

Proposed Revisions to the HCD Draft Housing Element

The Half Moon Bay Draft Cycle 6 Housing Element has been in for a 90-day review with the California Department of Housing and Community Development (HCD). HCD's review period runs from June 1 – August 31, 2023. During the review period, HCD staff have toured the City's Housing Opportunity Sites and advised City staff regarding various Housing Element topic areas including the following (listed in the order that revisions are proposed in the Housing Element):

- Special Housing Needs
- Concentrated Areas of Affluence
- Housing Types, including:
 - Accessory Dwelling Units
 - Employee Housing
 - Emergency Shelters and Low Barrier Navigation Centers
 - Group Homes
- Affordable Housing Fund Management
- Public and Quasi-Public Owned Sites
- Residential Dwelling Unit Allocation System (Measure D)
- Overpayment
- Agricultural Workforce Housing Needs
- Planned Developments
- Clarifications about Development Standards
- Reasonable Accommodations
- Permit Review Process and Cost
- Very Low-Income Affordability
- Housing Opportunity Sites #6 and #11
- Sites that Allow Non-Residential Uses
- Constraints on Pipeline Projects and Housing Opportunities Sites
- Conservation/Preservation Units
- Updates Acknowledging Microtransit Service

City staff have prepared revisions in response to HCD's input. The revisions were posted on the Housing Element website (www.hmbcity.com/housingelement) and emails were sent to interested parties on August 22, 2023, commencing a required **seven-day comment period running from August 23, 2023 – August 29, 2023**. Comments can be submitted via email at housingelement@hmbcity.com. Comments received will be made part of the record and will be provided to HCD. The City will provide updates about the next steps in the process after the City reviews HCD's letter which is expected on or before August 31, 2023.

This document includes City staff's proposed revisions, which are presented for each section of the Housing Element, by page number of the [Housing Element submitted to HCD](#). Underlined text is an insertion and ~~strikethrough text~~ is a deletion. Grey highlighting is used to distinguish the text being amended from the topic. The intent is that revisions will be incorporated into the next draft of the Housing Element along with technical corrections to data in various tables affected by these revisions, as well as corrections of non-substantive typos, formatting, etc.

Introduction and Executive Summary

Page Intro-7: Narrative about special housing needs will be updated in the Introduction to provide more context for presentation of data later in the Housing Element.

Special Housing Needs: Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Half Moon Bay, 10.3% of residents have a disability of some kind and may require accessible housing. Additionally, 8.8% of Half Moon Bay households are larger with five or more people, and likely need larger housing units with three bedrooms or more. 4.6% of households are female-headed families, which are often at greater risk of housing insecurity. Senior households on a fixed income in the lowest income categories are also vulnerable to rising rents and/or increasing maintenance costs. Additionally, farmworkers are considered a special housing needs group, which the City is working to support through the use of City-owned land for farmworker housing opportunities.

Page Intro-11: Text will be revised to provide additional information about concentrated areas of affluence:

Half Moon Bay only had one fair housing complaint filed from 2017 to 2021, which is proportionally much lower than rates of complaints filed in the County of San Mateo overall and surrounding communities. Racial and ethnic segregation in Half Moon Bay is low overall. Half Moon Bay was found to be less racially and ethnically diverse than the County overall, primarily driven by a lower representation of Asian residents. Additionally, Half Moon Bay is considered a concentrated area of affluence with a higher percentage of above median-income earners and a White population that is higher than the surrounding region. It is believed that northern and western areas of the City and the gated Ocean Colony neighborhood would have the highest concentrations of affluence within Half Moon Bay. This is a common pattern on the coast where coastside properties are limited in supply and often more difficult to permit. However, the City has a slightly higher proportion of Hispanic residents (30%) than the county (24%). Although a strained housing market exists, Half Moon Bay's housing stock was found to accommodate a variety of income levels – more so than many other small communities in the County:

- The ownership market in Half Moon Bay is on par with the County overall but has a slightly higher proportion of homes under \$500,000 with the presence of mobile homes; however, many of the City's mobile homes are located in Canada Cove, which is age restricted to 55 and over.

The rental distribution in Half Moon Bay reflects a more affordable rental market than San Mateo County overall.

Housing Plan

Pages H7 and H-8: Program 1-5 will be revised as follows with respect to objectives, monitoring, and timing:

Program 1-5: Accessory Dwelling Units (ADUs)

The City will update its Accessory Dwelling Unit (ADU) Ordinance in compliance with State ADU Law as it is updated from time to time. Encourage ADU development and ADU affordability through the following means:

- Expedited Review: Develop an expedited review process for junior ADUs and ADUs that do not require an administrative coastal development permit. Review complete applications for a building permit within 20 days.
- Preapproved Designs: Review, and accept if the designs conform to City codes, preapproved ADU designs developed for 21 Elements, or other San Mateo County jurisdictions.
- Promotion and Education: Continue to provide handouts and meet with homeowners to assist them with the ADU design and permit review process.
- Incentives: Provide incentives, such as permit fee reductions or development impact fee reductions or waivers, to homeowners to enter into affordability agreements and rent to Section 8 and low-income households.
- Partnerships: Partner with San Mateo County, other agencies, or nonprofits that have funding for deed restricted affordable ADUs.

Objectives: Development of 14 ADUs/year or 112 ADUs for the Cycle 6 planning period according to Housing Element affordability assumptions; updates to the ADU Ordinance as required.

