

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 5, 2019**

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**TO:** Honorable Mayor and City Council

**VIA:** Bob Nisbet, City Manager

**FROM:** Jill Ekas, Community Development Director

**TITLE: 2019 HERITAGE MAIN STREET URGENCY INTERIM ORDINANCE PROHIBITING SPECIFIED NEW USES ON THE 300, 400, 500, AND 600 BLOCKS OF MAIN STREET**

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**RECOMMENDATION:**

Receive a presentation, conduct a public hearing, and take the following actions: 1) Adopt an Urgency Ordinance, "2019 Heritage Main Street Urgency Ordinance," for an initial 45 day period to limit new uses on the 300, 400, 500, and 600 blocks of Main Street (between Pilarcitos Creek and Correas Street) to restaurants, retail, and other qualifying uses that are active ground-floor dependent uses; 2) Direct staff to prepare follow-up zoning text amendments subject to on-going community input, oversight of the Planning Commission, adoption by City Council and conveyance to the California Coastal Commission for certification; and 3) Direct staff to return to Council on December 17, 2019 so it may consider extending the 2019 Heritage Main Street Urgency Ordinance for up to 10 months, 15 days to provide adequate time for Coastal Commission certification of the follow up zoning text amendments.

**FISCAL IMPACT:**

There is no fiscal impact with adoption of the urgency ordinance. The urgency ordinance will be trailed by zoning text amendments applicable to Chapter 18.37 of the Municipal Code (Commercial Land Use C-D and C-R) that are already in development. City Attorney and Community Development Department staff will complete and enforce both the urgency ordinance and follow-up code amendments within established budgets.

**STRATEGIC ELEMENT:**

This action supports the Infrastructure and Environment, Healthy Communities and Public Safety, Fiscal Sustainability, and Inclusive Governance Elements of the Strategic Plan.

**BACKGROUND:**

Main Street between Pilarcitos Creek and Correas Street has long been recognized as the heart of Half Moon Bay's visitor-serving and pedestrian-oriented historic Downtown. Traditional building forms taking direct access from the public sidewalk contribute to Downtown's heritage

development pattern. The Commercial – Downtown Zoning District covers this area. Chapter 18.07, Commercial Land Use (C-D, C-R), of the Zoning Ordinance regulates uses and development standards in both the Commercial Downtown (C-D) and Commercial -Residential (C-R) Zoning Districts. Other Chapters of the Zoning Ordinance, including Chapter 18.36 (Parking Standards), also provide implementing regulations for this part of the City.

The intent of the C-D Zoning District, cited by 18.07.015.A, is:

*“...to implement the provisions of the downtown specific plan calling for the establishment of development standards and a range of uses that would maintain and be consistent with the historic patterns and pedestrian scale of development within the historic downtown area. Of special importance is the visual quality of the historic downtown area.”*

Section 18.07.015.A.1 continues:

*“This district is intended to provide for visitor serving commercial uses such as restaurants and art galleries, certain public uses, and other retail and service commercial uses and professional offices that serve the local residents **on a daily basis.**”* (emphasis added)

The C-D use regulations emphasize and encourage visitor-serving uses on the ground floor of Main Street buildings with sidewalk frontage. These uses include a variety of retail and eating and drinking establishments. Per section 18.07.015.A.2:

*“Retail and visitor serving commercial uses are encouraged on the ground or first floor, with **professional offices on the upper floors.** This policy is **not intended to be used to preclude professional offices on the ground floor,** particularly in single story buildings.”* (emphasis added)

The challenge with implementing 18.070.015.A.2 is that there is not enough support in the code language to prohibit offices and other uses that are not visitor-serving or pedestrian-oriented because of the somewhat conflicting language. The regulatory language is permissive to such uses without requiring any performance measures, per 18.07.025 Use regulations:

*A-21 a. Business or Professional. In the C-D district, business and professional offices are encouraged on the upper floors of multiple story structures. This does not preclude the establishment of business and professional offices on the ground floor. In the C-R district, business and professional offices shall be limited to small scale, low intensity uses.*

Also, the Downtown Specific Plan, “encourages” restaurant and retails uses, but does not put forth any requirements or prohibitions with respect to ground floor uses. It is possible for most of the ground floor uses on Main Street to be office or other uses that do not fulfill the purpose

of the Zoning District and the Downtown Specific Plan, and furthermore undermine the intent of the certified Local Coastal Program and California Coastal Act.

