

**REPORT PURSUANT TO STATE ELECTIONS CODE SECTION 9212 ON THE PROPOSED
“PACIFICA INITIATIVE AMENDING ORDINANCE NO. 391-C.S. TO AUTHORIZE A
FUTURE REZONE OF THE QUARRY WHICH COULD INCLUDE RESIDENTIAL
DEVELOPMENT, UNDER CERTAIN CONDITIONS”**

July 22, 2016

1. Introduction

1.1 Purpose of the Report

This Report evaluates the potential impacts of a proposed initiative that has qualified for the November 2016 ballot entitled “Adoption of Initiative Amending Ordinance No. 391-C.S. to Authorize a Future Rezone of the Quarry Which Could Include Residential Development, Under Certain Conditions” (the “Initiative”). The full text of the Initiative is attached to this Report as Exhibit 1.

If adopted by a simple majority of voters in November 2016, the Initiative would amend Ordinance No. 391-C.S. which was adopted by the voters in 1983 (the “1983 Ordinance”). The 1983 Ordinance rezoned property in the Rockaway Quarry (the “Quarry Site”) from agricultural and manufacturing use to commercial use. It also provided that any residential development on the Quarry Site would require a public vote. This Initiative would eliminate the public vote requirement for any future rezone which includes residential development at the Quarry Site, so long as any proposed development satisfies “certain conditions” (i.e. land use restrictions) as mentioned in the Initiative title, and as more fully described in Section 2, below.

This Initiative does not approve any specific project or a rezoning of the Quarry Site. Its adoption also would not result in any direct or indirect development or fiscal impact to the City. If the Initiative were adopted by the voters, a project applicant who sought to build residential development at the Quarry Site would still need to apply for and receive all appropriate development entitlements including but not limited to rezoning to the Planned Development zoning district, amendments to General Plan, Local Coastal Plan, and the Rockaway Beach Specific Plan, and would need to comply with all other local, state and federal regulations, including but not limited to the California Environmental Quality Act (“CEQA”). The Initiative would not limit the City’s discretion to evaluate a future project at the Quarry Site, and the impacts associated with any specific project would be analyzed as part of the City’s normal application review process (including review under CEQA).

The analysis contained in this Report is limited because the Initiative neither approves a specific project nor does it contain specifics regarding what a future project might include. Moreover, this report contains as much information as is reasonably ascertainable within the time frame allowed for its preparation. Despite the lack of project details, however, this Report does make certain reasonable assumptions regarding what the specifics of a future project could include given the restrictions contained in the Initiative. While the owner of the Quarry Site has submitted an application to develop the Quarry Site in the expectation that the Initiative will be approved by the voters, that project application must proceed through a thorough planning process without any guarantees as to what may or may not be built on the Quarry Site. As a result, a full analysis of the submitted application cannot be undertaken as part of this Report, and the purpose of a 9212 Report in any event is to analyze an initiative, not a hypothetical

project. As noted above, the impacts of that project application will receive a thorough review during the City’s processing of the application.

1.2 Authorization for the Report

When a proposed initiative is circulated and qualifies for the ballot, Section 9212 of the California Elections Code (“Section 9212”) authorizes the City Council to request a report regarding the initiative’s potential impacts. Specifically, Section 9212 provides that the report may address any of the following impacts of an initiative:

1. Fiscal impact,
2. Effect on the internal consistency of the City’s General Plan and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Sections 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code,
3. Effect on the use of land, the impact on the availability and location of housing, and the ability of the City to meet its regional housing needs,
4. Impact on infrastructure and community services of all types, including, but not limited to transportation, schools, parks, and open space,
5. Impact on the community’s ability to attract and retain business and employment,
6. Impact on the uses of vacant parcels of land,
7. Impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization, and
8. Any other matters the City Council requests to be in the report.

Section 9212(a) and (b) require that this report must be submitted “no later than 30 days after the City Clerk certifies to the City Council that the proposed initiative has qualified for the ballot.”

On June 27, 2016, the Pacifica City Clerk certified that the Initiative had qualified for the ballot, at which time the Pacifica City Council directed staff to prepare a report on the above-described Initiative pursuant to Section 9212 (the “Report”). Furthermore, the City Council directed that

the Report be prepared and submitted to it for review and consideration at the regularly scheduled City Council meeting on July 25, 2016.

1.3 Organization of the Report

The remainder of this Report is organized as follows:

- Section 2 describes the proposed Initiative and its relationship to the 1983 Ordinance requiring voter approval for residential development on the Quarry Site. This section also briefly summarizes the scope of potential development that the Initiative would allow the City to approve, and the development entitlements that may be needed for a specific project.
- Section 3 describes the consistency of the Initiative with the City's existing, approved documents: 1) General Plan, Land Use Element 2) General Plan, Circulation Element, 3) General Plan, Housing Element and Regional Housing Needs Assessment ("RHNA") allocation, 4) Rockaway Beach Specific Plan, 5) Zoning Ordinance, and 6) Local Coastal Plan.
- Section 4 addresses the fiscal impacts of the types of development envisioned in the Initiative language including potential sales tax, property tax, transient occupancy tax, and development fees.
- Section 5 describes the potential impacts of the Initiative based upon the development limitations contained in the Initiative language, including: public schools, sewer, water, stormwater, traffic/roads, police, fire, library, and parks and recreation.
- Section 6 is a list of the nearly 400 questions submitted regarding the Initiative with answers prepared by staff.
- Section 7 includes the actual text of the Initiative (Exhibit 1), Pacifica Ordinance No. 391-C.S. (Exhibit 2), the Fiscal Analysis for 9212 Report on Quarry Initiative (Exhibit 3), and the City's Below Market Rate Housing Ordinance (Exhibit 4). Other documents referred to throughout the Report can be accessed at the links below:

Zoning Regulations for Planned Development Districts, Title 9, Chapter 4, Article 22:

https://www.municode.com/library/ca/pacifica/codes/code_of_ordinances?nodeId=TIT9PLZO_CH4ZO_ART22PLDEDI

Rockaway Beach Specific Plan:

<http://www.cityofpacifica.org/civicax/filebank/blobdload.aspx?BlobID=5746>

Pacifica General Plan (1980):

<http://www.cityofpacifica.org/civicax/filebank/blobdload.aspx?BlobID=10848>

2. The Initiative

In 1983, the voters of Pacifica adopted the 1983 Ordinance. The 1983 Ordinance rezoned the Quarry Property from agricultural and manufacturing use to commercial use. Most importantly, the 1983 Ordinance explicitly provided that “any residential development” at the Quarry Site “shall require a vote of the people.” The 1983 Ordinance thus removed the Council’s discretion to approve a project that included residential development at the Quarry Site by requiring any such project to be approved by the voters.

The Initiative would amend the 1983 Ordinance to restore the City Council’s discretion to authorize a residential development at the Quarry Site without a further vote of the people so long as the proposed residential development is part of a project that is substantially consistent with the conceptual land use plan shown on the map attached to the Initiative (the “Map”), and meets all of the following conditions:

- The applicant must apply for, and the City must process and decide whether to approve, a rezoning of the property to a Planned Development zoning district that would allow a mixed use development that includes residential, hotel and conference center, retail, recreational, entertainment, and office uses;
- The residential, retail, restaurant, entertainment, and office space uses must be developed in the area described as “Quarry Village” on the Map, the hotel and conference center uses must be developed in the area described as “Hotel (188 Rooms & Conference Venue)” and the hotel bungalows must be limited to the area designated as “Hotel Bungalows (12 Units),” on the Map;
- The rezoning to a Planned Development zoning district, and any approvals the City issues for the project, must comply with all applicable federal, state, and local environmental regulations, such as the California Environmental Quality Act (CEQA), including implementation of any transportation mitigation measures required to mitigate significant traffic impacts identified during environmental review;
- Before the City can approve the rezoning to a Planned Development zoning district, the City Council must determine that the project will be built using green building standards, approve any necessary General Plan or Specific Plan amendments, and any necessary amendments to the Redevelopment Plan;

- At least 75 percent of the Quarry Site must be designated as permanently-protected open space, including setbacks of at least 100 feet from Calera Creek;
- New, publicly-accessible trails must be constructed at the project applicant's expense that connect Rockaway Beach to Mori Point;
- Grading for the development would be required to minimize erosion and restore wetlands;
- Retail, restaurant, entertainment, and office space development must not exceed two stories in height;
- Retail and restaurant space must not exceed 35,000 square feet, combined;
- Office space must not exceed 35,000 square feet;
- Residential uses cannot contain more than 206 multi-family units, which could not exceed four stories in height. Of these 206 units, no more than 181 could be residential apartment units, and of those at least 20 percent must be designated as affordable for very low, lower, or moderate income households. At least 25 of the multi-family units must be designated as live-work units; and
- The hotel must be limited to no more than 200 rooms, including no more than 188 hotel rooms, and no more than 12 bungalows. The bungalows must not exceed 2,500 square feet each. The conference venue component must not exceed 13,000 square feet.

2.1 Scope of Potential Development that the Initiative Would Allow the City to Approve

As noted above, the City Council cannot currently authorize a residential development at the Quarry Site without a vote of the people. If the voters adopt the Initiative, the Council could approve residential development at the Quarry Site, but only in the limited circumstances set forth in the Initiative (described above). However, the Initiative would only eliminate the voter requirement for a residential development that conforms to the land use restrictions contained in the Initiative (see Section 2). If a residential development did not conform to those restrictions, a vote of the people would still be required.

The Initiative does not approve a specific project or a rezoning at the Quarry Site. If the Initiative is approved, any project proposed for the Quarry Site must still proceed through the City's normal planning process which requires full environmental review, and both Planning Commission and City Council approval. While the owner of the Quarry Site has submitted an

application to develop the Quarry Site in the expectation that the Initiative will be approved by the voters, that project application must proceed through a thorough planning process without any guarantees as to what may or may not be built on the Quarry Site. As a result, the specifics of any project that might be permitted at the site will not be determined until an application is processed through the City's planning process and ultimately approved by the City Council.

While the specifics of a future project will depend on the outcome of the City's planning process, the Initiative does provide some restrictions and requirements that any project involving residential development must satisfy to be considered without a further vote of the people. The Initiative requires that any rezoning allow a mixed use development that includes hotel and conference center, recreational, retail, entertainment, office, and residential uses as described in more detail above. The Initiative also requires that at least 75 percent of the Quarry Site be designated as permanently-protected open space, including setbacks of at least 100 feet from Calera Creek, and that new, publicly-accessible trails be constructed through the Quarry Site that connect Rockaway Beach to Mori Point. Further, the Initiative requires that any project be built using green building standards, as determined by the City Council. The particular means of enforcing these open space, public trail, and green building restrictions will be determined through the planning process. The restrictions and requirements in the Initiative require that the location of any land uses be substantially consistent with the conceptual land use plan shown on the Map.

2.2 Future Development Entitlement Process

Any application to develop a project at the Quarry Site would require review and approval through the City's typical development review (i.e. entitlement) process, including, environmental review pursuant to the California Environmental Quality Act (CEQA). Because the development review process would afford the City discretion whether to approve, approve with conditions, or deny the development, it is essential to understand that, even if the voters adopt the Initiative, the City would not be bound to approve any particular proposed rezoning or particular development project at the Quarry Site.

During the development review process for a project at the Quarry Site, the City staff, Planning Commission, and City Council would consider factual evidence related to the particulars of the project. The project review would include but not be limited to proposed uses, site plan layout, building size and design, transportation requirements (i.e. streets, sidewalks, trails, and parking), open space, and utility infrastructure requirements including but not limited to water, sewer, storm water, electricity, gas, and communications. The review would also include identification of potential environmental impacts. Where an environmental impact may be significant, the review process would include consideration of measures to reduce the impact to a less-than-significant level, including by changing the project. The development review process would allow for public comment on the development and would require at least two public hearings.

A project proposed for the Quarry Site under the provisions of the Initiative would require City review and approval of several actions. The required City actions would include, at a minimum, amendments to the General Plan, Local Coastal Plan, and Rockaway Beach Specific Plan^{1 2}; rezoning to the P-D (Planned Development) zoning district; approval of a development plan describing approved uses within the Quarry Site's Planned Development zoning district; and, approval of a specific plan³ setting forth the characteristics of the physical development such as the detailed site layout and building design (collectively, these actions are known as the project "entitlements"). It is possible a development could require additional entitlements, depending on the nature of the development. These could include approval of a variance, parking exception, or other permit. The City is unable to speculate about what entitlements may be required beyond the minimum actions identified above.

The entitlements required for approval of a project at the Quarry Site involve two types of actions. The first group of required entitlements, which include amendments to the General Plan, Local Coastal Plan, and Rockaway Beach Specific Plan⁴ and rezoning to the P-D zoning district, are legislative actions. Development plan approval is tethered to the P-D rezoning because it establishes the permissible uses within the zone. Legislative actions require action by the City Council because it is the elected legislative body of the City. The City Council possesses broad discretion when considering whether to take a legislative action, meaning the City Council is not obligated to approve plan amendments or a rezoning in the case of a development project at the Quarry Site. The Initiative, if adopted by the voters, would simply allow the City Council to approve plan amendments and a rezoning that included residential development at the Quarry Site if it found the overall development substantially consistent with the requirements of the Initiative.

The second required entitlement is approval of a specific plan. During review of a specific plan application, the City has significant authority to require modifications to a project by imposing conditions of approval. Conditions of approval can govern a wide range of project characteristics, including but not limited to building height, gross floor area, floor plans, and lot coverage. The City would even retain ultimate authority to deny a project in certain circumstances. Whether approving a project with conditions or disapproving a project, the City would need to cite specific evidence about the potential effects of the project that justify the

¹ The amendments to these documents would minimally require amendments to the maps they contain to reflect the conceptual land use plan contained in Exhibit A to the Initiative, as well as text amendments to permit residential development outside of upper slope areas. It is possible other amendments would be necessary also.

² The term "specific plan" has two different meanings depending on its use. In this instance, the term "specific plan" shall have the meaning found in §65450 *et seq.* of the Government Code (California Planning and Zoning Law).

³ In this instance, and throughout the remainder of this report, the term "specific plan" shall have the meaning found in §9-4.2201 *et seq.* of the Pacifica Municipal Code, unless otherwise noted.

⁴ In this instance, the term "specific plan" shall have the meaning found in §65450 *et seq.* of the Government Code (California Planning and Zoning Law).

particular action. Given the discretion retained by the City during review of these entitlements, the Initiative, if adopted by the voters, would not obligate the City to approve any particular plan amendments or a rezoning, development plan, specific plan, or other permit. The City would evaluate any project proposal on its merits.

A particular development project could require other entitlements, as noted above. The details of a specific development application must be known to identify additional entitlements applicable to a development at the Quarry Site.

Lastly, any development at the Quarry Site would require California Coastal Commission (“CCC”) approval of a coastal development permit (“CDP”). The Quarry Site is in an area of deferred certification in the City’s Local Coastal Plan (“LCP”), meaning the City is not authorized to approve a CDP for development in this area. The CCC review process occurs independently from the City’s development review process.

3. Consistency of the Initiative with Existing City Documents

3.1 The City of Pacifica General Plan – Land Use Element – Adopted 1980

The Land Use Element of the City of Pacifica General Plan designates the Rockaway Quarry Site as a Special Area, which is defined as follows:

An Area, as described in the text, within which special physical or economic problems exist and for which more than one use would be acceptable, based on the land use designation in the Plan description and the findings of the Environmental Report, site plan, and other required evaluation (Source: General Plan p. 34)

The Initiative seeks to allow the City of Pacifica to consider residential development under certain circumstances, and including rezoning that is substantially consistent with the Map. The Map includes a mix of uses including residential, hotel and conference center, retail, restaurant, entertainment and office with development maximums of

- 200 room hotel, including 188 hotel rooms and 12 hotel bungalows,
- 13,000 square feet of conference center
- 206 multifamily housing units,
- 35,000 square feet of retail and restaurant uses,
- 35,000 square feet of office uses and,

- 75 percent of the Quarry Site preserved as open space.

These land uses are generally consistent with the General Plan Special Area designation, which does not preclude any of the above uses. The General Plan Land Use Map indicates future commercial and residential uses on the Quarry site, although in different locations than shown in the Map. Before the City Council could approve any development on the Quarry site, pursuant to the Initiative or otherwise, a formal submission to the City of Pacifica and compliance with all appropriate environmental, land use and development-related regulations will be necessary. This process will definitively ensure consistency with all relevant city plans, policies, and ordinances and determine what plans need to be amended, if any.

Further, the General Plan Land Use Map designates the Quarry site as a Special Area “to be developed as a unit – to include commercial, residential, City Hall and marina uses.” (Source: General Plan p. 74). The “Coastal Neighborhoods” section of the Land Use Element similarly anticipates residential use of the Quarry Site, as follows:

To fortify the commercial areas, upper slopes less than 35 percent, not suitable for commercial development, would be developed in high density residential uses, the location dependent upon geotechnical studies. This is intended to reinforce commercial and employment opportunities. The new residential development shall provide units of outstanding design affordable to both moderate and upper income persons. The Quarry neighborhood should reflect Pacifica’s diverse social and economic mix by containing a range of housing sizes, types, and tenancies. If necessary to assure such a mix, the developer will be encouraged to reduce the cost of a portion (five percent) of the units to prices affordable to persons of moderate income. High visibility of this housing will require careful site design and contouring into the hillside. Because of geology, soils, coastal vegetation and erosion, and views, the portion of the Special Area steeper than 35 percent slope should not be developed. A minimum of 50 percent of the developable area shall be in commercial uses. (Source: General Plan p. 75)

If the Initiative is approved by Pacifica voters, any proposed residential development will need to include a mix of moderate and market rate housing to be consistent with the existing General Plan. However, the Map attached to the Initiative is not consistent with the General Plan statement and map that calls for residential development on the upper portion of the site with slopes less than 35 percent. Any development proposal in accordance with the Map in the Initiative will require a General Plan text and map amendment allowing residential development on the lower portions of the Quarry site and hotel development on the upper portion of the site with slopes less than 35 percent. It is important to note that the Initiative calls for 75 percent of the site to remain as open space. Based upon the development calculations prepared by Seifel and Associates, the Map includes commercial development on at least 50 percent of the developable area pursuant to the General Plan.

The text of the General Plan also describes the Quarry site as one of the few remaining large vacant sites suitable for commercial development in the Coastal Zone and City:

Because of its location, the quarry's future is critical to the coastal image of the City. The area is proposed as a Special Area to promote integrated, planned and well-designed use of the site. The most accessible, level and visible portions of the site, including the Calera Creek flood plain, should be developed in commercial uses attractive to, and serving visitors. A substantial portion of these commercial uses should be coastally oriented visitor destinations, including restaurants, small shops, sporting goods and other water-oriented shops, and a marina. Offices and neighborhood-serving commercial activities should also be included to add balance and attract off-season users. City offices could be included as well. Economic studies of Pacifica indicate that the short, split beach season make survival difficult for visitor-serving uses which are not also attractive to local residents. Well planned and designated activities are needed which will draw local and nearby residents during the off-season.

(Source: General Plan p. 75)

The Initiative does not expressly call for development of a City Hall or marina uses that the General Plan includes as possible uses. However, the General Plan does not require such uses be developed on the Quarry site. The Rockaway Beach Specific Plan, described in more detail later in this section, mentions that studies undertaken by previous quarry owners indicated that a marina use is not feasible and that "developed public beach access and public beach parking will be designed into the commercial development instead." The Rockaway Beach Specific Plan further states that marina uses are suggested, but not required.

3.2 The City of Pacifica General Plan Circulation Element – Adopted 1980

Any development on the Quarry Site will need access through and add traffic to Highway 1. Highway 1 is the sole north-south arterial through Pacifica. According to the Circulation Element, at peak commute hours, Highway 1 already exceeds capacity. The current Circulation Element does not include specific policies or levels of service applicable to the Quarry Site. It anticipates safety, capacity, and operational improvements on Highway 1 but does not condition development on implementation of these improvements.

Whether or not the Initiative is approved by Pacifica voters, any development proposal for the Quarry Site will add additional traffic to Highway 1 and require a detailed transportation impacts analysis. This analysis will occur, at a minimum, during environmental review as required by CEQA, and would include detailed traffic analyses (trip generation by use, turning movements, etc.) and consideration of mitigation measures.

3.3 City of Pacifica General Plan Housing Element 2015-2023 – Adopted 2015

The Housing Element is a State mandated General Plan element that is updated on a separate schedule from other required elements. The Housing Element evaluates a community's current and future housing needs; considers a variety of factors including population size, age, family size, income, and prevalence of disabilities; identifies constraints that can complicate the provision of sufficient housing; provides projections of future housing needs by income level; and also identifies strategies to accommodate the identified housing needs. The current adopted Housing Element was approved in May 2015 and covers the planning period from 2015-2023.

The Housing Element requires a community to identify sites for future housing development to ensure that each municipality has designated sufficient land areas for residential development that can accommodate construction of a municipality's Regional Housing Needs Allocation ("RHNA"). The recently adopted Housing Element complies with this requirement by selecting sites where residential development is already permissible under existing regulations and can accommodate the City's entire RHNA allocation of 413 units. The Housing Element does not grant any authority for physical development, which requires separate approvals by the Planning Commission and/or City Council as well as environmental review.

The RHNA is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its local Housing Element. As part of this process, the California Department of Housing and Community Development ("HCD") identified the total housing need for the San Francisco Bay Area for an eight-year period from 2015-2023. The Association of Bay Area Governments and the Metropolitan Transportation Commission developed a methodology to distribute this need to local governments in a manner that is consistent with the development pattern included in their Sustainable Communities Strategy. Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need.

The Initiative, which could allow the City to consider residential development on the Quarry Site under certain circumstances, could assist the City in meeting its RHNA allocation of 413 units over 2015-2023 planning period. The allocation of 413 units includes 259 affordable by extremely low, very low, low and moderate income categories. The Initiative text includes a maximum of 206 multi-family residential units of which 37 units (20 percent of the 181 apartment units) must be affordable to very low, low and moderate income households. The residential development maximum of 206 units would meet half of Pacifica's current RHNA. The 37 affordable units would represent 14 percent of the City's RHNA for households with extremely low, very low, low and moderate incomes.

Pursuant to the above discussion, the Initiative is consistent with the City's recently adopted Housing Element 2015-2023.

3.4 Rockaway Beach Specific Plan - Adopted 1986 and Amended 1992

The Rockaway Beach Specific Plan⁵ (the “Specific Plan”) was adopted in 1986 and amended in 1992. It includes the entire Quarry Site. The overall goal of the Specific Plan is to stimulate and attract quality private investment in this area, thereby improving the City’s economic health and tax base and strengthening the overall image and attractiveness of the area. Pages 9-11 of the Specific Plan list its overall objectives.

The Land Use and Development Objectives # 6 states “Encourage mixed use commercial/residential development.” (Source: Rockaway Beach Specific Plan p. 9.) The Specific Plan also states “High density residential use is also suggested in the General Plan and Coastal Land Use Plan for upper areas of the Quarry with slopes less than 35 percent. The purpose of such residential development would be to reinforce commercial and employment opportunities and to provide some affordable housing.” The Specific Plan further states “residential uses may be appropriate for portions of the Quarry if an initiative measure is approved permitting such use. The density, location and other elements relative to residential use of the Quarry site would be determined by evaluation of those specific residential project proposals which are consistent with and permitted by a future initiative measure.” (Source: Rockaway Beach Specific Plan p. 14.)

Although the visitor serving commercial and mixed uses are clearly intended to be the predominate use in the Specific Plan, the above referenced language clearly identifies residential use on the Quarry Site as an allowed use to support and enhance visitor and business commercial uses and is consistent with the objectives of the Plan. The Initiative, allowing residential development on the Quarry Site, is consistent with the Specific Plan language. However, depending on the location of any future residential development that may be proposed if the Initiative passes, the Specific Plan Map will need to be amended as it anticipates future residential development on the upper slopes of the Quarry Site while the Map envisions residential development on the lower or “Quarry Village” area.

The other uses, described in the full text of the Initiative, including hotel and conference center, retail, office, and open space/trails (75 percent of Quarry Site) are also consistent with the Specific Plan including:

- Land Use and Development Objective #1 “Provide for visitor serving commercial activities which upgrade the physical character of the area,” p. 9
- Land Use and Development Objective #7 “Provide for cultural, social and recreational amenities and activities which enhance future vitality of the area,” p. 9

⁵ In this Section 3.4, the term “specific plan” shall have the meaning found in §65450 *et seq.* of the Government Code (California Planning and Zoning Law).

- Land Use and Development Objective #8 “Encourage public access and recreation activities for visitor consistent with the adopted Coastal Land Use Plan,” p. 9
- Circulation and Parking Objective #2 “all parking within the Quarry Sub-area be provided in well landscaped, off street facilities,” p. 10
- Figure 7 Land Use Boundaries and Parking Locations page 13 and discussion on page 15 - Open space for public use is the dominant allowable activity on the upper slopes of the Quarry, however, limited commercial uses may also be permitted. This description recognizes the fragile environmental characteristics that exists and the value of open space.

3.5 City of Pacifica Zoning Ordinance

The 1983 Ordinance rezoned the Quarry site to C-3 (Service Commercial) zoning district⁶. This zoning district does not allow residential development as a permitted or conditional use. However, the 1983 Ordinance contemplates the possibility of future residential development at the Quarry Site with a vote of the Pacifica residents. The Initiative is consistent with the 1983 Ordinance as it seeks approval of Pacifica voters to allow residential development at the Quarry Site, under certain conditions.

If the Initiative is adopted, an actual development proposal will need to include a rezoning to a Planned Development zoning district because the Quarry Site, notwithstanding the provisions of the 1983 Ordinance or the Initiative related to residential development, is also subject to the requirements, procedures and standards of the City’s Hillside Protection District (HPD) overlay. Most notably, the HPD overlay standards contain a formula for determining the maximum permissible land coverage for any development based on the natural slope of the site, and also require rezoning to the Planned Development zoning district. The HPD overlay standards in Section 9-4.2256 of the Pacifica Municipal Code provide that “applicants of any development proposal with the Hillside Protection District Overlay shall pursue the procedures and standards set forth for the P-D District, specifically Sections 9-4.2204 through 9.4221 of Article 22 of this Chapter.” Accordingly before the Quarry Site can be developed for any use, with or without the Initiative, the property owner will need to apply for and receive a rezoning to the Planned Development zoning district. An integral part of any Planned Development rezoning is approval of a development plan and specific plan. A development plan establishes the permissible uses

⁶ Since adoption of the 1983 Ordinance, the City’s Zoning Map has identified the Quarry Site with the “C-3X” zoning designation. The C-3X designation identified the site as subject to the standards of the C-3 (Service Commercial) zoning district, while the “X” denoted the requirement for a vote of the people prior to approval of any residential development.

within the Planned Development zone, and a specific plan establishes the characteristics of the physical development such as the detailed site layout and building design.

Finally, if the Initiative passes, any potential residential development will need to comply with the City's Below Market Rate (Inclusionary) Program codified in Pacifica Municipal Code Title 9, Article 47 ("Inclusionary Housing Ordinance"), which establishes a requirement for housing developers to include housing units affordable to a range of income levels under certain circumstances. The Inclusionary Housing Ordinance applies to all residential developments of eight or more units, lots, or parcels, including those with eight or more units proposed to be added to an existing project. Residential developments subject to this Ordinance must insure at least 15 percent of all units, lots and parcels are affordable to persons with very low, lower or moderate income. The Inclusionary Housing Ordinance also specifies the term of affordability for both rental and ownership units. It is important to note that the City's legal ability to enforce these restrictions with regard to rental units must be reviewed in light of recent case law.

The Initiative, if approved, envisions a maximum of 206 multi-family residential units, up to 181 of which would be apartment units. Of these 181 apartment units, 20 percent would be "affordable" to very low, low and moderate income households, which is greater than the 15 percent required pursuant to the City's Inclusionary Housing Ordinance.

3.6 Local Coastal Plan

Development in much of the City of Pacifica, generally west of Highway 1, is subject to the provisions of the California Coastal Act by virtue of its location within the Coastal Zone. Development within this area must be consistent with a certified LCP in order for the City to issue a CDP. Presently, Pacifica's certified LCP does not include the Quarry Site. Part of the entitlement process for any development on the Quarry Site, with or without voter approval of the Initiative to include residential uses, includes application to the CCC for approval of a CDP.

4. Fiscal Impact

4.1 Approach

In order to provide a basis for evaluating how the Initiative might impact the City of Pacifica, this section compares the current existing condition of the Quarry Site with a potential future development scenario with the proposed Quarry Initiative. Each of these development conditions is briefly described, and then the future development scenario is further described below:

- **Existing Conditions** development scenario—The Quarry Site is currently vacant and has no existing development under its commercial-only land use designation. As a result, the site currently generates only limited property tax revenue to the City.
- **With Initiative** development scenario—Development on the Quarry Site occurs as envisioned by the Initiative, and residential development is accordingly included in this development scenario up to the maximum allowable number of residential units (206 units). Non-residential development is assumed at the maximum allowable amount authorized under the Initiative.

4.1.1 Existing Conditions Development Scenario

The **Existing Conditions** development scenario assumes that development on the Quarry Site occurs as allowed under the City’s current C-3 (Service Commercial) and HPD (Hillside Preservation District) overlay zoning and in conformance with the 1983 Ordinance prohibiting residential development without a vote of the people. As no specific development proposal has been approved for the site since mining operations ceased in 1987, this scenario assumes that new commercial-only development is unlikely to occur in the near term. If more time had been available to prepare this fiscal analysis, additional market research and analysis could have been undertaken in order to determine what mix and amount of commercial-only development could be feasible at the site, which would have then informed the preparation of an alternative commercial-only site plan and development program. However, given the limited time available for this study and the property’s long history of vacancy, the assumption used for the development scenario without the Initiative is the site’s existing condition as a vacant site.

4.1.2 With Initiative Development Scenario

The **With Initiative** development scenario assumes development on the Quarry Site occurs as envisioned by the proposed Initiative. As the Initiative would eliminate the public vote requirement for any future rezoning that includes residential development, new housing is included in this development scenario. Specifically this scenario includes:⁷

- 181 multi-family residential units with at least 20 percent of total units (37) as affordable housing units
- 25 live-work units

⁷ The latest site plan presented by the owner of the site in April 2016 contains a mix of live-work, 1-bedroom, 2-bedroom and 3-bedroom units. Future residential development is assumed to have an overall average unit size of about 1,000 square feet based on a review of this site plan as well as market research regarding comparable residential projects prepared by The Concord Group. (See further description in next section.)

- 35,000 square feet of commercial space (retail, restaurant, and entertainment)
- 35,000 square feet of office space
- 200 hotel rooms, including 188 hotel rooms, 12 bungalows of 2,500 square feet each, and a 13,000 square foot conference center.

The San Francisco Bay Area is one of the most important financial and commercial regions in the world. It offers strong employment opportunities, top universities, a temperate climate, exceptional urban and suburban residential communities, a beautiful setting and geography and diverse recreational and cultural attractions. While San Francisco and Silicon Valley are considered to be the major employment epicenters of the Bay Area, San Mateo County, which lies between them, also contains many of the Bay Area's major employers, including many in the biotechnology sector, and contributes significantly to the Bay Area economy. According to the State of California Employment Development Department, San Mateo County has the lowest unemployment rate throughout the entire state of California at 2.4 percent according to May 2016 job numbers. Leading the state in terms of employment demand is evidence that San Mateo County remains one of the hottest markets in the region due to rapidly growing companies and the high demand for premier commercial real estate in the thriving Bay Area economy. Based on interviews with knowledgeable local real estate professionals and a market assessment conducted by The Concord Group in order to determine the potential valuation of property on the Quarry site,⁸ the robust local market and recent market trends support the proposed mix of land uses in the Initiative on the Quarry site:

- Residential— In the San Francisco Metro area that includes San Mateo County, job growth over the past five years has outpaced new housing construction, leading to rapid increases in home prices and rents. Pacifica is located in northern San Mateo County, where only approximately 300 multifamily apartment units have been built during the same time period. Existing apartment buildings in Pacifica, which were built more than 45 years ago, are currently achieving about \$3.50 per square foot in rent, and rents in northern San Mateo County have increased more than 20 percent over the past two years. The trend is similar in the homeownership market as well. According to the real estate website Trulia, over the past year the median sales price of homes in Pacifica has increased by 11 percent to \$865,500 (\$650 per square foot on average). In San Mateo County, Class A (recently built) apartment buildings have sold for \$658,000 per unit on average.

⁸ See Exhibit 3, Appendix B for the market assessment of The Concord Group.

- **Hotel**– A robust tech industry combined with strong convention and tourism trade are transforming the San Francisco Bay Area into one of the hottest hotel investment markets in the country. San Francisco/San Mateo ranks third in the country for both occupancy and average daily rate behind New York City and Oahu Island, according to a report by Smith Travel Research. As a result, even the mid-range hotels in Pacifica such as the Best Western and Pacifica Beach Hotel have managed to achieve daily rates as high as \$240 per room. This fact could be explained by Pacifica’s impeccable location. Pacifica is only 20 minutes away from downtown San Francisco, about 40 minutes away from Silicon Valley, and less than 20 minutes from the San Francisco International Airport. Pacifica has direct access to the beach, an abundance of trails and open space and a peaceful charm. Oceanfront property is a rare commodity. Between the Golden Gate Bridge and Santa Cruz, only a handful of hotels offer ocean views and direct beach access. In light of the strong regional demand, limited new hotel supply, the site’s unique ocean location and views, the Quarry Site would be able to attract a higher quality, more upscale hotel operator than currently operates in Pacifica, such as Kimpton, Joie de Vivre or Marriott, and could potentially attract a luxury resort operator that is seeking a unique waterfront location, as was the case with the Ritz Carlton at Half Moon Bay.
- **Retail**– Pacifica has the potential to create a unique waterfront shopping experience, in a way that other waterfront communities such as Half Moon Bay and Sausalito have done. These communities offer visitors a chance to unwind and relax while they meander along the waterfront and enjoy the sunshine, sea air, and ambiance. Pacifica has great location, beach access, relatively high incomes, and the emerging consumer preferences for local and neighborhood serving restaurants and retailers. New residential development on the site will increase household demand for retail purchases, while new hotel and office development will generate additional worker and visitor retail spending, which will help support existing retail businesses and new retail development on the site. In North San Mateo County, retail developments have recently traded at an average of \$300 to \$500 per square feet depending on the quality and size of space.
- **Office**– Strong job growth has generated significant demand for office space and put an upward pressure on office rents as well. Given Pacifica’s close proximity to San Francisco, Silicon Valley and the airport, Pacifica could capture some of the spill over demand from these extremely tight markets. According to Colliers International’s San Francisco Peninsula Q1 2016 Report, the average asking office rent (fully serviced) in San Mateo County has reached \$4.70 per square foot, an 11 percent increase year-over-year while the vacancy rate dropped to about 7 percent, the lowest rate in over 15 years. In

North San Mateo County, Class A office buildings have recently traded for an average of about \$450 per square feet.

4.1.3 Comparison of Development Scenarios

As described above, the Initiative merely sets forth certain conditions for potential development at the Quarry Site and does not approve any particular development plan. Thus, the fiscal analysis presented in the next section compares the potential fiscal revenues and impacts from these two development scenarios. Table 1 summarizes allowable development at the Quarry Site under these development scenarios.

