lots are developed as three-lot parcels	354 lots occur as 118 three-lot parcels
28 lots are developed as four-lot parcels	36 lots occur as 9 four-lot parcels

**The Board tentatively accepted the number of residential zoned substandard lots.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its previous action.**

### 3. Infrastructure Demand at Buildout

#### a. Background

Midcoast infrastructure demand by utility at buildout is summarized below:

##### (1) Coastside County Water District

Coastside County Water District's existing normal year water supply capability would satisfy approximately 91% of the annual average residential demand at buildout for the Midcoast area it serves.

The Coastside County Water District believes that it will have sufficient water to satisfy Midcoast buildout demands. It has provided the County with a list of existing and future projects.

##### (2) Montara Water and Sanitary District

Montara Water and Sanitary District's existing normal year water supply capability would satisfy approximately 64% of the annual average residential demand at buildout for the Midcoast area it serves.

Montara Water and Sanitary District indicates that it is intent on providing water to all users in its area at buildout. It has provided the County with a list of existing and future projects that would contribute to meeting this need.

##### (3) Sewer Authority Midcoastside

Sewer Authority Midcoastside's (SAM's) existing Midcoast treatment capacity would satisfy the Midcoast demand for wastewater treatment at buildout. SAM has undertaken major tank and pump station improvements to accommodate wet weather flow.

##### (4) Transportation Authority

The projected (2010) Level of Service (LOS) measures for the most congested segments of Highways 1 and 92 during the peak afternoon commute hours are shown below:

<b>ROADWAY SEGMENT</b>	<b>LOS</b>
Highway 92 (1 to 280)	LOS "F"
Highway 1 (Miramontes to El Granada)	LOS "F"
Highway 1 (El Granada to Montara)	LOS "E"
Highway 1 (Montara to Pacifica)	LOS "F"
Highway 1 (Pacifica to San Francisco)	LOS "F"

The Transportation Authority's (TA's) future road projects include (1) shoulder widening and curve corrections on Highway 92 between Pillarcitos Creek and Half Moon Bay, and (2) improvements to Highway 1 and 92 in Half Moon Bay. Both projects are scheduled to occur before the end of 2008.

After 2008, the TA plans (1) unspecified improvements to Highways 1 and 92 in Half Moon Bay and the Midcoast, and (2) new Highway 1 traffic lanes in Pacifica. These projects should result in improved Levels of Service.

The Planning Commission recommended that the Board (1) accept the updated infrastructure demand data, (2) complete hydrological studies to determine available water resources, and (3) plan growth to the level that the resources can support.

**The Board has not taken tentative action on this topic.**

In November, 2005, the Subcommittee recommended that the Board:

- (1) Accept the updated infrastructure data.
- (2) Complete the in-progress groundwater study to determine safe yield, and evaluate the need for policy changes based on the report.
- (3) Support Coastside County Water District and Montara Water and Sanitary District in: (a) continuing their efforts to secure water supply sources, and (b) applying for facility expansion to serve the Midcoast at buildout, i.e. Phase 2.
- (4) Coordinate with the City of Half Moon Bay to assist the TA in specifying the post-2008 improvements to Highways 1 and 92 in Half Moon Bay and the Midcoast.
- (5) Revise LCP Policy 2.50 to allow up to four lanes for Highway 1 within the urban Midcoast in order to achieve an acceptable Level of Service during commuter peak periods at buildout.

In December, 2005, members of the Board made the following requests:

- (1) Develop policy calling for the County to coordinate with Half Moon Bay and the Transportation Authority to develop a shared solution for improving roadway level of service on Highway 1 in the unincorporated Midcoast and Half Moon Bay.

- (2) Explore various options to reduce traffic congestion on Highway 1. The evaluation should address pedestrian safety, bicycle lanes, slow lanes, etc.
- (3) Explore methods to reserve water capacity to sufficiently serve houses with failed wells, and not be used to attain other priority uses, e.g. affordable housing.

b. Response

(1) Traffic Improvements

All traffic through the Midcoast must use Highway 1 either traveling: (1) east to Bayside communities via Highway 92, (2) north to Pacifica and San Francisco over Devils Slide, or (3) south to the South Coast and Santa Cruz County.

The relationship of roadway capacity to traffic volume is typically expressed as a Level of Service (LOS) measure. LCP Policy 2.49 states that, when assessing the need for road expansion, consider Level of Service (LOS) “D” as acceptable during commuter peak periods.

LOS “D” is characterized by “unstable traffic flow, rapidly fluctuating speeds, low maneuverability, and low driver comfort,” and as “approaching unstable operations where small increases in volume produce substantial increases in delay and decreases in speed.”

The San Mateo County Congestion Management Program (CMP) has established LOS “E” as the LOS standard for Highway 1 through the Midcoast. As such, the CMP attempts to prevent future traffic congestion levels from exceeding this standard.

LOS “E” is characterized by “forced traffic flow where speed may drop to zero” and as “operations with significant intersection approach delays and low average speeds.”

The CMP shows the existing (2005) service levels for roadway segments of Highways 1 and 92 during the peak afternoon commute, as summarized below. The LOS shown represents the most congested section of each roadway segment.

Highway 92 (1 to 280)	LOS “E”
Highway 1 (Miramontes to Frenchman’s Creek)	LOS “E”
Highway 1 (Frenchman’s Creek to Pacifica)	LOS “D”
Highway 1 (Pacifica to San Francisco)	LOS “F”

LOS “F”, where roadway demand exceeds capacity, is characterized by “forced traffic, speeds dropping to zero, and unstable stop and go conditions,” i.e., “gridlock.”

As previously indicated, the projected (2010) service levels show LOS “F” for the most congested segments of Highway 1, except between El Granada and Montara where LOS “E” is projected.

The 2010 projection assumes (a) completion of the Montara Mountain (Devils Slide) tunnel, and (b) the following improvements to Highway 92: (1) a slow vehicle lane from I-280 to Pillarcitos Creek, (2) shoulder widening and curve corrections between Pillarcitos Creek and Half Moon Bay, (3) new traffic lanes from Half Moon Bay city limits to Highway 1, and (4) intersection improvements in Half Moon Bay.

The 2010 projection does not assume the following funded roadway projects (a) unspecified improvements to Highways 1 and 92 in Half Moon Bay and the Midcoast, and (b) new Highway 1 traffic lanes in Pacifica.

The CTP identifies Highway 1 from Half Moon Bay (at Highway 92) to San Francisco, through the Midcoast, as a “High Priority Corridor of Regional Significance.” In addition to the Montara Mountain (Devils Slide) tunnel, the plan chiefly calls for auxiliary lanes and operational and safety improvements at intersections.

Adding new travel lanes to Highway 1 in the urban area is a very effective method to improve level of service. However, there are other techniques to improve LOS, and these generally involve improving traffic flow and reducing roadway demand.

Traffic flow improvements can involve (a) operational and safety improvements to increase existing roadway efficiency, (b) maintenance improvements to improve the roadway condition, and (c) adding limited lanes to increase roadway capacity. Traffic flow improvements that may be amenable to Highway 1 in the Midcoast include providing reversible lanes, auxiliary lanes, turn lanes at intersections, signalization improvements, and grade separation improvements.

Methods to reduce roadway demand can involve improving transit service, bringing jobs closer to housing and requiring trip reduction programs, e.g. carpools, van pools, shuttle buses, transit fare subsidy.

## (2) Pedestrian and Bicycle Improvements

In conjunction with Highway 1 improvements, pedestrian and bicycle

lanes can increase roadway safety and reduce vehicle trips.

The width of the Highway 1 right-of-way in the Midcoast generally varies between 160 and 180 feet. The width of the traffic areas being used (lanes, island and shoulder) varies between 60 and 90 feet. Accordingly, the width of existing unused portions of the Highway 1 right-of-way varies between 70 and 120 feet.

The San Mateo County Trails Plan indicates that the width of multiple-use trail optimally would be 16 feet: 12 feet paved area with a center stripe, and at least 2-foot wide gravel shoulders on each side.

As part of the Midcoast LCP Update Project, the Board of Supervisors has tentatively approved two project proposals related to pedestrian access on Highway 1. These are to:

- (a) Promote coordination with the TA/CalTrans in developing (1) a Highway 1 pedestrian/multi-purpose trail, and (2) above or below ground pedestrian crossings at locations along Highway 1.
- (b) Require that the Highway 1 improvement projects be conditioned to require development of pedestrian access, or grade separated crossings.

(3) Failed Wells

LCP Policy 2.29 (Table 2.17) requires that Coastside County Water District and Montara Water and Sanitary District reserve water supply capacity for land uses given priority by the Coastal Act and LCP. The priority land uses for which water is to be reserved are:

- Marine Related Industrial
- Commercial Recreation
- Public Recreation
- Floriculture
- Essential Public Services
- Development at Affordable Housing Sites
- Historic Structures
- Consolidated Lots in Miramar

Coastside County Water District has reserved priority use water capacity. To date, the District has set aside far more of its reserved water capacity than it has sold.

Montara Water and Sanitary District has not reserved priority use water capacity. The District currently has no unsold capacity available for new development, priority or non-priority.

Since 1986, the County has allowed private water wells in the urban Midcoast. There are presently more than 550 individual wells serving Midcoast residences. Wells may fail due to mechanical or water quality problems, or inadequate water supply. In 1995, the County became aware of one well that failed because of inadequate water supply; today there are four cases of failed wells in the Midcoast.

