

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 19, 2022**

TO: Honorable Mayor and City Council

VIA: Robert Nisbet, City Manager

FROM: John Doughty, Public Works Director
Jill Ekas, Community Development Director

TITLE: APPEAL OF THE PLANNING COMMISSION'S DECISION TO APPROVE A COASTAL DEVELOPMENT PERMIT FOR 880 STONE PINE ROAD, CITY CORPORATION YARD UPGRADE PROJECT, FILE NO. PDP-21-053

RECOMMENDATION:

Conduct a public hearing on the City Corporation Yard Upgrade Project, PDP-21-053, with particular attention to the two matters brought forth on appeal and approve the proposed project by resolution based on the findings in Exhibit A and subject to the Conditions of Approval in Exhibit B, by taking the following actions:

1. Acknowledge the adopted IS/MND and Mitigation Monitoring and Reporting Program and that the matters under consideration with this appeal do not trigger the need to recirculate or do supplemental environmental review; and
2. Consider the matter brought forth on appeal; and
 - a. Uphold the appeal with respect to the location of the wildlife corridor fencing in accordance with the City's biologist's recommendations as originally presented to the Planning Commission; and
 - b. Deny the appeal with respect to the configuration of the access drive; and
3. Thereby, approve PDP 21-053 including a Coastal Development Permit, Site and Design Review and Tree Removal Permit for the City of Half Moon Bay Corporation Yard Upgrade Project at 880 Stone Pine Road.

FISCAL IMPACT:

Unless Council requires significant changes to the project design, there is no fiscal impact associated with this item because this project is included in the City's budget.

STRATEGIC ELEMENT:

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

BACKGROUND:

On March 3, 2020, the City Council authorized the City Manager to execute a Purchase and Sale Agreement (the “PSA”) to acquire the property with the intention of continued use for a corporation yard, habitat restoration, passive open space uses such as a multi-use pathway, with allowances for small-scale agricultural operations. The negotiated purchase price (based on appraisal) was \$2,180,000. Council directed staff to determine suitable funding options for the purchase and improvement of the property.

On July 21, 2020, the Council authorized staff to apply for funding through the State of California Infrastructure and Economic Development Bank (iBank) and accept the obligation payable to iBank for financing the purchase of the property and planned enhancements, subject to iBank approval. The Council also adopted a resolution declaring its official intent to reimburse expenditures related to the acquisition from the proceeds of the financing. The acquisition from POST will need to first be completed and recorded, prior to reimbursement from iBank using financing proceeds. Future safety and security improvements will also be eligible for reimbursement from iBank, up to a total of \$3.2 million. The iBank loan closed in December 2020. Under conditions of the loan agreement, all proceeds must be expended no later than August 1, 2022.

On March 29, 2022, the Half Moon Bay Planning Commission adopted a Mitigated Negative Declaration and approved a Coastal Development Permit, Architectural and Site Design Review, and Tree Removal Permits for the City of Half Moon Bay Corporation Yard Upgrade Project. The item had been duly noticed for a public hearing for March 22, 2022; and the Planning Commission continued the item to a date certain of March 29, 2022 upon the request of the Public Works Director. When the Commission acted on the item on March 29th, it approved the Coastal Development Permit with a condition that modified the project description. The modification included expanding an uplands portion of a wildlife corridor area, which will be discussed later in this report.

On April 7, 2022, an appeal of the Planning Commission’s approval of the Coastal Development Permit was filed. The appeal cites two issues: 1) The expanded wildlife corridor, and 2) the configuration of the access driveway. The appeal was timely and complete. Because time is of the essence in processing this entitlement, primarily due to loan conditions, staff confirmed with the appellant that an expeditious hearing of the appeal was agreeable. The item was duly noticed for public hearing with site postings and mailed notices on April 8, 2022; and a newspaper notice running in the San Mateo Daily Journal on April 9, 2022. The appeal documentation is provided in Attachment 2.

