



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

PLANNING AND BUILDING DEPARTMENT

DATE: January 12, 2009
BOARD MEETING DATE: January 27, 2009
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Lisa Grote, Director of Community Development

SUBJECT: Consideration of a resolution authorizing the San Mateo County Planning and Building Department to use a lottery and waiting list system to allocate available development opportunities for caretaker's quarters in the Princeton Waterfront District.
County File Number: PLN 2008-00397

RECOMMENDATION

Adopt a resolution authorizing the San Mateo County Planning and Building Department to use a lottery and waiting list system to allocate available development opportunities for caretaker's quarters in the Princeton Waterfront District.

VISION ALIGNMENT

Commitment: Redesign our urban environment to increase vitality, expand variety and reduce congestion.

Goal: Land use decisions consider transportation and other infrastructure needs, as well as impacts on the environment and on surrounding communities.

Existing zoning regulations that restrict residential development in the Princeton Waterfront District to a limited number of caretaker's quarters help ensure that the unique character of the community, including its distinct mix of waterfront uses, is not adversely impacted by excessive residential development. Adoption of the proposed lottery and waiting list procedures will enable the Planning and Building Department to administer these regulations equitably and efficiently, and in a manner consistent with the County's Local Coast Program (LCP).

Commitment: Responsive, effective and collaborative government.

Goal: Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

The limits on development of caretaker's quarters in the Princeton Waterfront District were established to address the negative impact that residential development could have on coastal-dependent and coastal-related uses and preserve the unique character of this important shoreline area. The proposed procedures will allow for consistent and effective implementation of these LCP provisions.

BACKGROUND

As defined by Section 6286.0 of the County Zoning Regulations, caretaker's quarters (or caretaker's units) are "an area within a building that is intended for residential use by a person(s) to look after the property on which the caretaker's quarters are located." The County's Local Coastal Program (LCP) limits the number of caretaker's quarters that may be constructed within Princeton's Waterfront ("W") District to a number equal to 20% of the total number of developed parcels in the District (i.e., for every ten parcels developed with a building, two caretaker's units are allowed. If certified by the Coastal Commission, the Midcoast LCP Update would increase this quota to a number equal to 25% of such developed parcels). Once this 20% quota is reached, no additional units are allowed until further parcels have been developed.

In 2003, the Planning and Building Department estimated that there were 71 developed parcels in the W District, consequently allowing 14 caretaker's units (20% of 71). At that time, the Planning and Building Department identified 14 caretaker's units that had been issued permits, leaving no availability for additional units. Since 2003, new development has been completed on eight vacant parcels within the W District. In addition, one of the permits issued for a caretaker's unit as of 2003 has since expired without the unit being built. Based on this information, the Planning and Building Department has determined that up to two new caretaker's units may now be constructed in the W District.

To date, allocation of available caretaker's units has been on a first-come, first-served basis. The Planning and Building Department has traditionally revisited the amount of development in the W District from time to time, to determine if sufficient development has occurred to allow the caretaker's unit quota to be raised. Once it has been determined that enough development has occurred to allow the quota to be raised, the opportunity to develop a unit has traditionally been available to the first applicant to apply for a caretaker's unit after that point. There has been no system to track or notify applicants who may have expressed interest in developing a unit prior to the point at which the quota is raised.

In order to ensure that available caretaker's units are allocated in an orderly and equitable manner, the Planning and Building Department proposes to conduct a lottery

that will determine who can make use of the currently available unit development potential. The lottery will also be used to establish a waiting list system, which will provide the mechanism to fairly allocate caretaker's units that become available in the future. This proposal includes a formalized system of tracking development in the Princeton Waterfront District and updating the caretaker's unit quota, procedures for establishing and maintaining the waiting list, procedures for administering the lottery, procedures for notifying and screening potential applicants included on the list once they reach the top of the list, and other procedures for ensuring that units are distributed fairly and efficiently to eligible applicants. The discussion below provides greater detail on the proposed procedures.

DISCUSSION

The lottery system will include the following components:

1. **Tracking New Development to Maintain the Quota.** One of the key requirements for implementing the quota system is keeping an accurate count of the number of developed lots within the W District, and monitoring this development to determine when a new caretaker's unit allocation becomes available. Accordingly, in January of each year, the Planning and Building Department will review the number of parcels that have been developed within the W District during the preceding year to determine if additional caretaker's units can be constructed.

