



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Planning and Building



**Date:** April 24, 2015  
**Board Meeting Date:** May 19, 2015  
**Special Notice / Hearing:** 10-Day Notice/300 Feet  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Steve Monowitz, Acting Community Development Director

**Subject:** EXECUTIVE SUMMARY: Public hearing to consider the Certification of an Addendum to the Certified 2010 Big Wave Wellness Center and Office Park Project Draft Environmental Impact Report; the proposed Use Permit, Minor and Major Subdivisions, Coastal Development Permit (appealable to the California Coastal Commission), Design Review Permit, and Grading Permit; Adoption of an Ordinance approving the execution of a Development Agreement to allow project construction over 15 years; and Approve the execution of an Affordable Housing Agreement, for the Big Wave North Parcel Alternative (NPA) Project consisting of a 5-building Office Park and a 3-building Wellness Center (consisting of affordable housing for 50 developmentally disabled (DD) adults and 20 staff) on the north parcel and a boat storage lot and 92 coastal access public parking spaces on the south parcel, on two undeveloped parcels along Airport Street in the unincorporated Princeton-by-the-Sea area of San Mateo County. (Appeal of the decision of the Planning Commission to approve this project.)

County File Number: PLN 2013-00451 (Big Wave Group, LLC)

**RECOMMENDATION:**

Deny the appeal and uphold the decision of the Planning Commission to approve the project and certify the Addendum to the Certified 2010 Big Wave Wellness Center and Office Park Project Environmental Impact Report (2010 EIR), by making the required findings and subject to the conditions of approval listed in Attachment A of the staff report. In addition, adopt an Ordinance approving the execution of a Development Agreement (Attachment O), to allow project construction in phases over a 15-year term, and approve an Affordable Housing Agreement (Attachment P).

**BACKGROUND:**

The 19.5-acre project site consists of two parcels separated by a drainage swale that leads to the Pillar Point Marsh. APN 047-311-060 (north parcel) is approximately

14.25 acres in size and is zoned Light Industrial/Design Review/Coastal Development District (M-1/DR/CD). APN 047-312-040 (south parcel) is approximately 5.28 acres in size and is zoned Waterfront/Design Review/Coastal Development District (W/DR/CD). A 125-foot wide portion of both parcels along Airport Street is located within the Airport Overlay (AO) Zoning District. The area of the drainage swale is zoned Resource Management-Coastal Zone/Design Review/Coastal Development District (RM-CZ/DR/CD). The project site contains a 0.74-acre portion of wetlands as defined by the California Coastal Act, including 0.45-acre wetland under Federal jurisdiction.

The applicant, Big Wave Group, LLC, proposes the Wellness Center and Office Park Project. The Wellness Center would provide affordable housing to 50 developmentally disabled (DD) adults and 20 aides, as well as employment and recreational opportunities for the DD adults. The Wellness Center would be funded through shared development costs and Office Park association fees. Five, two-story Office Park buildings would be constructed on the north parcel and would offer approximately 155,500 square feet (sq. ft.) of industrial/office/storage space occupied by private firms with their own workers. The applicant also proposes a 1.12-acre outdoor boat storage area on the south parcel, operated by the Wellness Center as a Big Wave business, that would provide 21 boat storage spaces, 14 vehicle parking spaces associated with boat use and storage, and a 190 sq. ft. precast concrete restroom building. The proposal includes Leadership in Energy and Environmental Design (LEED) construction, the creation/restoration of approximately 290,110 sq. ft. of wetland habitat, and development of a Class 1 multiple-purpose trail along a portion of Airport Street.

On January 14, 2015, the Planning Commission, after extensive testimony and in a majority vote, certified the Addendum to the Certified 2010 EIR and approved the required permits for the project, by making the findings and subject to the conditions of approval as listed in Attachment U of the staff report. The Planning Commission also recommended that the Board of Supervisors approve the Draft Development Agreement to allow project construction in phases over a 15-year term. Subsequently, the Committee for Green Foothills, the Surfrider Foundation, the Sierra Club, and the Pillar Ridge Homeowners Association (Appellants) filed an appeal of the decision.

### **DISCUSSION:**

Appeal of the Planning Commission's Decision to Approve the Project: On February 26, 2015, representatives of appellant organizations met with County staff, Coastal Commission staff, Linda Steele of Abilities United, and project representatives to discuss their concerns. The discussion focused on ten issues, including but not limited to, increasing the setback from the Wellness Center buildings and the shared property line with the Pillar Ridge Mobile Home Community (PRMHC) from 30 feet to 65 feet, reducing total business space, and providing a conservation easement and/or deed restriction to restrict future development on the south parcel in the area of the boat storage lot. The applicant has addressed the Appellants' concerns by proposing a 65-foot setback from the property line shared with PRMHC, to reduce business square footage by 13,000 sq. ft., and a conservation easement and/or deed restriction to restrict future development in the area of the boat storage lot to 12,000 sq. ft. of

building(s) at a maximum building height of 24 feet and uses of equal or higher coastal priority use (e.g., marine, recreational, or habitat uses) than the boat storage use. Based on the foregoing, staff recommends that the Board of Supervisors deny the appeal and uphold the Planning Commission's decision.