**DISCUSSION:**

The most recent new uses on Main Street are office uses that have moved into vacant ground-floor storefronts. They include a law office and a real estate office. In particular, the law office cannot be found to be visitor-serving or pedestrian-oriented. It is further concerning to the community that this business is located immediately adjacent to Mac Dutra Plaza. The prospective buyer and their real estate representative identified that the use is principally permitted in the CD Zoning District, even in this ground-floor location. Further south on Main Street, a real estate office very recently signed a lease and can move forward with its ground-floor location. Fortunately, this business owner is sensitive to the fragility of Main Street and this new use will include some form of walk-in opportunities, and will utilize goods and services of adjacent galleries and retailers.

After the law office located at 508 Main Street, staff began preparing zoning amendments to prohibit such uses from locating on the ground floor of Main Street on the 300, 400, 500 and 600 blocks (between Pilarcitos Creek and Correas Street), referred to in the forthcoming draft code amendments as “Heritage Main Street.” The Planning Commission considered these policy points at a study session on July 23, 2019 as part of a suite of potential zoning text amendments. In whole, the amendments have been crafted to strengthen the visitor-serving and pedestrian-oriented environment of Downtown while also providing for improved regulations that will facilitate mixed-use and single-use residential development to bring forth a more vibrant Downtown neighborhood.

A commonality of visitor-serving and pedestrian-oriented uses is that they are active use and dependent on a ground-floor storefront location because the primary customer base is foot traffic. Retail, eating and drinking establishments, galleries, and some personal service uses such as barber shops are active ground-floor dependent uses found throughout Downtown. However, a number of uses that are not active or ground-floor dependent, such as professional and medical offices, have long been part of the Main Street mix of ground floor uses. For the most part, these have been flanked by active uses, and pedestrian foot traffic typically traverses these gaps in the streetscape. However; the two recent conversions are exacerbating the current prevalence of office uses, parking lots, and both long-term and recently vacated buildings. Leases are often many years long. In the case of the attorney’s office, the business owner is also the property owner. Without further action to phase out nonconforming uses, the City may not see a change of use of that space for many years.

The following table summarizes the current uses on the east and west sides of the 300, 400, 500 and 600 blocks of Main Street. Additional information is presented in Attachment 2. The data clearly indicates that more than 40 percent of the frontage space on these Downtown blocks creates breaks in the fabric of the streetscape, and thereby diminishes, rather than enhances Heritage Main Street. Furthermore, several ground-floor spaces along Main Street, such as the former Pasta Moon site at the northern entrance to Downtown, are currently

vacant. Based on this evidence and supported by Downtown business owner input, staff has identified that at this time, the character and function of historic Downtown, and in particular the heritage blocks of Main Street between Pilarcitos Creek and Correas Street, are vulnerable and threatened.

**Historic Main Street Ground Floor Frontage Uses**

Block	West		East		Total
	Active Ground-Floor Dependent	Inactive Ground Floor	Active Ground-Floor Dependent	Inactive Ground Floor	% Inactive Ground Floor
<b>300</b>	225 FT	100 FT	164 FT	186 FT	42%
<b>400</b>	225 FT	75 FT	175 FT	125 FT	33%
<b>500</b>	218 FT	82 FT	146 FT	154 FT	39%
<b>600</b>	100 FT	200 FT	180 FT	120 FT	53%
<b>All</b>	768 FT	457 FT	665 FT	585 FT	42%

Notes: For this table, the following assumptions were made:

- *Active Ground-Floor Dependent Uses: Eating and/or drinking establishments, retail, galleries, salons, banks with teller services, lodging. Parking lots associated with these uses are counted as part of the active use.*
- *Inactive Ground-Floor Uses: Professional offices (e.g. law, real estate, insurance, travel agency, etc.), medical offices, and vacant buildings or sites. Parking lots associated with these uses are counted as part of the use that is inactive or vacant.*

**Urgency Ordinance**

Government Code Section 65858 allows a jurisdiction to adopt on an urgency basis a zoning ordinance that prohibits any uses that conflict with a contemplated zoning proposal that the City is considering or studying or intends to study within a reasonable time. Unlike permanent land use code amendments that require Planning Commission input, a first and second reading, and an effective date 30 days after the second reading, urgency ordinances take effect immediately upon adoption and do not require Planning Commission review. Furthermore, an urgency ordinance can only be adopted if it is found that that such action is necessary to “protect the public safety, health, and welfare.”