Table 1
Summary of Development Scenarios for Quarry Site

Development Land Use	Existing Conditions	With Quarry Initiative
Residential (units)^a	0	206
Multifamily	0	181
Market Rate	0	144
Below Market Rate	0	37
Live-work	0	25
Market Rate	0	25
Below Market Rate	0	0
Residential Total (sq.ft.)	0 sq.ft.	206,000 sq.ft.
Non-Residential (Allowable)		
Office	0 sq.ft.	35,000 sq.ft.
Retail/Commercial	0 sq.ft.	35,000 sq.ft.
Hotel (rooms)	0	200
Hotel	0	188
Hotel Bungalows	0	12
Hotel (sq.ft.) ^b	0 sq.ft.	155,800 sq.ft.
Hotel	0 sq.ft.	112,800 sq.ft.
Hotel Bungalows	0 sq.ft.	30,000 sq.ft.
Conference Room	0 sq.ft.	13,000 sq.ft.
Non-Residential Total (sq.ft.)	0 sq.ft.	225,800 sq.ft.
Total (Sq. Ft.)	0 sq.ft.	431,800 sq.ft.

a. The residential development includes a mix of studios, 1-bedroom, 2-bedroom and 3-bedroom apartments, with an overall average unit size of 1,000 sq.ft.

b. Average hotel room size is assumed to be 600 sq.ft. Average size of a hotel bungalow is assumed to be 2,500 sq.ft.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

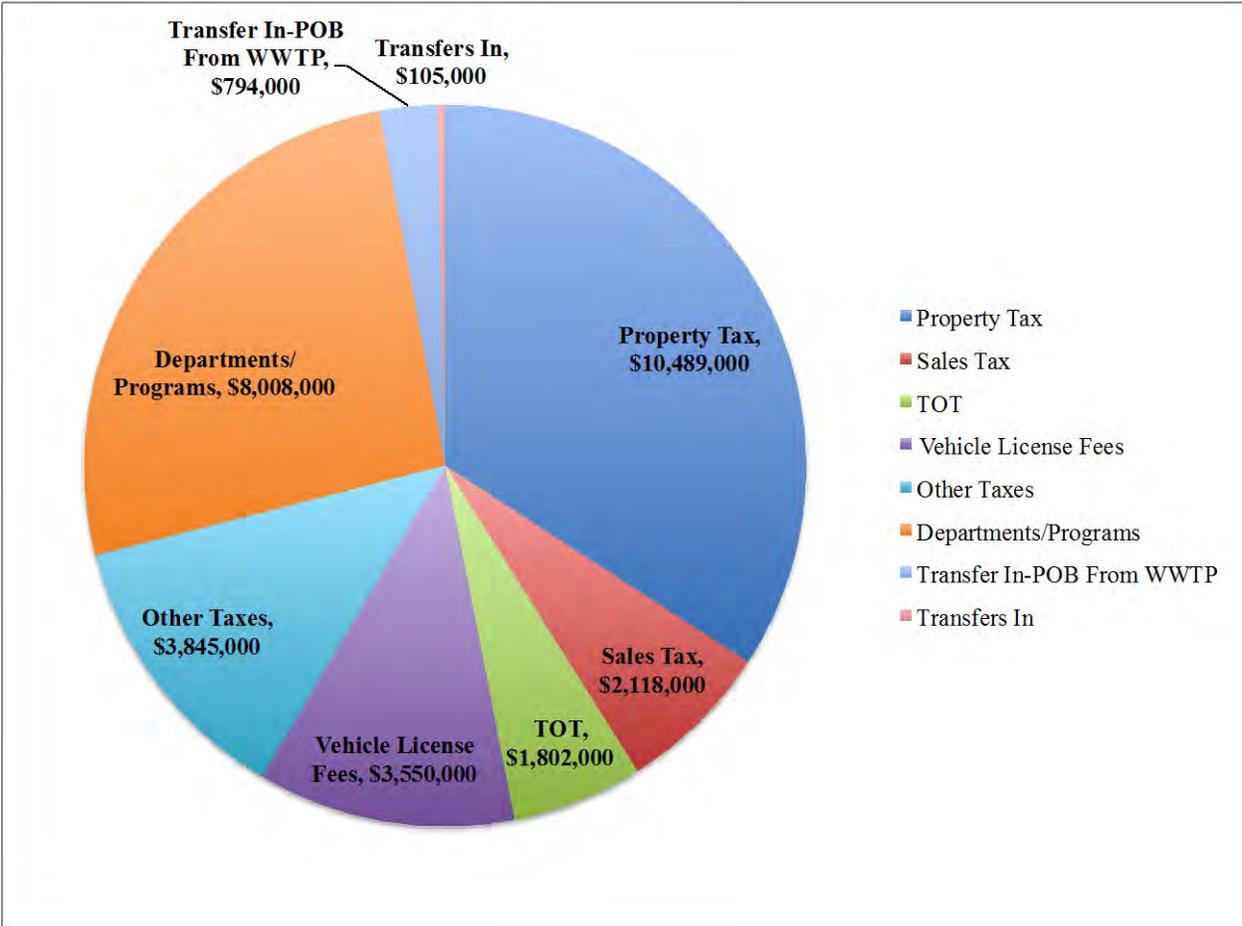
4.2 Fiscal Analysis

This section evaluates the potential fiscal impact from the Initiative, as described in section 9212 (b)(1) of the Elections Code. It begins with a description of the sources of revenue that the City’s General Fund receives, with a particular focus on those revenues directly tied to new development. It then analyzes and compares the fiscal revenues that the City would receive under the two development scenarios described above, **Existing Conditions** and **With Initiative**. It then discusses the potential fiscal costs that could occur under each of these development scenarios and concludes with a set of findings from the fiscal analysis.

4.2.1 Major Revenue Sources to the City’s General Fund

According to the City’s FY 2016/17 budget, the City receives about \$30.7 million in General Fund revenues. Figure 1 shows the distribution of fiscal revenues to the City’s General Fund according to the City’s major budget categories.

Figure 1
Distribution of Fiscal Revenues to City’s General Fund



The four major sources of revenues that are directly tied to new development are: property tax (currently about \$10.5 million), sales tax (about \$2.1 million), transient occupancy tax (TOT, about \$1.8 million) and vehicle license fees (VLF, about \$3.6 million). These revenues are projected to represent about 59 percent of the City's General Fund revenues in Fiscal Year (FY) 2016/17 according to the City's recently adopted Budget.

The next most significant portion of General Fund revenues (26 percent) are generated by City departments/ programs that provide services and programs for which the City receives revenues that typically recover a significant portion of the City's costs to deliver these services. (These include charges by the Planning, Parks, Beaches and Recreation, Police and Fire Departments as well as grants and other revenues that the Departments receive.)

Other taxes (12 percent) include franchise tax, utility users tax and business license taxes, all of which would likely increase based on new development. Other taxes also include the City's allocation of the half-cent sales tax measure for public safety that is allocated by San Mateo County.

The City's General Fund revenue is projected to increase as new development occurs. The "net increase in potential development" is the difference between what is currently developed on the site (**Existing Conditions**) and what could potentially occur under the **With Initiative** development scenario. As the site is currently vacant, the net increase in potential development is equal to new development under the **With Initiative** scenario.

The fiscal analysis evaluates the potential difference in fiscal revenues that would be generated under each scenario. The fiscal revenue projections and assumptions and methodology for each of the City's major sources of revenue are described in each of the following sections, and the projections are based on what would be generated by the property at build-out in constant 2016 dollars without taking into account any additional increases in revenues attributable to inflation, appreciation or future adjustments in valuation that might occur from future sales or reassessments. (Please refer to Exhibit 3, Appendix 1 for the detailed tables accompanying the fiscal analysis, which includes the supporting calculations for the projections of new development. Appendix 1 Table 1 shows the development assumptions for each of the scenarios.)⁹

⁹ While Seifel has made extensive efforts to substantiate this information, Seifel does not guarantee the accuracy of third party data and assumes no responsibility for inaccuracies in the provided information or analysis. Any estimated revenue projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be projections of the future for the specific project, and no warranty or representation is made that any of the estimates or projections will actually materialize.

4.2.2 Property Tax

Under current law, property is assessed at actual full cash value with the maximum levy being 1 percent of the assessed valuation (referred to as basic 1 percent tax revenues) plus any increase in tax rate above the 1 percent that is authorized by voters to pay for special taxes and assessments (referred to as override revenues). According to the City's Budget, the City of Pacifica receives 23.66 percent of the basic 1 percent (\$.2366/\$1.00) in property tax revenues from all properties within the City, resulting in an average citywide property tax rate of 0.2366 percent.

According to the most recent (FY 2015/16) property tax bills, the current assessed value of the Quarry Site is \$4.75 Million and the Quarry Site contributed approximately \$11,000 in property tax revenues to the City. Under Proposition 13 Tax Reform, property tax increases on any given property are limited to no more than 2 percent per year as long as the property is not sold. Thus, under the existing condition, the property tax revenue generated from the Quarry Site will grow only at 2 percent annually.

New development will generate additional property tax revenue from growth in assessed value multiplied by the City's tax rate.¹⁰ Future assessed value from new market rate development is estimated based on a market assessment that was performed by The Concord Group in July 2016 (included as Exhibit 3, Appendix 2 of this report). In summary, the growth in assessed value for each land use is estimated to be:¹¹

- Residential \$480,000 per market rate unit and \$240,000 for a below market rate unit based on restricted rents affordable to low income households¹²
- Hotel– \$350,000 per hotel room (including the hotel bungalows)
- Retail–\$350 per square foot of retail space (inclusive of personal property)
- Office– \$350 per square foot of retail space (inclusive of personal property)

¹⁰ The City's average property tax share is used to represent the potential property tax share associated with development on the Quarry Site.

¹¹ Incremental growth in assessed value is based on the difference between the value of potential new development and the existing value of the site, based on recent market values for land in Pacifica. For more detail, please refer to Exhibit 3, Appendix 1, Table 4.

¹² The Initiative provides that at least 20 percent of the multifamily units must be affordable to very low, low or moderate income households. The assessed value for below market rate units is estimated based on annual rental income per unit assuming an average rent based on affordable rent per unit according to the California Tax Credit Allocation Committee for a 2 bedroom unit at 60 percent of Area-wide Median Income for the County of San Mateo and assuming an average utility allowance of \$100 per month.

The annual property tax revenues estimated at buildout are shown by development scenario in Exhibit 3, Appendix 1, Table 2.

4.2.3 Sales Tax

Sales Tax revenues are based on taxable sales of goods and services either to retail consumers or other businesses that occur in Pacifica. The proceeds of taxable sales within the boundaries of Pacifica are distributed by the State to various agencies, with the City's General Fund effectively receiving 1 percent of the collected revenue.¹³

The projection of future sales tax revenues from new development under the **With Initiative** scenario is based on 1 percent of taxable sales attributable to the 35,000 square feet in new retail development allowed in the Initiative.¹⁴ A development at the Quarry Site will create a new waterfront location that can attract recreational retailers such as restaurants, cafes, bike/kayak rentals, and souvenir shops, as well as a destination restaurant at the hotel and conference venue. Based on the market research conducted by The Concord Group, a 92 percent retail occupancy rate is considered to be a fair occupancy assumption for retail development at this location. As retail development is only present in the **With Initiative** development scenario, only this scenario would generate sales tax revenue for the City. (See Exhibit 3, Appendix 1 Table 3.)

4.2.4 Transient Occupancy Tax

A new hotel development would generate Transient Occupancy Tax (TOT) revenues based on the City's current 12 percent TOT rate on hotel and motel room revenues. Based on the market research conducted by The Concord Group, this analysis assumes an average daily room rate of \$275 per room with an overall occupancy rate of 75 percent for the hotel, inclusive of the hotel bungalows. Because a hotel is only present in the **With Initiative** development scenario, only this scenario would generate TOT revenue for the City. (See Exhibit 3, Appendix 1 Table 4.)

4.2.5 Property Tax In-Lieu of Vehicle License Fee Revenue

Vehicle License Fee (VLF) revenue, now known as Property tax in lieu of VLF revenue, is a revenue swap enacted as part of the State Budget Act of 2004. The Legislature reduced the

¹³ The City also receives an additional share of countywide sales tax revenues for public safety. However, as this is a small share of overall General Fund receipts and may not continue in the future, it is not projected in this report.

¹⁴ The hotel could also potentially generate additional taxable retail sales (from food, beverage and gift sales as an example) or the office could generate taxable business-to-business sales, but this analysis conservatively assumes taxable retail sales are generated only from the 35,000 square feet of retail.

backfill to cities and counties associated with reductions in the VLF and in return gave cities and counties additional property tax revenue in proportion to annual increases in assessed value.¹⁵

Consistent with this statewide process, VLF revenue is calculated by applying the percentage increase in assessed value from new development at the Quarry Site to the City's current VLF revenue estimate. This analysis only assumes growth in assessed value from the Quarry Site and does not take into consideration any additional growth in assessed value from other properties in Pacifica, which could be stimulated as the result of new development at the Quarry site. As new development of any sort would contribute additional assessed value to the City, the Property Tax In-Lieu of VLF Revenue to the City is higher in the **With Initiative** development scenario. (See Exhibit 3, Appendix 1 Table 5.)

The City would also potentially receive additional VLF revenues as the assessed value of the property increases over time. However, for purposes of this analysis, future increases in revenues are not considered. In addition, as the current assessed value in the **Existing Condition** only represents 0.1 percent of Pacifica's assessed value citywide, the increase in VLF revenues attributable to the site in its existing condition is minimal.

4.2.6 Other Revenues

The City of Pacifica charges a Utility User Tax (UUT) on gas, electricity and telecommunication services provided within the City's jurisdiction. Revenues generated from this tax can be used for general City purposes. Revenue from UUT has been relatively stable in recent years due to lack of new development in the City and likely also due to lower electricity usage resulting from local investments in solar infrastructure. Since new development would most likely meet increasing energy-efficiency standards, future development is not likely to affect City revenues. For this reason, and because UUT comprises less than 5 percent of the FY 2016/17 budget, this revenue category is not analyzed.

General Fund revenues generated by City departments/ programs that typically recover a significant portion of the City's costs to deliver these services are also not projected because these revenues would grow in direct proportion to the City's costs for providing the services or functions (such as planning or building fees). While new development would increase revenues to these City departments/ programs, new development would also proportionately increase costs associated with these departments/ programs.

A variety of other, smaller revenue sources contribute the remainder of General Fund revenues. In consultation with City staff, no other revenues are projected in this analysis because they correlate less specifically with new development or comprise small portions of the FY 2016/17 budget.

¹⁵ For more information, refer to: <http://www.californiacityfinance.com/VLFswapAnnIncFAQ.pdf>

4.2.7 Summary of Fiscal Revenues

As shown in Table 2 below, any potential development at the Quarry Site would increase revenues to the City’s General Fund since the Quarry Site is currently vacant.

Table 2

Summary of Annual Revenue Generation to the General Fund from the Quarry Site

Major Revenue Source to General Fund	With Quarry Initiative
Property Tax ^a	\$425,000
Sales Tax ^b	\$97,000
Transient Occupancy Tax (TOT) ^c	\$1,807,000
Property Tax In-Lieu of Vehicle License Fee (VLF) ^d	\$131,000
Additional City Revenues from the Quarry Site	\$2,460,000

Note: Dollar figures rounded to the nearest thousand. Revenues are based on constant 2016 dollars and reflect the potential increase in annual General Fund revenues above what is currently generated by the Quarry site, assuming that new development occurs at maximum build-out according to the language in the Initiative.

a. See Appendix 1, Table 2. Represents growth in property taxes from new development

b. See Appendix 1, Table 3.

c. See Appendix 1, Table 4.

d. See Appendix 1, Table 5.

Source: City of Pacifica, Seifel Consulting Inc.

The Quarry Site has remained vacant since 1987 and future development with a residential component is likely to have a greater chance of success to be financially feasible given the high demand for residential uses in the Bay Area, particularly on a waterfront location, and that residential would be a complementary use that would help support the proposed retail uses. With a residential component serving as the factor that may make future development of the Quarry Site likely to occur, the revenue estimates largely indicate an all-or-nothing fiscal impact to the City. Thus, potential development with the Initiative would likely increase revenues to the City’s General Fund significantly as compared to potential development under Existing Conditions (which, as evidenced since adoption of the 1983 Ordinance, is unlikely to occur).

4.3 Fiscal Costs

The City’s General Fund pays for basic services that are provided by various City departments, including General Government, Police, Fire, Public Works, Planning, and Parks, Beaches and

Recreation. New development will result in increased fiscal costs to the City, as it will generate added demand for these services, but how much the fiscal costs will increase as the result of new development will vary by department.

As described earlier, some of the City’s departments receive revenues that largely offset the cost of providing services. For example, about 80 percent of the departmental costs for Parks, Beaches and Recreation are recoverable, and 92 percent of the departmental costs for Planning are recoverable.¹⁶ The City’s wastewater and stormwater management that fall under Public Works are 100 percent recoverable expenses. While new development will impact these departments, much of the additional costs attributable to new development will likely be able to be recovered. Overall about 23 percent of the City’s annual costs are typically recoverable, as shown below in Table 3, which summarizes the City’s FY 2016/17 budgeted costs and the estimated cost recovery percentage.

Table 3
Summary of Annual Net Fiscal Costs to the General Fund

Item	2016/17 Budget	Cost Recovery Percentage	Cost Recovery Amount	Net Costs
General Government	\$4,019,000	3%	\$120,570	\$3,898,430
Police Department	\$9,186,000	4%	\$367,440	\$8,818,560
Fire Department	\$6,098,000	8%	\$487,840	\$5,610,160
Planning & Building	\$2,695,000	92%	\$2,479,400	\$215,600
Public Works	\$2,817,000	7%	\$197,190	\$2,619,810
Parks, Benches & Recreation	\$4,276,000	80%	\$3,420,800	\$855,200
Non-Departmental	\$584,000	N/A	N/A	\$584,000
Transfers Out	\$1,036,000	N/A	N/A	\$1,036,000
Total Annual Expenses	\$30,711,000	23%	\$7,073,240	\$23,637,760

Source: City of Pacifica FY 2016/2017 adopted budget.

New development would also not necessarily increase fiscal costs proportionately to revenues, as some of the City’s costs are fixed. For example, General Government cost accounts for all the administrative functions of the City and includes the services and activities provided by the City Council, City Staff, Economic Development, Finance, Human Resources (HR), and Informational Technology (IT) divisions. A substantial portion of the City’s General Government costs are likely to be fixed, as staff would not necessarily increase as the result of new development. (For example, the City would likely continue to have one City Manager and Assistant City Manager and would fundamentally maintain the same level of Finance, HR and IT services.)

¹⁶ The Planning Department issues permits for all new construction and provides plan checks and inspection services. However these are one-time costs and are typically reimbursed through permits and service fees.

Overall, the proposed new development at the Quarry Site would represent a small increase in the City's overall development landscape. For example, the number of residential units in the **With Initiative** development scenario would potentially increase the City's current number of housing units by about 1.4 percent,¹⁷ and the projected assessed value from new development with the Initiative could potentially increase assessed value in the City by about 4 percent (or an increase of about \$180 million on current \$4.9 billion value), which is another way to measure the potential growth attributable to new development on the Quarry Site.¹⁸

According to the fiscal revenue analysis, new development in the **With Initiative** development scenario would potentially increase the City's four major sources of revenue to the General Fund by about \$2.5 million, which represents a potential 8 percent increase in revenues (\$2,460,000/\$30,711,000). In addition, considering that several of the City's departments are able to recover much of their direct costs, and none of the revenues from this cost recovery are projected as part of this fiscal analysis, new revenues in the **With Initiative** development scenario represent a potential 10 percent increase in General Fund revenues that are not directly recoverable (\$2,460,000/\$23,638,000). Based on this analysis, this report concludes that the overall fiscal impact of the Initiative will likely be positive to the General Fund.¹⁹

4.4 Conclusion

The principal effect of the Initiative will be to eliminate the public vote requirement for any residential development on the Quarry Site. The site's redevelopment, as proposed by the Initiative, has the potential to bring new businesses, residents, tourists, and jobs to the Quarry Site with strict limitations on overall development. The proposed mix of land uses in the Initiative are likely to result in a positive fiscal impact on the City's General Fund because of the potential value creation and revenue generation associated with the site's prime location along the Pacific Ocean, the significant demand for hotel and residential uses that offer ocean views and/or direct access to the ocean and its location within a 15 minute drive to the San Francisco International Airport.

According to the fiscal revenue analysis (as shown in Table 2), new development in the **With Initiative** development scenario would potentially increase the City's four major sources of revenue to the General Fund by about \$2.5 million, which represents a potential 8 percent increase in the City's General Fund revenues. After considering that several of the City's

¹⁷ According to the City's Housing Element, the number of housing units (all types of housing units) in Pacifica was 14,523 in 2011.

¹⁸ The proportionate share of assessed value is considered to be the best proxy for the potential proportionate growth from new development as compared to existing development citywide, although this ratio may be overstated as property values from new development at the Quarry site are likely to exceed existing values per unit or per square foot given the likely upscale nature of new development along the ocean.

¹⁹ With the Quarry Initiative, the 206 residential units would increase the demand for services to residents but would also generate additional property tax and property tax in-lieu of VLF revenues to help offset these costs.

departments are able to recover much of their direct costs, new revenues in the **With Initiative** development scenario represents a potential 10 percent increase in General Fund revenues when excluding revenues that are typically recoverable by direct charges for services or grants.

By way of comparison, in the **Existing Conditions** development scenario the City's current revenue picture from the Quarry Site would not change. The only direct revenues that the General Fund would receive from the Quarry Site would be property taxes (estimated to be \$11,000 currently), which would continue to increase at or below 2 percent per year if the site continues to remain in the same ownership. The City could also potentially receive a marginal increase in VLF revenues as assessed value increases over time, but as the site's current assessed value only represents 0.1 percent of Pacifica's assessed value citywide, the increase in VLF revenues attributable to the Quarry Site in its existing condition would be minimal. Thus, the amount of fiscal revenue would remain very small, especially in comparison to potential revenues from development of the Quarry Site.

Based on preceding analysis, this report concludes that the overall fiscal impact of the Initiative would likely be positive to the City's General Fund.

5. Impact on Local Infrastructure and Community Services

For purposes of this report local infrastructure is broadly interpreted to include the physical and social facilities and services that are provided by local agencies including the City, Pacifica School District, Jefferson Union High School District, North Coast County Water District, and San Mateo Library District. Although the Initiative would not approve a specific development project proposal, it does include limits on potential development by use: hotel and conference center, retail, office, residential and open space. Traffic/roads, sewers, water, stormwater, schools, fire, police, parks and recreation, and library services will be discussed to the extent information is available without a detailed development proposal. Adequate infrastructure and quality community services are essential of the quality of life that Pacifica residents enjoy and want to continue in the future.

5.1 Traffic/Roads

Highway 1 is the sole north-south arterial through Pacifica. At the present time, Highway 1 in Pacifica experiences high vehicle volumes and congestion resulting in "stop and go" traffic delays of 30 minutes or more and queues between one and two miles during morning and late afternoon/evening peak hours. Any development on the Quarry Site will need access through and add traffic to Highway 1.

Any future project would generate additional vehicle traffic on Highway 1. The effect of new vehicle traffic, including any impacts on existing intersections, would be the subject of a detailed analysis as required by the Initiative and by CEQA. With or without the residential

development envisioned by the Initiative, any development project on the Quarry Site would require a detailed and formal submittal and a full project analysis pursuant to CEQA, of which a comprehensive traffic study would be required along with mitigation measures to address potential project impacts, including payment of any traffic impact fees.

5.2 Sewer Capacity

The City operates a wastewater treatment plan, sewage lift stations, and stormwater pump stations, as well as a citywide system of sewer mains with lateral pipes that connect to homes and businesses. The Calera Creek Water Recycling Plant (“CCWRP”) is located on the south flank of Mori Point and is a tertiary treatment plant bought online in 2000 to replace the old wastewater treatment plant in Sharp Park. The CCWRP has a peak hourly dry weather capacity of 7.0 million gallon per day (“mgd”), and a peak hourly wet weather capacity of 20 mgd. It is estimated that the current wastewater use is approximately 3.2 mgd. Because of the City’s current and expected slow rate of growth, it is anticipated that the CCWRP capacity will be adequate for the near future.

Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. This analysis will lead to “Conditions of Approval” that could include a new sewer line connecting any Quarry Site development to the Rockaway Pump Station and possible upgrades to the existing pump station.

5.3 Potable Water Supply

The North Coast County Water District (“NCCWD”), a special district potable water purveyor, supplies water to Pacifica and part of San Bruno. NCCWD gets its water from the San Francisco Public Utilities Commission (“SFPUC”) through the Hetch Hetchy water system. The NCCWD’s contract with the SFPUC allows for a maximum purchase of 3.8 mgd. According to the NCCWD, the current water use is approximately 2.8 mgd, which is due, in part, to excellent water conservation efforts on the part of Pacifica residents and businesses. According to District Manager Cari Lemke, the NCCWD has sufficient potable water supplies for future development.

Any development on the Quarry Site, with or without residential use envisioned by the Initiative, will require a detailed and formal submittal and a full project analysis pursuant to CEQA and other local regulations and policies, which will need to include detailed information regarding potable water supply and capacity.

5.4 Stormwater

The City is part of the San Mateo Countywide Water Pollution Prevention Program (“SMCWPPP”), established in 1990. The primary goal of this entity is to reduce pollution carried

by stormwater and to maintain compliance with the National Pollution and Discharge Elimination System (“NPDES”) permit. The Municipal Regional Permit (“MRP”) outlines the State’s requirements for municipal agencies in San Mateo County to address the water quality and flow-related impacts of stormwater runoff. Some of these requirements are implemented directly by the City while others are addressed by the SMCWPPP on behalf of all the municipalities. Pacifica and other participating agencies must comply with the stormwater permits by ensuring that municipal operations, new development, redevelopment, and industrial development, will be subject to MRP requirements depending on the type or category of development.

Depending on the specific scale and uses involved in a new development at the Quarry Site, stormwater control measures could include design controls, source controls, treatment measures, low impact development, hydromodification management and construction best management practices. Under current standards, it is likely that any future development at the Quarry Site would be required to retain a substantial amount of stormwater for treatment and/or infiltration on-site.

5.5 Schools

Students in the City of Pacifica are served by the Pacifica School District (“PSD”) for Kindergarten through 8th grade and Jefferson Union High School District (“JUHSD”) for grades 9-12. The PSD has three K-8 schools (Cabrillo, Vallemar, and Ocean Shore), two K-5 schools (Ortega and Sunset Ridge), one grade 6-8 school (Ingrid B. Lacy Middle School) and the Linda Mar Education Center. The PSD’s 2016-17 enrollment is expected to be 3,068 students, down slightly from the previous school year. The current enrollment capacity for the PSD is 3,140 students based upon current facilities.

There are two JUHSD high schools in Pacifica: Terra Nova and Oceana High Schools. Terra Nova is a traditional-style high school while Oceana embodies a more rigorous curriculum emphasizing project-based learning. The 2016 enrollment at both Pacifica high schools totaled 1,580 students (Terra Nova - 960 and Oceana - 620), down from an enrollment of 2,250 in 2006 (Terra Nova – 1,500 and Oceana – 750).

Two different techniques were utilized to estimate the number of school age children that could be generated from 206 new multi-family units. One looked at the number of housing units in Pacifica in 2011 compared with the 2011 PSD and JUHSD enrollments. The other looked at trends in other Bay Area communities. It is estimated that a 206 multi-family housing unit development at the Quarry Site would generate approximately 105 students (75 students in K-8 and 30 students in high school). According to the PSD and JUHSD staffs both districts could absorb the estimated 105 additional students based on current enrollment and expected trends.

In accordance with Sections 17620 and 17621 of the State Education Code, school districts in California may charge a school impact fee. These fees are one time and designed to assist school districts with the capital costs associated with accommodating additional students generated by new development. School districts may charge an impact fee of a maximum of \$3.20 per square foot of residential development and up to a maximum of \$.51 per square foot of new commercial and industrial development. Pursuant to an agreement between PSD and the JUHSD, all school impact fees are divided 60-40 between the two districts.

Any development on the Quarry Site including residential use would require a detailed and formal submittal and a full project analysis pursuant to CEQA and other local regulations and policies to identify potential impacts to schools. Regular input and cooperation from the PSD and JUHSD regarding new development and many other issues is essential.

5.6 Fire Services

The cities of Brisbane, Daly City and Pacifica are members of the North County Fire Authority (“NCFA”), a joint powers authority established in 2003. NCFA provides both emergency response and non-emergency public safety services to the 185,000 people and businesses in its service area. Two of the NCFA stations are located in Pacifica; Station 71 at 616 Edgemar Avenue serves the northern end and Station 72 at 1100 Linda Mar Boulevard serves the southern end of Pacifica. Pacifica’s long and narrow geography and reliance on Highway 1 as the single north-south access route makes it challenging to meet the desired response time for both fire and EMS services.

If the Initiative is adopted by Pacifica voters, and a development proposal is submitted to the City that reflects the maximum permissible development included in the Initiative, it is estimated that some 400,000 square feet of new structures, including four story structures, and corresponding population increase could be added to the NCFA service area. Potential impacts to fire services would be reviewed after submittal of a development application for a specific project, which would trigger a complete project analysis pursuant to CEQA and other local regulations and policies. The project-level analysis would identify potential impacts on the availability of fire and emergency medical services.

5.7 Police

The Pacifica Police Department responds to public safety calls, provides traffic safety and security for public events, and handles a wide range of calls for assistance (some 20,000 annually). The Police Department serves the entire Pacifica community from its station at 2075 Coast Highway, an 18,000 square foot facility built in 2004.

If the Initiative is adopted by Pacifica voters, and a development proposal is submitted to the City that reflects the maximum permissible development included in the Initiative, the new

development would create new centers of retail, hotel, and residential activity. It is possible these areas could increase demand for calls for police service. Potential impacts to police services would be reviewed after submittal of a development application for a specific project, which would trigger a complete project analysis pursuant to CEQA and other local regulations and policies. The project-level analysis would identify potential impacts on the availability of police services.

5.8 Parks and Recreation

Pacifica is rich in parks, recreation and open space, including district, neighborhood and pocket parks, special facilities including beaches, promenades, piers and vista points, and school playfields totaling some 242 acres or approximately 6.4 acres/ 1,000 population. In addition, Pacifica residents benefit from the well over 2,500 acres under the jurisdiction of the Golden Gate National Recreation Area that includes Sweeney Ridge, Mori Point, Milagra Ridge and the Northern Coastal Bluffs that are in, near, or adjacent to the City.

The City also operates a community center with a full range of year-round senior services, childcare programs and recreation classes of varying types. In addition, the Parks, Recreation and Beaches Department operates year round before school, after school, and summer day care programs at most public elementary schools.

If the Initiative is approved by Pacifica voters, 75 percent of the Quarry Site will be preserved as private open space with public access. The Initiative does not obligate the City to accept ownership of or maintain this open space. In addition, the City, like many other cities in California, requires that certain new residential developments pay a Park Facilities Impact Fee or dedicate land commensurate with the size of the project to insure that the addition of park space and/or facility enhancements keeps pace with new development in the community (the Fee is not applicable to developments involving a subdivision of land). Because of the mandatory open space at the Quarry Site as part of any project with residential development and the Park Facilities Impact Fee, Parks, Recreation and Beaches Director Mike Perez believes that a potential hotel, retail, office and residential project envisioned in the ballot language, will not have a significant impact on the provision of quality parks and recreation services to Pacifica residents.

As has been previously stated, if the Initiative is approved by Pacifica voters, and a formal development proposal is submitted, a complete project analysis pursuant to CEQA and other City regulations and policies, will include detailed information regarding the availability and adequacy of parks and recreation services.

5.9 Library Services

The City is part of the San Mateo County Library System (“SMCL”), a county wide system with 12 branch libraries that serves some 280,000 residents. Pacifica is the only community in the SMCL system whose branch is divided into 2 facilities, the Pacifica –Sharp Park library located in West Sharp Park in the northern part of the city and the Pacifica – Sanchez library that is adjacent to the Park Mall Shopping Center in the southern part of the community. According to SMCL records, an estimated 85 percent of Pacifica households have at least one library membership. However, the circulation and library visitor numbers in Pacifica are lower than most other libraries in the SMCL system.

SMCL is a special district that collects a portion of property taxes throughout the library service area to fund county library services. In 1999 a Joint Powers Authority (“JPA”) was created to better coordinate library management and services. Under this agreement, the City of Pacifica is responsible for the cost of maintaining the community’s two library buildings.

The two existing libraries are small, somewhat inefficient and in need of significant repair and improvement. For the past decade, the City has been working toward construction a new, state of the art, single library branch to meet the community’s current and future needs. The SMCL JPA has supported Pacifica’s planning effort to develop a new single branch. The Pacifica City Council is currently considering whether or not to put the funding of the new library on the November 2016 ballot.

Any future development on the Quarry Site, whether the Initiative passes or not, will not significantly impact current library services. The two existing branch libraries already need to be replaced with a single, state of the art, new facility.

5.10 Business and Employment

The Quarry Site is one of the few remaining sites for new hotel and commercial development in Pacifica. The current demand and market for new retail and office development in Pacifica is slow, likely because it is still recovering from the impact of the 2007 recession. As was stated in Section 4, the creation of a new destination mixed use project with high quality design, well integrated into the existing Rockaway Beach neighborhood with enhanced beach access, parking, and other amenities could energize the entire area. If the Initiative is approved by the voters, the residential component will likely catalyze the entire project given the very strong market for multi-family development throughout the Bay Area.

5.11 Vacant Land

The Quarry Site is one of the few remaining large vacant sites suitable for development in Pacifica. With voter adoption of the Initiative, a project including residential development

would establish 75 percent of the Quarry Site as permanent open space. Without voter adoption of the Initiative, a lesser portion of the site might be dedicated to open space.

6. Public Questions and Answers

On June 27, 2016, the City Council directed staff to accept questions submitted by the public until 5 PM on July 6, 2016, and to include answers to the questions in the 9212 Report. The City received nearly 400 questions. The questions are presented in the manner received by the City, below. Responses to the questions are based on the information contained in the Initiative.

Question:

- 1. Will the City require a thorough and impartial CEQA review of the entirety of the project since all elements mentioned in the initiative are proposed? And when?**
Yes. As the Initiative does not approve a specific project, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.)
- 2. Where is the requirement to research negative, burdensome impacts?**
The Initiative requires any project to go through the normal planning process. As a result, the analysis of negative burdensome impacts will be done through that process. (See Sections 2.2, above.)
- 3. What is the basis for the developer's statement in the initiative that this project will generate millions of dollars in new revenue for Pacifica and the Pacifica School District? Has the developer provided any fiscal analysis to support this claim? If so, please make this available.**
The City does not have any information regarding the basis for statements included in the Initiative.
- 4. Will the City require the developer to provide a thorough fiscal analysis of the claimed revenue stream? Will the City provide an independent review of this analysis, including the City's own analysis of costs and benefits to the City?**
The City does not have the authority to require the Initiative proponents to provide supporting information for statements made in Initiative. To the extent it could within the time available to prepare this report, the City has provided an analysis of the fiscal impacts of the Initiative in Section 4, above. If the Initiative is approved by the voters, an applicant seeking approval of rezoning of the Quarry Site to Planned Development District would be required to provide a "cost revenue analysis for any residential or institutional project" under Pacifica Municipal Code section 9-4.2205(a)(5)(i).

5. **What are the estimated city costs associated with this project, e.g. Water, sewer, police, fire safety, public safety services, code enforcement, etc. Do not offset these costs with anticipated tax revenues.**

To the extent it could within the time available to prepare this report, the City has provided an analysis of the city costs associated with the Initiative in Section 4, above. If the Initiative is approved by the voters, the costs associated with a particular project would be analyzed as part of the City's review of that application.

6. **What is the total number of visitor/hotel bedrooms in this project?**

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project without a future vote of the people that included no more than 188 hotel rooms and 12 bungalows, if the project contained a residential component. (See Section 2, above.) The Initiative does not set a limit on the number of hotel rooms for a project not containing a residential component.

7. **Will there be any affordable housing associated with this project or housing dedicated to public servants of our community?**

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project without a future vote of the people that included no more than 206 multi-family residential units, of which no more than 181 could be apartment units, and no less than 25 must be live-work units. At least 20 percent of the apartment units would be required to be affordable to very low, lower, or moderate income households as defined in Title 9, Chapter 4, Article 47 of the Pacifica Municipal Code. (See Section 2, above.)

8. **What is the total number of residential bedrooms in this project?**

The Initiative does not approve a specific project. (See Section 1.1, above.) Moreover, the Initiative does not impose any restrictions on the number of residential bedrooms that could be included in a project. The number of residential bedrooms that might be included as part of such a project would be determined through the entitlement (i.e. permit review) process. (See Section 2, above.)

9. **.."shall NOT exceed two stories in height." (height would be what?)**

The Initiative does not define "two stories." The exact height of a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

10. **Residential uses would be limited to 206 multi-family UNITS (??), which could not exceed 4 stories in ht. (what is a Unit??)(what is the height specifically?)**

The Initiative does not define the term "unit," but the term is generally understood to mean *dwelling unit* which is "a room or suite of two (2) or more rooms which room or suite is designed for, intended for, or occupied by one family doing its own cooking therein and having only one kitchen" (see Pacifica Municipal Code section 9-4.238). The

Initiative does not define “four stories.” The exact height of a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

11. Hotel rooms AND Conference Center (together?)

The Initiative and attached Map set forth the approximate location where a hotel and any proposed conference venue would be located. (See Section 2, above.) The Initiative does not impose any restrictions that require they be located in the same building.

12. Does the City/public retain its normal permitting process via the Planning Commission and City Council, to control the number of units, from zero to 206 (or even more), or does this ballot measure usurp the public's ability of the normal standard and practices of the planning process and land use oversight?

