



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

November 11, 2015

To: LAFCo Commissioners

From: Martha Poyatos, Executive Officer

A handwritten signature in black ink, appearing to read "M. Poyatos", written over the printed name.

Subject: LAFCo File No. 15-08—Proposed Amendment to the SOI of Montara Water and Sanitary District and Coastside County Water District and Extension of Water Service by Montara Water and Sanitary District to the Big Wave Wellness Center and Office Park Project – North Parcel Alternative (Big Wave - NPA) (19.4 acres)

Summary

Pursuant to Government Code Section 56133, Commission approval is required for provision of new service by cities or districts to territory outside of the agency's boundaries but within the sphere of influence. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the Montara Water and Sanitary District (MWSD) has applied for a sphere of influence amendment and LAFCo approval to provide water service to the Big Wave Wellness Center and Office Park Project – North Parcel Alternative (Big Wave - NPA). The project proposes an economically sustainable development that provides housing and employment opportunities for low-income developmentally disabled (DD) adults. The primary components include office park buildings, housing for 50 DD adults and their aides, business operations for DD adults, boat storage, public beach access parking, and wetland and archaeological preservation. The 19.4-acre project site is located on Airport Street, northwest of the Princeton/Pillar Point Harbor area, in unincorporated San Mateo County and consists of two Assessor's Parcel Numbers (APNs): 047-311-060 and 047-312-040.

The subject property is not within the boundaries or sphere of influence of MWSD and is within the boundaries of Granada Community Services District (GCSD), the designated sewer provider. The territory is within the LAFCo-designated sphere of Coastside County Water District (CCWD), however Coastal Commission restrictions on expansion of CCWD service area preclude service by CCWD. In order to approve water service by MWSD, it is therefore necessary to amend the spheres of influence of both MWSD and CCWD. Amendment of the spheres would not impede future implementation of the consolidation sphere of influence for Midcoast water and sewer agencies. Commission approval is recommended.

Background

The Big Wave proposal was first submitted to the San Mateo County Planning Department in 2005 and underwent extensive environmental review, traffic studies, public meetings, Planning Commission and Board of Supervisor approval, and an appeal to the Coastal Commission. The project was subsequently revised based on issues raised by appellants and the Coastal Commission and an addendum to the EIR was prepared. Following numerous community meetings and a design review, the revised project was approved by the Planning Commission and subsequently by the Board of Supervisors on May 19, 2015.

The project proposes five Office Park buildings, eliminating three of the buildings proposed in the original 2010 Project, and reduces the Office Park area from 225,000 to 189,000 square feet. Parking is reduced to 554 spaces. Maximum building heights are reduced from 51 to 33 feet from grade. Total grading is reduced from 22,445 cubic yards of cut and 26,050 cubic yards of fill to 735 cubic yards of cut and 16,400 cubic yards of fill (mostly gravel). Wetland buffers are increased. First-floor elevations of the Wellness Center buildings are raised for protection against tsunami run-up. Municipal water service is proposed to be provided by MWSD, subject to LAFCo action. The project is in the boundaries of GCSD. The on-site agricultural well would be used for irrigation purposes only. Project construction for the Big Wave - NPA would be phased to span up to 15 years.

The project site is comprised of two parcels: the north parcel (APN 047-311-060) is 14.25 acres and the south parcel (APN 047-312-040) is 5.28 acres. The parcels are relatively flat and gently sloped to the west and south. The two parcels presently contain active agricultural fields irrigated by water from a well on the north parcel.

The project site is surrounded by the Half Moon Bay Airport to the east, the Pillar Ridge Manufactured Home Community to the north, the Pillar Point Headlands and Pillar Point Marsh to the west, and the industrial/commercial development of the Princeton/Pillar Point Harbor to the south. Pillar Point Ridge, west of the project site, lies between the marsh and the coastline and offers recreational hiking trails. Beach access to Pillar Point is provided south of the project site from the Mavericks parking area at the western terminus of West Point Avenue and at the eastern terminus of West Point Avenue at Princeton Avenue.

LAFCo-adopted Midcoast Spheres of Influence

In 2008, LAFCo completed a sub-regional municipal service review and sphere of influence update for the City of Half Moon Bay, Coastside County Water District, Montara Water and Sanitary District and Granada Sanitary District (now the Granada Community Services District) and several County-governed districts. In doing so, the Commission amended existing spheres of influence that designated some agencies for dissolution and others to become the successor agency to assign spheres of consolidation as follows:

Coastside County Water District – “Consolidation” with sphere of influence territory to include current District boundaries eligible for service under the County’s Local Coastal Program (LCP) and

eligible urban areas previously included in CCWD sphere and not currently in the jurisdictional boundaries of MWSD.

Montara Water and Sanitary District – “Consolidation” and coterminous with current District boundaries to include areas eligible for service under LCP and eligible rural residential areas as determined by LCP

Granada Community Services District [Formerly Granada Sanitary District (GSD)] – “Consolidation” with sphere of influence to include areas eligible for service under LCP. In 2014, GSD applied to LAFCo for reorganization into a Community Services District in order to add park and recreation service to be funded with existing property tax revenue. The Commission approved the reorganization finding that it would not preclude future consolidation because LAFCo law permits consolidation of districts formed under different enabling legislation.

