

Technical Report Appendix B: Constraints

New housing development is affected by economic factors from both the private market as well as public agencies through regulations and policies imposed on development. These constraints can limit the production of housing by increasing its cost, delaying the start of construction, and/or extending the overall construction timeline for new housing, as well as adversely impacting the maintenance and/or improvement of existing housing. Furthermore, the ability to develop housing is constrained by the limited number of appropriate sites with willing landowners; and site development is then further constrained by the cost and capacity of available infrastructure, such as for transportation, sewage conveyance and treatment capacity, and especially water supply. Serious environmental factors, including flood and fire risk, can limit housing site selection or require costly site development and construction methods.

Two primary themes come from Half Moon Bay's assessment of constraints:

Capacity is limited: While the City's housing needs are significant, its capacity is limited.

- **Land:** Vacant and/or underdeveloped land viable for housing development is the most finite resource; most sites are encumbered due to the presence of protected resources and/or hazards and there are competing land use interests.
- **Infrastructure:** Security and reliability with respect to water supply and wastewater treatment capacity will continue to require significant investment and the vulnerabilities are exacerbated by climate change. There are limited options for addressing congestion and reducing VMT; and, perhaps ironically, VMT reduction requirements may in and of themselves constrain housing development in Half Moon Bay.
- **Funding:** The City must work to bolster its affordable housing fund, but affordable housing development will require substantial funding from other sources. Furthermore, the City is small and staff capacity is stretched due to added layers of compliance and review inherent to the Coastal Zone.

Conflicts can be harmonized: The Cycle 5 Housing Element presented substantial constraints imposed on residential development by the Coastal Act and the City's Local Coastal Program (LCP). It did not offer reasonable ways to overcome these constraints. Certainly, capacity limits remain; however, the constraints assessment in this Cycle 6 Housing Element acknowledges that there are numerous opportunities for new residential development to come forward that will not impact natural resources, cultural resources, or scenic and visual resources. The significance of the City's evolved approach to continuing to embrace the Coastal Act while prioritizing housing needs is presented in detail throughout the various sections of this technical report.

Governmental, non-governmental, infrastructure, and environmental constraints that affect the housing market and supply in Half Moon Bay are discussed below. Constraints to the

maintenance, improvement, and development of housing for all income levels are identified to inform the Housing Plan which will help the city reduce or overcome these constraints.

GOVERNMENTAL CONSTRAINTS

Governmental regulations, while intentionally ensuring the quality and safety of development in the community can also, unintentionally, increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, such as growth control measures, environmental protection compliance, zoning and subdivision codes, and other requirements and policies, as well as permit and development impact fees and processing procedures. Land use controls may limit the amount or density of development, thus increasing the cost per unit. They may also require improvements and/or off-site mitigation that increase the cost of development. Processing procedures, including review by multiple agencies and permitting requirements, may delay the approval process and increase the cost of development and the entitlement timeline.

Federal and State

Federal and State programs and agencies play a role in the imposition of non-local governmental constraints. Federal and state laws, including the federal Clean Air Act, Clean Water Act, Endangered Species Act, and Migratory Bird Treaty Act, and state Alquist-Priolo Earthquakes Act, Clean Air Act, and California Endangered Species Act as well as many other laws and policies regulate development and the decisions surrounding development. Notably, the City of Half Moon Bay is one of few jurisdictions located wholly within the California Coastal Zone, and therefore local land use decisions are directly governed by the California Coastal Act. Many areas in Half Moon Bay provide habitat for special-status species (as discussed under environmental constraints), and development that affects special-status species and sensitive habitat is regulated by a variety of agencies, depending on the resource, that may include the California Department of Fish and Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, and the California Coastal Commission. Protection of habitat for special-status species can reduce the developable area of a site, increase the cost of development—particularly if a habitat conservation plan, off-site conservation, long-term monitoring of species, and/or relocation of species is required—and lengthen the entitlement review time. Federal and state requirements are beyond the influence of local government, and their effects on housing costs cannot be effectively mitigated by the Housing Element.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) was established to protect the quality of the environment and the health and safety of persons from environmental effects. Development proposals requiring discretionary permits are required to be reviewed consistent with the requirements of CEQA to determine if there is potential for the project to cause a significant

adverse effect on the environment. As part of the CEQA review of a project, its potential to affect the environment is considered based on local policies, as well as federal and state regulations, including the Clean Air Act, Clean Water Act, and Endangered Species Act. Depending on the type of project and its potential effects, technical reports and studies on traffic, vehicle miles traveled (VMT), noise, air quality, energy, greenhouse gas emissions, biological resources, and geotechnical conditions may be needed. If potential adverse effects can be mitigated, a mitigated negative declaration is required. If potentially adverse effects cannot be mitigated, an environmental impact report is required. These documents have mandated content requirements and public review times. Preparation of CEQA documents can be costly and, despite maximum time limits set forth in the Public Resources Code, can extend the processing time of a project by a year or longer and may result in significant revisions to a project.

Of note, the shift to VMT instead of level of service (LOS) as a CEQA threshold is proving to be especially challenging for Half Moon Bay which does not have significant transit service and truly little control over the significant volume of visitor traffic. This may result in significant and unavoidable impacts for residential projects which may not qualify for CEQA exemptions. One way to directly address this constraint would be to revise State legislation so that it is more sensitive to how VMT as a threshold works in rural areas as well as areas with significant tourist traffic.

California Coastal Act

The California Coastal Act regulates land use within the California Coastal Zone. Half Moon Bay is wholly within the California Coastal Zone and therefore the Coastal Act heavily affects the city's land use planning context and regulations for new development.

To approve development within the Coastal Zone's boundary, a local jurisdiction must prepare a Local Coastal Program (LCP) that consists of a Local Coastal Land Use Plan (LCLUP) to establish policy, and an Implementation Plan (IP) to implement LCLUP policy. The IP is comprised of the Subdivision Ordinance, Zoning Ordinance and map, and actions that meet the requirements and implement the provisions of the California Coastal Act. The California Coastal Commission reviews the LCP to determine its consistency or inconsistency with the requirements of the Coastal Act. As set forth in Sections 30512 and 30512.2 of the Coastal Act, this is an administrative review, allowing the Coastal Commission to impose requirements on the local government to achieve the basic goals of the Coastal Act and substantial conformity with the Coastal Act requirements relevant to LCPs. Once the Coastal Commission's requirements are accommodated and the review is final, the Commission is required to make findings that the LCP is consistent with the Coastal Act and certify the LCP. Prior to certification, the Coastal Commission has development review authority over the Coastal Zone lands within local jurisdiction; after certification, the development review authority is returned to the local government.

An LCP must be prepared in accordance with the State's planning and zoning laws as well as with the Coastal Act. Any amendments require certification by the California Coastal Commission. For

Half Moon Bay, which is entirely within the Coastal Zone, the LCLUP also serves as the City's General Plan Land Use Element. This imposes a significant constraint on the City's ability to revise land use designations and make changes to its General Plan and Zoning Code to accommodate housing needs. The Coastal Act tightly frames the contents of the LCP, including the LCLUP and IP, and the Coastal Commission must certify amendments to land use designations, development policies, and subdivision and zoning regulations.

The Coastal Act's statutory requirements can conflict with the statutory requirements of the state's planning and zoning laws. For instance, the Government Code requires each local jurisdiction to provide for its fair share of the regional housing needs, while the Coastal Act places significant restrictions on new development. Coastal Zone priority land uses emphasize coastal recreation, accommodations, agriculture, and maritime uses. The Coastal Act does not prioritize residential development; furthermore, it requires that infrastructure capacity, such as water supply, be reserved for future buildout of such Coastal Act priority uses. Most local governments that are within the Coastal Zone have land that is not within the Coastal Zone. These agencies are often able to establish an inventory of housing sites in areas outside the Coastal Zone that are less restricted. The City of Half Moon Bay does not have this option; rather the City is restricted to accommodating its housing needs within the constraints of the Coastal Act because every housing site in Half Moon Bay is also located in the Coastal Zone. The following section, describing local constraints, includes more detail on specific LCLUP policies that are intended to implement the requirements of the Coastal Act while also supporting housing needs obligations.

General Plan Law

California law requires that each local jurisdiction prepare and update a general plan including mandated elements listed in Government Code section 65302. In addition to the housing element, the mandatory elements for all jurisdictions are land use, circulation, conservation, open space, noise, and safety. California state law further requires that all general plan elements be compatible and internally consistent. Required policies in some mandatory elements may affect the viability of housing sites, result in reduced buildout, or require special development considerations, all of which may impose constraints. As detailed in the next section, the City addresses such potential conflicts by carefully laying out land use designations for housing that will be less likely to have conflicts with other general policies, such as those in the Half Moon Bay Noise or Safety Elements and the constraint is well managed.

Local

Local Coastal Land Use Plan/General Plan Land Use Element

The City's LCP consists of an LCLUP and an IP comprised of Titles 17 and 18 of the City's Municipal Code (the Subdivision and Zoning Ordinances). The LCLUP serves as the City's General Plan Land Use Element and is the focus of this discussion. The City's first LCLUP was approved by the City Council in 1981, and certified by the California Coastal Commission in 1985 and 1993. The Coastal

Commission certified the City's LCP (including the LCLUP and IP) in 1996, and from that point forward, allowed the City to regulate development within its segment of the Coastal Zone, subject to appeal to the Coastal Commission in specified locations.

Following several years of community engagement from 2014 to 2020, research, and public hearings, the City prepared a comprehensive update to its LCLUP. The Half Moon Bay City Council adopted the 2020 LCLUP in October 2020, and the Coastal Commission certified it on April 15, 2021.

Residential land use designations in the LCLUP include: Low Density Residential, Medium Density Residential, High Density Residential, and Mobile Home Park. A new Workforce Housing Overlay designation was introduced with the 2020 LCLUP. Additional land use designations allowing for residential development include: Planned Development, Commercial-General, Commercial-Visitor Serving, and Industrial. Each designation is described below.

Land Use Designations Allowing Residential Development

The following LCLUP land use designations provide for residential development:

Low Density Residential

This designation provides for single-family residential development at a low overall density of 2 dwelling units per acre. It is applied to two areas in the city where the presence of environmental, flood, and/or fire hazard conditions make higher density development inappropriate.

Medium Density Residential

This designation is primarily applied to neighborhood areas that are already substantially developed and have potential for infill development or redevelopment at densities comparable to those already existing. It is intended to be consistent with existing zoning for duplex and single-family development with a maximum density of 16 dwelling units per acre.

High Density Residential

This designation is intended to apply to areas suitable for, and already partially developed with, multi-family development or high-density single-family development, generally consistent with existing zoning for multi-family development with a maximum density up to 30 dwelling units per acre.

Mobile Home Park

This designation intends to protect and preserve existing mobile home parks, facilitate expansions of existing mobile home parks, and allow for possible designation of other appropriate sites for mobile home park development in the future. Mobile home park maximum density is 21 dwelling units per acre.

Workforce Housing Overlay

The Workforce Housing Overlay designation was established in the 2020 LCLUP update to facilitate affordable housing development on sites where residential development had previously

been limited or prohibited. It is unmapped and applied through policy to specific parcels or portions of parcels suitable for medium- or high-density residential development with Horticultural Business, Rural Coastal, Regional Public Recreation, or Public Facilities and Institutions land use designations. Residential development allowed through this overlay must be affordable and maximum density is dependent on the underlying land use designation. For lands designated for agricultural uses, a Coastal Act priority use, the overlay is intended for farmworker housing. As applied to the Regional Public Recreation land use designation, the overlay would support housing for State Parks employees. For Public Facilities and Institutions, the overlay covers a broad range of public and quasi-public uses, including churches, schools, and some City-owned sites.

Planned Development

The Planned Development (PD) land use designation is given to generally large, undeveloped parcels and areas suitable for residential and/or mixed-use development, with possible inclusion of other uses including recreation, community services such as childcare, and other needed community uses such as assisted living facilities or healthcare uses. The purpose of the PD designation is to prevent piecemeal development and to re-plan old subdivisions by requiring that the entire area or parcel be planned as a unit. The use of flexible and innovative design concepts is encouraged. The LCLUP identifies specific guidelines for each PD area, including guidance for determining density and buildout.

The City has ten areas designated PD. Three are substantially developed and/or fully planned, primarily for residential development. Several of the remaining seven PD areas are characterized by habitat constraints and potential hazards. Thus, despite the amount of land potentially available for development in PDs, significant care is required through master planning to ensure compliance with the California Coastal Act and natural resource agency requirements while also protecting both the environment and any development from proximity hazardous conditions including coastal erosion and extreme fire severity zones. The Podesta Planned Development is centrally located near downtown and is less impacted by habitat and hazard constraints than other PD areas. It is included in the site inventory.

Commercial-General

This designation is intended to support a concentration of residential, services, and employment uses in central Half Moon Bay. Residential uses, with a maximum density equivalent to the Residential – High Density land use designation of 30 dwelling units per acre, are allowed throughout this designation. Development may be single-use residential, mixed-use residential with commercial uses, or single-use commercial. The allowed commercial uses include retail, service, and office uses, shopping centers, visitor-serving facilities, health care, and live-work spaces.

Commercial-Visitor Serving

This designation supports the City's implementation of the California Coastal Act. It applies to areas suitable for commercial uses intended to serve the coastal recreational needs of visitors on

sites near coastal recreational areas or along HWY 1. Uses may include visitor accommodations, restaurants, art galleries, equestrian supply, fishing and boating facilities, and other similar uses. Small-scale neighborhood convenience businesses and service stations are also allowed. Single- and multifamily residential uses, with a maximum density equivalent to the Residential – Medium Density designation of 16 dwelling units per acre, are conditionally allowed in this designation provided that the primary use of the development is for visitor-serving uses.

Industrial

This designation allows for uses such as light industrial, distribution, repair, construction, and storage. Formerly, the Industrial land use designation did not provide for residential development; however, the 2020 LCLUP added allowances for mixed-use development consisting of light industrial uses with residential uses, such as in live-work configurations, at a density of up to 5 dwelling units per acre in addition to the underlying light industrial land use.

Policies of the Local Coastal Land Use Plan/General Plan Land Use Element

In accordance with the Coastal Act, the City's LCLUP sets forth policies related to development, public works, agriculture, coastal access and recreation, natural resource protection, community safety, cultural resource protection, and visual resource preservation. As presented in the Cycle 5 Housing Element, the 1996 LCLUP policies and Coastal Zone requirements posed significant constraints on residential development throughout the city. The 2020 LCLUP update sought to reduce those constraints utilizing new approaches to support development of housing broadly and affordable housing specifically. The approaches are backed up by policies crafted to harmonize restrictions imposed by the Coastal Act with state housing law and the local need for new homes. An overview of these new policies, as well as the primary areas of remaining policy constraints, is provided below. They are presented following the order of LCLUP chapters as noted for each section.

Framework and Development

LCLUP chapters 1 and 2, Framework and Development, lay the groundwork for the next two decades of development in Half Moon Bay. In addition to establishing land use designations, which were presented above, policies further reinforce the City's intentions for the location, timing, and intensity of development of all types, including residential, throughout the city.

Social Equity and Environmental Justice

The California Coastal Act of 1976 supported lower-income coastal visitors and residents as follows:

Lower cost visitor and recreational facilities and housing opportunities for persons of low and moderate income shall be protected, encouraged, and, where feasible, provided. (Coastal Act Section 30213, as originally enacted.)

In 1981, SB 626 amended the Coastal Act, removing "and housing opportunities for persons of low and moderate income" from Coastal Act Section 30213. Section 30500.1 was also added, stating "No local coastal program shall be required to include housing policies and

programs.” Due to these 1981 changes, many LCLUPs do not address affordable housing. This can lead to policy conflicts for many coastal cities, and for cities located entirely within the Coastal Zone, LCLUP and Housing Element policy can be difficult to harmonize.

The ramifications of the 1981 amendments to the Coastal Act are evident throughout the Coastal Zone and have been studied in greater depth by the Coastal Commission over the past few years. A major milestone in reconsidering social equity and environmental justice occurred in 2019, when the Coastal Commission adopted a comprehensive environmental justice policy.¹ Half Moon Bay’s LCLUP update includes Policy 1-5, Social Equity and Environmental Justice, which is consistent with the Coastal Commission’s policy:

1-5 Social Equity and Environmental Justice. Implementation of the LCP shall promote social equity and environmental justice, including the fair treatment and meaningful involvement of people of all races, cultures and incomes.

- a. When acting on a coastal development permit, amending the LCP, or otherwise implementing the LCP, the City shall consider environmental justice and, where applicable, the equitable distribution of environmental benefits throughout the state. The City shall encourage equitable civic engagement and social inclusion in public decision-making regarding coastal development, prioritizing efforts to reach low-income households and limited English-speaking households.*
- b. No person shall be discriminated against by implementation of the LCP on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, genetic information, or disability.*

More recently, as of the drafting of the Cycle 6 Housing Element in June 2022, the Coastal Commission produced a comprehensive report, “Historical Roots of Housing Inequity and Impacts on Coastal Zone Demographic Patterns.” It is hoped that the Commission’s continued focus on equity and justice broadly, and on housing inequity in particular, will help Coastal Zone jurisdictions harmonize their Coastal Act obligations with state housing law and local housing needs. However, until this progress is reflected in legislation, the primacy of Coastal Act priority uses, which do not include affordable housing, will continue to be prioritized in the Coastal Zone and thereby impose a land use constraint for development of affordable housing.

Town Center

The 2020 LCLUP update established a defined Town Center where future development should be concentrated to support a vibrant and diverse mix of housing types (including affordable housing), businesses, shops, and public spaces. The area covers the central portion of the city, comprised of the city’s historic downtown, and the mixed-use and commercial areas to the north and south. More specifically, the Town Center includes all land designated Commercial – General, including the Main Street area and the land around the intersection of HWYs 1 and 92, as well as

¹ California Coastal Commission Environmental Justice Policy, March 8, 2019, [Environmental Justice Policy \(ca.gov\)](https://www.coastalcommission.ca.gov/EnvironmentalJustice/EnvironmentalJusticePolicy)

adjacent residential and mixed-use neighborhoods with other land use designations. The Town Center concept is foundational to the LCLUP's land use policy strategy, prioritizing development within Town Center, the most resource-rich portion of the city.

Housing-Friendly Policies

The 2020 LCLUP introduced numerous housing-friendly policies intended to bolster housing production in a manner consistent with Coastal Zone requirements. The most relevant and impactful policies are presented in the following discussion with narrative indicating the significance of the policy with respect to the Housing Element and residential development, followed by the policy language in italics.

LCLUP Policy 2.3 Priority Land Uses defines affordable housing as a local priority land use. This determination establishes the importance of affordable housing over all other land uses except Coastal Act priority land uses. While this is a significant position in support of affordable housing development, the constraint remains in that Coastal Act priority uses will continue to be at the top tier. The policy language follows:

2-3. Priority Land Uses. Define priority land uses and support development of such land uses throughout the City by the following categories:

- a. Coastal Act Priority Uses: Coastal-dependent uses, agricultural uses, visitor-serving commercial uses, and coastal access and recreational facilities. Coastal Act Priority Uses are considered top tier priority in this LCP; furthermore, as consistent with Coastal Act Section 30222, coastal-dependent industry and agriculture take precedence over all other uses including visitor-serving commercial recreation facilities.*
- b. Local Priority Uses: Affordable dwelling units for extremely low, very low, and low-income households. Local Priority Uses are considered second tier priority behind Coastal Act Priority Uses in this LCP.*

LCLUP Policy 2-5 Housing Element Conformance makes the provision of adequate sites for Half Moon Bay's Housing Element a required consideration of the Coastal Commission in so far as the City's LCLUP is the Coastal Commission's standard of review for projects located within Half Moon Bay that come before it, such as those on appeal or associated with master planning and/or rezoning. The policy also focuses on housing sites in resource-rich areas and provides for housing types that are required to be affordable.

2-5. Housing Element Conformance. To ensure conformance with Coastal Act policies and priorities, focus the Housing Element's inventory of adequate sites within Town Center and through the Workforce Housing Overlay land use designation.

LCLUP Policy 2-6 Housing Diversity and Affordability is a broad policy that inspired numerous other policies in the LCLUP to ensure that a wide range of housing types will be encouraged and compatible with various land use designations.

2-6. Housing Diversity and Affordability. Encourage a diversity of housing types, including housing at a range of affordability levels, densities, sizes, and ownership types with equitable access to environmental benefits. Meet the needs of Half Moon Bay's diverse population, including young families, multi-generational families, students, young professionals, and seniors.

LCLUP Policy 2-7 Housing Stock Preservation is another high-level policy that guides investing in housing rehabilitation programs, as well as for regulating short-term vacation rentals, which are a serious threat to housing stock inventory in the Coastal Zone.