In 1995, LCP Policy 2.29 (Table 2.17) was amended to reserve water capacity for ten failed wells in the Coastside County Water District. The reservation is included as an element of the Essential Public Services priority use. To date, eight water hookups have been granted for failed wells: four in the Midcoast and four in Half Moon Bay.

Reserving water capacity for future failed wells will likely require reallocation of existing reserved capacity from other priority uses. This means that the “set-aside” for such uses as Floriculture, Public Recreation, and Designated Affordable Housing Sites may need to be reduced in favor of accommodating failed wells.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Accept the updated infrastructure data.**
- (2) Complete the in-progress groundwater study to determine safe yield, and evaluate the need for policy changes based on the report.**
- (3) Support Coastside County Water District and Montara Water and Sanitary District in: (a) continuing their efforts to secure water supply sources, and (b) applying for facility expansion to serve the Midcoast at buildout, i.e., Phase 2.**
- (4) Revise LCP Policy 2.29 (Table 2.17) to reserve water supply capacity exclusively for residential wells in the unincorporated Midcoast that have failed due to inadequate water supply. The additional capacity would be equivalent to 40 residential water hookups (20 Coastside County Water District and 20 Montara Water and Sanitary District).**
- (5) Coordinate with the City of Half Moon Bay and the Transportation Authority to propose projects that will improve roadway level of service at buildout on Highway 1 in the urban Midcoast and Half**

**Moon Bay. The process would specify post-2008 Transportation Authority improvements of Highway 1. Projects could include adding new travel lanes, reconfiguring lanes, other operational and safety improvements, and/or requiring trip reduction measures.**

The Subcommittee believes that reserving capacity equivalent to 40 additional water connections should be sufficient for future well failures since this represents ten times the number of well failures that have occurred between 1986 and 2006.

The Subcommittee also believes that interagency coordination will lead to improved solutions to the shared problem of Highway 1 traffic congestion.

## 4. Residential Growth Rate Limit

### a. Background

The LCP limits Midcoast residential growth to 125 units per year. This is a Midcoastwide limit, i.e. there are no sub-limits for each community. Affordable housing and second units are presently exempt from the annual limit. Limiting the growth rate allows new development to proceed in a gradual and paced manner that does not overburden infrastructure. Between 1981 and 2002, the number of new residential units averaged 52 units per year.

The Planning Commission recommended lowering the growth rate limit to 1% of the Midcoast population per year (40 units in 2005), not to exceed 52 units, and establishing sub-limits for each Midcoast community. It also recommends that the limit not apply to second units, affordable housing, and mixed-use units (CCR District) and caretaker's quarters (W District) at Princeton. Finally, the Commission recommends that the limit apply to the number of units, not the number of building permits.

### **The Board has not taken tentative action on this topic.**

In November, 2005, the Subcommittee recommended that the Board:

- (1) Reduce the limit from 125 units/year to 75 units/year, i.e. 40%. At this rate, buildout would occur in approximately 33 years.
- (2) Not establish community sub-limits.
- (3) Retain the existing exemptions for affordable housing and second units.
- (4) Add an exemption for residential units occupied by disabled persons and their caretakers.
- (5) Not add an exemption for mixed-use units (CCR District) and caretaker's quarters (W District) at Princeton.
- (6) Apply the limit to units, not building permits.

In December, 2005, members of the Board made the following requests:

- (1) Describe the existing LCP provision authorizing the Board of Supervisors to increase the annual limit on new housing units (currently 125 units) up to 200 units.
- (2) Clarify whether the Subcommittee's recommendation includes this provision.

b. Response

In order to ensure that infrastructure is not overburdened by rapid community growth, LCP Policy 1.22 limits the number of new Midcoast residential units to 125 units per year. Specifically, the annual limit is stated as follows:

*125 per year until Phase I sewer and significant new water facilities have both been provided, unless the County Board of Supervisors makes the finding that water or other public works have insufficient capacity, consistent with the protection of sensitive habitats, to accommodate additional growth.*

*125 in the years following the provision of Phase I sewer and significant new water facilities, unless the County Board of Supervisors makes the finding that water, schools and other public works have sufficient capacity to accommodate additional growth. In any year that the Board makes this finding, up to 200 building permits may be granted. The exact number of building permits shall be determined by the Board at the time the finding is made.*

Since Phase 2 sewer facilities have been constructed to serve buildout, this policy authorizes the Board to increase the limit up to 200 new units per year upon making the finding that sufficient water, schools and other public works capacity exists.

As indicated, the Subcommittee recommends reducing the annual limit from 125 units per year to 75 units per year. It intends for this to be an absolute limit that would allow gradual, programmed growth. Hence, the Subcommittee recommends repealing the provision authorizing possible increases up to 200 new units per year.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Reduce the limit from 125 units per year to 75 units per year, i.e., 40%.**
- (2) Not establish community sub-limits.**
- (3) Retain the existing exemptions for affordable housing and second units.**
- (4) Eliminate the provision authorizing the Board to increase the limit up to 200 new units per year.**

- (5) Add an exemption for residential units occupied by disabled persons and their caretakers (not to exceed 50 units per year).**
- (6) Not add an exemption for mixed-use units (CCR District) and caretaker's quarters (W District) at Princeton.**
- (7) Apply the limit to units, not building permits.**

## 5. Merge Residential Substandard Lots

### a. Background

Lot merger is the process authorized by State law whereby local government may combine contiguous lots in common ownership into a single parcel if at least one lot is undeveloped, and at least one lot either:

- (1) Is smaller than 5,000 sq. ft. in area, or
- (2) Fails to meet water supply, sewage disposal, or vehicle access standards, or
- (3) Creates health or safety hazards if developed, or conflicts with the General Plan.

Requiring lot merger can implement the planned development density and prevent exceeding buildout when lots are “sold off” and developed individually.

Property owners can also initiate lot mergers, although voluntary merger usually only occurs when there is an incentive, i.e. a benefit would result. For example, owner initiated merge has occurred in Miramar (R-1/S-94 district) where merging lots into at least an 8,000 sq. ft. parcel provides the owner access to priority reserved water capacity. Voluntary merger also occurs to prevent being assessed for more than one water or sewer hookup.

Within the Midcoast 1,605 residential zoned substandard lots occur as 870 vacant parcels, as follows:

<b>VACANT RESIDENTIAL PARCELS</b>
271 lots occur as a one-lot parcel
944 lots occur as 472 two-lot parcels
354 lots occur as 118 three-lot parcels
36 lots occur as 9 four-lot parcels

Staff has determined that 91% of these lots are 3,500 sq. ft. or smaller, as follows:

<b>VACANT RESIDENTIAL SUBSTANDARD LOTS</b>	
Lot Size	Percentage
Smaller than 2,500 sq. ft.	10%
2,500 - 3,500 sq. ft.	81%
Larger than 3,500 sq. ft.	9%

The existing County policy is to merge applicable residential substandard lots at the time when a permit application is submitted. The requirement only applies to R-1/S-17 zoned lots that are smaller than 3,500 sq. ft.

The Planning Commission recommended that the County comprehensively and proactively merge all applicable residentially zoned substandard lots up to 5,000 sq. ft. or the zoning minimum parcel size. Contiguous lots in common ownership on (1) vacant parcels, and (2) developed parcels that include vacant substandard lots would be merged first. Remaining developed parcels would be merged when a permit application is submitted.

**The Board has not taken tentative action on this topic.**

In November, 2005, the Subcommittee recommended that the Board approve a two-phased lot merger process whereby incentives are offered for voluntary merger of residentially zoned substandard lots during Phase 1, followed by mandatory merger during Phase 2.

Lot merger would apply to contiguous subdivided lots that are in common ownership and are less than 5,000 sq. ft. in area. Merger would include vacant parcels comprised of at least two substandard lots, and developed parcels comprised of at least three substandard lots. Two-lot developed parcels would be merged when a permit application is submitted.

Exclude applicable substandard lots located in the CalTrans' Devils Slide bypass property would be excluded.

In December, 2005, members of the Board made the following requests:

- (1) Evaluate measures to prevent the selling off substandard lots prior to lot merger. Develop a process to monitor such lot transfers, and commence mandatory merger if selling off lots occurs with some frequency.
- (2) Assess the adequacy of the proposed incentives for voluntary lot merger, and consider increasing the Building Permit fee reduction be considered.

b. Response

The process for lot merger is as follows:

- (1) Recording a Notice of Intention to Determine Status

A "Notice of Intention to Determine Status" is prepared, recorded, and simultaneously mailed to the affected property owner. This notice informs the property owner that the County has identified his or her

property for possible merger.

(2) Hearing to Determine Status

The property owner may then request a hearing before the Community Development Director. At the hearing, the property owner may present evidence to show that the property does not meet the criteria for merger.

(3) Merger Determination

If the Community Development Director determines that the property continues to meet the criteria for merger, a “Notice of Merger” is recorded. If not, a release of the “Notice of Intention to Determine Status” is recorded.

(4) Appeals

The property owner may appeal the Community Development Director’s decision to the Planning Commission, with further appeal possible to the Board of Supervisors.

The date of recording the “Notice of Intention to Determine Status” formally establishes lot ownership for the purpose of merger. This means that common ownership exists as of this date and lot merger may proceed.

Common ownership means that the lots are owned by the same person or entity under the same name. For example, common ownership does not exist if a husband and wife own one lot and just the wife owns the second lot.