Timeline: Annual monitoring of ADU production
Biannual monitoring of ADU affordability; if monitoring indicates that ADUs affordable to lower-income households are underperforming by 25% or more, provide additional incentives, outreach, or other support to improve the yield of more affordable units.
Ordinance updates per HCD's review and changes in State ADU law, subject to recertification by the California Coastal Commission

Responsible Party: Half Moon Bay Community Development Department

Funding Sources: General Fund

Page H-15: Program 3-3 will be revised as follows to update timing:

Program 3-3: Home Sharing and Cooperative Housing

The City will promote home sharing, cooperatives, and other creative mechanisms for providing affordable housing, particularly as they relate to the needs of large and multigenerational households, as well as for the elderly, female-headed households, and individuals with developmental or other disabilities or other special needs. Activities will include the following:

- Home Share Units: With the development of diverse housing types per Program 1-7, which will ensure that the Zoning and other ordinances allow such units (e.g., single-room occupancy (SROs), tiny houses/micro-units with movable foundations, and living spaces with shared kitchens and common spaces, cooperative live-work units), the City will look to leverage affordable housing agreements and connect property owners with organizations such as HIP Housing and Abode Services to assist with potential certification and landlord services for affordable co-housing units.
- ADUs and Home Share Matches: Provide information about the HIP Home Sharing program with a special emphasis on ADUs and JADUs. The City will notify owners of ADUs and JADUs completed over the past 5 years, and annually thereafter throughout Cycle 6, and encourage them to engage with HIP Housing if their ADUs are not being rented. Targeted outreach and collaboration with HIP Housing will increase the use of existing housing stock, including homes with vacant rooms, as well as ADUs and JADUs.
- ADUs for Special Needs Populations: Provide information about other agency support for development of affordable ADUs for special needs populations including but not limited to extremely low-income rent levels to people with developmental disabilities who would benefit from coordinated housing support and other services provided by the Golden Gate Regional Center or other service agencies.
- Group Homes for Co-Housing: Seek funding to purchase single-family homes for conversion to group homes for co-housing.
- Other Ownership Arrangements: Study ownership models including separate ownership of duplex units and limited equity housing cooperatives that allow residential developments to be managed, owned, and sponsored by non-profit housing developers.

Objectives: Ensure increased and widespread affordability through the use of existing housing stock. Facilitate at least one HIP Housing or other service agency match per year with a target of 10 matches over Cycle 6.

Timeline: ~~Ongoing~~ Monitor annually; achieve at least one match by 2025

Responsible Party: Community Development Department

Funding Sources: General Fund

Page H-16: Program 3-4 will be revised as follows to address Employee Housing:

Program 3-4: *Housing for Essential Workers*

The City aims to provide affordable housing for its essential workforce population including farmworkers, teachers, service sector employees, and other essential workers by the following means:

- Implementing the Workforce Housing Overlay (WHO) land use designation per Program 1-1. The City will ensure property owners with WHO designations are aware that their properties allow housing development for essential workers.
- Supporting WHO property owners to bring forward applications for housing development through various means including through reduced processing fees and by aligning applicable funding sources such as the San Mateo County forgivable loan program for small projects for farmworker housing units.
- Encouraging affordable housing developers to include diverse housing types in their projects; including by tenure, specifically to strive to include some ownership housing units within affordable housing developments to support generational wealth for essential workers.

Objectives: Biannual outreach to WHO property owners; City adoption of zoning amendments to include employee housing, followed by submittal to the California Coastal Commission for certification.

Timeline: Ongoing collaboration with affordable housing developers; annual outreach to WHO property owners

Responsible Party: Community Development Department

Funding Sources: General Fund

Page H-17 and H-18: Program 3-7 will be revised as follows to address zoning requirements:

Program 3-7: *Emergency Shelters, Transitional Housing, Supportive Housing, and Low Barrier Navigation Centers*

The City will update the Zoning Ordinance as required to conform with State law for emergency shelters, transitional housing, supporting housing, and low barrier navigation centers.provide wrap-around services to the local homeless community.

Zoning amendments include:

- Transitional and Supportive Housing: Add as permitted uses in the C-G, C-D, C-R, Industrial, and PS zoning districts.
- Emergency Shelter and Low Barrier Navigation Center: Add a definition to the Zoning

Ordinance for “Low Barrier Navigation Center” consistent with AB 101. Add emergency shelters and low barrier navigation centers as a by-right uses to the ~~mixed-use and nonresidential zoning districts that allow multifamily housing, including the C-G, C-D, C-R, Industrial and PS zones.~~

Objectives: Updated Zoning Ordinance; collaboration with service agencies seeking to develop emergency and transitional housing types.

Timeline: Mid-2024; and ongoing as State law changes

Responsible Party: Community Development

Funding Sources: General Fund

Page H-18: New Program 3-9 will be added, consistent with text revisions in Appendix B.

Program 3-9: Group Homes

The City will continue to permit group homes in residential and mixed-use zoning districts. Zoning updates are needed to confirm the following:

- Small group homes with 6 or fewer persons are permitted as a single-family use in all zones allowing single-family uses, regardless of licensing;
- Large group homes with 7 or more persons are permitted as a residential use in all zones allowing residential uses and shall be considered a residential use similar to other residential uses, based on objective standards, of the same type in the same zone.

Objectives: Updated Zoning Ordinance.

Timeline: Mid-2024; and ongoing as State law changes

Responsible Party: Community Development

Funding Sources: General Fund

Page H-22: Program 4-7 will be revised as follows to update timing:

Program 4-7: Affordable Housing Fund Management and Use

The City will implement and update its Affordable Housing Fund Allocation Guidelines to leverage affordable housing funds for larger projects and directly support smaller projects and programs. For this program, the City will continue to work with the development community (for-profit and nonprofit), housing advocates, and housing service providers to make feasible and bring forward affordable housing development proposals including extremely low-, very low-, low-units and other housing-related supportive services in Half Moon Bay.

The Affordable Housing Fund Allocation Guidelines prioritize the following:

- Affordable housing development at deep affordability levels
- Workforce rental housing affordable to low- and very low-income households.
- Housing and programs for individuals with disabilities, including developmental disabilities
- Housing and programs for other special needs populations

Objectives: Implement and periodically update the Affordable Housing Fund Allocation Guidelines.

Timeline: ~~Cycle 6~~ Annual review of fund balance and Guidelines with City Council

Responsible Party: Community Development Department

Funding Sources: Affordable Housing Fund and related sources

Page H- 22: Program 4-8 will be revised as follows to update objectives and timing:

Program 4-8: Use Public and Quasi-Public Owned Lands to be used for Affordable Housing

The City facilitates development of affordable housing on sites in ownership by public, nonprofit, or religious institutions through application of the Workforce Housing Overlay zoning per Program 1-1, or other applicable zoning provisions. Publicly owned sites in the Cycle 6 Pipeline Projects and Housing Opportunity Sites include sites AJ, #1, and #2. ~~the following:~~

Objectives: Pipeline Project AJ - 555 Kelly Avenue, City-owned: Entitlements by July 2025 for 40 units affordable to very low- and lower-income households

Housing Opportunity Site 1 - 880 Stone Pine Road, City-owned: Entitlements by January 2025 for 45 units affordable to lower-income households

Housing Opportunity Site 2 - 498 Kelly Avenue, CUSD-owned: Entitlements dependent on funding, potentially in 2024 or 2025 for 60 units affordable to faculty and staff.