The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. (See Section 2, above.) Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.) The Initiative provides that no more than 206 units of multi-family housing would be allowed without another vote of the people, but does not require that the City permit that many units to be built.

13. Will the public, through the normal permitting process if it will still apply, have the semi judicial ability to determine the square footage and visual style of the 206 units of private housing the ballot measure calls for?

The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. (See Section 2, above.) Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.) The Initiative provides that no more than 206 units of multi-family housing would be allowed without another vote of the people, but does not require that the City permit development of 206 units. The Initiative also does not require that the City permit a particular square footage or visual style for the residential units.

14. Will the public, through City Council and the Planning Commission, be able to enter into a deal agreement that determines the "hinted at" hotel and commercial areas be completely built and operational before any occupancy permits are granted for any and all of the 206 units of housing called for in the Michigan based quarry ballot measure?

The Initiative does not require an applicant enter into an agreement (e.g., a Development Agreement) that would require a particular phasing of development. Nor does the City's existing planning process require any applicant to enter into a Development Agreement. Although not required, the City and an applicant could mutually agree to enter into a Development Agreement.

15. How will the City condition the project to insure the promised project is actually constructed?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be constructed.

16. When a residential/hotel project was proposed for Mori Point the City required the hotel be built before housing could be built or completed. Will the City provide voters with similar assurance?

The City cannot require phasing of a project.

17. Could the 206 residential units be built without building the hotel and bungalows and commercial area?

Yes.

18. What is your plan for increased traffic? The traffic backups after 4:30 pm is awful. I can only imagine what increasing the population in the area will do to traffic flow.

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project without a further vote of the people that meets all of the restrictions in the Initiative. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

19. Specifically how will the Rockaway/Hwy 1 intersection accommodate an additional 200-400 cars on a daily basis?

Please see response to Question 18.

20. If new intersection technology is proposed, what is that technology and how does it work? How does it differ from existing technology currently in use? Who would fund any new technology?

Please see response to Question 18.

- 21. At least 75 percent of Quarry site would be designated as permanently protected open space, Including setbacks of at least 100 feet..100 ft From Calera Creek. (IS 100 feet actually significant or not?)**

The Initiative does not approve a specific project, and potential impacts to creeks from a specific project at the Quarry Site are unknown. (See Section 1.1, above.) During review of any future project, the City will conduct a thorough CEQA review as part of its normal application review process, at which time it will identify potentially significant impacts to the environment, including creeks. (See Section 2.2, above.) If potentially significant impacts to creeks are identified, feasible mitigation measures would be imposed on the project to address those impacts, potentially including creek setbacks. Without a specific project to analyze, it is not possible to determine if a 100 foot creek setback is significant.

- 22. Does the 9212 Report require an Environmental (EIR) report?**

No.

- 23. How can staff be able to make such decisions as potential environmental impacts?**

The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.)

- 24. The Quarry developers are proposing a referendum on development. It seems like they are asking us to make a decision without gathering the information that would be required by an EIR process - one that is run by the City and public comments, as well as comments from federal and state resource agencies like Fish and Wildlife. Why aren't they initiating the public EIR scoping process instead of the referendum?**

The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process.

- 25. Is there an EIR? If not, will there be one?**

The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.)

- 26. Is it true that if the initiative passes, the entire project will be exempt from review under the California Environmental Quality Act (CEQA)?**

The Initiative does not approve a specific project. (See Section 1.1, above.) During review of any future project, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.)

- 27. How [is any exemption from CEQA] affected by the language in Sec. 3.B.2.3 of the initiative, which refers to mitigation of significant traffic impacts “as determined during the CEQA process for the rezoning and other project approvals.”?**
The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process
- 28. What is the “CEQA process” referred to in Sec. 3.B.2.3 of the initiative? What specific items will be included in the “CEQA process” and when will it occur?**
When a development application is submitted, the City will conduct a thorough environmental review of the project, including review of the project under the California Environmental Quality Act ("CEQA") as part of its normal application review process. (See Section 2.2, above.)
- 29. What are the adverse impacts on City infrastructure from the Quarry Initiative?**
To the extent it could within the time available to prepare this report, the City has provided an analysis of the impacts of the Initiative on City infrastructure in Section 5, above.
- 30. What is the total area of Environmentally Sensitive Habitat Areas that will be impacted by the Quarry Initiative?**
The Initiative does not approve a specific project, and potential impacts to from a future development are unknown. (See Section 1.1, above.) During review of any future project, the City will conduct a thorough CEQA review as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.
- 31. How will the initiative, if passed, affect ESA considerations and requirements for an EIR for any separate part of the project? What processes and permits will the City be able to require?**
The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above) The Initiative would not affect the City's ability to conduct environmental review of a project proposed at the Quarry Site and to require any legally required mitigation measures under CEQA.
- 32. Can initiative approval change federally required ESA and wetland buffers from 300' to 100'?**
The Initiative, if adopted by the voters, would not affect federal laws or regulations regarding environmental protection. Moreover, the Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local

environmental laws and regulations, including but not limited to the California Environmental Quality Act."

33. Doesn't doing this by initiative just allow an end-run around environmental review? I've heard that lots of developers are doing that.

The Initiative does not approve a specific project. (See Section 1.1, above.) When a development application is submitted, the City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.)

34. Who answers these quarry questions and might that responder or responding group have a bias?

At the direction of the City Council, City staff and the City Attorney's office prepared the answers to these questions. Neither staff nor the City Attorney's office have a bias regarding the Initiative. This report, including the answers to these questions, is intended to provide the Council and the public with as thorough an understanding of the Initiative as possible within the time the Elections Code allows to prepare the report.

35. What is the impact of the 35,000 gross square feet cap on retail and restaurant space imposed in the ballot measure and how do the limits on commercial space conflict with the Rockaway Specific Plan and the General Plan?

The limitations that the Initiative would impose on retail and restaurant space would not conflict with the City's General Plan or the Rockaway Beach Specific Plan. The Initiative does not approve a specific project. When a development application is submitted, the City will evaluate any future project at the site for consistency with the General Plan and Rockaway Beach Specific Plan. Should the City identify any inconsistencies, the City Council must, but is not required to, approve all necessary amendments to the General Plan and Rockaway Beach Specific Plan before a rezoning can be approved.

36. Please address land use planning conflicts with the General Plan and Coastal Act.

The consistency of the Initiative with the General Plan is addressed in section 3 above. Regarding the Coastal Act, because the Quarry Site is within an area of deferred certification in the City's Local Coastal Plan, the California Coastal Commission ("CCC") must approve a Coastal Development Permit before any development can occur on the site. The CCC's review includes consideration of a project's consistency with the Coastal Act.

37. The developer keeps stating his project will "restore" or "recreate" the natural landscape. What exactly is the legal definition of "restore" and "recreate" in regards to developing property in Pacifica under Pacifica's zoning and ordinances and its LCP?

Neither the Initiative nor the City's Municipal Code define the terms "restore" and "recreate."

38. What amendments to the Pacifica General Plan must the City Council approve before the rezoning can be approved?

The Initiative does not approve a specific project. When a development application is submitted, the City will review any proposed project with regard to its consistency with the General Plan as part of its normal application review process. The specific amendments to the General Plan that would be required before a rezoning could be approved would depend on the specific Planned Development District zoning proposed by an applicant, and the modifications to that proposed zoning that might occur during the entitlement (i.e. permit review) process.

39. What amendments to the Rockaway Beach Specific Plan must the City Council approve before the rezoning can be approved?

The specific amendments to the Rockaway Beach Specific Plan that would be required before a rezoning could be approved would depend on the specific Planned Development District zoning proposed by an applicant, and the modifications to that proposed zoning that might occur during the entitlement (i.e. permit review) process.

40. Do any of these amendments need to be also approved by the Coastal Commission before the rezoning can be approved?

Because the Quarry Site is within an area of deferred certification in the City's Local Coastal Plan, the California Coastal Commission is not required to approve amendments to the City's General Plan or the Rockaway Beach Specific Plan in order for those amendments to be effective. However, without certification of the City's Local Coastal Plan to include the Quarry Site, the City would remain unable to issue a coastal development permit for development at the Quarry Site.

41. What is currently allowed to be built at the site, and what would be the environmental and traffic impact of the currently allowed development compared to what this initiative would allow?

The Hillside Preservation District overlay zoning of the Quarry Site requires a rezoning to the Planned Development District (P-D) zoning before any development can occur. Under the Pacifica Municipal Code, a required component of any rezoning to P-D is a Development Plan which specifies the permissible land uses for a site. There is no approved Development Plan for the Quarry Site at this time, and thus there is no development currently allowed to be built at the site. The General Plan describes the quarry site as a "Special Area" that should be developed as a unit to include commercial, residential, City Hall, and marina uses.

42. Are there enforceable penalties if the project isn't built?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project that would provide penalties if the project were not built.

- 43. If the quarry measure is approved and the quarry sold prior to rezoning, how would the City enforce the conditions of the Initiative requiring a planned development district including a mixed-use development substantially consistent with the land use plan set forth in Exhibit A to the Initiative?**

If adopted by the voters, the terms of the Initiative would apply to the Quarry Site. Changes in ownership, or changes in the particular project proposed to be developed at the Quarry site, would not affect the applicability of the Initiative.

- 44. If the public approves the ballot measure in November but the developer does not pursue the project and later a different developer pursues a project in the Quarry will that second developer need another public vote to approve any housing?**

The terms of the Initiative would apply to the second developer, as well.

- 45. If the measure is approved by voters, does the rezoning of residential transfer to a new owner if the quarry is sold?**

The Initiative would not approve a rezoning. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a rezoning of the Quarry Site that includes residential development without a further vote of the people, provided the project meets all of the conditions in the Initiative. (See Section 2, above.) If the Council were to approve such a rezoning, it would apply to the Quarry Site, and not to a particular owner.

- 46. If the quarry measure is approved and the quarry sold prior to rezoning, how will the City enforce the conditions of the initiative?**

Please see response to Questions 43, 44, and 45.

- 47. Will the City of Pacifica be guaranteed any net positive revenues, or guaranteed against any net negative losses, by this ballot initiative?**

No.

- 48. Would this ballot initiative guarantee an increase in the Pacifica tax base?**

No.

- 49. What does the developer ballot initiative commit Pacifica to providing, funding, or doing? For example, is the City of Pacifica responsible for providing the roads to and from the new development? The sewer service? Water delivery systems? Please list cost, sourcing, and timeline for each requirement.**

The Initiative, if adopted by the voters, would allow the City Council to approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative would not obligate the City to provide or fund anything.

- 50. Should the Eenhorn et al. developer initiative pass, will Pacifica be required to provide any monies or services? If so, how will Pacifica pay for /or source that funding and/or services?**

Please see response to Question 49.

- 51. Does affordable housing component have a controlled rental increase?**

The Initiative does not address rent increases. The Initiative only requires that 20 percent of any residential apartment units be designated as affordable for very low, lower, or moderate income households, as those terms are used in Pacifica Municipal Code Title 9, Chapter 4, Article 47.

- 52. What is the upper limit of household income allowed for the 36 (181/5) units for moderate income households? Is this limit assured in perpetuity?**

The Initiative requires that 20 percent of any residential apartment units be designated as affordable for very low, lower, or moderate income households, as those terms are used in Pacifica Municipal Code Title 9, Chapter 4, Article 47. The Initiative does not address rent increases. The Initiative is also not specific regarding the percentage that would be designated for each category (i.e. very low, lower, or moderate income). The specific dollar amounts for each category vary from year to year, and depending on the number of members in the household. For the amounts applicable in 2016, please see: <http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/reports/state/inc2k16.pdf>

- 53. If the ballot passes in favor of residential in the quarry: can the 12 "hotel bungalows" EVER be changed to private homes or condos?**

The Initiative would not approve a project, and would not approve 12 hotel bungalows at the location shown on the Map attached to the Initiative. However, if the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people. (See Section 2, above.) As private homes or condominiums in the bungalow area would not be substantially consistent with the conceptual land use plan shown on the Map, a further vote of the people would be required to modify the bungalows.

- 54. If the ballot passes in favor of residential in the quarry: can the hotel rooms be changed to become condos?**

The Initiative would not approve a project, and would not approve hotel rooms at the location shown on the Map attached to the Initiative. However, if the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people. (See Section 2, above.) As condominiums in the hotel area would not be substantially consistent with the

conceptual land use plan shown on the Map, a further vote of the people would be required to modify hotel rooms.

- 55. Is there a possibility that the "bungaloes" will eventually be sold as homes or rented/leased on a long term basis as residences rather than hotel rooms? If so, how will the taxes be determined?**

Please see response to Question 53.

- 56. If the measure passed how absolute is that 206 [housing units] number?**

If adopted by the voters, the Initiative would allow the City to approve a project that included up to 206 units of multi-family housing, without a further vote of the people, so long as all of the conditions in the Initiative are met. For the City to approve a project that included more residential development, in addition to the 206 units of multi-family residential development, a further vote of the people would be required.

- 57. "The city attorney's summary of the Quarry initiative clearly states that "[r]esidential uses would be limited to 206 multi-family units, which could not exceed four stories in height," meaning that, per the city attorney's view of the initiative, no housing, other than those 206 multi-family units could be built in the Quarry without a further vote. Quarry developers have, however, denounced the city attorney's summary as flawed and confusing, particularly as it relates to the need for a subsequent vote on any additional housing development (see, for example, the June 9, 2016 online comment to a June 7 Tribune editorial, and the videotape of the May 12, 2016 information meeting held at Nick's Restaurant), and a lawyer for the project has stated (in a Tribune online comment dated June 9) that "[i]f the Initiative passes in November, it is the text of the Initiative (not the Summary) that would become law."**

Clarity is, therefore, required because, unlike the city attorney's summary, the initiative itself does not affirmatively state that "[r]esidential uses would be limited to 206 multi-family units" Instead, it says that the portion of the quarry slated for residential development shall "permit no more than 206 units of multi-family housing . . . including no more than 181 residential apartment units, of which at least 20 percent must be designated as affordable" It also provides for the building of no fewer than 25 live/work units.

Read literally, this language simply states that, if multi-family housing is built in the quarry, that housing is limited to no more than 206 units, no more than 181 of which might be apartments. The initiative does NOT specifically require the building of multi-family housing or specifically require the building of rental apartments, nor does it specifically preclude or set limits on the number of single-family houses that can be built in the Quarry if the initiative passes. Again, all it specifically says is that, if multi-family units are built, they cannot exceed 206 units, no more than 181 of which can be apartments for rent (20% of which must be affordable), and at least 25 of which must be live/work units.

In addition to apparently allowing for the development of an unlimited number of single-family homes, if the initiative passes, the current language allows Quarry developers to jettison the building of apartments (including the affordable rental units) and build multi-family condominium buildings for sale instead, and/or to simply build more than 25 live/work units, which are presumably also intended for sale. So, for clarity: (1) Is it the intention of the Quarry developers that this initiative preclude the building of single-family homes and actually limit residential development to no more than 206 multi-family units, absent a subsequent vote? (2) Is the Quarry developer willing to affirmatively commit to building rental apartments, 20% of which shall be affordable? (3) If the answers to the preceding questions are "yes," will the initiative be amended to add this more specific language, so that these promises are legally binding on the current and subsequent Quarry owners?"

The City does not have any information regarding the Initiative proponents' intentions regarding the Initiative, or the developer's willingness to commit to building rental apartments. The Initiative cannot be amended at this point if it is to go forward on the November 8, 2016, ballot. However, the provisions of the Initiative would apply to the Quarry Site regardless who owns the property. Further, the Initiative would limit the area in which the City could approve residential development to the area described as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people. Within that area, the Initiative would allow the City to approve no more than 206 units of multi-family housing, of which no more than 181 units could be apartments, and no less than 25 units could be live/work units. There is no provision in the Initiative for single family homes to be built at the Quarry Site.

- 58. Were the people who signed the developers petition informed of the process and costs associated with placing the issue on the ballot and that adoption of the resolution would make the city financially liable for an expensive and thorough report (section 9212 or Impact report) that must be completed within 30 days?**

The City has no information regarding what information was actually given to people who signed the petition, and has no information regarding whether the Initiative proponents were aware of the costs and burdens to the City that might result from the Initiative process.

- 59. Why is the developer not being asked to pay at the least, for a thorough 9212 report, and preferably, for a development of this magnitude, a complete Impact study?**

The City does not have the authority to require the Initiative proponents to pay for the costs incurred for preparation of this 9212 Report or an Impact Report on the Initiative.

- 60. Why is the staff recommending that the Council place the Quarry Initiative on the ballot, without requesting a 9212 or full impact Report?**

Under Elections Code section 9212, the maximum time allowed to prepare a 9212 Report was 30 days. Staff recommended that the Council place the Initiative on the

ballot to allow additional time, beyond those 30 days, to prepare an Impact Report on the Initiative. The basis for this staff recommendation is set forth in the agenda materials for the June 27, 2016, City Council meeting, available at: <http://pacificacityca.iqm2.com/Citizens/FileOpen.aspx?Type=1&ID=1105&Inline=True>.

61. Why are we, the residents of Pacifica, being asked to approve in such a short time frame, a precious coastal area's development that includes rezoning for housing, for which the impacts have not been fully analyzed and presented to the community or designed to any level of acceptable detail for consideration to base decisions?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

62. What will occur if the measures goes to the ballot and does not pass?

Ordinance 391-C.S. would not be amended. Any residential development of the Quarry Site would require a vote of the people.

63. What is Section 1405?

If this is intended as a reference to Elections Code Section 1405, that section of the Elections Code relates to the scheduling of special elections.

64. Due to the short time frame involved, can the Ordinance be submitted to the voters at a special election pursuant to subdivision (a) of Section 1405 at a later date?

To the extent this question asks whether the Initiative may be submitted to voters at a date after the November 8, 2016, election, the answer is "no."

65. Should this developer ballot initiative pass, what steps are required for Pacifica to reverse this ballot initiative?

If the voters adopt the Initiative, only another initiative adopted by the voters could amend it.

66. What is the relationship between the Quarry Reclamation Plan and the Quarry Initiative?

The Reclamation Plan and the Initiative are not directly related. The Quarry Reclamation Plan is a necessary prerequisite to development of the Quarry Site, regardless what type of development will occur. The Quarry Initiative would authorize a future rezone of the Quarry Site that could include residential development, under certain conditions.

- 67. Please provide information on the initiative wording. To clarify specifically what it means, who wrote the initiative and why was the wording used chosen, and how it may have been / could still be adjusted.**

This report explains what the results of the Initiative would be, to the extent possible within the time allowed to prepare the report. The City has no information regarding who drafted the Initiative and why the drafter chose the particular wording in the Initiative. The Initiative text has not been modified since it was submitted to the City, and cannot be modified and still placed on the ballot in November 2016.

- 68. Does this measure rezone the quarry to allow 206 residential units - without prior environmental or planning review?**

The Initiative does not approve a rezoning or a specific project. The City will conduct a thorough CEQA review as part of its normal application review process. (See Section 2.2, above.) The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

- 69. Does the measure approve a 'whole' project plan or just the 206 residential units?**

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

- 70. In what ways will the measure amend the 1983 ordinance?**

Ordinance 391-C.S., which was adopted by the voters in 1983, provides that "any residential development" of the Quarry Site "shall require a vote of the people." If the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.)

- 71. Will the measure eliminate the requirement for a public vote for future residential projects in the quarry (as long as certain conditions are met)?**

To the extent that the residential development is part of a project that meets all of the requirements in the Initiative, yes. (See Section 2, above.)

- 72. If the measure is approved by voters, does the rezoning to residential transfer to a new owner ----if the quarry is sold?**

Zoning is applicable to a property, and is not dependent on ownership.

73. **The stated purpose of the initiative is, in part, "...to comply with the obligation under Ordinance No. 391-C.S...,that any development of the Quarry Site containing a residential component be approved by a vote of the People...". However, the initiative does not appear to be an approval of a development plan. It appears to be: a) a proposal to rezone, and b) exemption of a future development plan from being subject to a vote of the People, if it meets a specified set of conditions. Is this actually a vote on a development plan or not?**

The Initiative does not approve a specific project or a rezoning. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

74. **Summary ('summary', is this a specific legal term? Does it have a legal ramification??)**

To the extent this question is referencing the ballot Title and Summary prepared for the Initiative, the name is drawn from Elections Code 9203. That section requires the City Attorney to provide, within 15 days after a proposed initiative measure is filed, a ballot title for and summary of the a proposed initiative measure, which cannot exceed 500 words in length. The elections official provides a copy of the ballot Title and Summary to the person filing the proposed initiative measure, and the person proposing the initiative measure must place a copy of the ballot Title and Summary upon each section of the petition, above the text of the proposed measure and across the top of each page of the petition on which the signatures are to appear.

75. **"This Initiative would AMEND ORDINANCE 392-C.S which was adopted by the VOTERS in 1983. The ordinance REZONES property in Quarry FROM Agriculture and manufacturing use TO COMMERCIAL use, AND provided that any RESIDENTIAL development would REQUIRE a PUBLIC VOTE.. (Is this correct?)**

The Initiative would amend Ordinance No. 392-C.S. And it was Ordinance No. 392-C.S. that rezoned the Quarry Site from agricultural and manufacturing use to commercial use, and provided that residential development would require a public vote.

76. **This Initiative would ELIMINATE the PUBLIC VOTE requirement FOR ANY FUTURE REZONE ..for any future rezzone..for a future rezzone.hmmm ,Means what exactly??**

If the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

- 77. "Which INCLUDES RESIDENTIAL...as long as all of the following conditions are met (??):" (we need clarification)**
 The Initiative does not approve a specific project or a rezoning. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) Any project that included residential development would also need to include hotel and conference center, retail, recreational, entertainment, and office uses, and meet all of the other requirements of the Initiative, or else another vote of the people would be required. (See Section 2.1, above.)
- 78. "Any development must receive zoning approval for a PLANNED DEVELOPMENT DISTRICT that allows a mixed use..which Includes hotel,recreational,retail and residential uses substantially consistent with the land use plan in Exhibit A. (please provided definitino of Planned Use)**
 The P-D (Planned Development) zoning district is described in Pacifica Municipal Code Title 9, Chapter 4, Article 22 requires a development plan and specific plan as part of a P-D zoning district. The combination of these two elements establishes the permissible uses and physical development parameters of a P-D zone.
- 79. Prior to any rezone the Council MUST approve any necessary Gen or specific plan AMENDMENTS (***WHAT does ALL this mean??)**
 Any rezoning must be consistent with the City's General Plan and any applicable Specific Plans. Thus, to approve a rezoning of the site, the City would need to first approve any necessary amendments to the General Plan and any applicable Specific Plans to ensure they are consistent with the rezoning.
- 80. "Determine that the development will be built using green building standards(means what?)**
 The Initiative provides that, before approving the rezoning contemplated by the Initiative, "the City Council must determine that the project will be built using green building standards." The Initiative does not define "green building standards." A project's conformity with this requirement would be evaluated through the entitlement (i.e. permit review) process. Moreover, all new development would be reviewed for compliance with Pacifica Municipal Code Title 8, Chapter 21 "California Green Building Standards Code."
- 81. "New publically accessible trails would be costructed That connect Rockaway Beach to Mori Pt. (Means what???)**
 The Initiative does not define "publicly-accessible trails." The conceptual land use plan included in the Map attached to the Initiative does not label any development features as "publicly-accessible trails." A project's conformity with this requirement would be evaluated through the entitlement (i.e. permit review) process.

- 82. "Grading for the development would be required to minimize erosion (means what,what) and Restore wetlands (??).(means what)**
 The Initiative does not describe or define the meaning of "preventing further erosion" or "restore wetlands." A project's conformity with these requirements would be evaluated through the entitlement (i.e. permit review) process.
- 83. (an explanation of each is needed please) " Before any building permits are issued ,an application would NEED to CoMPLETE a traffic study (??) And Internal circulation (?) and Parking (?) Pay all appropriate traffic impact fees (??) And implement any trasportation mitigation measures required to mitigate SIGIFICANT traffic impacts (???) Identified DURING Environmental review of the Project (what project, what project, WHAT IS THE PROJECT???)**
 The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) During the entitlement (i.e., permit review) process for any such project, the City would consider potential traffic impacts, including review of any traffic impacts during the CEQA process. To the extent that review revealed significant traffic impacts, and feasible means to mitigate those impacts, mitigation measures would be imposed on the project. The Initiative also provides that the City's review of any project must include consideration of certain issues. Specifically, the City's evaluation of the project must include a traffic study and internal circulation and parking plan, payment of all appropriate traffic impact fees, and implementation of any transportation mitigation measures that the City Council reasonably deems necessary to mitigate significant traffic impacts from the project as determined during CEQA review.
- 84. "Residential, retail, restaurant, entertainment and office uses would be LIMITED to a portion of the area DESIGNATED as the Quarry Village.exhibit A. (portion means what?)**
 The conceptual land use plan shown on the Map attached to the Initiative identifies the location of the "Quarry Village." The Initiative provides that any residential, retail, restaurant, entertainment, and offices uses would be located in the Quarry Village. Each of these uses would therefore occupy a portion of the Quarry Village.
- 85. Of these 206 UNITS no more than 181 would be for residential APT UNITS of which 20percent must be designated as affordable for very low, lower OR moderate income,(??). ("Or"??means what exactly??)**
 The Initiative requires that 20 percent of any residential apartment units be designated as affordable for very low, lower, or moderate income households, as those terms are used in Pacifica Municipal Code Title 9, Chapter 4, Article 47. The initiative does not address rent increases. The Initiative is also not specific regarding the percentage that would be designated for each category (i.e. very low, lower, or moderate income).

- 86. At least 25 of the 206 UNITS MUST be as Live -work Units.(small number ??)VERY LITTLE commercial,correct??)**
 If adopted by the voters, the Initiative would allow the City to approve a project that included up to 206 units of multi-family housing, without a further vote of the people, so long as all of the conditions in the Initiative are met. If approved, the Initiative requires at least 25 of the multi-family housing units be designated as live/work units. However, the City could approve a project where more of the units are designated as live/work units. The Initiative does not provide a minimum or maximum floor area for the commercial component of the live/work units.
- 87. [Hotel rooms and conference center] would be limited to the area designated (combined??)**
 The Initiative and attached Map set forth the approximate location where a hotel and any proposed conference venue would be located. (See Section 2, above.) The Initiative does not require that they be located in the same building.
- 88. The Conference Venue Component would not exceed 13,000sqft. ((MAP it out..visualize the TOTAL SQ FOOTAGE..visualize all)**
 The Initiative and attached Map set forth the approximate location where a hotel and any proposed conference venue would be located. (See Section 2, above.) The Initiative does not require that the conference venue be located in a specific area within that location. The specific site for any conference center would be determined during the entitlement (i.e., permit review) process.
- 89. Does "without alteration" indicate that alteration could be done??**
 To the extent this is meant to reference the provision in Elections Code section 9215(a) and (b), which provide that the Council may either adopt an initiative petition "without alteration" or submit it to the voters "without alteration," the answer is "no."
- 90. A YES vote allows a future rezoning? Which COULD include Residential Development? Meaning no vote is henceforth required for a future project with or without a housing component.? ? Correct?**
 Under current law, no vote of the people is required for a development project at the Quarry Site, unless the development would include a residential component. If the Initiative is adopted by the voters, the City Council could approve a development project at the Quarry Site that includes a residential component without a vote of the people, so long as the project meets all of the conditions in the Initiative.
- 91. How would the new zoning read IF new zoning is, allowed?**
 The content of any re-zoning that the City Council might adopt for the Quarry Site would depend on what the Council might ultimately decide to approve. The Initiative would not require the Council to re-zone the Quarry Site.

92. what is the main result of a Yes vote?

If the Initiative is adopted by the voters, the City ordinance that currently requires a vote of the people for any residential development at the Quarry Site would be amended so that the City Council could approve a project that includes a residential component without a vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.)

93. is the measure a chatty way of actually, simply, changing zoning to enable housing? if so, could the housing plan be open to any changes (eg ..the number of housing, houses, apts, condos, Bungalows etc. . hotel)?

The Initiative would not amend the City's zoning law. The Initiative, if approved, would allow a future rezone without a further vote of the people.

94. would it mean that no commercial had to be planned.(so little to zero commercial would be allowable)

If the Initiative is adopted by the voters, the City Council could approve a project that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The conditions in the Initiative require, among other things, a rezoning of the Quarry Site to Planned Development District zoning, which would authorize a mixed use development that includes residential, hotel and conference center, retail, recreational, entertainment, and office uses. (See Section 2.2, above.) While the rezoning would need to include commercial use, the Initiative would not require that any use (including commercial use) be constructed.

95. what could be allowable for any reason in the future because of a yes vote?

If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) So long as those conditions are met, the specifics of any rezoning , and the specifics of any project that the City might approve for the Quarry Site, would depend on the particular application submitted to the City and how the City exercised its discretion on that application. (See Section 2.2, above.)

96. IF voted on will [the initiative create a] mandate?

If the Initiative is adopted by the voters, it would not obligate the City to take any action.

97. What would, could be allowed [by the initiative]? (thefull scope of possibilities)

Please see response to Question 90, 92, and 95.

98. what could not be allowed by this measure?

If approved, this Initiative would not allow any residential development on the Quarry site that did not comply with the restrictions contained in the Initiative without a further vote of the people.

99. include what could be allowable for any reason in the future because of a yes vote.

Please see response to Questions 90, 92, and 95.

100. The ballot measure does not cap the gross square footage of the residential units, but does allow up to four stories in height residential structures. Can the City limit the total gross square footage of residential space if the developer proposes very large residential units, for example, 2,500 gross square feet each, the same size as the proposed hotel bungalows?

The Initiative would not obligate the City to approve residential units at the Quarry Site, nor would it obligate the City to approve residential units of a specific size. If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The size of any residential units that might be allowed would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

101. Does the removal of the right to vote on future residential apply if the Developer is unable to gain permits to build roads and or fill in wetlands, such as an existing drainage ditch?

If the Initiative is adopted by the voters, it would only allow development of residential units so long as the development complies with the restrictions contained in the Initiative. An applicant's inability to obtain permits would not affect the applicability of the Initiative.

102. How can the number of allowable units and building heights [for residential development] be determined, before an EIR has been completed, and permitting agency responses are known?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) While the Initiative would provide a maximum number units and maximum number of stories that any residential development could have, the actual number of residential units that the City might allow and the height of the residential structures would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project.

103. How can the number of allowable Bungalow units and their size and location be determined, before an EIR has been completed, and permitting agency responses are known?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) While the Initiative would provide a maximum number hotel bungalows and maximum square footage of each hotel bungalow that the hotel component of the project could have, the actual number of hotel bungalows that the City might allow and the square footage of each hotel bungalow would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project. (See Section 2.2, above.)

104. The first part of the initiative that states That this initiative that any residential would require a public vote. This initiative would eliminate the public vote requirement for any future rezone which includes residential development. I went to a talk that Zetner was at and asked about this. He said that this was poorly written, and was drafted by our Pacifica City Attorney. Did you the city attorney who is highly educated, and paid over 200,000 dollars a year , actually draft something that was poorly written? Is this how it will be worded on the proposition? Does this also mean that we will no longer have a vote on anything that goes in the quarry?

The City Attorney's office stands by the Title and Summary circulated with the Initiative. The actual language of the ballot question will be worded differently than the Title and Summary. Current law provides that any residential development at the Quarry Site requires a vote of the people. (See Section 2, above.) If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met.

105. What will be voting on, is it just residential or does it include retail, a hotel, [and] an amphitheater?

The Initiative does not approve a specific project. (See Section 1.1, above.) If the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.)

106. How much of the quarry will really be open space?

If the Initiative is adopted by the voters, the City could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) Those conditions include a requirement that at least 75 percent of the Quarry Site be designated as permanently-protected open space.

107. Why is this initiative going to change the quarry setbacks from 300 feet to 100 feet, and why is this allowed to be changed?

If the Initiative is adopted by the voters, the City could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) Those conditions include a requirement that 75 percent of the Quarry Site must be designated as open space, provide that such open space will include setbacks from Calera Creek, and provide that setbacks along Calera Creek shall be at least 100 feet in depth measured from top-of-bank. The Initiative does not provide for maximum setback, and the actual creek setbacks would be determined during the City's review of a proposed project.

108. What are multi-family units? Are they apartments? Condos? Houses?

The Initiative uses the term "units of multi-family housing." However, it does not define the term. The term "multiple dwelling" is defined in the Pacifica Municipal Code as "a building, or portion thereof, used and designed as a residence for three (3) or more families living independently of each other and doing their own cooking in such building, including apartment houses, apartment hotels, and flats, but not including automobile courts, motels, hotels, or boardinghouses" (see PMC Sec. 9-4.235).

109. It mentions that these whatever they are units cannot be more than 4 stories in height, but not how large they are going to be. So how large are they going to be?

The Initiative would not obligate the City to approve residential units at the Quarry Site, nor would it obligate the City to approve residential units of a specific size. If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The size of any residential units that might be allowed would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

110. Can the just the residential be built without all the other items?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of the project, would be constructed.

111. What is the clarification on bungalows? I don't consider 2,500 square feet as a bungalow.

The Initiative does not define "bungalow" and there is no definition of the term "bungalow" in the Pacifica Municipal Code. If the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) While the Initiative would provide a maximum number hotel bungalows and maximum square footage of each hotel bungalow that the hotel component of the project could have, the actual number

of hotel bungalows that the City might allow and the square footage of each hotel bungalow would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project. (See Section 2.2, above.)

112. Is there a cap on gross square footage of the residential space if the developer proposes very large residential units, such as 2,500 or more square feet?

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the Map attached to the Initiative, without a further vote of the people being required. (See Section 2, above.) While the Initiative does not limit the square footage of the residential units, the actual square footage of any residential units would be determined through the entitlement (i.e., permit review) process. (See Section 2.2, above.)

113. If the ballot measure passes, will the 1983 ordinance be amended to include all of the initiative text and Exhibit A, the site plan?

The amendments to Ordinance 391-C.S. are included in Section 3 of the Initiative.

114. In what ways, specifically, will passage of the measure amend the 1983 ordinance?

Please see response to Question 113.

115. If the measure passes, will any proposed project have to conform substantially to Exhibit A, the site plan map?

If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) One of those conditions is that the project applicant must apply for, and receive, a Planned Development District zoning that is substantially consistent with the conceptual land use plan in the Map attached to the Initiative.

116. Will the ballot measure wording be revised to make it clear that we're voting on approving up to 206 residential units in the quarry?

The Initiative does not approve a specific project. If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.)

117. What is the exact meaning of the wording regarding eliminating the requirement of a public vote for future residential projects in the quarry (as long as certain conditions are met)?

Current law provides that any residential development at the Quarry Site requires a vote of the people. (See Section 2, above.) If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component

without a further vote of the people, so long as all of the conditions in the Initiative are met.

118. What does “substantially consistent” with the conceptual land use plan for the quarry mean (Section B1)?

The Initiative does not define the term "substantially consistent." Whether a proposed Planned Development District zoning is substantially consistent with the conceptual land use plan in the Map attached to the Initiative would be determined through the entitlement (i.e., permit review) process.

119. Could the 206 residential units be built without building the hotel and bungalows or the commercial area?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) While the Initiative would provide a maximum number units and maximum number of stories that any residential development could have, the actual number of residential units that the City might allow would be determined through the entitlement (i.e., permit review) process. The exact conditions imposed on a project would be determined through the entitlement process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be constructed.

120. Does this measure rezone the quarry to allow 206 residential units without prior environmental or planning review?

No.

121. Does the measure approve a project site plan or just the rezoning to allow 206 residential units?

The Initiative does not approve a specific project, a project site plan, or a rezoning. (See Section 1.1, above.) If the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.)

122. The text of the initiative as says (in Section 3.A): "The following parcels of land: A.P. #018-150-050 & -070, commonly known as the quarry..." According to the San Mateo County tax collector's website, those APNs do not exist. Is this an error in the initiative text?

The City has no information regarding the accuracy of the Assessor's Parcel Numbers ("APN") in the Initiative. However, it appears that these APNs were included as part of the text of Ordinance 391-C.S., as it was adopted in 1983.

- 123. Section 3.B.4 is titled "Local-Serving Retail & Office Uses". Is there a definition of "local-serving retail"? Would a business that is not "local-serving" be allowed in that part of the development or would there be another public vote to include such a business?**

The Initiative does not define "Local-Serving Retail & Office Uses." The only reference to "Local-Serving Retail & Office Uses" is in the bold-faced heading of Section 3.B.3 of the Initiative. As indicated in Section 5.D of the Initiative, in construing the Initiative, bold-faced headings have been inserted "for convenience only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, or intent of the provisions of any provision hereof." Therefore, it is not clear that any retail or office use in a future development would need to be local-serving in order to be consistent with the conditions in the Initiative.