The appeal does not address the environmental review which consists of an Initial Study and a Mitigated Negative Declaration (IS/MND) ([LINK](#)) which were prepared pursuant to the California Environmental Quality Act (CEQA). The appeal also does not address design review with respect to the Corporation Yard improvements other than the new roadway. Furthermore, the appeal does not address the Tree Removal Permit. The appeal is narrow and limited to the Coastal

Development Permit with respect to the wildlife corridor and access driveway.

DISCUSSION:

To provide context for this matter, the project is briefly described below. For more detailed information about the project, refer to the Planning Commission reports and memos with links provided in the Attachments section at the end of this report.

Project Description: The project consists of constructing improvements and upgrades to the existing City Corporation Yard at 880 Stone Pine Road. The Corporation Yard occupies a relatively small portion (approximately 4 acres) of the property which covers approximately 21 acres. The project site abuts Pilarcitos Creek to the south and includes an abandoned agriculture pond. The Creek and pond contribute habitat area for protected status species, including the CRLF and SFGS. As such, the project design incorporates special features to protect these species and maintain habitat for their benefit.

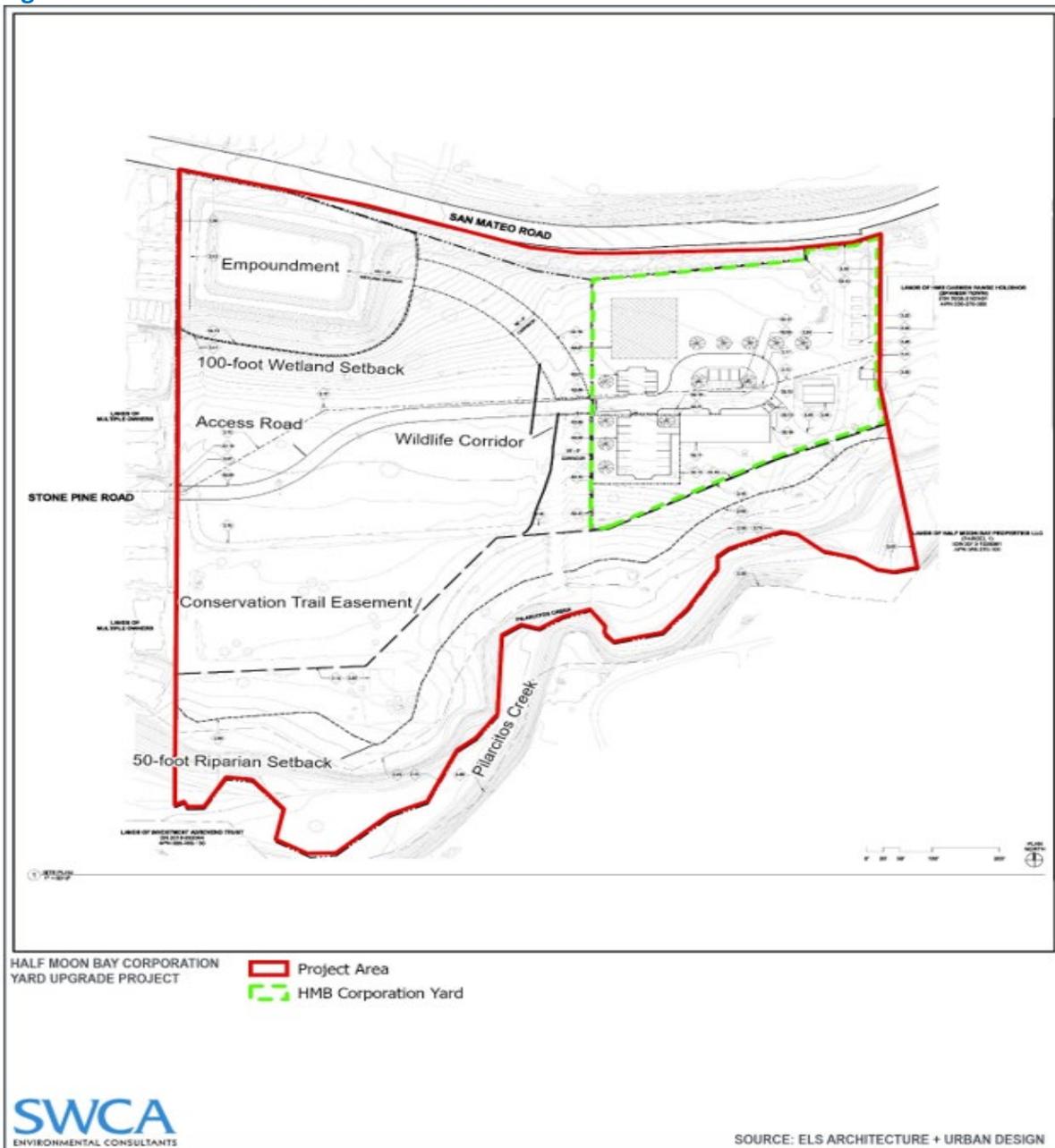
The project includes the following: A new two-way paved access road that would replace the existing unpaved loop road; construction of a new fabric tension warehouse building (a “sprung structure”), demolition and relocation of the existing trash and landscape materials enclosure; and, solar field, parking areas, gates, and fencing. The 100-foot-wide trail easement, environmentally sensitive areas (ESHA) and required ESHA buffers cover approximately 12 acres of the property. These include a 100-foot wetland buffer and 50-foot riparian buffer. The riparian buffer is generally within the wider trail easement. Consequently, the effective riparian buffer is typically greater than 50 feet. Additionally, the project includes additional protection for wildlife by establishing a wildlife corridor for protected reptiles and amphibians. The corridor would be protected with the installation of wildlife fencing including wildlife tunnels under the new access road. These features are shown below in Figure 1 on the following page. Wildlife corridor fencing will also extend westward along the edge of the trail easement. Project plans are provided in Attachment 3.