The urgency ordinance requires a four-fifths vote of the City Council for adoption and is effective for no more than 45 days. The City Council may further extend the urgency ordinance for 10 months and 15 days after a noticed public hearing, and may subsequently extend the urgency ordinance for one additional year. Ten days prior to the expiration of the ordinance, the City Council must issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance. (Note that this report describes those alleviating measures, since the Planning Commission already began this work at its July 23, 2019 study session.)

If City Council agrees with the urgency of the situation, the 2019 Heritage Main Street Urgency Ordinance will provide protection for the duration that it will take to complete the zoning text amendments. Staff intends to bring a simple but effective set of improvements to the C-D and C-R zoning regulations to Planning Commission at a public hearing on December 10, 2019. Following Planning Commission's action, code amendments will be revised and prepared for City Council in early 2020. Because the City Council's first meeting of 2020 is 47 days away (January 21, 2020), if this urgency ordinance is approved, staff would bring forward an extension of the urgency ordinance at the December 17, 2019 City Council meeting.

As proposed, the urgency ordinance and its follow-on zoning text amendments are consistent with existing zoning code that distinguishes the 300, 400, 500 and 600 blocks of Main Street between (Pilarcitos Creek and Correas Street) as especially important from a historic perspective and representative of the heritage development pattern of downtown Half Moon Bay. A key piece of the 2019 Main Street Urgency Ordinance is a new definition for active ground-floor dependent uses:

*"Active ground-floor dependent use" means a commercial or public space that is reliant on pedestrian foot traffic, generally open to the public, generates a high volume of customer or visitor traffic, provides ground floor display windows to promote views into the business, and sells goods that are typically consumed on premises or carried away by customers or services of a personal or recreational nature. Inactive uses are typically not open to the general public, generate a lower volume of customer or visitor traffic, tend to have screened windows to maintain privacy (such as offices and residential uses) and are thereby not oriented to pedestrian foot traffic."*

A definition for Heritage Main Street is also part of the urgency ordinance and will be included in the forthcoming zoning amendments:

*"Heritage Main Street" means the 300, 400, 500, and 600 blocks of Main Street between Pilarcitos Creek and Correas Street."*

In other cities, delineating the most sensitive blocks from the rest of a mixed-use Downtown environment is common. It is also typical to restrict uses in main street districts similarly to the proposed urgency ordinance. Many have strict prohibitions on office and other uses that are not reliant on foot traffic; e.g. are not "ground-floor dependent." It is possible to further develop this code beyond what is envisioned for the near-term to incorporate some of the approaches found elsewhere to address other matters. For example, some codes require a minimum percentage of a storefront to be transparent for a specified depth into the space. There are also a number of uses that may be debatable in terms of their contribution to historic Downtown Main Street. City Hall is an example. The base use is office; however, with an open public counter, it does play a part in weekday foot traffic. Banks, travel agencies, and other business professional uses with office settings sometimes also have retail components.

The above considerations can be made at a future time after the Land Use Plan is complete. The City is currently seeking a grant to partially fund preparation of a Town Center plan which could take up these matters. That said, because so many of the uses along the 300-600 blocks of historic Downtown Main Street, or Heritage Main Street, are currently not fully aligned with the intent for the area, staff recommends deliberately stopping the turn-over of these spaces to new uses that are not active ground-floor dependent for at least several years or an economic cycle.

**CEQA:**

This interim urgency ordinance is exempt pursuant to CEQA Guidelines sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change in the environment, directly or indirectly; it prevents changes in the environment. Further, this action is exempt under CEQA Guidelines section 15061(b)(3) (the amendments are exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment).

**ATTACHMENTS:**

1. 2019 Heritage Main Street Urgency Ordinance
2. Heritage Main Street Ground Floor Uses Inventory