2-7. Housing Stock Preservation. Safeguard existing housing stock so that it is preserved and used as full-time housing through the establishment of programs and ordinances.

LCLUP Policy 2-18 Minimum Residential Density Zoning Provisions will help ensure that Housing Element sites, as well as other properties, are not wasted on lower-density development proposals, such as single-family homes on lots suitable for triplex development. Minimum density provisions will also help the City make the most of its Below Market Rate Housing Ordinance (e.g., inclusionary zoning).

2-18. Minimum Residential Density Zoning Provisions. Establish minimum residential densities for areas with mixed-use zoning, specific plans, or precise plans within Town Center; and for all areas with R-3 zoning.

LCLUP Policy 2-19 Affordable Housing Density Bonus reinforces the City's prior efforts to incorporate state density bonus law into the Zoning Ordinance.

2-19. Affordable Housing Density Bonus. Provide for density bonuses above the maximum densities cited for each residential land use designation, including mixed-use and PD designations, that provide for residential development consistent with California Government Code Section 65915, the Housing Element, and the Coastal Act, and when such increase in density does not adversely affect coastal resources.

LCLUP Policy 2-39 South Downtown Residential Priority supports single-use residential development in a substantial portion of the Town Center and provides policy support for increasing densities by redesignating numerous sites to the Residential – High Density land use designation which had been in the Residential – Medium Density land use designation. This will lead to up-zoning portions of the South Downtown area to the Multi-Family Residential (R-3) zoning district that are currently zoned Residential – Two-Family (R-2).

2-39. South Downtown Residential Priority. Maintain residential use as a primary use within South Downtown. Increase residential densities to encourage residential development of vacant sites along South Main Street and Poplar Street.

LCLUP Policy 2-70 Workforce Housing Overlay establishes this new land use designation in the 2020 LCLUP as an overlay to be combined through additional policies with several underlying land use designations. Without the overlay, the underlying designations would not support significant amounts of housing, and in some cases, would have prohibited residential development. The policy further ensures that housing units enabled by the overlay are affordable and that the affordability and occupancy of the units by eligible households is enforceable such as through permit conditions or deed restrictions.

2-70. Workforce Housing Overlay. Occupancy of the residential development established through the Workforce Housing Overlay land use designation shall be limited to the workers specified in these policies and their households, subject to a use permit, deed restriction, or other mechanism designed to ensure the housing will be affordable to the specified workforce. This residential development shall further comply with the requirements established by policies for each qualifying underlying land use designation including Rural Coastal (Policy 2-92), Horticultural Business (Policy 2- 96), Public Facilities and Institutions (Policy 2-102), and Regional Public Recreation (Policy 2-105). Establish IP standards for implementing the Workforce Housing Overlay designation, including setbacks, height limits, and other requirements as consistent for compatibility with the underlying land use designation.

LCLUP Policy 2-73 Small Infill Lots continues the City's efforts to facilitate development of infill parcels in established neighborhoods. Many of the remaining undeveloped parcels are substandard as to lot size or width. Program 2-4 in the Cycle 5 Housing Element encouraged development of two substandard lots per year for an overall goal of 16 sites. During that time 29 such sites moved ahead. Some substandard sites remain and LCLUP Policy 2-73 provides support zoning updates to further this effort.

2-73. Small Infill Lots. Update IP standards for substandard infill residential lots to encourage development of smaller homes that provide diverse and affordable housing options compatible with neighborhood character.

LCLUP Policy 2-74 Accessory Dwelling Units reinforces the City's progress with accessory dwelling unit (ADU) production. During the Cycle 5 Housing Element, the City updated the ADU Ordinance twice. Policy 2-74 acknowledges the need to continue to keep the ordinance in conformance with State law over time and allows for an administrative review process for these units. The ADU Ordinance is presented in more detail below in the discussion of the City's Zoning Ordinance.

2-74. Accessory Dwelling Units. Update IP standards as necessary to ensure that the Accessory Dwelling Unit ordinance complies with State law, provides for objective design standards, and allows an administrative review process provided there is no potential for impacts to coastal resources.

LCLUP Policy 2-75 Home Occupations supports employment opportunities for Half Moon Bay residents to conduct home-based businesses. This supports local cottage industries, reduces commute costs, and can help households with supplemental and/or primary income.

2-75. Home Occupations. Permit home occupations within residences for business types and activities that are compatible with the residential living environment and subservient to the primary residential use of each property. Establish performance standards in the IP for traffic, parking, noise, and other considerations with respect to home occupations.

LCLUP Policy 2-76 Short-Term Rentals establishes a framework for regulating short-term vacation rentals in Half Moon Bay. In the Coastal Zone, short-term rentals provide accommodations for coastal visitors and thereby support the Coastal Act's mandate for maximizing public coastal access. The Coastal Commission has been supportive of short-term rentals in the Coastal Zone and treats them as a Coastal Act priority use. In Half Moon Bay, conversion of residences to full-time short-term rental use has occurred, whereby homes are no longer used as dwellings.

Improperly managed short-term rental use sets up a conflict between coastal access and housing needs. LCLUP Policy 2-76 strives to resolve the conflict by supporting short-term rental use in a context where the use is subordinate to the primary residential use of the dwelling unit. As described in the later section addressing zoning considerations, the City vigorously and successfully sought Coastal Commission support for Short-Term Rental Ordinance regulations that comply with LCLUP Policy 2-76; however, the Commission has struck down similar short-term vacation rental regulations in other Coastal Zone jurisdictions. Thus, the matter must be acknowledged as a potential ongoing constraint on the preservation of housing stock.

2-76. Short-Term Rentals. Allow short-term rental businesses within the established neighborhoods. Short-term rental uses should be subordinate to primary residential uses such that residential units continue to be used for long-term residential occupancy. Establish land use regulations in the IP with performance standards necessary to protect coastal resources and the residential living environment of the neighborhoods, such as standards for property management, traffic, parking, noise, and trash. Short-term rental businesses shall pay transient occupancy tax to the City. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging facilities or uses and are not subject to transient occupancy tax.

Growth Management

Growth management requirements impose some of the greatest constraints on housing development in the city. Growth management is important in the Coastal Zone because the Coastal Act requires that infrastructure provisions, such as water supply, sewage treatment capacity, and roadway capacity, be reserved for Coastal Act priority land uses. Furthermore, infrastructure is not allowed to be expanded in such a way that it is growth inducing. Regulating the pace of growth is meant to ensure that infrastructure is adequate over time to accommodate

new development while maintaining adequate capacity for future development of Coastal Act priority land uses. Growth management is addressed in policy in the updated LCLUP as presented below. While inclusion of these policies in the LCLUP was necessary to ensure that the update is consistent with the Coastal Act, they impose significant constraints on housing development.

LCLUP Policy 2-16 Residential Growth Management presents the City's residential growth control measure. In Half Moon Bay, residential growth is limited to, in any particular year, the number of dwelling units that would result in an increase of up to 1.5% of the city's population as of January 1 of that year. This residential growth limitation was incorporated into the LCLUP by amendment after the passage of the voter initiative "Measure D" in 1999 and subsequent certification by the Coastal Commission in 2009, as well as recertification with the 2020 LCLUP update in 2021. Because it is a ballot measure that was approved by the voters, Measure D can only be amended by a vote of the people (and subsequent certification by the Coastal Commission) or through State legislation. A more detailed discussion of Measure D can be found later in this chapter, in the section titled Residential Growth Limitations Ordinance.

2-16. Residential Growth Management. Provide for compatible and orderly residential growth at a managed pace and ensure that future development is consistent with the city's growth management standards. Measure D (Residential Growth Limitation Ordinance) added the following provisions to the Land Use Plan and they may not be amended or repealed except by a majority vote of the people of Half Moon Bay as follows:

- a. The number of dwelling units which the City may authorize each calendar year may not exceed the number of units which would result in a growth of 1 percent in the City's population as of January 1 of that year. In determining the number of permissible units, the City shall use the most recent United States Census figures for Half Moon Bay to calculate the average number of persons per household.*
- b. The number of dwelling units authorized each year under subsection a. may be increased by 50 percent for additional dwelling units in the Downtown Area.*
- c. Applications for new units from areas of the City outside the Downtown Area have priority for one-half of the units authorized under subsection a. If fewer applications are received, the remainder of these units may be authorized in the Downtown Area.*
- d. Subject to subsections b. and c., the city shall allocate permissible dwelling units among applications under the existing allocation system in the Municipal Code, to the extent feasible, and subsequent modifications by the City Council.*
- e. The limitations in the Section shall not apply to replacement of existing dwelling units on a one-for-one basis, nor shall it apply to density bonuses for the provision of low and moderate income housing to the extent required by State law.*
- f. The Downtown Area is the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C-91-98, November 3, 1998.*

LCLUP Policy 2-21 Lot Retirement was included in the 2020 LCLUP update to be consistent with the Coastal Commission's past actions on applications for residential subdivisions in Half Moon Bay, and to allow the City to access over \$2 million in lot retirement funds held by a condition of

approval imposed by the Coastal Commission. Before the LCLUP update, the Commission considered several Half Moon Bay projects on appeal. In these cases, the Commission required “retirement” of the same number of lots as were created through the subdivision to address the cumulative impacts of development on infrastructure. For example, a 10-lot subdivision of one lot would result in a net increase of nine lots. In such a case, the developer would be required to permanently “retire” nine potentially developable lots by conveying them to an open space land trust or through recordation of a conservation easement. When it established lot retirement requirements, the Coastal Commission was especially focused on mitigating the cumulative impacts of growth on the city’s limited circulation network because of impacts to public coastal access, which is a primary Coastal Act concern.

The City understood that the Coastal Commission would require a lot retirement policy in the 2020 LCLUP update. In an attempt to balance the interests of the Coastal Act with local housing needs, the City’s approach to lot retirement includes an exemption for affordable housing. The lot retirement policy is also not applicable to rental multi-family housing when subdivision is not involved. Despite these provisions, lot retirement increases the cost to develop market rate ownership housing; and such projects may be contributing affordable units through the City’s below-market rate inclusionary zoning provisions. Thus, the requirement for lot retirement must be acknowledged as a constraint.

2-21. Lot Retirements. Require mitigation for the individual and cumulative impacts of development when a new residential lot is created through retirement of development potential on an existing and separate lot, pursuant to the following criteria:

- a. At least the same number of lots shall be retired as are created;*
- b. The retired lot(s) shall be located within city limits and have potential for residential development, including lots with PD land use designations where residential development is a potentially permitted use;*
- c. Retirement of development potential may occur through recordation of a no-build restriction, an accepted offer to a land trust, or through an in-lieu fee to support such retirement; and*
- d. Deed restricted affordable housing shall be exempt from lot retirement requirements.*

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.

Public Works: Chapter 3, Public Works, of the LCLUP sets forth policies to address water supply, sewer capacity, and roadway systems. Water supply and sewage treatment capacity are reserved for Coastal Act priority uses first, and secondarily to the local priority use of affordable housing. These uses are defined in the LCLUP as follows:

Priority Use, Coastal Act: Land uses that have priority over other uses for their location in the coastal zone, namely coastal-dependent uses, visitor-serving commercial uses, agricultural uses, and coastal access and recreation facilities.

Priority Use, Local: Uses that are considered second-tier priority behind Coastal Act Priority Uses in the Planning Area, namely affordable dwelling units for extremely low, very low, and low-income households.

The LCLUP includes growth projections to a 2040 planning horizon and a maximum theoretical buildout. Needed water supply, sewage treatment plant capacity, and circulation system impacts are studied for both growth scenarios. Water supply was found to be generally adequate, assuming implementation of strong conservation measures in the event of prolonged drought conditions, through the 2040 planning horizon, but not for maximum buildout. Sewage treatment capacity becomes impacted at the 2040 planning horizon. Transportation system capacity is impacted currently with AM and PM peak period weekday traffic volumes resulting in significant traffic congestion throughout town, especially along the HWY 1 corridor north of HWY 92 where level of service (LOS) is “F” and trips take three times longer than during “free flow” or off-peak periods. For the 2040 condition, delay increases to nearly a five-fold increase over the off-peak conditions. Thus, constraints on development are posed by all three systems and are discussed in more detail later in the constraints analysis.

To comply with the Coastal Act, the LCLUP’s public works policies limit infrastructure capacity including water supply, wastewater treatment capacity, and improvements to the roadway system to the levels necessary to serve development allowed under the LCLUP. Public works policies most impactful on housing development are presented below:

LCLUP Policy 3-1. Infrastructure Capacity establishes the City’s alignment with Coastal Act requirements to limit infrastructure to meet the needs of the maximum theoretical buildout of the LCLUP. This is not a significant constraint in that buildout of the housing sites inventory was accounted for in the LCLUP.

3-1. Infrastructure Capacity. New or expanded public infrastructure, including water, sewer, and transportation facilities, shall be designed and limited to accommodate needs generated by development or uses permitted consistent with this Land Use Plan and the Chapter 3 requirements of the Coastal Act.

LCLUP Policy 3-2. Monitor Growth and Infrastructure Capacity provides for annual checks on infrastructure provisions. It could lead to findings of inadequate capacity, such as on water supply during drought conditions.

3-2. Monitor Growth and Infrastructure Capacity. Monitor growth and infrastructure capacity annually for Coastal Act Priority Uses, Local Priority Uses, and Non-Priority Uses. Publish reports summarizing changed conditions that may affect growth, infrastructure capacity, or the regulatory requirements associated with infrastructure and development.

LCLUP Policy 3-3. Coastal Act and Local Priority Uses aligns with LCLUP Policy 2-3 Priority Land Uses. Affordable housing, as a local priority use, takes precedence over many other uses for infrastructure capacity. Coastal Act priority uses are the top tier and thus are prioritized over most residential uses including affordable housing. Farmworker housing is an exception because it qualifies as a Coastal Act priority use. Policy 2-3 and 3-3 overcome significant constraints that held back affordable housing development during Cycle 5.

3-3. Coastal Act and Local Priority Uses. In the event that growth and capacity monitoring indicate that water supply and the associated classifications of water connections or sewer capacity will not be adequate to maintain public works capacity reservations for Coastal Act and Local Priority Uses or to support buildout of the Town Center, the City shall establish a public works capacity allocation process. In all cases, infrastructure reservations shall be prioritized according to the following tiering:

- 1. Coastal Act Priority Uses: Coastal-dependent, agriculture including farmworker housing, visitor-serving uses, recreation, habitat conservation/restoration, and essential services;*
- 2. Local Priority Uses: Affordable housing;*
- 3. Non-Priority Uses: Market-rate housing, general industrial, general commercial.*

Allocations of infrastructure capacity for Non-Priority Uses will not be granted in the event that it would preclude development of Coastal Act Priority and Local Priority Uses.

LCLUP Policy 3-4. Town Center Infrastructure emphasizes the City's strategy to concentrate development, including affordable housing, in the resource-rich center of town. This policy is meant to reduce constraints on development for the defined Town Center area, which was established based on the location of future and planned infrastructure and a wide range of public and commercial uses including schools, the library, grocery stores, healthcare, etc.

3-4. Town Center Infrastructure. The City shall plan for, fund through development impact fees and other sources, and implement infrastructure improvement projects or allocation systems, including for water, sewer, transportation, and stormwater, to support buildout of the Town Center.

LCLUP Policy 3-14. New Water Connections brought forth one of the most significant advances in support of affordable housing in the updated LCLUP. The local priority use designation made a

finite number of lower-cost water connections available to affordable housing. These connections are held by the Coastside County Water District (CCWD) and cost about \$17,000 each. Without this designation, water connections are available only via a secondary market of private property owners where the going rate at the time of the Housing Element update was estimated to be as much as \$100,000 each. This makes for a significant reduction in the cost of infrastructure for affordable housing development. However, the constraint remains in that market rate residential development, which could support affordable units through the City's below-market rate inclusionary requirements, must secure the higher cost water connections. Thus, the limited number of available water connections and their cost are significant challenges to housing development.

3-14. New Water Connections. Support establishment of new water connections for the different use categories to serve sustainable development and LUP priorities for uses as specified:

- 1. Coastal Act Priority Uses: Coastal-dependent, agriculture including farmworker housing, and other Coastal Act Priority Uses with lower water demand;*
- 2. Local Priority Uses: Affordable housing; and*
- 3. Non-Priority Uses: Only after ensuring that efficiency measures for existing development meet or exceed conservation requirements or a reclaimed water supply is developed, and if development of such uses would not adversely impact other infrastructure systems, and if allocation of Non-Priority Use water connections would not preclude development of Coastal Act or Local Priority Uses.*

If CCWD obtains a coastal development permit or permit amendment approving an increase in water supply or distribution capacity to provide additional service connections in excess of limitations imposed by conditions of approval for the Crystal Springs Phase 1 coastal development permit, the City shall encourage, or if the City issues the permit, shall require CCWD to not sell connections in advance of development proposals; and shall only approve such permit if robust assessment of the sewer, circulation, and stormwater management systems indicates that additional connections can be served by other infrastructure.

Agriculture: Agriculture is a Coastal Act priority land use. Maintaining lands with prime and sub-prime soils in active agriculture use is supported by the LCLUP. LCLUP Chapter 4, Agriculture, includes policies that discourage the conversion of agricultural lands and require mitigation for the loss of agricultural uses with prime and sub-prime soils to other uses. At the same time, the LCLUP also incentivizes continued agricultural uses by allowing for a wide range of supplemental uses. Farmworker housing is specifically recognized. The policies most applicable to the Housing Element and evaluation of constraints include the following:

LCLUP Policy 4-1 Agricultural Preservation sets the context for continued agricultural uses within the city limits. The policy stance is a constraint on housing development in that such lands might otherwise be seen as appropriate for conversion to residential development. However, the

support for farmworker housing recognizes that ongoing viability of agricultural land use depends on the ability of farmworkers to live in Half Moon Bay and the San Mateo County Coastside.

4-1. Agricultural Preservation. Ensure the continued viability of agriculture within Half Moon Bay and the Planning Area. This shall include the following:

- a. Protect existing agricultural operations and lands with prime and non-prime agricultural soils located outside of the Town Center, regardless of the underlying land use designation;*
- b. Accommodate the housing needs of farmworkers within the community;*
- c. Promote economic viability within Half Moon Bay by permitting agriculture compatible, supplemental, and ancillary uses that limit direct and cumulative impacts on the long-term productivity of agricultural soils (e.g. minimize soil disturbance and protect soil structure); and*
- d. Acknowledge potential land use compatibility challenges and allow flexibility for agricultural uses with regards to noise, dust, and other aspects of customary agriculture practices.*

LCLUP Policy 4-4 Farmworker Housing establishes farmworker housing as both a Coastal Act and a local priority land use. As such, this housing type is a top priority for development in Half Moon Bay. The policy also allows for farmworker housing within the PD land use designation in advance of master planning of those areas. Overall, the restrictions associated with conversion of agricultural lands remain; however, the 2020 LCLUP update softens the constraint for farmworker housing.

4-4. Farmworker Housing. Farmworker housing is considered a Coastal Act Priority Use, as well as a Local Priority Use. Encourage a range of farmworker housing including non-permanent housing for seasonal farmworkers and permanent housing through the Workforce Housing Overlay at appropriate affordability levels, densities, and locations on agricultural lands in Rural Coastal and Horticultural Business land use designations. Encourage clustering of farmworker housing where feasible, especially to preserve prime agricultural soils such that it has the least impact on agricultural production. For agricultural and agricultural compatible uses in Planned Developments, allow for limited on-site affordable employee housing as provided for in the Planned Development designation in Chapter 2. Development.

LCLUP Policy 4-9 Conversion of Prime and Non-Prime Agricultural Land maintains the constraint associated with agricultural conversions and is consistent with the Coastal Act.

4-9. Conversion of Prime and Non-Prime Agricultural Land. Conversion of prime and non-prime agricultural land within the Town Center shall be permitted for anticipated urban development. Prohibit the conversion of prime and non-prime agricultural land outside the Town Center, including as shown on Figure 4-1, to a new non-agricultural use

(excluding agricultural compatible and supplemental uses as defined in this chapter) unless all of the following can be demonstrated:

- a. All agriculturally unsuitable lands on the parcel have been developed or determined to be undevelopable;*
- b. Continued or renewed agricultural use of the soils is not feasible as defined by Section 30108 of the Coastal Act;*
- c. Clearly defined buffer areas shall be provided on the site between the new non-agricultural use and adjacent agricultural uses to ensure the continued productivity of agricultural uses;*
- d. The productivity of any agricultural lands adjacent to the new non-agricultural use is not diminished; and*
- e. Public service and facility expansions associated with the new non-agricultural use will not impair agricultural viability, including by increased assessment costs or degraded air and water quality.*

LCLUP Policy 4-10 Mitigation for Conversion of Agricultural Lands introduces the constraint of mitigation for conversions of agricultural lands to other uses; however, it also provides a means for mitigating conversions that will satisfy both the Coastal Act and CEQA requirements.