- 124. Section 3.B.5, which discusses limits on residential development says "... Permit no more than 206 units of multi-family housing within that area, including:..." Is there a the definition of "multi-familty housing"? Could the units be apartments, condominiums, or town homes without requiring another public vote?**

The Initiative uses the term "units of multi-family housing." However, it does not define the term. The term "multiple dwelling" is defined in the Pacifica Municipal Code as "a building, or portion thereof, used and designed as a residence for three (3) or more families living independently of each other and doing their own cooking in such building, including apartment houses, apartment hotels, and flats, but not including automobile courts, motels, hotels, or boardinghouses" (see PMC Sec. 9-4.235).

- 125. Also, related to section 3.B.5, would the developer be allowed to pay a fee rather than build the 20% of units designated as affordable? Also, are the affordable units required to be built on the Quarry Site, or could they be built elsewhere in the City?**

The Initiative does not include a provision that would allow a developer to pay a fee rather than build the units that are to be designated as affordable for very low, lower, or moderate income households. The Initiative requires that 20 percent of the residential apartment units built at the Quarry Site be designated as affordable to very low, lower, or moderate income households.

- 126. Section 3.B.6.ii mentions 12 hotel bungalows. Could the bungalows be constructed without the rest of the hotel and conference center? Are there any restrictions on the use of the bungalows; for example, could a bungalow be rented to a tenant on a long-term basis, effectively turning it into a single-family home?**

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The exact conditions imposed on a project would be determined through the entitlement process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be

constructed. The Initiative would not limit the duration that a bungalow could be booked.

127. Can the City of Pacifica set up limits or parameters for the footprint and square footage of the housing units?

The Initiative would not obligate the City to approve residential units at the Quarry Site, nor would it obligate the City to approve residential units of a specific size or footprint. If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The size of any residential units that might be allowed and their footprint would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

128. Can the developer turn the proposed bungalows into stand alone houses or multi-family units instead of being part of the proposed hotel?

The Initiative would not approve a project, and would not approve 12 hotel bungalows at the location shown on the Map attached to the Initiative. However, if the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people being required, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) Residential use in the area designated for Hotel Bungalows on the Map would not be substantially consistent with the land use plan shown on the Map. Thus, to approve residential use in the area where the hotel bungalows are shown on the Map, a further vote of the people would be required.

129. Are there any height limits on the proposed bungalows along the ridge between Rockaway and Mori Pt.?

The Initiative does not include a height limit for bungalows. The height of any bungalows proposed in a development project would be determined through the entitlement (i.e. permit review) review process. (See Section 2.2, above.)

130. Does this measure approve a provision that if approved, more than 206 housing units could be built in space currently allocated for commercial?

The Quarry Site is currently zoned C-3 (Service Commercial) with a Hillside Preservation District overlay. The Initiative would not change this zoning, nor would it approve a project. However, if the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people being required, so long as the project met all of the requirements of the Initiative. (See Section 2, above.)

131. Does this measure approve a provision that if it passes, that more than the 206 housing units could be built in the space currently allocated for the hotel?

The Initiative would not approve a project, and would not approve hotel rooms at the location shown on the Map attached to the Initiative. However, if the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the conceptual land use plan shown on the Map attached to the Initiative, without a further vote of the people. (See Section 2, above.) As condominiums in the hotel area would not be substantially consistent with the conceptual land use plan shown on the Map, a further vote of the people would be required to modify hotel rooms.

132. Can the initiative be reworded and that version placed on the ballot so Pacifica voters have a fighting chance of understanding exactly what we are voting on?

The Initiative text cannot be modified at this point.

133. What does a "Yes" vote on this initiative result in for the property and community?

Under current law, a vote of the people is required for any residential development at the Quarry Site. If the Initiative is adopted by the voters, the City Council could approve a development project at the Quarry Site that includes a residential component without a vote of the people, so long as the project meets all of the conditions in the Initiative. This report describes the impacts of the Initiative on the City, to the extent possible within the time provided to create the report.

134. What does a "No" vote on this initiative result in for the property and community?

If the Initiative is not adopted by the voters, any residential development at the Quarry Site would continue to require a vote of the people. The City has not performed an analysis of the impacts on the City if the Initiative is not adopted by the voters.

135. I've seen pictures of a model the developer has shown at a meeting. Is that model exactly what the developer has submitted to be on the ballot? If not, what has changed?

The Initiative would not approve a project. The City has no information regarding any models presented by the developer and any such model is not part of the Initiative.

136. If the hotel is not built, can the proposed hotel bungalows on the ridgeline be turned into houses and not count toward the 206 housing units being voted upon?

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use only in the area designated as the "Quarry Village" on the Map attached to the Initiative, without a further vote of the people being required. (See Section 2, above.) Residential use in the area designated for Hotel Bungalows on the Map would not be substantially consistent with the land use plan shown on the Map. Thus, to approve

residential use in the area where the hotel bungalows are shown on the Map, a further vote of the people would be required.

137. What are the “certain conditions” described [in the initiative]?

The conditions are described in the text of the Initiative. (See Section 2, above.)

138. What will occur if the measures goes to the ballot and passes? Please explain the process and particularly the commitments required by the city and developer?

If adopted by the voters, the only effect of the Initiative would be to amend Ordinance No. 391-C.S. to allow the City Council to approve a rezoning that would allow residential development at the Quarry, without a further vote of the people, provided all of the conditions in the Initiative are met. It would not obligate the City to approve any rezoning or project proposal, or to provide or fund anything new. The Initiative would require a future developer to comply with the requirements of the Initiative in order to gain approval of a rezoning, without a subsequent a vote of the people, to allow development at the Quarry Site if a residential component is included.

139. Following up on Margaret Goodale's question in today's Tribune, isn't the bottom line, we're removing the ban on residential units, and allowing any decision allowing their construction to be placed in the hands of the Council, or others?

Residential units are not banned under current law. Current law requires a vote of the people prior to approval of a residential development. The Initiative, if adopted by the voters, would allow the City Council to approve a rezoning that would allow residential development at the Quarry, without a further vote of the people, provided all of the conditions in the Initiative are met. If residential development was proposed at the Quarry Site in a manner that did not satisfy all of the conditions in the Initiative, a further vote of the people would be required.

140. What if I want residential in the Quarry, but not so many (200) hotel rooms, NO BUNGALOWS, and NO Apartment Units.

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people being required, so long as the project met all of the requirements of the Initiative . (See Section 2, above.) The Initiative does not require the City to approve a project, or to approve a specific number of hotel rooms, bungalows, or apartment units. The number of hotel rooms, bungalows, and multi-family housing units would be determined through the entitlement (i.e. permit review) process.

141. What can the Developer build with NO residential vote?

The City Council, under current law, could consider a rezoning and project application for any type of development other than residential development. The Hillside Preservation District overlay zoning of the Quarry Site requires a rezoning to the Planned Development District (P-D) zoning before any development can occur. Under

the Pacifica Municipal Code, a required component of any rezoning to P-D is a Development Plan which specifies the permissible land uses for a site. There is no approved Development Plan for the Quarry Site at this time, and thus there is no development currently allowed to be built at the site. The General Plan describes the quarry site as a "Special Area" that should be developed as a unit to include commercial, residential, City Hall, and marina uses.

142. How many homes are up for approval? Would further vote(s) be required to exceed that amount?

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people being required, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) One of those conditions is that all residential development occur in the area designated as the "Quarry Village" on the conceptual land use plan on the Map attached to the Initiative, and the residential development include no more than 206 units of multi-family housing, of which no more than 181 must be residential apartment units, and no fewer than 25 of which must be designated as live/work units. If residential development was proposed at the Quarry Site in a manner that did not satisfy these limitations, a further vote of the people would be required.

143. If the development is not built will this vote negate the need for further votes on quarry developments?

If adopted by the voters, the terms of the Initiative would apply to the Quarry Site. Changes in ownership, or changes in the particular project proposed to be developed at the Quarry site, would not affect the applicability of the Initiative.

144. Is it true that the retail, office uses, hotel, and conference center detailed in this initiative are already allowed on the Quarry property (subject to various permits) without a public vote? In other words, is it only the residential development of 206 apartment units that requires a public vote to move forward?

The City Council could approve a project including retail, office, hotel, and conference center uses without a vote of the people under current law. Residential development is the only use that requires a vote of the people under current law.

145. Also, is it true that if this initiative passes, the developer can build only the residential development of 206 apartment units, and not the hotel, office, and retail space?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The exact conditions imposed on a project would be determined through the entitlement process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be constructed.

- 146. Section 3, B, 1 City Review and Public Process: ... the City Council finds is substantially consistent with the conceptual land use plan reflected in the map attached hereto as Exhibit A and incorporated herein by this reference. What does "substantially consistent" mean in this context? Or what are the ranges of meaning as likely to be found by a court of law?**

The Initiative does not define the term "substantially consistent." Whether a proposed Planned Development District zoning is substantially consistent with the conceptual land use plan in the Map attached to the Initiative would be determined through the entitlement (i.e., permit review) process.

- 147. Exhibit A shows a "Quarry Road" paralleling the city-owned Calera Creek and biking/walking trail for about 60% of it's length from the access west of the Vallemar intersection with Highway 1, and then swooping over toward Highway 1 to the south and east of the "Quarry Village". It comes to the edge of the property at San Marlo Way opposite Old County Road, and does not have access to Highway 1 at the old quarry entrance which is visible on the map near the "Quarry Village". Is the developer legally committed to this configuration of roadway? Obviously there must be access within the quarry village for the retail and residential, presumably from the "Quarry Road", but can the developer build other roads on the Quarry property not shown in Exhibit A?**

If the Initiative is adopted by the voters, the City Council could approve a project at the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) One of those conditions is that the project applicant must apply for, and receive, a Planned Development District zoning that is substantially consistent with the conceptual land use plan in the Map attached to the Initiative. While the Initiative explicitly limits certain types of development to those locations shown on the Map, the Initiative does not address streets, roads, or parking in the same fashion. Instead, the Initiative requires a project applicant to complete a traffic study and internal circulation and parking plan prior to issuance of a building permit. A project applicant may propose a different arrangement of streets and roads based on the results of the traffic study and internal circulation and parking plan.

- 148. No parking is designated at all in the initiative, including Exhibit A. Is parking limited to within the Quarry Village and underneath the location for the hotel/conference venue? Or is the developer permitted to establish parking elsewhere on the property? Must the developer provide parking for hotel workers and retail workers also?**

While the Initiative explicitly limits certain types of development to those locations shown on the Map, the Initiative does not address streets, roads, or parking in the same fashion. Instead, the Initiative requires a project applicant to complete a traffic study and internal circulation and parking plan prior to issuance of a building permit. The parking requirements would be determined as part of the City's entitlement (i.e., permit review) process.

- 149. There seems to be no overall limitation on square footage, or on the number of bedrooms. Can the developer build 181 five bedroom apartments?**
 The Initiative does not approve a specific project. (See Section 1.1, above.) If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative . (See Section 2, above.) The Initiative also does not impose any restrictions on the square footage or the number of residential bedrooms that could be included in the residential component of a project. The number of residential bedrooms and the square footage that might be included in the residential component of a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)
- 150. Does the owner need this ballot initiative to build a hotel or commercial on the site?**
 No. The City Council, under current law, could consider a rezoning and project application for any type of development other than residential development.
- 151. Does the owner need this or another ballot initiative to build residential on the site?**
 Yes.
- 152. Part of a development project is sketched in the developer ballot initiative. Is the public approving that as well? Or is the public only approving 206 or less housing units on the quarry? If the public is approving any project, for housing units or commercial, the right to indicate Conditions Of Approval appears to be missing. This and all projects should be built to the highest LEED standard applicable - platinum.**
 The Initiative does not approve a specific project. (See Section 1.1, above.) If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative . (See Section 2, above.) One of those conditions is that the project applicant must apply for, and receive, a Planned Development District zoning that is substantially consistent with the conceptual land use plan in the Map attached to the Initiative. Any future development at the site would be subject to review under the City’s normal entitlement (i.e. permit review) process, during which the City could impose conditions of approval on a project.
- 153. Please confirm that the initiative contains only maximum limits on development, but no minimums.**
 If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) The conditions only provide maximum limits. The

conditions do not require that the City allow any minimum amount of development to occur.

154. If the initiative passes, can the City Council approve a project that includes only residential development?

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) A project that included only residential development would still need to meet all of the conditions in the Initiative or else a further vote of the people would be required. These conditions include: development of residential would be limited to the area designated as "Quarry Village" on the conceptual land use plan in the Map attached to the Initiative; residential uses would be limited as described in the Initiative; at least 20 percent of any apartment units must be designated as affordable to very low, lower, or moderate income households; at least 75 percent of the Quarry Site must be designated as permanently-protected open space; the developer must construct new publicly-accessible trails that connect Rockaway Beach through the Quarry Site to Mori Point; grading for development must be required to minimize erosion and restore wetlands; the City Council must determine that the project will be built using green building standards, all approvals for the project would be required to comply with all applicable federal, state, and local environmental regulations including CEQA and including implementation of any transportation mitigation measures required to mitigate significant traffic impacts identified during environmental review.

155. If the initiative passes, can the City Council approve a project that includes some, but not all, of the commercial and recreational components?

Voter approval of the Initiative is not necessary for the City Council to approve a project that includes commercial or recreational components. The City Council, under current law, could consider a rezoning and project application for any type of development other than residential development. But if a project application includes residential, it must comply with the development restrictions and land use requirements contained in the Initiative.

156. How, if at all, [would a project approval including only residential development or some but not all of the commercial and recreational components be] affected by the language in Sec. 3.B.1. of the initiative, which states that the developer must obtain a "planned development district zoning" that would "authorize" a mixed-use development and that "the City Council finds is substantially consistent with the conceptual land use plan reflected in the map attached here to as Exhibit A?"

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) The City Council would not be required to approve

this zoning. The City Council, under current law, could consider a rezoning and project application for any type of development other than residential development. However, in order to approve a development that contained residential units, the project must be consistent with the land use restrictions contained in the Initiative.

157. Please define “substantially consistent” as used in Sec. 3.B.1. of the initiative.

The Initiative does not define the term "substantially consistent." Whether a proposed Planned Development District zoning is substantially consistent with the conceptual land use plan in the Map attached to the Initiative would be determined through the entitlement (i.e., permit review) process.

158. Does the “conceptual land use plan” have any binding effect on the developer or city? If so, in what way is it binding?

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) One of those conditions is that the Planned Development District zoning be substantially consistent with the conceptual land use plan in the Map attached to the Initiative. If the City Council did not approve a Planned Development District zoning that was substantially consistent with the conceptual land use plan shown on the Map, any residential development at the Quarry Site would require a vote of the people.

159. Sec. 3.C. states that a “nonconforming development” that includes residential development but does not meet all of the “conditions prescribed by subsection B” shall be subject to an additional vote of the electorate before final approval and authorization. Since the initiative does not contain any minimum requirements for development, it is not clear what would constitute a “prescribed condition” or “nonconforming development” for purposes of triggering another public vote. Please clarify.

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) Those conditions, which are described in Section 2 of this report, are the "conditions prescribed by subsection B." A development that did not meet those conditions would be a "non-conforming development."

160. The additional public vote described in subsection 3.C. is available only before the City Council gives final approval and authorization. Is there any circumstance that would trigger another public vote after issuance of the final approvals?

Any residential development at the Quarry Site that did not meet all of the conditions set forth in the Initiative would require a vote of the people.

- 161. Can the City Council waive any of the conditions of approval after the final permits are issued, and if so, would that require another public vote? For example, could the developer apply for a waiver of the affordable housing requirements that are mentioned in the initiative?**

The City could approve amendments to the conditions of approval for a project approved in accordance with the Initiative. It could not, however, approve amendments to the conditions of approval that would result in a project inconsistent with the provisions of the Initiative, without a further vote of the people.

- 162. What if the final approved project is appealed to the Coastal Commission, and the Coastal Commission rejects certain components of the development? Could that circumstance trigger an additional public vote?**

If the voters approve the Initiative, and the City subsequently approves a project that includes residential development at the Quarry Site but the Coastal Commission refuses to approve a Coastal Development Permit ("CDP") for the project, it is possible that the project applicant might seek to revise the project in an effort to gain Coastal Commission approval of the CDP. If the City approves revisions to the project that result in a project inconsistent with the provisions of the Initiative, a further vote of the people would be required.

- 163. Please confirm that the initiative contains no limits on the types of business or commercial development that can be approved. For example, does the initiative restrict the developer from putting a "big box" retailer in the quarry?**

The Initiative would not impose limitations on the type of businesses or commercial development that could be approved at the Quarry Site. Any such conditions would be considered during the entitlement (i.e., permit review) process.

- 164. Does the Initiative require the City to enter into a Development Agreement?**

No.

- 165. Does the City Council retain full discretion to not to approve a Development Agreement for the development of the Quarry, regardless of whether the Initiative passes?**

Yes.

- 166. What is the maximum gross square footage possible for all of the residential housing proposed in the Quarry Initiative?**

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The size of any residential units that might be allowed would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

- 167. If passed, does the entire initiative including the site plan become incorporated into the Pacifica Municipal Code? Can the Code be challenged by future owner/developers and variances be permitted in the future?**

If adopted by the voters, the Initiative would amend Ordinance No. 391-C.S. by adding and deleting the text as shown in Section 3 of the Initiative, and incorporating the Map attached to the Initiative. Ordinance No. 391-C.S. is an uncodified ordinance. Once approved, the language of the Initiative can only be amended by a further vote of the people.

- 168. How will the apparent contradiction between Section 3.A and Section 3.B be clarified?**

It is not clear from the question what contradiction, if any, may exist.

- 169. How will approval of the initiative affect Coastal Commission jurisdiction?**

The Initiative, if adopted by the voters, would not affect the California Coastal Commission's jurisdiction.

- 170. How will the City control the size of the hotel when NO height or square footage limits are included in the initiative?**

The Initiative, if adopted by the voters, would not approve a specific development. Any future development would be subject to the City's standard development review process, through which the City could exercise control over the physical characteristics of a development, including height and floor area.

- 171. Without environmental review, does the initiative approve the 206 residential units of four stories with NO limits to square footage?**

The Initiative would not approve a specific development. The City will conduct a thorough CEQA review as part of its normal application review process for any project proposed at the Quarry Site.

- 172. Does the measure allow development on sensitive hillsides or amend the City's Hillside Protection District?**

The Initiative would not alter the Hillside Preservation District overlay zone. The exact location of any future development would be determined through the City's normal application review process. For projects that include residential development, development would also need to be substantially consistent with the conceptual land use plan in the Map attached to the Initiative.

- 173. Will the community have any input on the project after the initiative has been placed on the ballot? What's the timing for that input?**

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) If the Council considered such a zoning change, there would be an opportunity for public input

regarding that decision and to participate in the land use planning process. Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process. (See Section 2.2, above.) The timing for future public input in the land use planning process will depend on a number of factors outside the City's control (e.g., submission of all materials required for evaluation of an application, time required for environmental review).

174. Would this project allow for a new civic downtown or center as part of the development?

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) Those conditions would not preclude a new civic downtown or center from being included in a project.

175. The initiative contains no cap on the square footage of the residential development, though it does for the hotel and commercial portions. What limits would there be on the amount of residential development?

The Initiative would allow the City to approve residential development at the Quarry without a further vote of the people, so long as all of the conditions in the Initiative are met. One of those conditions is that all residential development occur in the area designated as the "Quarry Village" on the conceptual land use plan on the Map attached to the Initiative, that the residential development be no more than four stories in height, and that the residential development include no more than 206 units of multi-family housing, of which no more than 181 must be residential apartment units (20 percent of which must be designated as affordable for very low, lower, or moderate income households), and no fewer than 25 of which must be designated as live/work units. As a supplement to those limitations, the City will be able to determine an appropriate density and design for any residential development through the City's normal project review process.

176. How do we know the developer is actually giving up 75% of the site to open space?

If the Initiative is adopted by the voters, the City could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) Those conditions include a requirement that at least 75 percent of the Quarry Site be designated as permanently-protected open space. The applicant for a future development project would need to submit sufficient evidence to allow the City to confirm that the project complied with this requirement and the City will condition the project to assure that this open space requirement is complied with.

177. I understand that the mitigation bank is not actually open space; how does it count?

The Initiative does not mention a mitigation bank.

- 178. If a court or legislation struck down, for example limits on residential development, could the developer build more than 206 apartment units, and could he or she build more apartments or residences in other parts of the Quarry property?**

It would be necessary to analyze a specific legal decision or legislation to determine its impact on residential development at the Quarry Site.

- 179. Section 5, C: This initiative must be broadly construed to achieve the purposes stated above. What does "broadly construed" mean? Does this give the developer wiggle room with respect to Exhibit A, so that he or she can build roads or other features not on the Exhibit?**

The term "broadly construed" is not defined in the Initiative and does not have a precise legal definition. Section 5(C) goes on to state that "[i]t is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Initiative." The language in Section 5(C) would apply to all of the Initiative, including the conceptual land use plan on the Map attached as Exhibit A.

- 180. Would any reduction in the height of the terrain between the proposed hotel and the ocean be "substantially consistent" with the relevant land use plan?**

The Initiative would require that the Planned Development District zoning is substantially consistent with the conceptual land use plan in the Map attached to the Initiative. It would not require that all grading at the Quarry Site be substantially consistent with the conceptual land use plan on the Map. However, the Initiative would also require that grading for purposes of development be approved in a manner that would make hills and cliffsides safer by preventing further erosion and restore wetlands to provide critical habitat for native animal and plant species. A specific grading plan would be required and subject to City review and approval during the City's normal project review process.

- 181. Does the ballot initiative guarantee a "restored wetlands" area?**

No.

- 182. Does this ballot initiative guarantee 75% permanent open space?**

If the Initiative is adopted by the voters, the City could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) Those conditions include a requirement that at least 75 percent of the Quarry Site be designated as permanently-protected open space.

- 183. If a restored wetlands area is not guaranteed does the ballot initiative offer any guarantees of protection to any endangered species on these parcels?**

The Initiative states that any rezoning and project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act (CEQA). This would include existing legal protections for any endangered species in the project area.

184. What happens if any one of the ten conditions under 3.B. are not met? (eg, #7 shows "Green Building Standards", a condition that was waived or significantly reduced for Harmony @ One in a single council session)

If a project containing residential development does not meet all of the conditions in the Initiative, a further vote of the people is required to approve it.

185. Section #3.B.5. states "The residential component of any project authorized by the rezoning shall: A. Be limited to the portion of the area designated on Exhibit A as the "Quarry Village" "... Would residential construction on these parcels outside the "Quarry Village" portion on Exhibit A require an additional ballot initiative?

Yes.

186. Section #3.B.5.A states ""The residential component of any project authorized by the rezoning shall: ...B. Permit no more than 206 units of multi-family housing within that area, including:" .. Are there any possible circumstances where the term "units of multi-family housing" could mean more than 206 individual living units?

The Initiative uses the term "units of multi-family housing." However, it does not define the term. The term "dwelling" is defined in the Pacifica Municipal Code as "a building, or portion thereof, used or designed and intended to be used for human habitation, including sleeping purposes" (see PMC Sec. 9-4.233). It is reasonable to expect that "unit," as used in Section 3(B)(5) the Initiative, is synonymous with "dwelling," as defined in the Pacifica Municipal Code.

187. Section #5. addresses "Interpretation and Severability"- Has the City of Pacifica reviewed the ballot initiative to determine whether any section, sub-section, sentence, clause, phrase, part, or portion of this Initiative are already invalid or unconstitutional, and if so, which parts?

No.

188. Does this ballot initiative approve a specific project plan?

No.

189. Does this ballot initiative address whether the Calera Creek sewer plant handle the sewage from 206 additional residential units and 200 hotel units during a rain storm?

The Initiative does not address impacts that development at the Quarry Site might have on Waste Water Treatment Plant. Infrastructure capacity would be evaluated during review of any project proposal for the Quarry Site.

190. Does this ballot initiative address whether at two children per unit, can the Pacifica School District and the Jefferson Union School District handle an additional 412 children with current funding levels? With funding levels if the parcel tax is not renewed in 2027?

The Initiative does not address impacts that development at the Quarry Site might have on school capacity. School capacity would be evaluated during review of any project proposal for the Quarry Site.

191. Does this ballot initiative address whether Pacifica have to hire any additional employees (public safety, public works etc) to handle the large number of new residents in the Quarry?

The Initiative does not address impacts that development at the Quarry Site might have on public services. Impacts to public services would be evaluated during review of any project proposal for the Quarry Site.

192. The only item that requires a vote of the people is the housing element. Yet the developer has added many other elements, and not fully described them. Why?

The City has no information regarding the Initiative proponents' reasons for including, or not including, certain provisions in the Initiative.

193. How is it that their own ballot initiative is written so poorly -- by the developer's attorneys and team -- and reviewed by the City of Pacifica's attorney -- and yet this ballot initiative is so confusing Eenhorn et al. and the City of Pacifica and the public are not in agreement as to what is intended by the document?

The City has no information regarding the Initiative proponents' approach to drafting the Initiative. The City of Pacifica provided no input into the drafting of the Initiative.

194. The only element a public vote in the developer's initiative is residential housing. Yet the developer has had his attorneys add many other elements, such as hotel, bungalows, trails, amphitheater -- none of which require a public vote: the property is zoned to go forward with these commercial elements right away, today. Why ask the public to vote on items that do not require a public vote? What is the public approving on this confusing developer ballot initiative? What can the public change, should this ballot initiative pass?

The City has no information regarding the Initiative proponents' reasons for including certain provisions in the Initiative. If adopted by the voters, the Initiative would amend Ordinance No. 391-C.S. by adding and deleting the text as shown in Section 3 of the Initiative, and incorporating the map in Exhibit A. (See Section 1.1, above.) These amendments would allow the City to approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative would not obligate the City to take any action related to a proposed rezoning or a proposed project. The City would consider any development application through its normal review process, in which the City could exercise control over the mix of uses and physical characteristics of the development. If the Initiative is adopted by the voters, a subsequent vote of the people would be required to modify its provisions.

- 195. How does the residential component compare in terms of number of units to the Peebles proposal in 2006?**
The 2006 initiative that related to development of the Quarry Site would have allowed up to 355 residential units of varying types and up to 350 luxury hotel rooms. The present Initiative, if adopted by the voters, would allow the City to approve a project with up to 206 units of multi-family residential housing, up to 188 hotel rooms, and up to 12 hotel bungalows.
- 196. How does this proposal compare in terms of residential footprint to the Peebles proposal in 2006?**
The 2006 initiative did not include a limit on the floor area or footprint of residential development. The present Initiative, if adopted by the voters, would not include a limit on the floor area of residential development. However, it would include a conceptual land use plan (Exhibit A to the Initiative) which would limit the area of residential development to the “Quarry Village.”
- 197. How does the open space component compare to the Peebles proposal in 2006?**
The 2006 initiative would have required at least 45 percent of the Site to be preserved and protected as publicly-accessible open space. The present Initiative, if adopted by the voters, would require at least 75 percent of the Quarry Site to be designated as permanently-protected open space.
- 198. How can any type of analysis be done without a defined project approved by the Planning Dept., City Council and the Coastal Commission?**
The absence of a defined project presents challenges to the analysis of potential impacts from a future project. However, for purposes of preparing this report, the City has assumed a future development will include all land uses permissible under the Initiative at their maximum development intensity.
- 199. Does the measure contain ANY guarantees that the hotel and commercial development will be planned and implemented?**
No. The Initiative does not approve a specific project. (See Section 1.1, above.) It just allows the City Council to approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) That zoning would need to include hotel and commercial uses, among others, but there is no requirement in the Initiative that hotel or commercial development actually be built.
- 200. Is there any development agreement in place with the City associated with the measure? If not, how will City infrastructure and resources be protected?**
No. The Initiative does not require an applicant enter into a Development Agreement. Neither the Initiative nor does the City's planning process require an applicant to enter into a Development Agreement. However, the City and an applicant could mutually

agree to enter into a Development Agreement. Impacts from any project at the Quarry Site would be evaluated during the entitlement (i.e., permit review) process.

201. how would It treat the concept of phasing in? Eg commercial has to be up and running before housing can start? Etc

The Initiative does not provide for phasing, and the City cannot require phasing of a project.

202. If the developer cannot obtain approval for the hotel use as set forth in Exhibit A, can the developer build the residential units without the hotel?

The Initiative allows the City Council to approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) That zoning would need to include hotel uses, among others, but there is no requirement in the Initiative that a hotel development actually be built.

203. Does the measure have any guarantees that the hotel and commercial development will be planned and implemented?

No.

204. If the initiative is approved, would it be possible for the City to approve a project consisting of a 206 units of multi-family housing without either a Retail/Office building or a Hotel & Conference Center, without another public vote?

The Initiative allows the City Council to approve a Planned Development District zoning for the Quarry Site that would allow residential use without a further vote of the people, so long as the project met all of the requirements of the Initiative. (See Section 2, above.) That zoning would need to include hotel, conference, retail, and office uses, among others, but there is no requirement in the Initiative that a hotel, conference, retail, or office development actually be built.

205. Why is the developer not helping to pay for the cost of printing the voter guide like City Council candidates are required to?

The City does not have the authority to require the Initiative proponents to pay for the costs incurred printing the Voter Information Guide.

206. What was the reasoning behind not publishing the entire ballot initiative language in the voter information pamphlet?

The City Council will determine on July 25, 2016, whether to publish the entire Initiative in the Voter Information Guide.

207. Will the entire ballot initiative be printed in any other language besides English?

If the City Council decides to publish the entire Initiative on July 25, 2016, it will be printed in English, Spanish, and Chinese languages in the Voter Information Guide.

- 208. Can the developer section off areas to sell to other developers?**
The Initiative does not include any restrictions on subdivision or sale of the Quarry Site.
- 209. Does the measure have a traffic plan?**
The Initiative does not include a traffic plan, however it requires that "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals."
- 210. Why again is highway 1 WIDENING used INSTEAD of the more thorough TRAFFIC CONGESTION mitigation or impacts?**
The Initiative does not mention Highway 1 widening.
- 211. Will the developer prepare a traffic circulation plan before the November election? If so when will it be presented to the City and the public?**
The Initiative does not require preparation of a traffic circulation plan prior to the election. The City has no knowledge of any plans the developer may have to present a traffic circulation plan prior to the election.
- 212. When will the developer publicly disclose the results of its current traffic study?**
The City has no information regarding a traffic study prepared by the developer, nor the developer's intentions to disclose the results of that study.
- 213. Are wetlands (either preservation or recreation) a guarantee?**
The Initiative would not guarantee a wetlands preservation or recreation area.
- 214. Does the Quarry Initiative provide any commitment for wetlands restoration, including the wetlands restoration referred as the mitigation bank in other documents.**
The Initiative does not guarantee a restored wetlands area.
- 215. How would the initiative approval change the process and requirements for wetland mitigation and listed species?**
The Initiative would not affect any laws or regulations regarding environmental protection. Moreover, the Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."
- 216. Has the developer included any local business considerations in their proposal for construction, leasing, or other related economic business practices?**

The Initiative does not approve a specific project. It also does not mention local business considerations related to construction, leasing, or other related economic business practices.

217. What will happen to our other shopping areas? What impact will this have on these?

Due to the limited time available to prepare this report, the City was unable to analyze the Initiative's potential impacts to existing shopping areas.

218. What impact on currently available but unoccupied commercial space will this proposed project have?

Due to the limited time available to prepare this report, the City was unable to analyze the Initiative's potential impacts to unoccupied commercial space.

219. Will preference be given to local contractors?

The Initiative does not mention preferences to local contractors.

220. How would current wildlife and existing habitats be preserved or safely relocated?

The Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act." The City will conduct a thorough environmental review of any proposed project at the Quarry Site, including review under the CEQA, as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

221. What are the impacts to the endangered species living in, migrating through or living near the [San Marlo Way] drainage channel?

The Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act." The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

222. Has the developer completed a Traffic Study and Traffic analysis to determine the impacts to Endangered Species in the Quarry?

The Initiative does not include a traffic study, traffic analysis, or assessment of impacts to any potential endangered species at the Quarry Site. The Initiative would require that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures

reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." The Initiative also states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act." The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA, including analysis of traffic and biological impacts, as part of its normal application review process.

223. How can the developer subdivide the land, interrupting natural habitat for endangered species and other animals?

The Initiative does not propose or approve a subdivision of land. To the extent a developer might propose to subdivide land as part of a project that includes residential development, the Initiative does state that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act." The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA, including biological impacts, as part of its normal application review process.

224. How can the developer build on and disrupt a wildlife corridor? And how is this going to be protected?

The Initiative does not approve a project. The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA, including biological impacts, as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

225. What is the impact on our Pacifica infrastructure with all the added living units, hotel, etc.?

To the extent it could within the time available to prepare this report, the City has provided an analysis of the impacts of the Initiative on City infrastructure in Section 5, above. Infrastructure impacts would be evaluated in greater detail during review of any future project proposal at the Quarry Site.

226. Are the impacts of global warming, sea level rise, earthquakes, coastal erosion going to be considered?

The City would conduct an analysis of the suitability of the Quarry Site for development, and a thorough environmental review of any proposed project at the Quarry Site including CEQA review, as part of its normal application review process. (See Section 2.2, above.)

- 227. Will any of the infrastructure for current Pacifica businesses and residents' cable & internet access, electrical, water and sewer be displaced by the building of the proposed entryway off of Hwy. One at the Old Quarry entrance? Or the widening of San Marlo Way?**

To the extent it could within the time available to prepare this report, the City has provided an analysis of the impacts of the Initiative on City infrastructure in Section 5, above. Infrastructure impacts would be evaluated in greater detail during review of any future project proposal at the Quarry Site.

- 228. Will the city be involved in traffic study?**

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, which would include an analysis of traffic impacts from the project.

- 229. Pacifica residents have recently seen and photographed bobcats in the quarry. Will this proposal protect the bobcats or any non-endangered species on these parcels?**

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts. The Initiative does state that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."

- 230. Will basements or foundations become exposed to sea water or ground water or both as sea level rises, forcing ground water table up?**

The Initiative does not approve a project. The City will conduct an analysis of the suitability of the Quarry Site for development, and a thorough environmental review of any proposed project at the Quarry Site including CEQA review, as part of its normal application review process.

- 231. What studies and reports have been done regarding the effects of sealevel rise on this proposed development? How will sealevel rise affect the quarry property and proposed buildings there?**

The Initiative does not approve a project. The City will conduct an analysis of the suitability of the Quarry Site for development, and a thorough environmental review of any proposed project at the Quarry Site including CEQA review, as part of its normal application review process.

- 232. The developer ballot initiative takes away 200 feet from the 300 foot setbacks for Calera Creek. That is a 66.66% reduction in ESHA on both sides of the creek. How do Enhorn et al. plan on circumventing ESHA rule?**

The Initiative does not set maximum setbacks from Calera Creek, and would not affect any laws or regulations regarding environmental protection. Moreover, the Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."

233. How does this two-thirds reduction of habitat along the creek, plus further fragmentation by trails, roads, pathways, hotel, amphitheater, parking, etc. map to 'restoring habitat' for any species? for the endangered and threatened species known to live in the quarry, California Red-legged Frog and San Francisco Garter Snake?

The Initiative does not set maximum setbacks from Calera Creek, and would not affect any laws or regulations regarding environmental protection. Moreover, the Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."

234. Has the developer already made some kind of deal that would permit them to ignore the ESHA habitat and endangered species and their ecosystems on the property?

The Initiative would not affect any laws or regulations regarding environmental protection. Moreover, the Initiative states that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."

235. Is it reasonable to expect wildlife corridors to be planned for and designed in a way that will permit affected wildlife in the quarry a healthy ecosystem, and ability to reproduce and thrive?

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts. The Initiative does state that "the rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act."

236. Will noise, during construction - and after construction caused by added people - be abated? How?

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

- 237. Will dust and garbage generated by construction be abated? How?**
The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.
- 238. How will the ongoing erosion impacts and sea level on the seaside perimeter of the Quarry property be analyzed in terms of long term stability and impacts to Rockaway Beach and City infrastructure?**
The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.
- 239. What are the adverse impacts to the City of Pacifica parcels adjacent to, and running through the center of, the proposed Quarry Land Use Plan, especially APN No. 018-150-180?**
The impacts from the Initiative have been analyzed in this report, to the extent possible in the time allowed. The City would conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.)
- 240. How will the Quarry land use plan mitigate for loss of endangered, threatened and sensitive species habitat and impacts to these species?**
The Initiative does not approve a project or a land use plan. The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.
- 241. How many acres of upland habitat for the San Francisco Garter snake will be impacted especially for the Hotel and Bungalow areas?**
The Initiative does not approve a project. The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

242. The SF Garter Snake is a California Fully Protected Species and no take is permitted under the California Endangered Species Act. How will the Quarry Initiative address this conflict?

