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Date: April 24, 2020

To: Coastal Commissioners and Interested Parties

From: Jeannine Manna, North Central Coast District Manager
Julia Koppman Norton, Coastal Planner 

Subject: **City of Half Moon Bay LCP Amendment Number No. LCP-2-HMB-20-0019-1 (Downtown Revitalization)**

SUMMARY OF STAFF RECOMMENDATION

The City of Half Moon Bay proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to prioritize active, ground-floor dependent visitor-serving uses in the City's primary visitor-serving downtown area ("Heritage Main Street"); streamline permitting requirements for multi-family residential uses in mixed-use zoning districts; and adjust parking requirements in certain mixed-use and residential zoning districts throughout the City including: Commercial-Downtown ("C-D"), Commercial-Recreation ("C-R"), Commercial-Visitor Serving ("C-VS"), Commercial-General ("C-G"), Single-Family Residential ("R-1"), Two-Family Residential ("R-2"), and Multifamily Residential ("R-3"). As structured, the existing LCP regulations have unintentionally allowed for conversion of the City's vibrant downtown to more passive uses and created disincentives for multi-family residential development that would help support visitor-serving uses year-round. As proposed, the amendment refines the types of uses and permitting requirements allowed in the downtown commercial core to facilitate development of "active ground-floor dependent uses," removes the Use Permit requirement for residential development in the C-D, C-R, and C-G zones, allows for more types of multi-family residential development in the C-D and C-R zones, and ensures that required parking standards better meet actual demand. The City's proposal is intended to enhance coastal access and recreation opportunities for the public in the City by promoting a more pedestrian-oriented active downtown comprised of development that would support and enhance the experience for residents and visitors alike.

The proposed amendment's aim to revitalize and reactivate ground floor and visitor-serving uses downtown is consistent with LCP policies encouraging new visitor-serving commercial development in the downtown commercial core, maintaining the visual and

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historic character of old downtown, and enhancing public access to and along the coast. The City has demonstrated, including through research and focused parking studies, that potential coastal resource impacts will be avoided and that proposed changes to the parking regulations will have limited impacts on coastal access or beach parking, especially because the parking changes will primarily be implemented east of Highway 1 in the downtown area. Further, all proposed new residential and commercial development would still be required to be consistent with all resource protection policies of the LCP and addressed via the coastal development permit (CDP) review process. For the reasons discussed above, the proposed IP amendment, as submitted, can be found consistent with and adequate to carry out the certified LUP (the standard of review for proposed IP amendments).

Staff therefore recommends that the Commission approve the amendment as submitted. The motion and resolution are found on page 3 below.

Procedural Note - LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on April 13, 2020. The proposed amendment affects the LCP's IP only, and the 60-working-day deadline for the Commission to take action on it would normally be June 12, 2020. However, on April 16, 2020, California's Governor issued Executive Order N-52-20 that suspends this deadline for 60 days (i.e., until August 11, 2020). Thus, unless the Commission extends the action deadline (it may be extended by up to one year by the Commission per the Coastal Act), the Commission has until August 11, 2020 to take a final action on this LCP amendment.

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EXHIBITS

- Exhibit 1: Proposed IP Amendment (in strikethrough/underline format)
- Exhibit 2: City Council Ordinance Approving Proposed IP Amendment

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I. MOTION AND RESOLUTION

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment as submitted. The Commission needs to make one motion in order to act on this recommendation, and staff recommends a **NO** vote on the motion below. Following the staff recommendation will result in failure of the motion and certification of the IP amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion to approve as submitted: I move that the Commission reject Implementation Plan Amendment Number LCP-2-HMB-20-0019-1 as submitted by the City of Half Moon Bay, and I recommend a no vote.

Resolution to approve as submitted: The Commission hereby certifies Implementation Plan Amendment Number LCP-2-HMB-20-0019-1 as submitted by the City of Half Moon Bay and adopts the findings set forth below on the grounds that the amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.

II. FINDINGS AND DECLARATIONS

A. Proposed LCP Amendment Description

The City of Half Moon Bay is proposing to amend LCP IP Chapters 18.02 “Definitions,” 18.06 “Residential Land Use,” 18.07 “Commercial Land Use for C-D, C-R,” 18.08 “Commercial Land Use for C-VS, C-G,” and 18.36 “Parking Standards” to: 1) specify the types of uses permitted on ground-floor frontages of the City’s primary visitor-serving downtown area (“Heritage Main Street”); 2) streamline permitting requirements for residential uses in mixed-use zoning districts; and 3) adjust parking requirements to meet actual parking demand in mixed-use and residential zoning districts.