~~Entitlements issued for two or more affordable housing developments on public-owned sites through application of the Workforce Housing Overlay.~~

Timeline: ~~Cycle 6~~ At least one project entitled by 2025; at least two projects entitled during Cycle 6

Responsible Party: Community Development Department

Funding Sources: Affordable Housing Fund and related sources

Page H-30: Program 6-8 will be revised to specify accessory dwelling units and clarify objectives as follows:

Program 6-8: Annual Review of Residential Dwelling Unit Allocation System

The City will continue to implement the Residential Growth Limitations Ordinance (Measure D) through an annual review of the applications seeking allocations according to the Residential Dwelling Unit Allocation System Ordinance basis according to the Subdivision and Zoning Ordinance requirements. Although the Growth Limitations Ordinance has adequate capacity over the eight-year Cycle 6 planning period for RHNA; implementation from year to year may be constraining. If Measure D is found to inhibit RHNA production, the City will seek to amend its provisions within the Subdivision and Zoning Ordinances in so far as they are consistent with the Ballot Measure language. One area of focus will be to eliminate or reduce the number of allocations required for ADUs and JADUs.

Objectives: Annually: Allocations for the following year confirmed by City Council in December; evaluation of applications received on or before January 1 by February, evaluation and establishment of rankings if needed for Planning Commission ratification in May; City Council consideration of potential allocation transfers no earlier than September.

If Needed: Prepare Code amendments to update the Measure D allocation process to reduce constraints on RHNA housing production. The need for a Code amendment is indicated if there are not enough allocations for ADUs, mobile/manufactured homes, and/or multi-family units including duplexes and larger projects.

Timeline: Annually: On-going with multiple milestones each year
Code Amendments: Within one year of identifying constraints on RHNA production

Responsible Party: Community Development Department

Funding Sources: General Fund

Page H-33: Add Table H-3, a matrix presenting quantified objectives related to affirmatively furthering fair housing (AFFH).

Fair Housing Issues	Contributing Factors and Priority	Actions	Quantified Objectives	Related Housing Plan Program(s)
<p><u>26% of HMB residents feel they have faced housing discrimination yet few take action. Only one fair housing complaint was filed between 2017 and 2021.</u></p>	<p><u>Limited resources and information in the city. Long distance from active fair housing organization in the region. High priority.</u></p>	<p>Action: <u>Improve resident knowledge and awareness of fair housing rights. Connect residents who feel they have experienced discrimination with resources.</u></p>	<p><u>1) Update the Housing page on the City's website to include information about fair housing laws and rights and resources for residents who feel they have experienced discrimination. Provide links to local fair housing organizations and relevant HUD websites. 2) Utilize city council and community meetings to make residents aware of fair housing laws and rights and resources. 3) Provide training to city staff on fair housing laws and how to respond to resident inquiries and complaints.</u></p>	<p>Program 4-3: <u>Multilingual Housing Information Access</u> Timeline: <u>Fall 2024</u></p>
<p><u>Higher poverty rates among non-White and Hispanic households. Higher rates of cost burden and overcrowded living conditions among non-White and Hispanic households.</u></p>	<p><u>Historic discrimination in employment and housing markets that have prevented residents of color from wealth building and housing stability. High housing costs relative to household income. High priority.</u></p>	<p>Action: <u>Create new affordable housing and require developers to affirmatively market that housing to Hispanic, Asian, Native American, and Black households who are cost burdened and overcrowded.</u></p>	<p><u>1) Include affirmative marketing requirements within affordable housing agreements. 2) Develop practices that promote affirmative marketing requirements, in various languages, applicable to market rate units, could be included in a Nondiscrimination Ordinance.</u></p>	<p>Program 1-3: <u>Below Market Rate Housing Ordinance</u> Program 4-2: <u>Nondiscrimination Clauses</u> Program 4-3: <u>Multilingual Housing Information Access</u> Timeline: <u>Spring 2025</u></p>
<p><u>Displacement of residents: 31% of residents report being displaced in the past 5 years, which is much higher than in county overall (21%). Primary cause of displacement is landlords selling units.</u></p>	<p><u>Increasing home values incentivizing owners to sell. Shortage of affordable rental housing. High priority.</u></p>	<p>Action: <u>Preserve housing stock that is naturally affordable and build more deed-restricted affordable housing.</u></p>	<p><u>1) Increase supply of diverse housing types to suit different household sizes and needs, which should include affordable ownership opportunities that allow households to build equity and provide housing stability. 2) Promote housing rehabilitation programs that increase a household's ability to age in place so that costly repairs do not cause a low-income household to sell or move. 3) Preserve existing housing stock through acquisitions and/or partnerships with non-profit housing organizations to ensure affordability in perpetuity.</u></p>	<p>Program 1-7: <u>Diverse Housing Types</u> Program 2-1: <u>Housing Rehabilitation</u> Program 2-2: <u>Preservation of Affordable At-Risk Units</u> Timeline: <u>Ongoing throughout Cycle 6</u></p>
<p><u>HMB has a larger share of higher needs students than other school districts. Education outcomes are lower for students of color.</u></p>	<p><u>Higher poverty rates among students of color. Under-resourced families and educational institutions. Lack of local resources. High Priority.</u></p>	<p>Action: <u>Enhance community services to support improved educational and employment outcomes of low income families and youth.</u></p>	<p><u>Enhance community services in the Town Center, which has access to many local resources: 1) Improve and better connect transit systems; 2) Improve pedestrian access and safety; 3) Establish the Coastside Opportunity Center.</u></p>	<p>Program 5-3: <u>Low VMT Development</u> Timeline: <u>Spring 2026</u></p>
<p><u>HMB has a larger share of higher needs students than other school districts. Education outcomes are lower for students of color.</u></p>	<p><u>Higher poverty rates among students of color. Under-resourced families and educational institutions. Lack of local resources. High Priority.</u></p>	<p>Action: <u>Advocate for more educational resources for Half Moon Bay students with extenuating circumstances.</u></p>	<p><u>1) Work with the Boys and Girls Club of the Coastside to bolster resources for students. 2) Open the Coastside Opportunity Center. 3) Work to create a satellite location for the San Mateo Community College.</u></p>	<p>Program 6-6: <u>Work with Non-Profits and Regional Partners</u> Timeline: <u>Fall 2025</u></p>

Technical Report Appendix A: Housing Needs Assessment

Page A-29: Text will be revised to address overpayment as follows:

Renters are often more cost-burdened than owners. While the housing market has resulted in home prices increasing dramatically, homeowners often have mortgages with fixed rates, whereas renters are more likely to be impacted by market increases. When looking at the cost burden across tenure in Half Moon Bay, ~~15.4% of renters spend 30% to 50% of their income on housing compared to 17.6% of those that own~~ (see Figure A-27), 21.2% of renters spend 50% or more of their income on housing, while 11.3% of owners are severely cost-burdened.