The Initiative does not approve a project. The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

243. What are the adverse impacts to the adjacent Rockaway Beach neighboring for both residential and commercial uses as well as visitor serving uses?

The Initiative does not approve a project. The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

244. How will impacts to schools be mitigated?

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

245. How will greenhouse gas/climate change impacts be addressed and mitigated?

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

246. Will the project include any seawall or coastal protection measures along the Quarry shoreline?

The Initiative does not approve a project. Any seawall or coastal protection measures that might be proposed as part of a future project would be reviewed by the California Coastal Commission.

247. What happens to all the wildlife on-site when its developed?

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See

Section 2.2, above.) If potentially significant impacts are identified, feasible mitigation measures would be imposed on the project to address those impacts.

- 248. Will members of City Council or Planning who are employed or have immediate family members employed as realtors, mortgage brokers, or any other "real estate" connection recuse themselves from voting on any residential issue?**

City Council and Planning Commission members will abide by all applicable conflict of interest laws.

- 249. Is the project as delineated in the initiative consistent with the current General Plan and with the Rockaway Beach Specific Plan?**

The Initiative does not approve a specific project. The consistency of the Initiative with the General Plan and Rockaway Beach Specific Plan is addressed in Sections 3.1-3.4, above.

- 250. How will construction trucks pulling out dirt etc. exit out of the project to go northbound? Going to Fassler on Hwy. One southbound requires turning onto Fassler and then trying to pull a U turn at the entrance to Rockaway Beach Avenue thus blocking traffic for these residents and commuters using Fassler. Going to Fassler via West Rockaway requires being on narrow streets with congestion on them already. So, how will the dump trucks exit this area?**

The City will conduct a thorough environmental review of any proposed project at the Quarry Site as required by CEQA as part of its normal application review process, at which time it will identify potentially significant impacts to the environment. (See Section 2.2, above.) This analysis will include impacts from the construction phase of any potential project.

- 251. Can Caltrans set up a temporary signal at Hwy. One and the proposed project's access route thus making it possible for construction vehicles to safely access Hwy. One without going to Fassler Ave.?**

The City has no information regarding whether there is the potential for temporary traffic signals to be installed.

- 252. During initial construction where will the construction workers obtain electric power to operate their tools with?**

Any future development at the site would be subject to review under the City's normal entitlement (i.e. permit review) process, during which the City could impose conditions of approval on a project which would address issues like access to electrical power during construction, if necessary.

- 253. If the voters don't approve this proposal, will it remain permanent open space? What else could be done with the property?**

The City Council, under current law, could consider a rezoning and project application for any type of development other than residential development. The Hillside Preservation District overlay zoning of the Quarry Site requires a rezoning to the

Planned Development District (P-D) zoning before any development can occur. Under the Pacifica Municipal Code, a required component of any rezoning to P-D is a Development Plan which specifies the permissible land uses for a site. There is no approved Development Plan for the Quarry Site at this time, and thus there is no development currently allowed to be built at the site. The General Plan describes the quarry site as a "Special Area" that should be developed as a unit to include commercial, residential, City Hall, and marina uses.

254. Is some development at the Quarry inevitable?

Whether development will occur at the Quarry Site depends on a number of different factors, including whether the City receives a development application and what information is developed during the City's review of that application. It is not possible to say, at this point, whether any development will occur.

255. What happens if developer runs out of money?

The Initiative does not approve a specific project. (See Section 1.1, above.) It is not possible for the City to anticipate what might occur if a developer who proposes a project at the Quarry Site runs out of money.

256. What assurances, if any, are there that the entire project will be built?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be constructed.

257. If this ballot initiative passes and the owner/developer is permanently unable to complete the project due to financial issues (bankruptcy, insolvency, costs of green building, etc), will any future residential development in the quarry require an additional ballot initiative?

The provisions of the Initiative would apply to the Quarry Site regardless who owns the property.

258. What will be the effects economically, socially, and how will quality of life change in Pacifica, should the project get started, and then stopped - for any reason?

The Initiative does not approve a specific project. (See Section 1.1, above.) It is not possible for the City to anticipate exactly what might occur if a development at the Quarry Site stopped after construction had begun.

259. What recourse does Pacifica have, if the project is started and then for any reason is stopped indefinitely, or fails altogether?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City

could impose conditions on any project to ensure that it, or any particular component of it, would be constructed, or that any component of it be successful.

260. Will Pacifica require a large enough bond to correct the situation should this project get started, and then get stopped, leaving a partial construction project on the site?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

261. Since the developer corporate name includes "Limited Liability Corporation" -- what can the City of Pacifica expect in terms of the developer being responsible for: errors, destroyed ecosystems, dead wildlife, a stopped project, a partially completed project, and any other problems the developer causes in the course of building out the project, should it be approved?

The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) Those conditions would be binding on the applicant.

262. As currently proposed, one building of the hotel will be located on a seasonal pond in the quarry area. What type of drainage has the developer proposed to compensate for the removal of this drainage option?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any future development at the site would be subject to review under the City's normal entitlement (i.e. permit review) process, during which the City would evaluate issues related to drainage. Review under CEQA would also be part of the entitlement process.

263. Currently this part of San Marlo floods with heavy rains and acts a drain for this part of Rockaway both paved and unpaved. What type of drainage is the developer planning to do to prevent this area from being flooded if the project is built?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any future development at the site would be subject to review under the City's normal entitlement (i.e. permit review) process, during which the City would evaluate issues related to drainage. Review under CEQA would also be part of the entitlement process.

264. How many jobs, full time and part time could possibly be created by this entire proposed project?

The Initiative does not approve a specific project. (See Section 1.1, above.) An evaluation of any specific project that might be built at the Quarry Site is beyond the scope of this report.

265. Can we negotiate with the developer to work with the City to build a sewage storage tank/retention basin in the quarry where it belongs?

The Initiative does not require or prohibit a developer from negotiating with the City regarding the components that a project might include. However, the City's ability to

require a developer to include particular components in a project is limited (whether the project is at the Quarry Site or elsewhere).

266. Can Developer supply data on "the millions of dollars" in revenue for the City? Is this per year? or 10 years? The initiative does not say.

The City does not have any information regarding the basis for statements included in the Initiative.

267. Can this data be broken down into what \$\$\$ goes to Pacifica schools?

The City does not have any information regarding the basis for statements included in the Initiative.

268. How much will the residential component COST the City for extra services?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to City services and mitigation measures that the City could require the implement to fulfill to address those impacts.

269. If the project goes forward, what revenue benefit will Pacifica receive? What costs will Pacifica pay out?

The Initiative does not approve a specific project. (See Section 1.1, above.) An assessment of the revenues that might result from development of a project under the Initiative is included in Section 4, above. Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to City services and mitigation measures that the City could require the implement to fulfill to address those impacts.

270. Please list each funding or service Pacifica will be required to provide, and how much will each cost, on an annual basis and in total. Please indicate any requirements of time or other constraints for each funding/service. If so, for how much, and when?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to City services and mitigation measures that the City could require the implement to fulfill to address those impacts.

- 271. If Pacifica will be required to provide any services or funding, how will those monies and services be funded and/or sourced? Will Pacifica take out loans or leverage properties?**

Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to City services and mitigation measures that the City could require the implement to fulfill to address those impacts.

- 272. What type of retail is there going to be, when we can't even fill all the retail we already have?**

The Initiative does not approve a specific project, or require a particular type of retail development. (See Section 1.1, above.) The City cannot anticipate what type of retail might be included in a future development.

- 273. Has the developer made contact with Caltrans in regards to their proposed Widening project? And if so, how does this affect the project, if at all?**

The City has no information regarding whether the developer is in contact with Caltrans.

- 274. Will a permit be required from Caltrans for the project since it will include access to Highway One?**

The Initiative does not approve a specific project. (See Section 1.1, above.) The City has no information regarding what permits Caltrans might require to construct a specific project at the Quarry Site.

- 275. Please confirm that there is no rent control for apartment units in Pacifica, and that the rent can increase to any level as owner demands**

If the Initiative is adopted by the voters, the City Council could approve a project that included no more than 206 multi-family residential units, of which no more than 181 could be apartment units, and at least 20 percent of the apartment units would be required to be affordable to very low, lower, or moderate income households as defined in Title 9, Chapter 4, Article 47 of the Pacifica Municipal Code. (See Section 3.5, above.) The City's ability to enforce these restrictions with regard to rental units must be reviewed in light of recent case law.

- 276. At the May 12, 2016 meeting at Nicks, residents asked questions about the amount of rent expected to be charged for the market-rate apartments and for the "affordable" apartments. Those questions were not answered, on the ground that, according to Quarry sponsors, final rates would have to be based on a number of variables that change over time. Recognizing that no one can predict the future, and without holding Quarry developers to any numbers, using all the variables Quarry developers claim go into determining market-rate rents and rents on the affordable units, if the apartments envisioned by this development existed today (using all information available today regarding Pacifica's population, income levels, and whatever other**

variables affect pricing) and assuming 180 apartment units, 20% of which are deemed "affordable," for how much would the market-rate apartments rent? What would be the rent on the affordable units?

The Initiative does not approve a specific project, or require a particular type of residential development, and the actual number and type of residential units that might be built at the Quarry Site, if any, is not yet known (except that the units must be multi-family residential without a further vote of the people). (See Sections 1.1 and 2, above.) As a result, there is not enough information currently to anticipate what market rate rents might be. Regarding affordable units, the Initiative requires that 20 percent of any residential apartment units be designated as affordable for very low, lower, or moderate income households, as those terms are used in Pacifica Municipal Code Title 9, Chapter 4, Article 47. The Initiative is not specific regarding the percentage that would be designated for each category (i.e. very low, lower, or moderate income). The specific dollar amounts for each category vary from year to year, and depending on the number of members in the household. For the amounts applicable in 2016, please see: <http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/reports/state/inc2k16.pdf>

277. Is the sewer plant capable of handling the additional waste water and solids that will be generated by building this entire proposed project?

The Initiative does not approve a specific project. (See Section 1.1, above.) The capacity of the Calera Creek Water Recycling Plant to handle a potential development at the Quarry is addressed in Section 5.2, above.

278. Do we have enough electrical generating capacity in Pacifica to handle the entire project—residential, commercial and hotel-- as proposed?

The Initiative does not approve a specific project. (See Section 1.1, above.) Properties within the City currently receive electricity through Pacific Gas & Electric, though some of the generation may soon come from Peninsula Clean Energy. The City is not aware of any concerns that future development might not be able to receive sufficient power.

279. Do we have enough infrastructure in place and water allotment to provide water service for the entire proposed project?

The Initiative does not approve a specific project. (See Section 1.1, above.) The capacity of the North Coast County Water District to supply potable water to a potential development at the Quarry is addressed in Section 5.3, above.

280. Do we have enough infrastructure in place to provide cable and internet access for the entire proposed project?

The Initiative does not approve a specific project. (See Section 1.1, above.) The City is not aware of any concerns that future development might not be able to receive sufficient cable or internet access.

- 281. Is the infrastructure for cable & internet access, electrical, water and sewer, needing to be replaced or updated to make any part of this project possible?**
The Initiative does not approve a specific project. (See Section 1.1, above.) Any development on the Quarry site, with or without residential use envisioned in the Initiative language, will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to City services and mitigation measures that the City could require the implement to fulfill to address those impacts.
- 282. Where will water supply come from to build the project initially, and ongoing usage for new businesses and hundreds -- 800? more? of new users with dishwashers, tubs, baths, washing machines, pools, etc.**
The Initiative does not approve a specific project. (See Section 1.1, above.) The North Coast County Water District supplies water to Pacifica. (See Section 5.3, above.)
- 283. Water - Does Pacifica have enough water to serve all these added dwellings? Where will it come from?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The capacity of the North Coast County Water District to supply potable water to a potential development at the Quarry is addressed in Section 5.3, above.
- 284. Telecommunications - Will Pacifica need more cell towers and other telecommunications infrastructure to accommodate more phones, TVs, etc.?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The City does not have any information on whether future development will have sufficient telecommunications services.
- 285. How will added power needs affect current residents power systems?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The City is not aware of any concerns that there might not be sufficient power to supply the needs of both current residents and any development that might be constructed at the Quarry Site.
- 286. Will Pacifica have to hire even more police?**
The potential impacts of a future development at the Quarry Site are addressed in Section 5, above. Further, potential impacts to police services would be reviewed after submittal of a development application for a specific project, which would trigger a complete project analysis pursuant to CEQA and other local regulations and policies. The project-level analysis would identify potential impacts on the availability of police services.
- 287. Can't we just insist on the construction of the retail/office space and hotel, without approving the residential portion?**

If the Initiative is adopted by the voters, the City Council could approve a project that included residential development at the Quarry Site that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The Initiative would not obligate the Council to approve such a project. However, the City cannot force development of retail/office space and hotel at the site.

288. Is the developer providing long term security, maintenance, street maintenance, and open space maintenance and/or security for the project?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.)

289. Who is going to maintain these units after the developer has made his money and is gone?

Provisions for site maintenance could be considered during the entitlement (i.e. permit review) process. (See Section 2.2, above.) Generally, maintenance is the property owner's responsibility.

290. Will the residences/work places be part of a homeowners association which maintains the exteriors and infrastructure? If so, who will be responsible for street maintenance etc? What, if known, would the fees be?

The Initiative does not approve a specific project. (See Section 1.1, above.) Therefore, it is unknown whether a future project would propose condominiums (a form of individual property ownership for multi-family units) governed by a homeowners association, or rental apartments managed by a single property owner. Accordingly, the rate of any potential homeowners association dues is unknown at this time. The exact form of ownership, identified during the entitlement (i.e. permit review) process would provide an indication as to the individual or entity responsibility for property maintenance.

291. Where are all the cars going to park with these units? Where are their friends and visitors going to park?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to parking, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate parking impacts caused by the project.

292. Will there be overflow parking available for the Famers' Market on Wed. or other special events in West Rockaway?

The Initiative does not address parking demand from areas other than the Quarry Site.

293. Where will parking for the apt. buildings be located?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to parking, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate parking impacts caused by the project.

294. How much parking will be provided by the Quarry Land use plan?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to parking, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate parking impacts caused by the project.

295. Has the developer considered making the large flat area (open space) accessible to the public as a park, athletic fields, community center, gathering area, hiking or biking paths aside from the perimeter.

The Initiative does not address use of this area except that it is labeled in the Conceptual Land Use Plan in the Map attached to the Initiative as "Wetland Open Space."

296. Has the developer been in contact with the GGNRA for discussion regarding open-space use, dog walking (on-off leash), and/or educational use of the open space?

The City has no information pertaining to whether the developer has been in contact with the Golden Gate National Recreation Area (GGNRA).

297. Is the developer intending to provide ocean access, public or private, to the beach below the bluffs?

The Initiative does not address ocean or beach access. The City has no information pertaining to whether the developer intends to provide ocean or beach access.

298. Is there any room in this proposed project to add one or more soccer fields?

The Initiative does not approve a specific project.(See Section 1.1, above.) If a particular development proposal for the Quarry Site includes soccer fields, the City would analyze the suitability of the site for such uses through the entitlement process.

299. The proposed bungalow vehicle access route will cover the currently used walking paths between Rockaway and Mori Pt. Where exactly will the replacement paths be located?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to the referenced bungalow vehicle access route, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." Therefore, if the City approves a project including bungalows in the future, any vehicle access route to the bungalows would be subject to City review and approval. With respect to existing trails, the Initiative requires that a developer of a project including residential development construct new, publicly-accessible trails at its expense to connect Rockaway Beach through the Quarry Site to Mori Point.

300. Will the development be dog or pet-friendly?

The Initiative does not approve a specific project, and does not address the issue of whether a future development would allow dogs or cats. (See Section 1.1, above.)

301. A number of permits will be required for the project. Please list all of the required permits and the agencies that are responsible for issuing them.

The Initiative does not approve a specific project. (See Section 1.1, above.) A discussion of permits likely to be required by a future development at the Quarry Site is included in Section 2.2, above.

302. Regarding the required permits please explain the process that will be followed and the order in which the permits will be issued. For example, how will a Coastal Development Permit application be processed? Will the first application be submitted to the State Coastal Commission or will the initial application for a Coastal

Development permit be submitted to the City of Pacifica? When will a permit application be submitted to the State Mining and Geology Board?

The Initiative does not approve a specific project. (See Section 1.1, above.) The permit process for a future development at the Quarry Site is described in the 9212 Report. (See Section 2.2, above.)

303. Does the developer need permits and approvals prior to constructing a new roadway in the Quarry wetland areas?

A developer would be required to obtain permits prior to constructing a new roadway at the Quarry Site.

304. What permits and agencies will the developer need to gain approvals from for the construction of a new road in the Quarry?

The City and the California Coastal Commission would each need to approve permits before a roadway could be constructed at the Quarry Site. It is also possible other agencies would need to approve the roadway, depending on its exact placement. These agencies will be identified during detailed review of any future project proposal.

305. How can the developer say he will build a new roadway before he applies for a permit and receives agency approval to do so?

The City has no information regarding statements by the developer regarding the permits required to construct a roadway at the Quarry Site.

306. What are the impacts to the Quarry development proposal if permits to build a new road are not approved?

The Initiative does not approve a specific project. (See Section 1.1, above.) The impacts to a proposed project from failure to obtain permits to build a new road are unknown.

307. Why does the developer keep doing things in the quarry without coastal commission permission? Doesn't he and Zetner have to go through proper channels before they can start taking soil samples, putting up poles, etc.?

The City has no information regarding the developer's intentions. The City lacks authority to issue a coastal development permit ("CDP") at the Quarry Site because the Site is not within the area of the City's Local Coastal Plan certified by the California Coastal Commission ("CCC"). Questions pertaining to activities undertaken at the Quarry Site and whether they require a CDP should be directed to the CCC.

308. Who or what part of Pacifica's government, will be the ones to make the decision that if this initiative passes, whether a residential development project does or does not meet all of the conditions prescribed by subsection B requiring an additional vote of the Pacifica electorate?

The Initiative provides for the City Council to evaluate any proposed zoning, and that the zoning must be consistent with the conditions imposed by the Initiative. The City Council must also find that the rezoning is substantially consistent with the conceptual

land use plan on the Map attached to the Initiative. City Council and Planning Commission would determine whether a specific development project was in substantial conformance with the requirements of the Initiative.

309. After passage- How much say and veto power do the residents have over the general plan, and specifics of design, size height and use of the area for development, especially common areas such as public space such as plazas.

If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) If the Council considered such a zoning change, there would be an opportunity for public input regarding that decision and to participate in the land use planning process. Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process. (See Section 2.2, above.)

310. Please provide a chart / grid that details all the approvals that would be required for the project. Please include a summary of what each step / approval is; the approving agency (i.e., California Coastal Commission, City of Pacifica Planning Commission, City of Pacifica City Council, etc.); public input into the process, and timing for approval, along with any other details that would be helpful.

The permit process for a future development at the Quarry Site is described in the 9212 Report. (See Section 2.2, above.)

311. What building guidelines will the developer have to abide by - will the City have any say in this i.e. how will our environment be protected and our open space preserved and our endangered habitat be respected?

During review of any future project, the City will conduct a thorough CEQA review as part of its normal application review process, at which time it will identify potentially significant impacts to the environment, including endangered species. (See Section 2.2, above.) If potentially significant impacts to endangered species are identified, feasible mitigation measures would be imposed on the project to address those impacts.

Regarding open space, if the Initiative is adopted by the voters, the City could approve a project that meets all of the conditions in the Initiative, including a requirement that at least 75 percent of the Quarry Site be designated as permanently-protected open space.

312. Are there provisions in the initiative concerning green technology to be included in the project?

The Initiative does not mention "green technology." The Initiative does provide that, before approving the rezoning contemplated by the Initiative, "the City Council must determine that the project will be built using green building standards." The Initiative does not define "green building standards." A project's conformity with this requirement would be evaluated through the entitlement (i.e. permit review) process.

Moreover, all new development would be reviewed for compliance with Pacifica Municipal Code Title 8, Chapter 21 “California Green Building Standards Code.”

313. Has the proposed "restored wetlands" area been approved by any other relevant state or federal authorities that would highly regulate such areas?

The Initiative does not describe a “restored wetlands” area. Furthermore, the Initiative does not approve a specific project. (See Section 1.1, above.) Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

314. Will Pacifica give the developer discounts and breaks on fees, as it has for other developers? If so, how does that help the City of Pacifica economically?

The Initiative does not approve a specific project. (See Section 1.1, above.) Nor does it provide for a waiver of any development fees.

315. Does Eenhorn et al. plan on following the rules and laws that govern coastal development?

The Initiative provides that any future rezoning and project approvals “must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act.” Aside from environmental laws and regulations, as a standard matter, all development applications must comply with applicable federal, state and local laws regulating the processing of development applications.

316. What recourse does the public have if the initiative passes and the development as approved does not contain all of the elements of the conceptual plan including the hotel, conference center, retail, office, recreational uses and affordable housing?

If the Initiative is adopted by the voters, the City Council could approve a project that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) The conditions in the Initiative require, among other things, a rezoning of the Quarry Site to Planned Development District zoning, which would authorize a mixed use development that includes residential, hotel and conference center, retail, recreational, entertainment, and office uses. (See Section 2, above.) While the rezoning would need to include these uses, the Initiative does not require that all of these uses be part of the development proposed to be built at the site.

317. What recourse does the public have if the initiative passes and the development, as built, does not contain all of the elements of the conceptual plan including the hotel, conference center, retail, office, and recreational uses?

If the Initiative is adopted by the voters, the City Council could approve a project that includes a residential component without a further vote of the people, so long as all of

the conditions in the Initiative are met. (See Section 2, above.) The conditions in the Initiative require, among other things, a rezoning of the Quarry Site to Planned Development District zoning, which would authorize a mixed use development that includes residential, hotel and conference center, retail, recreational, entertainment, and office uses. While the rezoning would need to include these uses, the Initiative does not require that all of these uses be part of the development proposed to be built at the site.

318. Will the planned road (with necessary retaining walls) to the hilltop “bungalows” conform to the HPD?

The Initiative, if adopted by the voters, would not approve a specific project. Any future development would be subject to the City's standard development review process, through which the City would analyze each project component for consistency with applicable zoning and other development standards. The Initiative does not remove the HPD overlay at the Quarry Site.

319. How can the community still have input on the development if and after the measure passes?

The Initiative would not approve a project. If the Initiative is adopted by the voters, the City Council could approve a Planned Development District zoning for the Quarry Site that includes a residential component without a further vote of the people, so long as all of the conditions in the Initiative are met. (See Section 2, above.) If the Council considered such a zoning change, there would be an opportunity for public input regarding that decision. If the Council adopted such zoning, the public would also have its normal opportunity to participate in the land use planning process. Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process. (See Section 2.2, above.)

320. What guarantees does the city receive from the developer i.e. is developer beholden to any promised plans?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any future development of the Quarry Site would need to comply with the provisions of the Initiative if the project proposed residential development.

321. What happens if the Developer builds the residential, but not the hotel, or commercial buildings?

The Initiative does not approve a specific project. (See Section 1.1, above.) The exact conditions imposed on a project would be determined through the entitlement (i.e. permit review) process. (See Section 2.2, above.) However, it is unlikely that the City could impose conditions on any project to ensure that it, or any particular component of it, would be constructed.

- 322. Will they be built as sold or all at once?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The Initiative also does not provide for phasing of a project.
- 323. When will the amphitheater be built? Will it be made available for use before the entire project is completed?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The Initiative also does not require an amphitheater be built.
- 324. How can we be sure that the developer won't just build the residential portion of the project, and then sell off the other portions or even abandon them and skip town? There's been no commitment from the developer as to phasing, no development agreement, and no other promises from the developer that he'll stay to make the project happen.**
The Initiative does not provide for phasing, and the City cannot require phasing of a project.
- 325. How does this development benefit the children of the community, the community at large, our growing elderly population?**
The Initiative does not approve a specific project. (See Section 1.1, above.) The impacts of any future development project will vary depending on the specific type of development proposed.
- 326. Is there any room in this proposed project to add a public library, post office, fire station, or movie theater?**
The Initiative does not approve a specific project.(See Section 1.1, above.) If a particular development proposal for the Quarry Site includes a public library, post office, fire station, or movie theater, the City would analyze the suitability of the site for such uses through the entitlement process.
- 327. I understand that John Zentner is the agent representing the Quarry and is the environmental consultant on the project. I did a quick google search on Mr. Zentner and the first thing that came up was a government press release about a John Zentner who pled guilty to criminal charges to an Endangered Species Act for illegally taking threatened California red-legged frogs at a housing project in Concord, CA: <https://www.justice.gov/archive/opa/pr/2000/November/663enrd.htm>. Could this be the same John Zentner who is representing and consulting on the Quarry project?!?! If so, this is unbelievable. How could the City or the any members of our community rely on his credibility for any development in the Quarry?**
The City cannot speak to the developer's choice of representatives.

328. Do the previous endangered-species related criminal convictions of the developer affect the quarry development plan or the city's review of this ballot initiative if it passes?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process and environmental review. (See Section 2.2, above.) All development applications must comply with applicable federal, state and local laws regulating the processing of development applications.

329. Has Eenhorn L.L.C. et al. ever developed a property? They are listed on their own linkedin page as a "privately-owned real estate investment and management company" -- not developers. On their website, they do not mention any development projects. If yes, what projects, when, and where? Please provide a detailed list so it's easy to check on the success of those projects.

The City cannot speak to the developer's experience with particular types of development projects.

330. Does Eenhorn have the inhouse expertise to develop the quarry in Pacifica?

The City cannot speak to the developer's experience with particular types of development projects.

331. Will Eenhorn et al. develop the quarry, or will they trade or sell the property to a developer?

The City has no information regarding the developer's future plans for the Quarry Site.

332. Does Eenhorn et al. have a plan to sell or trade the right to develop the quarry, in exchange for something, perhaps the right to manage the property once it is built? If so, doesn't Pacifica have a right to know this information in advance? Pacifica will be doing business with the developer for decades to come -- isn't it only fair that we know who that is?

The City has no information regarding the developer's future plans for the Quarry Site. If adopted by the voters, the terms of the Initiative would apply to the Quarry Site. Changes in ownership, or changes in the particular project proposed to be developed at the Quarry site, would not affect the applicability of the Initiative.

333. Peebles et al. attempted to develop the quarry a few years ago, is still in the business of developing property. Will Peebles be the ultimate developer of this property, for the Eenhorn L.L.C. group?

The City has no information regarding the developer's future plans for the Quarry Site. If adopted by the voters, the terms of the Initiative would apply to the Quarry Site. Changes in ownership, or changes in the particular project proposed to be developed at the Quarry site, would not affect the applicability of the Initiative.

334. Has a trade or other arrangement already been made with Peebles or some other developer?

The City has no information regarding the developer's future plans for the Quarry Site. If adopted by the voters, the terms of the Initiative would apply to the Quarry Site. Changes in ownership, or changes in the particular project proposed to be developed at the Quarry site, would not affect the applicability of the Initiative.

335. Have Eenhorn et al. not complied with other rules and regulations / laws in the quarry on this project? What are they? and what was done, anything? Or is it still ongoing?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process and environmental review. (See Section 2.2, above.) All development applications must comply with applicable federal, state and local laws regulating the processing of development applications.

336. Given the developer's history of ESA and 'accidental' CEQA violations, and given the misleading information provided to the CCC concerning the Quarry and the developer's 'surprise' about permits in Pacifica, how would the City oversee the development proposed by the initiative?

The Initiative does not approve a specific project. (See Section 1.1, above.) Any proposed project would be reviewed in the same way the City would review any other project, which would include a public hearing process and environmental review. (See Section 2.2, above.) All development applications must comply with applicable federal, state and local laws regulating the processing of development applications.

337. What's the developer's experience with complicated projects like this?

The City cannot speak to the developer's experience with particular types of development projects.

338. Doesn't this parcel already belong to the people of Pacifica?

The Quarry Site is private property with the exception of a narrow City-owned parcel along Calera Creek located approximately in the center of the Quarry Site.

339. What is the plan for what the Quarry Village to look like, so far I have seen no plan?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The design and layout of any development in the area designated as "Quarry Village" would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project.

340. What exactly will be located on the back side of the Commercial designated area that fronts San Marlo Way?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The design of the commercial areas that the City might allow would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project.

341. I understand that the initiative explains what the project will include, but it doesn't explain what the project will look like. How do I know the project won't be some architectural monstrosity marring the beauty of Pacifica's coast line?

The Initiative does not usurp the City's or the public's rights to participate in the land use planning process. The City retains its discretion to evaluate a project proposed at the Quarry Site, including project architecture. Any proposed project would be reviewed in the same way the City would review any other project. (See Section 2.2, above.)

342. What will the access paths look like when the project is completed?

The Initiative does not approve a specific project. However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The design of any paths that the City might allow would be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project.

343. Who would fund and repair existing and/or new roadways?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to roadways, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

344. "In the June 22 edition of the Tribune, Mr. Zentner is quoted as saying that, during the week of June 13, 2016, he or his agents conducted a Quarry-related traffic study at "Linda Mar Shopping Center because that is an area with roughly the same amount of available retail space as the Quarry." According to Mr. Zentner, the purpose of the

study is “to determine what traffic will be generated from the Quarry project and when it will hit the streets.”

What has studying three-weeks-worth of (the largely vacant) Linda-Mar-Shopping-Center traffic patterns at the start of the summer-vacation season taught us about the traffic (including commute traffic and school-related traffic) that will be generated by adding (1) 300+ new residences to the Quarry, (2) the proposed new hotel/conference room space, (3) the proposed new “office space” and (4) the proposed new destination shops/restaurants that are to serve as the back drop for this proposed “vibrant new destination along the Coast” and which do not exist in the Linda Mar Shopping Center?”

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, “before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals.” If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

It should be noted that the Initiative, if adopted by the voters, would allow no more than 206 residential units without a further vote of the people.

345. Has the developer completed a Traffic Study and Traffic Analysis to determine impacts to the neighboring residential and commercial areas?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, “before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals.” If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

346. What is the plan for traffic, since there is no plan?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

347. Approximately how many vehicular trips will be generated by each part of the development (housing unit, commercial space, hotel and conference space) if built?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

348. The developer proposes to widen San Marlo Way. Is this to provide commercial delivery trucks access for delivering goods to the proposed commercial space?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

349. Will there be any restrictions on times that delivery trucks can travel on San Marlo and make deliveries?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

350. Will there be any restrictions on time that garbage trucks can travel on San Marlo? Will there be enough space for these trucks to maneuver without requiring the other driver to have to wait like currently happens in East Rockaway?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

351. Why is the developer proposing an access off of Hwy. One at a spot that does not currently have a signal or roundabout or any way of getting northbound?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the

obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

352. Doesn't this proposed road coming off of Hwy. One cut thru wetlands along the highway?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

353. Where would transit stops, south and northbound, be located in this proposed project?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

354. The proposed hotel's access road crosses the current paved Quarry walking trail between Rockaway and Vallemar. What safety measures will be put in place to prevent accidents?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of

the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

355. What is the steepness of the grade of the road going up to the proposed bungalows on the ridge between Mori Pt. and Rockaway?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

356. What type of road surface is the City of Pacifica requiring for this road?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

357. Per the developer's model, it looks like the proposed project has designated an open chain of buildings for the commercial space. It has the front of the space facing toward the apt. buildings and away from the current Rockaway area. How easy will it be to walk from the Holiday Inn Express to the commercial space if this proposed project is built?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) The design of the commercial areas that the City might allow would

be determined through the entitlement (i.e., permit review) process, which would include full CEQA review of any proposed project.

358. Recently, the developer put up cameras without a permit. After hearing complaints about this, the City of Pacifica required the developer to take down the cameras as they were done without a permit. Will the developer be required to do a traffic study in addition to the few days of data he obtained?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

359. Will there be a traffic management report completed by a neutral company and the findings shared with the community in advance of the start of any work?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

360. No access is shown from San Marlo Way to the retail/office space in Exhibit A. Is access to parking for the retail/office space from the "Quarry Road"?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably

deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

361. Given that the portion of the "Quarry Road" next to Calera Creek is designated "Hwy 1 Emergency Access" in Exhibit A, it would seem that all of the traffic from the hotel, retail space, and the Quarry Village will empty onto San Marlo Way at Old County Road. Is the City ready with plans to improve and widen San Marlo Way, Old County Road, and possibly Dundee Way to accommodate the increased traffic?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

362. Will the "Quarry Road" or parts of it be a public road? In regard to the road crossing Calera Creek and city property to provide access to the hotel and the hotel bungalows, will it be a public road?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to circulation, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

With respect to whether future thoroughfares will be public or private roads, the City Council would consider any offers of dedication of public right-of-way during the project review process.

363. Did the devices used by the developer to perform the traffic study record resident's license plate numbers?

The City has no information pertaining to this question.

364. Does the developer plan on widening Highway 1 at Rockaway?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

365. Is the developer reliant on the City of Pacifica to widen Highway 1 at Rockaway?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

366. Is the City of Pacifica committed to helping widen Highway 1 at Rockaway if this developer ballot initiative passes?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the

obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

367. This proposed project will add 600 or more cars to the quarry/Rockaway area. Is there a plan to abate this added traffic? If so, what is that plan?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

368. How will traffic and parking be mitigated through the Rockaway Beach district?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

369. Who is going to pay for the highway widening that definitely will need to be done due to the traffic congestion that will occur? Will the developer pay for it? Will CalTrans?

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the

obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

- 370. How is traffic going to be managed effectively when Hwy 1 is already a big problem - especially during the school year? There is no public transportation easily accessible to the proposed residential development, and this is counter to planning throughout the Bay Area that is transit centered and will provide solutions.**

The Initiative does not approve a specific project. (See Section 1.1, above.) However, if the Initiative is adopted by the voters, the City Council could approve a project that meets all of the conditions in the Initiative, without a further vote of the people. (See Section 2, above.) With respect to traffic, the Initiative requires that, "before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals." If the City approved such a project, it would be the obligation of the applicant, and not the City, to mitigate traffic impacts caused by the project.

- 371. I would like to know if the new/restored/constructed wetlands will be receiving any water, treated sewage, overflow or if it will be connected in ANY way to the wastewater treatment plant and if so, how?**

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

- 372. Will it be used to divert, transport, store, on a regular or even as a last resort emergency basis any treated or non-treated sewage?**

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

- 373. What is the source or sources of the water for the wetlands project?**

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That

analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

374. What will happen when the wetlands have too much water from storms?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

375. The developer has said that the project will include filling the drainage ditch along San Marlo Way. Is that area wetland?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

376. Will the project include filling any wetland?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

377. Does the developer need permits and approvals prior to filling in wetland areas?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

378. How can the developer say he will fill in a drainage channel before he applies for a permit and receives agency approval to do so?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

379. What are the impacts to the Quarry development proposal if permits to fill in the Drainage ditch are not approved?

The Initiative does not approve a specific project. (See Section 1.1, above.) The impacts to a potential future project from failure to obtain permits to fill any potential wetlands areas are unknown.

380. Will dogs be allowed on the "restored wetlands" area?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas.

381. Can an on-site "mitigation bank" replace legally required mitigations for on-site wetland destruction?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas. Any development on the Quarry site will require a detailed and formal submittal triggering a full project analysis pursuant to CEQA and other City regulations and policies. That analysis would consider impacts to wetlands and mitigation measures that the City could require the implement to fulfill to address those impacts.

382. Will the City of Pacifica be responsible for maintenance of the proposed wetland mitigation bank once the residential units are built?

The Initiative does not approve a specific project. (See Section 1.1, above.) It also does not contain any detailed information with respect to any wetland areas or oblige the City to assume responsibility for any portion of the Quarry Site.

383. Is the developer, or any associated party, intending to utilize any area, land mass, entitlements, of the quarry as a conservation and/or mitigation bank or like exchange use?

The Initiative does not approve a specific project. (See Section 1.1, above.) The Initiative does not discuss the potential use of the Quarry Site as a mitigation bank.

384. The project is proposed to include a wetland mitigation bank. Will the City receive revenue from that part of the project and if so how much? To what extent will the wetlands mitigation bank be accessible to the public for recreational purposes such as hiking?