With regards to the City’s primary visitor-serving downtown area, the proposed amendment specifies that “active ground-floor dependent uses” are prioritized along “Heritage Main Street” (now both newly defined in Ch. 18.02 “Definitions”) for the first fifty feet of frontage depth on the ground floor, identifies which uses are categorized as active ground-floor dependent, includes a provision for the Community Development Director to determine if certain proposed uses are consistent with the definition, allows for a reduced frontage depth for active ground-floor use with the issuance of a Use Permit, and modifies lot coverage requirements for commercial, mixed-use, and residential uses. The proposed amendment also provides conditional allowances for

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inactive ground-floor uses in cases where there has been a long vacancy period, where services for “walk-in clientele” (with a complementary definition added to IP Chapter 18.02) can be provided, and/or if allowed on a temporary basis. The amendment adds new development standards to discourage parking lots and driveway cuts fronting Heritage Main Street and allows for greater building setbacks along Heritage Main Street if a development provides an enhanced, pedestrian-oriented frontage to further emphasize the area’s visitor-serving character.

In terms of residential uses, the proposed amendment removes the Use Permit requirement for residential development in the Commercial-Downtown (“C-D”), Commercial-Recreation (“C-R”), and Commercial-General (“C-G”) zoning districts; in the Commercial-Visitor Serving (“C-VS”) district it would allow for residential uses in mixed-use developments if the residential use is ancillary to the permitted use. The amendment also removes the Use Permit requirement for mixed-use development in the C-G district. In the C-D and C-R zoning districts, with the exception of the first fifty feet of frontage depth of the ground floor of “Heritage Main Street,” the amendment proposes to allow new types of multi-family development including duplexes, triplexes, apartments, and condominiums, as well as conversions from non-residential to residential use, where currently only two-family development is permitted. The amendment specifies that mixed-use residential is generally allowed on upper floors but allows for the Planning Commission to consider residential on the ground-floor outside of “Heritage Main Street” and requires residential storage areas for each new residential unit in multi-family or mixed-use developments.

Lastly, the amendment updates the parking standards for multi-family and commercial development in the mixed-use and residential zones. In the C-D district, the amendment proposes a reduction in required parking for multi-family dwellings of 4 or more units and residential portions of mixed-use development, commercial uses including retail, office, and personal services, and food and beverage uses. The revised parking standards include allowances for mixed-use parking reductions in the C-D district, including shared parking areas and guest parking replacement, when different uses have opposite peak demand hours.

Outside of the C-D district, the amendment proposes a reduction in required guest parking for residential dwellings of 4 or more units in mixed-use development zones (in the C-R, C-G, and C-VS districts). The amendment also proposes an increase in required parking for retail, office, and personal uses, and provides new parking standards for duplexes and triplexes in the Single-Family Residential (“R-1”), Two-Family Residential (“R-2”), and Multifamily Residential (“R-3”) zoning districts. The proposed amendment also strengthens the parking exception findings in the C-D and C-R zoning districts, adds definitions for “EV parking space” and “mixed-use,” and requires low-emission vehicle parking for new development. The proposed parking standards are based on State Housing Law guidance for residential parking standards, planning practice guides for multi-family and mixed-use parking standards, parking codes from other jurisdictions in San Mateo County and other coastal zone cities, and a parking occupancy study conducted by the City during peak periods. Please see **Exhibit 1** for

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the text of the proposed amendment and **Exhibit 2** for the adopted City Council Ordinance approving the amendment for submittal to the Commission.

The City indicates these amendments are proposed in response to an influx of inactive uses along Heritage Main Street and an increase in the number of parking reduction exceptions granted by the Planning Commission. Specifically, as of December 2019, more than 40 percent of the frontages along Heritage Main Street were not visitor-serving or pedestrian-oriented, with several remaining ground-floor vacancies. As a result, the City Council passed an interim urgency ordinance in December 2019 prohibiting new inactive ground-floor uses along Heritage Main Street. The proposed amendment is intended to provide for a more permanent solution to protect and enhance the City's visitor-serving downtown and to bring the outdated parking standards up-to-date.

B. LUP Consistency Analysis

Standard of Review

The proposed amendment affects only IP components of the City of Half Moon Bay LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP.

Applicable Land Use Plan Policies

The City's LUP contains policies encouraging new visitor-serving commercial development in the downtown commercial core, maintenance of the visual character of downtown, enhancement of public access to the coast, and protection of visual resources throughout the City, including:

LUP Policy 2-29: Policies for Visitor-Serving Commercial Development.