The spheres took into account existence of multiple single-purpose special districts serving a population of 25,000. These include one water and sewer district, one water district, one sewer district (now a community services district with sewer and park and recreation powers), and a city sewer provider. LAFCo also took into consideration the fact that the three sewer agencies provide service via a joint powers agency that provides all staffing for administration and maintenance of the sewage collection systems owned by two districts and the City of Half Moon Bay as well as the shared sewage treatment plant. Approval of the current sphere amendment does not preclude future consolidation of districts.

Government Code Section 56133

Government Code Section 56133 requires Commission approval for provision of new service by cities or districts to territory outside of the agency’s boundaries but within the sphere of influence. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the Montara Water and Sanitary District (MWSD) has applied for a sphere of influence amendment and LAFCo approval to provide water service to the Big Wave Wellness Center and Office Park Project – North Parcel Alternative (Big Wave - NPA). The project proposes an economically sustainable development that provides housing and employment opportunities for low-income developmentally disabled (DD) adults at the Wellness Center. The primary components include office park buildings, housing for 50 DD adults and their aides, business operations for DD adults, boat storage, public beach access parking, and wetland and archaeological preservation. The 19.4-acre project site is located on Airport Street, northwest of the Princeton/Pillar Point Harbor area, in unincorporated San Mateo County and consists of two Assessor’s Parcel Numbers (APNs): 047-311-060 and 047-312-040.

More specifically, the project includes five Office Park buildings, eliminating three of the buildings proposed in the original 2010 Project, and reduces the Office Park area from 225,000 to 189,000 square feet. Parking is reduced to 554 spaces. Maximum building heights are reduced from 51 to 33 feet from grade. Total grading is reduced from 22,445 cubic yards of cut and 26,050 cubic yards of fill to 735 cubic yards of cut and 16,400 cubic yards of fill (mostly gravel). Wetland buffers are increased. First-floor elevations of the Wellness Center buildings are raised for protection against tsunami run-up. Municipal water service is proposed to be provided by MWSD, subject to LAFCo

action. The project is within the boundaries of GCSD. The on-site agricultural well would be used for irrigation purposes only. Project construction for the Big Wave - NPA would be phased to span up to 15 years. The proposed water extension will serve only the Big Wave - NPA.

The subject property is not within the boundaries or sphere of influence of MWSD and is within the boundaries of Granada Community Services District (GCSD), the designated sewer provider. The territory is within the LAFCo-designated sphere of Coastside County Water District (CCWD), however Coastal Commission restrictions on expansion of CCWD service area preclude service by CCWD. In order to approve water service by MWSD, it is therefore necessary to amend the spheres of influence of both MWSD and CCWD. Amendment of the spheres would not impede future implementation of the consolidation sphere of influence for Midcoast water and sewer agencies.

The reason for the water extension is to provide safe and reliable water supply for the residential and commercial facilities, including fire suppression. Big Wave will be connected to the MWSD system through three new water mains: a 500-foot-long 12-inch diameter main on Airport Road between La Granada Lane and the NPA, a 1,000-foot-long eight-inch main on Airport Road between the existing eight-inch main and La Granada Lane and a 1,200-foot-long 10-inch line on La Granada Lane between the Pillar Ridge Water Treatment Plant (PRWTP) and Airport Road. A new booster station will also be constructed at PRWTP. MWSD will construct and maintain the system under an agreement with the NPA property owner(s). In addition to water for domestic and commercial needs, MWSD will provide water for fire protection to street hydrants and to residential and commercial sprinkler systems.

Staff Report and Recommendation

The following section discusses the applicable factors that LAFCo must consider in reviewing a proposal pursuant to Government Code Section 56668.

- a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.*

The potential project impacts of the Big Wave NPA Project to population and housing are described in the 2010 EIR and Addendum as less than significant. The construction of business space on the Coastside would increase work opportunities for Coastside residents to work on the coast and reduce the number of commuters to the Bayside.

The North Parcel (APN 047-311-060) is 14.25 acres and zoned Light Industrial/Design Review Coastal Development Permit. The South Parcel (APN 047-312-040) is approximately 5.28 acres and is zoned Waterfront/Design Review/Coastal Development Permit. A 125-foot-wide portion of both parcels along Airport Street is located in the Airport Overlay Zoning District. The area of the drainage swale is zoned Resource Management/Coastal Zone/Design Review/Coastal Development District. Design Review, Coastal Development, Grading, and Use Permits have been granted and a Major Subdivision has been approved.

As noted in the District's application, the project site contains a .074-acre portion of wetlands as defined in the California Coastal Act, including a 0.45-acre wetland under federal jurisdiction. To mitigate impacts to these sites, the project includes a 150-foot wetland buffer on each parcel and requires restoration and maintenance of wetlands and buffer areas. These setbacks and restoration measures prevent significant impacts and enhance the habitat values of the sites (as approved by the County of San Mateo and the Coastal Commission).

- b) *The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.*

The Big Wave NPA, an economically sustainable development that provides housing and employment opportunities for low-income developmentally disabled (DD) adults at the Wellness Center is dependent upon a safe and reliable water system for residential and commercial uses and fire suppression.

- c) *The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.*

The alternative of no water extension would prohibit construction of the project until such time that another water source is identified, e.g., service by CCWD with an amendment to Coastal Commission restrictions on the CCWD service area. Big Wave - NPA offers much needed housing for local residents and employment opportunities for the Midcoast. Conditions of approval mitigate impacts, including traffic and visual impacts to adjacent areas.