4-10. Mitigation for Conversion of Agricultural Lands. All conversions of prime and non-prime agricultural lands to a new non-agricultural use, excluding farmworker housing, agricultural compatible uses, and supplemental uses as defined in this chapter such as habitat restoration and recreation, shall be mitigated at a ratio to be established based on the quality of agricultural lands converted, their location, and other relevant factors as evaluated in a report prepared by a qualified professional for the City's review and approval. Methods for mitigation may include but are not limited to establishing agricultural conservation easements, soil restoration, or in lieu fees in partnership with land trust and conservation agencies. Protection or restoration of agricultural lands within city limits is preferred; followed by lands within the coastal zone of unincorporated San Mateo County and finally by other coastal zone areas.

Coastal Access and Recreation: The California Coastal Act requires that public coastal access be maximized, and the California Constitution guarantees the public's right of access to all beach areas below the mean high tide line. LCLUP Chapter 5, Coastal Access and Recreation, advances public coastal access throughout Half Moon Bay via coastal access routes and points; coastal access for all circulation modes including roadways and a network for multi-use trails; parking provisions for coastal visitors; and a wide range of coastal recreation uses. Many coastal access and recreation policies support residents in addition to visitors. For example, the trail network provides an important active transportation option for residents who commute and for running errands. Coastal access and recreation policies posing the most significant constraints on housing development include the following:

LCLUP Policy 5-46 On-Street Public Parking recognizes the City's obligation to maintain public parking for coastal visitors. The City has less flexibility in reducing parking requirements for residential development than jurisdictions outside the Coastal Zone. Furthermore, transit provisions are limited and thus the entire Coastsides tends to be auto-oriented for both visitors and residents. Parking requirements can be a constraint on housing development.

5-46. On-Street Public Parking. Protect and enhance the City's on-street public parking supply, including by requiring new development to provide sufficient off-street parking and frontage improvements or payment of in-lieu fees to support such improvements.

LCLUP Policy 5-61 Parkland Standard presents the City's Quimby Act parkland standard requirement of 5 acres per 1,000 residents. The standard applies to most residential subdivisions and is thus a constraint on some kinds of housing development.

5-61. Parkland Standard. Provide a minimum of 5 acres of City parkland including neighborhood and community park area for each 1,000 city residents, with additional parkland for specialized and low use park acreage. The parkland standard shall ensure that new development accommodates the recreational needs of future residents in pace with population increase.

LCLUP Policy 5-69 Development Priority for Visitor-Serving and Recreational Uses is consistent with LCLUP Policy 2-3 and 3-3 where Coastal Act priority uses are prioritized over other uses, including most types of housing.

5-69. Development Priority for Visitor-Serving and Recreational Uses. Prioritize visitor-oriented and recreational uses in all areas designated for Commercial Visitor-Serving on the Land Use Map. Encourage the addition of visitor-serving uses and overnight accommodations in these areas, particularly those that are lower-cost.

Natural Resources: The Coastal Act establishes policies for the protection of areas that are designated as environmentally sensitive habitat areas (ESHAs), including the marine environment and freshwater resources. LCLUP Chapter 6, Natural Resources, recognizes terrestrial ESHA (marine environment, sea cliffs, dunes, coastal terrace prairie, and non-aquatic habitat for special status and unique species); wetlands, and watercourses which may be riparian or non-riparian. Numerous protected status species occur within these areas, including the San Francisco garter snake, California red-legged frog, western snowy plover, as well as the western monarch butterfly at several small overwintering sites. Rare native plants are also documented in Half Moon Bay's ESHAs. The LCLUP includes a broad array of local policies consistent with the Coastal Act to protect ESHA and special status species. ESHAs limit development on numerous properties in the city due to buffers and other requirements. Moreover, natural resource protection requirements are significant constraints on all types of development in Half Moon Bay and throughout the Coastal Zone. Fortunately, the LCLUP's strategy to concentrate new development within the

Town Center provides several housing sites that are not significantly impacted by ESHA restrictions.

Hazards: There are policy provisions in the Coastal Act that minimize risks to life and property from various natural hazards. LCLUP Chapter 7, Environmental Hazards, includes policies per these provisions. Along the San Mateo County Coastside, hazard types are numerous, and all tend to be exacerbated by climate change. The LCLUP addresses shoreline hazards (coastal flooding, shoreline erosion, tsunami events, and seawater intrusion); geologic and seismic hazards (erosions and sedimentation, landslides, subsidence, liquefaction); fluvial flood hazards (localized flooding and inundation caused by dam or impoundment failure); and fire hazards. Of note, the Cycle 5 Housing Element included a housing site in a very high fire severity zone. The LCLUP update improved hazard mapping which informed the site inventory for the Cycle 6 Housing Element. Hazards are a significant constraint on development; however, once again, when concentrating new development within the Town Center, hazards are either avoided or can be mitigated.

Cultural Resources: Archeological sensitivity areas are mapped in the LCLUP Chapter 8, Cultural Resources. Areas most sensitive are along watercourses. Most sites within the Town Center are not mapped for resource sensitivity, and this constraint is limited to only a few properties within the key vacant and non-vacant sites inventory.

Visual Resources: Coastal scenic and visual resources are protected by the Coastal Act. LCLUP Chapter 9, Scenic and Visual Resources includes policies for protecting designated scenic and visual resource areas including scenic corridors (Town Boulevard Corridor, scenic coastal access routes, broad ocean views, and the California Coastal Trail); natural resources (beaches and shoreline, significant plant communities, open space conservation areas, and upland slopes); and the built environment (Heritage Downtown, substantially underdeveloped PDs, and parks). Broadly, visual resource protection policies can be addressed for pipeline projects and key vacant and non-vacant sites through thoughtful site planning. Specific examples of the most relevant policies are presented below.

LCLUP Policy 9-12 Town Boulevard Scenic Corridor requires that viewsheds from HWYs 1 and 92 to protect scenic and visual resources including the ocean and upland hillsides be maintained. This policy will require visual analysis for some Housing Element sites that are located near these corridors. However, building heights and setbacks needed to retain views will not impact buildout to the realistic yields evaluated for the site inventory. The constraint is therefore associated with the development review process, but not with the ultimate development of housing sites.

- 9-12. Town Boulevard Scenic Corridor. Require that new development in close proximity to or easily visible from the Town Boulevard scenic corridor, including Highways 1 and 92:*
- a. Protects views of visual resource areas as seen from the Town Boulevard, including views to the ocean, upland slopes (i.e. minimizes intrusions into the ridgeline), and the historic Johnston House;*

- b. *Incorporates design standards such as screening of commercial parking areas and landscaping provisions; and*
- c. *Is visually compatible with the surrounding land and development.*

Update the IP with additional standards for new development along the Town Boulevard based on additional study of the scenic corridor. Assessment should, at a minimum, consider views of visual resource areas from the perspective of existing and potential development along the Town Boulevard and identify scenic segments along Highway 1 and 92, including views of the ridgelines and other visual resource areas. Development standards should address, at a minimum, appropriate building heights and setbacks, longest wall lines, minimum space between buildings, and streetscape design.

LCLUP Policy 9-13 Highway 1 and 92 Frontages will also apply to the development review process but should not result in a reduction in unit yield for any inventory sites. For example, the Hilltop Mobile Home Park expansion on the north side of HWY 92 will require sound protection from the highway. A sound barrier can be incorporated into a frontage landscape treatment and would result in complying with both Policy 9-3 and with noise standards.

9-13. Highway 1 and 92 Frontages. Improve the appearance of the Highway 1 and 92 frontages as properties redevelop through the following means:

- a. *Establish build-to lines to frame and define the transportation corridors.*
- b. *Reduce visual clutter by consolidating utilities, phasing out monument signs, and requiring permanent maintenance of frontage landscaping.*

LCLUP Policy 9-15 Scenic Coastal Access Routes addresses sites on specified streets that connect HWY 1 to public beaches. The Hatch Elementary School site, located on the southwest corner of HWY 1 and Kelly Avenue will need to adhere to policy 9-15. Modest setbacks are anticipated to be more than adequate to accomplish this, and the site analysis shows that this will not affect realistic yield. This policy will impose limited constraints on residential development for this site and other potential development locations.

9-15. Scenic Coastal Access Routes. Require that new development on designated scenic coastal access routes from Highway 1 to the beach, including roadway improvements and development proposed in close proximity to the road, protects the scenic quality of the corridor and avoids obstruction or significant degradation of public ocean views such as through provision of sufficient setbacks from the public right-of-way, low building heights, and landscaping that establishes and/or maintains a scenic gateway.

LCLUP Policy 9-23 Upland Slopes and Ridgelines primarily affects parcels front HWYs 1 and 92 and is addressed through site planning as described for Policies 9-12 and 9-13.

9-23. Upland Slopes and Ridgelines. Protect broad views of upland slopes, prominent ridgelines and other intervening ridgelines as viewed from scenic corridors and the beach and shoreline through the following means:

- a. *Prohibiting new development above the 160-foot contour line and on slopes greater than 30 percent, including grading and subdivisions but excluding public trails and critical facilities or public infrastructure that cannot be located elsewhere;*
- b. *Ensuring new development below the 160-foot contour line is sited and designed to minimize intrusions into the ridgeline through the application of appropriate height and setback restrictions; and*
- c. *Establishing standards for the Town Boulevard, other streetscapes, and large-scale landscaping projects to highlight and frame, but not block, views of visual resource areas.*

LCLUP 9-25 Heritage Downtown applies to a portion of the Town Center characterized by a high concentration of historic buildings. Some pipeline projects are in this area, but none of the key vacant and non-vacant sites are in Heritage Downtown. The significance of Heritage Downtown and its associated historic resources may constrain redevelopment in this area due to the intent to preserve historic resources. However, Heritage Downtown is a small portion of Town Center, and the few vacant lots that remain are being developed with mixed-use residential and commercial buildings. Three pipeline projects represent this trend.

9-25. Heritage Downtown. Preserve and enhance the architecture, landscape, scale and ambiance of the Heritage Downtown visual resource area through design review of new development, redevelopment, and streetscape improvements. Design review shall consider:

- a. *Compatibility with scale and style of predominant older structures;*
- b. *Continuity in building lines maintained along Main Street;*
- c. *Maintaining key architectural features in proposed alterations to existing older buildings; and*
- d. *Avoiding demolition of existing older buildings that contribute significantly to the character of the area.*

LCLUP Policy 9-28 Substantially Undeveloped Planned Developments applies to the largest key vacant and non-vacant site, the Podesta Planned Development. Preliminary plans for this site indicate that development will not block views to upland slopes or the ocean. The site is also not affected by significant plant communities or a scenic coastal access route. Thus, for the sake of this important Housing Element site, this policy will not be a constraint. The policy will serve as a constraint within some of the other PD areas, especially those on the west side of HWY 1 because they are located on scenic coastal access routes and/or could interfere with protected public views of the ocean. In those cases, adequate setbacks, clustering development, and care with building heights will be required. None of those other PDs are included in the Housing Element site inventory.

9-28. Substantially Undeveloped Planned Developments. Require projects proposed in substantially undeveloped Planned Developments (PDs) to assess visual resources and

provide a visual impact evaluation as part of the master planning process for developing the PD in accordance with Chapter 2. Development. PDs shall be planned to protect public views of visual resource areas (e.g. broad ocean views, scenic coastal access routes, upland slopes, significant plant communities) and minimize adverse visual impacts as consistent with all applicable policies of this chapter. Following master planning and substantial development, the PD as a whole is no longer considered a visual resource area. The approved master plan shall continue to designate and protect other visual resource areas in Figure 9-1 (e.g. broad ocean views) through siting and design of new development and redevelopment projects.

Zoning and Subdivision Ordinances

The City's Zoning Code and Subdivision Ordinances comprise the Implementation Plan (IP) of the LCP to implement the LCLUP in a manner consistent with the California Coastal Act. This analysis presents the zoning and subdivision provisions as currently stand in the IP. When applicable, the discussion acknowledges how intended amendments to the IP will affect constraints. Appendix A of the LCLUP includes a detailed summary of the required implementation measures that will update the Zoning and Subdivision Ordinances. It is also notable that the LCLUP policy supports its own implementation:

1-2. Coastal Resource Protection Priorities. Protection of ESHA, public access and other coastal resources are a high priority for the City. To the extent that any policies in this Land Use Plan (which serves as the City's General Plan Land Use Element) and other elements of the City's General Plan are ambiguous, the City shall interpret them in the way that best protects ESHA and other coastal resources and maximizes public access. In advance of updating the Implementation Plan for Half Moon Bay - Local Coastal Land Use Plan Chapter 1: Introduction and Framework 1-44 conformance with the policies of the 2020 Land Use Plan, the policies of the Land Use Plan shall provide the standard of review for any proposed new development, including where these policies are more protective of ESHA and other coastal resources and maximize public access as consistent with the Coastal Act.

Amendments to the Zoning Code and Subdivision Ordinance require Coastal Commission certification following City adoption. The process for doing so is well-supported by the LCLUP which was recently certified in whole and unanimously by the Coastal Commission as explained in the previous section.

Zoning Districts

Residential development is allowed in most of the City's zoning districts. Four residential districts and four mixed-use districts hold most of the city's housing stock. Three additional zones allow for some residential development, either on a limited basis or through a master planning process.

Table B-1 presents the relationship of land use designations, described above, to zoning districts, described in this section.

Table B-1: LCLUP/General Plan Designations and Zoning Districts that Allow Residential Use

LCLUP/General Plan Land Use Designation	Zoning Districts
Residential Designations and Districts	
Low-Density Residential	Pending*
Medium-Density Residential	R-1, R-1-B-1, R-1-B-2, R-1-B-3, R-2
High-Density Residential	R-3
Mobile Home Park	Mobile Home Park (MHP)
Mixed-Use Designations and Districts	
Commercial-General	C-G, C-D, C-R
Commercial-Visitor Serving	C-VS
Industrial	Industrial Land Use; Pending*
Other Designations and Districts	
Rural Coastal	Urban Reserve (U-R); Pending*
Horticultural Business	A-1
Planned Development	Planned Unit Development
Workforce Housing Overlay	Pending*

Source: City of Half Moon Bay LCLUP and Zoning Ordinance.

*Notes: Pending zoning amendments to implement the LCLUP will affect and/or replace several of the City's zoning districts:

- *Low Density Residential:* This will be a new zoning district for lands in extreme fire hazard areas and/or rezone PUD areas to standard zoning with the same density.
- *Industrial Land Use:* Allowances for mixed-use with residential development will be added.
- *Rural Coastal:* Most sites in the Urban Reserve (U-R) zone and Open Space Reserve (OS-R) zone (which currently does not allow residential development) will be rezoned to a new district consistent with the new Rural Coastal land use designation.
- *Workforce Housing Overlay:* This will be a new overlay/combining zoning district implementing the new Workforce Housing Overlay land use designation.

Residential Zoning Districts: The residential zoning districts provide appropriately located areas for residential development that are consistent with the LCLUP/General Plan Land Use Element. The residential districts include:

Single-Family (R-1, R-1-B1, R-1-B-2, and R-1-B-3): These are the City's single-family zoning districts with minimum lot sizes ranging from 5,000 square feet to 10,000 square feet.

Two-Family (R-2): This district allows duplexes and single-family development with a 5,000 square foot minimum lot size. The minimum density is 10 dwelling units per acre, and maximum density is 16 dwelling units per acre.

Multi-Family (R-3): This is the City's multi-family residential zoning district. It allows multi-family rental and ownership housing as well as duplexes and single-family homes. The

minimum lot size is 5,000 square feet. The minimum density is 15 dwelling units per acre and the maximum density is 29 dwelling units per acre.

Mobile Home Park (MHP): This district establishes standards for development and expansion of the city's mobile home parks. Mobile homes make up almost 10% of the city's housing stock and the maximum density is 22 dwelling units per acre.

Mixed-Use Zoning Districts: All of the City's commercial districts allow single-use residential and mixed-use development. These include:

Commercial Downtown (C-D): This district establishes a range of uses and development standards that maintain and are consistent with the historic patterns and pedestrian scale of development within the historic downtown. In 2020, the City updated the C-D provisions to eliminate the requirement for a use permit for single-family, multi-family, and mixed-use residential development in this zone. The maximum density is 29 dwelling units per acre.

Commercial Residential (C-R): This district provides a transition zone between the active commercial district and single-family residential areas. Development is limited to residential, low-intensity professional offices, and semi-public uses. The 2020 zoning update also eliminated the use permit requirements for single-family, multi-family, and mixed-use development in this zone. Maximum density is 29 dwelling units per acre.

Commercial General (C-G): This district guides the orderly development of commercial areas designated for a full range of retail, service, and commercial and professional office businesses serving both residents and visitors. Again, the 2020 zoning update eliminated the use permit requirements for single-family, multi-family, and mixed-use development in this zone. The minimum density is 15 dwelling units per acre and the maximum density is 29 dwelling units per acre.

Commercial Visitor Serving (C-VS): This district designates recreational commercial areas that serve the needs of coastal visitors, and emphasizes coastal access, recreation, overnight accommodations, retail, and restaurants. Single-family dwellings and mixed-use development with residential units on upper floors are allowed with the issuance of a use permit provided that the units are ancillary to a primary permitted commercial use oriented to coastal visitors; multi-family dwellings are not allowed. The maximum density is 16 dwelling units per acre.

Additional Zoning Districts: Residential development is also allowed in the following zones as described here:

Urban Reserve (U-R): This district is applied to most of the city's lands in field crop agriculture use. It allows for one dwelling unit for the owner, manager, or operator of the operation (e.g., the "farmhouse") subject to a use permit with a minimum site area of 15 acres per unit. In

addition to a farmhouse, employee housing is also allowed. Lands in the U-R zoning district will be rezoned to the forthcoming Rural Coastal district which will enable the LCLUP. The Rural Coastal district will include the Workforce Housing Overlay for most sites.

Agricultural Land Use (A1): The city’s greenhouse horticulture operations are in the A1 zone. As an accessory use to permitted horticulture uses, single-family residential development is permitted, including homes for help employed on the premises. For the first unit, the building site must be at least one-half acre; two dwellings are allowed on parcels over five acres; and an additional unit is allowed for each additional three acres, with a limit of four units.

Planned Unit Development (PUD and PUDX): The PUD zoning district provides for a variety of land uses, including residential development. Master plans, such as specific or precise plans that plan the area as a whole, are required prior to development. Master plans establish land use, density, and infrastructure provisions to guide development in these areas. The Half Moon Bay City Council has approved various projects in the PUD areas. However, the amount of development approved by the City Council has been reduced by the Coastal Commission as part of its consideration of appeals of coastal development permits or through settlement agreements. The PUD areas have been master planned and substantially developed with residential uses include the following:

Table B-2: Buildout of Planned Unit Developments that have been Master Planned

Master Planned Planned Unit Developments	Developed (Units)	Potential for Additional Housing (Units)
Ocean Colony	568 single-family 68 multi-family	8 single-family Approx. 40 multi-family
Andreotti	129 multi-family	Built out
Amesport Landing	90 multi-family	Built out
Main Street Park	64 multi-family (all affordable)	Built out
Pacific Ridge (Dykstra Ranch)	19 single-family	44 single-family
Miramar Beach (Casa Mira)	14 multi-family	Built out
Matteucci	11 single-family 3 ADUs	2 single-family Several more ADUs
Stoloski-Gonzalez	1 single-family	3 single-family Several ADUs

Source: City of Half Moon Bay LCLUP, GIS, and permit files.

Seven substantially undeveloped PUD areas remain that have not been master planned. The PUD master planning process is described later in the Permit Processing Procedures, Timelines, and Fees section of this discussion.

Rezoning: Implementation zoning needed for both the Housing Element and LCLUP will add mixed-use standards for the industrial zoning district, the new Rural Coastal zoning district, new provisions to implement the Workforce Housing Overlay land use designation, and a new low-density residential zoning district applicable to two specific areas impacted by hazards and/or

environmental constraints. Table B-3 summarizes the residential development standards for all the zoning districts allowing residential uses presented above.