Generally locate new visitor-serving commercial development facilities that provide lodging, food, and automobile services within the downtown commercial core...

LUP Policy 7-1: The City will establish regulations to protect the scenic corridor of Highway 1, including setbacks for new development, screening of commercial parking, and landscaping in new developments. The City will establish and map scenic corridors for Highway 1 to guide application of the policies of this chapter. Minimum standards shall include all areas within 200 yards of State Highway 1 which are visible from the road.

LUP Policy 7-8: New development, alterations to existing structures, and proposed demolitions in the downtown area, as designated on the Visual Resource Overlay Map, shall be subject to design approval in accordance with the following criteria:

- (a) Scale and structure similar to that of the predominant older structures.
- (b) Continuity in building lines maintained along Main Street.

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(c) Existing older buildings which contribute significantly to the character of the area not demolished or altered in a manner which eliminates key architectural features.

LUP Policy 7-12: In areas affording broad views of the ocean from Highway 1 as indicated on the Visual Resources Overlay Map, all new development shall be reviewed by the Planning Commission to ensure conformance with the following criteria:

(a) Structures shall be sited and designed to preserve unobstructed broad views of the ocean and shall be clustered to the maximum extent feasible.

(b) A landscaping plan shall be included in the development plans for approval and shall provide for landscaping which, when mature, will not impede public views of the ocean.

(c) Building height shall not exceed one story or 15 feet, unless an increase in height would not obstruct public views to the ocean from the Highway or would facilitate clustering of development so as to result in greater view protection.

LUP Ch. 2, Pg. 23-24 – Coastal Act 30232.6: The locations and amount of new development should maintain and enhance public access to the coast by...(4) providing adequate parking facilities or providing substitute means of serving the development with public transportation...

LUP Ch. 8, Pg. 96-97 – Coastal Act 30250(a): New residential, commercial, or industrial development, except as otherwise provided in this subdivision, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services, and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources...

The City's LUP also requires the protection of sensitive habitats including streams and creeks, and limits development in flood hazard areas by requiring adequate buffers, including:

LUP Policy 3-3: Protection of Sensitive Habitats.

(a) Prohibit any land use and/or development which would have significant adverse impacts on sensitive habitat areas.

(b) Development in areas adjacent to sensitive habitats shall be sited and designed to prevent impacts that could significantly degrade the environmentally sensitive habitats. All uses shall be compatible with the maintenance of biologic productivity of such areas.

LUP Policy 3-11: Establishment of Buffer Zones.

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(a) On both sides of riparian corridors, from the “limit of riparian vegetation,” extend buffer zones 50 feet outward for perennial streams and 30 feet outward for intermittent streams.

(b) Where no riparian vegetation exists along both sides of riparian corridors, extend buffer zones 50 feet from the bank edge for perennial streams and 30 feet from the midpoint of intermittent streams.

(c) Along lakes, ponds, and other wet areas, extend buffer zones 100 feet from the high water point, except for man-made ponds and reservoirs used for agricultural purposes for which no buffer zone is designated.

LUP Policy 4-7: ...Where not otherwise indicated, the flood hazard zone shall be considered to be a zone defined by the measured distance of 100 feet from the centerline of the creek to both sides of the creek.

Analysis

As described above, the proposed IP amendment would prioritize active uses on the ground floor of buildings with frontages along Heritage Main Street, the primary visitor-serving downtown corridor in the City, and would add development standards to enhance the pedestrian-oriented frontage along Heritage Main Street. In addition, the proposed amendment would streamline the permitting process for residential development in the mixed-use districts, allow for more types of multi-family residential development in the Commercial-Downtown (“C-D”) and Commercial-Recreation (“C-R”) districts, and would modify the parking standards for multi-family residential and mixed-use commercial development. As such, due to the change in allowable uses in a discreet section of the downtown and the streamlining of multi-family residential development, this amendment will change both allowable uses and the intensity and/or density of use in the mixed-use commercial zoning districts.