- d) *The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.*

As noted in the addendum to the EIR, LCP Policy 1.3(b) recognizes that in order to make a logical urban/rural boundary, some land has been included within the urban boundary which should be restricted to open space uses and not developed at relatively high densities, such as the subject property which is comprised entirely of prime agricultural soils and sensitive habitats, and adjacent to Pillar Point Marsh. The Big Wave - NPA consolidates Wellness Center and Office Park buildings on the north parcel. The majority of the south parcel would remain undeveloped, with development consisting of public parking spaces as required by LCP Policy 10.22 and a boat storage use, both very low density uses. Wetland and wetland buffers areas would be restored as wetland habitat and remaining undeveloped areas of both properties (approximately five acres) would continue the current agricultural use.

The consolidation of project buildings, agricultural use, and wetland and wetland buffer restoration proposed by the applicant help the project to achieve the open space and density requirements of LCP Policy 1.3(b). Wetlands and buffer zones would be protected in perpetuity by a conservation easement as required by condition of approval. To ensure the implementation and continuation of the approved uses and densities that were critical in forming the basis for approval of the project, the County Board of Supervisors required as a condition of project approval that the property owner(s) record an agricultural easement over all areas of proposed agriculture, with the exception of areas of agriculture proposed within wetland buffer zones to avoid conflict with the conservation easement.

- e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.*

Government Code Section 56016 establishes that “agricultural lands” means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program. The project complies with applicable policies of the Agriculture Component of the Local Coastal Plan (LCP) in that the project is not located in an area designated for agricultural use and the project includes on-site agricultural uses.

- f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.*

Extension of service outside MWSD boundaries does not alter District boundaries, includes entire parcels in service delivery and does not create corridors or islands.

- g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.*

General Plan Policy 12.15 (Local Circulation Policies) calls for the County to plan for maximum freedom of movement and adequate access to various land uses; improved streets, sidewalks, and bikeways in developed areas; and minimal through traffic in residential areas, among other features. As discussed in the Addendum, Hexagon Transportation Consultants, Inc., prepared a Traffic Impact Assessment of the Big Wave - NPA Project to assess the impacts of the revised project against current background conditions. The report shows that most of the study intersections would operate at level of service (LOS) C or better under all conditions. The report identified that, at the intersection of Highway 1 and Cypress Avenue, the eastbound to northbound left turn movement would operate at LOS F under project conditions. However, project impacts would be mitigated to a less-than-significant level with the implementation of Mitigation Measure TRANS-1 (Condition No. 4.ae). Mitigation Measure TRANS-1 requires installation of a signal or a roundabout per CalTrans requirements, specifically requiring the applicant to obtain approval from CalTrans and obtain any other necessary permits (e.g., encroachment permit) prior to the issuance of a building permit for the construction of any non-Wellness Center

operated business space, and to fund and install the mitigation measure per County requirements prior to occupancy of such space. To further ease traffic impacts, the applicant also proposes a Wellness Center shuttle, a multi-modal trail fronting the project sites along Airport Street, on-site bicycle showers/racks/lockers, as well as other measures required by City/County Association of Governments of San Mateo County (C/CAG) in a Transportation Demand Management (TDM) Plan, per condition of approval. The applicant is required to submit a TDM Plan prior to the issuance of any building permit for any use that would generate a net 100 or more peak-hour trips on the Congestion Management Program (CMP) roadway network, the property owner(s) of the Office Park. For full Office Park build-out, the TDM Plan must offset a minimum of 199 peak-hour trips on the CMP roadway network. With the implementation of transportation mitigation measures of the Addendum and other conditions of approval, project impacts would be reduced to a less-than-significant level.

- h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.*

The application requests amendment to the spheres of influence of MWSD and CCWD to remove the project territory from the CCWD sphere and add it to the MWSD sphere in order to comply with provisions of Section 56133 that only permit extension of service outside agency boundaries and within the sphere of influence. The sphere amendment only applies to the water service provided by MWSD. There is no sphere amendment for Granada Community Services District (GCSD) and therefore no effect on the GCSD authority for sewage collection and treatment, solid waste and park and recreation. The collective sphere for Midcoast special districts is consolidation. Removing the project territory from the CCWD sphere and adding it to the MWSD sphere does not preclude future implementation of the consolidation sphere.

- (i) The comments of any affected local agency or other public agency.*

County Assessor: The net assessed valuation shown in the records of the County Assessor is \$1,619,800.

County Clerk: There are no registered voters.

County Public Works: No comments received.

Environmental Health: Any abandoned wells discovered on the said parcels will need to obtain a well destruction permit from San Mateo County Environmental Health Department.

Coastside Fire Protection District, Granada Community Services District and Coastside County Water District: No comments received.

County of San Mateo Long Range Planning Division: San Mateo County General Plan Policy 10.3 (Water Conservation) calls for the conservation and efficient use of water supplies. The applicant proposes to connect to MWSD for domestic water supply and use an existing well on the north parcel for irrigation of landscaping and agriculture. Domestic water demand for the project development is estimated at 15,500 gallons per day (GPD). The applicant proposes to use low-flow toilets and no flush urinals in the Wellness Center and Office Park

bathrooms. The project conditions require the applicant to conserve well water use through the selection of native and drought-tolerant landscaping, such that the project retains or reduces historical levels of well usage.