For this property, it is also relevant that at the November 9, 2021 Housing Work Session, City Council directed staff to assess the feasibility of building affordable housing on the western portion of 880 Stone Pine. A housing feasibility analysis is being completed and the preliminary findings were presented to City Council on March 15, 2022. The assessment will be completed once the Corporation Yard Upgrade Project is fully entitled. Numerous constraints are present, including biological resources, hazards, and even the terms of the City’s loan with iBank. These constraints were all summarized in a [memo](#) to Council from the City Manager dated November 9, 2021. Although not a direct subject of this item, because of Council interest, staff intent in addressing this is to maintain consistent communication about the potential for future use of this site which will most likely take several years to work through.

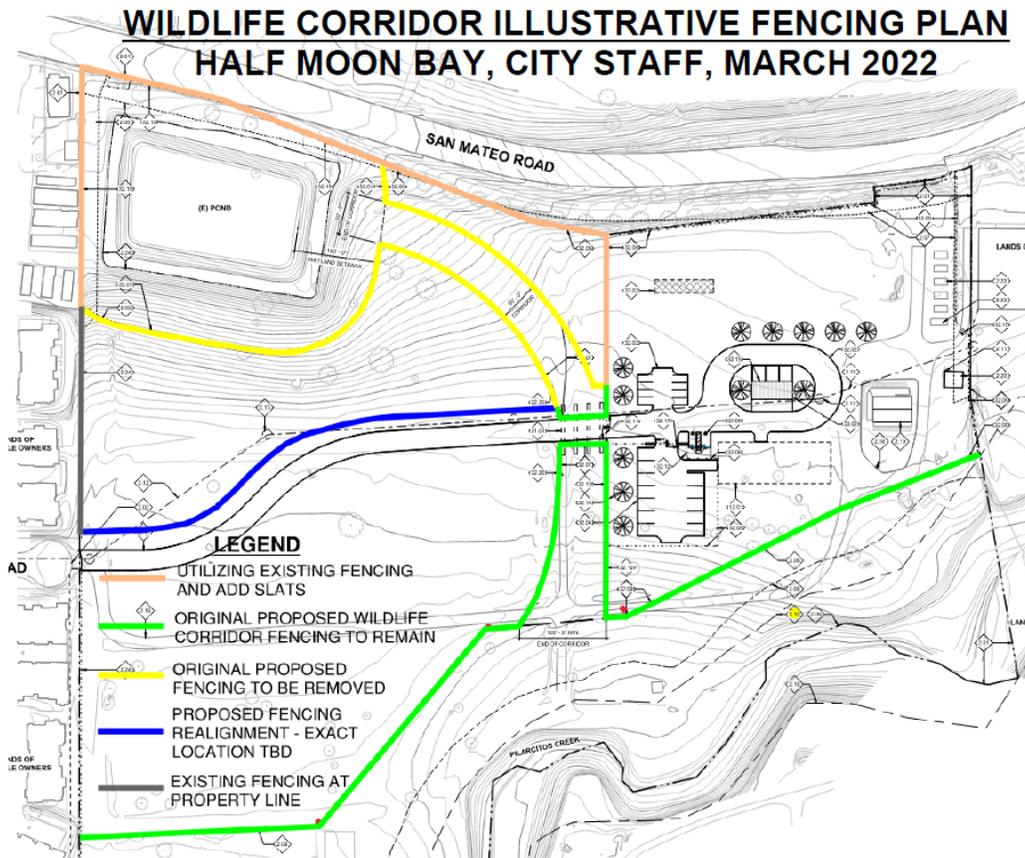
As part of the CEQA review process, the IS/MND was circulated to relevant State Agencies. The California Department of Fish and Wildlife (CDFW) issued a comment letter regarding the wildlife corridor design. City staff and City hired biologists carefully reviewed the concerned and prepared a detailed response to CDFW. Before the noticed Planning Commission meeting on

March 22, 2022, staff followed up further with email and phone calls to CDFW staff who indicated that they had received and were reviewing the City's responses. Staff asked the Planning Commission to continue the item at its March 22nd hearing to the following week primarily to give CDFW more time to prepare a response or otherwise engage with City staff about this project and their concerns. CDFW has not issued any further communication on the matter. Caltrans also submitted comments on this project, however, they are not germane to the appeal and were addressed by staff in a response to that agency. The Agency Comment Letters and Responses can be accessed via this [link](#).

Figure 1. Trail Easement and ESHA Buffers



A [supplemental staff report](#) was issued for the Planning Commission hearing on March 29, 2022. The report responds to questions and concerns expressed by the Planning Commission. Staff prepared an option with an expanded wildlife corridor area to address one of these concerns. The following map shows the staff recommendation for the location of the wildlife corridor fencing (see the yellow lines), and the option that realigned some of the fencing near the new access drive (see the blue lines) that expands the wildlife corridor. The Commission preferred the option with the blue lines which increases the uplands acreage. The City's biologists concluded that this change would benefit special status species, but is not required.



Appeal: The appellant's grounds for appeal are paraphrased below, followed by responses to each statement area. The appellant's complete statements are provided in Attachment #2.

1. Statement of Appeal

In my view a not inconsiderable amount of City property that could have meritorious priority utilization by the City in the not too distant future was delegated to a "buffer" (north of a "blue line" paralleling the gravelled service road) that far exceeds the City's Local Coastal Program requirements for such buffers. I did not witness any scientific rationale for that buffer expansion other than placating a California Department of Fish & Wildlife (CDF&W) complaint regarding the acreage contemplated for the corporation yard. I did hear an acknowledgement at the meeting that the City

was not obligated by law to accommodate that CDF&W complaint, yet said accommodation was put forward at the meeting as the rationale for drawing the "blue line" just north of the road thereby considerably expanding the "buffer" by more than twice the amount required.