Although lot merger is an effective tool to reduce the number of substandard lots, it has shortcomings. Since common ownership is required for lot merger, property owners can avoid mandatory lot merger by conveying contiguous lots to a different owner before the merger process begins. Specifically, an owner can avoid merger by changing the ownership before the “Notice of Intention to Determine Status” is recorded. However, if it is demonstrated that the lot transfer was for the sole purpose of subverting the merger process, the lot merger may proceed.

Known methods to avoid merger include (1) selling the lot to an unrelated individual, (2) selling or giving the lot to adult children, or (3) deeding the lot to an irrevocable trust. The practice of changing ownership for every other lot in a sequence is called “checkerboarding.”

Although methods exist to avoid lot merger, there are also existing incentives for land owners to voluntarily merge contiguous lots. These include an increased house floor area limit (as described below), access to priority reserved sewer and water capacity (Miramar), and avoiding assessments for

multiple water and sewer hook ups.

The existing LCP limits floor area differently for conforming and nonconforming parcels as follows:

<u>Conforming Parcels</u>	<u>Nonconforming Parcels</u>
(0.53) x (parcel size)	(0.48) x (parcel size)

Since the existing floor area controls are more restrictive for a house on a nonconforming parcel than on a conforming parcel, one may be induced to voluntarily merge substandard lots.

As indicated, the Subcommittee recommended two-phased lot merger process that offers additional incentives for voluntary merger of substandard lots. These incentives include:

- (1) Up to 250 sq. ft. bonus floor area, or
- (2) \$1,500 (new unit), \$300 (existing unit), or 5% reduction in building permit fees, or
- (3) Up to 1 covered space reduced parking requirement.

The incentives would provide a reward for averting mandatory lot merger, but never would match the income that could be gained from selling off a substandard lot. In this context, the recommended incentives provide an adequate inducement for voluntary lot merger in lieu of mandatory lot merger.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Approve a two-phased lot merger process whereby incentives are offered for voluntary merger of residentially zoned substandard lots during an 18-month Phase 1 period, followed by mandatory merger during Phase 2. The incentives are:**
  - (a) Up to 250 sq. ft. bonus floor area, or**
  - (b) \$1,500 (new unit)/\$300 (existing unit) or 5% reduction in building permit fees, whichever is greater, or**
  - (c) Up to 1 covered space reduced parking, or**
  - (d) For an affordable housing unit, all of the following:**

- Up to 250 sq. ft. bonus floor area,
- Up to 1 covered space reduced parking,
- Ability to obtain a priority reserved water and sewer connection, and
- Waive permit fees and expedite permit processing.

Lot merger would apply to contiguous subdivided lots that are in common ownership, less than ~~5,000~~ 4,500 sq. ft. in area, and located in a residential zoning district.

The merger process would affect vacant parcels comprised of at least two substandard lots, and developed parcels comprised of at least three substandard lots. Two-lot developed parcels would be merged when a permit application is submitted.

Merged lots would be combined up to 5,000 sq. ft. or the applicable zoning minimum parcel size.

- (2) Exclude applicable substandard lots located in the CalTrans' Devils Slide bypass property.
- (3) Enact a policy whereby during Phase 1, the Planning and Building Division coordinates with the County Assessor to identify when a substandard lot eligible for lot merger changes ownership such that it is no longer eligible for merger.

The policy would authorize automatic transition from Phase 1 (voluntary merger) to Phase 2 (mandatory merger) if more than three such ownership changes occur after Phase 1 begins.

The Subcommittee believes that the revised recommendation seeks to preserve LCP buildout and density through incentives before mandatory measures, and establishes monitoring mechanisms to curtail potential abuses.

The Subcommittee also believes that merger should be limited to lots that are less than 4,500 sq. ft. (and not 5,000 sq. ft.) in area for the following reasons:

- (1) There are Midcoast lots that are less than 5,000 sq. ft. only because a curve in the street or a street dedication caused a modest reduction in lot area.

- (2) The existing floor area limit applicable in the R-1/S-17 zoning district increases in a graduated manner for parcels that are between 4,500 and 5,000 sq. ft. in area.
- (3) The existing lot merger policy applicable in the R-1/S-17 zoning district affects only lots that are less than 3,500 sq. ft. in area.

The Subcommittee recommends coordination with the County Assessor because this office becomes informed when property changes ownership. Staff has spoken with the County Assessor, who has informed that the proposed monitoring process is feasible.

## 6. Nonconforming Parcel Development Controls

### a. Background

Controlling floor area and design on residential nonconforming parcels can assure that house size and scale is proportioned to parcel size and compatible with surrounding development.

The existing zoning controls for nonconforming parcels include: (1) limiting house floor area to 48% of parcel area, (2) prohibiting exceptions to the floor area limit, (3) requiring daylight plane or façade articulation features and design review approval, and (4) requiring use permit for parcels smaller than 3,500 sq. ft.

The Planning Commission recommended reducing the floor area limit according to the “Proportionality Rule.” This more restrictive method limits house size proportionate to the degree of parcel nonconformity. A more detailed description of the “Proportionality Rule” is included as Attachment 2.

**The Board tentatively approved retaining the existing zoning controls, i.e. no change.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval as stated above, i.e. retain the existing zoning controls.**

To encourage affordable housing units, the Subcommittee also recommends a proposal whereby the County would offer incentives to owners who voluntarily develop an affordable housing unit on a single substandard lot. This proposal is described in Section 23, entitled New Midcoast Affordable Housing Policy.

## **7. Residential Uses in the C-1 (Neighborhood Commercial) District**

### **a. Background**

The C-1 district primarily provides for neighborhood serving retail businesses. It allows residential uses subject to a use permit. There is no requirement for a commercial use or that residential uses locate above the first floor. Controlling residential uses can assure that there is sufficient opportunity for commercial uses to locate in the Midcoast's limited C-1 zoned areas.

The Planning Commission recommended (1) limiting residential use to above the first floor, (2) limiting residential floor area not to exceed the commercial floor area, and (3) reducing building height limit to 28 feet.

**The Board has not taken tentative action on this topic.**

The Board requested that options be considered that place less restriction on the residential component of a mixed-use development while protecting the first floor commercial use. Examples cited included allowing more residential floor area, additional building height, and smaller setbacks.

### **b. Subcommittee Recommendation**

**The Subcommittee recommends that the Board:**

- (1) Limit residential use to above the first floor.**
- (2) Permit residential floor area to exceed commercial floor area.**
- (3) Provide an option to either:**
  - (a) Reduce the building height limit from 36 ft. to 28 ft. and eliminate the front yard setback (20 ft.) for the residential component, or**
  - (b) Reduce the building height limit from 36 ft. to 32 ft.**

The Subcommittee believes that this approach would protect the commercial space and result in development in scale with the community. Eliminating the front setback will not present light, air or privacy impacts since this building side faces the street. Although the predominant Midcoast height limit is 28 ft., lowering the height limit from 36 ft. to 32 ft. would be consistent with the zoning in certain residential zoned areas.

## 8. Residential Uses in the W (Waterfront) District

### a. Background

The W district primarily provides for uses that support commercial fishing and recreational boating. The district also allows caretaker's quarters, i.e. a unit inhabited by someone looking after the site. The number of caretaker's quarters is limited to 20% of the developed parcels. These units may not exceed 35% of the building floor area, up to 750 sq. ft. Limiting caretaker's quarters can assure that residential use does not displace marine related uses at Princeton, while providing some opportunity for live-work housing.

The Planning Commission recommended: (1) increasing the permitted number of caretaker's quarters from 20% to 27.5% of the developed parcels, (2) prohibiting such units on nonconforming parcels, and (3) maintaining the existing unit size limits.

**The Board tentatively approved increasing the permitted number of caretaker's quarters from 20% to 25% of the developed parcels; otherwise, the Planning Commission recommendation.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval as stated above.**

## **9. Residential Uses in the COSC (Coastside Open Space Conservation) District**

### **a. Background**

The “Burnham Strip” is an approximately 14-acre, generally open area between Highway 1 and El Granada. This property is viewed as the entry or gateway to El Granada and is currently zoned COSC (Coastside Open Space Conservation). The Burnham Strip is comprised of eleven parcels; two developed and nine undeveloped. Existing development consists of a single-family residence and a private school. A map showing the Burnham Strip is included as Attachment 3

Among the purposes of the COSC district is to “provide for planned low intensity development which preserves, to the greatest degree possible, the visual and open characteristics of the land.” The district permits agriculture, nurseries, recreation uses, institutional facilities and one-story (16 feet) single-family residences, not to exceed 10% parcel coverage. The COSC zoning district is combined with the DR (Design Review) district, and all new buildings require design review approval.

The Planning Commission recommended that the County prohibit single-family residences in the COSC district.

### **The Board has not taken tentative action on this topic.**

County Counsel determined that in order to withstand a legal challenge for prohibiting single-family residences, the County would need to prove that the non-residential uses allowed by zoning would be feasible and provide a reasonable economic return to property owners. Based on a consultant prepared economic study, County Counsel concluded that only two parcels (2.5 and 6.2 acres) are clearly large enough to accommodate the permitted non-residential uses and provide a reasonable economic return.