San Mateo County General Plan Policy 10.10 (*Water Suppliers in Urban Areas*) calls for water systems to be considered the preferred method of water supply in urban areas. The extension of MWSD service for domestic water would fulfill this policy.

San Mateo County Local Coastal Plan Policy 1.19 (*Ensure Adequate Public Services and Infrastructure for New Development in Urban Areas*) prohibits the issuance of permits for development in the urban area unless it can be demonstrated that such development can be served by adequate water supplies and wastewater treatment facilities. MWSD has stated that it has the available sources and supply of water to meet the project anticipated demand of 15,500 GPD. MWSD also has indicated that it has sufficient capacity to fill an on-site 200,000-gallon fire storage and refill the tank whenever needed.

San Mateo County Local Coastal Plan Policy 2.22 (*New and Expanded Water Supply and Distribution Capacity*) allows for new or expanded water supply, service connections, treatment, storage and distribution capacity to serve new development. The Coastal Commission has approved an amendment to MWSD's Public Works Plan (PWP) (2-06-006) removing a moratorium on the extension of water connections to new customers. MWSD has stated that they have sufficient water to serve the project. The extension of MWSD utility lines would only serve this project.

San Mateo County Local Coastal Plan Policy 2.31 (*Service Area Boundaries*) allows for new water connections for all types of users within urban zones as defined by the LCP. The project property is located within the urban area, thus the water connection is permitted.

San Mateo County Local Coastal Plan Policy 3.1 (*Sufficient Housing Opportunities*) protects, encourages and, where feasible, calls for the provision of housing opportunities for persons of low and moderate income who reside, work or can be expected to work in the Coastal Zone, through both public and private efforts. This project proposes the development of housing for 50 developmentally disabled adults of low- and moderate-income who reside, work or can be expected to work in the Coastal Zone. The Wellness Center would provide new work opportunities for disabled adults on-site. The project would also provide affordable housing for 20 staff who would also be employed on-site as aides to disabled residents.

San Mateo County Local Coastal Plan Policy 3.4 (*Diverse Housing Opportunities*) requires the County to strive to improve the range of housing choices, by location, type, price and tenure, available to persons of low and moderate income. The project proposes the development of housing for 50 developmentally disabled adults and 20 aides of extremely low, very low and low income.

San Mateo County Local Coastal Plan Policy 3.5 (*Regional Fair Share*) defines the regional fair share assisted housing allocation for the San Mateo County Coastal Zone as that allocation

which provides housing opportunities for low and moderate income households with members who reside, work or can be expected to work in the Coastal Zone.

Review and approval by the Planning and Building Department will be required for the construction of the proposed water infrastructure improvements by MWSD for the project.

- j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.*

Proponents will fund all infrastructure improvements and pay fees for water use. No boundary change is proposed.

- k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.*

The Addendum and the District's application document that there is adequate water supply for projected demand. Additionally County conditions of approval require the applicant to conserve well water use through the selection of native and drought-tolerant landscaping, such that the project retains or reduces historical levels of well usage.

- l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.*

A result of the Big Wave - NPA will be to accommodate additional housing while also accommodating office and commercial development in the study area. San Mateo County Local Coastal Plan Policy 3.5 (*Regional Fair Share*) defines the regional fair share assisted housing allocation for the San Mateo County Coastal Zone as that allocation which provides housing opportunities for low and moderate income households with members who reside, work or can be expected to work in the Coastal Zone.

- m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.*

None.

- n) Any information relating to existing land use designations.*

The County General Plan land use designation is General Industrial and General Open Space. The General Industrial land use designation is described as "Manufacturing and processing uses including but not limited to fabricating, assembling, and storing products." As proposed and conditioned, the Office Park includes approximately 155,500 square feet of General Office, Research and Development, Light Manufacturing, and/or Storage uses. The Wellness Center includes approximately 20,500 square feet of the same types of uses, with the exception of those involving hazardous materials and a high level of noise generation, which are prohibited by condition of approval. The square footage of each use would be

determined by prospective tenants and the parking required/available for each permitted use.

Light Industrial (M-1) Zoning District Regulations applicable to the north parcel allow “Administrative, research and professional offices, excluding doctors and dentists,” as a permitted use. In its implementation of the General Plan, the Zoning Regulations define the specific type of light industrial land uses that are consistent and compatible with the General Plan. Therefore, in complying with the permitted uses of the zoning district, the proposed general office use complies with the General Industrial land use designation for the site. The proposed uses of the Office Park comply with this designation.

- o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.*

Environmental justice is infrequently an applicable factor in typical LAFCo applications and is a newer provision of the CKH Act that is consistent with the longstanding provision in the Act that requires LAFCos to consider the ability of agencies to accommodate and provide services to “housing for persons and families of all incomes...” The Big Wave - NPA includes affordable housing for developmentally disabled adults at a location on San Mateo County’s urban Midcoast. As noted in the Addendum, “While the Wellness Center would not provide medical treatment on site for its intellectually or developmentally disabled (DD) adult residents, it is intended to promote the long-term health of DD adults in a holistic manner. The Wellness Center would offer DD adults social and employment opportunities, an opportunity for semi-independent living apart from their parents, and connections to medical and other support services.” A condition of approval requires the property owner to keep the rental rates for all 57 bedrooms of the Wellness Center as “affordable” (i.e., accessible to very low income, low income, and moderate income households). Another condition of approval requires that the Wellness Center prioritize disabled adults residing in the San Mateo County Coastal Zone over those who do not reside in the County Coastal Zone in the consideration of residential applications. As such, Big Wave NPA responds to a demonstrated need in the community and promotes environmental justice with respect to fair treatment of disabled adults of low and moderate income.