Table B-3: Development Standards by Zoning District

Zoning District	Min. Site Area (Lot/Unit) (SF or AC)	Min. Avg. Site Width (Lot/Unit) (Ft)	Front Yard Set-back (Ft)	Side Yard Set-back (Ft)	Rear Yard Set-back (Ft)	Max. Height (Single/Multi-story) (Ft.)	Lot Coverage (Single/Multi-story) (%)	FAR
Residential Zoning Districts								
R-1	5,000 SF	50	20	5	20	20/28	50%/35%	0.5:1
R-1-B-1	6,000 SF	60	25	5	20	20/28	50%/35%	0.5:1
R-1-B-2	7,500 SF	75	25	6	20	20/28	50%/35%	0.5:1
R-1-B-3	10,000 SF	90	25	20% lot width	20	20/28	50%/35%	0.5:1
R-2	5,000 SF/2,500 SF	50/25	20	5	20	20/28	50%/35%	0.5:1
R-3	5,000 SF/1,500 SF	75	20	5	20	20/40	50%/45%	N/A
MHP	5 AC/2,000 SF	N/A	20	10-20	20	N/A	N/A	N/A
Mixed-Use Zoning Districts								
C-R	5,000 SF	50	20	5	20	28	50%/35%	0.5:1
C-D	5,000 SF	50	0-5	0-5	0-5	36	N/A	N/A
C-G	10,000 SF	100	Single-family refers to R-1; two-family refers to R-2; multi-family refers to R-3, mixed-use per Planning Commission.					
C-VS	10,000 SF	100	Single-family refers to R-1; mixed-use per Planning Commission; multi-family not allowed.					
Additional Zoning Districts Allowing Residential Uses								
U-R	50 AC/15 AC	N/A	Dependent on the location of agriculture operations or structures.					
A-1	15 AC/0.5 AC	100	Dependent on the location of agriculture operations or structures.					
PUD/PUDX	Per master plan.							

Source: City of Half Moon Bay Zoning Ordinance

**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%.

Zoning for a Variety of Housing Types

Housing Types Defined in the Zoning Code: The Zoning Code provides for a variety of residential housing types listed below.

Single-Family Dwelling: Buildings containing one dwelling unit located on a single lot. This classification includes manufactured homes and lots containing a primary dwelling unit, an ADU, and/or a junior ADU.

Accessory Dwelling Unit (ADU): An attached or detached residential dwelling unit.

Two-Family Dwelling/Duplex: A building containing two dwelling units. This classification includes manufactured homes.

Multi-Family Dwelling: A building containing three or more dwelling units. This classification includes manufactured homes.

Mixed-Use: Combination of nonresidential and residential uses located on the same property as part of a unified development.

Manufactured Home: A modular housing unit on a permanent foundation that conforms to the Manufactured Housing Construction and Standards. A mobile home is considered a manufactured home.

Group Residential: Shared living quarters without separate kitchen or bathroom facilities for each room or unit. This classification includes boarding houses and private residential clubs, but excludes residential hotels or motels.

Residential Care, Limited: Twenty-four-hour non-medical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those services and facilities licensed by the State of California. Note: This type of facility is commonly termed a small group home.

Transitional Housing: Buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

Supportive Housing: Housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing

resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.²

Residential Care, General: Twenty-four-hour non-medical care for seven or more persons, including wards of the juvenile court, in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living. This classification includes only those services and facilities licensed by the State of California. This type of facility is commonly termed a large group home.

Emergency Shelter: Means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

Convalescent Facilities: Establishments providing twenty-four-hour care for persons requiring regular medical attention, excluding facilities providing surgical or emergency medical services.

The development potential by zoning district for each of the previously listed housing types is presented in the following table.

Table B-4: Housing Types Allowed by Zoning District

Housing Type by Zoning District	R-1-X	R-2 R-3	MHP	C-D	C-R	C-G	C-VS	A-1	U-R	PUD/ PUDX *	P-S
Single-family	YES	YES	NO	YES	YES	YES	UP	YES	UP	*	RZ
ADU	YES	YES	NO	YES	YES	YES	YES	RZ	RZ	*	RZ
Duplex	NO	YES	NO	YES	YES	YES	NO	RZ	RZ	*	RZ
Triplex, Fourplex	NO	YES (R-3)	NO	YES	YES	YES	NO	RZ	RZ	*	RZ
Five plus Units	NO	YES	NO	YES	YES	YES	NO	RZ	RZ	*	RZ
Mixed-Use	NO	NO	NO	YES	YES	YES	UP	YES	YES	*	RZ
Manufactured Home	YES	YES	YES	YES	YES	YES	YES	YES	YES	*	RZ
Small Group Home	YES	YES	NO	UP	UP	YES	NO	NO	NO	*	RZ
Large Group Home	NO	UP	NO	UP	UP	UP	NO	NO	NO	*	RZ

² Target Population. Means adults with low income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5 commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

Group Residential	NO	UP	NO	UP	UP	YES	NO	NO	NO	*	RZ
Transitional Housing	YES	YES	NO	NO	NO	NO	NO	NO	NO	*	RZ
Supportive Housing	YES	YES	NO	NO RZ	NO RZ	NO RZ	NO	NO RZ	NO RZ	*	RZ
Emergency Shelter	NO	NO	NO	NO**	NO	NO	NO	NO	NO	*	YES
Convalescent Facilities	NO	UP	NO	UP	UP	YES	NO	NO	NO	*	NO
<u>Employee Housing***</u>	<u>RZ</u>	<u>RZ</u>	<u>NO</u>	<u>RZ</u>	<u>RZ</u>	<u>RZ</u>	<u>RZ (UP)</u>	<u>RZ</u>	<u>UP</u>	<u>*</u>	<u>RZ</u>

Source: City of Half Moon Bay LCLUP and Zoning Ordinance

- Key: **NO** = not allowed; **YES** = allowed; **UP** = allowed subject to a Use Permit; **RZ** = Pending Rezoning will allow; RZ(UP)= Pending Rezoning will allow with Use Permit
- *PUD/PUDX districts: Residential use types per master plan.
- **The Coast House shelter was established in the C-D zoning district via Project Home Key land use allowances, where shelters are otherwise not permitted uses.
- ***Employee Housing with six or fewer employees, as defined by the Employee Housing Act.

Additional Zoning Considerations for Needed Housing Types: Additional considerations for the above housing types and household needs are further described below. These housing types and populations are important considerations for the Cycle 6 Housing Element and are identified in the following discussion in relationship to the site inventory.

Accessory Dwelling Units (ADUs): ADUs are regulated by Zoning Ordinance Section 18.33.030, Accessory Dwelling Units. The City updated the Accessory Dwelling Units Ordinance twice during the Cycle 5 Housing Element period. The 2018 and 2022 updates brought the ordinance up to State housing law as it was frequently amended in recent years. Each update was certified by the California Coastal Commission and submitted to HCD for consistency review. For ADUs comprised of new “development” as defined by the California Coastal Act, the ordinance provides for streamlined administrative coastal development permits.³ ADUs established within the habitable floor area of existing development are exempt from a coastal development permit. ADU

³ California Coastal Act section 30106: “Development” means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511).

production has increased steadily following the 2018 ordinance update. Before the update, there had been only three units per year; production quickly increased to ten units per year followed by over twenty, with sustained property owner interest expected to maintain these levels of development.

Manufactured Homes: Manufactured homes are permitted in any residential district subject to the same development standards for setbacks, lot coverage, height limits, etc. In the residential zones, Zoning Ordinance section 18.06.060, Manufactured homes, includes basic objective design standards and quality requirements related to recent manufacture. Development potential is high, and the City has approved all applications received during the Cycle 5 Housing Element period for manufactured homes, which have consisted of single-family residences on infill lots. Manufactured homes must be placed on a permanent foundation.

Multi-family Housing: Multi-family housing is a permitted use in the R-3 zone. It is also a permitted use in the C-R, C-D, and C-G zones in single-use (residential only) or mixed-use (residential typically with commercial uses) development formats. Basic development standards for R-3, C-R, C-D, and C-G zones are presented in Table B-3, above. All these zoning districts have a minimum density of 15 units per acre and a maximum density of 29 units per acre.

The City's development standards allow multi-family housing to be constructed at the maximum allowed densities. The minimum lot size, height allowance, and setbacks allow projects to maximize development and achieve allowable densities. The City also allows development standards to be waived or relaxed for affordable projects. Parking requirements are discussed separately below. The City's standards for multi-family housing do not present a constraint to the development of apartments, townhouses, condominiums, or other multi-family uses and do not have a negative impact on housing supply.

Facilities for Disabled Households: For the Cycle 5 Housing Element, to ensure compliance with SB 520, the City's zoning laws, practices, and policies were thoroughly evaluated as a part of the update process. At that time, the requirement for an accessory dwelling to obtain a use permit was the only constraint identified. The Accessory Dwelling Unit Ordinance update in 2018 removed the use permit requirement. [Program 1-2](#) is informed by input from local service providers to better address these needs, including reasonable accommodations. This is especially important in that 10% of the city's population have a disability, which is significant and somewhat higher than the countywide average of 8%.

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.

There are no specific constraints or additional requirements imposed for developments that assist disabled households. For example, there is no minimum distance requirement between residential care facilities, and there are no occupancy standards that apply specifically to unrelated adults. “Family” is defined as two or more persons living together as a single housekeeping unit in a dwelling unit, provided that this shall not exclude the renting of rooms in a dwelling unit as permitted by district regulations. The rental clause is directed at the requirement that mobile home units within mobile parks be limited to use as permanent residences and may not be rented for less than 30 days. Parking standards for housing for disabled persons are the same as all residential development and do not pose a constraint on development of housing for disabled persons. However, the Zoning Code allows for the removal or reduction of development standards for affordable housing, including affordable housing for disabled households.

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 18.06.050.1). 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.

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 Coastsides 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. Per Program 3-7, emergency shelters will also be a permitted use in the Industrial zoning district.

Zoning - Development and Operational Standards

There are no unique development or operational standards in the zoning code describing emergency shelters. They are subject to the same development and operational standards as other uses in the P-S and Industrial zoning districts, as per state law.

Zoning – Siting and Proximity to Transportation and Services

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.

Zoning - Hazardous Conditions

There are no identified hazardous conditions on any of the parcels in the commercial zone that would interfere with an emergency shelter or shelters suitable to support the number of unsheltered homeless persons in Half Moon Bay (68 individuals).

Zoning - Human Habitability

There are already several residential developments in the P-S zoning district and mixed use developments in the Industrial zoning district, as well as active commercial businesses.

Zoning – Feasibility

The three vacant parcels in the Industrial zone contain 3.5 acres. This does not include underutilized buildings or parking lots. This is more than enough underutilized space to meet Half Moon Bays needs, in addition to the City's role in supporting the Life Moves shelter already located in the city.

Transitional Housing (per Health and Safety Code 50675.2(h)): Zoning for supportive housing was added to the Zoning Ordinance in 2015. Transitional housing is a permitted use in the residential zoning districts including all the R-1 zones, as well as the R-2 and R-3 districts. The residential zoning districts comprise over 650 acres and there are numerous developed and undeveloped lots to accommodate this use.

Supportive Housing (per Health and Safety Code 50675.14(b)): Zoning for supportive housing was added to the Zoning Ordinance in 2015. Supportive housing is a permitted use in the residential zoning districts including all the R-1 zones, as well as the R-2 and R-3 districts. The residential zoning districts comprise over 650 acres where there are numerous developed and undeveloped lots to accommodate this use. Program 3-7 will modify Sections 18.07, 18.08, 18.11, and 18.13 to allow permanent supportive housing as a use by-right in zones

where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651.

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.

Extremely Low-Income: Extremely low-income households can be housed in affordable housing developments with deep subsidies, such as Section 8 or Section 232. These types of units are most likely to be constructed in the R-3 zone, on publicly owned housing sites, and/or on sites designated with the new Workforce Housing Overlay land use designation. Other housing opportunities for extremely low-income households include housing with shared facilities, such as living or dining areas, with private sleeping areas, and are often referred to as single room occupancies (SROs). This type of development allows rents to be much lower than those associated with typical apartment complexes. The Group Residential use allows for facilities such as SROs and is permitted in the C-G zone by right and in the C-D and C-R zones with a use permit. There are vacant sites currently zoned R-3, or planned for rezoning to R-3, that can accommodate multi-family apartments and group residential uses. Sites in the C-G, C-D, and C-R zones also allow multi-family development and group residential uses. The implementation of the LCLUP, specifically with the application of the Workforce Housing Overlay, will result in numerous additional sites that will be suitable for affordable housing development including units for extremely low-income households. Several of those sites are in public ownership, including the City-owned 555 Kelly Avenue and 880 Stone Pine Road sites, and the Hatch Elementary School site.

Housing for Agricultural Employees (permanent and seasonal): The A-1 district permits single-family dwellings that are accessory to the primary permitted uses that include nurseries, greenhouses, and field flowers. This housing can include buildings for help employed on the premises. The U-R district allows for employee housing with a use permit. The Open Space Reserve (OS-R) district also allows agricultural uses; however, it does not allow farmworker housing.

The LCLUP established the new Rural Coastal land use designation. To implement the LCLUP, a new Rural Coastal zoning district will be established. Both the U-R and OS-R zones will be retired and most of the lands in these areas will be put into the new Rural Coastal zone when it is established. The Rural Coastal zone, as well as the A-1 zone and portions of the P-S zone, will be updated with zoning to establish the new Workforce Housing Overlay land use designation. This will provide for both permanent and seasonal housing on multiple properties in development

formats and densities that will also preserve prime and subprime agricultural soils as required by the Coastal Act.

Female Headed Households: The primary need for female-headed households is affordable housing with supportive services, including childcare. In pre-development discussions with affordable housing developers, City staff identify sites where childcare would be most appropriate and encourage the developers to include childcare in their programming. Many local affordable housing developers have experience with such provisions. Several of the site inventory properties have the potential to include supportive services and childcare. The Podesta Planned Development site is identified in the LCLUP as having high potential for housing development with community uses, including childcare.

Employee Housing: Currently, employee housing is only allowed in the UR district, “as housing for those persons employed on the premises” subject to a use permit per Section 18.11 of the zoning code. Program 3-4 will modify Sections 18.06, 18.07, 18.08, 18.09, and 18.13 for employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone, consistent with the Employee Housing Act.

Program 3-4 will also modify Sections 18.13 and 18.14 of the Zoning Code to allow employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zones (A-1 and A-2 zones, respectively).

Affordable Housing Zoning Provisions

The Zoning Ordinance supports housing and affordable housing development through provisions presented below:

Development Standards: Section 18.06.050(H) of the Zoning Code states that development standards for residential uses may be waived or relaxed for an affordable housing project. This provision allows developers much flexibility in designing affordable housing projects. Minimum lot sizes, widths, setbacks, parking, and other requirements can be reduced or waived, as long as the resulting development conforms to the certified LCP and other applicable provisions of the Zoning Code outside of Chapter 18.06. Using this provision, the City reduced parking requirement standards for the Lesley Gardens development, which includes units specifically designed for disabled and senior households. The Government Code includes Sections 65590 to 65590.1 that specifically pertain to housing in the Coastal Zone. Section 65590(d) requires local governments to offer density bonuses or other incentives, including, but not limited to, modification of zoning and subdivision requirements, accelerated processing of required applications, and the waiver of appropriate fees for low- and moderate-income housing in the Coastal Zone. Program 1-4 states that the City will continue to provide incentives for affordable housing. A number of the programs contain provisions directly supporting affordable housing development, including Program 1-3 which provides for the Below Market Rate Housing Ordinance requirements and the affordable

housing fund Program 1-4 which calls for updating the Residential Density Bonus Ordinance; and Program 4-6, which covers additional affordable housing resources.

Below Market Rate Housing Ordinance (Inclusionary Zoning): Half Moon Bay's Below Market Rate Housing Ordinance comprises Chapter 18.35 of the Half Moon Bay Zoning Code. The ordinance requires either the construction of dwellings that very low-, low-, and moderate-income households can afford to rent or buy, or the contribution of an in-lieu fee to the City's affordable housing fund in an amount sufficient to provide affordable housing opportunities for these income groups. The below market rate (BMR) provisions are consistent with Government Code Section 65590(d) which requires new developments in the Coastal Zone to provide housing for persons and families of low- and moderate-income, where feasible, and if it is not feasible, to provide the units elsewhere in the jurisdiction within three miles of the Coastal Zone.

Under the ordinance, ownership residential development projects of ten or more lots or dwelling units, or the conversion of ten or more rental units to condominiums, are required to provide 20% of the units as affordable units in the following ratios to the extent practical and feasible:

- 6% affordable to very low-income households
- 7% affordable to low-income households
- 7% affordable to moderate-income households

The planning commission and city council may modify these targets based upon the specifics of each new residential subdivision of ten or more lots or dwelling units or condominium conversion projects of ten or more units. In those cases where strict adherence to the formula provided herein results in a fraction between one one-hundredth and forty-nine one-hundredths of a below market rate dwelling unit, the city council may approve a pro rata contribution to the affordable housing fund an amount equal to twenty percent of the building permit valuation for the market rate units to be built. Where the fraction of a below market rate housing unit was between five-tenths and ninety-nine one-hundredths, an additional housing unit shall be required (18.35.020 D through F).

Incentives for providing below market rate housing are described in Zoning Code section 13.85.050. These include reduction or waivers of development standards, priority use of water and sewer, and incentives for units with three bedrooms or more. Additional incentives will be considered as part of Program 1-3.

The Below Market Rate Housing Ordinance does not describe its relationship with State Density Bonus Law. Program 1-3 directs the modification of the ordinance to clarify that State Density Bonus Law allows for bonuses in addition to, not in competition with, the City's Below Market Rate Housing Ordinance.

The Below Market Rate Ordinance only applies to ownership housing projects of 10 or more units, which is a very small fraction of developments in Half Moon Bay. The City is interested in

expanding the program's applicability to rental housing developments and in lowering the threshold for when BMR units are required from ten units to a lower level, such as five units. For smaller market rate developments, the City would further consider establishing an affordable housing impact fee. These considerations are captured in Program 1-3.

There are two recent applicable developments, both of which are subdivisions. In Carnoustie, a multi-phase project, the developer paid an in-lieu fee for six affordable units. This established the City's affordable housing fund. In the Creekside subdivision, the developer is going ahead with four affordable units to meet the inclusionary requirements. Under the Below Market Rate Housing Ordinance, fourteen BMR units have been constructed in Half Moon Bay, consisting of the 12-unit Ocean Colony Partners affordable development and the Nerhan duplex. Four additional units are forthcoming as part of the Creekside subdivision project.

While the provision of units within a market rate development is the City's preferred method for a developer to comply with the Below Market Rate Housing Ordinance, in-lieu fees are accepted in certain instances as a substitute for the construction of units. The first phases of the Carnoustie project paid an in-lieu fee for six affordable units. Those funds established the City's affordable housing fund. The Below Market Rate Housing Ordinance is currently applicable to ownership units. The City is interested in expanding the program's applicability to rental housing developments and in lowering the threshold for when BMR units are required from ten units to a lower level, such as five units. For smaller market rate developments, the City would further consider establishing an affordable housing impact fee.

BMR requirements could potentially be considered a constraint to developing housing because developers might choose to develop elsewhere rather than have the responsibility of providing affordable units. It is also possible that, due to the relatively small sites in Half Moon Bay with buildout potential near the program threshold of ten units, a developer may lower a project's unit count to avoid the BMR requirements. To counter this potential, minimum residential densities are already included in the City's multi-family and mixed-use zoning districts, but they are not required for lower density subdivisions. In Half Moon Bay, the market is so desirable that the Below Market Rate Housing Ordinance has not constrained development; however, the City's intent to deepen the requirements needs to be carefully studied to ensure that this remains the case.

The City is considering working with 21 Elements on both commercial and residential countywide nexus studies. These studies will likely be completed by the end of 2026. This is also described in Program 1-3.

Housing Element programs outline the following actions and improvements to the BMR requirements to ensure economic viability and improve BMR yield.

- Program 1-3 provides for an economic analysis of Below Market Rate Housing Ordinance updates including making the requirements applicable to rental housing, lowering the threshold for ordinance applicability, establishing an affordable housing impact fee for

smaller projects, and assessing the effectiveness of the City's minimum density requirements. This program also encourages development of BMR units on-site to the extent feasible.

- **Program 1-4** addresses incentives and options for development of BMR units to offset hardships or burdens that may be imposed by the requirement, including those concessions available through the Residential Density Bonus Ordinance.
- **Program 6-2** addresses oversight and preservation of BMR units, such as by:
 - Monitoring the units annually.
 - Ensuring that rents, sales prices, and income limits are maintained.
 - Guiding the marketing of units and selection of occupants.

Residential Density Bonus Ordinance: The City's Residential Density Bonus Ordinance comprises Chapter 18.42 of the Zoning Code. The ordinance complies with Government Code Sections 65915 through 65917 by reference, as it exists as of 2022 or may hereafter be amended. The ordinance provides density bonuses and incentives, including updated parking standards based on unit size, affordability, and proximity to transit for qualifying developments. The density bonus provisions are supported by policy in the recent LCLUP update. Density bonuses were also accounted for in the LCLUP update buildout assessments. Density bonus units that may come forward through Housing Element implementation are therefore foreseen and found to be consistent with the Half Moon Bay LCP provided that such developments including density bonus units are also in compliance with coastal resource protection policies.