In November, 2005, the Subcommittee recommended that the Board:

- (1) Rezone approximately 5.25 acres (9 parcels) from COSC to RM/CZ (Resource Management/Coastal Zone), and revise the RM/CZ regulations to limit building height for these parcels at 16 ft.
- (2) Enact a new El Granada Gateway (EG) zoning district that prohibits residential uses, and allows feasible low impact uses. Recommended permitted uses include:
  - Temporary Outdoor Sales, e.g. farmers and flea markets
  - Temporary Showgrounds and Exhibition Facilities

- Outdoor Performing Arts Centers
- Outdoor Sports Facilities
- Driving Ranges and Miniature Golf Courses
- Cemeteries (no structures)

(3) Rezone approximately 8.7 acres (2 parcels) from COSC to EG.

In December, 2005, members of the Board requested that other options be explored which permit low intensity uses, preserve the area's openness, and are legally adequate.

b. Response

An effective method for protecting views and maintaining site openness is to require site planning and building size controls. Site planning requirements can direct the location of buildings and structures to less visually sensitive areas of a parcel. Building size limits can control a structure's floor area, height and mass. In addition, design elements and landscaping can soften the visual intrusiveness of a building.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board replace the previous proposal with the following:**

**(1) Enact the El Granada Gateway (EG) zoning district to facilitate low intensity development capable of preserving the visually open characteristics of the "Burnham Strip" property.**

**(2) Rezone the approximately 14-acre "Burnham Strip" from COSC/DR (Coastside Open Space Conservation/Design Review) to EG/DR (El Granada Gateway/Design Review).**

**(3) Permit the following uses on all parcels in the EG zoning district subject to use permit approval:**

- Parks
- Linear Parks and Trails
- Open Field Cultivation of Plants for Ornamental Purposes
- Outdoor Recreation Areas
- Outdoor Athletic Facilities
- Interpretive Centers
- Community Centers
- Outdoor Art Centers
- Temporary Outdoor Performing Arts Centers
- Temporary Outdoor Showgrounds and Exhibition Facilities

- Temporary Outdoor Sales
- Urban Roadside Stands

- (4) Permit single-family residences on parcels that either (a) are smaller than one-acre, or (b) do not front Highway 1.**
- (5) Limit the height of all buildings to one-story, not to exceed 16 feet.**
- (6) Require that all buildings be screened with sufficient landscaping to obscure and soften their appearance when viewed from Highway 1.**
- (7) Limit house floor area to 2,650 sq. ft. Floor area includes all habitable areas, garages and carports, and most covered decks, porches and balconies.**
- (8) Require that one of the exterior house walls be located not more than 20 feet from the property line farthest from Highway 1.**

The Subcommittee believes that the revised recommendation serves to protect views, maintain site openness, and accommodate low intensity uses.

One-story single-family residences are permitted on parcels that either are not large enough to accommodate most non-residential uses or are more distant from Highway 1. However, the houses would be subject to new zoning requirements to reduce their visual prominence, including that they could be no larger than a residence on a typical 5,000 sq. ft. parcel in the Midcoast, and located as far away from Highway 1 as possible.

The Subcommittee also believes that the low impact, often outdoor and portable, non-residential uses being proposed are feasible and can provide a community function.

## 10. Increasing Commercial and Employment Opportunities

### a. Background

The Midcoast is primarily a residential community with more housing than jobs. This contributes to traffic congestion during commute hours. Increasing commercial opportunities can create local jobs, reduce the jobs-housing imbalance and associated traffic congestion, and increase the local tax base.

The Planning Commission began to consider a proposal to permit new uses in the Waterfront (W) district at Princeton, including limited offices and retail businesses. The Commission also began to consider a proposal to permit commercial and office uses at two Half Moon Bay Airport sites that are not needed for airport-related activities. These areas are shown in Attachment 4.

The Planning Commission recommended deferring consideration of new permitted uses until the Half Moon Bay Airport Master Plan and Airport Land Use Commission (ALUC) aircraft safety zone evaluation are complete.

**The Board tentatively approved deferring consideration of permitted uses at Princeton and Half Moon Bay Airport until the “Airport Layout Plan” portion of the Airport Master Plan and the safety zone ALUC evaluation are complete.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Tentatively approve revising the Waterfront “W” district regulations (Inland Area only) at Princeton to add employment generating commercial uses as permitted uses. The uses would include:**
  - Research and Development Facilities (up to 10,000 sq. ft. floor area per establishment)**
  - Indoor and Outdoor Wholesale Establishments (up to 10,000 sq. ft. indoor floor area per establishment)**
  - Administrative, Professional and Business Offices (up to 5,000 sq. ft. floor area per establishment)**

- **Indoor Retail Sales, Rental or Repair Establishments (up to 3,000 sq. ft. floor area per establishment, except for goods made on-site)**
  - **Construction and Maintenance Trades and Service Establishments**
  - **Artist's Studios**
- (2) Tentatively approve enacting a new Airport Commercial (AC) zoning district that would permit a full range of employment generating commercial uses for two sites at Half Moon Bay Airport. The uses would include:**
- **Indoor and Outdoor Retail Sales, Rental or Repair Establishments**
  - **Outdoor Retail Sales, Rental or Repair Establishments**
  - **Food and Beverage Stores**
  - **Personal Convenience Service Establishments**
  - **Restaurants**
  - **Food Establishments Specializing in Carry-Out or Delivery Service**
  - **Administrative, Professional and Business Offices**
  - **Financial Institutions**
  - **Medical and Dental Offices**
- (3) Tentatively approve rezoning the following two sites at Half Moon Bay Airport from M-1 to AC:**
- (a) 23 acres fronting Highway 1 in the northeast Airport area.**
  - (b) 9 acres fronting Capistrano Road in the southeast Airport area.**
- (4) Postpone final approval of the above amendments until the "Airport Layout Plan" portion of the Half Moon Bay Master Plan, and the ALUC safety zone evaluation to reduce aircraft accident risk are complete**

The Subcommittee believes that this approach will best provide increased opportunities for commercial land uses that can create local jobs, while still assuring that new development will not conflict with the principle of avoiding hazard risk.

## 11. Development Controls in the AO District

### a. Background

The Airport Overlay (AO) is a combining zoning district that affects property located near Half Moon Bay Airport. The stated purpose of the AO district regulations is “to provide an extra margin of safety” at the end of the runway by limiting the concentration of people that may locate there. The AO district regulations limit the type and intensity of development otherwise permitted by the underlying Waterfront (W) district regulations. The AO zoning district is shown in Attachment 5.

Approximately 1/4 of the AO district is not subject to either federal (FAA) or regional (ALUC) safety protection zones.

The Planning Commission had begun to consider a proposal to reduce the size of the AO zone approximately 1/4, thereby eliminating the area that is not subject to FAA and ALUC safety protection zones. This area is also shown in Attachment 5.

The Planning Commission recommended that the Board revise the site intensity limit for the area not subject to the protection zones from three persons per site to one person per 1,667 sq. ft. Otherwise, the Commission recommended to defer consideration of reducing the size of the AO zone until the Half Moon Bay Airport Master Plan and ALUC safety zone evaluation are complete.

**The Board tentatively approved postponing consideration of all changes to the AO district until the “Airport Layout Plan” portion of the Airport Master Plan and ALUC safety zone evaluation are complete.**

In November, 2005, the Subcommittee recommended that the Board:

- (1) Revise the AO district to align with the FAA and ALUC protection zones.
- (2) Rezone the area outside revised AO district from W/AO to W.
- (3) Amend the site intensity limit for the AO district from three persons per site to one person per 1,667 sq. ft. (i.e. equivalent to three persons per 5,000 sq. ft.).
- (4) Postpone final approval of the above amendments until the “Airport Layout Plan” of the Half Moon Bay Airport Master Plan and ALUC safety protection zone evaluation are complete.

In December, 2005, members of the Board made the following requests:

- (1) Describe the history of the AO district including the limit of three persons per site and the Federal Aviation Authority's (FAA) involvement.
- (2) Evaluate increasing the site intensity limit for viable uses.

b. Response

In 1976, the Board of Supervisors requested that the FAA permit the County to decrease the effective length of the runway at Half Moon Bay Airport by 763 feet and lower the aircraft weight limit to 12,500 pounds. Among the reasons for the request were to reduce noise impacts on the surrounding area and to minimize the cost of land acquisition at the end of the Airport. Shortening the usable runway length was to be accomplished by creating a "displaced threshold" indicated by a painted line on the runway.

The FAA authorized the displaced threshold for aircraft landing only, subject to the condition that the County continue to protect the same surrounding area as before the displaced threshold. This means that approach protection zones would not change even though the effective runway length has been shortened for landings. This requirement has the effect of extending the safety zones 763 feet farther into Princeton than would be required if based on actual landings at the displaced threshold. Within this area, residential uses are prohibited and building height shall not intrude into a defined 34:1 approach slope. The FAA's requirements were intended to protect the affected area should use of the full runway length be restored in the future.

In 1978, the Airport Land Use Commission (ALUC) concurred with the FAA requirement. Subsequently, the Board of Supervisors established the displaced threshold and responded to the FAA requirements by enacting the AO district. Within the AO district, residential uses are prohibited, building height is limited to 36 feet, and in 1978, concentration of people was limited to 10 persons per net acre. The 10 persons per net acre limit appears to have been derived from an ALUC requirement.

In 1989, the Board of Supervisors sought to provide additional land use opportunities in the AO zone. The zoning regulations were amended to (1) increase the site intensity limit from ten persons per net acre to three persons per site, and (2) allow outdoor storage and indoor low impact manufacturing.