California Environmental Quality Act (CEQA)

The County of San Mateo, as the lead agency under CEQA for the Big Wave - NPA, certified the Addendum to the 2010 Big Wave Wellness Center and Office Park Project Draft Environmental Impact Report (EIR) and the Final EIR (2010 EIR) for the Big Wave - NPA Project pursuant to CEQA. The Addendum concluded that the project as proposed, mitigated, and conditioned would not have a significant effect on the environment.

As the responsible agency under CEQA, the Commission must rely on the EIR and Addendum prepared by the County of San Mateo in considering the application pursuant to Section 56133. It is recommended that the Commission certify that it has considered the EIR and Addendum and the

findings adopted by the County in considering the project, including extension of services. It is further recommended that the Commission find that the mitigation measures adopted by the County are within the responsibility and jurisdiction of the County of San Mateo and not LAFCo [CEQA Guidelines, Section 15091, subd. (a)(2)]. Environmental Documents may be reviewed at:

<http://planning.smcgov.org/big-wave-north-parcel-alternative-project>

Recommended Action

LAFCo File No. 15-08 requesting sphere of influence amendments for MWSD and CCWD and extension of water service by MWSD to Big Wave - NPA is consistent with Section 56133, which permits an agency to extend service outside its boundary and within its sphere of influence. Big Wave – NPA provides much needed housing and employment opportunities to low and moderate income developmentally disabled adults as well as employment opportunities for the broader community. It is therefore respectfully recommended that the Commission approve the proposed request for extension of water service.

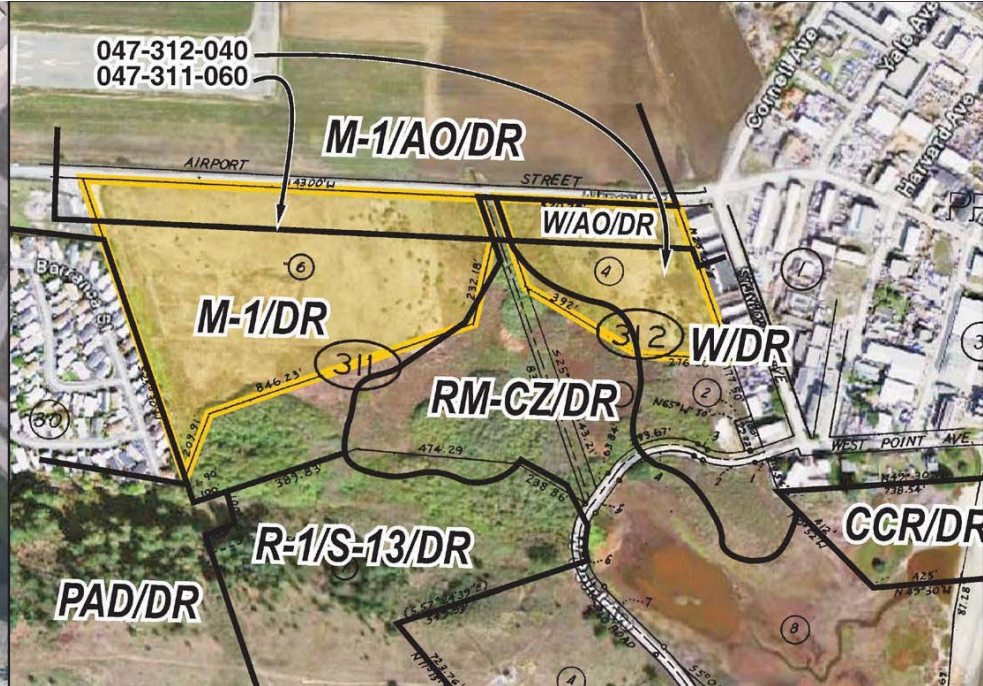
Recommended Commission Action, by Motion

1. Open the public hearing and receive public comment
2. Certify that the Commission has considered Addendum to the Certified 2010 Big Wave Wellness Center and Office Park Project Draft Environmental Impact Report (EIR) and the Final EIR (2010 EIR) for the Big Wave - North Parcel Alternative and find that the mitigation measures included as conditions of project approval by the County are within the responsibility and jurisdiction of the County of San Mateo and not LAFCo [CEQA Guidelines, Section 15091, subd. (a)(2)].
3. Approve LAFCo File No. 15-08—Proposed Amendment to the SOI of Montara Water and Sanitary District and Coastside County Water District placing the project territory in the sphere of influence of the Montara Water and Sanitary District and Authorize Extension of Water Service by Montara Water and Sanitary District to the Big Wave Wellness Center and Office Park Project - North Parcel Alternative and direct staff to transmit a letter of approval to the Montara Water and Sanitary District and Big Wave LLP.

Attachments: A: Aerial Map
B: Application

This staff report is available at: www.sanmateolafco.org

Environmental Documents are available at: <http://planning.smcgov.org/big-wave-north-parcel-alternative-project>



RECEIVED

OCT 13 2015

**APPLICATION FOR A CHANGE OF ORGANIZATION OR REORGANIZATION
TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization or reorganization.