Additional Zoning and Subdivision Considerations

Residential Growth Limitations Ordinance (Measure D)

In 1991, the voters of Half Moon Bay passed a residential growth limitation initiative titled Measure A. This initiative limited new residential units to 3% of the population growth rate annually. In 1999, the city's voters passed Measure D which amended the residential growth cap to a 1% population increase annually, which can be increased by an additional 0.5% for units in a designated Downtown Area. Reasons cited for reducing the population growth rate included concerns that residential taxes would not cover the cost of basic services, traffic impacts on HWYs 1 and 92, and other critical infrastructure limitations including water supply and sewer capacity. In 2001 and 2002, the City Council approved amendments to the LCLUP, the Subdivision Ordinance (Chapter 17.06 Residential Dwelling Unit Allocation System), and the Zoning Ordinance (Chapter 18.04 Residential Growth Limitations) which reduced the number of annual allocations that could be issued consistent with Measure D. The measure went into effect in 2009 after an extensive review by the California Coastal Commission to certify it as an amendment to the LCP. Thus, although Measure D was passed in 1999, it was not effective until 2009.

Residential growth is limited to, in any particular year, the number of dwelling units that would result in an increase of 1% of the city's population as of January 1 of that year. US Census data is

used to calculate the average number of persons per household (PPH) to convert the allowed population growth to a specific number of units. The number of dwelling units may be increased by another 0.5% in the Downtown Area at the discretion of the City Council. Council has approved this increase since 2009; and thus, in practice, Measure D accommodates 1.5% annual population growth. The following are exempt from the Residential Growth Limitations Ordinance:

- Replacement of existing dwelling units on a one-for-one basis
- Density bonus units associated with the provision of low- and moderate-income housing as required by State law

It is important to note that ADUs have not been exempted from the regulations. Section 65852.2(a)(2) of the Government Code requires that a second unit ordinance not be considered in the application of any ordinance, policy, or program to limit residential growth. The City sought to address this in the Cycle 5 Housing Element through Program 2-3 which intended to revise the Zoning Code to clarify that ADUs are not subject to the Residential Growth Limitations Ordinance, consistent with the requirements of Government Code Section 65852.2(a)(2). However, in putting forth that code amendment for California Coastal Commission certification, for the proposed modification, the Coastal Commission report identified that while 65852.2 applies to local ordinances, LCPs are not “solely a matter of local law, but embody state policy.”⁴ Thus, because the City’s growth control measures were incorporated into its LCP to protect coastal resources, maintain coastal access, and preserve infrastructure capacity consistent with the obligations of the California Coastal Act, Coastal Commission staff determined that population growth associated with the development of ADUs must continue to be regulated within the construct of Measure D.

Pertinent to the Cycle 6 Housing Element, approximately 582 allocations can be issued from January 2023 through December 2030. Based on the formula established by Measures D and set forth in the Subdivision and Zoning Ordinances, the “end of year projected population” in Table B-5 is used to determine the allowed population growth for the next year of up to 1.5%, which assumes 1% citywide and an extra 0.5% for the Downtown Area. The number of allocations available for the next year is then calculated by dividing the increase in population by the city’s average PPH from the U.S. Census.

Table B-56: Projected Cycle 6 Residential Unit Allocations as of 2023

Year	Start of Year Estimated Population ^a	New Units ^b	Additional Persons ^c	End of Year Projected Population	1.5% Population Growth ^d	Following Year Allocation ^c
2023	11,946	50	129	12,075	181	70
2024	12,075	50	129	12,204	183	71
2025	12,204	50	129	12,333	185	72

⁴ California Coastal Commission, July 2014, item F7a, HMB-1-11, pages 25 – 27.

2026	12,333	50	129	12,462	187	72
2027	12,462	50	129	12,591	189	73
2028	12,591	50	129	12,720	191	74
2029	12,720	50	129	12,849	193	75
2030	12,849	50	129	12,978	195	75
Total						582

- a. 2023 “Start of Year Estimated Population” derived from City of Half Moon Bay City Council Staff Report “2023 Residential Dwelling Unit Allocation,” December 6, 2022; where 2023 start of year population is projected to be 11,946. For this analysis, 2023 population growth is assumed to be 129 persons based on 50 residential building permits.
- b. Estimated number of building permits issued each year. If building permit issuance is substantially lower (i.e., 25/year), Cycle 6 allocations would be 565; if building permit issuance is substantially higher (i.e. 70/year or approximately equivalent to the annual number of available Measure D allocations), Cycle 6 allocations would be 604.
- c. Assumes persons per household (PPH) of 2.58, based on 2020 U.S. Census.
- d. Assumes 1% maximum allocation citywide and an additional 0.5% in the Downtown Area.

In addition to the 582 allocations available to be issued during Cycle 6, additional allocations had already been issued prior to the start of the cycle, for which development permits had not yet been issued. As of January 1, 2023, this included 32 allocations for the Hilltop Mobile Home Park, almost half the allocations needed for the City’s 555 Kelly Avenue affordable housing site, almost 20 allocations for several downtown infill mixed-use and multi-family projects, and many more allocations for single-family homes and ADUs throughout the city. Because the time clock for allocations stops during the entitlement and approval process and resumes when entitlements have been issued, it is anticipated that these allocations will carry over into the Cycle 6 RHNA period before the permits for the projects are fully approved and/or the projects are developed.⁵ This process is described further in the Use of Allocations section below. As shown, the City’s available and previously issued allocations should be adequate to accommodate the City’s 480-unit RHNA with respect to capacity.

Allocation Process: Each December, the City establishes the number of allocations that can be granted the following year. In years when there are fewer applications than allocations, allocations can be granted throughout the year on an over-the-counter basis. This was the case for most of Cycle 5. However, in association with significant updates to the Accessory Dwelling Unit Ordinance, initially in 2018 and again in 2022, the number of Measure D applications has steadily increased due to a strong uptick in ADU development. During such periods of elevated development activity, applicants seeking allocations are encouraged to apply in January, allowing the City to determine if there will be enough allocations for the residential projects most likely to proceed during that calendar year. If there are not enough allocations, as occurred in 2021, 2022, and 2023, a scoring and ranking procedure is triggered.

If on January 31, there are more applications than allocations, applications are scored using a point system. Each project is scored based on project location, which is either within the Downtown Area or outside of the Downtown Area; and project type, which is either residential

⁵ These projects are included in Technical Report Appendix C – Housing Resources as Pipeline Projects.

development (ADUs, single-family residential, duplex, or multi-family per section 17.06.100) or subdivision (land divisions that include residential development per section 17.06.200).

The scoring system prioritizes projects that include affordable units, are located on infill sites, are higher density, and/or incorporate sustainability measures. Projects located outside of the Downtown Area compete with other projects outside of the Downtown Area for a number of allocations that would support up to 1% of the city's allowed annual growth. This includes one-half of the allocations associated with the 1% growth limit, with the addition of a 0.5% bonus as provided for by the ordinance for the Downtown Area. The result is that twice as many allocations are available for projects located in the designated Downtown Area. The Community Development Director reviews and scores applications by April 1. The scores and rankings are subsequently presented to the Planning Commission at its first meeting in April. The Planning Commission's role is to ratify or modify the Director's recommendations.

The application scoring standards for residential development and subdivision projects are summarized as follows:

Residential Development (maximum 246 points available per section 17.06.120)

1. Infill Sites (maximum 70 points, includes 35 points for inclusion of BMR unit(s))
2. Home Size, Scale, and Clustering (maximum 30 points)
3. Design for Walking and Bicycling (maximum 37 points)
4. Design for Safety & Social Gathering (maximum 15 points)
5. Design for Diverse Households (maximum 20 points)
6. Resource-Efficient Landscaping (maximum 74 points)

Subdivisions (maximum 463 points available per section 17.06.200)

1. Water (maximum 20 points)
2. Sewer (maximum 20 points)
3. Drainage (maximum 15 points)
4. Schools (maximum 78 points)
5. Fire Protection (maximum 35 points)
6. Police Department Services (maximum 55 points)
7. Streets, state highways, and pedestrian improvements and amenities (maximum 45 points)
8. Open Space (maximum 35 points)
9. Park and Recreation Facilities (maximum 40 points)
10. Affordable Housing (maximum 100 points)
11. Architectural Design and Landscaping (maximum 20 points)

Residential projects involve infill development on existing subdivided lots within the urbanized area of the city that are served by existing infrastructure. Subdivision projects involve new

development that may require the extension of infrastructure and may extend development beyond the urbanized area of the city in some cases. For these reasons, subdivision projects have more demanding standards. The standards provided are intended to ensure that development projects have adequate infrastructure, provide for their fair share of municipal services, and that development projects are designed to encourage safety of residents. As discussed, the standards prioritize affordable projects by providing a relatively high number of points for projects that include affordable units. Because projects receive points commensurate with each development's percentage of affordable units, fully affordable projects will be the most competitive in the process. The scoring criteria also favor projects with reduced energy demand and greenhouse gas emissions, primarily by prioritizing in-fill development, especially development in the Downtown Area.

Use of Allocations: Measure D allocations are valid for one year from the date of issuance. Expiration is governed by Section 17.06.050 of the Half Moon Bay Subdivision Ordinance. While the City does not allow “rollovers” of unused allocations, an allocation can be extended beyond one year to accommodate permitting timelines, including regulatory delays such as those associated with review by resource agencies. The clock stops while projects are in review with active applications for planning or building permits. Developers may apply for allocations prior to applying for entitlements or during the entitlement process. This flexibility helps developers plan entitlement and construction timelines and reduce the risk of allocations going unused. As discussed below, developers can also enter into a phasing agreement with the City to extend allocations over a period of time. The City Council may also grant a one-year extension.⁶ The system ensures that allocations continue to be valid over the course of project review.

Development Phasing Agreement: Developers may enter into a phasing agreement with the City at any time during a year. A phasing agreement guarantees the developer a specific number of allocations for a project and removes the need for the developer to apply for allocations on an annual basis. Developers of larger projects do not need to apply for growth allocations and time extensions as discussed above, if instead, they enter into a development phasing agreement with the City. This process guarantees the number of allocations a development project will receive over a specified time span, thereby reducing the risk and uncertainty for a developer. Development phasing agreements must be approved by City Council at a noticed public hearing. Other developers and projects are noticed of the request for the phasing agreement so they can comment on whether it would adversely affect their projects.

⁶ There is no fee to request an extension, and the extension request does not require any findings from the City Council. Because the City stops the clock during any processing of entitlements (which includes City entitlements such as a Coastal Development Permit, subdivision map, lot split, use permit, design review, and other agency approvals, such as water connections), an extension would only be requested when a developer either wants additional time to request entitlements or if a developer has received entitlements but wants to wait to construct the units. This does not add cost to the development process, nor does it delay a development project. The City Council has not rejected any requests to extend the time period for a growth allocation.

The development phasing agreement provides for a project to receive a greater number of annual allocations in any category by deducting those allocations from future years. Alternatively, a development phasing agreement may provide for a project to receive a specific number of allocations each year for a set number of years. Applicants with development phasing agreements do not need to compete for points to receive annual allocations for multiple years, and are guaranteed a specific number of allocations through the agreement, providing certainty, and reducing the overall risk associated with the entitlement process. While this process may reduce a constraint for the project benefiting from the phasing agreement, it will reduce the number of allocations available in future years, which could constrain other development proposals.

Measure D Outcomes: The Residential Dwelling Unit Building Permit Allocation System (Chapter 17.06 of the Subdivision Ordinance) would be considered a constraint on housing if it impedes the development of units needed to meet the city's housing needs. The City has considered this potential constraint from the perspective of capacity and implementation.

Capacity: The city's housing needs, based on the 2023-2031 Regional Housing Needs Allocation (RHNA), total 480 units. With the 20% buffer required by HCD, the total is 576 units. The estimated 586 allocations that may be available during the 2023 through 2031 timeframe are sufficient to accommodate the RHNA and the buffer. Further, density bonus units are exempt from the allocation that will allow the very low-, low-, and moderate-income units to be developed without an allocation, should the developer request a density bonus. Therefore, from the perspective of overall capacity, Measure D should not be a constraint to the provision of sufficient housing units to meet the city's housing needs.

Implementation: While the 582 allocations that will be available during this RHNA cycle should be more than adequate to accommodate the 480 units of the City's fair share of regional housing needs, program implementation imposes significant constraints, especially for larger projects. However, from year to year, the City cannot predict the full demand for allocations from private development, which makes it difficult to make thoughtful decisions about phasing agreements. Managing the supply of allocations within the strict construct of the Measure D regulations has only become more challenging as interest in ADUs has shot up. This is coupled with certification of the comprehensive update to the LCLUP which enabled numerous new sites for housing development, including publicly owned sites most suited for affordable housing. Developers contemplating larger projects have expressed concern about the availability of allocations and are unsure of how to phase buildout for these cases. For the last two years of Cycle 5, ADUs consumed over half the allocations and there were not enough allocations for all the units proposed. In particular, several single-family projects have been required to wait and reapply in future years. This type of delay results in pent-up demand with projects reapplying for allocations are competing with new projects.

Measure D and its implementation regulations present an obstacle to the development of housing necessary to accommodate the City's fair share of regional housing needs. In Cycle 5, the

Housing Element included a program (Program 2-9) that required an annual evaluation of the Residential Dwelling Unit Allocation System. With the increase in ADU development and opportunities for larger projects, including affordable housing projects, in compliance with Cycle 5's Program 2-9, City staff informed City Council that Measure D was modestly restricting housing development in the near-term, and that more significant impacts on larger projects may be looming. In 2024, staff presented potential ways to update the Measure D regulations to modestly ease these constraints and more fully prioritize affordable units over all others; however, as a ballot initiative incorporated into the City's certified LCP, much of Measure D cannot be amended without a vote of the people and subsequent LCP amendment. Programs 6-4 and 6-68 in the Cycle 6 Housing Element would address Measure D were it to constrain RHNA production. These programs commit the City to evaluate potential amendments to Measure D with the City's intent to embark on revisions to allocation requirements for ADUs and JADUs. These include amending Measure D through a ballot measure such that deed restricted affordable housing units, mobile homes, and/or ADUs would be exempt from Measure D.

~~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.~~

Substandard Lots

There are a significant number of residential lots in the city that do not conform to the minimum lot size and lot width requirements necessary for development. These lots are considered substandard or severely substandard, depending on the degree to which a lot does not conform to the size and width requirements of the Zoning Code. Severely substandard lots are defined as any lot that provides 55% or less of the required lot width or lot area.

The Cycle 5 Housing Element estimated that there were approximately 200 substandard and severely substandard lots in the City's R-1 and R-2 residential zoning districts. In years past, development of these lots had been difficult due to relatively restrictive zoning requirements and they were thus less favored because of the remaining availability of standard sized lots. However, the vast majority of standard sized residential zoned lots are now developed. The City prioritizes infill development, and with many of the remaining undeveloped lots tending to be small or otherwise constrained, the City sought to ease zoning requirements to facilitate housing development. To that end, the Zoning Ordinance was first updated in 2011, with subsequent clarifying updates. Parking standards for both substandard and severely substandard lots were adjusted to allow one garage space, where two are otherwise required. The second space for these lots can be accommodated without a garage. Setbacks for severely substandard lots were also reduced, allowing for much more usable floorplans on these especially narrow lots.

Table B-67: Single-Family Residential Zoning Regulations for Standard and Substandard Lots

Zoning District	Min Standard Lot Size/Width (SF/FT)	Substandard Lot Size/Width (SF/FT)	Max Severely Substandard Lot Size/Width (SF/FT)
R-1	5,000 / 50	Between standard and severely substandard	2,750 / 27.5
R-1-B-1	6,000 / 60		3,300 / 33.3
R-1 B-2	7,500 / 75		4,125 / 41.25
R-1 B-3	10,000 / 90		5,500 / 49.5
R-2*	5,000 / 50		2,750 / 27.5

Source: City of Half Moon Bay Zoning Ordinance

*R-2 lot sizes in the above table are for single-family development in the R-2 Duplex zoning district. Duplex development requires 2,500 square feet of site area and 28.5 feet of lot width per unit.

During the Cycle 5 Housing Element, about 30 substandard lots in the residential zoning districts were developed. Thus, for Cycle 6, the City estimates that approximately 170 substandard and severely substandard undeveloped lots in R-1 zoning districts remain that could accommodate a single-family home, and possibly also an ADU or junior ADU.

The R-3 and mixed-use districts also include substandard lots that can benefit from the relaxed regulations for substandard and severely substandard lots. They are treated similarly to those presented above for the R-1 and R-2 zoning districts where the minimum lot size is 5,000 square feet. However, that applies only to single-family development. The City seeks multifamily and/or mixed-use development in these districts to maximize buildout, and parking provisions tend to be a more significant constraint, as described below, for these zones and “missing middle” (e.g. duplexes, triplexes, garden apartments) housing development.

Parking Requirements

Chapter 18.36 of the Zoning Code establishes parking standards. Zoning provisions for parking include:

- Affordable Housing: Exceptions to the parking standards for affordable housing projects are allowed.
- Hardships: Exceptions to the parking standards in cases of practical difficulties and unusual hardships are allowed.
- Joint Use Parking Facilities: Joint use of parking facilities is allowed, provided that the total number of parking spaces supplied collectively is not less than the sum of the requirements for the various uses computed separately.
- Off-site Parking: Off-site parking provisions are allowed provided subject to findings about location and ownership/agreements.
- Low Parking Demand Developments: For projects that demonstrate lower than typical parking demand, such as senior and disabled parking, the City will reduce parking requirements.
- Bicycle Parking: Bicycle parking for multi-family and mixed-use development is required.

Table B-78 summarizes parking requirements by residential development type.

Table B-78: Parking Requirements

Residential Land Use	Parking Required
Single-Family Dwelling Standard lot Substandard lot Severely substandard lot	2 garage spaces/unit 1 garage space and 1 covered space/unit 1 garage space and 1 uncovered space/unit
Accessory Dwelling Units Outside coastal access parking restricted area Inside coastal access parking restricted area	No parking required 1 space in addition to the parking required for the primary unit
Duplex/Triplex	2 garage spaces/unit; 1 guest space
Manufactured Homes	2 spaces/unit
Multi-Family Outside the C-D Zoning District Inside the C-D Zoning District	2 garage spaces/unit; 0.25 guest spaces/unit 1 space/studio and 1-bedroom units 1.5 spaces/2-bedroom units and larger 0.25 guest spaces/unit Guest parking waiver for qualifying projects
Mixed-Use (residential portion only) Outside the C-D Zoning District Inside the C-D Zoning District	2 garage spaces/unit; 0.25 guest spaces/unit 1 space/studio and 1-bedroom units 1.5 spaces/2-bedroom units and larger 0.25 guest spaces/unit Guest parking waiver for qualifying projects 20% reduction for qualifying projects

Source: City of Half Moon Bay Zoning Ordinance 18.36

Mixed-Use Districts: In 2020, the City adopted the “Mixed-Use Districts and Parking Standards Ordinance,” which was subsequently certified by the Coastal Commission later that year. This ordinance reduced many barriers to the development of housing, especially in the Commercial-Downtown (C-D) zoning district which covers a significant portion of Downtown Half Moon Bay. As noted in the table above, the parking standards in the C-D zoning district are lower for units in multi-family and mixed-use development, and those reductions were established in this ordinance. A guest parking waiver further eases the requirements; and a 20% “mixed-use shared-use reduction” bolsters mixed-use development. The impact of the ordinance update was immediate with two projects coming forward on lots located within the heart of Downtown that had stood vacant for many years. Both developers indicated that the updated parking standards made the projects feasible. At the time of the Housing Element drafting, one of the projects was

under construction and the other was undergoing plan check review of its pending building permit.

In that the updated parking provisions for the C-D zoning district have worked well, the City intends to allow similar reductions to the Commercial-General (C-G) and Commercial-Residential (C-R) zoning districts, as acknowledged in [Program 1-2](#). It is noted that the City's other mixed-use district, the Commercial-Visitor Serving (C-VS) zone, is limited in area and its purpose is directly related to the Coastal Act with a focus on coastal access and recreation. The C-VS district does not allow for a significant number of housing units, thus the parking regulations will not be proposed for those areas. This kind of deference to Coastal Act sensitivities has helped the City achieve certification of housing friendly policies by the Coastal Commission. The emphasis on the C-D, C-G, and C-R districts, where several of the inventory sites are located, targets the City's mixed-use districts with the most potential for housing development. No housing inventory sites are in the C-VS zone.

Residential Zoning Districts: Parking for missing middle units in the residential zoning districts is a more significant constraint. Duplex, triplex, and multifamily units in R-2 and R-3 zoning districts must provide 2 garage spaces per unit (regardless of bedroom count), plus a minimum of one guest parking space. This is especially onerous with small infill sites where parking dictates site planning and consumes the allowable floor area.