Therefore, renter households are more likely to experience challenges with housing security and an increased risk of becoming homeless.

Page A-30: Text will be revised to address overpayment as follows:

In Half Moon Bay, 15.6% of households spend 50% or more of their income on housing, while 16.8% spend 30% to 50%. However, these rates vary greatly across income categories (see Figure A-28). For example, 65.7% of Half Moon Bay households making less than 30% of AMI spend the majority of their income on housing. For Half Moon Bay residents making more than 100% of AMI, none are severely cost-burdened, and 85.9% of those making more than 100% of AMI spend less than 30% of their income on housing. With limited financial resources due to their high cost of housing, it is common for low-income households to be financially constrained and therefore hard to budget or afford common expenses such as health care, nutritional food, transportation costs, school supplies, recreational experiences, and so on.

Page A-47: Discussion will be added regarding agricultural workforce household needs:

...Finding decent and affordable housing can be challenging, particularly in the current market. This is especially so for farmworkers, as has been recently studied. In 2016, the County of San Mateo released a report titled “Agricultural Workforce Housing Needs Assessment.” (Footnote) The report includes a survey of over 300 Coastside farmworkers. In 2022, the Pescadero Community Foundation released a report that includes an analysis of important workforce housing challenges related to farmworkers. (Footnote) Key takeaways include the following characteristics of the County’s Coastside agriculture workforce:

- The agricultural workforce is aging like most industries; the County survey reported an average age of respondents of 43 years old.
- Median household income was \$26,000 per year when the County survey was taken; from recent community feedback in 2022 and 2023, the majority of farmworkers make under \$30,000 per year.
- Approximately 51% of County survey respondents reported that they are undocumented.

- Respondents primarily earn their livelihood in agriculture. Recent community input suggests some households include individuals who work multiple jobs which may include agriculture and/or other low-wage Coastside service industries.
- This population struggles to find adequate housing and often pay exorbitant rent.
- Due to the limited housing choices, many farmworkers have to settle for what is available, even if those units are in poor condition or overcrowded.
- Access to information about housing rights, as well as written leases in their native language, is often missing for farmworkers.
- Many farmworkers live in housing far from resources including public transit, groceries, schools, and other social services; thereby creating patterns of segregation and limited access.

Note: add footnotes and hyperlinks to the cited studies:

<https://www.smcgov.org/housing/agricultural-workforce-housing-needs-assessment>

<https://pescaderocommunityfoundation.org/pescadero-housing-report-2022>

Page A-48: The following corrections will be made:

...For implementation of the Land Use Plan and the forthcoming Housing Element, zoning provisions for the WHO land use designation will be brought forward as is included in the Housing Plan (see Table ~~A-12~~ H-1).

Technical Report Appendix B: Constraints

Page B-14: A new section in the “Framework and Development” discussion starting on page B-7 will be added after the “Growth Management” discussion highlighting Land Use Plan policies for Planned Development:

Planned Developments

The updated LCLUP strived to establish a process for master planning PD areas that would be both straightforward and comprehensive. As previously noted, these areas are generally large, lack infrastructure, and are impacted by hazards and/or environmental resources. While there are several LCLUP policies that address PDs, the following are most pertinent to the master planning process and address affordable housing as follows:

LCLUP Policy 2-46. Comprehensive Master Planning establishes the master planning requirements for Coastal Commission certification.

2-46. Comprehensive Master Planning. The entire PD area shall be comprehensively planned as a unit by the City or by an individual landowner(s) with a master plan as follows:

a. Master plans may be established as specific plans (Government Code Section 65450) or precise plans as guided by the Land Use Plan’s development vision for each individual PD.

b. City-approved master plans shall be certified by the California Coastal Commission as an amendment to this Land Use Plan, with the policies of Chapter 3 of the Coastal Act as the legal standard of review.

c. In the case of any PD where portions are in separate ownership, approval may be given for development of a single parcel or group of parcels, provided that the City has approved and the Coastal Commission has certified a master plan for the entire PD area as required by the provisions of this section.

LCLUP Policy 2-47. Master Plan Site Assessment is meant to be a playbook for property owners and developers to follow to bring forward a well-planned, and approvable, PD area.

2-47. Master Plan Site Assessment. Require a comprehensive site assessment of the entire PD area as an initial or concurrent submittal for master plans. The assessment shall determine the net site area as the basis for determining residential and nonresidential buildout; consider the PD area in the context of the LUP’s development vision for each individual PD; present preliminary concepts for replatting if applicable; and identify methods for overall protection and enhancement of coastal resources. A preliminary assessment shall evaluate and identify (including as these topics are addressed in more detail in other LUP chapters):

a. Natural Resources. ESHA, required buffers, potential ESHA that may require future study, and identification of predevelopment that may have impacted or removed ESHA. If applicable, wetland delineation is a requirement for a complete application. In addition to required buffers, the assessment should consider what the ESHA needs to function properly (e.g. wildlife corridors, species diversity, habitat resiliency) as part of the plan for protection, as well the need to accommodate inland migration due to sea level rise or erosion.

b. Agriculture. Existing agricultural uses and approaches to retain such uses especially in cases of prime soils; locations for agricultural buffers from nonagricultural uses within the PD site plan design as applicable; and preliminary feasibility studies pursuant to Policy 4-9 with plans for mitigation in the case of proposed conversions of agricultural lands to new non-agricultural uses.