Amendment to the Sphere of Influence of the Montara Water and Sanitary District (MWSD) to include the territory comprising the North Parcel Alternative development (NPA) of Big Wave, LLC, and to approve extraterritorial service to the NPA pursuant to Government Code 56133 in accordance with the approval of that the development by the San Mateo County Board of Supervisors on May 19, 2015.

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

- Landowners or registered voters, by petition
- An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

To provide potable water service to the NPA in accordance with the above-mentioned approval by the Board of Supervisors.

4. Does this application have 100% consent of landowners in the affected area?

Yes No

5. Estimated acreage: 19.5 acres

B. SERVICES

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

Coastside County Water District
Montara Water and Sanitary District

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
Water	None	MWSD	Developer	Service Fees

C. PROJECT PROPOSAL INFORMATION

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

The NPA, comprised of 19.5-acres, is located southwest of Airport Road and slightly southeast of the Pillar Ridge Manufactured Home Community in unincorporated San Mateo County. MWSD currently provides water service to the adjacent Pillar Ridge Manufactured Home Community.

2. Describe the present land use(s) in the subject territory.

The present land use of the subject territory is agricultural.

3. How are adjacent lands used?

North: Light Industrial/Design Review/Coastal Development District (M-1/DR/CD); Light Industrial/Airport Overlay/Design Review/Coastal Development District (M-1/AO/DR/CD); Resource Management – Coastal Zone/Design Review/Coastal Development District (RM-CZ/DR/CD)

South: Waterfront/ Design Review/Coastal Development District (W/DR/CD); Waterfront/Airport Overlay/Design Review/Coastal Development District (W/AO/CD)

East: Residential Estate District/Combining District (R-E/S-9)

West: Resources Management – Coastal Zone District (RM-CZ)

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

Yes. The subject territory is being developed for the NPA, which consists of affordable housing for up to 50 developmentally disabled adults, a wellness center, an office park, boat storage and parking lots.

5. What is the general plan designation of the subject territory?

General Industrial.

6. What is the existing zoning designation of the subject territory?

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).

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

Design Review, Coastal Development, Grading, and Use Permits have been granted and a Major Subdivision and Zoning amendment have been approved.

8. What additional approvals will be required to proceed?

County Building permit(s); water connection permit(s) and agreement(s) with MWSD for construction of a mainline extension and interior service lines

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

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. To mitigate impacts to these sites, the project includes a 150 foot wetland buffer on each parcel and requires restoration and maintenance of wetlands and buffer areas. These setbacks and restoration measures prevent significant impacts, and preserve and enhance the habitat values of the sites (as approved by San Mateo County and the California Coastal Commission).

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

N/A

* * * * *

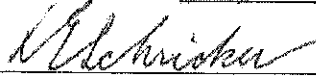
LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: Clemens Heldmaier, General Manager

ADDRESS: Montara Water and Sanitary District
 P.O. Box 370131
 8888 Cabrillo Highway
 Montara, CA 94037-0131

TELEPHONE: (650) 728-3545

ATTN: General Manager


 By: David E. Schricker, Attorney for MWSD

D. AFFECTED PUBLIC AGENCIES

Please complete this section if this application is submitted by resolution of one or more affected public agencies. Certified copies of resolutions listed below must accompany this application.

1. The names and resolutions of agencies applying for the change of organization or reorganization described above are as follows:

AFFECTED AGENCY	RESOLUTION NO.	DATE ADOPTED
Montara Water and Sanitary Sanitary District	1598	10/01/2015

2. Does this application have 100% consent of landowners in the affected area?
 Yes No (If Yes, include proof of consent.)

E. PLAN FOR PROVIDING SERVICES

1. Enumerate and describe the services to be extended to the affected territory.

MWSD will supply potable and fire protection water service to the NPA. Big Wave will be connected to MWSD's system through three new water mains: a 500-ft long 12-inch diameter main on Airport Road between Granada Street and the NPA, a 1,000-ft long 8-inch main on Airport road between the

existing 8-inch main and Granada Street, and a 1,200-ft 10-inch line on Granada Street between the Pillar Ridge Water Treatment Plant (PRWTP) and Airport Road. A new booster station will also be constructed at PRWTP. MWSD will construct and maintain the system under an agreement with the NPA property owner(s).

2. Describe the level and range of those services.

MWSD will provide water for domestic and commercial needs. MWSD will also provide water for fire protection to street hydrants and to residential and commercial sprinkler systems.

3. Indicate when those services can feasibly be extended to the affected territory.

Estimated six (6) months after a mainline extension and water service agreement has been entered into between MWSD and the property owner(s)

4. Indicate any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions to be imposed or required within the affected territory.

All water facilities will be newly constructed. As noted in E4 above, the following will be constructed for the water facilities:

1. 500-ft 12-inch main
2. 1,000-ft 8-inch main
3. 1,200-ft 10-inch main
4. A new booster pump station

5. Describe financial arrangements for construction and operation of services extended to the affected territory. (Attach proposed operations budget if available) Will the territory be subject to any special taxes, charges or fees? (If so, please specify.)

The applicant will pay for the construction of the facilities to serve the subject territory. MWSD will oversee the construction of the facilities to ensure that they are designed and constructed as per District standards and specifications. MWSD will own and operate the water facilities, and maintain the facilities with revenues collected from service fees. No special taxes, charges or fees are anticipated.