Although the City has granted exceptions in cases demonstrating hardship and meeting findings, the current provisions are barriers to developing these types of units, which if not specifically deed restricted as affordable, are at least affordable by design. If a duplex, triples, or multi-family project cannot demonstrate a hardship or is not an affordable project, the requirements for studio and one-bedroom units may constrain development of market rate one and two-bedroom units, as the parking requirement would have the effect of reducing the area of the project site that can be developed and thus indirectly increase the cost of development. For studio and one-bedroom units, this may also present an increased burden, as the households occupying these unit sizes are smaller than households occupying larger units. These smaller households likely do not need 2 parking spaces, and the cost to the development project to provide this parking is unnecessary. [Programs 1-2 and 1-6](#) will reduce impacts of the City's parking requirements on missing middle housing.

On-Site and Off-Site Improvements

For infill sites, improvements include providing access to the site, clearing and grading the site, installing drainage improvements, and frontage improvements. On-site drainage improvements typically include detention basins or bioswales. Frontage improvements typically include curbs, gutters, and sidewalks. Such requirements are typical requirements in other most California cities and do not impose a significant constraint on the development of housing.

In the case of a subdivision, improvements may also include roads, as well as wet and dry utilities. Subdivisions are also required to provide parkland or contribute in lieu fees per the Quimby Act.

As with land costs, improvements required are described in Section 17.42 of the Municipal Code. several variables affect the cost of these improvements, including site topography and proximity to established roads, sewers, and water lines. Engineering and other technical assistance costs are usually included with site improvement costs, as these services are required to ensure that development is constructed according to established codes and standards. Off-site improvements may be required if a project creates significant impacts that require mitigation. This is determined on a project-by-project basis. These improvements can add substantial expense to a housing development, albeit these costs pale in comparison to land acquisition costs (see “Land and Construction Costs” under the Non-Governmental Constraints section).

There are the well-documented environmental concerns of greenfield subdivision expansion, including not only development in fire hazard or flood hazard areas but also the second-order issues of increased emissions due to extended commutes. Therefore, Half Moon Bay’s housing strategy concentrates development in areas that have existing infrastructure.

Very high fire severity zones are mapped along the eastern edge of the city limits. Some extend into the city, and within these areas, special construction and long-term commitments to fuel load management are required. None of the Cycle 6 Housing Opportunity sites are within a very high fire severity zone; however, two sites abut this zone and fuel load management along the borders of these properties has been considered in the site inventory and is not a constraint in either case. The LCLUP update ensured that residential densities and safety in fire hazard zones were appropriate for each circumstance and that adequate sites for Cycle 6 RHNA were available outside these areas.

The site inventory emphasizes sites that are within the City’s Town Center where infrastructure is most readily available. The City’s on and off-site improvement requirements are typical and have not been found to pose a barrier to housing development. Site #12, which has already been subdivided and was the subject of litigation, is the only greenfield site in the site inventory. This site is for above-moderate income housing.

Short-Term Vacation Rentals

Broadly, the short-term vacation rental market has grown considerably in the past fifteen to twenty years, especially in popular tourist destinations. Half Moon Bay offers numerous coastal-oriented activities and attractions for visitors, and local short-term vacation rental growth has been steadily increasing throughout the city.

The City has been concerned about the loss of housing stock to full-time short-term rental use and initiated a public process to develop short-term rental regulations in 2018. Draft code was nearing completion in early 2020, but had to be set aside while the City’s small staff turned their attention to community needs and challenges imposed by the COVID pandemic. The ordinance was picked back up in early 2021; and after numerous study sessions and hearings, the City Council adopted it in September of that year. The ordinance was submitted to the California Coastal Commission for certification at the end of 2021. The Coastal Commission certification

process involved a time extension action, followed by two public hearings, and finally concluded with conditional certification in March 2023. To establish a new short-term vacation rental, the ordinance requires primary residency of the dwelling unit and imposes a 60-night maximum for un-hosted operations. The ordinance also disallows short-term rental operations out of mobile homes, deed restricted affordable housing units, ADUs, and most multi-family housing units. The City established these provisions with the specific intent to protect against further erosion of housing stock to short-term rental use.

The City understands that this is one of the most restrictive and conservative short-term rental ordinances that the Coastal Commission has ever certified. After significant effort providing data and extensive analysis, the City was able to successfully demonstrate that without a primary residence requirement, continued loss of housing stock to short-term rental use was reasonably foreseeable and would likely become cumulatively significant over time. The Coastal Commission in its deliberations, also viewed the ordinance through the lens of its 2019 environmental justice policy which had increased the Commission's sensitivity to housing concerns, as well as the City's LCLUP policies presented earlier in this technical report. Because the Coastal Commission certified the ordinance with modifications from the City Council's language, the City will need to readopt the ordinance per the Commission's action. This will take two noticed public hearings. Following that, the Coastal Commission will need to confirm the City's readoption as consistent with the Coastal Commission's conditional certification action in March 2023.

Once all the adoption actions described above are completed, the Short-Term Rental Ordinance will become part of the City's Zoning Ordinance, which is a major component of the LCP's IP. This ordinance adoption process is an illustrative example of the timelines and logistics involved to accomplish Zoning Ordinance amendments in the Coastal Zone. Despite the fact that this one worked out well from the City's perspective, it took a significant amount of time and required repeated efforts by City staff to produce additional data and analysis to support the Coastal Commission's review. Thus, even with good outcomes, zoning amendments need to be acknowledged as a continued constraint for Half Moon Bay.

Water and Sewer Priority

Water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households, per Government Code § 65589.7. The City's Below Market Rate Ordinance references this requirement (Zoning Code 18.35.050(2)), but the City also requires a requirement beyond units developed through that ordinance.

Program 6-5 directs the City to deliver the housing element to the Coastside County Water District and Sewer Authority Mid-Coastside immediately after certification and to establish a written procedure to prioritize water and sewer service to such developments by the end of June 2026.

Permit Processing Procedures, Timelines, and Fees

The residential development process has various stages, each of which requires some form of City approval. Most residential development in Half Moon Bay requires a coastal development permit. Residential subdivisions and multi-family projects, as well as some single-family homes, require design review. Land development in the PUD zoning district requires Coastal Commission certification of a master plan, such as a specific plan or other type of master plan. Additional discretionary entitlements associated with residential development review may include use permits, variances, and/or parking exceptions. 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.

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.

Coastal Development Permits

Because the entire city is located within the Coastal Zone, most development requires a coastal development permit as regulated per Zoning Ordinance Chapter 18.20 (Local Coastal Development Permits). While the City can amend the LCP, which includes the Zoning Ordinance, the California Coastal Commission must certify these actions. Therefore, the City cannot guarantee any reduction or easing of constraints associated with this permitting process.

Broadly, a coastal development permit must be processed for all proposals that meet the definition of "development" (see footnote, page B-31). This definition is relevant to the vertical development of structures (e.g., dwelling units), infrastructures, as well as most subdivisions, including parcel maps and even lot line adjustments. Some exceptions include replacement of structures following disaster, repair, and maintenance of existing structures, modest additions to single-family residences, and other improvements normally associated with single-family residences.

A noticed public hearing is required for most coastal development permits. The body with the final approval authority, the Community Development Director, Planning Commission, or City Council, issues the permit. A coastal development permit may be approved or conditionally approved only after the approving authority has made the following findings (Zoning Ordinance 18.20.070):

- A. Local Coastal Program. The development as proposed or as modified by conditions conforms to the local coastal program;*
- B. Growth Management System. The development is consistent with the annual population limitation system established in the land use plan and zoning ordinance;*
- C. Zoning Provisions. The development is consistent with the use limitations and property development standards of the base district as well as the other requirements of the zoning ordinance;*
- D. Adequate Services. Evidence has been submitted with the permit application that the proposed development will be provided with adequate services and infrastructure at the time of occupancy in a manner that is consistent with the local coastal program; and*

E. *California Coastal Act.* Any development to be located between the sea and the first public road conforms with the public access and public recreation policies of Chapter 3 of the California Coastal Act.

F. *Design Review Criteria.* (See discussion in next section, “Design Review.”)

Conditions of Approval: The permit approving authority may apply conditions of approval as necessary to ensure conformance with and implementation of the LCP. Modification of the project and resubmittal of the plans may be necessary to ensure conformance with the LCP.

Accessory Dwelling Units and Administrative Coastal Development Permits: The City’s Accessory Dwelling Unit Ordinance was certified by the Coastal Commission and submitted to HCD for review in 2022. While State housing law directs that a ministerial review process is required for ADUs, the law also includes a carve out that provides discretion in the Coastal Zone to ensure that ADU development is consistent with the LCP. Before 2018, the City’s Accessory Dwelling Unit Ordinance required a substantial discretionary review process; however, now the code sets forth a process for administrative coastal development permits for “new development” ADUs (e.g., those that involve new construction or conversion of un-conditioned space) which can be reviewed quickly according to objective standards. Also, ADUs involving limited new construction and/or conversion of conditioned space do not require an administrative coastal development permit and can move straight to the building permit stage.

Local Appeals: Coastal development permits are discretionary approvals and the decisions are open to appeal for ten working days following the action. The Community Development Director’s decisions may be appealed to the Planning Commission; the Planning Commission’s decisions may be appealed to the City Council. City Council decisions can also be appealed to the Coastal Commission in some cases, as described below. Appeals may be directed to the decision itself to approve or deny a project or to the conditions of approval.

Coastal Commission Permit and Appeals Jurisdiction: Developments on tidelands, submerged lands, and public trust lands require that the permit be issued by the Coastal Commission. This requirement is not especially relevant to new housing development, but has been required for some existing development that became proximate to the beach due to years of bluff erosion. However, the Coastal Commission appeals jurisdiction may come into play for numerous residential development sites in the city. For the following development types or locations, the City’s approval of a coastal development permit may be appealed to the Coastal Commission:

- Developments between the sea and the first public road paralleling the sea, or within 300 feet of any beach or the mean high tide line where there is no beach, whichever is the greater distance;

- Developments that are located on tidelands, submerged lands; public trust lands; within 100 feet of any wetland, estuary, or stream; or within 300 feet of the top of the seaward face of any coastal bluff; and
- Any development that constitutes a major public works project or energy facility.

In Half Moon Bay, in addition to the western seafront, numerous creeks, wetlands, and other sensitive habitat areas are found throughout the city. These environmentally sensitive water features result in numerous sites being located within the appeals jurisdiction. Thus, in these areas, the City does not have final land use authority. The City's decisions may be amended or revoked through such appeals, often imposing lengthy delays, and resulting in reductions in project size, such as the number of dwelling units.

Before a project can be appealed to the Coastal Commission, all local appeals must be exhausted. The City does not charge a fee for appeals in the Coastal Commission appeals jurisdiction per Coastal Commission guidance. Challenging a project through an appeal process up to the Coastal Commission is much simpler and less expensive than other means of challenges outside the Coastal Zone, such as by filing a CEQA lawsuit. Thus, the risk of appeals overriding the City's land use decisions results in significant developer uncertainty. Furthermore, while the City can make efforts to accommodate the RHNA through its site inventory, the Coastal Commission appeals can severely limit the City's ability to actually accommodate it. Fortunately, most of the City's Cycle 6 site inventory comes with policy support from the recently certified LCLUP; and many of these sites are not in the appeals jurisdiction. Completion of implementation zoning will further bolster the potential for the site inventory to achieve the City's intended buildout for these sites to best utilize each site's capacity.

Design Review

Design review is required for nearly all residential development projects. Half Moon Bay Municipal Code 14.37.020 (Architectural, Landscape and Site Plan Review) specifies various residential types and locations for which design review is required. It covers every type of housing unit other than ADUs and mobile homes:

- New residential units or modifications to an existing unit requiring a discretionary permit including a coastal development permit, variance, use permit, or parking exception.
- Modifications to or new residential units affecting a historic resource and/or located within the heritage Downtown area.
- New residential units within a planned unit development.
- Any multiple-family residential structure with more than two units on a single building site, and for additions, significant exterior alterations or improvements to any multifamily structure and/or site.

The design review process considers the character and quality of design; compatibility with neighboring properties; development characteristics of the project, including building coverage and use of open space; building materials and colors; disturbance of topography, trees, and other natural features; accessory structures; exterior building features; 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:
 - (i) Exterior energy design elements;
 - (ii) Internal lighting service and climatic control systems; and
 - (iii) Building siting and landscape elements.

The permit review authority is responsible for design review, including the Community Development Director, Planning Commission, or City Council. During Cycle 5, the City re-established an Architectural Advisory Committee to streamline the design review process. The Committee is a recommending body to the permit review authority. The City integrates design review into consideration or preliminary applications, during periods when biological resource evaluation work is ongoing, and in other ways so that it is conducted as a parallel process and does not lengthen review timelines. The Committee is small and comprised of an architect, a landscape architect, and a contractor. These experienced professionals collaborate with applicants and have provided valuable guidance to improve livability, sustainability, and the durability of proposed development. Notably, Half Moon Bay's coastal setting imposes a harsh environment on the built environment. Care in the selection of materials and how they are assembled requires care, and the local Architectural Advisory Committee members have helped many applicants make better design choices that will save on maintenance expenses in future years.

These findings as currently written are not objective and do not allow for approval certainty. Specifically, A through E, G, I through O, and Q are subjective. Program 1-2 directs the City to rewrite design review findings to be objective by 2025.

The design review process does not regulate any specific uses, but requires all uses to comply with specific design standards. The City's design review requirements are clearly established in the Zoning Ordinance and are written to allow flexibility in achieving substantial compliance. Design review has not added significant time or expense to the entitlement process, which is

especially so in recent years now that the Architectural Advisory Committee’s review process is integrated into the development review process.

Planned Unit Development Master Plans

The Planned Unit Development (PUD) district implements the Planned Development (PD) land use designation. It is intended to avoid piecemeal development and provide flexibility required for the achievement of coastal, environmental, and safety goals. While the LCLUP policies guide each substantially undeveloped PUD district, the specific development standards, allowed uses, and development densities established for the PUD district must be established through master planning. Master plans may be implemented through Specific Plans or other types of planning tools. Findings for a PUD’s master plan must identify, per Sections 18.15.030 through 18.15.065 of the Zoning Code, that the PUD is compatible with surrounding uses, will result in superior design and development of the site, is consistent with the LCLUP and General Plan and all applicable policies and ordinances, provides for phasing of development to ensure that the capacity of public services and infrastructure is not exceeded, and that mitigation measures are incorporated to mitigate any potential adverse impacts.

The PUD district is intended to provide for a variety of land uses, such as attached and detached single-family residential development, multifamily housing development, professional and administrative areas, commercial and industrial uses, institutional uses, and public and private open space and recreation opportunities through the adoption of a comprehensive development plan as set forth in the LCLUP and Zoning Code.

A planned unit development plan must include a detailed description of the proposed uses, densities, and intensities; figures illustrating the site plan, circulation plan, project relationship with adjacent uses, environmental constraints, building elevations, preliminary landscaping, and preliminary grading plans; description of proposed development standards; and description of necessary on- and off-site improvements.

For a planned unit development to be recommended by the Planning Commission and approved by the City Council, the following findings must be made (Zoning Ordinance 18.15.040 Planned Development Land Use, Required Findings of Fact):

- A. The planned unit development plan is consistent with the adopted general plan, Chapter 18.15 of the Zoning Code, and all other applicable policies and ordinances of the city;*
- B. The planned unit development plan is compatible with surrounding land uses;*
- C. The adoption and implementation of the planned unit development plan will result in superior design and development of the site;*
- D. The planned unit development plan meets the requirements of any annual dwelling unit allocation system adopted by the city;*

- E. *Adoption and implementation of the planned unit development plan will not exceed the capacity of existing or planned infrastructure systems, including but not limited to sewer, water, natural gas, electricity, and police and fire protection;*
- F. *If adequate utilities, infrastructure, and public services are not available to serve all of the proposed development possible under the planned unit development plan, the plan contains phasing controls or requirements for utility improvements that ensure that demands from proposed development does not exceed utility capacity; and*
- G. *The applicant, or Planning Commission and City Council, have incorporated all appropriate measures and conditions in the planned unit development plan necessary to mitigate any potential adverse impacts identified during the public review process.*

Following City Council approval, PUD plans are subject to Coastal Commission certification, similar to zoning amendments. Approval of development within an approved PUD area requires a use permit.

SB 35

SB 35 (2017) requires jurisdictions to develop a streamlined ministerial approval process under certain circumstances. Half Moon Bay has not currently met their prorated Lower and Above Moderate Income Regional Housing Needs and is subject to SB 35.

However, all of Half Moon Bay is located in the Coastal Zone and SB 35 does not apply to developments that are located in the coastal zone and have the following restrictions (see: Government Code 65913.4(a)(6):

- i. Subject to paragraph (1) or (2) of subdivision (a) of Section 30603 of the Public Resources Code (meaning: (1) developments between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance or (2) developments approved by the local government not included within paragraph (1) that are located on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff.
- ii. An area of the coastal zone that is not subject to a certified local coastal program or a certified land use plan.
- iii. An area of the coastal zone that is vulnerable to five feet of sea level rise, as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment.
- iv. In a parcel within the coastal zone that is not zoned for multifamily housing.

- v. In a parcel in the coastal zone and located on either of the following:
 - o (I) On, or within a 100-foot radius of, a wetland, as defined in Section 30121 of the Public Resources Code.
 - o (II) On prime agricultural land, as defined in Sections 30113 and 30241 of the Public Resources Code.

Half Moon Bay will develop an SB 35 ordinance per Program 1-11 that will apply to parcels not precluded by Government Code 65913.4(a)(6) and in case of a change of law.

Other Discretionary Planning Permits: Use Permits, Variances, and Parking Exceptions

Sometimes coastal development permits are processed with accompanying permits in a parallel process. These primarily include use permits, variances, and parking exceptions. The City has tried to simplify and/or reduce these requirements as a means to reduce the timing and cost of discretionary permit review. The Mixed-Use Districts and Parking Standards Ordinance, discussed above in the “Parking” section, addressed this directly by eliminating the requirement for a use permit for multi-family or mixed-use development in the C-D, C-R, and C-G mixed-use zoning districts. The same ordinance, which reduced parking requirements as previously described, also established simplified findings for parking exceptions. These improvements during Cycle 5 were notable accomplishments for reducing constraints imposed by the permit process.

Processing Times

Initial processing of a development application depends on the type of project proposed (e.g., Planned Unit Development, subdivision, single-family unit, etc.) as well as whether additional requirements will need to be met (e.g., rezoning of land, environmental review, etc.). Therefore, processing review times can vary depending on many different factors. Table B-8 identifies the average and 75th percentile application processing times for jurisdictions in San Mateo County. The processing time required by the City for straightforward applications, such as applications for ministerial review, design review, and use permits is generally close to the county average for straightforward applications. The time to process more complicated projects, including those that require a coastal development permit, is closer to the countywide 75th percentile associated with complicated applications.

Table B-98: San Mateo County Permit Processing Times (in months)

	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Atherton	1 to 2	1 to 3	2 to 4	N/A	2 to 4	2 to 6
Brisbane	1 to 2	2 to 6	N/A	N/A	4 to 12	6 to 14

Burlingame	1 to 2	2 to 3	2 to 3	N/A	3-4 standard projects; 12 major projects	13 months
Colma	1 to 2	1 to 2	1 to 3	2 to 4	N/A	4 to 8
Daly City	1 to 2	2 to 4	N/A	N/A	4 to 8	8 to 12
East Palo Alto	1 to 3	8 to 12	6 to 14	20 to 40	20 to 40	20 to 40
Foster City	1 to 2	1 to 2	1 to 2		3 to 6	6 to 12
Half Moon Bay		1 to 2	2 to 4	3 to 6	4 to 12	6 to 15
Hillsborough	-	-	-	-	-	-
Millbrae	0 to 2	3 to 6	1 to 3	3 to 8	3 to 8	4 to 9
Pacifica	1 to 2	2 to 3	4 to 5	5 to 6	5 to 6	7 to 8
Redwood City	2 to 3	3 to 4	N/A	8 to 10	12 to 18	18 to 24
San Bruno	2	3 to 6	N/A	3 to 6	9 to 24	9 to 24
San Mateo	4 to 8	1 to 2	4 to 7	N/A	9 to 12	9 to 13
South San Francisco	1	1	2 to 3	2 to 3	3 to 6	6 to 9
Unincorporated San Mateo	1 to 3	3 to 6	4 to 9	6 to 12	6 to 18	9 to 24
Woodside	1 to 2	1 to 2	N/A	N/A	2 to 6	3 to 8

Source: 21 Elements Survey, 2022

Longer processing times occur for a variety of reasons, mostly related to the Coastal Zone context. For example, many project sites, due to the proximity of known and mapped, or apparent potential ESHA, are subject to preparation of a biological resources evaluation (BRE) early in the review process. BREs must be circulated for 45 days to relevant resource agencies including the California Coastal Commission, the Regional Water Quality Control Board, the State Department of Fish and Wildlife, and others. Agency review often indicates that special conditions may need to be addressed for a project site, such as the need to prepare wetland delineations and/or provide habitat buffers which can affect the footprint of development. While the preparation of a BRE is a special process step, by completing this early in project review, developers and the City can work out ways to manage special conditions related to ESHA before any CEQA document is completed and public hearings. Thus, the BRE requirement is meant to simplify and bring about projects that are approvable from the perspective of abiding by resource projection requirements. In addition to the BRE process, a notable delay outside of the City's processing timeline is obtaining Coastal Commission approvals on appeals and permits that are subject to the Commission's purview. It is not atypical for larger developments in Half Moon Bay to be appealed and/or litigated, adding significant delays outside of the City's control.