In 2004, the Planning Commission evaluated options to again increase land use opportunities and provide more flexibility in the AO district. The analysis

revealed that approximately 1/4 of the AO district is not subject to either FAA or ALUC protection zone requirements, and that the existing “three persons per site” intensity limit presents administrative shortcomings. More specifically, there are parcels of all sizes in the AO zone and no more than three persons would be permitted on each. As such, a 2,500 sq. ft. site and a 15,000 sq. ft. site would each be limited to three persons. This does not result in uniform area density, nor represent fair application to property owners.

As an alternative, the Planning Commission proposed relating the site intensity limit to the W district zoning minimum parcel size, which is 5,000 sq. ft. When administering the AO district regulations, a “site” could equal each 5,000 sq. ft. of parcel area, including portions thereof, as follows:

<u>SITE SIZE (sq. ft.)</u>	<u>MAXIMUM NUMBER OF PERSONS PER SITE</u>
Up to 1,667	1
1,668 – 3,334	2
3,335 – 5,000	3
5,001 – 6,667	4
6,668 – 8,334	5
8,335 – 10,000	6
10,001 – 11,667	7
11,668 – 13,334	8
13,335 – 15,000	9

Providing opportunities for viable commercial and industrial uses in the AO zone is frustrated by the 1978 FAA requirement that protection zones be based on the physical end of the runway rather than the displaced threshold, and thus affecting a larger area of Princeton.

The State Airport Land Use Planning Handbook (2002) provides safety compatibility guidelines for land uses located near the end of a runway. The Handbook identifies population concentration guidelines for general aviation airports in a “*Rural/Suburban (Mostly to Partially Undeveloped)*” setting, i.e., similar to that at Half Moon Bay Airport. If the safety zone requirements were to be based on the displaced threshold, the Handbook population concentration recommendations for an area like the AO zone would be as follows:

Population Characteristic	Maximum Number of Persons/Acre	Maximum Number of Persons/5,000 sq. ft.
Average Daily Population	25-40	2.9-4.6
Average Daily Population with Risk-reduction Building Design	37.5-60	4.3-6.9
Maximum Single Event Population	50-80	5.7-9.2
Maximum Single Event Population with Risk-reduction Building Design	75-120	8.6-13.8

Under this scenario, the Handbook recommends more people on a site than three persons per 5,000 sq. ft. parcel area.

The County Public Works Department (DPW) is sponsoring preparation of the Half Moon Bay Airport Master Plan. DPW staff and a consultant are currently preparing the “Airport Layout Plan” component of the Master Plan, which is required by the FAA. This process includes review of required runway safety zones and “approach surfaces,” and will discuss possible safety impacts from any proposed Airport changes, proposals made by FAA and State Division of Aeronautics, and suggested mitigation measures, such as aviation easements. DPW believes that the “Airport Layout Plan” will provide sufficient information to further evaluate possible changes to the AO district. For these reasons, DPW recommends that the Board postpone changing the AO district until the “Airport Layout Plan” is complete.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Revise the AO district to align with the FAA and ALUC protection zones.**
- (2) Rezone the area outside revised AO district from W/AO to W.**
- (3) Amend the site intensity limit for the AO district from three persons per site to one person per 1,667 sq. ft. of parcel area (i.e., equivalent to three persons per 5,000 sq. ft.).**
- (4) Postpone final approval of the above amendments until the “Airport Layout Plan” of the Half Moon Bay Airport Master Plan and ALUC safety protection zone evaluation are complete.**
- (5) After the “Airport Layout Plan” is complete, consider whether to request that the FAA and ALUC base the approach protection zones on the “displaced threshold,” rather than on the physical end of the runway.**

## 12. Midcoast Traffic Mitigation Requirements

### a. Background

Requiring traffic mitigation measures assures that new development contributes to the cost of local road improvements and does not further degrade the Levels of Service on Highway 1.

The County requires mitigation fees from new development for local road/drainage improvements. The City/County Association of Governments (C/CAG) requires local jurisdictions to mitigate traffic impacts on designated roads resulting from large-scale development (>100 peak hour trips). This can involve requiring fees or Transportation Demand Measures (TDMs), e.g. shuttle service, subsidizing transit for employees, charging for parking, etc.

The Planning Commission recommended (1) retaining local road mitigation fee requirements, (2) retaining TDM requirements for projects generating more than 100 peak hour trips, (3) adding TDM requirements for projects that generate less than 100 peak hour trips and are not exempt from CEQA, and (4) studying expanding shuttle service.

**The Board has not taken tentative action on this topic.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Retain the existing mitigation fee requirements for local road and drainage improvements.**
- (2) Retain the existing requirements for transportation demand measures (TDMs) from new development that generates more than 100 peak hour trips.**
- (3) Require TDMs from new development that generates more than 50 peak hour trips.**
- (4) Study expanding shuttle bus service to the Bayside.**

All of these changes are intended to achieve an acceptable Level of Service on Highway 1 at buildout.

### **13. Development Controls in the RM-CZ and PAD Districts**

The Midcoast includes lands zoned RM-CZ (Resource Management-Coastal Zone) or PAD (Planned Agricultural District) that are intended for very low density development. This area includes 12 properties in the urban Midcoast, plus the Rural Residential Area (northeast of Montara) and Quarry Park (east of El Granada).

The permitted land uses in the RM-CZ and PAD zoning districts include those typically found in the rural Coastal Zone. The existing regulations conditionally permit timber harvesting, and oil and gas exploration. In addition, the RM-CZ regulations conditionally permit solid waste facilities and surface mining. Building height is limited to 36 feet.

Limiting land uses and building height on these unsubdivided, generally open lands can assure compatibility with the largely residential, more dense surrounding community.

The Planning Commission recommended deleting timber harvesting, surface mining, oil and gas exploration and solid waste facilities as permitted uses. Although timber harvesting would not be allowed, selective tree removal or thinning for resource management purposes could occur.

The Commission also recommended (1) reducing the house height limit to 28 feet, (b) limiting house floor area to that required by the R-1/S-17 zoning district, i.e. 0.53 (parcel size), and (c) requiring Design Review Committee review for residential development on Midcoast RM/CZ and PAD zoned land.

#### **The Board tentatively approved:**

- (1) Deleting timber harvesting, surface mining, oil and gas exploration and solid waste facilities as permitted uses. Selective tree removal or thinning for resource management purposes could occur.**
- (2) Reducing the house height limit from 36 feet to 28 feet.**
- (3) Enacting a house floor area limit of 0.53 (parcel size).**
- (4) Requiring Design Review Committee review for residential development.**

In November, 2005, the Subcommittee recommended that the Board keep its prior approval as stated above.

In December, 2005, members of the Board requested that staff coordinate with the Farm Bureau to further clarify and develop the Bureau's proposal for voluntary conservation easements in lieu of deleting the four permitted uses in the Midcoast RM-CZ and PAD zoned areas.

b. Response

The San Mateo County Farm Bureau is concerned that this action may set a precedent and lead to future land use limitations in the rural coastal zone. The Farm Bureau has proposed an alternative whereby instead of regulatory prohibition, property owners would voluntarily surrender the right to these uses by offering a conservation easement.

A conservation easement is a legal agreement between a landowner and the easement holder (a government agency or non-profit organization) that permanently limits uses on the land to protect and conserve site resources. A conservation easement typically includes a covenant running with land in perpetuity that limits the land covered by the easement to specific land uses. The easement holder would be responsible for enforcing the restrictions contained in the covenant. When a conservation easement is voluntarily established, the property owner typically receives a tax benefit for relinquishing certain property rights.

Instead of the LCP amendment to prohibit the four uses, the Farm Bureau has proposed a two-year time table to secure the conservation easements. The key tasks to be performed by the Farm Bureau include:

- (1) Identify those parcels where at least one of the four uses can be feasibly accomplished.
- (2) Approach property owners of the feasible parcels to determine interest in establishing conservation easements.
- (3) Prepare draft easements and attempt to secure funding to supplement the tax advantage compensation.
- (4) Complete property owner negotiations and review final easements with the Board of Supervisors.
- (5) Assure that the completed conservation easements are signed and recorded.

The Farm Bureau proposes that the Board of Supervisors appoint a Board liaison that could be regularly informed of the easement process. The Bureau indicates that it is developing a non-profit subsidiary that could become the easement holder for these contracts.

c. Revised Subcommittee Recommendation

The Subcommittee recommends that the Board:

- (1) Postpone final approval of the proposal to delete timber harvesting, surface mining, oil and gas exploration and solid waste facilities as permitted uses in the Midcoast project area for one year (until March, 2007).**

**At the end of one year (after March 2007), evaluate whether a sufficient number of conservation easements will be offered to effectively preclude these uses in the project area.**

**Indicate preference for the conservation easement holder be a public agency, such as the County, and not a private entity.**

- (2) Keep its prior approval to amend the PAD and RM-CZ district regulations for the project area to:**
- **Reduce the height limit for single-family residences to 28 feet, and limit the floor area of single-family residences to that required by the R-1/S-17 zoning district.**
  - **Rezone the PAD and RM-CZ zoned properties in the project area to the Design Review (DR) overlay district and require Design Review Committee review for residential development.**

The Subcommittee believes that a public agency easement holder would likely demonstrate greater accountability for a longer period of time in enforcement of the easement than a private counterpart. Specifically, a private, non-profit entity could dissolve or change in its mission.

