

Development Forecast for the San Mateo County Comprehensive Transportation Management Plan

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Background

This report summarizes an assessment of potential development in the Study Area for the San Mateo County Comprehensive Transportation Management Plan (CTMP), as required by the San Mateo County Midcoast Update to the Local Coastal Program. The resulting Development Forecast is based on an analysis of potential development allowed under existing zoning; Local Coastal Program (LCP) regulatory constraints; development trends; and regional growth projections. The assumptions used for the Development Forecast are being prepared in consultation with County staff and in coordination with the City of Half Moon Bay.

Recommended Methodology

The recommended development forecast accounts for growth control under LCP regulations as well as the market analysis done for Half Moon Bay, and uses the most constraining of those factors as they apply to residential and non-residential development and to the unincorporated Midcoast and the City of Half Moon Bay. The Consultant Team recommends that this Constrained Development Forecast be used as a basis for planning for the CTMP. The Constrained Development Forecast will supplement the Zoning-based Buildout Analysis described below.

BACKGROUND

A zoning-based Buildout Analysis was completed in the fall of 2014. This analysis identified vacant and underutilized sites, and applied potential densities and intensities of future residential and non-residential development on those sites to estimate the amount of possible future development. Expected densities and intensities were based on the residential density allowed by zoning and the average density of development in the zoning district. Jobs were estimated using assumed ratios of square feet per job for various categories of development (e.g., retail commercial, visitor-serving commercial, industrial). For more detail on the identification of potential development sites and the assumptions used in projecting future development, please refer to the *Connect the Coastside Buildout Analysis and Traffic Projections Final Report* from November 2014. The zoning-based Buildout Analysis has been modified to account for updated data and assumptions, including corrections to data on existing and proposed development, and reconsideration of employment density assumptions to more realistically match typical conditions. .

CONSTRAINED DEVELOPMENT FORECAST

The Constrained Development Forecast uses the updated Zoning-based Buildout Analysis as a starting point, and then takes into account the following potential constraints:

- The growth management limitations in the San Mateo County Midcoast Local Coastal Plan and the City of Half Moon Bay's Measure D;

- The market demand for new housing and non-residential development in Half Moon Bay based on the market analysis conducted in 2014 for the Half Moon Bay General Plan Update.

This Constrained Development Forecast is a 25-year forecast, consistent with other local and regional forecasts being produced. With regard to growth control measures, Policy 1.23 in the Midcoast LCP limits residential development in the unincorporated Midcoast to 40 units per year, while Measure D limits residential growth to 1 percent annually in Half Moon Bay, or 1.5 percent Downtown. For Half Moon Bay, the zoning-based forecast resulted in a lower level of residential development than would be allowed under Measure D. Thus, zoning would be the most limiting factor for residential development in Half Moon Bay, while the LCP's growth management protocol would be the most limiting growth factor in the unincorporated Midcoast.

The Constrained Development Forecast also takes into account projected growth rates for residential and non-residential development from the market study conducted in 2014 for the Half Moon Bay General Plan Update. These growth rates reflect our best understanding of the interaction between market demand and development constraints in Half Moon Bay. The market study indicates the least amount of non-residential development in Half Moon Bay.

POTENTIAL WATER AND SEWER CONSTRAINTS

In developing the Constrained Development Forecast, the County and Consultant Team also analyzed potential constraints related to water and sewer capacity under current public works and urban water management plans, and based on the Midcoast LCP. However, it was determined that this potential constraint may be adjusted over time, and may not be an appropriate basis on which to undertake long-term transportation and land use planning.

DEVELOPMENT TRENDS AND ABAG PROJECTIONS

Two other factors were also studied. These were:

- Development trends in the unincorporated Midcoast and Half Moon Bay between 1990 and 2015;
- Association of Bay Area Governments (ABAG) projections for growth in the unincorporated Midcoast and Half Moon Bay for the year 2040.

Analysis of growth trends over the past 25 years and understanding of regional growth forecasts provide good measuring sticks. The results of these analyses fell within a similar range as the Constrained Development Forecast.

For the purposes of the CTMP, it would be most appropriate to move forward with an analysis based on a forecast that accounts for growth control measures paired with the market study prepared for the City of Half Moon Bay in 2014. The regulatory limits on residential development created by the San Mateo County Midcoast LCP and Half Moon Bay's Measure D provide the best assessment of the potential future development because they are concrete and enforceable growth constraints. The recent market analysis

represents the best available professional assessment of future development potential in Half Moon Bay.

Summary of Expected Development

The amount of residential and non-residential development expected based on the Constrained Development Forecast is summarized below.

RESIDENTIAL DEVELOPMENT

As of 2014 there were 8,781 residential units in the Study Area, including 4,300 in the unincorporated Midcoast and 4,481 in Half Moon Bay. The Constrained Development Forecast finds an estimated capacity for 1,094 future units in the unincorporated Midcoast and 694 future units in Half Moon Bay. Together with units currently in the development pipeline, this would result in a total of 5,416 units in the unincorporated Midcoast and 5,335 units in Half Moon Bay, or 10,750 housing units in the Study Area by 2040. This represents a 26% increase in residential units in the unincorporated Midcoast - an average of 42.9 units per year. (The average increase in the unincorporated Midcoast includes new units in rural areas not subject the LCP limit of 40 units per year. The average increase in the area subject to the LCP policy is 40 units per year.) The forecast represents a 19% increase in Half Moon Bay - an average of 32.8 units per year, and a 22% increase overall in the Study Area - an average of 75.7 units per year. Existing housing, pipeline development, future development, and total residential development are summarized in Table 1, including the proportion of development in unincorporated San Mateo County and Half Moon Bay, and the proportion of single- and multifamily units.