c. Environmental Hazards. Preliminary assessment and mapping of hazards, considering on- and off-site hazard risks and impacts, including but not limited to site contamination, flood, tsunami inundation, erosion (blufftop and banks of watercourses), sedimentation, fire, seismic and geotechnical conditions such as steep slopes and areas subject to landslide. In the case of bluff erosion, it must be established that development will not be subject to risk of loss from bluff erosion for its economic life.

d. Open Space. Locations for meeting the 20 percent open space requirement, and the City's Parkland Standard in the case of residential development with at least half of the provision comprised of public open space.

e. Infrastructure. The provision of public services including water, sewer, and multi-modal circulation.

f. Access. Existing and proposed access points along Highways 1 and 92, primary interconnectivity routes within the PD and to other neighborhoods; and conceptual level plans for all primary modes of transportation including bicycle, pedestrian, and transit.

g. Stormwater Management. Potential locations for and capacities of green infrastructure systems.

h. Visual Resources. Existing visual resource areas, including but not limited to scenic coastal access roads, the California Coastal Trail, broad ocean views, significant plant communities, and areas above the 160-foot contour line.

i. Cultural Resources. Potential for archaeological and historic resources so that preservation can be addressed in the PD master plan.

j. Neighborhood Design. Potential land use conflicts such as noise and lighting; how new development can enhance, support, and/or connect to other neighborhoods; and ways to accommodate visitor access needs without impacting existing or new residential neighborhoods.

LCLUP Policy 2-57. Provisions for Housing Affordability is meant to ensure that residential development of these larger sites includes affordable housing units in alignment with the City's ordinance requiring below market rate units (discussed later in Appendix B).

2-57. Provisions for Housing Affordability. New residential development in substantially undeveloped PDs shall be comprised of lower-cost development types with smaller units. Lower-cost development types include medium-density small single-family homes, cottages, attached townhomes, live-work units, duplexes, triplexes, and garden apartments; and high-density multi-family and mixed-use development. Generally, if single-family homes are proposed in a PD, they should be no more than 1,500 to 1,800 square feet. For PDs with 10 or more residential units, at least 20 percent of the residential units shall be deed restricted and made affordable to lower income households in perpetuity.

Page B-28: A footnote will be added to the bottom of Table B-3 clarifying development standards, specifically height and lot coverage requirements for one-story vs. multi-story structures, as follows:

*Note: Height limits and lot coverages for one-story structures in the R-1, R-2, and R-3 zoning districts are 20 feet and 50%, respectively. For multi-story structures, maximum height is increased, and maximum lot coverage is decreased; e.g., for the R-1 and R-2 zoning districts, the two-story height limit is 28 feet and lot coverage limit is 35%; and for the R-3 zoning district, the multi-story height limit is 40 feet, and the lot coverage limit is 45%.

Page B-30: Employee Housing will be added as follows:

A definition for Employee Housing consistent with the State Employee Housing Act will be added to "Zoning for a Variety of Housing Types" and Employee Housing will be added to Table B-4, noting that this housing type is not yet included in the Zoning Ordinance.

Page B-30: Group Homes will be incorporated as follows:

A definition for Group Homes will be added to "Zoning for a Variety of Housing Types" and Group Homes will be added to Table B-4, noting that this housing type is not yet included in the Zoning Ordinance.

Page B-30: Emergency shelters will be incorporated as follows:

The Industrial zoning district will be added to Table B-4, and emergency shelters will be shown as a permitted use pending rezoning.

Page B-32: The text will be revised to summarize the procedure for processing reasonable accommodations requests:

Half Moon Bay follows the requirements of the Americans with Disabilities Act (ADA) regarding the development of accessible housing. Housing rehabilitation assistance and accessibility improvements are provided through the County’s housing rehabilitation program and the Center for the Independence of the Disabled for qualified residents. The Zoning Code ~~includes~~ provides for exceptions for minor improvements for disabled access (Zoning Ordinance 18.06.050.I). The procedure requires the submittal of an application, plans that depict the accommodation, citations of the codes that need to be waived, limitations on the scope of the adjustments, and findings. These requests are processed by staff and are not subject to a public hearing. Program 1-2 requires evaluation and update of these allowances to ensure they are adequate.

Page B-32: A reference to the term “group homes” will be added to the narrative as follows:

The City’s Zoning Ordinance allows small group homes (limited to 6 or fewer persons) for day care or residential care in all residentially zoned districts without a use permit. Residential care and daycare facilities for 7 or more persons are allowed in the R-3, C-G, C-D, and C-R zones with a use permit. Group residential facilities, which provide for shared kitchen and plumbing facilities, but individual living space for persons or households, are permitted by right in the C-G district and with a use permit in the C-D and C-R districts. The only condition for a use permit for these various types of facilities, if applicable, is that the use be limited to non-medical care. Program 3-9 requires zoning updates to ensure that group homes, be they small (for 6 or fewer residents) or large (for more than 7 residents), and similar facilities are defined and provided for in the residential and mixed-use zoning districts.

Page B-33: Discussion about Facilities for Homeless and Households at Risk of Homelessness will be revised as follows:

Facilities for Homeless and Households at Risk of Homelessness: Facilities and housing for homeless persons and those at risk of homelessness fall into three categories:

Emergency Shelter (per Health and Safety Code 50801): Zoning for emergency shelters was added to the Zoning Ordinance in 2015. Emergency shelters are a permitted use in the P-S zoning district. In addition to the P-S zoning provisions, San Mateo County, with the City’s support, purchased the Coastside Inn, a hotel located in the C-G zoning district, with CARES Act funds. The 52-room hotel was converted into the Coast House shelter. The shelter is operated by Life Moves and is the first shelter on the San Mateo County Midcoast.

Upon completion of LCLUP implementation, the P-S zoning district will be comprised of approximately 120 acres on about 20 parcels. Most of those sites are now substantially developed, targeted for future development, or encumbered via significant environmental factors. Notably, affordable housing is proposed on three of these sites (See Appendix C-Housing Resources, Sites AJ, 1, and 2), and therefore the zone has limited capacity for an emergency shelter. Program 3-7 specifies adding emergency shelters as a permitted use to the Industrial zoning district. With the LCLUP update, this zone is now mixed use and will comprise approximately 30 acres on about 16 parcels, most of which are located in the City’s

Town Center, close to services and other amenities. Three parcels in this zone, totaling about 3.5 acres, are currently vacant and located within the City's Town Center. Others are only partially developed. Allowing emergency shelter use in the Industrial zoning district will provide adequate capacity for the City's future need of this use, which is anticipated to be an additional shelter beyond the provisions provided at the Coast House.