Response

As designed by the project biologist (Dr. Mark Jennings, expert herpetologist), the wildlife corridor as originally presented to the Planning Commission was designed to ensure zero "take" of special status species, specifically the California red-legged frog and San Francisco garter snake.¹ However, the Commission often seeks to optimize the design of projects brought before it, and in this case approached their deliberations with an intent to improve habitat area. It is also of note that the Commission's review was limited to the project before it, and the consideration of future uses of the property was not presented for its consideration. At the hearing, the project biologist confirmed that an expanded habitat area would be "better." Based on this information, the Planning Commission approved the project with an expanded wildlife corridor area. The approval was consistent with the environmental review documents, the certified Local Coastal Program, and the requirements of resource agencies; however, expanding the wildlife corridor area was not necessary to accomplish all of these requirements.

Staff Recommendation: It is recommended that City Council support the appeal for this matter given that the request is consistent with the original design as recommended by Dr. Jennings and biologists from HT Harvey and SWCA.

2. Statement of Appeal

The existing road has been in service for several decades. It can and should be left in service (with rounded gravel corners if necessary) until such time as the City is ready to seriously consider how to utilize that portion of the 880 Stone Pine Road property to the City's best interest.

Response

The project plans include a minimal width access driveway needed to serve the Corporation Yard and meet all weather access requirements of the Fire Code and Coastside County Fire Protection District. The location, structural design and configuration were established based on the types of equipment, vehicles and trailers that serve the Corporation Yard. Simply put, two 90-degree turns do not work presently and will not work for the long-term needs of the Corporation Yard. The design includes a raised bed to allow for storm water collection and treatment in accordance with the Regional Permit and to accommodate required frog tunnels under a portion of the easterly driveway. Paving of the driveway addresses "all weather" access requirements,

¹ Section 9 of the Endangered Species Act prohibits "take" of federally-threatened and endangered species. The term "take" means to "harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or attempt to engage in any such conduct." (16 USC § 1532(3)(19)).

but also limits dust and noise complaints from the adjoining Cypress Cove Condominium Community. Paving costs are included in the loan proceeds from the iBank and have been included since the beginning of design efforts.

As was noted in the Planning Commission public hearing, any future development on the remainder property will require access to Stone Pine Road and will be subject to prevailing Fire Code and Fire District requirements. A full private or public road extension is likely to be required to meet fire and ADA access standards of a residential project. Access to the Corporation Yard will have to be reviewed in conjunction with any future CDP and modifications will be addressed accordingly.

Staff Recommendation: It is recommended that the City Council deny the appeal for this matter.

CONCLUSION:

City staff supports the application as originally proposed to the Planning Commission. It is in compliance with CEQA, the City's certified LCP, and other regulations. As designed, the wildlife corridor will maintain as much of the western portion of the site as possible for future, yet to be determined land uses. The City does not have significant land holdings suitable for development. Making the most of each City-owned site for public good is a critical objective and supported by the design of the Corporation Yard Upgrade Project.

ATTACHMENTS:

1. Draft Resolution with Findings and Evidence, Exhibit A and Conditions of Approval, Exhibit B
2. Application for Appeal and Grounds for Appeal, April 7, 2022
3. Project Plans

Additional reference documents can be accessed via the following links:

- Planning Commission Agenda Packet March 22, 2022 ([LINK](#)):
 - [Staff Report](#)
 - [Resolution](#)
 - Attachment 2 - [Project Plans](#)
 - Attachment 3 - [Initial Study/Mitigated Negative Declaration](#)
 - Attachment 4 - [Agency Comment Letters and Responses](#)
 - Attachment 5 - [Mitigation Monitoring and Reporting Program](#)
 - Attachment 6 - [Preliminary Level 1 Arborist Assessment and Tree Inventory](#)
 - Attachment 7 - [Supplemental Cultural Resources Memorandum](#)
- Planning Commission Agenda Packet March 29, 2022 ([LINK](#)):
 - [Staff Report](#)
 - [Revised Resolution](#)
 - Attachment 2 – [Wildlife Corridor Illustrative Fencing Plan](#)
 - Attachment 3 – [Illustrative Buffer Map](#)
- [Memo to Planning Commission from City staff for March 29, 2022 Meeting](#)
- [Planning Commission Minutes March 29, 2022](#)