The Initiative does not approve a specific project. (See Section 1.1, above.) The Initiative does not discuss the potential use of the Quarry Site as a mitigation bank.

385. What is meant by a "meadow"?

The Initiative does not mention a meadow.

7. List of Exhibits

- **Exhibit 1: Text of Initiative**
- **Exhibit 2: Pacifica Ordinance No. 391-C.S.**
- **Exhibit 3: Fiscal Analysis for 9212 Report on Quarry Initiative**
- **Exhibit 4: City's Below Market Rate Housing Ordinance**

Exhibit 1

Text of Initiative

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The People of the City of Pacifica do ordain as follows:

Section 1. Title.

This initiative measure (the "Initiative") shall be known as the "Pacifica Quarry Restoration and Responsible Development Initiative."

Section 2. Findings and Purpose.

A. Findings. The people of the City of Pacifica find and declare the following:

1. Pacifica is a great place to live, however, like many smaller communities in California, it has its share of challenges, including high housing costs and rents, inability to support quality retail, dining, and entertainment options, and an insufficient tax base to provide needed municipal revenue for crucial public services and infrastructure. Pacifica also suffers from rising sea levels, coastal erosion, and a sea wall in need of critical repairs.
2. Located along Pacifica's coast, the Rockaway Quarry ("Quarry") encompasses 86 privately owned acres within the City. It forms a "missing piece" of a larger coastal open space system, including Rockaway State Beach to the south and Mori Point to the north.
3. After commercial quarry operations ended on the Quarry in 1987, a series of owners allowed the land to degrade. Invasive, non-native species have spread across the landscape. Although residents often use the informal trails for hiking and enjoyment, soil erosion threatens the coastal bluffs and trails and causes the make-shift trails to be extremely dangerous.
4. A careful approach to restoration of the Quarry can re-create much of the historic natural landscape, including coastal grasslands and shrub-lands on the hills and healthy, productive wetland habitat in the lower elevations.
5. The voters of Pacifica value preservation of the vast majority of the site as permanent open space as a priority, but recognize that some level of limited development of the site that will include a residential component will be necessary to finance the much-needed restoration of the Quarry. This proposal is more modest and appropriate than those proposed by past owners of the Quarry. This plan, which respects local habitats, significantly limits the amount and footprint of development, maintains significant, publicly-accessible open space (more than 75% of the property), limits building heights to maintain existing views, shores up eroding hillsides and cliffsides, and provides significant environmental benefits, is needed.

6. Sensitive and limited development of this private land would also set the stage for safe public access and permanent open space at a vibrant new destination along the coast, while improving our local quality of life by providing millions of dollars in new revenue for the city, money for schools, new trails and acres of open space for local families to enjoy.
 7. Developments that provide a mix of residential, commercial, recreational and retail uses generally provide greater local-serving benefits and also reduce traffic by shortening trips and thus allowing what might otherwise be car trips to external destinations to become internal walking, cycling, or transit trips.
 8. To enable an appropriately-scaled and limited development to go forward on the Quarry site, while ensuring that significant public benefits are provided in the process, it is appropriate to authorize the City Council to approve a rezoning of the Quarry site for mixed use development that will include retail, recreational, hotel, open space, office, and multi-family residential uses, subject to carefully-crafted constraints, designed to ensure that Pacifica residents obtain the public benefits with a responsible and reduced development, while protecting critical environmental habitat and public access to open space.
 9. By approving this initiative, the voters are giving guidance to the City Council on limitations as to the size, intensity, type and footprint of any development at the Quarry, as well as the types of public benefits, amenities, and environmental mitigation that should be included with any development at the Quarry, and are stating that voters' authorization for development at the Quarry is limited to a project that is consistent with this direction, or the voters must be asked again to approve any alternative.
- B. Purposes. The purposes of this Initiative are to (1) comply with the obligation under Ordinance No. 391-C.S. of the City of Pacifica, adopted by the voters on November 8, 1983 ("Ordinance Rezoning the Quarry from Agricultural to Commercial"), that any development of the Quarry Site containing a residential component be approved by a vote of the People, and (2) provide authorization for the Quarry Site to be developed in a limited, environmentally sensitive, public-serving way, under specified conditions, in a manner that will provide millions of dollars in new revenue for the City, money for schools, safe trails and acres of open space for local families to enjoy.

Section 3. Amendment of Ordinance No. 391-C.S.

Ordinance No. 391-C.S. of the City of Pacifica, adopted by the voters on November 8, 1983 ("Ordinance Rezoning the Quarry from Agricultural to Commercial"), is hereby

amended as follows (additions are shown as underlined and deletions are shown as ~~strikethroughs~~):

- A. The following parcels of land: A.P. #018-150-050 & -070, commonly known as the quarry (the “Quarry Site”), are hereby rezoned from A/B-5 and M-1 to C-3 with the provision that no further public vote be required for any future rezonings except that any residential development of the property, including residential development permitted under the C-3 designation, shall require a vote of the people. This rezoning does not remove the HPD overlay.

- B. Notwithstanding subsection A of this Ordinance, no further public vote shall be required for any future rezonings of the parcels comprising the Quarry Site that include residential development of the property, including residential development permitted under the C-3 designation, if the proposed development meets the following conditions:
 - 1. **City Review & Public Process.** The project applicant must apply for, and receive, a planned development district zoning pursuant to Title 9, Chapter 4, Article 22 of the City of Pacifica Municipal Code, as may be amended, or its successor, that would authorize a mixed-use development that includes hotel, recreational, retail, and residential uses and that the City Council finds is substantially consistent with the conceptual land use plan reflected in the map attached hereto as Exhibit A and incorporated herein by this reference.

 - 2. **Open Space Requirements & Environmental Protections.** To ensure that any project approved pursuant to this subsection B retains public access and is developed in an environmentally-sensitive manner, the proposed rezoning must provide that:
 - a. At least 75% of the Quarry Site shall be designated as permanently-protected open space;

 - b. The area designated open space pursuant to subdivision (a) hereof shall include a minimum 100-foot setback on either side of Calera Creek, measured from top of bank;

 - c. New, publicly-accessible trails shall be constructed at the project applicant’s expense that connect Rockaway Beach through the Quarry Site to Mori Point;

 - d. Grading for purposes of project development on the Quarry site must be approved in a manner that would (i) make hills and cliffsides safer by preventing further erosion, and (ii) restore

wetlands to provide critical protected habitat for native animal and plant species; and

e. The rezoning and all project approvals must comply with all applicable federal, state and local environmental laws and regulations, including but not limited to the California Environmental Quality Act (Public Resources Code § 21000 *et seq.*).

3. **Traffic Control and Mitigation.** Before any building permit is issued, the City Council must require any project applicant to complete a traffic study and internal circulation and parking plan; pay all appropriate traffic impact fees; and implement any transportation mitigation measures reasonably deemed necessary by the City Council to mitigate significant traffic impacts, if any, of the proposed development, as determined during the CEQA process for the rezoning and other project approvals.

4. **Local-Serving Retail & Office Uses.** The uses permitted on the red portion of the area designated on Exhibit A as the “Quarry Village” shall allow for retail, restaurant, entertainment and office space, and be subject to the following constraints:

a. The retail, restaurant, entertainment and office space development shall not exceed two stories in height; and

b. The retail and restaurant space shall not exceed 35,000 gross square feet combined.

c. The office space shall not exceed 35,000 gross square feet.

5. **Limits on Residential Development.** The residential component of any project authorized by the rezoning shall:

a. Be limited to the portion of the area designated on Exhibit A as the “Quarry Village”;

b. Permit no more than 206 units of multi-family housing within that area, including:

(i) No more than 181 residential apartment units, of which at least 20 percent must be designated as affordable for very low, lower, or moderate income households within the meanings established by Title 9, Chapter 4, Article

47, of the Pacifica Municipal Code or any successor ordinance thereto; and

(ii) No fewer than 25 units that would be designated residential live/work units;

c. Provide that no structure shall exceed four (4) stories in height.

6. **Hotel & Conference Center.** The rezoning shall authorize a hotel and conference center at the Quarry site, subject to the following constraints:

a. The hotel may not exceed 200 total rooms, including:

(i) 188 rooms in the blue area designated on Exhibit A as “Hotel (188 Rooms) & Conference Venue”; and

(ii) Up to twelve hotel bungalows, not to exceed 2,500 gross square feet each, in the tan area designated on Exhibit A as “Hotel Bungalows (12 Units)”; and

b. The conference venue component shall not exceed 13,000 net square feet.

7. **Green Building Standards.** Before approving any rezoning pursuant to this subsection B, the City Council must determine that the project will be built using green building standards.

8. Before the rezoning can be approved, the City Council must approve all necessary amendments to the General Plan to ensure the project’s consistency with that Plan.

9. Before the rezoning can be approved, the City Council must approve all necessary amendments to the Rockaway Beach Specific Plan, or approve the adoption of a separate specific plan for the Quarry site and amend the Rockaway Beach Specific Plan to reflect the fact that the Quarry site is the subject of a separate specific plan.

10. Before the rezoning can be approved, the Council, Successor Agency, or other responsible body must approve any amendments to the Redevelopment Plan for the Rockaway Beach Project Area Plan as may be required by law.

C. The voters expressly state that any development approved by the City Council that contains residential development and that does not meet all of

the conditions prescribed by subsection B shall be subject to an additional vote of the electorate before that nonconforming development's final approval and authorization.

Section 4. Effect of Other Measures on the Same Ballot.

In approving this Initiative, it is the voters' intent to establish the conditions under which residential development of the Quarry Site may be taken without a further vote of the people. To ensure that this intent is not frustrated, this Initiative is presented to the voters as an alternative to, and with the express intent that it will compete with, any and all voter initiatives or City-sponsored measures placed on the same ballot as this Initiative and which, if approved, would regulate the use or development of the Quarry Site in any manner whatsoever (each, a "Conflicting Initiative"). In the event that this Initiative and one or more Conflicting Initiatives are adopted by the voters at the same election, then it is the voters' intent that only that measure which receives the greatest number of affirmative votes shall control in its entirety and the other measure or measures shall be rendered void and without any legal effect. In no event shall this Initiative be interpreted in a manner that would permit its operation in conjunction with the non-conflicting provisions of any Conflicting Initiative. If this Initiative is approved by the voters but superseded by law in whole or in part by any other Conflicting Initiative approved by the voters at the same election, and such Conflicting Initiative is later held invalid, this Initiative shall be self-executing and given full force of law.

Section 5. Interpretation and Severability.

- A. This Initiative must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Initiative is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Initiative. The voters declare that this Initiative, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Initiative that can be given effect without the invalid application.
- B. If any portion of this Initiative is held by a court of competent jurisdiction to be invalid, we, the people of the City of Pacifica, indicate our strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Initiative, including adopting or reenacting any such portion in a manner consistent with the intent of this Initiative.

- C. This Initiative must be broadly construed to achieve the purposes stated above. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Initiative.
- D. In construing this Initiative, bold-faced section headings contained hereing have been inserted for convenience only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, or intent of the provisions of any provision hereof.

Section 6. Amendment.

Pursuant to California Elections Code § 9217, this measure may only be amended by a further vote of the People of Pacifica.

Section 7. Exhibits

Each of the Exhibits attached to this Initiative is hereby incorporated by reference for all purposes related to this Initiative.



Exhibit A - The Pacifica Quarry Restoration and Responsible Development Initiative

Exhibit 2

Pacifica Ordinance No. 391-C.S.

cc: City Code (2)
Co. Assessor
Blanning
V.O.A. (P)

ORDINANCE NO. 391-C.S.

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ORDINANCE REZONING THE QUARRY FROM AGRICULTURAL TO COMMERCIAL

THE PEOPLE OF PACIFICA DO ORDAIN AS FOLLOWS:

The following parcels of land: A.P. #018-150-050 & -070, commonly known as the quarry, are hereby rezoned from A/B-5 and M-1 to C-3 with the provision that no further public vote be required for any future rezonings except that any residential development of the property, including residential development permitted under the C-3 designation, shall require a vote of the people. This rezoning does not remove the HPD overlay.

* * * * *

Passed and adopted by the voters of the City of Pacifica at the General Municipal Election held on November 8, 1983.

Exhibit 3

Fiscal Analysis for 9212 Report on Quarry Initiative



Memorandum

Date: July 19, 2016

To: Michelle Marchetta Kenyon, City Attorney, Burke, Williams & Sorensen

Cc: Lorie Tinfow, City Manager, City of Pacifica

From: Elizabeth Seifel, Seifel Consulting, Inc.

Subject: Fiscal Analysis for 9212 Report on Quarry Initiative—
Pacifica Initiative Amending Ordinance No. 391- C.S. to Authorize a Future Rezone of the Quarry Which Could Include Residential Development, Under Certain Conditions

This memorandum presents an evaluation of the potential fiscal impacts to the City of Pacifica from a proposed initiative that would affect future development at the former Rockaway Quarry Site (“Quarry Site”), an approximately 87-acre site located between the Pacific Ocean and Highway 1 in the center of Pacifica. This Initiative, entitled *Pacifica Initiative Amending Ordinance No. 391-C.S. to Authorize a Future Rezone of the Quarry Which Could Include Residential Development, Under Certain Conditions*, referred to as the Initiative in this memorandum, would:

- Eliminate the public vote requirement for a development that includes a residential component, subject to certain conditions.
- Authorize the Quarry Site to be developed in a limited, environmentally-sensitive and public-serving way, under specified conditions.
- Allow up to a maximum amount of development for each proposed land use on the site.

Were voters not to approve the Initiative, the current Pacifica General Plan, Local Coastal Plan, Rockaway Beach Specific Plan, and zoning designations would remain in place, thus allowing commercial development on the site without prior voter approval.

This memorandum is organized into the following sections, beginning with a Summary of Findings:

Summary of Findings

- A. Introduction
- B. Description of Initiative
- C. Approach
- D. Fiscal Analysis
- E. Conclusion

Appendices

Summary of Findings

The fiscal impact of the Initiative will depend on the ultimate scope of the approved development project and associated set of improvements for the Quarry Site. As the Initiative merely sets forth certain conditions for potential development at the Quarry Site and does not approve any particular development plan, the fiscal analysis is based on a comparison of the potential fiscal impacts from two alternative development scenarios that could occur if the Initiative is not adopted or is adopted:

- **Existing Conditions**—Analysis of the Quarry Site is performed on its existing condition, which reflects the historical effect of the existing land use regulations in effect since 1983, without adoption of the Initiative.
- **With Initiative**—Development on the Quarry Site occurs as envisioned by the Initiative, and residential development is accordingly included in this development scenario up to the maximum allowable number of residential units (206 units). Non-residential development is assumed at the maximum allowable amount authorized under the Initiative.

In summary, the analysis presented in this memorandum supports the following findings:

- The Quarry Site has been vacant for about 30 years and currently generates about \$11,000 in property taxes to the City of Pacifica.
- One of the stated purposes of the Initiative is to authorize new development to occur in a limited, environmentally sensitive manner that will provide new revenue to the City. The amount of new development on the site with the Initiative would consist of hotel, retail, office and residential uses, while only non-residential development could occur without the Initiative.
- The City's General Fund receives revenues from a variety of sources. The four major sources of General Fund revenues that are directly tied to new development are: property tax, sales tax, transient occupancy tax (TOT) and property tax in-lieu of vehicle license fees (VLF). These revenues are projected to represent about 59% of the City's General Fund revenues in Fiscal Year (FY) 2016/17 according to the City's recently adopted Budget.
- New development that contains a mix of land uses will generate a broader set of fiscal revenues to the City. Given that the City retains 12% of all revenues generated from hotel rooms as TOT, the hotel component will be the most important fiscal revenue generator to the City.
- Assuming the maximum allowable amount of new development under the Initiative, the Quarry Site could potentially generate about \$2.5 million in additional revenues to the City under the **With Initiative** development scenario from these four major sources of revenues.
- Without the Initiative, no residential development could occur on the site. Furthermore, based on historical development activity at the site, no near-term development at the site is likely to occur without a residential component. Thus, in the **Existing Condition** development scenario, the City is projected to continue to receive about \$11,000 in property tax revenue from the vacant site.
- Given the strong demand for residential development in the Bay Area, housing is likely to be a critical element to catalyzing future development on the site. In addition to generating property taxes, residential development will also bring in new household demand for retail purchases and will thus help support existing businesses and new retail development on the site.
- The proposed mix of land uses in the Initiative are likely to result in a positive fiscal impact on the City's General Fund because of the Quarry Site's prime location along the Pacific Ocean, the significant demand for hotel and residential uses that offer ocean views and/or direct access to the ocean, and its location within close proximity to San Francisco International Airport and to major employment centers in San Francisco, San Mateo County and Silicon Valley.
- Projected fiscal revenue generation with the Initiative is likely to exceed the City's fiscal costs to serve new development.

A. Introduction

When a proposed initiative qualifies for the ballot, Section 9212 of the California Elections Code authorizes the City Council to request a report on the potential impacts of the proposed initiative (known as a “9212 Report”). Accordingly, on June 27, 2016, the Pacifica City Council requested that City staff and consultants prepare a 9212 Report that analyzes the proposed initiative specifically addressing the following potential effects and impacts:

- Fiscal impacts
- Effect on general and specific plans
- Impacts on land uses
- Impacts on infrastructure such as transportation, schools, parks and open space
- Impacts on business activity and employment, and
- Impacts on traffic congestion, existing business districts, and vacant parcels of land.

The 9212 Report must be presented to the City Council and public within 30 days of the Council's action. This memorandum contains the fiscal impact analysis for the 9212 report on the proposed Quarry Initiative, which will be presented to the City Council at its regular meeting on July 25, 2016.

B. Description of Initiative

Located along the Pacific Ocean and Highway 1, the Quarry Site encompasses about 87 acres within the City of Pacifica. Previously known as the Rockaway Quarry (Quarry), this site has been vacant since 1987 when mining operations ceased. Currently this site is privately owned. Under current law, this site is zoned for commercial use.

In 1983, the voters adopted a ballot measure (Ordinance No. 391-C.S., the “1983 Ordinance”) that rezoned the Quarry Site from agricultural and manufacturing use to commercial use and provided that any residential development would require a public vote. Officially titled *Pacifica Initiative Amending Ordinance No. 391-C.S. to Authorize a Future Rezone of the Quarry Which Could Include Residential Development, Under Certain Conditions*, the Initiative would eliminate the public vote requirement for any residential development at the Quarry Site meeting certain conditions.

The stated purposes of the Initiative are to:

(1) Comply with the obligation under Ordinance No.391-C.S. of the City of Pacifica, adopted by the voters on November 8, 1983 (“Ordinance Rezoning the Quarry from Agricultural to Commercial”), that any development of the Quarry Site containing a residential component be approved by a vote of the People, and

(2) Provide authorization for the Quarry Site to be developed in a limited, environmentally sensitive, public-serving way, under specified conditions, in a manner that will provide millions of dollars in new revenue for the City, money for schools, safe trails and acres of open space for local families to enjoy.

Were the Initiative to be approved, any future rezoning, including residential development on the Quarry Site, would not require a public vote, so long as each of the following conditions is met (paraphrased from the Initiative):

- 1) Any development of the Quarry Site must receive zoning approval for a planned development district that allows a mixed-use development, including hotel, recreational, retail and residential

uses substantially consistent with the land use plan set forth in Exhibit A attached to the Initiative. Any approval must comply with all applicable federal, state, and local environmental regulations, including but not limited to the California Environmental Quality Act. Prior to any rezoning, the Council must approve any necessary general or specific plan amendments and determine that the development will be built using green building standards.

- 2) At least 75% of the Quarry Site would be designated as permanently-protected open space, including setbacks of at least 100 feet from Calera Creek. New, publicly-accessible trails would be constructed that connect Rockaway Beach to Mori Point. Grading for the development would be required to minimize erosion and restore wetlands.
- 3) Before any building permits are issued, an applicant would need to complete a traffic study and internal circulation and parking plan, pay all appropriate traffic impact fees, and implement any transportation mitigation measures required to mitigate significant traffic impacts identified during environmental review of the project.
- 4) Residential, retail, restaurant, entertainment, and office uses would be limited to a portion of the area designated as the “Quarry Village” on Exhibit A. Retail, restaurant, entertainment and office space development shall not exceed two stories in height. Retail and restaurant space shall not exceed 35,000 square feet. Office space shall not exceed 35,000 square feet.
- 5) Residential uses would be limited to 206 multi-family units, which could not exceed four stories in height. Of these 206 units, no more than 181 would be residential apartment units of which at least 20% must be designated as affordable for very low, lower, or moderate income households. At least 25 of the 206 units must be designated as live-work units.
- 6) The hotel rooms and conference center would be limited to the area designated as “Hotel (188 Rooms) & Conference Venue” and the bungalows would be limited to the area designated as “Hotel Bungalows (12 Units),” on Exhibit A. The hotel would be limited to 200 rooms, including 188 hotel rooms, and no more than 12 bungalows. The bungalows would not exceed 2,500 square feet each. The conference venue component would not exceed 13,000 square feet.

C. Approach

In order to provide a basis for evaluating how the Initiative might impact the City of Pacifica, this memorandum compares the current existing condition of the Quarry Site with a potential future development scenario with the proposed Quarry Initiative. Each of these development conditions is briefly described, and then the future development scenario is further described below:

- **Existing Conditions** development scenario—The Quarry Site is currently vacant and has no existing development under its commercial-only land use designation. As a result, the site currently generates only limited property tax revenue to the City.
- **With Initiative** development scenario—Development on the Quarry Site occurs as envisioned by the Initiative, and residential development is accordingly included in this development scenario up to the maximum allowable number of residential units (206 units). Non-residential development is assumed at the maximum allowable amount authorized under the Initiative.

1. Existing Conditions Development Scenario

The **Existing Conditions** development scenario assumes that development on the Quarry Site occurs as allowed under the City's current C-3 (Service Commercial) and HPD (Hillside Preservation District) overlay zoning and in conformance with the 1983 Ordinance prohibiting residential development without a vote of the people. As no specific development proposal has been approved for the site since mining operations ceased in 1987, this scenario assumes that new commercial-only development is unlikely to occur in the near term. If more time had been available to prepare this fiscal analysis, additional market research and analysis could have been undertaken in order to determine what mix and amount of commercial-only development could be feasible at the site, which would have then informed the preparation of an alternative commercial-only site plan and development program. However, given the limited time available for this study and the property's long history of vacancy, the assumption used for the development scenario without the Initiative is the site's existing condition as a vacant site.

2. With Initiative Development Scenario

The **With Initiative** development scenario assumes development on the Quarry Site occurs as envisioned by the proposed Initiative. As the Initiative would eliminate the public vote requirement for any future rezoning that includes residential development, new housing is included in this development scenario. Specifically this scenario includes:¹

- 181 multi-family residential units with at least 20% of total units (37) as affordable housing units
- 25 live-work units
- 35,000 square feet of commercial space (retail, restaurant, and entertainment)
- 35,000 square feet of office space
- 200 hotel rooms, including 188 hotel rooms, 12 bungalows of 2,500 square feet each, and a 13,000 square foot conference center.

The San Francisco Bay Area is one of the most important financial and commercial regions in the world. It offers strong employment opportunities, top universities, a temperate climate, exceptional urban and suburban residential communities, a beautiful setting and geography and diverse recreational and cultural attractions. While San Francisco and Silicon Valley are considered to be the major employment epicenters of the Bay Area, San Mateo County, which lies between them, also contains many of the Bay Area's major employers, including many in the biotechnology sector, and contributes significantly to the Bay Area economy.

According to the State of California Employment Development Department, San Mateo County has the lowest unemployment rate throughout the entire state of California at 2.4 percent according to May 2016 job numbers. Leading the state in terms of employment demand is evidence that San Mateo County remains one of the hottest markets in the region due to rapidly growing companies and the high demand for premier commercial real estate in the thriving Bay Area economy. Based on interviews with

¹ The latest site plan presented by the owner of the site in April 2016 contains a mix of live-work, 1-bedroom, 2-bedroom and 3-bedroom units. Future residential development is assumed to have an overall average unit size of about 1,000 square feet based on a review of this site plan as well as market research regarding comparable residential projects prepared by The Concord Group. (See further description in next section.)

knowledgeable local real estate professionals and a market assessment conducted by The Concord Group in order to determine the potential valuation of property on the Quarry site,² the robust local market and recent market trends support the proposed mix of land uses in the Initiative on the Quarry site:

- Residential– In the San Francisco Metro area that includes San Mateo County, job growth over the past five years has outpaced new housing construction, leading to rapid increases in home prices and rents. Pacifica is located in northern San Mateo County, where only approximately 300 multifamily apartment units have been built during the same time period. Existing apartment buildings in Pacifica, which were built more than 45 years ago, are currently achieving about \$3.50 per square foot in rent, and rents in northern San Mateo County have increased more than 20 percent over the past two years. The trend is similar in the homeownership market as well. According to the real estate website Trulia, over the past year the median sales price of homes in Pacifica has increased by 11 percent to \$865,500 (\$650 per square foot on average). In San Mateo County, Class A (recently built) apartment buildings have sold for \$658,000 per unit on average.
- Hotel– A robust tech industry combined with strong convention and tourism trade are transforming the San Francisco Bay Area into one of the hottest hotel investment markets in the country. San Francisco/San Mateo ranks third in the country for both occupancy and average daily rate behind New York City and Oahu Island, according to a report by Smith Travel Research. As a result, even the mid-range hotels in Pacifica such as the Best Western and Pacifica Beach Hotel have managed to achieve daily rates as high as \$240 per room. This fact could be explained by Pacifica’s impeccable location. Pacifica is only 20 minutes away from downtown San Francisco, about 40 minutes away from Silicon Valley, and less than 20 minutes from the San Francisco International Airport. Pacifica has direct access to the beach, an abundance of trails and open space and a peaceful charm. Oceanfront property is a rare commodity. Between the Golden Gate Bridge and Santa Cruz, only a handful of hotels offer ocean views and direct beach access. In light of the strong regional demand, limited new hotel supply, the site’s unique ocean location and views, the Quarry Site would be able to attract a higher quality, more upscale hotel operator than currently operates in Pacifica, such as Kimpton, Joie de Vivre or Marriott, and could potentially attract a luxury resort operator that is seeking a unique waterfront location, as was the case with the Ritz Carlton at Half Moon Bay.
- Retail– Pacifica has the potential to create a unique waterfront shopping experience, in a way that other waterfront communities such as Half Moon Bay and Sausalito have done. These communities offer visitors a chance to unwind and relax while they meander along the waterfront and enjoy the sunshine, sea air, and ambiance. Pacifica has great location, beach access, relatively high incomes, and the emerging consumer preferences for local and neighborhood serving restaurants and retailers. New residential development on the site will increase household demand for retail purchases, while new hotel and office development will generate additional worker and visitor retail spending, which will help support existing retail businesses and new retail development on the site. In North San Mateo County, retail developments have recently traded at an average of \$300 to \$500 per square feet depending on the quality and size of space.
- Office– Strong job growth has generated significant demand for office space and put an upward pressure on office rents as well. Given Pacifica’s close proximity to San Francisco, Silicon Valley and the airport, Pacifica could capture some of the spill over demand from these extremely tight

² See Appendix B for the market assessment of The Concord Group.

markets. According to Colliers International’s San Francisco Peninsula Q1 2016 Report, the average asking office rent (fully serviced) in San Mateo County has reached \$4.70 per square foot, an 11 percent increase year-over-year while the vacancy rate dropped to about 7 percent, the lowest rate in over 15 years. In North San Mateo County, Class A office buildings have recently traded for an average of about \$450 per square feet.

3. Comparison of Development Scenarios

As described above, the Initiative merely sets forth certain conditions for potential development at the Quarry Site and does not approve any particular development plan. Thus, the fiscal analysis presented in the next section of this memorandum compares the potential fiscal revenues and impacts from these two development scenarios. Table 1 summarizes allowable development at the Quarry Site under these development scenarios.

Table 1
Summary of Development Scenarios for Quarry Site

Development Land Use	Existing Conditions	With Quarry Initiative
Residential (units)^a	0	206
Multifamily	0	181
Market Rate	0	144
Below Market Rate	0	37
Live-work	0	25
Market Rate	0	25
Below Market Rate	0	0
Residential Total (sq.ft.)	0 sq.ft.	206,000 sq.ft.
Non-Residential (Allowable)		
Office	0 sq.ft.	35,000 sq.ft.
Retail/Commercial	0 sq.ft.	35,000 sq.ft.
Hotel (rooms)	0	200
Hotel	0	188
Hotel Bungalows	0	12
Hotel (sq.ft.) ^b	0 sq.ft.	155,800 sq.ft.
Hotel	0 sq.ft.	112,800 sq.ft.
Hotel Bungalows	0 sq.ft.	30,000 sq.ft.
Conference Room	0 sq.ft.	13,000 sq.ft.
Non-Residential Total (sq.ft.)	0 sq.ft.	225,800 sq.ft.
Total (Sq. Ft.)	0 sq.ft.	431,800 sq.ft.

a. The residential development includes a mix of studios, 1-bedroom, 2-bedroom and 3-bedroom apartments, with an overall average unit size of 1,000 sq.ft.

b. Average hotel room size is assumed to be 600 sq.ft. Average size of a hotel bungalow is assumed to be 2,500 sq.ft.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

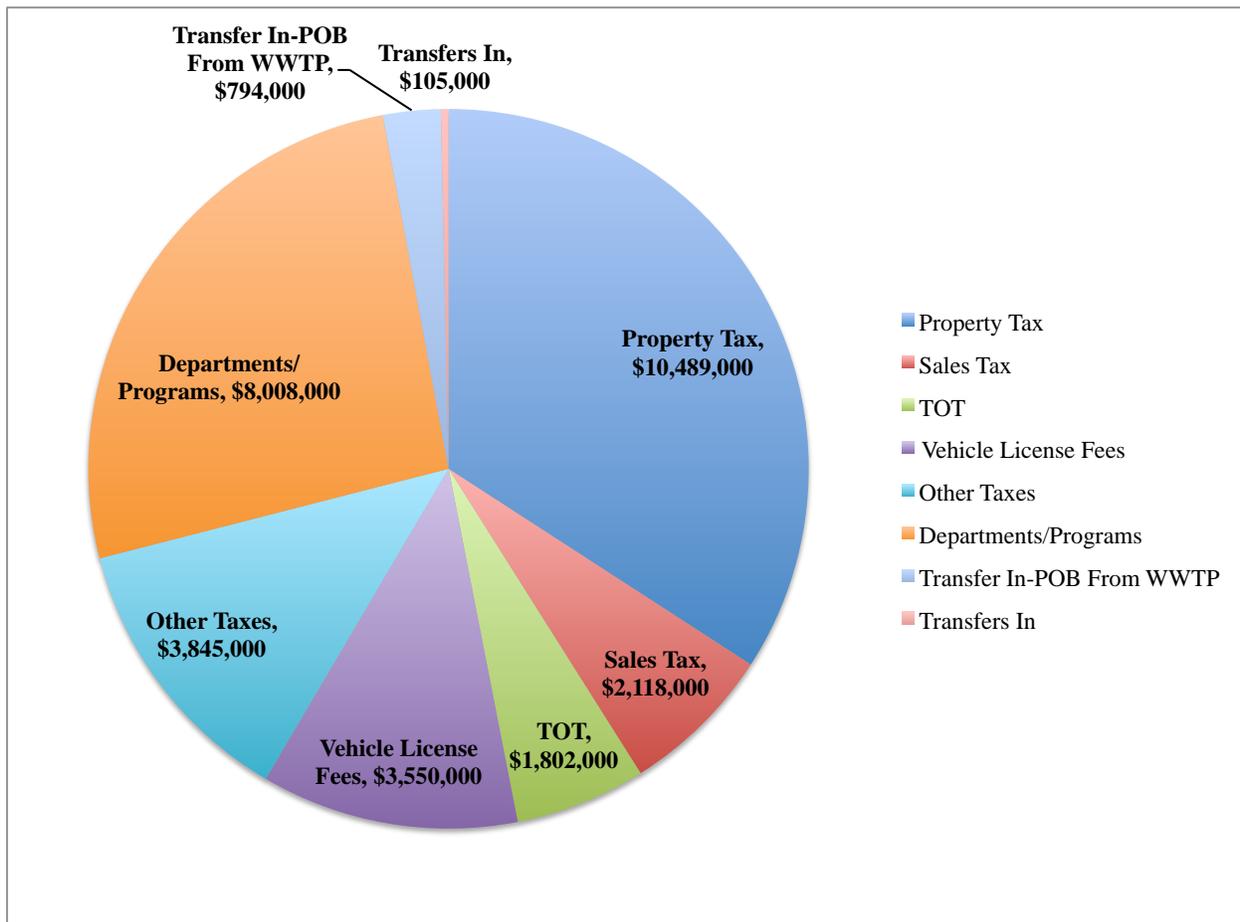
D. Fiscal Analysis

This section of the memorandum evaluates the potential fiscal impact from the Initiative, as described in section 9212 (b)(1) of the Elections Code. It begins with a description of the sources of revenue that the City’s General Fund receives, with a particular focus on those revenues directly tied to new development. It then analyzes and compares the fiscal revenues that the City would receive under the two development scenarios described above, **Existing Conditions** and **With Initiative**. It then discusses the potential fiscal costs that could occur under each of these development scenarios and concludes with a set of findings from the fiscal analysis.

1. Major Revenue Sources to the City’s General Fund

According to the City’s FY 2016/17 budget, the City receives about \$30.7 million in General Fund revenues. Figure 1 shows the distribution of fiscal revenues to the City’s General Fund according to the City’s major budget categories.

Figure 1
Distribution of Fiscal Revenues to City’s General Fund



The four major sources of revenues that are directly tied to new development are: property tax (currently about \$10.5 million), sales tax (about \$2.1 million), transient occupancy tax (TOT, about \$1.8 million) and vehicle license fees (VLF, about \$3.6 million). These revenues are projected to represent about 59 percent of the City's General Fund revenues in Fiscal Year (FY) 2016/17 according to the City's recently adopted Budget.

The next most significant portion of General Fund revenues (26%) are generated by City departments/ programs that provide services and programs for which the City receives revenues that typically recover a significant portion of the City's costs to deliver these services. (These include charges by the Planning, Parks, Beaches and Recreation, Police and Fire Departments as well as grants and other revenues that the Departments receive.)

Other taxes (12%) include franchise tax, utility users tax and business license taxes, all of which would likely increase based on new development. Other taxes also include the City's allocation of the half-cent sales tax measure for public safety that is allocated by San Mateo County.

The City's General Fund revenue is projected to increase as new development occurs. The "net increase in potential development" is the difference between what is currently developed on the site (**Existing Conditions**) and what could potentially occur under the **With Initiative** development scenario. As the site is currently vacant, the net increase in potential development is equal to new development under the **With Initiative** scenario.

The fiscal analysis evaluates the potential difference in fiscal revenues that would be generated under each scenario. The fiscal revenue projections and assumptions and methodology for each of the City's major sources of revenue are described in each of the following sections, and the projections are based on what would be generated by the property at build-out in constant 2016 dollars without taking into account any additional increases in revenues attributable to inflation, appreciation or future adjustments in valuation that might occur from future sales or reassessments. (Please refer to Appendix 1 for the detailed tables accompanying the fiscal analysis, which includes the supporting calculations for the projections of new development. Appendix 1 Table 1 shows the development assumptions for each of the scenarios.)³

2. Property Tax

Under current law, property is assessed at actual full cash value with the maximum levy being 1% percent of the assessed valuation (referred to as basic 1 percent tax revenues) plus any increase in tax rate above the 1% that is authorized by voters to pay for special taxes and assessments (referred to as override revenues). According to the City's Budget, the City of Pacifica receives 23.66% of the basic 1 percent (\$.2366/\$1.00) in property tax revenues from all properties within the City, resulting in an average citywide property tax rate of 0.2366%.

According to the most recent (FY 2015/16) property tax bills, the current assessed value of the Quarry Site is \$4.75 million and the Quarry Site contributed approximately \$11,000 in property tax revenues to

³ While Seifel has made extensive efforts to substantiate this information, Seifel does not guarantee the accuracy of third party data and assumes no responsibility for inaccuracies in the provided information or analysis. Any estimated revenue projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be projections of the future for the specific project, and no warranty or representation is made that any of the estimates or projections will actually materialize.

the City. Under Proposition 13 Tax Reform, property tax increases on any given property are limited to no more than 2% per year as long as the property is not sold. Thus, under the existing condition, the property tax revenue generated from the Quarry Site will grow only at 2% annually.