6. In as much detail as required to give a clear explanation, explain why this proposal is necessary at this time.

The Big Wave NPA Project is an approved, planned development as per the May 19, 2015 decision by the San Mateo County Board of Supervisors that currently has no public water service. The project site is adjacent to the Pillar Ridge Manufactured Home Community, which is within MWSD's boundaries. However, the NPA is not within MWSD's Sphere of Influence and is outside MWSD's corporate limits. Coastside County Water District's Sphere of Influence does include the NPA territory, but the NPA is not located within CCWD's boundaries. MWSD believes that CCWD does not object to provision of water service to the NPA by MWSD. Alternatively, on-site service by Big Wave would require drilling additional wells which would deplete limited San Mateo County groundwater

resources.

This section completed by Tatyana T Yurovsky, P.E. MWSD Water Engineer
(Name) (Title)

Applica_blk.doc
(10/6/2000)

RESOLUTION NO. 1598

RESOLUTION OF APPLICATION OF THE MONTARA WATER AND SANITARY DISTRICT REQUESTING A SPHERE OF INFLUENCE AMENDMENT OF THE MONTARA WATER AND SANITARY DISTRICT AND COASTSIDE COUNTY WATER DISTRICT AND LOCAL AGENCY FORMATION COMMISSION APPROVAL FOR EXTENSION OF SERVICES OUTSIDE JURISDICTIONAL BOUNDARIES TO THE BIG WAVE LLP NORTH PARCEL ALTERNATIVE PURSUANT TO GOVERNMENT CODE SECTION 56133

WHEREAS, the Montara Water and Sanitary District ("MWSD") has been requested to provide water service to a project entitled, "Big Wave Wellness Center and Office Park, North Parcel Alternative" ("NPA"); and

WHEREAS, on May 19, 2015, the Board of Supervisors, County of San Mateo, California, certified an Addendum to the certified Draft Environmental Impact Report and Final Environmental Impact Report for the NPA pursuant to the California Environmental Quality Act ("CEQA," Pub. Res. C. §21000 et seq.) and approved permits and other entitlements providing for the development of the NPA; and

WHEREAS, the Board's conditions of approval for the NPA require provision of water services to the NPA by MWSD; and

WHEREAS, the water services are described in the attached "Plan for Providing Service"; and

WHEREAS, the Board of Supervisors' findings Regarding Environmental Review of the NPA are hereby incorporated herein as findings of this Board with regard to provision of water service to the NPA by MWSD; and

WHEREAS, the NPA is currently located outside the corporate boundaries of MWSD and MWSD's Sphere of Influence; and

WHEREAS, in order to provide water service to the NPA the Spheres of Influence of MWSD and Coastside County Water District must be amended and extraterritorial service by MWSD must be permitted by the San Mateo County Local Agency Formation Commission; and

WHEREAS, the NPA will provide housing and employment for developmentally disabled adults and therefore promotes environmental justice, defined in Government

Code Section 56668(p) as the fair treatment of all people of all races, cultures and incomes with respect to the location of public facilities and provision of public services; and

WHEREAS, the NPA also furthers the County of San Mateo's progress in meeting the County's respective share of regional housing needs as determined by the Association of Bay Area Governments; and

WHEREAS, the Board of Supervisors' approval of the NPA, as conditioned on amendment of the Spheres of Influence of MWSD and the Coastside County Water District and the extension of water service by MWSD to serve the NPA, accommodates limited growth through the provision of services by a local agency which can best accommodate and provide a necessary governmental service and housing for persons and families of all incomes in the most efficient manner feasible consistent with the Legislature's findings and declaration of policy underlying the authority granted to Local Agency Formation Commissions pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. C. §56000 et seq.; see, §56001); and

WHEREAS, amendment of the Spheres of Influence in accordance with the approval of the NPA by the Board of Supervisors and the corresponding application made hereby will not preclude implementation of Sphere policies within the authority of the San Mateo County Local Agency Formation Commission; and

WHEREAS, the technical reports and other documents submitted by MWSD included in the administrative record of the proceedings of the Board of Supervisors substantiate and confirm the present and timely future availability of water supplies for the projected needs of the NPA;

NOW THEREFORE,


BE IT RESOLVED BY THE BOARD OF THE MONTARA WATER AND SANITARY DISTRICT AS FOLLOWS:

1. The foregoing recitals are incorporated herein by reference as true statements of fact.
2. The Local Agency Formation Commission of San Mateo County is hereby requested to take proceedings in the manner provided by Title 5, Division 3, Part 2, Chapter 4 (commencing with §56425) of the Government Code to amend the Spheres

of influence of MWSD and Coastside County Water District to include the NPA within MWSD's Sphere.

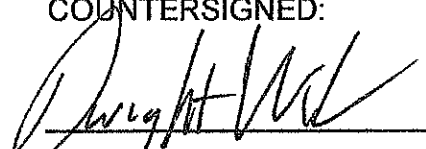
3. The Local Agency Formation Commission of San Mateo County is hereby further requested to take proceedings in the manner provided by Government Code Section 56133 to authorize MWSD to provide water service outside its jurisdictional boundaries to serve the NPA.

4. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to the County of San Mateo Local Agency Formation Commission.