## 14. Rural Residential Designation

### a. Background

The 233-acre rural residential area adjoining Montara is located on the rural side of the urban-rural boundary and partially subdivided into small substandard lots. This area is designated Very Low Density Residential (one dwelling unit per 5 acres) and zoned RM-CZ.

The rural residential area includes parcels that are served by public water utility lines. Although LCP policy prohibits extension of utility lines across the urban-rural boundary, the rural residential area was established to authorize continued utility service here.

A map showing the rural residential area is included as Attachment 6.

The Planning Commission recommended redesignating two portions of the rural residential area that are not currently served by water lines from Rural Residential to Rural. LCP policy would then preclude extension of future water and sewer service to these parcels.

**The Board has not taken tentative action on this topic.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board maintain the status quo, i.e. no change to the rural residential area boundary.**

The Subcommittee prefers this approach since (1) some infill development would result, (2) all of the parcels are located within (and assessed fees by) a utility district, and (3) the land use potential of these parcels would be preserved.

## 15. Lot Merger in Midcoast Rural Areas

### a. Background

The planned density for Midcoast rural areas is one dwelling unit per five acres or lower. Much of the area is comprised of subdivided “substandard” lots as well as parcels smaller than one acre.

Merger of contiguous lots or parcels in common ownership can occur if at least one lot or parcel is undeveloped, and at least one lot or parcel either:

- (1) Is smaller than 5,000 sq. ft. in area, or
- (2) Fails to meet water supply, sewage disposal, or vehicle access standards, or
- (3) Creates health or safety hazards if developed, or conflicts with the General Plan.

It is estimated that approximately one acre of land is needed to support a residence with an on-site water well and septic system.

Requiring merger can implement the LCP planned development density, prevent exceeding buildout when lots are “sold off” and developed individually, and assure that parcels are sufficiently large enough to support a water well and septic system.

The Planning Commission recommended that the County comprehensively merge all applicable contiguous, commonly-owned Midcoast lots and parcels designated Rural Residential or Open Space with the goal of combining parcels up to at least five acres. Vacant lots and parcels would be merged first.

**The Board has not taken tentative action on this topic.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) **Approve a two-phased lot merger process whereby incentives are offered for voluntary merger of Rural Residential or Open Space designated substandard lots during an 18-month Phase 1 period, followed by mandatory merger during Phase 2.**

**The incentives are:**

- (a) **Up to 250 sq. ft. bonus floor area, or**

- (b) \$1500 (new unit)/\$300 (existing unit) or 5% reduction in building permit fees, whichever is greater, or
- (c) Up to 1 covered space reduced parking, or
- (d) For an affordable housing unit, all of the following:
  - Up to 250 sq. ft. bonus floor area,
  - Up to 1 covered space reduced parking,
  - Ability to obtain a priority reserved water and sewer connection, and
  - Waive permit fees; expedite permit processing.

Lot merger would apply to contiguous subdivided lots that are in common ownership, less than 5,000 sq. ft. in area, and located in a Midcoast area designated Rural Residential or Open Space.

The merger process would affect vacant parcels comprised of at least two substandard lots, and developed parcels comprised of at least three substandard lots. Two-lot developed parcels would be merged when a permit application is submitted.

Merged lots would be combined, with the goal of up to five acres.

- (2) Exclude applicable substandard lots located in the CalTrans' Devils Slide bypass property.
- (3) Enact a policy whereby during Phase 1, the Planning and Building Division coordinates with the County Assessor to identify when a substandard lot eligible for lot merger changes ownership such that it is no longer eligible for merger.

The policy would authorize transition from Phase 1 (voluntary merger) to Phase 2 (mandatory merger) if more than three such ownership changes occur after Phase 1 begins.

The Subcommittee prefers this approach since it (1) merges only substandard lots, i.e. those most inconsistent with rural area density limits, (2) seeks to preserve LCP buildout and density through incentives before mandatory measures, and (3) establishes monitoring mechanisms to curtail potential abuses.

## 16. Use of the CalTrans Devils Slide Bypass Property

### a. Background

CalTrans owns a corridor of land crossing Montara that at one time was planned to be a roadway that bypassed landslide prone Devils Slide. The “bypass” property is mostly comprised of subdivided “substandard” lots, and includes land designated Medium Density Residential and zoned R-1/S-17 (5,000 sq. ft. minimum parcel size).

State Park lands border the property on the north, and there is pending federal legislation to include the bypass within the Golden Gate National Recreation Area (GGNRA) boundary.

Planning the bypass’s future can assure that the existing land use policy does not conflict with the County’s desire for very low intensity open space or recreation uses on this property.

The Planning Commission recommended:

- (1) Revising LCP policy to support adding the Devils Slide bypass property to adjoining park units.
- (2) Revising LCP policy to promote low intensity recreation uses, including a designated trail on the property.
- (3) Redesignating portions of the bypass property from Residential to Open Space, and rezone to COSC.
- (4) Encouraging CalTrans to voluntarily merge lots in the bypass property and convey the land to a public agency at a price no greater than the original cost.

**The Board has not taken tentative action on this topic.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board postpone consideration of all proposals for the Devils Slide bypass property until either (1) the Montara Mountain tunnel project is complete or (2) such time that another public agency or entity assumes ownership of the property, whichever occurs first. The recommendation would exclude substandard lots within the bypass property from any lot merger requirement that may be approved.**

The Subcommittee values inter-agency coordination and partnership when

developing land use policy. The Subcommittee recommends postponement since CalTrans prefers not to discuss plans for the bypass property until the tunnel is operational. Also, excluding the bypass property from lot merger accommodates future coordination with CalTrans and avoids assembling land into buildable parcels.

## 17. Highway 1 Pedestrian Improvements

### a. Background

Highway 1 traffic congestion occurs during peak commute hours, thus increasing the risk of pedestrian and bicycle collisions. Providing pedestrian and bicycle lanes can increase roadway safety and reduce vehicle trips.

The Highway 1 right-of-way is wide enough to accommodate a parallel multi-purpose trail. Specifically, the width of the Highway 1 right-of-way in the Midcoast generally varies between 160 and 180 feet. The width of the traffic areas (lanes, island and shoulder) varies between 60 and 90 feet.

The San Mateo County Trails Plan indicates that the width of multiple-use trail optimally would be 16 feet: 12 feet paved area with a center stripe, and at least 2-foot wide gravel shoulders on each side.

The County Park and Recreation Division's Midcoast Recreational Needs Assessment endorsed construction of seven underground pedestrian crossings at seven Highway 1 locations, some of which are aligned with existing stream culverts. Establishing pedestrian access at Highway 1 can reduce safety hazards, provide for transportation alternatives, and foster recreational opportunities.

The Planning Commission recommended revising LCP policy to:

- (1) Promote coordination with the Transportation Authority (TA) and CalTrans in developing a Highway 1 pedestrian/multi-purpose trail, and above or below ground pedestrian crossings at locations along Highway 1.
- (2) Require that the Highway 1 improvement projects be conditioned to require development of pedestrian access, or grade separated crossings.

**The Board tentatively approved the Planning Commission recommendation.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval as stated above.**

## 18. Updating Midcoast Trails Policies

### a. Background

In 2001, the State legislature directed the Coastal Conservancy to coordinate the implementation of the California Coastal Trail. For San Mateo County, the Coastal Trail is a partially completed, primarily bluff-top route that would connect numerous state and County parks as a continuous north-south path. Within the Midcoast, the Trail would connect Montara State Beach with Half Moon Bay.

The existing LCP lists the principal coastside trails, but has not been updated since 1980, and does not reference the County Trails Plan. It also identifies trails by names that have changed, and predates the GGNRA expansion into the County.

The Planning Commission recommended revising LCP policy to (1) support and facilitate the Coastal Conservancy's efforts to coordinate development of the Coastal Trail, and (2) update LCP trails policies, particularly trail names and the role of trail providing agencies.

**The Board has not taken tentative action on this topic.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board revise LCP policy to:**

- (1) Support and facilitate the Coastal Conservancy's efforts to coordinate development of the Coastal Trail.**
- (2) Update LCP trails policies, particularly trail names and the role of trail providing agencies.**

## 19. Impervious Surface Limit/Winter Grading

### a. Background

Surface water runoff can result in flooding, soil erosion, and depositing contaminants in coastal waters. Impervious surfaces, e.g., pavement and patios, and unchecked winter grading can accelerate surface runoff, whereas porous surfaces and contained grading sites can reduce runoff. San Mateo County complies with federal and State stormwater pollution requirements through C/CAG's Countywide Stormwater Pollution Program (STOPPP).

The Planning Commission recommended (1) retaining the existing STOPPP, (2) limiting the amount of parcel area covered by ground level impervious surfaces at 10% of parcel size (not to exceed 1,170 sq. ft.), (3) providing a limited exception to the impervious surface limit, and (4) prohibiting winter grading unless rigorous site containment occurs.

**The Board tentatively approved the Planning Commission recommendation with a change to specify that the 1,170 sq. ft. limit applies in residential zoned areas only.**

In November, 2005, the Subcommittee recommended that the Board keep its prior approval as stated above.

In December, 2005, members of the Board requested an evaluation of methods to improve prevention of Midcoast drainage, flooding and stormwater problems.

### b. Response

Many of the existing County programs aimed at stormwater management are administered by the County DPW. DPW constructs stormwater drainage facilities typically in conjunction with road improvement projects, and maintains existing drainage facility on a cycle basis throughout the year. Maintenance activities include clearing ditches and cleaning catch basins, culverts, storm drain inlets, and ditch inlet/outlets. During and after storms, DPW also unclogs overflowing storm drains, distributes sand bags, and inspects drainage facilities. The inspections are to evaluate the effectiveness of erosion controls and roadway drainage facilities, and identify areas where additional controls may be needed.