Environmental Review: In March 2011, the San Mateo County Board of Supervisors certified an Environmental Impact Report (2010 EIR) for the Big Wave Wellness Center and Office Park Project (2010 Project). The 2010 Project was subject to extensive environmental review and public comment. An Addendum to the Certified 2010 EIR for the Big Wave North Parcel Alternative Project (Big Wave NPA Project) was issued with a 30-day courtesy public review period from July 31, 2014 to September 2, 2014. Under CEQA requirements, EIR Addenda do not require public review. The Final Addendum, which includes a description of minor project changes and response to comments, was released on November 5, 2014.

Compliance with the General Plan: The General Plan designates the areas of proposed development on both sites for General Industrial land use. The Zoning Regulations identify the specific types of uses that are consistent and compatible with the General Plan. In complying with the permitted uses of the M-1 Zoning District, the proposed uses of the Office Park comply with the site's land use designation. The Wellness Center is a "sanitarium use," a use allowed with a use permit by Section 6500.d.3 of the Zoning Regulations in any district within the urban areas of the Coastal Zone. In this instance, Section 6500.d.3 expands the types of land uses that are explicitly permitted by the site's underlying zoning district and the General Plan land use designation in order to accommodate those uses that benefit public health, safety, convenience or welfare.

Coastal Development Permit: Local Coastal Program Policy 7.3 (*Protection of Sensitive Habitats*) prohibits any land use or development which would have significant adverse impact on sensitive habitat areas and requires development in areas adjacent to sensitive habitats to be sited and designed to prevent impacts that could significantly degrade those habitats. The project increases the wetland buffer zones on the project parcels from 100 feet associated with the 2010 Project to 150 feet and includes the restoration and maintenance of wetland and buffer areas. These setbacks and restoration measures prevent significant impacts, and preserve and enhance the habitat values of the site.

Policy 9.3 (*Regulation of Geologic Hazard Areas*) applies the RM Zoning District regulations to designated hazard areas. In compliance with this requirement, the floor heights of the residential uses of the Wellness Center have been raised to a minimum height of 35 feet National Geodetic Vertical Datum (NGVD), 7 feet above inundation water levels, by placing them on the second floors of the buildings.

Policy 2.43 (*Desired Level of Service*) requires the consideration of level of service (LOS) D acceptable during commuter peak periods and LOS E acceptable during recreation peak periods in assessing the need for road expansion. At the intersection of

Highway 1 and Cypress Avenue, the eastbound to northbound left turn movement would operate at LOS F under project conditions. With implementation of Mitigation Measure TRANS-1, all study intersections would operate at an acceptable level of service and impacts would be less than significant. The intersection improvement plan would include details for a signal or a roundabout, as well as a pedestrian crossing, and any other design features called for by the Comprehensive Transportation Management Plan currently being developed by the County.

Compliance with the County's Airport Land Use Compatibility Plan: The Revised Half Moon Bay Airport Land Use Compatibility Plan (ALUCP) was adopted by C/CAG on October 9, 2014. The updated ALUCP includes a provision recognizing that projects with applications deemed complete prior to the adoption of the revised ALUCP remain subject to the ALUCP adopted in 1996. The original project was found consistent with the 1996 ALUCP and the current project, the application for which was complete as of May 29, 2014, maintains consistency with this plan.

Design Review: Staff has found that the project, as proposed and conditioned and as reduced further in size by 13,000 sq. ft. of business space, is in compliance with the standards for review listed in Section 6565.7 of the Design Review (DR) Zoning District Regulations, guidelines applicable to Princeton and the Coastal Zone, and the design criteria of the Community Design Manual. Condition No. 4.aa of Attachment A of the staff report requires the property owner(s) to implement design changes that would result in additional façade articulation and further break up large paved areas, increasing project conformance with applicable standards.

Development Agreement and Affordable Housing Agreement: The Development Agreement is a contract between the applicant and the County whereby the County, in general, agrees that the regulations in place at the time the project is approved shall remain in place and that permit expiration time lines will be extended. As the Development Agreement would incorporate by reference all conditions of project approval, the Development Agreement may provide additional assurance to the County of compliance with such conditions. On January 14, 2015, the Planning Commission recommended approval of the draft Development Agreement to the Board of Supervisors. Subsequently, minor revisions were made to the Development Agreement by the Office of the County Counsel to better track the conditions of approval regarding project phasing. The draft affordable housing agreement included as Attachment P has been found by the Office of the County Counsel to meet the requirements of Condition No. 5.k, which requires the property owner(s) to enter into a contract with the County for the maintenance of Wellness Center housing rates as affordable for the life of the project.

County Counsel has reviewed and approved the materials as to form and content.

Approval of this project contributes to the Shared Vision 2025 of a Livable Community by the construction of 57 bedrooms of affordable, special needs housing and the

addition of employment opportunities in an urban area of San Mateo County where many employed residents are traveling outside of their communities for work.

**FISCAL IMPACT:**

Nominal cost to the Planning and Building Department. Conditions of approval minimize costs associated with mitigation monitoring by the Planning and Building Department, by requiring the property owner(s) to post securities for the implementation of mitigation measures and to pay for the costs of associated monitoring.