President, Montara Water and Sanitary District

COUNTERSIGNED:



Secretary

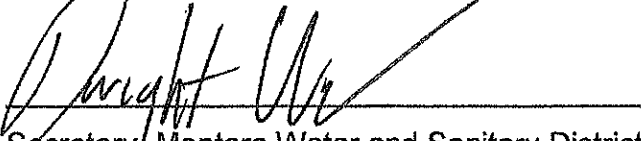
* * * *

I **HEREBY CERTIFY** that the foregoing resolution was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a meeting thereof held on the 1st day of October, 2015 by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:



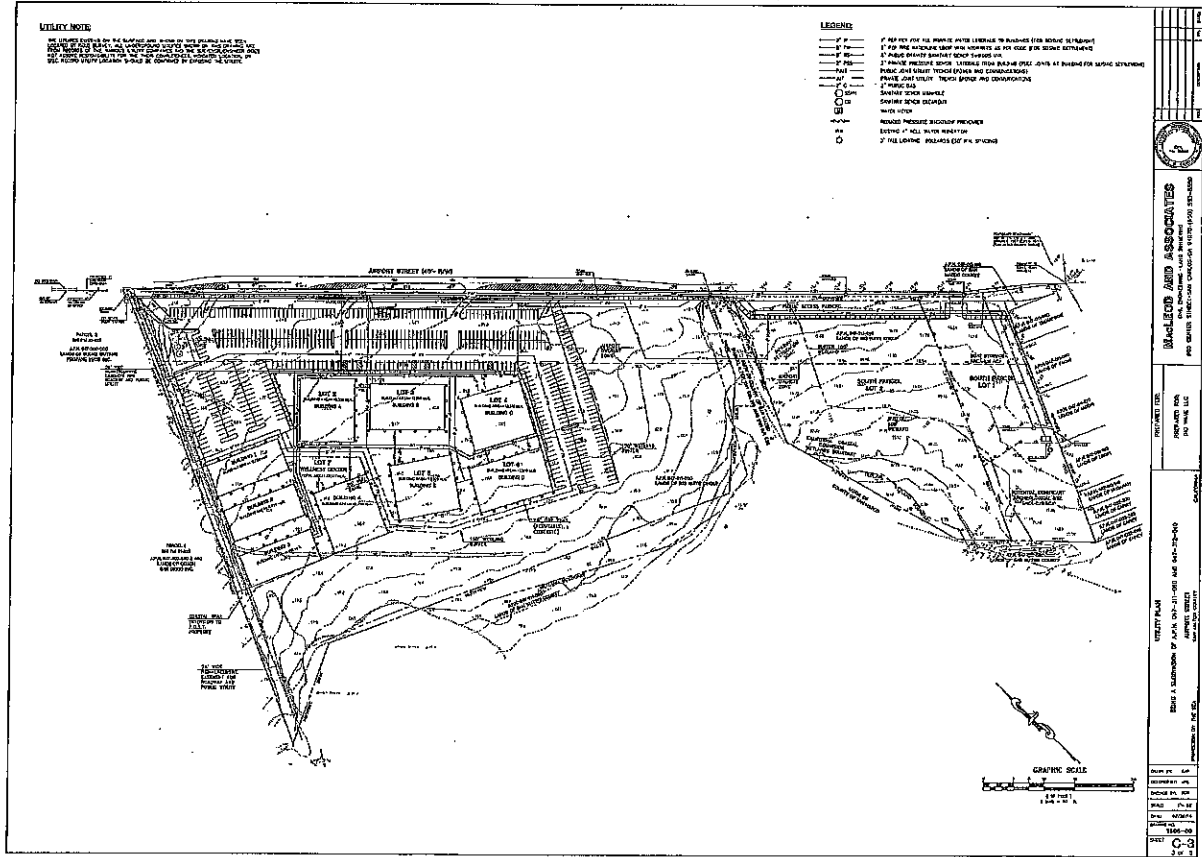
Secretary, Montara Water and Sanitary District

UTILITY NOTE

ALL UTILITIES SHOWN ON THIS PLAN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY DATA. THE LOCATION, DEPTH AND CHARACTER OF UTILITIES IS NOT GUARANTEED. THE USER OF THIS PLAN SHALL VERIFY THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.

LEGEND

- P- 8" RIB BITUMEN PIPE LINED WITH POLYESTER FIBER REINFORCEMENT
- PT- 4" RIB BITUMEN PIPE WITH REINFORCEMENT FOR SLOPE PROTECTION
- F- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- M- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- R- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- S- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- D- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- E- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- H- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- G- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- K- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- L- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- N- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- O- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- P- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- Q- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- R- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- S- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- T- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- U- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- V- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- W- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- X- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- Y- 4" RIB BITUMEN PIPE WITH REINFORCEMENT
- Z- 4" RIB BITUMEN PIPE WITH REINFORCEMENT



PACKED AND ASSOCIATES
INCORPORATED
ENGINEERS, ARCHITECTS AND SURVEYORS
1000 MARKET STREET, SUITE 200
SAN FRANCISCO, CALIFORNIA 94102
TELEPHONE 434-1100
FACSIMILE 434-1101
WWW.PACKED.COM

PROJECT: [REDACTED]
DATE: [REDACTED]
SCALE: [REDACTED]

DATE: [REDACTED]
SCALE: [REDACTED]

2 of 1