The processing times presented in Table B-9 are for single-family and multi-family projects that do not require a zone change or LCLUP/General Plan amendment. The City's processing times are typically within the 75th percentile of jurisdictions within the county. While typical processing times are above the county average and can be considered a constraint, this is primarily due to

the city's location in the Coastal Zone and the requirements of the Coastal Act. The requirements of the Coastal Act and related processing times are codified by State law and are outside of the control of the City.

Table B-910: Typical Processing Procedures and Timelines by Project Type

Project Type:	Coastal Development Permit	Design Review	Typical CEQA	Subdivision Map	Estimated Process Time (weeks)*
Single Family Home	✓	If visual resources area	Sometimes, if in coastal resources area	N/A	18-52
Single Family Subdivision	✓	✓	Initial Study to determine exemption; or Negative Declaration	Tentative Map & Final Map; Subdivision Agreement	52-64
Multi-Family or Mixed-Use Development	✓	✓	Initial Study to determine exemption; or Negative Declaration	N/A	26-52

Source: City of Half Moon Bay

*Estimated time is longer for projects that are not exempt from CEQA; especially if biological resources are present which may require multiple field investigations in different seasons.

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 surveyed the cities of San Mateo County to determine development fees, including planning, building, and impact fees.⁷ The 21 Elements group provided basic assumptions for the hypothetical projects (see the footnotes of Table B-10 so that the fees could be compared across jurisdictions.

In Half Moon Bay, fees for a single-family residence total approximately \$40,000 for a single-family home and \$25,000 for each multi-unit home in multi-family development (e.g., 10 units). These fees assume that the project site is a participant in the City's sewer assessment district; higher fees presented in the table, of about \$15,000 per unit, apply to project sites outside the district. The 21 Elements assumptions for a large multi-family development were for a 100-unit multifamily project, which is not a pertinent form of development for Half Moon Bay.

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

Table B-11: Total Fees Per Unit

	Single-Family	Small Multi-Unit
<u>Sewer Capacity (two options)</u>		
• <u>District Participation</u>	<u>\$5,272</u>	<u>\$,4,28</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>\$7,4,32</u>

These fees are roughly in line with neighboring jurisdictions in San Mateo County, as shown in Table B-12.

⁷ The fees presented for Half Moon Bay do not include water connections. Water connections are discussed in the Infrastructure section of this technical report.

Table B-1012: Total Fees Per Unit

	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	\$15,941	No Data	No Data
Brisbane	\$24,940	\$11,678	No Data
Burlingame	\$69,425	\$30,345	\$23,229
Colma	\$6,760	\$167,210	\$16,795
Daly City	\$24,202	\$32,558	\$12,271
East Palo Alto	\$104,241	No Data	\$28,699
Foster City	\$67,886	\$47,179	\$11,288
Half Moon Bay	\$39,892 or \$54,238	\$25,194 or \$40,439	N/A
Hillsborough	\$71,092	No Data	No Data
Millbrae	\$97,756	\$6,824	\$55,186
Pacifica	\$33,725	\$40,151	No Data
Portola Valley	\$52,923	No Data	No Data
Redwood City	\$20,795	\$18,537	\$62,696
San Bruno	\$58,209	\$72,148	\$39,412
San Mateo	\$99,003	\$133,658	\$44,907
South San Francisco	\$81,366	\$76,156	\$32,471
Unincorporated San Mateo	\$36,429	\$27,978	\$10,012
Woodside	\$70,957	\$82,764	No Data

Source: 21 Elements Survey, 2022

Notes: Half Moon Bay: Does not include water connections or school impact fees. Two fees presented with the lower fee for project sites within the sewer assessment district; and the higher fee per unit for project sites outside the sewer assessment district.

All other jurisdictions: Includes entitlements, building permits, and impact fees as reported by other jurisdictions.

~~In Half Moon Bay, fees for a single-family residence total approximately \$40,000 for a single-family home and \$25,000 for each small multi-unit home in multi-family development (e.g., 10 units). These fees assume that the project site is a participant in the City's sewer assessment district; higher fees presented in the table, of about \$15,000 per unit, apply to project sites outside the district. The 21 Elements assumptions for a large multi-family development were for a 100-unit multifamily project, which is not a pertinent form of development for Half Moon Bay.~~ Governmental permit and impact fees range from 2 – 5% depending on unit type and sewer 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. In all cases, this represents a small percentage of the overall development cost as presented in Table B-11.

Table B-1113: Total Fees as a Percentage of Total Development Costs

	Single-Family	Small Multi-Family	Large Multi-Family
Atherton	0%	No Data	No Data
Brisbane	1%	1%	No Data
Burlingame	3%	4%	3%
Colma	0%	17%	2%
Daly City	1%	4%	2%
East Palo Alto	4%	No Data	4%
Foster City	3%	6%	2%
Half Moon Bay	2% – 3%	3% - 5%	N/A
Hillsborough	3%	No Data	No Data
Millbrae	2%	8%	7%
Pacifica	1%	5%	No Data
Portola Valley	1%	No Data	No Data
Redwood City	1%	2%	8%
San Bruno	2%	8%	5%
San Mateo	4%	14%	6%
South San Francisco	3%	9%	4%
Unincorporated San Mateo	1%	3%	1%
Woodside	2%	9%	No Data

Source: 21 Elements Survey, 2022

Notes: The above table is calculated using average soft costs (including an average of jurisdiction charged fees) and average land costs for the county. A more precise determination of fees as a percentage of total development costs can be calculated using jurisdiction specific land costs and fees.

Half Moon Bay: The lower percentage is for project sites within the sewer assessment district; and the higher percentage is for project sites outside the sewer assessment district.

Half Moon Bay's Master Fee Schedule through Fiscal Year 2023-2024 is available at <https://www.half-moon-bay.ca.us/378/Master-Fee-Schedule>.

Water connection fees are not accounted for in Table B-120 or B-134. These fees can significantly impact development cost and are explained in more detail later in the Infrastructure section of this report. The cost of water connections would increase fees for market rate single-family units by an estimated \$90,000 per unit; thereby increasing the percentage of fees for total development cost to about 7%. Similarly, for market rate multi-family development, assuming that one-half a water connection is needed per unit, the cost of water connections would increase fees per unit by an estimated \$45,000; thereby increasing the percentage of fees for total development cost to about 10%. In the case of affordable housing, units qualifying for water connections specifically reserved for units affordable to low- and lower-income households, the cost of water connections would increase fees by about \$8,000 per unit; thereby increasing the percentage of fees for total development cost much more modestly, to between 4% and 6%. This

illustrates the critical importance of water connections reserved for affordable housing, which is acknowledged throughout the Cycle 6 Housing Element for Half Moon Bay.

Fees Transparency

Half Moon Bay currently posts fees on the City website, half-moon-bay.ca.us. Program 6-4 will direct the City to comply with new transparency requirements and post all zoning and development standards as well.

NON-GOVERNMENTAL CONSTRAINTS

Government Code 65583(a)(6) also requires a review of local efforts to remove nongovernmental constraints that create a gap in the jurisdiction's ability to meet RHNA by income category. Non-governmental constraints are primarily market driven and, in many circumstances, outside of a local government's ability to directly control. These constraints may include land costs, the cost of construction, financing, and availability of housing. State law calls for the City's Housing Element to contain a general assessment of these non-governmental constraints, which can serve as the basis for actions that local government may pursue to offset their effects.

Land and Construction Costs

Land costs in San Mateo County have steadily continued to rise, due in part to the desirability of housing in the region and the short supply of developable land for housing. These costs vary both between and within jurisdictions based on factors like the desirability of the location and the permitted density. According to data from Century Urban, a typical multi-family construction in San Mateo County, land costs add approximately \$100,000 per unit. For a single-family home, the average land cost is \$514,455 or more per lot.

Construction costs include both hard costs, such as labor and materials, and soft costs, such as architectural and engineering services, development fees, and insurance. For multi-family homes in San Mateo County, hard costs account of 60 to 65% of the building cost, and soft costs average around 15 to 20% (the remaining 15 to 20% is land costs). For single-family homes, hard costs often are roughly 40% of the total cost, soft costs are 20%, and land is 40%.

Hard costs are around \$420 per square foot for the smaller single-family residential prototype, and assuming higher finishes, \$525 for the larger single-family homes. The hard costs for multi-family construction (both a 10-unit and 100-unit development) were \$522 for the smaller multifamily prototype and \$517 for the larger multifamily prototype.

According to data from Century Urban, the total development cost in San Mateo County for a single-family home of 2,600 square feet is \$2,487,000, averaging \$949 per square foot. The total development cost for a 5,000-square foot single-family home is \$4,430,000, averaging \$848 per square foot.

According to housing developers in San Mateo County, construction costs for multi-unit buildings vary based on the form of parking (structured vs. surface) in addition to other environmental factors such as topography, pre-existing structures, etc. According to the research by Century Urban conducted on behalf of the San Mateo County 21-Elements collaborative, the total development cost of a small (10,000 square foot/10-unit) multi-family unit is \$786,000, and the total development cost of a large (93,750 square foot/100 unit) multi-family unit is \$732,500.

Mortgage Financing

One of the most significant factors related to the provision of adequate housing for all segments of the population is the availability of financing. Even small changes in the interest rate for home purchases can dramatically affect affordability. For example, a 30-year home loan for \$400,000 at 5% interest has monthly payments of roughly \$2,150 while a similar home loan at 7% interest has payments of roughly 20% more, or \$2,660.

Table B-12 shows the average annual mortgage interest rates for the United States in the years 2011 to 2021. As shown, interest rates were at a historic low, and dropped even further during the Covid-19 pandemic in 2020. However, interest rates in 2022 are on the rise making mortgages increasingly more expensive.

Table B-1214: Average Annual Interest Rates from 2012 to 2022

Year	Annual Average Rate (%)
2011	4.45
2012	3.66
2013	3.98
2014	4.17
2015	3.85
2016	3.65
2017	3.99
2018	4.54
2019	3.94
2020	3.11
2021	2.96

Source: Freddie Mac, Monthly Average Commitment Rate and Points on 30-Year Fixed-Rate Mortgages

San Mateo County qualifies as a high-cost area for the Federal Housing Administration (FHA) loan program, and can be provided a higher loan limit. In 2021, prospective home buyers could receive a loan of up to \$822,000 for a single-family home and approximately \$1,582,000 for a four-plex through an FHA loan.

Construction Financing

Between late-2021 and continuing into 2022, a combination of inflation and interest rate increases have resulted in higher costs to develop housing. The Bureau of Labor Statistics publishes the Consumer Price Index (CPI) and Producer Price Index (PPI), both of which have shown higher than average increases. Mortgage and construction loan rates have similarly risen adding to an already constrained cost to build housing. The City can circumvent some aspects of escalating housing development expenses by utilizing City-owned land for the exclusive use of producing affordable housing. Local affordable housing developers shared that the use of City-owned land may need to be paired with a variety of financial subsidies to reach project feasibility. Affordable housing developers often need to leverage multiple funding sources, tax credit incentives, and to reach a specific density of units.

Labor Costs (Prevailing Wage & Davis Bacon Act)

The California Labor Code applies prevailing wage rates to affordable housing and public works projects. Public works projects include construction, alteration, installation, demolition, or repair work performed under contract and paid for in whole or in part out of public funds. Prevailing wage rates for San Mateo County are established and updated annually by the state's Director of Industrial Relations. Furthermore, if federal funds are involved, Davis-Bacon Act wages often apply. Under the Davis-Bacon Act, workers must be paid no less than the locally prevailing wages, as well as overtime payments of time and a half. While the cost differential in prevailing and standard wages varies based on the skill level of the occupation, prevailing wages tend to add to the overall cost of development even as they help ensure that laborers are being paid a fair wage. In the case of affordable housing projects, prevailing wage requirements have the potential impact of increasing project costs and acting as a constraint on development. This can also impose a significant cost impact on rehabilitation of affordable housing units for low- or moderate-income persons and the infrastructure to support such housing. The rehabilitation of certain qualifying affordable housing units for low- or moderate-income persons is exempted from this requirement. SB 972 provides for exemptions from prevailing wage requirements for the construction or rehabilitation of privately-owned residential projects operated on a not-for-profit basis as housing for homeless persons or that provide for housing assistance.

Proximity to Major Job Centers

A large gap between high job growth and limited availability of housing for workers has led to prohibitive cost of living throughout San Mateo County. For example, the County is home to many large employers including Genentech (South San Francisco), YouTube (San Bruno), Meta (Menlo Park), Visa (Foster City), and many healthcare institutions, as well as the San Francisco International Airport being located on the County's eastern border. Although Half Moon Bay is separated by rural open space from these major job centers, most employers are located 7 to 15 miles from Half Moon Bay, which results in the vast majority of residents traveling outside of the city for work (see Figure B-1 below). According to the U.S. Census American Community Survey, between 2010 and 2019, 102,500 new jobs were created while only 9,494 new housing units were built within San Mateo County, a ratio of 11:1.

Geographically, San Mateo County sits between San Francisco and Santa Clara counties, which are also home to large employment centers within an expanding Bay Area region. The City of Half Moon Bay and San Mateo County cost (often referred to as the Midcoast or Coastside), including the surrounding unincorporated communities from Montara to the north and Pescadero to the south, supply a limited number of jobs to coastal residents. As seen in Table B-13 below, the Midcoast region, which includes Half Moon Bay and unincorporated coastal San Mateo County accounts for roughly 2% of jobs in San Mateo County.

Table B-1315: Midcoast and San Mateo County Employment

Employment (Jobs)	Employees
Midcoast Total ¹	7,930
City of Half Moon Bay	5,379
Unincorporated Midcoast	2,551
San Mateo County Total ²	434,295

Sources: ¹City of Half Moon Bay LCLUP

²U.S. Census Bureau, County Business Patterns (CBP)

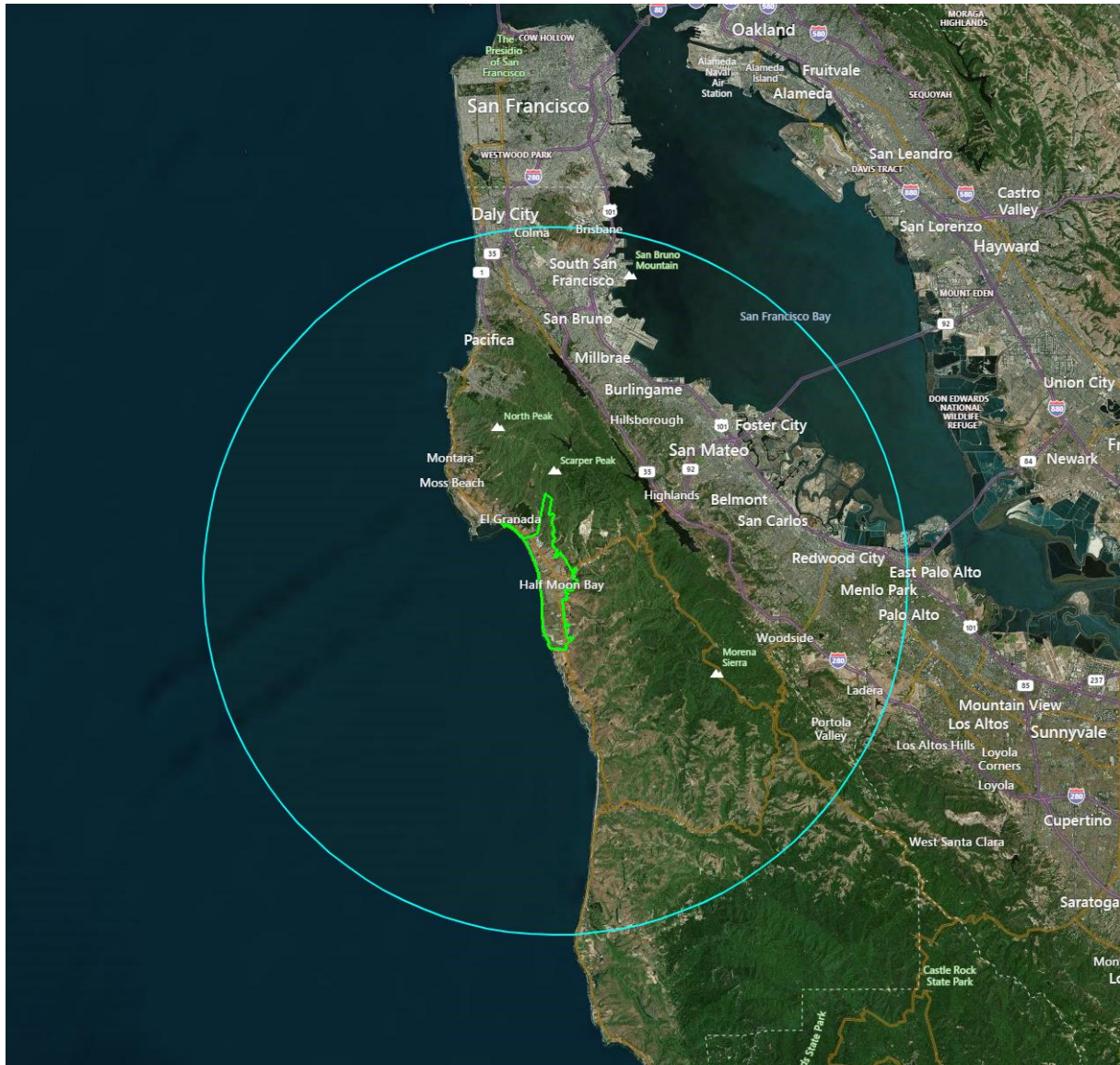


Figure B-1: Half Moon Bay City Limits – 15-mile radius

Source: Half Moon Bay GIS

Increased demand for commercial development throughout neighboring jurisdictions has increased job growth at a high rate and has therefore contributed to the jobs-housing imbalance in San Mateo County. The City is highlighting the growth of the region as a nongovernmental constraint that will continue to place pressure on the cost of housing within Half Moon Bay. To support Half Moon Bay residents of all income levels, the City will need to focus on the development of affordable housing as presented in the Housing Resources technical report of the Housing Element. The city's proximity to jurisdictions that have seen considerable employment growth since 2010 will continue to challenge the cost of housing in Half Moon Bay.

Approval Time and Requests for Lesser Densities

State Housing Element law requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing Element sites inventory. Recent developments have come in within the allowed density range. Using 650 Mill Street (APN 056-164-050) as an example, a 5-unit mixed-use development (100% affordable) will be completed on a quarter-acre lot in the C-D zoning district in addition to the single existing unit (a historic resource). This district allows for densities of up to 30 units per acre (8 units on this site), with minimum densities only applicable for residential-only projects. Mixed-use projects have no minimum density.

State Housing Element law requires the non-governmental constraints analysis to examine the length of time between receiving approval for a housing development and submittal of an application for building permits. The length of time between application approval and building permit issuance is influenced by a variety of factors, none of which are directly impacted by the City. These factors can include, but not limited to: required technical or engineering studies; completion of construction drawings and detailed site and landscape design; securing construction and permanent financing; and retention of a building contractor and subcontractors. In Half Moon Bay, most approved projects are constructed in a reasonable time period, with smaller projects generally moving more quickly than larger projects. For example, the 650 Mill Street project received planning approval in October 2020 and submitted building permits 5 months later, in March 2021. The project will be finalized and completed in 2024.

INFRASTRUCTURE CONSTRAINTS

The Coastal Act requires that priority be given to certain land uses for allocation of public works capacities, including water supply and wastewater treatment. The LCP therefore establishes policies and regulations that require the reservation of infrastructure capacity for the following Coastal Act priority uses as defined in Chapter 18.05 Water and Sewer Capacity Allocation and Reservation, of the Zoning Code:

- *Commercial Recreation*
- *Public Recreation*
- *Indoor Floriculture*
- *Outdoor Agriculture and Horticulture*

At the same time, Government Code Section 65589.7 requires water and sewer service providers to grant priority for the provision of water and sewer services to proposed developments that include housing units affordable to lower-income households. Affordable housing is established as a local priority use in the LCLUP as described earlier in this chapter. It is also acknowledged as a priority use in Chapter 18.05 of the Zoning Code.