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Low Barrier Navigation Center: Low barrier navigation centers are temporary shelters with low barriers to entry as defined by California Government Code 65660. Recent State Law (AB 101) AB 101 requires that low-barrier navigation centers be allowed as a permitted use in areas zoned for mixed-use and nonresidential zones permitting multi-family uses. The City has not yet zoned for low barrier navigation centers. Program 3-7 identifies that the City will need to establish a definition for low barrier navigation centers and add them as a permitted use ~~to the C-R, C-D, and C-G mixed-use districts; as well as to the Industrial district once it is updated to allow multi-family residential uses in mixed-use formats.~~

Page B-42: Revisions will be made to the last paragraph of the Measure D discussion as follows:

....Programs 6-4 and 6-68 in the Cycle 6 Housing Element would address Measure D were it to constrain RHNA production. These include seeking new interpretations from the State such that deed restricted affordable housing units, mobile homes, and/or ADUs are exempt from Measure D. Absent that, the City could determine if it is feasible to amend the Measure D implementation code to allow for partial allocations for ADUs and/or other unit types that typically have smaller household sizes. ~~This would be consistent with how the Coastal Zone portion of unincorporated San Mateo County implements its Coastal Commission imposed residential growth limitations.~~

Page B-47: Revisions will be made to acknowledge the City's preliminary review process which relates to design review, as follows:

...These development review processes are described below.

[Preliminary Review](#)

The City offers a flexible preliminary review process to help applicants prepare complete applications for projects that conform with policy and zoning requirements. The process includes early review by outside districts including Coastside Fire Protection District and CCWD, as well as all City Departments involved in development review. In some cases, preliminary plans are concurrently presented to the Planning Commission in study session format, or the Architectural Advisory Committee (discussed in more detail later in this section), to ensure that this early input is well-coordinated. Numerous developers have taken advantage of preliminary review which does not require an applicant to submit highly detailed or complete plans. City staff have received positive feedback on the process.

Page B-50: The City design approval criteria from Municipal Code 14.37.035 will be added to the discussion:

...;and energy efficiency and renewable energy design elements. Design approval criteria is presented in Municipal Code, section 14.37.035, as follows:

A. Where more than one building or structure will be constructed, the architectural features and landscaping thereof shall be harmonious. Such features include height, elevations, roofs, material, color and appurtenances.

B. Where more than one sign will be erected or displayed on the site, the signs shall have a common or compatible design and locational positions and shall be harmonious in appearance.

C. The material, textures, colors and details of construction shall be an appropriate expression of its design concept and function, and shall be compatible with the adjacent and neighboring structures and functions. Colors of wall and roofing materials shall blend with the natural landscape and be nonreflective.

D. The design shall be appropriate to the function of the project and express the project's identity.

E. The planning and siting of the various functions and buildings on the site shall create an internal sense of order and provide a desirable environment for occupants, visitors and the general community.

F. Roofing materials shall be wood shingles, wood shakes, tile or other materials such as composition as approved by the appropriate design review authority. No mechanical equipment shall be located upon a roof unless it is appropriately screened.

G. The proposed development shall be compatible in terms of height, bulk and design with other structures and environment in the immediate area.

H. The proposed design shall be consistent with the applicable elements of the general plan.

I. If the project site is located in an area considered by the appropriate design review authority as having a unified design character or historical character, the design shall be compatible with such character.

J. The design shall promote harmonious transition in scale and character in areas located between different designated land uses.

K. The design shall be compatible with known and approved improvements and/or future construction, both on and off the site.

L. Sufficient ancillary functions provided to support the main functions of the project shall be compatible with the project's design concept. The planning and siting of ancillary functions shall address utilities, drainage facilities, lighting, trash and recycling provisions, and other matters applicable to the project site and use.

M. Access to the property and circulation systems shall be safe and convenient for equestrians, pedestrians, cyclists and vehicles.

N. The amount and arrangement of open space and landscaping shall be appropriate to the design and the function of the structures.

O. Landscaping shall be in keeping with the character or design of the building, and preferably clustered in natural appearing groups, as opposed to being placed in rows or regularly spaced.

P. Where feasible, natural features shall be appropriately preserved and integrated into the project.

Q. The landscape design concept for the site, as shown by the relationship of plant masses, open space, scale, plant forms and foliage textures and colors, shall create a desirable and functional environment and the landscape concept shall depict an appropriate unity with the various buildings on the site.

R. Plant material shall be suitable and adaptable to the site, shall be capable of being properly maintained on the site, and shall be of a variety which would tend to be drought-resistant and to reduce consumption of water in its installation and maintenance.

S. The design shall be energy efficient and incorporate renewable energy design elements including, but not limited to:

1. Exterior energy design elements;

2. Internal lighting service and climatic control systems; and

3. Building siting and landscape elements.

Page B-52: Additions to the Permit Processing Procedures, Timelines, and Fee section (starting on page B-47) will be made as follows:

Building Permits:

The City adopts the triannual updates to the California Building Code (CBC) and uses it for building plan check review of building permit applications. Local amendments to the CBC include those attributed to the Fire District which imposes additional requirements for sites located within or adjacent to fire hazard areas. Any cost impacts associated with such requirements would be offset by the cost, or even availability of, fire insurance. Until recently, the City's local amendments primarily addressed grading. In 2022, the City's local amendments focused on sustainability requirements, similar to a "reach code," to promote building electrification and the provision of EV-ready parking spaces. Reach Codes are amendments to the Energy and Green Building Standards Codes that will result in reductions in greenhouse gas emissions (GHGs) for existing and new development. Pacific Gas and Electric (PG&E) and Peninsula Clean Energy (PCE) for energy service to the city, and these agencies offer energy conservation programs to residents and businesses that can help offset the cost of installing new or converting existing fuel-gas appliances to electric. City staff is aware of several builders opting for all-electric buildings in advance of the City's adoption of its reach code provisions which allowed projects to develop without extending natural gas lines.