DPW staffs the San Mateo County Flood Control District which sponsors and finances flood control projects. There are currently three District designated flood control zones (all on the Bayside) where flooding and drainage control projects have occurred. DPW also participates with the Planning and Building and Environmental Health Divisions in the Countywide Stormwater

Pollution Prevention Program (STOPPP).

Over the past few years, DPW has met and discussed with the Midcoast Community Council various options to construct storm drain and road improvements in the Midcoast. This is consistent with the Midcoast Community Plan, which prescribes that drainage improvements be constructed in conjunction with road improvements. DPW has also met with the Council to discuss possible ways to reduce flooding in specific areas that has been re-occurring on an annual basis.

In January, 2006, the Board of Supervisors, upon recommendation of the Midcoast Community Council, approved construction of drainage conveyance facilities (not in conjunction with road improvements) at the following locations:

- Etheldore Street and Sunshine Valley Road
- Cypress Avenue from Etheldore Street to Highway 1
- Cedar Street between George and Montara Creek

These drainage improvements will help alleviate both street and property flooding. The Midcoast Community Council indicates that it supports drainage improvements being financed by mitigation fees collected from property owners developing their property. While the Midcoast Community Plan calls for road and drainage improvements together, past surveys indicate that community residents support drainage improvements without the associated road improvements.

As part of the Midcoast LCP Update Project, The Board of Supervisors has tentatively approved the following measures to better control stormwater drainage and prevent flooding:

- (1) Retain the existing Countywide Stormwater Pollution Prevention Program (STOPPP).
- (2) Enact regulations that limit the amount of parcel area covered by pavement and ground level impervious surfaces.
- (3) Enact regulations that prohibit winter grading unless rigorous site containment occurs.

Also, as part of this project, in April, 2005, the Board:

- (4) Approved new residential design review standards that include provisions to reduce the volume of surface runoff.

These are each briefly described below:

(1) Stormwater Pollution Prevention Program (STOPPP)

C/CAG's Stormwater Pollution Prevention Program (STOPPP) implements federal NPDES requirements in San Mateo County. The Regional Water Quality Control Board has issued a NPDES permit to C/CAG for the STOPPP. Key STOPPP elements include:

(a) General Stormwater Pollution Prevention

The Planning and Building Division prohibits the discharge of development related pollutants into storm drains, creeks and other waterways to the maximum extent practicable. As a part of the environmental review process, the Division requires mitigation measures, including design features, to avert stormwater pollutant impacts.

(b) Requiring Best Management Practices and Controls

For projects requiring a conditional permit, the Division requires best management practices and stormwater control measures before, during and after construction. Examples are: (a) site planning to conform with natural topography, reduce grading, and protect sensitive areas; (b) drainage system improvements (e.g., infiltration, bio-filters and detention basins); and (c) minimizing directly connected impervious areas.

Typical construction related controls include: (a) using berms or drainage ditches, (b) installing barriers to prevent water contact with pollution sources, (c) planting vegetation on bare slopes, and (d) covering stockpiles and construction materials.

(2) Impervious Surface Limit

Under natural conditions, flowing water is filtered through vegetation and drained through the soil. When water flows over an impervious surface, filtering and drainage does not occur. Surface runoff can be controlled by increasing the ability of the land to retain water. Hence, the more pervious the land, the less the surface runoff and associated potential for erosion, sedimentation and spread of pollutants.

Ground level impervious surfaces can include pavement, patios, decks, and compacted soils. Pervious building materials are available and include pervious concrete and porous asphalt, turf block, brick or natural stone.

The Board has tentatively approved limiting the amount of parcel area that may be covered by ground level impervious surfaces at 10% of parcel area (for all uses), not to exceed 1,170 sq. ft. (for residential uses). Ground level applies to structures that are less than 18 inches in height.

(3) Winter Grading

The Board has tentatively approved prohibiting winter grading (mid-October to mid-April) unless the applicant demonstrates and County certifies that the site is effectively contained to prevent erosion and sedimentation.

Site containment typically involves covering stored equipment and materials, stabilizing site entrances and exposed slopes, containing runoff, and protecting drain inlets.

(4) Design Review Standards

The Board has approved Midcoast design review standards which include the following provisions to reduce surface runoff:

- (a) Minimize the hardscape or impervious areas and maximize permeable surfaces that have a more natural appearance and reduce runoff volume and pollution.
- (b) Use of surfaces that: (a) are more naturally appearing than asphalt or concrete, and (b) decrease runoff and increase absorption. Such surfaces may include wood decks, perforated paving systems, and unmortared brick, stone or tile.
- (c) Driveways, walkways and parking areas should be no larger than allowable standards, and should drain into on-site landscaped areas.
- (d) Minimize directly connected impervious areas using landscaping or other permeable surfaces to soften the visual appearance, allow absorption into the soil, and reduce runoff.

c. Revised Subcommittee Recommendation

**The Subcommittee recommends that the Board:**

- (1) Keep its prior approval to (a) retain the existing Stormwater Pollution Prevention Program (STOPPP), (b) enact regulations to limit ground level impervious surfaces, and (c) prohibit winter**

grading unless rigorous site containment occurs.

- (2) Form a Midcoast Stormwater Drainage Committee made up of one member of the Midcoast Community Council, the Director of Public Works, and the Director of Environmental Services to discuss Midcoast stormwater drainage, flooding, and non-point source pollution issues, and make recommendations to the Board of Supervisors as necessary to reduce the potential for flooding in the Midcoast.**

**This committee process would be separate from the Midcoast LCP Update Project.**

## 20. Codifying Coastal Act Sections

### a. Background

Coastal Act Sections 30210-30265.5 establish statewide coastal land use policy and development review criteria. Key Coastal Act requirements found in Sections 30250-30254 are:

- (1) Development shall not interfere with the public's right of shoreline access.
- (2) Provide public access from nearest public roadway to the shoreline and along the coast.
- (3) Locate new development close to existing developed areas.
- (4) When not in existing developed areas, locate visitor-serving facilities in existing isolated developments or at selected visitor attraction points.
- (5) Site and design development to (1) protect ocean and scenic coastal views, (2) minimize alteration of natural landforms, (3) be visually compatible with surrounding areas, and (4) be subordinate to the character of its setting in highly scenic areas.
- (6) Minimize risks in high geologic, flood, and fire hazard areas, (2) avoid significant erosion, and (3) require protective devices near bluffs and cliffs.
- (7) Protect special communities and neighborhoods, which are popular visitor destination points.
- (8) Limit public works facilities to accommodate needs generated by permitted development.
- (9) Coastal dependent uses have priority over other development, except in a wetland.
- (10) Encourage the location and expansion of coastal dependent industrial facilities. Permit oil and gas development in accordance with specific conditions.

The Coastal Act authorizes coastal counties to prepare a LCP, which incorporates or adapts all relevant Coastal Act provisions for local application. In 1980, the Coastal Commission certified the County LCP as conforming with the Coastal Act. As such, LCP policies are the standard of review for proposed development in the unincorporated Coastal Zone.

Planning staff analysis concluded that the existing LCP policies effectively conform to the provisions of Coastal Act Sections 30210-30265.5, and that adding these sections to the LCP would create redundancy. Also, two similar sets of criteria worded differently could create difficulties when reviewing development proposals. Since the LCP operates as the local implementation of the Coastal Act, there also could be conflicts relating to local and State oil and gas policy.

While reviewing this topic, the Planning Commission recognized that there is one Coastal Act policy that, if adapted, would improve LCP administration. This is Coastal Act Section 30007.5, which provides guidance to the Coastal Commission when resolving matters where there are competing objectives. In such cases, conflicts may be resolved in a manner which on balance is most protective of significant coastal resources.

The Planning Commission recommended (1) not codifying the Coastal Act sections as LCP policy, and (2) enacting a new policy to assure that resolution of LCP policy conflicts occur in a manner most protective of significant coastal resources.

**The Board tentatively approved the Planning Commission recommendation.**

b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval as stated above.**

## 21. LCP Tasks Assigned to the County

### a. Background

The LCP includes policies directing the County to perform specific tasks unrelated to development review. These policies typically involve follow-up measures such as monitoring or reporting on LCP implementation.

The Planning Commission believes the County has effectively met most of the tasks assigned to it. However, there are several tasks where more work is needed.

The Planning Commission recommends that the Board direct staff to promptly complete these tasks, which are:

- (1) Record a Notice of Violation for any newly created illegal parcel, in accordance with Government Code Section 66499.
- (2) Require agencies to submit to the County a list of the proposed public works projects to be constructed during the ensuing fiscal year, and 5-year capital improvement plans.
- (3) Collaborate with SamTrans in planning for a park and ride facility near the intersection of Highways 1 and 92.
- (4) Continue evaluating methods to provide affordable housing, including incentives for affordable units on substandard lots.
- (5) Reestablish the Coastal Access Acquisition and Development Fund.