New development will generate additional property tax revenue from growth in assessed value multiplied by the City's tax rate.⁴ Future assessed value from new market rate development is estimated based on a market assessment that was performed by The Concord Group in July 2016 (included as Appendix 2 of this report). In summary, the growth in assessed value for each land use is estimated to be:⁵

- Residential– \$480,000 per market rate unit and \$240,000 for a below market rate unit based on restricted rents affordable to low income households⁶
- Hotel– \$350,000 per hotel room (including the hotel bungalows)
- Retail–\$350 per square foot of retail space (inclusive of personal property)
- Office– \$350 per square foot of retail space (inclusive of personal property)

The annual property tax revenues estimated at buildout are shown by development scenario in Appendix 1 Table 2.

3. Sales Tax

Sales Tax revenues are based on taxable sales of goods and services either to retail consumers or other businesses that occur in Pacifica. The proceeds of taxable sales within the boundaries of Pacifica are distributed by the State to various agencies, with the City's General Fund effectively receiving 1% of the collected revenue.⁷

The projection of future sales tax revenues from new development under the **With Initiative** scenario is based on 1% of taxable sales attributable to the 35,000 square feet in new retail development allowed in the Initiative.⁸ A development at the Quarry Site will create a new waterfront location that can attract recreational retailers such as restaurants, cafes, bike/kayak rentals, and souvenir shops, as well as a destination restaurant at the hotel and conference venue. Based on the market research conducted by

⁴ The City's average property tax share is used to represent the potential property tax share associated with development on the Quarry Site.

⁵ Incremental growth in assessed value is based on the difference between the value of potential new development and the existing value of the site, based on recent market values for land in Pacifica. For more detail, please refer to Appendix 1 Table 2.

⁶ The Initiative provides that at least 20 percent of the multifamily units must be affordable to very low, low or moderate income households. The assessed value for below market rate units is estimated based on annual rental income per unit assuming an average rent based on affordable rent per unit according to the California Tax Credit Allocation Committee for a 2 bedroom unit at 60% of Areawide Median Income for the County of San Mateo and assuming an average utility allowance of \$100 per month.

⁷ The City also receives an additional share of countywide sales tax revenues for public safety. However, as this is a small share of overall General Fund receipts and may not continue in the future, it is not projected in this report.

⁸ The hotel could also potentially generate additional taxable retail sales (from food, beverage and gift sales as an example) or the office could generate taxable business-to-business sales, but this analysis conservatively assumes taxable retail sales are generated only from the 35,000 square feet of retail.

The Concord Group, a 92% retail occupancy rate is considered to be a fair occupancy assumption for retail development at this location. As retail development is only present in the **With Initiative** development scenario, only this scenario would generate sales tax revenue for the City. (See Appendix 1 Table 3.)

4. Transient Occupancy Tax

A new hotel development would generate Transient Occupancy Tax (TOT) revenues based on the City's current 12% TOT rate on hotel and motel room revenues. Based on the market research conducted by The Concord Group, this analysis assumes an average daily room rate of \$275 per room with an overall occupancy rate of 75% for the hotel, inclusive of the hotel bungalows. Because a hotel is only present in the **With Initiative** development scenario, only this scenario would generate TOT revenue for the City. (See Appendix 1 Table 4.)

5. Property Tax In-Lieu of Vehicle License Fee Revenue

Vehicle License Fee (VLF) revenue, now known as Property tax in-lieu of Vehicle License Fee revenue, is a revenue swap enacted as part of the State Budget Act of 2004. The Legislature reduced the backfill to cities and counties associated with reductions in the VLF and in return gave cities and counties additional property tax revenue in proportion to annual increases in assessed value.⁹

Consistent with this statewide process, VLF revenue is calculated by applying the percentage increase in assessed value from new development at the Quarry Site to the City's current VLF revenue estimate. This analysis only assumes growth in assessed value from the Quarry Site and does not take into consideration any additional growth in assessed value from other properties in Pacifica, which could be stimulated as the result of new development at the Quarry site. As new development of any sort would contribute additional assessed value to the City, the Property Tax In-Lieu of VLF Revenue to the City is higher in the **With Initiative** development scenario. (See Appendix 1 Table 5.)

The City would also potentially receive additional VLF revenues as the assessed value of the property increases over time. However, for purposes of this analysis, future increases in revenues are not considered. In addition, as the current assessed value in the **Existing Condition** only represents 0.1% of Pacifica's assessed value citywide, the increase in VLF revenues attributable to the site in its existing condition is minimal.

6. Other Revenues

The City of Pacifica charges a Utility User Tax (UUT) on gas, electricity and telecommunication services provided within the City's jurisdiction. Revenues generated from this tax can be used for general City purposes. Revenue from UUT has been relatively stable in recent years due to lack of new development in the City and likely also due to lower electricity usage resulting from local investments in solar infrastructure. Since new development would most likely meet increasing energy-efficiency standards, future development is not likely to affect City revenues. For this reason, and because UUT comprises less than 5% of the FY 2016/17 budget, this revenue category is not analyzed.

⁹ For more information, refer to: <http://www.californiacityfinance.com/VLFswapAnnIncFAQ.pdf>

General Fund revenues generated by City departments/ programs that typically recover a significant portion of the City’s costs to deliver these services are also not projected because these revenues would grow in direct proportion to the City’s costs for providing the services or functions (such as planning or building fees). While new development would increase revenues to these City departments/ programs, new development would also proportionately increase costs associated with these departments/ programs.

A variety of other, smaller revenue sources contribute the remainder of General Fund revenues. In consultation with City staff, no other revenues are projected in this analysis because they correlate less specifically with new development or comprise small portions of the FY 2016/17 budget.

7. Summary of Fiscal Revenues

As shown in Table 2 below, any potential development at the Quarry Site would increase revenues to the City’s General Fund since the Quarry Site is currently vacant.

Table 2
Summary of Annual Revenue Generation to the General Fund from the Quarry Site

Major Revenue Source to General Fund	With Quarry Initiative
Property Tax ^a	\$425,000
Sales Tax ^b	\$97,000
Transient Occupancy Tax (TOT) ^c	\$1,807,000
Property Tax In-Lieu of Vehicle License Fee (VLF) ^d	\$131,000
Additional City Revenues from the Quarry Site	\$2,460,000

Note: Dollar figures rounded to the nearest thousand. Revenues are based on constant 2016 dollars and reflect the potential increase in annual General Fund revenues above what is currently generated by the Quarry site, assuming that new development occurs at maximum build-out according to the language in the Initiative.

a. See Appendix 1, Table 2. Represents growth in property taxes from new development

b. See Appendix 1, Table 3.

c. See Appendix 1, Table 4.

d. See Appendix 1, Table 5.

Source: City of Pacifica, Seifel Consulting Inc.

The Quarry Site has remained vacant since 1987 and future development with a residential component is likely to have a greater chance of success to be financially feasible given the high demand for residential uses in the Bay Area, particularly on a waterfront location, and that residential would be a complementary use that would help support the proposed retail uses. With a residential component serving as the factor that may make future development of the Quarry Site likely to occur, the revenue estimates largely indicate an all-or-nothing fiscal impact to the City. Thus, potential development with the Initiative would likely increase revenues to the City’s General Fund significantly as compared to potential development under Existing Conditions (which, as evidenced since adoption of the 1983 Ordinance, is unlikely to occur).

8. Fiscal Costs

The City’s General Fund pays for basic services that are provided by various City departments, including General Government, Police, Fire, Public Works, Planning, and Parks, Beaches and Recreation. New development will result in increased fiscal costs to the City, as it will generate added demand for these

services, but how much the fiscal costs will increase as the result of new development will vary by department.

As described earlier, some of the City’s departments receive revenues that largely offset the cost of providing services. For example, about 80% of the departmental costs for Parks, Beaches and Recreation are recoverable, and 92% of the departmental costs for Planning are recoverable.¹⁰ The City’s wastewater and stormwater management that fall under Public Works are 100% recoverable expenses. While new development will impact these departments, much of the additional costs attributable to new development will likely be able to be recovered. Overall about 23% of the City’s annual costs are typically recoverable, as shown below in Table 2, which summarizes the City’s FY 2016/17 budgeted costs and the estimated cost recovery percentage.

Table 3
Summary of Annual Net Fiscal Costs to the General Fund

Item	2016/17 Budget	Cost Recovery Percentage	Cost Recovery Amount	Net Costs
General Government	\$4,019,000	3%	\$120,570	\$3,898,430
Police Department	\$9,186,000	4%	\$367,440	\$8,818,560
Fire Department	\$6,098,000	8%	\$487,840	\$5,610,160
Planning & Building	\$2,695,000	92%	\$2,479,400	\$215,600
Public Works	\$2,817,000	7%	\$197,190	\$2,619,810
Parks, Benches & Recreation	\$4,276,000	80%	\$3,420,800	\$855,200
Non-Departmental	\$584,000	N/A	N/A	\$584,000
Transfers Out	\$1,036,000	N/A	N/A	\$1,036,000
Total Annual Expenses	\$30,711,000	23%	\$7,073,240	\$23,637,760

New development would also not necessarily increase fiscal costs proportionately to revenues, as some of the City’s costs are fixed. For example, General Government cost accounts for all the administrative functions of the City and includes the services and activities provided by the City Council, City Staff, Economic Development, Finance, Human Resources (HR), and Informational Technology (IT) divisions. A substantial portion of the City’s General Government costs are likely to be fixed, as staff would not necessarily increase as the result of new development. (For example, the City would likely continue to have one City Manager and Assistant City Manager and would fundamentally maintain the same level of Finance, HR and IT services.)

Overall, the proposed new development at the Quarry Site would represent a small increase in the City’s overall development landscape. For example, the number of residential units in the **With Initiative** development scenario would potentially increase the City’s current number of housing units by about 1.4%,¹¹ and the projected assessed value from new development with the Initiative would potentially increase assessed value in the City by about 4% (or an increase of about \$180 million on current

¹⁰ The Planning Department issues permits for all new construction and provides plan checks and inspection services. However these are one-time costs and are typically reimbursed through permits and service fees.

¹¹ According to the City’s Housing Element, the number of housing units (all types of housing units) in Pacifica was 14,523 in 2011.

\$4.9 billion value), which is another way to measure the potential growth attributable to new development on the Quarry Site.¹²

According to the fiscal revenue analysis, new development in the **With Initiative** development scenario would potentially increase the City's four major sources of revenue to the General Fund by about \$2.5 million, which represents a potential 8% increase in revenues (\$2,460,000/\$30,711,000). In addition, considering that several of the City's departments are able to recover much of their direct costs, and none of the revenues from this cost recovery are projected as part of this fiscal analysis, new revenues in the **With Initiative** development scenario represent a potential 10% increase in General Fund revenues that are not directly recoverable (\$2,460,000/\$23,638,000). Based on this analysis, this report concludes that the overall fiscal impact of the Initiative will likely be positive to the General Fund.¹³

If the Quarry Initiative does or does not get approved in November, the City could potentially need to pay for stand-alone or consolidated elections if the landowner, City, or voters desire to change the provisions of the Initiative or want to put another initiative related to the Quarry Site on the ballot. The cost of such elections would include direct election related costs (paid by the City) plus City staff time to conduct the election. If a new initiative were proposed, the City Council could decide to order preparation of a report under Elections Code section 9212. The precise costs of a 9212 report depend on the nature of the initiative but could cost about \$50,000-\$100,000 per report based on recent experience. The City could incur greater City Attorney and outside counsel costs in order to interpret and implement this proposed Initiative, as well as any future initiatives that might occur as the result of this Initiative. However, these fiscal costs could occur with or without the Initiative being adopted.

¹² The proportionate share of assessed value is considered to be the best proxy for the potential proportionate growth from new development as compared to existing development citywide, although this ratio may be overstated as property values from new development at the Quarry site are likely to exceed existing values per unit or per square foot given the likely upscale nature of new development along the ocean.

¹³ With the Quarry Initiative, the 206 residential units would increase the demand for services to residents but would also generate additional property tax and property tax in-lieu of VLF revenues to help offset these costs.

E. Conclusion

The principal effect of the Initiative will be to eliminate the public vote requirement for any residential development on the Quarry Site. The site's redevelopment, as proposed by the Initiative, has the potential to bring new businesses, residents, tourists, and jobs to the Quarry Site with strict limitations on overall development. The proposed mix of land uses in the Initiative are likely to result in a positive fiscal impact on the City's General Fund because of the potential value creation and revenue generation associated with the site's prime location along the Pacific Ocean, the significant demand for hotel and residential uses that offer ocean views and/or direct access to the ocean and its location within a 15 minute drive to the San Francisco International Airport.

According to the fiscal revenue analysis (as shown in Table 2), new development in the **With Initiative** development scenario would potentially increase the City's four major sources of revenue to the General Fund by about \$2.5 million, which represents a potential 8% increase in the City's General Fund revenues. After considering that several of the City's departments are able to recover much of their direct costs, new revenues in the **With Initiative** development scenario represents a potential 10% increase in General Fund revenues when excluding revenues that are typically recoverable by direct charges for services or grants.

By way of comparison, in the **Existing Conditions** development scenario the City's current revenue picture from the Quarry Site would not change. The only direct revenues that the General Fund would receive from the Quarry Site would be property taxes (estimated to be \$11,000 currently), which would continue to increase at or below 2 percent per year if the site continues to remain in the same ownership. The City could also potentially receive a marginal increase in VLF revenues as assessed value increases over time, but as the site's current assessed value only represents 0.1% of Pacifica's assessed value citywide, the increase in VLF revenues attributable to the Quarry Site in its existing condition would be minimal. Thus, the amount of fiscal revenue would remain very small, especially in comparison to potential revenues from development of the Quarry Site.

Based on preceding analysis, this report concludes that the overall fiscal impact of the Initiative would likely be positive to the City's General Fund.

Appendices

1. Fiscal Analysis Tables
2. Market Research by The Concord Group

Appendix 1 Table 1
Summary of Development Scenarios for Quarry Site
City of Pacifica 9212 Report

Development Type	Existing Conditions	With Quarry Initiative
Residential (units)^a	0	206
Multifamily	0	181
Market Rate	0	144
Below Market Rate	0	37
Live-work	0	25
Market Rate	0	25
Below Market Rate	0	0
Residential Total (sq.ft.)	0 sq.ft.	206,000 sq.ft.
Non-Residential (Allowable)		
Office	0 sq.ft.	35,000 sq.ft.
Retail/Commercial	0 sq.ft.	35,000 sq.ft.
Hotel (rooms)	0	200
Hotel	0	188
Hotel Bungalows	0	12
Hotel (sq.ft.) ^b	0 sq.ft.	155,800 sq.ft.
Hotel	0 sq.ft.	112,800 sq.ft.
Hotel Bungalows	0 sq.ft.	30,000 sq.ft.
Conference Room	0 sq.ft.	13,000 sq.ft.
Non-Residential Total (sq.ft.)	0 sq.ft.	225,800 sq.ft.
Total (sq.ft.)	0 sq.ft.	431,800 sq.ft.
Net Increase in Potential Development^c		
Residential (units)		206
Multifamily		181
Market Rate		144
BMR (units)		37
Live-work units		25
Market Rate		25
BMR (units)		0
Residential Total (sq.ft.)^e		206,000 sq.ft.
Non-Residential (sq.ft.)		225,800 sq.ft.
Office		35,000 sq.ft.
Retail/Commercial		35,000 sq.ft.
Hotel (rooms)		200
Hotel		188
Hotel Bungalows		12
Hotel (sq.ft.)		155,800 sq.ft.
Hotel		112,800 sq.ft.
Hotel Bungalows		30,000 sq.ft.
Conference Room		13,000 sq.ft.
Total (Sq. Ft.)		431,800 sq.ft.

a. The residential development includes a mix of studios, 1-bedroom, 2-bedroom, and 3-bedroom apartments, with an overall average unit size of 1,000 sq.ft.

b. Average hotel room size is assumed to be 600 sq.ft. Average size of a hotel bungalow is assumed to be 2,500 sq.ft.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

Appendix 1 Table 2
Growth in Annual General Fund Property Tax Revenue
In Constant 2016 Dollars
City of Pacifica 9212 Report

Development Type	Assessed Value per Unit/Sq.Ft./Room ^a	Existing Conditions	With Quarry Initiative
Estimated Assessed Value			
Residential^b			
Multifamily			
Market Rate	\$480,000 /unit	\$0	\$69,120,000
BMR (units)	\$240,000 /unit	\$0	\$8,880,000
Live-work units			
Market Rate	\$480,000 /unit	\$0	\$12,000,000
BMR (units)	- /unit	\$0	\$0
Total Residential Assessed Value		\$0	\$90,000,000
Non-Residential^b			
Office	\$350 /sq.ft.	\$0	\$12,250,000
Retail/Commercial	\$350 /sq.ft.	\$0	\$12,250,000
Hotel	\$350,000 /room	\$0	\$70,000,000
Total Non-Residential Assessed Value		\$0	\$94,500,000
Total Assessed Value		\$4,750,000	\$184,500,000
Property Tax Revenue Generation (Basic 1%)		\$48,000	\$1,845,000
Property Tax Revenues to the City's General Fund^c	23.66%	\$11,000	\$437,000
Estimated Incremental Property Tax Revenues to the City's General Fund from New Development			
Incremental Growth in Assessed Value from New Development		\$0	\$179,750,000
Incremental Growth in Property Tax Revenues (Basic 1%)		\$0	\$1,797,000
Growth in Annual Property Tax Revenues to the City^c	23.66%	\$0	\$425,000

Note: Dollar figures rounded to the nearest ten thousand for projected assessed values and to the nearest thousand for property tax revenues. Numbers may not add up precisely due to rounding.

- a. Assessed value for existing conditions based on current assessed value. Assessed value from new development estimated based on recent market transactions and rents for comparable properties in Pacifica and Northern San Mateo County.
- b. No additional value is estimated for unsecured or personal property, which would typically represent an additional 5-20% in assessed value depending on the level of tenant improvements, furniture and fixtures.
- c. City's average share of property taxes (\$.2366/\$1.00) generated from properties in the City of Pacifica.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

Appendix 1 Table 3
Annual Sales Tax Generated from Retail Space
In Constant 2016 Dollars
City of Pacifica 9212 Report

	Existing Conditions	With Quarry Initiative
Quarry Site - Retail		
Retail Space at Buildout	0 sq.ft.	35,000 sq.ft.
Occupancy Rate ^a	N/A	92%
Occupied Retail Space	0 sq.ft.	32,200 sq.ft.
Taxable Retail Sales per sq.ft. ^b	N/A	\$300
Total Estimated Taxable Sales from Retail	\$0	\$9,660,000
Sales Tax Revenue^c from The Quarry Site	\$0	\$97,000

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

- a. Projected occupancy for development scenarios assumed at 92% based on the market research conducted by The Concord Group.
- b. The estimates used in the analysis based on the market research conducted by The Concord Group.
- c. Projected sales tax revenues assumes City receives 1% of taxable sales, according to sales tax data.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

Appendix 1 Table 4
Net Increase in Annual Transient Occupancy Tax (TOT) Revenues
In Constant 2016 Dollars
City of Pacifica 9212 Report

	Hotel Revenue Assumption ^a	Existing Conditions	With Quarry Initiative
Hotel Rooms			
Main Hotel		0	188
Hotel Bungalows		0	12
Total Hotel Rooms		0	200
Occupancy Rate	75%		
Number of Occupied Rooms		0	150
Estimated Average Daily Room Rate	\$275		
Estimated Annual Room Revenues		\$0	\$15,056,250
City's TOT Rate	12%		
Quarry Site Annual TOT Revenues		\$0	\$1,807,000

a. Based on typical hotel occupancy and room rates in Pacifica based on the market research conducted by The Concord Group. Projected TOT revenues assumes City continues to receive 12% of taxable sales.

Source: City of Pacifica, The Concord Group, Seifel Consulting Inc.

Appendix 1 Table 5
Property Tax In-Lieu of Vehicle License Fee Revenue
In Constant 2016 Dollars
City of Pacifica 9212 Report

Property Tax In-Lieu of Vehicle License Fee (VLF) Revenue	FY 2015/2016	Existing Conditions	With Quarry Initiative
City of Pacifica			
Total Assessed Value (AV) in City of Pacifica ^a	\$4,876,416,386		
Current Property Tax In-Lieu of VLF to City ^b	\$3,550,000		
Net Increase in AV due to Quarry Site (Total)		\$0	\$179,750,000
Percent Increase in Citywide AV From New Development		0%	3.7%
Future Revenue Based on Net Increase in AV from Quarry Development		\$0	\$3,681,000
Projected Growth in Property Tax In-Lieu of VLF Revenue to City		\$0	\$131,000

Note: Calculations rounded to the nearest thousand.

- a. City assessed value is from the FY 2015-2016 Assessor's Annual Report, San Mateo County
- b. Current Property Tax In-Lieu of VLF to City of Pacifica is based on the City's budget estimate shown in the City's FY 2015/16 Budget, and this budget estimate is likely to be very close to what the City will actually receive in FY 2015/16 based on recent receipts.

Source: City of Pacifica, County of San Mateo Assessor's Office, Seifel Consulting.



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 - 2. Market Trends
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 - 3. Comparables
 - 4. Value Implications

I. OVERVIEW OF FINDINGS

EXHIBIT I-1

**SUMMARY MATRIX
PACIFICA QUARRY SITE; PACIFICA, CALIFORNIA
JULY 2016**

SECTION II - MULTIFAMILY

Product Assumptions
 Product: Apartments
 Class: A
 Product Type: Low-Rise

Value Assumptions (Per Unit)

Potential Rent Revenue	
Monthly Asking Rent	\$3,185
Occupancy	95.0%
Eff. Rent Revenue	\$3,026
Annual Rent Revenue	\$36,309
Operating Expenses	
% Lease Revenue	30.0%
Operating Expenses	(\$10,893)
Net Operating Income	\$25,416
Cap Rate	5.25%
Capitalized Value	\$484,120

- Concept**
- Mixed-use, part of Quarry Village
 - 181 apartments, 37 of which BMR
 - 25 live-work units, 0 of which BMR

- Rationale**
- Positioned at premium to average Pacifica apartment product (1971 build)
 - Larger average units lead to slightly lower rent on per square foot basis
 - No recent Class A multifamily trades in Pacifica or North San Mateo County
 - 299 Franklin Street sold in June 2016 for nearly \$700K per unit (Class A, 2015 build located in Redwood City)
 - Class A product in Pacifica supportable at \$484K per unit

SECTION III - HOTEL

Product Assumptions
 Product: Hotel
 Chain Scale: Luxury
 Product Type: Full Service

Value Assumptions (Per Key)

Rental Revenue	
Average Daily Rate	\$275
Occupancy	75.0%
RevPAR	\$206
Annual RevPAR	\$75,281
Operating Expenses	
% Lease Revenue	60.0%
Operating Expenses	(\$45,169)
Net Operating Income	\$30,113
Cap Rate	8.50%
Capitalized Value	\$354,265

- Concept**
- Luxury waterfront hotel and restaurant
 - 13,000 square foot conference center
 - 188 standard hotel rooms in main hotel
 - 12 luxury bungalows with views

- Rationale**
- Average ADR positioned very conservatively at \$275 per night
 - Positioned ADR in line with Sofitel San Francisco Bay and Aloft San Francisco Airport, but well below Ritz
 - Ritz-Carlton Half Moon Bay achieves ADR of \$535 per night, indicating strong potential upside (up to \$450)
 - No strong building trades in North San Mateo County, but conversations with hotel consultants support valuations from \$350K to \$375K per key

SECTION IV - RETAIL

Product Assumptions
 Product: Retail
 Lease Type: NNN

Value Assumptions (Per Built SF)

Lease Revenue	
Lease Rate	\$26.00
Occupancy	92.0%
Eff. Lease Revenue	\$23.92
Operating Expenses	
% Lease Revenue	5.0%
Operating Expenses	(\$1.20)
Net Operating Income	\$22.72
Cap Rate	6.50%
Capitalized Value	\$349.60

- Concept**
- Mixed-use, part of Quarry Village
 - 35,000 square feet of ground floor retail
 - Office space above

- Rationale**
- Positioned at \$26.00 PSF NNN, which is supported by existing rent comparables in Pacifica and North San Mateo County
 - Valuation of \$350 per built square foot supported by local building trades
 - Assumes standard occupancy of 92% and low operating expenses of 5% with typical retail leases being NNN

SECTION V - OFFICE

Product Assumptions
 Product: Office
 Class: A
 Lease Type: FSG

Value Assumptions (Per Built SF)

Lease Revenue	
Lease Rate	\$35.00
Occupancy	90.0%
Eff. Lease Revenue	\$31.50
Operating Expenses	
% Lease Revenue	30.0%
Operating Expenses	(\$9.45)
Net Operating Income	\$22.05
Cap Rate	6.25%
Capitalized Value	\$352.80

- Concept**
- Mixed-use, part of Quarry Village
 - 35,000 square feet of office above retail
 - Ground floor retail below

- Rationale**
- Positioned at \$35.00 PSF FSG, which is above current comparables in Pacifica but at slight discount to Class A comparables in North San Mateo County
 - Little existing office inventory in Pacifica (168K SF), none of which is Class A
 - Valuation of \$350 per built square foot supported by local building trades, especially in North San Mateo County
 - Assumes standard occupancy of 90% and operating expenses of 30% with typical office leases being FSG

EXHIBIT I-3

SITE PLAN
PACIFICA QUARRY SITE; PACIFICA, CALIFORNIA
APRIL 2016



II. MULTIFAMILY

EXHIBIT II-1

MULTIFAMILY - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

Project Name	Address	City	Buyer	Seller	Use	Year		Class	Elev.	Units	Acre	Sale Price		Cap Rate	Sale Date
						Built	Reno.					\$	\$/Unit		
Pacifica															
Ocean View Apartments	555 Crespi Dr	Pacifica	BRIDGE Housing Corporation	National Church Residences	Multi-Family	1972		C	3s	100	1.5	\$19,448,000	\$194,480	---	Oct-15
Skyline Vista	2400 Skyline Blvd	Pacifica	Tajirian Investments, LLC	Canyon Catalyst Fund	Multi-Family	1964		C	2s	44	1.5	\$16,800,000	\$381,818	---	Aug-15
Pacifica Trades:										144	3.0	\$36,248,000	\$251,722	---	
Remaining North San Mateo County															
Rotary Plaza	433 Alida Way	South San Francisco	American Baptist Homes of the	Undisclosed	Multi-Family	1970		C	4s	181	3.4	\$31,990,000	\$176,740	4.20%	Jan-15
950 Antoinette Ln	950 Antoinette Ln	South San Francisco	Hussain Ahmed Trust	Aid Properties, Inc.	Multi-Family	1961		C	3s	30	0.4	\$9,700,000	\$323,333	4.60%	Apr-16
90 Kent Ct	90 Kent Ct	Daly City	Dennis Chen	Bernardo & Rosenda Reyes Livi	Multi-Family	1972		C	3s	30	0.7	\$5,000,000	\$166,667	8.10%	Aug-13
Crystal Lake Apartments	1410 Millbrae Ave	Millbrae	Vittoria Management	Ronco Properties, Ltd.	Multi-Family	1962		B	3s	27	0.6	\$9,350,000	\$346,296	---	Oct-13
Rem. San Mateo Trades:										268	5.1	\$56,040,000	\$209,104	5.63%	
Other Class A San Mateo County															
299 Franklin St	299 Franklin St	Redwood City	TIAA	Greystar Investment Group	Multi-Family	2015		A	6s	304	2.3	\$212,650,000	\$699,507	---	Jun-16
2580 El Camino Real	2580 El Camino Real	Redwood City	R&B Realty Group	Marcus & Millichap, Inc.	Multi-Family	2015		A	3s	141	---	\$84,000,000	\$595,745	---	Mar-15
Township	333 Main St	Redwood City	TIAA	JP Morgan Asset Management	Multi-Family	2013		A	4s	132	2.3	\$83,200,000	\$630,303	---	May-14
Class A Trades:										577	4.5	\$379,850,000	\$658,319	---	

*San Francisco - Suburban Multifamily
IRR 2016 Viewpoint Cap Rates*

Class A:	4.30%
Class B:	4.80%

EXHIBIT II-1
MULTIFAMILY - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

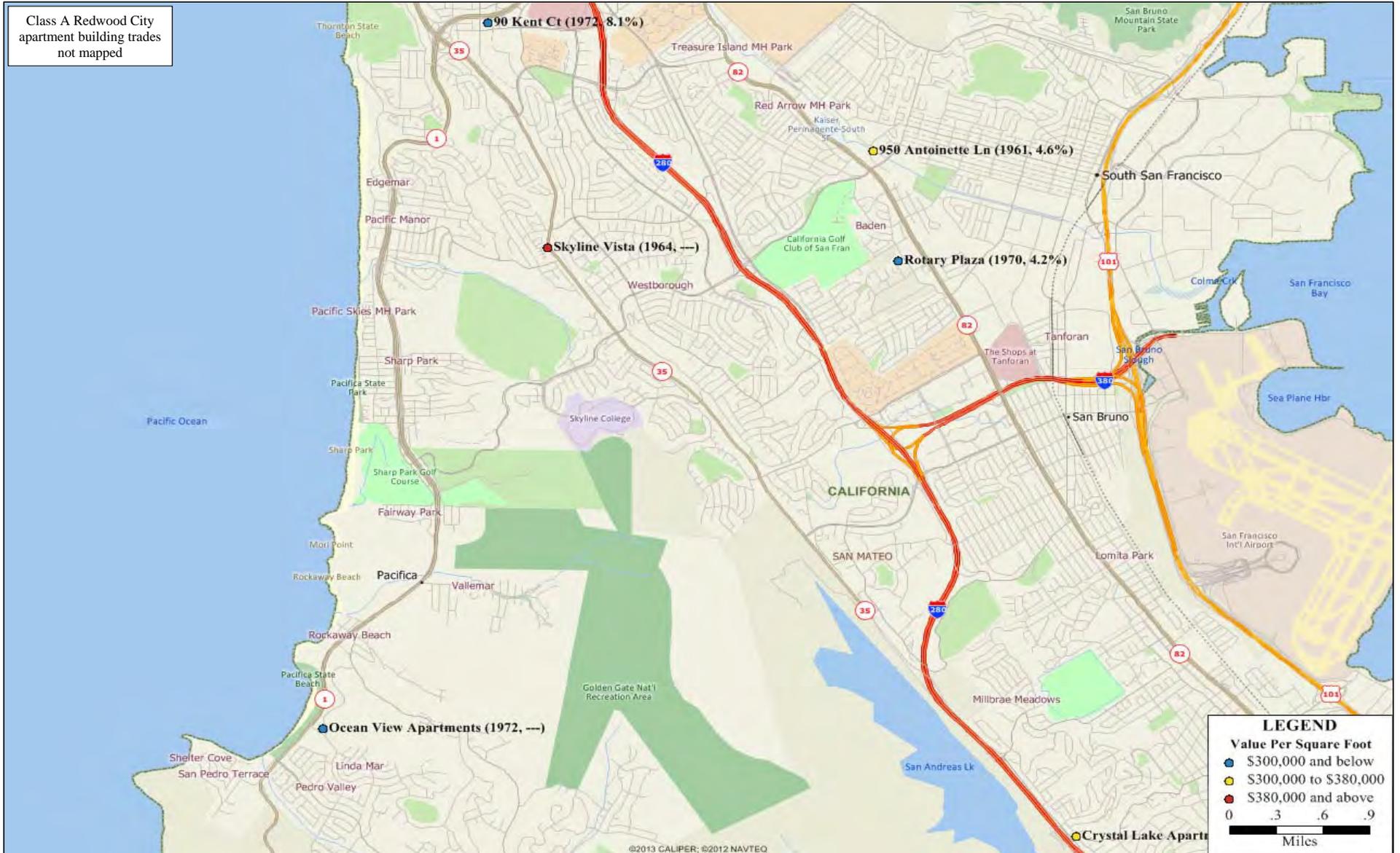
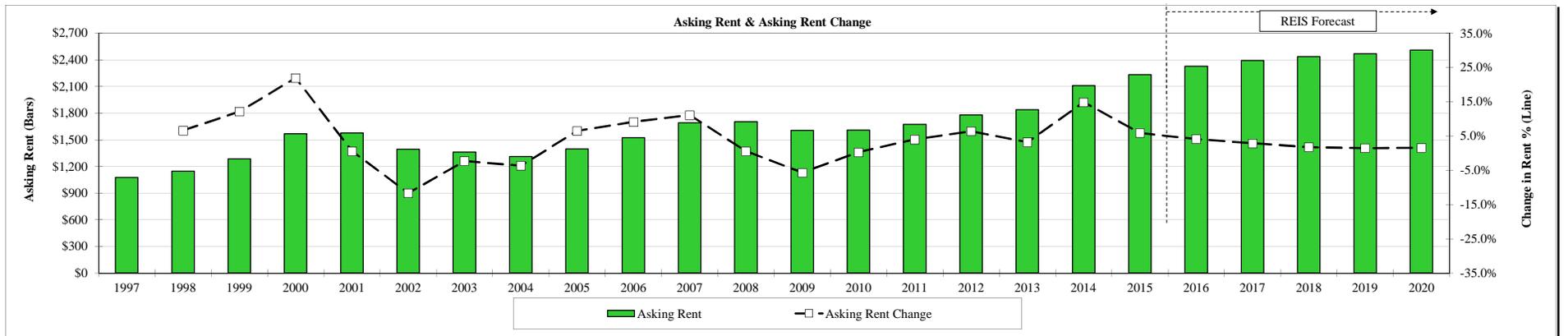
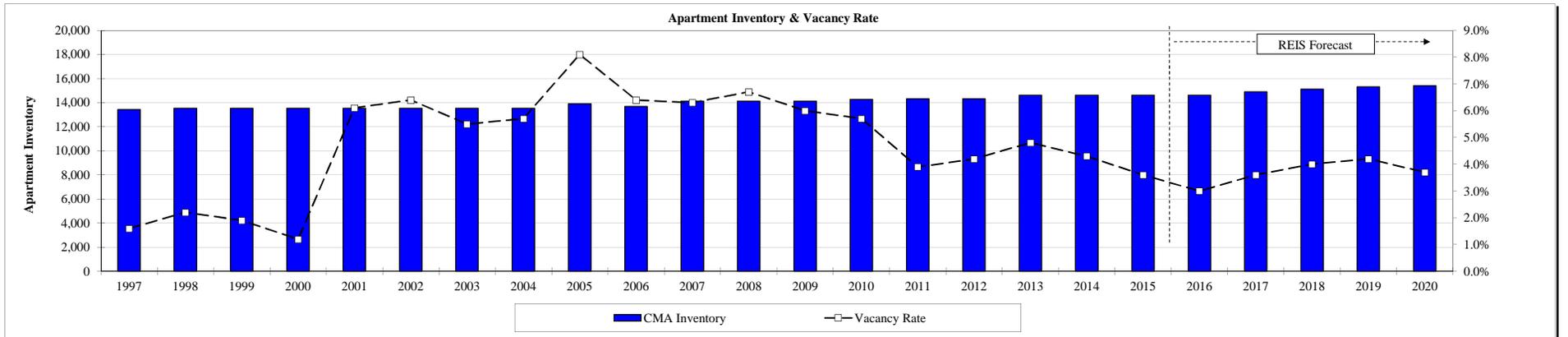


EXHIBIT II-2
MULTIFAMILY - MARKET TRENDS
SAN MATEO COUNTY, CALIFORNIA
1997 THROUGH 2020

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Avg '06-'15	REIS Forecast (2)				
																					2016	2017	2018	2019	2020
San Francisco-Oakland-Hayward MSA Employment																									
Total Non-Farm (000s)	1,953.1	2,013.9	2,071.6	2,143.8	2,125.6	2,045.4	1,999.9	1,990.1	2,008.6	2,043.0	2,070.0	2,069.0	1,958.8	1,930.2	1,964.2	2,037.1	2,106.8	2,176.9	2,257.7	2,061.4	2,319.0	2,367.2	2,414.9	2,446.1	2,460.5
Employment Growth (000s)		60.8	57.7	72.2	(18.2)	(80.2)	(45.5)	(9.9)	18.5	34.4	27.1	(1.0)	(110.2)	(28.5)	34.0	72.9	69.6	70.1	80.8	214.8	61.3	48.2	47.7	31.2	14.4
% Change		3.1%	2.9%	3.5%	-0.8%	-3.8%	-2.2%	-0.5%	0.9%	1.7%	1.3%	-0.1%	-5.3%	-1.5%	1.8%	3.7%	3.4%	3.3%	3.7%	1.0%	2.7%	2.1%	2.0%	1.3%	0.6%
North San Mateo REIS Market																									
Inventory	13,417	13,513	13,513	13,513	13,513	13,513	13,513	13,513	13,898	13,668	14,107	14,107	14,107	14,270	14,294	14,294	14,602	14,602	14,602	14,265	14,602	14,886	15,098	15,303	15,389
Completions (1)	82	96	0	0	0	0	0	0	385	0	439	0	0	163	72	0	308	0	0	98	0	284	212	205	86
Conversions	0	0	0	0	0	0	0	0	0	-230	0	0	0	0	-48	0	0	0	0	-28	0	0	0	0	0
Net Gain/(Loss)	82	96	0	0	0	0	0	0	385	-230	439	0	0	163	24	0	308	0	0	70	0	284	212	205	86
Vacancy Rate	1.6%	2.2%	1.9%	1.2%	6.1%	6.4%	5.5%	5.7%	8.1%	6.4%	6.3%	6.7%	6.0%	5.7%	3.9%	4.2%	4.8%	4.3%	3.6%	5.2%	3.0%	3.6%	4.0%	4.2%	3.7%
Asking Rent (1)	\$1,075	\$1,146	\$1,285	\$1,567	\$1,576	\$1,392	\$1,360	\$1,310	\$1,395	\$1,522	\$1,691	\$1,701	\$1,604	\$1,608	\$1,672	\$1,779	\$1,836	\$2,109	\$2,233	\$1,776	\$2,325	\$2,392	\$2,434	\$2,469	\$2,508
% Change		6.6%	12.1%	21.9%	0.6%	-11.7%	-2.3%	-3.7%	6.5%	9.1%	11.1%	0.6%	-5.7%	0.2%	4.0%	6.4%	3.2%	14.9%	5.9%	3.9%	4.1%	2.9%	1.8%	1.4%	1.6%



(1) REIS completion data represents a mixture of new apartment construction and apartment conversions.
(2) Average rent and vacancy trends represent full array of apartment product located in the submarket as reported by REIS. Does not reflect TCG future supply projections.