Coastal Act priority uses are the top tier. Affordable housing is next. All other uses, such as market rate housing, industrial uses not related to agriculture or recreation, and office uses, comprise the bottom tier, referred to as non-priority uses. Farmworker housing qualifies as both a local priority use being affordable housing, as well as a Coastal Act priority use because it is a necessary part of agriculture and horticulture uses. Thus, farmworker housing is top tier.

Water

Half Moon Bay is served by the Coastside County Water District (CCWD), which also serves portions of the unincorporated area of San Mateo County, including Princeton-by-the-Sea, the northern portion of Miramar, and El Granada. CCWD's primary water supply, approximately 75% of the District's supply, is purchased from the SFPUC. Local additional sources include the Pilarcitos Well Field and Denniston Creek.

Water Service Reliability: Urban water management plans (UWMPs) are updated every five years. In comparison to the 2015 UWMP, CCWD's 2020 UWMP acknowledges significant water service reliability impacts. The primary factor is drought. The District continues to have sufficient supply in normal (non-drought) water years to meet both existing and projected demand. However, supply and demand models anticipate shortages of up to 29% in a single dry year scenario; and up to 50% for a multiple dry year scenario.⁸ The UWMP includes a water shortage contingency plan. The uncertainty of long-term water supply reliability should be considered a constraint on residential development, potentially to an increasing extent over time, unless increased conservation or new supplies can be secured.

Water Supply: CCWD and its service area have several options to reduce existing water use through conservation and to increase water supply sources. These include, but are not limited to the following:

- *Best Management Practices (BMPS) for Conservation:* Residential water surveys, plumbing retrofits, and system audits are typical conservation BMPs. Specific examples include high efficiency toilet rebate programs, lawn replacement programs, and residential audits. CCWD actively works on BMPS with its customers.
- *Local Sources:* CCWD's local sources include ground water and surface water diversions. The District has options for expanding the use of local sources subject to further study and permitting.
- *Water Recycling:* CCWD's 2020 UWMP presents strong interest in and an approach to establishing recycled water as a new water source. This would be coordinated with the wastewater agency, who would be the recycled water provider and CCWD would be the recycled water delivery agent; noting that for this to occur, significant infrastructure upgrades at the wastewater treatment plant are needed. Although recycled water is not

⁸ County Coastside Water District 2020 Urban Water Management Plan, Executive Summary, page ES-3; https://coastsidewater.org/reports_and_studies/2020-Urban-Water-Management-Plan.pdf

potable, potential uses are landscape irrigation, agriculture, or groundwater recharge. The City's LCLUP policy supports establishing recycled water on the Midcoast.

Water Connections: Development projects are required to have a water service connection to receive water. The number of connections that CCWD can issue was established through past coastal development permitting. There are three types of connections: Coastal Act priority connections reserved for Coastal Act priority uses; affordable housing connections reserved for residential units affordable to low and lower-income households; and non-priority connections for all other uses, including market rate and moderate-income housing. In 1988, CCWD pre-sold all its non-priority water connections to fund major infrastructure improvements. Many of these connections remain available through a secondary market of numerous property owners who have purchased these connections. In general, one connection is needed per single-family home; but often more than one multi-family unit can be served by a single connection.

Thus, regardless of the availability of water, CCWD does not have an unlimited number of water service connections available. As of 2020, CCWD had 209 Coastal Act Priority water connections and 202.5 affordable housing water connections. Priority connections purchased from CCWD are about \$16K each. The secondary market held about 820 nonpriority connections.⁹ Though non-priority connections are not available for purchase from CCWD, property owners and developers may find an entity with available non-priority connections and arrange to purchase the allocation at market rate. CCWD maintains a list of entities and details on the uninstalled water connections within its service area. City staff is aware, anecdotally because these prices are not regulated, that the going price for a market rate connection in 2023 was approximately \$80K - \$100K. There is no question that the cost of non-priority connections constrains residential development; especially multi-family development that does not qualify for affordable housing priority connections.

Overall, the number of priority connections is beginning to run low relative to RHNA for Half Moon Bay and the portion of unincorporated coastal San Mateo County within the CCWD service; this will become a severe constraint on affordable housing at the low and lower-income levels unless more connections can be established. Establishing more connections will require amendments to previously issued coastal development permit(s). This is a complex matter outside the City's direct control requiring Coastal Act and LCP conformance whereby the District and its customers must demonstrate that the connections are needed, and that the establishment of such connections will not be growth inducing beyond the capacities of other types of infrastructure, including wastewater treatment and circulation.

Wastewater

Sanitary sewer service is provided by the City of Half Moon Bay and Granada Community Services District (GCSD) for transporting sewage flows and Sewer Authority Mid-Coastside (SAM) for treating and disposing of the sewage. SAM is a public agency providing wastewater treatment

⁹ City of Half Moon Bay, Local Coastal Land Use Plan, Chapter 3: Public Works, pages 3-13 – 3-14;
<https://www.half-moon-bay.ca.us/DocumentCenter/View/3758/Chapter-3-Public-Works>

services to Montara Water and Sanitary District, GCSD, and Half Moon Bay under a joint powers agreement. Each member agency of SAM is allotted maximum capacity rights for peak wet weather flow (PWWF), average dry weather flow (ADWF), biochemical oxygen demand, and suspended solids. These allocations correspond to the sewer treatment capacity and the sewer transmission capacity.

Sanitary Sewer Infrastructure: The City of Half Moon Bay's existing sanitary sewer system consists of approximately 37 miles of sewer mains, approximately 3,100 laterals, and three lift stations. GCSD's sanitary sewer system includes approximately 33 miles of sewer line and approximately 1,500 feet of force main running along HWY 1. SAM owns and operates an 8-mile stretch of transmission main. Four main lift stations are used to connect the three member agencies' sewer distribution systems to the SAM Treatment Plant.

Treatment Plant Capacity: The City's LCLUP identified that treatment capacity could become overtaxed at or before buildout modeled for the LCLUP's 2040 planning horizon. The City's approach to addressing this in the near-term has been to reduce the high level of inflow and infiltration (I&I) whereby excess water from stormwater and groundwater flows into older, faulty sewer pipes. Reduction of I&I is costly, yet effective. Another approach to increasing treatment capacity is to establish a water recycling facility. Despite other potential tangible options to increase treatment plant capacity (and establish a new water source if water recycling is implemented), the ultimate challenge is that the treatment plant is very low-lying and immediately adjacent to the coast; it is already subject to flood events from intense storms and will become more vulnerable to sea level inundation over time. Protecting the plant from this risk is being studied by SAM.

Traffic and Roads

Half Moon Bay is connected to the region by State HWYs 1 and 92. The City's policy, as established in the 2013 Circulation Element, is to maintain level of service (LOS) C as the desired LOS on both highways except during the peak two-hour commuting period and the 10-day average peak recreational hour, during which times LOS E is acceptable. For the purposes of CEQA, LOS is no longer a threshold of significance, having been replaced by vehicle miles traveled (VMT). The recently certified LCLUP harmonizes the two standards by retaining LOS from a policy perspective for maintaining coastal access, but utilizing VMT as the threshold of significance for CEQA analysis purposes.

LOS: LOS is a quality measure that describes operating conditions within a traffic stream. LOS evaluation indicates the degree of congestion that occurs during peak travel periods and is the principal measure of roadway and intersection performance. It is described in terms of speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience. LOS can range from A (representing free-flow conditions) to F (representing extremely lengthy delays). LOS D is typically considered acceptable for a peak hour in urban areas. LOS E is approaching capacity and LOS F represents conditions at or above capacity.

LOS evaluations for roadway segments and intersections along the highways were conducted as part of the 2013 update to its General Plan Circulation Element and the 2020 LCLUP. The LCLUP assessment confirmed the 2013 Circulation Element evaluation that the weekend traffic peak is severe on the Coastside and in Half Moon Bay. The weekday AM and PM peak hours are also experiencing heavy congestion, with an elevated level of out-commuting as well as overlapping school trips that are not adequately supported by public transit or any school buses.

VMT: VMT measures the total number of miles traveled that originate or terminate within a defined area over a specified period. VMT has a stronger connection to environmental impacts including greenhouse gas emissions, energy use, and runoff pollution. As of the update of the Cycle 6 Housing Element, the City was preparing its VMT threshold for CEQA assessment. The draft threshold followed the California Office of Planning and Research guidance for a 15% reduction and was in review.

As individual development projects are proposed in Half Moon Bay, they will be reviewed for their potential to result in project-level LOS impacts and their contribution to the City's VMT. Individual development projects will continue to be conditioned to provide traffic improvements to reduce significant impacts on specific roadway operations from a policy perspective; and will also now require transportation demand management or other approaches to address VMT. As noted at the beginning of this technical report, VMT is especially difficult to address in Half Moon Bay because the city has limited transit service and is subject to significant visitor traffic; resulting in the city's transportation impact zones (TAZs) having relatively high VMT compared to other San Mateo County jurisdiction. Adhering to State VMT requirements may become a development constraint for residential development; however, the City will seek all exemptions for affordable housing.

HISTORICAL AND ENVIRONMENTAL CONSTRAINTS

Residential development in Half Moon Bay is constrained by the presence of resources and hazards, which are addressed by policies in the LCP. Historic and environmental conditions, including resources and hazards, constrain development both in terms of location and affordability.

Archeology

The City has mapped areas with high potential for archaeological resources; many vacant lands, especially those near watercourses, are in sensitive locations. Archaeological reports are required for projects located within any designated archaeological resource area or 100 feet from any recorded archaeological site identified in the LCLUP. Necessary studies and mitigation measures may add to the cost of a project and add to the project's time requirements.

ESHA

Beyond the multi-layered and complex regulatory framework, the presence of ESHA restricts development due to the condition of the land. Many ESHA areas are associated with water

resources including watercourses and wetlands. Such areas are located throughout the city and are not appropriate for development.

Geological

The greater Half Moon Bay landscape consists of a gently sloping marine terrace. The western edges consist of coastal bluffs and sandy shoreline. The northeastern section contains steep hills with erosion potential. The city is underlain with poorly consolidated shallow marine sands, silts, and gravels resting on top of an ancient wavecut bedrock platform. Most soils are derived from alluvial sources, as the geology of the city is defined to a substantial extent by the sea, the San Gregorio Fault, and wetlands and watercourses. This context sets the stage for a range of geological hazards including erosion, landslides, subsidence, and seismic risks (e.g., rupture, liquefaction, and slope failure). Geologic hazards are moderate to low within the city, though some areas of high landslide risk exist along the eastern edge of the city. Geological reports for areas in geologically hazardous areas are required. Geological hazards present a contain in some cases as geotechnical engineering, grading, and lot preparation costs to reduce these potential hazards can increase the cost and time requirements of development.

Flood

Many properties in Half Moon Bay are subject to one or more hydrologic hazards. These include localized flooding near creeks and other watercourses; inundation from tsunami and/or dam failure; and coastal flooding. All these hazards are heightened by climate change and sea-level rise. Constraints associated with these hazards will influence future development efforts and may require measures to minimize impacts. Some hazard types, such as flood and tsunami inundation zones, have been previously delineated and policies have been adopted that discourage or regulate development proximate to these areas. Delineation of areas susceptible to sea-level rise has been prepared and continues to be updated as best available science evolves.

The LCLUP limits new development on bluff faces, on bluff and cliff tops, and in areas prone to serious flooding due to tsunami or dam failure. Most of the sites in the Housing Element site inventory are located away from such hazards; others require analysis and possible mitigation such as raised foundations or evacuation plans. Absent such care, otherwise well located and viable sites cannot be considered for residential development.

Fire

Wildland fires in the west have become prevalent and much more difficult to contain with prolonged drought periods and increasing temperatures. Fire hazard is typically more prevalent in inland areas which do not benefit from moist marine climatic conditions; however, with climate change, even coastal settings undergo extremely dry periods during extended droughts. Much of the eastern edge of the city limits, as well as some areas within the city, are mapped in the high or very high fire severity area. One of the larger sites in the Cycle 5 Housing Element was located within the very high fire severity zone; and has consequently been removed from the inventory. Some of the Cycle 6 Housing Inventory sites are located adjacent to these areas, but

none are within them. Care with setbacks and fuel load will need to be considered when planning for housing on these sites.

LOCAL EFFORTS TO REMOVE CONSTRAINTS

Key local efforts to remove constraints associated with each conflict topic – Governmental, Non-Governmental, Infrastructure, and Historic and Environmental – are provided below in the conclusion of this technical report.

Governmental

The City's primary focus, which has produced a portfolio of successes, is the certification of the LCLUP. This comprehensive update harmonizes the requirements of the California Coastal Act with State housing law and the city's housing needs. It is a remarkable achievement, demonstrated by the following highlights:

Long-Term Housing Needs: The 2020 LCLUP comprehensive update set out to overcome significant constraints on residential development and to proactively enable well-located and viable sites for affordable housing in anticipation of the Cycle 6 and subsequent RHNA cycles. Furthermore, City staff worked with numerous property owners and developers throughout the multi-year LCLUP update process to ensure that housing sites enabled by LCLUP would not only have development potential, but would also likely be developed in the early years of enactment of the LCLUP, which overlaps with Cycle 6.

The Best Sites - Town Center and Workforce Housing Overlay (WHO): The LCLUP, and the forthcoming implementation zoning, set up housing sites in locations that will provide supportive, convenient, and quality living environments. The Town Center sites are concentrated near all the city's public schools, grocery stores, transportation corridors, and numerous other services. Many of the WHO sites will provide housing near employment, while the rest of the WHO sites are in or near the Town Center. The LCLUP laid these sites out with deliberate intent for furthering the best options when it comes to new housing.

Affordable Water Connections for Affordable Housing: The City led an effort to resolve a problem imposed by an unresolved constraint stemming from one of CCWD's coastal development permits. These permits established and limited CCWD's water connections by number and type for specified land uses that a connection could serve. As described in the Infrastructure section of this report, three types of connections were established: Coastal Act priority, local priority for affordable housing, and non-priority. The non-priority connections are only available through a secondary market of landowners and cost about \$80K - 100K, whereas the priority connections are held by CCWD and cost about \$16K.

Due to CCWD's interpretation of conditions of approval for a coastal development permit issued to the District, the District would not issue water connections for affordable housing in Half Moon Bay. Yet, at the same time, the District continued to make these connections available to the

unincorporated Midcoast within the CCWD service area for the same type of affordable housing units. This matter plagued the City for most of the Cycle 5 Housing Element despite efforts by City staff for several years to sort out the matter. Working with the California Coastal Commission and CCWD, and through the LCLUP update process, the City successfully facilitated a resolution. CCWD and the Coastal Commission agree: *these crucial water connections, established solely for housing units affordable to households at the low or lower-income level, are available to qualifying development in the entire CCWD service area including the unincorporated Midcoast and the City of Half Moon Bay.* This situation has been one of the most significant constraints on affordable housing development in Half Moon Bay for many years, and it is finally resolved.

Non-Governmental

The primary non-governmental constraint is the overall cost of affordable housing development, which includes high land and development costs. Constructing affordable housing often requires subsidies beyond available density and/or financial incentives that support affordable housing developers' efforts to leverage multiple funding sources.

While the City can offer developer incentives such as expedited permit processing, density bonuses, and fee deferrals, it cannot afford to fully mitigate the high cost of affordable housing development. The City's affordable housing fund relies on proceeds from construction and development fees, including in-lieu fees that are restricted to affordable housing development. Per Program 4-6, the City will determine if an affordable housing linkage fee on commercial developments would be a viable way to increase available affordable housing funds. Such a source would be limited because non-residential development on the Coastside is quite limited, especially in comparison to Bayside cities.

The City can also offer City-owned lands for affordable housing development, per Program 4-8. Although the City has limited land holdings with development potential, it is making strides along these lines. In February 2022, the City released a request for qualifications for an affordable housing development of City-owned property at 555 Kelly Avenue; the process is proceeding with 40 units of farmworker housing to be developed by a non-profit housing developer. In addition to 555 Kelly Avenue, the City-owned 880 Stone Pine Road site is included in the Cycle 6 sites inventory presented in Housing Resources Appendix C. Notably, both 555 Kelly Avenue and 880 Stone Pine Road are recent acquisitions. Absent these properties, the City's land holdings include City parks and facilities sites, and other lands with significant development limitations due to the presence of ESHA, including wetlands.

Infrastructure

Water: With careful conservation and adherence to CCWD's water shortage contingency plan, there should be sufficient water supply, as well as water connections, for development of housing units to meet the City's RHNA. However, beyond the Cycle 6 RHNA, and in consideration of development that may be proceeding in the unincorporated County portion of CCWD's service area, limited water supply and water connections for affordable housing will need to be seriously considered. This may require investment in new supplies and coastal development permitting to

establish additional water connections. The City's LCLUP policies support both efforts, however, the City would not be the lead agency for either of these endeavors and will need to continue to track this issue and collaborate with CCWD, SAM, and the California Coastal Commission.

Wastewater: Wastewater treatment capacity should be adequate for the Cycle 6 RHNA and other projected development, possibly to about 2040, the LCLUP's planning horizon. The wastewater conveyance infrastructure in the City of Half Moon Bay and throughout the rest of the SAM service is being improved through ongoing capital improvement program projects. In particular, the City has focused on reducing I&I, which results in direct and immediate reductions in wet weather wastewater flows. This is advantageous for supporting Cycle 6 RHNA because wet weather flows are the primary near-term treatment capacity challenge. The City's five-year capital improvement program includes ongoing I&I reduction projects, demonstrating commitment to this effort. Beyond reducing I&I, supporting recycled water, and protecting the SAM plant and infrastructure from sea level rise impacts are supported by LCLUP policies. However, as in the case of water supply, the City would not be the lead agency for such projects, which are large-scale and require significant investment. The City is keenly aware of these system weaknesses and will continue to collaborate with other agencies to address these needs well in advance of reaching capacity limits.

Traffic and Roads: The city's roadways experience three acute peak use periods: weekday mornings, weekday evenings, and weekends which may have numerous peaks that can be quite extensive. There is limited room to increase roadway capacity. Instead, City policy supports improving safety and expanding transportation modes through Town Boulevard planning, which focuses on HWYs 1 and 92. The associated land use strategy, reflected in the Cycle 6 sites inventory is to locate housing in the Town Center and near employment.

Historic and Environmental

The City seized the opportunity in comprehensively updating the LCLUP to align land use designations such that future development, to the extent feasible, would avoid resources (e.g., archaeological resources and ESHA) and hazards (e.g., geologic, hydrologic, and fire). The City intended to address conflicts in anticipation of future LCLUP implementation. As such, to a significant extent, the LCLUP is self-mitigating. Although some Cycle 6 Housing Element sites will require special consideration for resources and hazards, the City's forethought in this work has shone a light on what otherwise may have been unexpected conditions such as the case of unknown wetlands or flood risk that could be costly to manage in the best case, or render sites unviable in the worst case.

Summary

There are significant constraints affecting housing development in Half Moon Bay, but recent, current, and planned policies and programs are helping to address them. Half Moon Bay's Cycle 6 Housing Element update overcomes both real and perceived capacity limits, addresses many of the community's unmet needs, and moves on from long-held beliefs that the Coastal Zone is not amenable to affordable housing development. [Program 2-4](#) (Mobile Home Park Affordability

Protections, Program 3-4 (Housing for Essential Workers), and Program 3-6 (Childcare) are just a few examples of the range of approaches included in the Cycle 6 Housing Element that will lead to improved living conditions and access to resources for the city's most vulnerable populations. Furthermore, the primary capacity constraints identified at the beginning of this report have been evaluated and addressed to the extent feasible as recapped here:

- **Land:** The Housing Opportunity Sites (presented in Technical Report Appendix C – Housing Resources), take advantage of the LCLUP's approach to infill development of sites within Town Center, public and quasi-public-owned lands, and on properties devoted to agricultural and horticultural uses.
- **Infrastructure:** Well-located infill housing at appropriate densities requires less water and generates lower VMT than single-family subdivisions, which make up most of the City's housing stock. The City needs to be careful about the "infrastructure footprint" of new development and is doing so with both the LCLUP and the Cycle 6 Housing Element.
- **Funding:** Program 4-6 (Increased Funding for Affordable Housing) and Program 4-7 (Affordable Housing Fund Management and Use) will help establish new sources for the affordable housing fund, and leverage other sources. The City has also invested in staffing resources.

In concluding this report, it is worth reiterating that the Coastal Commission and the City of Half Moon Bay have come to a meeting of the minds when it comes to housing. The comprehensive LCLUP update, through land use designations and policies, set the table for the Cycle 6 Housing Element for workforce housing, farmworker housing, affordable housing, missing middle housing, manufactured housing, multi-family housing, and housing in mixed-use development. The City is grateful to the California Coastal Commission for certifying Half Moon Bay's LCLUP, as submitted, inclusive of its forward-thinking housing-friendly policies.