Another important requirement will be to ensure that the construction of caretaker's units complies with the LCP's annual limit on new development within the Midcoast Urban Area. The LCP currently limits the number of new residences to 125 units per year, with some increase allowed if certain findings can be made (the proposed Midcoast LCP Update, if certified, would reduce this number to an absolute maximum of 75 residential units per year, and make it clear that caretaker's units shall be included in this limit). As with all residential development proposed within the Midcoast area, these limits would be enforced during the Planning and Building Department's review of the necessary permit applications.

2. **Lottery to Create an Initial Allocation and Waiting List.** In order to distribute the two allocations that are currently available and establish the initial waiting list, the Planning and Building Department will conduct a lottery open to all owners of property within the Waterfront District. The Planning and Building Department will distribute a notice by mail to all property owners in the W District informing them of the purpose and intent of the lottery, and how to participate. The Department will also place at least one advertisement in the Half Moon Bay Review, post notices in conspicuous areas of the W District, and include all relevant information on the Planning and Building Department's website.

To be placed in the lottery pool, property owners will need to submit a simple form that identifies the parcel address, verification of property ownership, and contact information. The Department will accept the completed forms during an established two-month window, and would then conduct a random drawing. Property

owners who submit valid forms will be listed in the order they are drawn to form an initial allocation and waiting list. The drawing will be open to the public and take place in Princeton.

The Chair of the Princeton Citizens Advisory Committee has been notified of this proposal, although the Committee has not yet had the opportunity to provide a full response to the proposal. The Planning Department will be meeting with the Committee prior to the scheduled hearing on the proposal, and any response received will be summarized at the hearing. The Planning Department will rely on the Committee's input and coordinate with the Committee to ensure that the lottery is conducted in a fair and transparent manner.

3. **Allocation of Available Units.** Within approximately one month of completing the lottery, and annually thereafter, the Planning and Building Department will allocate the number of caretaker's units available to those property owners that are at the top of the waiting list, and that meet the following eligibility requirements.

In order to be receive a caretaker's unit allocation, property owners will be required to:

- a. Have an existing use that justifies the need for a caretaker's unit as required by Section 6289.2 of the Zoning Regulations (see attachment B); and
- b. Apply for all necessary permits to construct the caretaker's units in a manner that is consistent with Section 6289.2 of the Zoning Regulations (as well as all other relevant development standards) within 90 days of being informed that they are eligible to receive an allocation; or
- c. Submit the application materials necessary to construct a new project that includes the establishment of a caretaker's unit and complies with Section 6289.2 of the Zoning Regulations (as well as all other relevant development standards), within 90 days of being informed that they are eligible to receive an allocation.

Notification and screening of property owners would be administered as follows. The Planning and Building Department would send a letter to the property owner(s) at the top of the list informing them of their eligibility to receive a caretaker's unit allocation. The letter would explain that in order to make use of the allocation, the property owner must submit the planning and building permit applications necessary to construct the caretaker's unit (and any development needed to justify the caretaker's unit) within 90 days. The letter would also explain that if the property owner is not ready to make use of the allocation, he/she can either request to be retained on the list (in which case they will be moved to the bottom of the list), or be removed from the list.

Property owners who are sent letters indicating their eligibility to receive an allocation will be requested to inform the Planning and Building Department of their intent

to use the allocation within 30 days from their receipt of the letter, so that if they do not intend to apply for the necessary permits to construct the unit, the allocation can be offered to the next person on the list. If the property owner indicates an intent to use the allocation and apply for the necessary permits, but then declines to submit the necessary applications within the 90 day timeframe, or submits incomplete applications that remain incomplete for more than six months, the property would be removed from the waiting list, and the next property owner on the list would be contacted and offered the opportunity to use the allocation.

4. **List Maintenance.** Following the creation of the initial waiting list, any owner of property in the W District will be able to obtain a position on the waiting list, on a first-come, first-served basis, by submitting the same information previously required to sign up for the lottery. Each new applicant would be placed at the bottom of the list. The list would be limited in size to 20% of the total buildout limit for development in the W District. Property owners will be removed from the list once they have constructed a caretaker's unit, or submit a request to be removed. Positions on the waiting list will run with the land and not be affected by a change in parcel ownership.

This proposal does not change the allowed amount of development of caretaker's quarters, or of other kinds of development, in the Princeton Waterfront District. The proposal only creates a formalized allocation system for units already allowed, as well as a formal system for tracking those units. The proposal will not result in additional development in the area.

REVIEWING AGENCIES

County Counsel

FISCAL IMPACT

Adoption of the resolution will have no fiscal impact on the County.