Code Enforcement:

Generally, the City's approach to code enforcement is on a complaint basis with the exception of risk of harm to life or property. The City's Community Preservation Specialist, instead of focusing solely on violations, works to educate and help property owners understand code requirements and their options for abating problems. One example is the City's preemptive communication to property owners about needed fuel load management in advance of the Fire District's deadline.

In other cases, the City may determine that other community resources are needed, such as temporary use of a dumpster from the solid waste service provide, or small grants to help fund home improvements.

Page B-55: Addition to the “Government Fees” discussion will be made as follows:

Governmental Fees

The City charges flat fees for some planning permits, such as administrative coastal development permits for ADUs. Other planning permits are subject to deposit-based cost recovery whereby the City’s planning, building, and engineering staff log time spent processing an application. Any remaining deposit funds are returned to applicants when project review is complete. All building permits are subject to flat fees scaled to project valuation. The City’s Master Fee Schedule includes flat fees and deposit rates. The fee schedule is posted on the City’s website in multiple locations intended to be convenient for property owners, developers, and contractors.

The 21 Elements project...

Page B-55: Addition will be provided listing individual impact fees per unit as follows:
...across jurisdictions.

The City’s estimated fees per unit include development impact fees in effect in the fiscal year 2021-22:

	<u>Single-Family</u>	<u>Small Multi-Unit</u>
• <u>Sewer Capacity (two options)</u>		
○ <u>District Participant</u>	<u>\$5,272</u>	<u>\$4,428</u>
○ <u>Non-Participant</u>	<u>\$18,743</u>	<u>\$18,743</u>
• <u>Storm Drainage</u>	<u>\$803</u>	<u>\$317</u>
• <u>Capital Outlay Facilities</u>	<u>\$1,138</u>	<u>\$949</u>
• <u>Traffic Mitigation</u>	<u>\$7,417</u>	<u>\$4,045</u>
• <u>Park Facilities</u>	<u>\$8,375</u>	<u>\$7,432</u>

Page B-56: Revisions will be provided to acknowledging the impact of individual fees as follows:
...district participation. In addition to the significant range in price of sewer capacity fees, the traffic mitigation and park facilities fees are also of note, totaling over \$15,000 for a single-family home, and over \$11,000 for each unit in a multi-unit development. The City has not seen these fees impact development interest in single-family homes. However, for multi-family, staff has

engaged with several property owners/developers who expressed concern and are interested in qualifying for fee reductions, specifically for projects that include affordable units. Such fee reductions and an associated affordable housing agreement would require City Council approval.

Technical Report Appendix C: Housing Resources

Pages as noted. Changes will be made to references and descriptions of Housing Opportunity Site #6 (740 Purissima Street) to change its designation from very low- to moderate-income.

Page C-3: Table C-2

Page C-10: Table C-5

Page C-15: Paragraph addressing “Percentage of Lower-Income RHNA Accommodated on Non-Vacant Sites”

Page C-15: Table C-8

Page C-23: Diagram C-6

Page C-33: Table C-9

Page C-37: Table C-13

Pages C-69 and C-70: Table A (Housing Element Sites Inventory Table), and Table B (Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need)

Pages C-3 and C-37: Table C-13 on page C-37 will be updated to correct data presented for the extremely low-income category, which should be 55.6% of the very low-income category. This change will be made consistent with Table C-2 on page C-3.

Page C-4: Several pipeline project sites will be acknowledged with respect to constraints:

The majority of these projects are small-scale development of fewer than 10 units. There are five larger developments ranging from 15 to 167 units: Projects A, D, AE, AG, and AH, AI, and AJ. Notably, constraints already have, or may affect, some of these larger projects.

- Site A (Seymour Street @ Highway 1): Development of this site is being considered in an environmental impact report (EIR) as part of a larger development for a new hotel project. Thus, it is constrained from the perspective of a regulatory process that would otherwise likely qualify for an exemption under the California Environmental Quality Act (CEQA).
- Site D (320 Church Street): This site was previously subject to significant permitting hurdles, including an appeal to the Coastal Commission. Fortunately, the subdivision is fully entitled and the remaining permitting is underway and moving along.
- Site AH (250 San Mateo Road): This 32-unit expansion of Hilltop Mobile Home Park is progressing through the entitlement process. The City is working with the applicant to determine if a CEQA exemption can be supported with evidence. Sometimes CEQA exemptions require a limited level of environmental review to establish evidence to ensure that the project is eligible for the exemption.
- Site AI (75 Main Street): The Podesta Planned Development site at about 34 acres is the largest of the City’s housing sites. The site has been in agricultural use and contains an agricultural irrigation pond which will have to be treated as a wetland with an associated 100-foot buffer per Coastal Act requirements. Portions of the site also have relatively

steep slopes. Fortunately, with ample site area, these constraints can be worked into the site plan.

- Site AJ (555 Kelly Avenue): Permitting is moving forward for this City-owned property. Notably, the applicant is expected to submit a formal planning application in fall 2023; project financing is unfunded and dependent on various State and County funding sources being approved within the next two years including IIG, SERNA, County NOFA, etc. The primary constraint will be the on-going need for operational subsidies to support the extremely low-income population that will benefit from these urgently needed units.

The complete table of pipeline projects, their address, their unit allocations, and their current pipeline status is below:

Page C-5: Footnotes will be added to table C-4 for all sites that include very low or low-income units as follows:

*Sites A, D, H, W, AI, and AJ already have, or will have, recorded affordability agreements.

**Sites C and G include small fully accessible units that the City understands will be affordable to low-income households based on from communication with owners/developers. The City cannot require affordable agreements for these units despite effort made to offer concessions.

Pages C-15 through C-31: Housing Opportunity Site Diagrams will be updated as follows:

- Sites #1, 2, 5, 8, and 11: Reference to the Town Boulevard visual resource area will be added.
- Site #5: Reference to the requirement for a biological resources evaluation will be added. This is the case because it is a larger site that has not been developed.

Page C-17: Site 1 (880 Stone Pine Road) – The narrative will be updated as follows:

...buildout is up to about 50 units. The County of San Mateo has been collaborating with the City to act as the property developer. The City County has prepared conceptual site plans and the City has been supporting the County's applications for grant funding for farmworker housing. This Opportunity Site has potential to be the first buildout in the Cycle 6 Housing Element. Agricultural land use is a permitted use on this property, and the City's LCP and the Coastal Commission consider farmworker housing to be an agricultural use. Thus, if the full buildout is for farmworker housing, no further LCP amendment would be required. However, if buildout expands beyond farmworker housing, such as for lower-income service workers, an update to add the WHO combining land use designation and zoning will be required.