**The Board tentatively approved the Planning Commission recommendation.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval as stated above.**

## 22. LCP Policy Conflicts and Ambiguous Provisions

### a. Background

The Midcoast LCP Update Project has identified conflicts, inconsistencies and ambiguities which hinder effective policy administration. The key conflicts and corrections are as follows:

- Clarifying the application of LCP Policy 8.5, which requires development to locate at the least visible site from a scenic road.
- Correcting an inconsistency between LCP Policy 1.14 and Map 1.1 when identifying the rural residential area.
- Correcting an inconsistency between LCP Policies 5.2 and 5.4, and the LCP Land Use Plan Map related to designating Agriculture in the urban area.
- Other changes include: (1) clarifying the types of permitted affordable housing, (2) improving the wording of farm labor housing site policies/map, (3) standardizing policy references to the LCP Land Use Plan Map, (4) revising select policies to include a reference to LCP Land Use Plan Map, (5) precluding oil and gas well drilling on Midcoast RM-CZ and PAD zoned land, (6) correcting riparian corridor policy to eliminate an erroneous reference to wetlands, (7) removing ambiguities in biological report requirements, (8) adding scientific names for plant and animal species, and (9) standardizing references to Sensitive Habitats Component policies.

The Planning Commission recommended that identified LCP policies be revised to correct errors, resolve conflicts and clarify ambiguous provisions.

**The Board tentatively approved the Planning Commission recommendation.**

### b. Subcommittee Recommendation

**The Subcommittee recommends that the Board keep its prior approval.**

## 23. New Midcoast Affordable Housing Policy

### a. Background

Since the 1990s, the Midcoast has experienced a substantial increase in housing sales prices and rents due to a robust regional economy. The trend toward higher prices continues and affordability remains an issue. Relatively low paid service and agriculture employees as well as a growing number of seniors contribute to a need for Midcoast affordable housing.

The key LCP policies that facilitate affordable housing in the Midcoast are:

- (1) LCP Policy 1.22 excludes affordable housing units from the annual limit on the number of new Midcoast residential units.
- (2) LCP Policy 2.21 (Table 2.7) reserves sewage treatment capacity for housing units at the designated affordable housing sites.
- (3) LCP Policy 2.29 (Table 2.17) reserves water supply capacity for housing units at the designated affordable housing sites.
- (4) LCP Policy 3.15 designates three affordable housing sites in Moss Beach and El Granada. Units developed at these sites must include 35% to 50% that are for low and moderate income households.
- (5) LCP Policy 3.18 allows mobile homes or modular/manufactured housing on permanent foundations generally where single-family residences are permitted.
- (6) LCP Policy 3.19 provides a 25% density bonus and other incentives for development of five or more units if:
  - 10% of the housing units are for very low-income households, or
  - 20% of the housing units are for lower-income households, or
  - 50% of the housing units are for senior households.
- (7) LCP Policy 3.20 calls for establishing an “inclusionary requirement” whereby a percentage of the units would be reserved as affordable housing, or an in-lieu fee would be paid. The County has adopted an inclusionary ordinance applicable to developments with five or more units, Coastal Commission certification is pending.
- (8) LCP Policy 3.21 permits second units in the R-1 zoning district.
- (9) Board of Supervisors Ordinance 62405 provides for expedited priority processing and waiver of permit processing fees for affordable housing projects.

To date, no affordable housing units have been developed on the designated sites nor as a result of the density bonus provision. Approximately 70 second units have been approved in the Midcoast, though none are subject to income and rent limits.

To increase the number of affordable housing units in the Midcoast, in November, 2005, the Subcommittee recommended that the Board:

- (1) Revise LCP Policy 2.21 (Table 2.7) to reserve sewage treatment capacity for all affordable housing units, including those built on conforming parcels, nonconforming substandard lots and at the designated affordable housing sites.
- (2) Revise LCP Policy 2.29 (Table 2.17) to reserve water supply capacity for all affordable housing units, including those built on conforming parcels, nonconforming substandard lots and at the designated affordable housing sites.
- (3) Revise LCP Policy 3.21 to require that new second dwelling units may only be established as affordable units, i.e. subject to income and rent limits. Code enforcement efforts would be increased to identify new unpermitted second units.
- (4) Enact LCP policy whereby the County would provide all of the following incentives to any owner who voluntarily applies to construct an affordable housing unit (very low, low, or moderate income) that is located on a single substandard residentially zoned lot that cannot be merged:
  - Up to 200 sq. ft. garage floor area bonus,
  - Up to 1 covered space reduced parking,
  - Ability to obtain priority reserved water and sewer connection,
  - Waive permit fees; expedite permit processing,
  - To the extent feasible, access to an assembled pool of pre-qualified buyers, and
  - To the extent feasible, access to a reduced interest loan for construction costs.
- (5) Prepare and pre-approve a variety of house designs for affordable and market rate units constructed on substandard lots. Use of a pre-approved house design would be exempt from design review and use permit requirements.

- (6) Request the Granada Sanitary District to repeal its policy that adds regulatory barriers for a sewer connection serving a house on a nonconforming parcel, primarily since the policy constrains the provision of Midcoast affordable housing.

In December, 2005, members of the Board of Supervisors requested an evaluation on the practicality of requiring that second units be developed as affordable units. The evaluation should address enforcement problems, legal constraints, and the ability for family members to live in second units.

b. Response

Since 1982, communities throughout California have been required to accommodate second dwelling units in areas where single-family dwellings are permitted. Second units, also known as in-law or granny units, are considered beneficial to communities as a potential source of affordable housing, including for the elderly and family members. They also can contribute to community infill instead of sprawl, and provide additional income and security to homeowners.

The County's second unit program was approved in 1984. To ensure compatibility with existing residential areas, the floor area of the second unit is limited to between 700 and 1,500 sq. ft. based on the size of the main dwelling unit. One off-street parking space is required and second units are subject to design standards.

Within the urban Midcoast, 454 second units are permitted: 256 in Montara and Moss Beach, and 198 in El Granada and Miramar. To date, the County has approved 70 Midcoast second units. Members of the community have indicated that more than 70 second units exist in the Midcoast, and that the additional undocumented units have not benefited from County approval.

The Board of Supervisors has tentatively approved the development of a program to identify the number of un-permitted second units and to facilitate their legalization without punitive fines.

As indicated, the Subcommittee recommended requiring that new second dwelling units only be established as affordable units, i.e. subject to income and rent limits.

The State Department of Housing and Community Development indicates that "a local ordinance could include income restrictions on the occupancy of a second unit to require the creation of housing affordable to low- and moderate-income households. However, an ordinance with this restriction should be developed in a manner that encourages the creation of second units as opposed to restricting the development of second units."

Requiring that new second units have affordability restrictions will serve to meet the Midcoast needs for affordable housing. This in turn would contribute to the County fulfilling its regional fair share of affordable housing.

However, there are shortcomings associated with this approach. Family members, including aging parents and in-laws who wish to live close to the homeowner would be precluded if their income was too high.

Property owners wishing to benefit from “market rate” rental income may be induced to avoid compliance and the County permitting process. This would exacerbate the problem of undocumented second units, which the Board desires to correct. Similarly, owners may select not to establish a second unit because of the affordability requirement. This would run counter to the State Department of Housing and Community Development’s advice that a policy should encourage, as opposed to restrict, the creation of second units.

The practicality of requiring affordability restrictions for new second units is further hindered by the increased administrative oversight that would be needed to enforce the policy. Increased staffing would be needed to coordinate the signing and recording of the affordability contracts, to monitor and enforce compliance with the terms of the contracts, and to identify new non-permitted second units.

c. Revised Subcommittee Recommendation

**In order to increase the number of affordable housing units in the Midcoast, the Subcommittee recommends that the Board:**

- (1) Revise LCP Policy 2.21 (Table 2.7) to reserve sewage treatment capacity for all affordable housing units, including those built on conforming parcels, nonconforming substandard lots and at the designated affordable housing sites.**
- (2) Revise LCP Policy 2.29 (Table 2.17) to reserve water supply capacity for all affordable housing units, including those built on conforming parcels, nonconforming substandard lots and at the designated affordable housing sites.**
- ~~(3) Revise LCP Policy 3.21 to require that new second dwelling units may only be established as affordable units, i.e. subject to income and rent limits. Code enforcement efforts would be increased to identify new unpermitted second units.~~**
- (3) Enact LCP policy whereby the County would provide all of the following incentives to any owner who voluntarily applies to**

**construct an (very low, low, or moderate income) affordable housing unit that is located on a single substandard residentially zoned lot that cannot be merged:**

- **Up to 200 sq. ft. garage floor area bonus,**
- **Up to 1 covered space reduced parking,**
- **Ability to obtain priority reserved water and sewer connection,**
- **Waive permit fees; expedite permit processing,**
- **To the extent feasible, access to an assembled pool of pre-qualified buyers, and**
- **To the extent feasible, access to a reduced interest loan for construction costs.**

- (4) In consultation with the Coastside Design Review Committee, prepare and pre-approve a variety of house designs for affordable and market rate units constructed on substandard lots. Use of a pre-approved house design would be exempt from design review and use permit requirements.**
- (5) Request the Granada Sanitary District to repeal its policy that adds regulatory barriers for a sewer connection serving a house on a nonconforming parcel, primarily since the policy constrains the provision of Midcoast affordable housing.**

In addition to contributing to the County meeting its regional affordable housing objectives, the Subcommittee believes that the recommended new affordable housing measures provide increased opportunities for dispersed infill affordable housing using incentives, bonuses and streamlining procedures. Further, they encourage the voluntary provision of affordable housing on nonconforming parcels, while assuring a unit that is no greater in size than is permitted for conforming parcels.