ATTACHMENTS

- A. Resolution authorizing the San Mateo County Planning and Building Department to use a lottery system to allocate available development opportunities for caretaker's quarters in the Princeton Waterfront District.
- B. Zoning Code Section 6289.2, regulations regarding the establishment of caretaker's quarters in the W District.

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RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING THE SAN MATEO COUNTY PLANNING AND
BUILDING DEPARTMENT TO USE A RANDOM DRAWING AND WAITING LIST
SYSTEM TO ALLOCATE DEVELOPMENT OPPORTUNITIES FOR CARETAKER'S
QUARTERS IN THE PRINCETON WATERFRONT DISTRICT**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that:

WHEREAS, the California Coastal Act requires that facilities serving the commercial fishing and recreational boating industries be protected and, where feasible, upgraded, and encourages increased recreational boating use of coastal waters by, among other ways, limiting non-water-dependent land uses that congest access corridors and preclude boating support facilities; and

WHEREAS, the San Mateo County Local Coastal Program establishes a Waterfront District within the Princeton area for the purpose of providing and maintaining a working waterfront where marine-related trades that support commercial fishing and recreational boating are intended to be the primary land use; and

WHEREAS, the San Mateo County Zoning Regulations that implement the Local Coastal Program restrict residential uses within the Waterfront District to a limited number of caretaker's quarters; and

WHEREAS, once the limit on the number of caretaker's units in the Waterfront District has been reached, the total number of caretaker's units allowed within the District is limited to a number equal to a specified percentage of the total number of developed parcels in the District, no further caretaker's units may be built, until a

sufficient number of additional parcels in the District have been developed and the number of caretaker's units allowed has consequently increased; and

WHEREAS, the limit on the number of caretaker's units in the District was reached in 2003, and subsequent development of vacant lots within the District has resulted in new opportunities to develop caretaker's units; and

WHEREAS, there is currently no formal process for allocating development opportunities for new caretaker's units that become available as additional parcels are developed within the District; and

WHEREAS, this Board concludes that a formal process for providing all potential applicants desiring to build a caretaker's unit in the W District with an equal opportunity to obtain an allocation for a caretaker's unit is the best way to ensure that such opportunities are distributed fairly; and

WHEREAS, the San Mateo County Planning and Building Department has developed a random drawing and waiting list system for this Board's consideration and approval that would determine who can make use of available opportunities to build a caretaker's unit; and

WHEREAS, the proposed system would be administered by the Planning and Building Department and is described in detail in the attached Board report, County File Number PLN 2008-00397; and

WHEREAS, this Board has considered the proposed random drawing and waiting list system for the Princeton Waterfront District caretaker's units and desires to have it implemented as soon as reasonably possible.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the San Mateo County Board of Supervisors authorizes the San Mateo County Planning

and Building Department to implement a random drawing and waiting list system consistent with the terms set forth in the Board report for County File Number PLN 2008-00397 to allocate development opportunities for caretaker's units in the Princeton Waterfront ("W") District.

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SAN MATEO COUNTY ZONING REGULATIONS SECTION 6289.2

A permanent accessory residential unit shall be permitted for the purposes of housing a caretaker employed on the site, providing that the total number of caretaker's quarters in the Waterfront (W) District does not exceed twenty (20) percent of the developed parcels in the district. Caretaker's quarters are subject to the following requirements:

- a. Occupancy Requirements. The resident of the dwelling is to be the owner or lessee, or an employee of the owner or lessees of the site. The application for development of a caretaker's quarters shall include a developer's statement explaining the need for caretaker's quarters and responsibilities of the caretaker/resident.
- b. Development Standards. Caretaker's quarters must conform to all of the development standards of the primary zoning district, including minimum building site requirements. In addition, caretaker's quarters are subject to the following requirements:
 - (1) Establishment of Caretaker's Quarters. Caretaker's quarters must be built within the building of the primary use on the property.
 - (2) Maximum Unit Size. The floor area of a caretaker's unit may not exceed thirty-five (35) percent of the floor area of the main building up to a maximum of seven hundred and fifty (750) sq. ft.
 - (3) Setbacks. Setbacks for caretaker's quarters must conform to building code requirements.
 - (4) Trailers and Mobile Homes. Trailers and mobile homes for caretaker's residences are not permitted.
 - (5) Acknowledgment of Land Use Priorities. A written statement will be obtained from each property owner at time of building permit for the caretaker's quarters, acknowledging that marine and general industrial uses are the primary land uses in the Waterfront (W) District, and residents of caretaker's quarters may be subject to inconveniences arising from the reasonable execution of such businesses.

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