Page C-18: Site 2 (498 Kelly Avenue) – The narrative will be updated as follows:

...The District intends to submitted a preliminary application in ~~May 2023~~ ~~or 2024~~ to receive early feedback about objective design requirements, e.g., emergency vehicle access and parking. The District was planning to conduct community outreach in fall 2023 and submit a formal application

at that time. The proposed 60-unit buildout conforms to the WHO land use designation for a project utilizing a density bonus, for which this project would qualify.

Pages C-29 and C-33. Changes will be made to references and descriptions of Housing Opportunity Site #11 (940 Main Street) to address a change in parcelization for this site; all other references to the site will be updated to incorporate the anticipated net site area.

Page C-29: The site description and map will be revised to show parceling off the eastern end of the site containing the historic home.

Page C-33: Will be revised as follows:

Sites Used in Previous Planning Periods

HCD requires an analysis of sites used to accommodate lower-income RHNA to determine if any were either non-vacant and included in the jurisdiction's 5th cycle housing element, or vacant and included in the jurisdiction's Cycle 4 and 5 Housing Elements (if not more). Of the five sites in the Site Inventory allocated for lower-income units, one site – Site # 11 – is predominately vacant and was included in Half Moon Bay's Cycle 4 and 5 Housing Elements.

HCD requires that such sites be addressed to facilitate future development in that it has not yet occurred. This is typically done via a program in the Housing Element that requires rezoning within three years of the beginning of the planning period to allow residential use by right at 20 units/acre for housing developments in which at least 20% of the units are affordable to lower-income households on Site #11. These program provisions are included in Program 1-1. However, in this case, an affordable housing developer is in negotiations to purchase the site and has agreed with the property owner to modify the site in such a way so as to parcel off the existing historic home. This would result in a small site area, but the developable portion of the site would no longer be encumbered by the presence of the existing home. The parceled off portion of the site would also add value as a lot with a single-family home and room for additional units including ADUs and/or further subdivision for an additional lot. Provided that this approach moves forward, the City will not need to implement a zoning amendment.

Page C-33, after "Sites Used in Previous Planning Periods," a new section will be added as follows:

Sites that Allow Non-Residential Uses

HCD requires an analysis of the likelihood of development with a residential component on sites located in zoning districts that allow non-residential uses. Housing Opportunity Sites #4 and #7 are located in mixed-use zoning districts (Commercial-General/C-G and Commercial-Downtown/C-D, respectively) where development could be 100% non-residential. Both sites are located within the Town Center near services and are identified for moderate-income units. From this perspective, these sites are similar to the three most recent developments of mixed-use buildings at 795 Main Street (complete, two units over commercial space), 415 Purissima Street (construction nearing completion, two units over commercial space), and 433 Main Street (construction underway, two buildings with two units over commercial space in one building and

four units in single-use residential building). Furthermore, there have been no proposals for wholly non-residential development of such sites within the past ten years. In fact, two similarly sited properties that had been originally developed as homes and had converted to office uses, have been converted back to residential use in recent years, and two existing commercial buildings established residential use on the second floor where such space had formerly been used for office, storage, and other uses. Housing developers have expressed interest in site #4, and the owner of site #7 has discussed residential buildout options with City staff. Considering all of the above, and that on the San Mateo County Coastside, the residential market continues to be stronger than the commercial market, development of both of these sites would be expected to come forward as either mixed-use or single-use residential development.

Page C-37: Conservation/Preservation quantified objectives in Table C-13 will be updated to 16 units (instead of 2 units), representing 2 units per year.

Page C-50: Text will be revised to acknowledge SamTrans' new microtransit service:

Half Moon Bay has limited transit service. ~~does not have any major transit services or stops as defined by the State's Public Resource Code.~~ Yet, transit access is key for lower-income households because it allows for social connectivity to areas throughout the Bay Area region and access to higher-paying jobs in other areas, most being outside the city. ~~Although transit service is currently quite limited,~~ It is foreseeable that it will be justifiable from a public investment perspective that ~~#~~ transit would expand in areas where potential ridership is increasing. Therefore, it is notable that every Housing Opportunity Site allocated for affordable units is within a quarter mile of a transit stop. This is due to the high concentration of SamTrans bus stops in the Town Center, at the confluence of HWY 1 and 92 as presented in Figure C-9. Furthermore, SamTrans initiated microtransit service within the City limits in June 2023 having determined that microtransit is both more cost-effective and responsive to local needs than bus service for this somewhat isolated Coastside community. Thus, all of the Housing Opportunity Sites also now have access to affordable microtransit service for routine trips within the city limits.

Technical Report Appendix D: Affirmatively Furthering Fair Housing

Page D-22: Discussion about access will be updated as follows:

Overall access to opportunity. Figure III-6 shows the TCAC Opportunity Areas Economic Score for Half Moon Bay and the region. All areas of Half Moon Bay are shown to produce moderate economic outcomes for residents; there is no variance in opportunity by geography.

Compared to the region overall, Half Moon Bay offers opportunity levels similar to Pacifica, Daly City, areas south of the City of San Francisco, and the City of Santa Clara. Opportunity is in between that offered by most jurisdictions—not the highest, but not the lowest. This is partially due to the city’s isolated location. As shown in the jobs proximity maps (Figures III-9 and III-10), Half Moon Bay residents must commute long distances to job centers.

In June 2023, a new microtransit system operated by the County’s bus service agency, SamTrans, was added within Half Moon Bay and surrounding Coastside communities. This service provides localized, on-demand pickups via a shared-ride platform called Ride Plus. Transit to and from major job centers east of Half Moon Bay are not currently included in the Ride Plus service area; however, staff believes this service will increase access to local opportunities for many residents, especially for low-income residents with limited transportation options and older adults, including residents of the Canada Cove Mobile Home Park. Users can take advantage of the service via an app or by setting up rides over the phone.

Technical Report Appendix E: Community Engagement

No substantive changes proposed.

Technical Report Appendix F: Cycle 5 Housing Element Previous Accomplishments

No substantive changes proposed.