While the amendment proposes an expansion of the types of multi-family development allowed in the C-D and C-R districts, no new uses are proposed for the Commercial-Downtown (“C-D”), Commercial-Recreation (“C-R”), Commercial-Visitor Serving (“C-VS”), Commercial-General (“C-G”), Single-Family Residential (“R-1”), Two-Family Residential (“R-2”), or Multifamily Residential (“R-3”) zoning districts. In addition, all uses that fall into “active ground-floor dependent” are already permitted in the zoning code for the relevant zoning districts. Similarly, residential uses are already permitted within the C-D and C-R zoning districts. However, this amendment would modify the location in which the already permitted uses will be allowed, prioritizing active ground-floor dependent uses for ground-floor frontage along Heritage Main Street and indicating that inactive ground-floor uses currently permitted per the zoning regulations must be located elsewhere in the zoning district. Further, the amendment would alter the process by which residential development is permitted in the C-D, C-R, and C-G zoning districts by removing the requirement for a Use Permit and instead solely requiring a CDP, and would allow for more types of multi-family residential development in the C-D and C-R districts. The proposed amendment would change development allowances and densities in the C-D, C-R, C-VS, and C-G zoning districts, which are

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primarily located inland of Highway 1, with a limited number of sites immediately adjacent to the western side of Highway 1. Amendments to the parking standards would also impact duplex and triplex development in the R-1, R-2, and R-3 zoning districts, which are predominantly clustered south of Highway 92, near the downtown. Therefore, the amendment would apply primarily to infill and redevelopment sites and would affect only a limited number of sites within the Commission's certified appeals jurisdiction. Overall, the amendment promotes the City's vision of a pedestrian-oriented downtown while ensuring that development is clustered in existing developed areas where it can be appropriately accommodated, consistent with Coastal Act Section 30250(a) referenced in the LUP.

The proposed amendment is intended to improve public access by better supporting and expanding active visitor-serving uses along the City's downtown core, which is a popular visitor destination. In addition, the amendment would help streamline permitting for residential uses in mixed-use districts as a means to help promote a more pedestrian-oriented active downtown comprised of development that would support and enhance the experience for residents and visitors alike. The proposed amendment's aim to revitalize the core downtown area is consistent with LUP Policies 2-29 and 7-8, which support the location of visitor-serving uses in the downtown core and maintenance of the visual and historic character of old downtown.

The proposed amendment would also affect areas of the City's coastal zone containing important habitats (including Pilarcitos Creek and its associated riparian corridor that is in the northern reaches of downtown), flood hazard areas, and visually sensitive areas along Highway 1. However, all new development will still be required to be consistent with all other LCP provisions, including CDP requirements, habitat protections, and residential growth limitation requirements. Thus, new development will still be evaluated for consistency with LUP Policies 3-3, 3-11, and 4-7 requiring the protection of sensitive habitats and adequate setback from flood hazard areas, and with LUP policies 7-1, 7-8, and 7-12 requiring the protection of visual resources, including the Highway 1 visual resource corridor and broad ocean views. In other words, the proposed amendment does not alter the LCP's basic coastal resource protection parameters, which would continue to apply to development under the amended LCP, and which should be sufficient to avoid coastal resource impacts.

Lastly, proposed changes to the City's parking regulations are supported by the City's review of parking standards and studies of downtown parking demand. The City's current parking standards have provided excess parking in the downtown, which has resulted in a less active pedestrian area than anticipated. The proposed changes to the parking standards are intended to match actual parking needs with parking supply in a way that can help prioritize pedestrians and create more activity and vibrancy in the downtown while continuing to provide sufficient visitor parking. Thus, the proposed amendment would ensure that new development provides for adequate parking facilities in order to maintain and enhance public access to the coast consistent with Coastal Act Section 30232.6 referenced in the LUP.

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In conclusion, the proposed amendment will prioritize “active ground-floor dependent uses” along “Heritage Main Street” in the C-D zoning district to protect and enhance the visitor-serving, pedestrian-oriented nature of the main downtown core, facilitate residential uses in the mixed-use zoning districts by streamlining permit requirements, allow for more types of multi-family residential development in the C-D and C-R zoning districts, and modify parking standards in the C-D, C-R, C-VS, C-G, R-1, R-2, and R-3 zoning districts to reflect actual parking demand and, as such, better accommodate and enable visitor-serving mixed-use and commercial development. The amendment should help to revitalize the popular downtown area for visitors and residents alike, and should help facilitate enhanced public access to the City overall. Finally, all LCP coastal resource protection policies remain in effect, and should be able to address and resolve any potential coastal resource issues with new development under the amended LCP. For the reasons discussed above, the proposed IP amendment can be found consistent with and adequate to carry out the certified LUP.

C. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are *not* required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the City of Half Moon Bay, acting as lead CEQA agency, determined that the proposed LCP amendment was exempt from the requirements of CEQA per CEQA Guidelines Sections 15305 (minor alterations to land use limitations) and 15061(b)(3) (common sense exemption).

The Coastal Commission is *not* exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission’s LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, and has concluded that approval of the proposed amendment is not expected to result in any significant environmental effects, including as those terms are understood in CEQA. Thus, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects due to approval of the proposed amendment that would necessitate such changes. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).