The Study Area would be expected to have 1,980 fewer units in 2040 using the Constrained Development Forecast compared to the updated zoning-based buildout analysis. The Constrained Forecast results in 1,620 fewer units in the unincorporated Midcoast and 359 fewer units in Half Moon Bay compared to zoning-based buildout.

NON-RESIDENTIAL DEVELOPMENT

ABAG estimates that there are approximately 2,500 jobs in the urbanized unincorporated Midcoast and 5,330 in Half Moon Bay, as well as a small number in the remainder of unincorporated County. Applying ratios of jobs per square feet to the existing land use pattern, we estimate 2,551 jobs in the unincorporated Midcoast and 5,334 in Half Moon Bay. The Constrained Development Forecast finds a capacity for an increase of 2,443 jobs in the unincorporated Midcoast, from an estimated 2,551 jobs in 2015 to 4,994 jobs in 2040. This represents a 96% increase in jobs in the unincorporated Midcoast, or an average of 94 new jobs per year. In Half Moon Bay, this would translate to an increase of 370 jobs, from 5,334 in 2015 to 704 in 2040. This would be a 7% increase in jobs in Half Moon Bay, or an average of 14 per year. Overall, there would be a 36% increase in jobs for the Study Area, or an average of 108 per year. Existing, pipeline, future and total non-residential development are summarized in Table 2, including the proportion of development in unincorporated San Mateo County and Half Moon Bay.

The Study Area would be expected to have 2,837 fewer jobs in 2040 using the Constrained Development Forecast compared to the updated zoning-based buildout analysis. The Constrained Forecast results in 165 fewer jobs in the unincorporated Midcoast and 2,672 fewer jobs in Half Moon Bay compared to zoning-based buildout.

Table I: Constrained Residential Development Forecast for the CTMP (2040)

Subarea	Existing (2014)			Pipeline ⁴			CTMP Forecast (2040)			Total (2040)			Percent Change
	Total Units ¹	Single-Family ²	Multi-family ³	Total Units	Single-Family	Multi-family	New Units ^{5, 6}	Single-Family ⁷	Multi-family ⁷	Total Units (2040)	Single-Family	Multi-family	
Unincorporated Midcoast	4,300	4,005	295	22	19	3	1,094	716	378	5,416	4,740	676	26%
Half Moon Bay	4,481	3,493	988	160	105	55	694	508	186	5,335	4,106	1,229	19%
Total	8,781	7,498	1,283	182	124	58	1,787	1,224	564	10,750	8,846	1,905	22%

Notes:

- 1 Existing development in Half Moon Bay has been corrected since November 2014 Existing Conditions Report. Existing mobile homes were not accounted for in that report; this results in increase of 409 single-family units.
- 2 Includes manufactured homes.
- 3 Includes housing in mixed-use buildings, and caretaker units.
- 4 Development projects under review as identified by San Mateo County in 2013-15 and the City of Half Moon Bay in 2014.
- 5 New residential development in unincorporated Midcoast limited to 40 units per year under Policy 1.23 of the San Mateo County Midcoast LCP (2014). In City of Half Moon Bay, Measure D limits residential growth to 1% per year, or 1.5% in downtown area. However, in Half Moon Bay, existing zoning is projected to result in less development than would be allowed under Measure D.
- 6 Future development in Half Moon Bay is based on 0.7% average annual growth rate projected in the Economic and Real Estate Conditions and Trends report (2014) prepared by EPS for the Half Moon Bay General Plan Update.
- 7 Assumes single-family/multifamily split found for zoning-based buildout analysis: 67% single-family and 33% multifamily in the Unincorporated Midcoast, and 75% single-family and 25% multifamily in Half Moon Bay.

Sources: San Mateo County Assessor, 2014; San Mateo County, 2014; City of Half Moon Bay, 2014; EPS, 2014; Dyett & Bhatia, 2015.

Table 2: Constrained Non-Residential Development Forecast for the CTMP (2040)

Subarea	Existing (2014)	Pipeline ³		CTMP Forecast (2040)		Total (2040)	Percent Change
	Existing Jobs ²	Pipeline Non-Residential Sq. Ft.	Pipeline Jobs ²	Potential Non-Residential Sq. Ft. ^{4,5}	Potential Jobs	Total Jobs	
Unincorporated Midcoast	2,551	303,000	439	851,800	2,003	4,994	96%
Half Moon Bay	5,334	37,500	94	294,000	276	5,704	7%
Total	7,885	340,500	533	1,145,800	2,279	10,698	36%

Notes:

- 1 Combines the total "known" square footage from County Assessor data with estimated square footage of other parcels with non-residential development. Estimated intensity of existing development is based on that of "known" development.
- 2 Estimated based on assumed ratio of jobs per square foot of non-residential development in different categories (e.g., visitor-serving commercial, retail commercial, industrial).
- 3 Development projects under review as identified by San Mateo County in 2013-15 and the City of Half Moon Bay in 2014.
- 4 Future development in Unincorporated Midcoast based on analysis of vacant and underutilized land; average FAR of existing development in each zoning district, and other factors. Development in Neighborhood Commercial and comparable zones is adjusted downward in proportion to reduction in residential units, to account for lower demand.
- 5 Future development in Half Moon Bay is based on average annual growth rates by employment sector as projected in the Economic and Real Estate Conditions and Trends report (2014) prepared by EPS for the Half Moon Bay General Plan Update. Square footage estimated based on assumed ratio of jobs per square foot of non-residential development in different categories (e.g., visitor-serving commercial, retail commercial, industrial), using same assumptions as in zoning-based buildout analysis.

Sources: San Mateo County Assessor, 2014; San Mateo County, 2014; City of Half Moon Bay, 2014; EPS, 2014; Dyett & Bhatia, 2015.

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