Source: REIS

EXHIBIT II-3

MULTIFAMILY - COMPARABLES
SAN MATEO COUNTY, CALIFORNIA
APRIL 2016

Project Name	Building Type (# of floors)	Property Manager	Year Built/ Renovated	Total Units	Unit Size	Occ. Rate	April 2016				April 2016 Concessions
							Base Rent		Net Rent		
							\$	PSF	\$	PSF	
Pacifica											
Lands End Apartments	Garden (2s)	Trinity	1974/2012	260	645	98%	\$2,696	\$4.18	\$2,696	\$4.18	None
The Bluffs at Pacifica	Lowrise (3s)	AIMCO	1963/2008	64	777	83%	\$2,981	\$3.84	\$2,981	\$3.84	None
Horizon West Apartments	Lowrise (4s)	AIMCO	1970	78	693	97%	\$2,528	\$3.65	\$2,528	\$3.65	None
Seacliff Apartments	Garden (2s)	Woodmont Real Estate	1971	132	765	96%	\$2,571	\$3.36	\$2,571	\$3.36	None
Seapointe Cypress Pointe	Lowrise (3s)	Woodmont Real Estate	1960/Ongoing	101	717	98%	\$2,328	\$3.25	\$2,286	\$3.19	\$500 off first month's rent
Pacifica Park Apartments	Lowrise (3s)	AIMCO	1976/2007	104	875	98%	\$2,715	\$3.10	\$2,715	\$3.10	None
Eaves Pacifica	Lowrise (2s)	Avalon Communities	1973/Ongoing	220	830	96%	\$2,525	\$3.04	\$2,525	\$3.04	None
Total/Wtd. Avg:	7 Communities		1971	959	749	96%	\$2,608	\$3.48	\$2,604	\$3.47	
South San Francisco											
Peninsula Pine Apartments	Lowrise (3s)	Private	1964/2009	210	747	98%	\$2,608	\$3.49	\$2,608	\$3.49	None
South City Station Apartments	Lowrise (4s)	Equity Residential	2007	288	1,090	98%	\$3,437	\$3.15	\$3,437	\$3.15	1B units receive \$500 off deposit
Club View Apartments	Lowrise (3s)	Woodmont Real Estate	1964	102	836	95%	\$2,495	\$2.98	\$2,470	\$2.95	\$300 off first month's rent
Total/Wtd. Avg:	3 Communities		1985	600	927	97%	\$2,987	\$3.22	\$2,982	\$3.22	
Daly City/Colma											
Pacific Place Apartment Homes	Lowrise (4s)	MG Properties Group	2012	72	829	96%	\$3,465	\$4.18	\$3,465	\$4.18	None
Westlake Village Apartments	Lowrise (2s)	Equity Residential	1958/1999	2,983	545	91%	\$2,235	\$4.10	\$2,235	\$4.10	None
Serramonte Ridge Apartments	Lowrise (3s)	Ridge LLC	1987	317	724	95%	\$2,513	\$3.47	\$2,513	\$3.47	None
Eaves Daly City	Garden (2s)	Avalon Communities	1974/1998	195	753	94%	\$2,595	\$3.45	\$2,583	\$3.43	\$500 off vacant 1B units
88 Hillside Apartments	Midrise (6s)	Equity Residential	2008	95	1,227	97%	\$3,929	\$3.20	\$3,929	\$3.20	None
La Terraza at Colma Station	Lowrise (4s)	Equity Residential	2005	122	1,077	97%	\$3,185	\$2.96	\$3,185	\$2.96	None
Total/Wtd. Avg:	6 Communities		1965	3,784	611	92%	\$2,373	\$3.89	\$2,373	\$3.89	
San Bruno/Burlingame/Millbrae											
Pacific Bay Vistas	Lowrise (3s)	AIMCO	1987/2013	308	686	95%	\$2,872	\$4.19	\$2,872	\$4.19	None
Northpark Apartments	Lowrise (3s)	Equity Residential	1972/2007	510	691	97%	\$2,628	\$3.80	\$2,628	\$3.80	\$400 off security deposit
Acapella Crossing	Midrise (4s)	Behringer Harvard	2010	163	984	98%	\$3,518	\$3.58	\$3,518	\$3.58	None
Avalon San Bruno	Midrise (5s)	Avalon	2005/2011	538	979	96%	\$3,485	\$3.56	\$3,485	\$3.56	None
Skyline Terrace Apartments	Lowrise (2s)	Equity Residential	1967/2012	138	1,250	92%	\$3,495	\$2.80	\$3,495	\$2.80	\$99 deposit
Pinedera	Lowrise (4s)	Pinewave	2014	54	1,377	100%	\$3,702	\$2.69	\$3,702	\$2.69	None
Total/Wtd. Avg:	6 Communities		1990	1,711	875	96%	\$3,130	\$3.58	\$3,130	\$3.58	
Outer San Francisco											
Avalon Sunset Towers	Highrise (10s)	Avalon Communities	1961/1998	243	749	95%	\$3,652	\$4.88	\$3,500	\$4.68	2 weeks free on vacant units
Lakewood Apartments	Midrise (7s)	Cal-American	1974/Ongoing	721	757	95%	\$2,899	\$3.83	\$2,899	\$3.83	None
Park Merced THs	Lowrise (2s)	Stellar Rental	1948/Ongoing	1,538	898	89%	\$3,333	\$3.71	\$3,333	\$3.71	None
Avalon Ocean	Midrise (5s)	Avalon Communities	2012	147	895	97%	\$3,298	\$3.68	\$3,298	\$3.68	None
Park Merced Flats	Highrise (13s)	Stellar Rental	1948/Ongoing	1,683	978	89%	\$3,308	\$3.38	\$3,308	\$3.38	None
Ashton San Francisco	Midrise (7s)	UDR	2010	110	1,456	96%	\$4,082	\$2.80	\$3,998	\$2.75	\$1,000 gift card, \$0 deposit, \$0 app fee
Total/Wtd. Avg:	6 Communities		1957	4,442	911	91%	\$3,288	\$3.61	\$3,277	\$3.60	
Grand Total/Wtd Avg:	28 Communities		1967	11,495	794	93%	\$2,891	\$3.64	\$2,886	\$3.63	

EXHIBIT II-3

MULTIFAMILY - COMPARABLES
 SAN MATEO COUNTY, CALIFORNIA
 APRIL 2016



EXHIBIT II-4

MULTIFAMILY - VALUE IMPLICATIONS
 PACIFICA QUARRY SITE; PACIFICA, CALIFORNIA
 JULY 2016

I. Product Concept

Concept

- Mixed-use, part of Quarry Village
- 181 apartments, 37 of which BMR
- 25 live-work units, 0 of which BMR

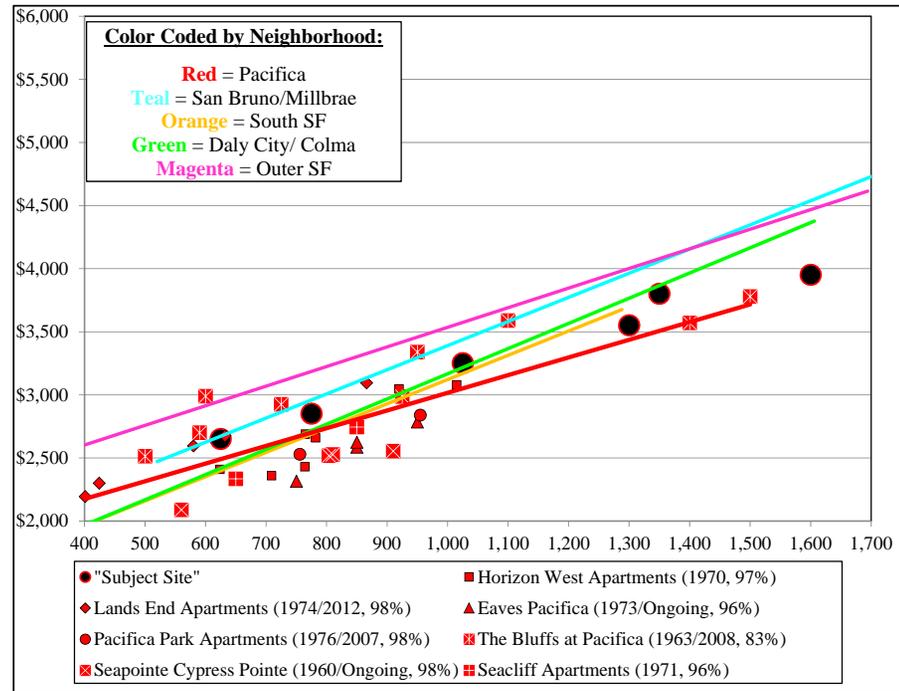
Product Assumptions

Product: Apartments
 Class: A
 Product Type: Low-Rise

Unit Mix (Market Rate Only)

Type	Units	Size	Rent	PSF
Studio	14	625	\$2,650	\$4.24
One Bedroom	58	775	\$2,850	\$3.68
Two Bedroom	57	1,025	\$3,250	\$3.17
Three Bedroom	15	1,350	\$3,800	\$2.81
LW Two Bedroom	13	1,300	\$3,550	\$2.73
LW Three Bedroom	12	1,600	\$3,950	\$2.47
Total	169	997	\$3,185	\$3.19

II. Positioning



III. Value Assumptions (Per Unit)

Potential Rent Revenue	
Monthly Asking Rent	\$3,185
Occupancy	95.0%
Eff. Rent Revenue	\$3,026
Annual Rent Revenue	\$36,309
Operating Expenses	
% Lease Revenue	30.0%
Operating Expenses	(\$10,893)
Net Operating Income	\$25,416
Cap Rate	5.25%
Capitalized Value	\$484,120

IV. Sensitivity Table (Capitalized Value Unit)

Rent	Cap Rate				
	4.75%	5.00%	5.25%	5.50%	5.75%
\$2,885	\$484,680	\$460,446	\$438,520	\$418,587	\$400,388
\$2,985	\$501,480	\$476,406	\$453,720	\$433,096	\$414,266
\$3,085	\$518,280	\$492,366	\$468,920	\$447,605	\$428,144
\$3,185	\$535,080	\$508,326	\$484,120	\$462,115	\$442,023
\$3,285	\$551,880	\$524,286	\$499,320	\$476,624	\$455,901
\$3,385	\$568,680	\$540,246	\$514,520	\$491,133	\$469,779
\$3,485	\$585,480	\$556,206	\$529,720	\$505,642	\$483,657

III. HOTEL

EXHIBIT III-1

HOTEL - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

Project Name	Address	City	Buyer	Seller	Use	Year		Chain Scale	Elev.	Keys	Acre	Sale Price		Cap Rate	Sale Date
						Built	Reno.					\$	\$/Key		
Pacifica															
Best Western Lighthouse	101-195 Rockaway Beach Ave	Pacifica	Upsky International Holdings, Ir	Invest West Financial Corp.	Hotel	1972	2006	Upper Midscale	5s	97	1.5	\$16,300,000	\$168,041	---	Nov-13
										Pacifica Trades:	97	1.5	\$16,300,000	\$168,041	---
Remaining San Mateo County															
Comfort Inn & Suites Hotel	121 E Grand Ave S	South San Francisco	Oliver Companies, Inc.	R&D Shah Investments, Inc.	Hotel	1985		Upper Midscale	3s	168	2.7	\$28,200,000	\$167,857	9.50%	Mar-16
Hotel Sofitel	223 Twin Dolphin Dr	Redwood City	CBRE Global Investors, Ltd.	Lodging Capital Partners, LLC	Hotel	1987		Luxury	8s	421	6.2	\$154,500,000	\$366,983	---	Dec-15
Holiday Inn Express (SFO)	1250 Bayshore Hwy	Burlingame	Terrapin Investments	American Pacific Homes, Inc.	Hotel	1980		Upper Midscale	3s	146	3.8	\$30,550,000	\$209,247	8.00%	Nov-15
Hampton Inn & Suites	1755 Bayshore Hwy	Burlingame	Terrapin Investments	Chamak Enterprises II	Hotel	2003		Upper Midscale	---	78	1.2	\$24,150,000	\$309,615	9.34%	Apr-15
Double Tree	5000 Sierra Point Pky	Brisbane	Summit Hotel Properties, Inc.	Stonebridge Companies	Hotel	2000		Upscale	5s	210	3.5	\$39,060,000	\$186,000	5.60%	Mar-14
Four Points	264 S Airport Blvd	South San Francisco	Summit Hotel Properties, Inc.	GMS Development, Inc.	Hotel	2001		Upscale	5s	101	0.7	\$21,250,000	\$210,396	---	Jan-14
Aloft San Francisco	401 E Millbrae Ave	Millbrae	Ultima Hospitality	Starwood Hotels & Resorts	Hotel	1959		Upscale	6s	253	7.8	\$125,000,000	\$494,071	---	Oct-13
The Westin (SFO)	1 Old Bayshore Hwy	Millbrae	Undisclosed	Undisclosed	Hotel	1987		Upper Upscale	7s	397	6.4	\$125,000,000	\$314,861	---	Oct-13
Holiday Inn	330 N Bayshore Blvd	San Mateo	Urban Commons, LLC	Positive Investments, LLC	Hotel	1991		Upper Midscale	4s	110	1.8	\$27,500,000	\$250,000	8.00%	Aug-13
										Rem. San Mateo Trades:	1,884	34.1	\$575,210,000	\$305,313	8.09%

West Region - Hospitality
IRR 2016 Viewpoint Cap Rates
Full Service: 7.60%
Limited Service: 8.10%

EXHIBIT III-1

HOTEL - BUILDING TRADES
 SAN MATEO COUNTY, CALIFORNIA
 LAST THREE YEARS ENDING JULY 2016

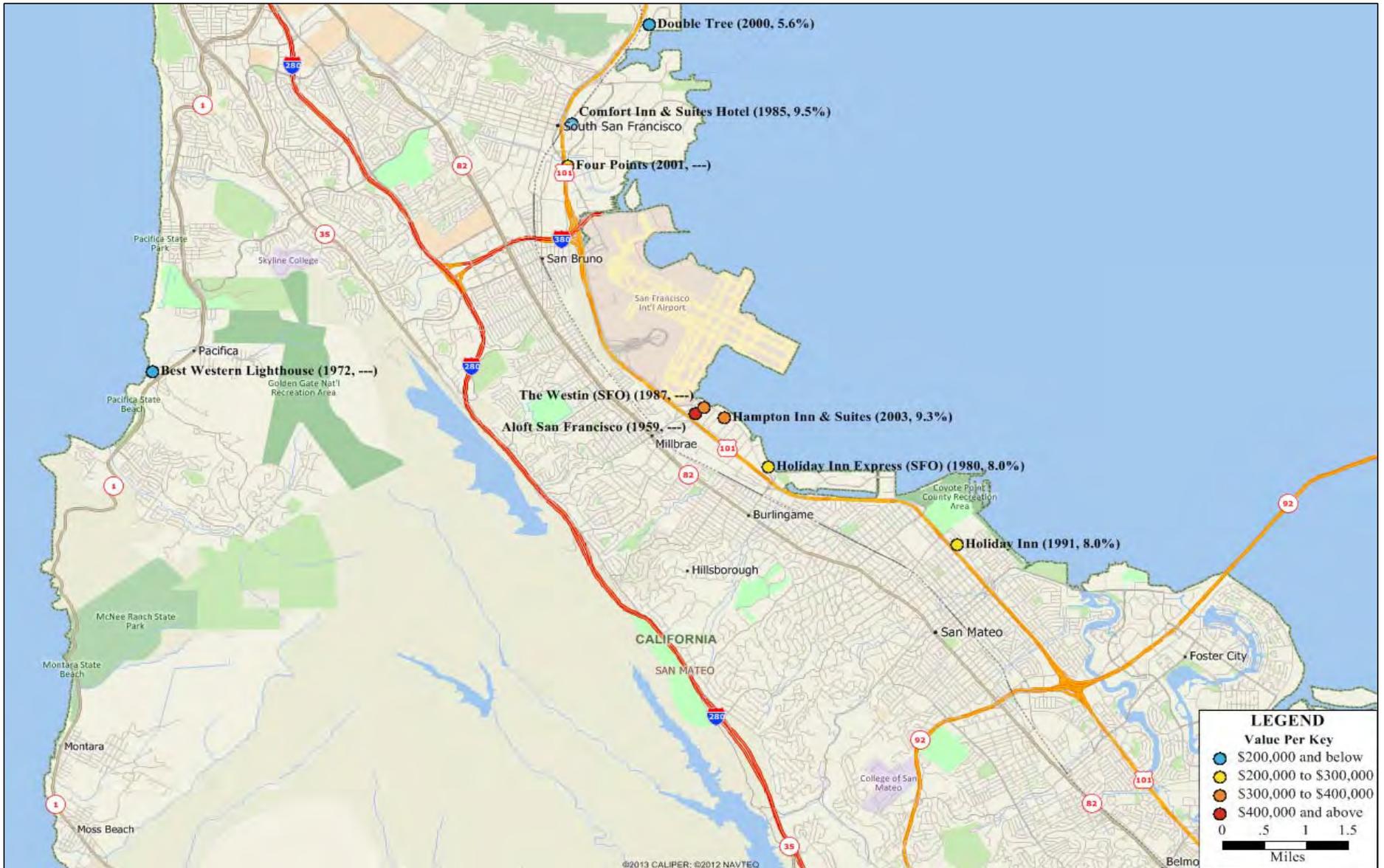
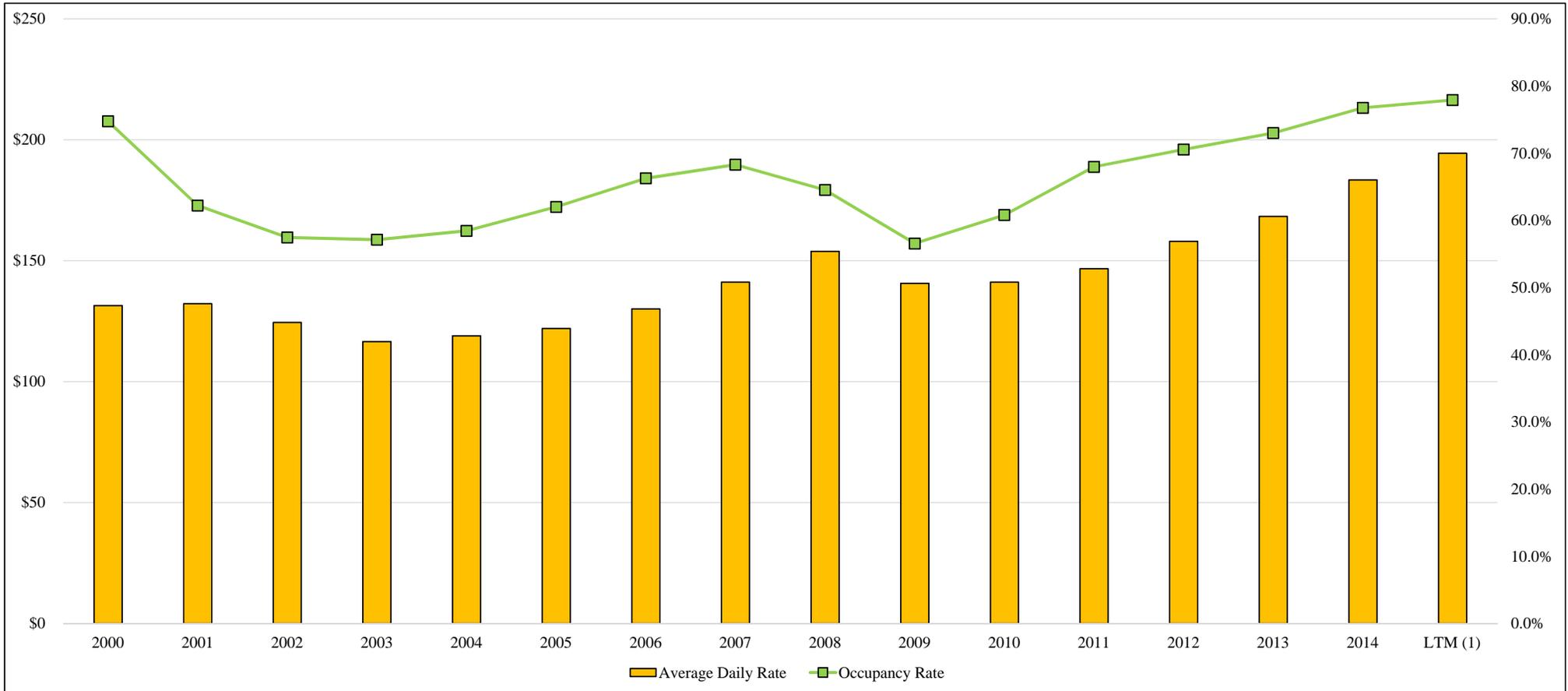


EXHIBIT III-2

HOTEL - MARKET TRENDS
SAN MATEO COUNTY, CALIFORNIA
2000 THROUGH 3Q 2015

Market Factor	Annual																	Average	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	LTM (1)	3Q15	5-Yr	10-Yr
Hotel Representative Set																			
Average Daily Rate	\$131	\$132	\$125	\$117	\$119	\$122	\$130	\$141	\$154	\$141	\$141	\$147	\$158	\$168	\$183	\$194	\$218	\$160	\$149
Occupancy Rate	74.8%	62.2%	57.5%	57.1%	58.5%	62.0%	66.3%	68.3%	64.5%	56.6%	60.8%	68.0%	70.6%	73.0%	76.8%	77.9%	87.0%	69.8%	66.7%
RevPAR	\$98	\$82	\$72	\$67	\$70	\$76	\$86	\$96	\$99	\$80	\$86	\$100	\$112	\$123	\$141	\$152	\$190	\$112	\$100
Annual Growth	---	(16.3%)	(13.0%)	(7.0%)	4.4%	8.8%	14.0%	11.8%	3.0%	(19.9%)	7.9%	16.2%	11.8%	10.2%	14.6%	7.6%	25.3%	12.1%	7.3%



Source: STR; TCG

(1) Hotel representative set consists of five properties: Comfort Inn Half Moon Bay (1999), Half Moon Bay Lodge (1976), Beach House Inn (1996), Holiday Inn Express & Suites Pacifica (1999), and Best Western Plus Lighthouse Hotel (1981).
(2) Last twelve months through September 2015.

EXHIBIT III-3

HOTEL - COMPARABLES
SAN MATEO COUNTY, CALIFORNIA
JANUARY 2016

Hotel Property	Parent Company	Chain Scale	Location	City	Keys	Year Open	Avg. Occ.	Best Avail. Rate		ADR
								Low	High	
Pacifica										
Best Western Plus Lighthouse Hotel	Best Western Hotels & Resorts	Upper Midscale	105 Rockaway Beach Ave	Pacifica	97	1981	75%	\$169	\$239	\$198
Holiday Inn Express Pacifica	Intercontinental Hotels Group	Upper Midscale	519 Nick Gust Way	Pacifica	38	1999	N/A	\$170	\$192	\$179
Pacifica Beach Hotel	Independent	Independent	525 Crespi Dr	Pacifica	52	2003	75%	\$119	\$148	\$129
					187	1991	75%	\$155	\$204	\$175
Upper End Comparables										
Ritz-Carlton Half Moon Bay	Marriott International	Luxury	1 Miramontes Point Rd	Half Moon Bay	261	2001	N/A	\$495	\$605	\$535
Aloft San Francisco Airport	Starwood Hotels & Resorts	Upscale	401 E Millbrae Ave	Millbrae	253	2012	N/A	\$98	\$381	\$273
Sofitel San Francisco Bay	Accor Company	Luxury	223 Twin Dolphin Dr	Redwood City	421	1987	N/A	\$197	\$484	\$267
Beach House Half Moon Bay	Independent	Independent	4100 Cabrillo Hwy N	Half Moon Bay	54	1996	N/A	\$217	\$285	\$239
Oceano Hotel and Spa	Independent	Independent	280 Capistrano Rd	Half Moon Bay	95	2008	73%	\$199	\$239	\$212
					1,084	1998	73%	\$247	\$458	\$327
Standard Comparables										
Cypress Inn on Miramar Beach	Independent	Independent	407 Mirada Rd	Half Moon Bay	17	2002	85%	\$183	\$222	\$207
Half Moon Bay Lodge	Independent	Independent	2400 Cabrillo Hwy S	Half Moon Bay	80	1976	75%	\$179	\$219	\$196
Comfort Inn	Choice Hotels International	Upper Midscale	2930 Cabrillo Hwy N	Half Moon Bay	54	1999	N/A	\$95	\$129	\$104
Coastside Inn at Half Moon Bay	Independent	Independent	230 Cabrillo Hwy S	Half Moon Bay	52	1991	60%	\$113	\$131	\$120
Harbor View Inn	Independent	Independent	51 Avenue Alhambra	Half Moon Bay	17	1985	N/A	\$80	\$190	\$125
America's Best Value Inn & Suites Half Moon Bay	Vantage Hospitality	Economy	3020 Cabrillo Hwy N	Half Moon Bay	26	1991	N/A	\$110	\$170	\$139
					246	1988	71%	\$133	\$174	\$150

EXHIBIT III-3

HOTEL - COMPARABLES
 SAN MATEO COUNTY, CALIFORNIA
 JANUARY 2016

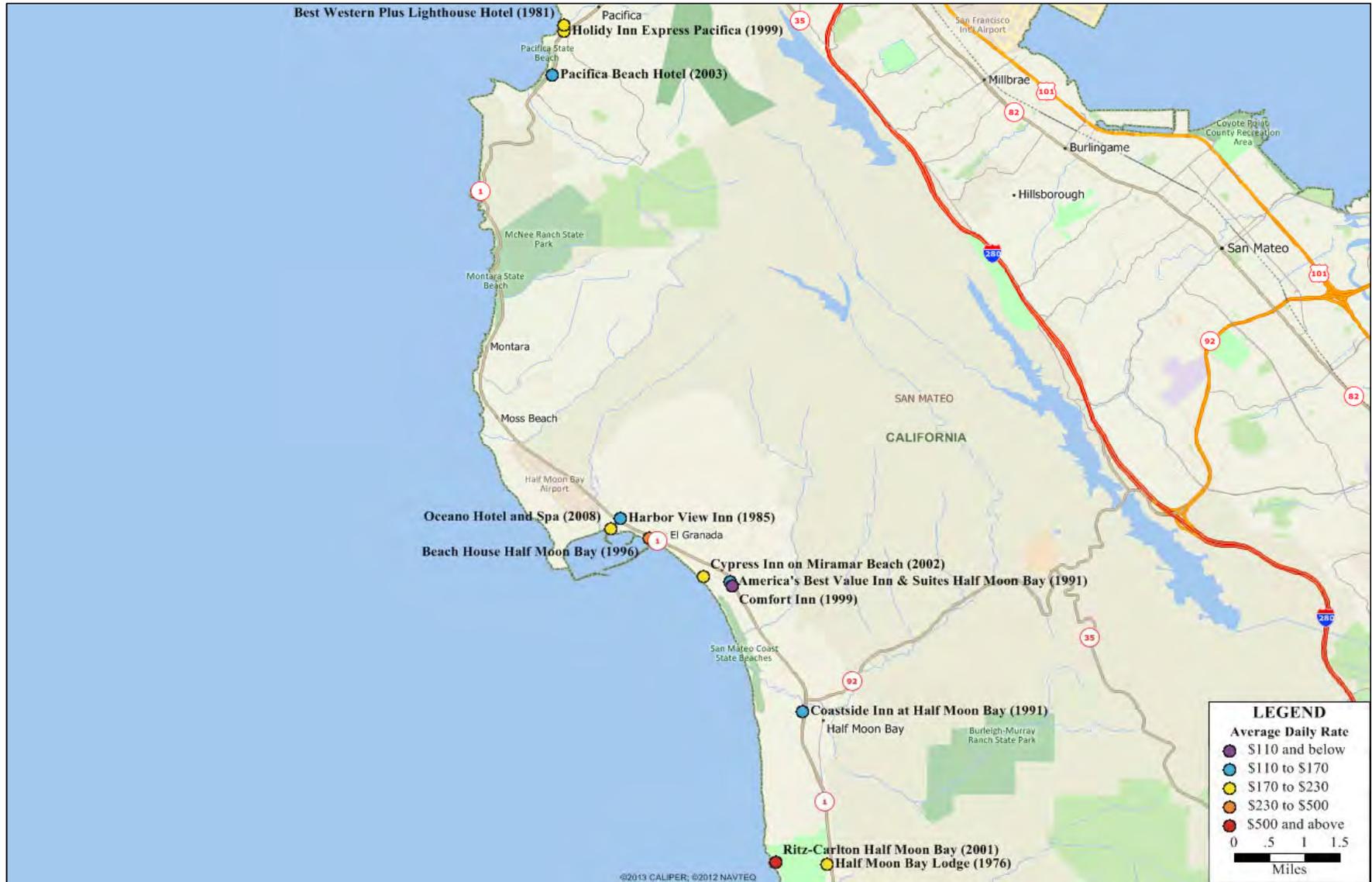


EXHIBIT III-4

HOTEL - VALUE IMPLICATIONS
PACIFICA QUARRY SITE; PACIFICA, CALIFORNIA
JULY 2016

I. Product Concept

Concept

- Luxury waterfront hotel and restaurant
- 13,000 square foot conference center
- 188 standard hotel rooms in main hotel
- 12 luxury bungalows with views

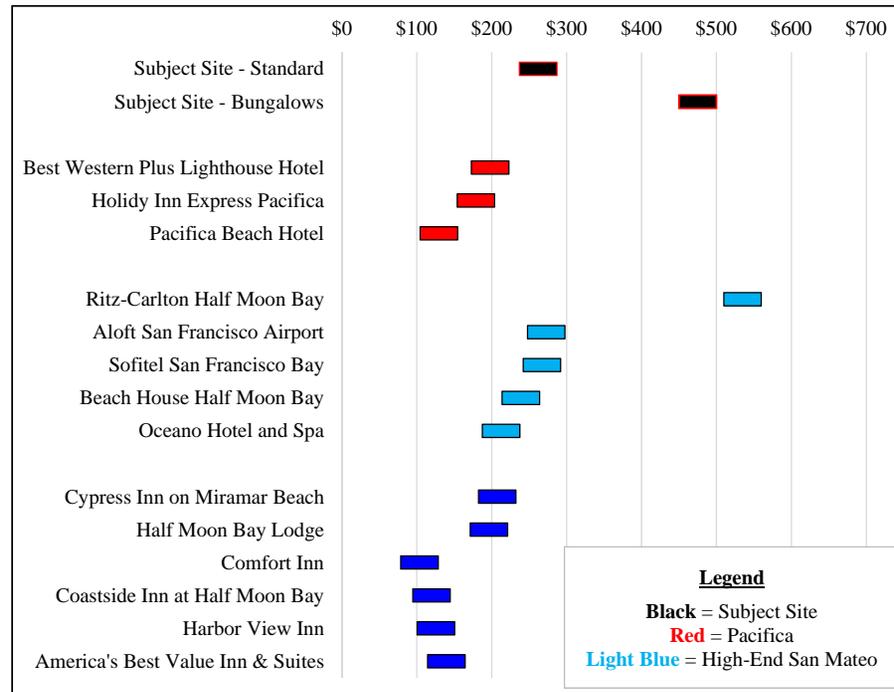
Product Assumptions

Product: Hotel
Chain Scale: Luxury
Product Type: Full Service

Room Mix

Type	Units	ADR
Standard Rooms	188	\$262
Bungalows	12	\$475
Total	200	\$275

II. Positioning



III. Value Assumptions (Per Key)

Rental Revenue	
Average Daily Rate	\$275
Occupancy	75.0%
RevPAR	\$206
Annual RevPAR	\$75,281
Operating Expenses	
% Lease Revenue	60.0%
Operating Expenses	(\$45,169)
Net Operating Income	\$30,113
Cap Rate	8.50%
Capitalized Value	\$354,265

IV. Sensitivity Table (Capitalized Value Per Key)

ADR	Cap Rate				
	8.00%	8.25%	8.50%	8.75%	9.00%
\$200	\$273,750	\$265,455	\$257,647	\$250,286	\$243,333
\$225	\$307,969	\$298,636	\$289,853	\$281,571	\$273,750
\$250	\$342,188	\$331,818	\$322,059	\$312,857	\$304,167
\$275	\$376,406	\$365,000	\$354,265	\$344,143	\$334,583
\$300	\$410,625	\$398,182	\$386,471	\$375,429	\$365,000
\$325	\$444,844	\$431,364	\$418,676	\$406,714	\$395,417
\$350	\$479,063	\$464,545	\$450,882	\$438,000	\$425,833

IV. RETAIL

EXHIBIT IV-1

RETAIL - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

Project Name	Address	City	Buyer	Seller	Year			RBA	Acre	Sale Price		Cap Rate	Sale Date
					Built	Reno.	Use			\$	\$/SF		
Pacifica													
Winters Tavern	1522 Francisco Blvd	Pacifica	Alice Kao	Donald Holloway			Bar	3,000	0.3	\$945,000	\$315	8.00%	Jun-16
450 Old County Rd	450 Old County Rd	Pacifica	John Leonardini	Catherine Alex			Storefront	2,589	0.1	\$911,000	\$352	---	Jun-15
699 Oceana Blvd	699 Oceana Blvd	Pacifica	Rajputana Hospitality	Dallas Affolter	1950		Restaurant	3,000	0.6	\$900,000	\$300	---	Jan-14
Pacifica Trades:								8,589	1.0	\$2,756,000	\$321	8.00%	
Remaining North San Mateo County (RBA >20,000 SF)													
The Shops at Tanforan	1122-1178 El Camino Real	San Bruno	QIC US Management Inc.	Breevast US, Inc.	1971	2005	Super Regional Mall	583,347	48.0	\$174,400,000	\$299	6.50%	Aug-15
El Camino Plaza	406 San Mateo Ave	San Bruno	Resmark Co	Signature Development Group, Inc.	1978		Freestanding	26,200	0.8	\$10,600,000	\$405	---	Apr-15
Winston Manor, Bldg B	113-133 Hickey Blvd	South San Francisco	Norman P. & Pansy Chan	Flaigr, Inc.	1955	2014	Storefront Retail/Office	42,254	4.1	\$20,500,000	\$485	8.74%	Jan-15
DaVita/Dunn Edwards Building	2201 Junipero Serra Blvd	Daly City	Gaetani Realty	Verbena Road Holdings Ltd.	1969	2008	Freestanding	26,924	0.6	\$13,050,000	\$485	6.58%	Nov-14
979 Broadway	979 Broadway	Millbrae	Great Mountain Properties, LLC	SIMEON Commercial Properties	1968	2007	Neighborhood Center	55,529	1.1	\$26,000,000	\$468	---	Jun-14
Westborough Hill Plaza, Supermarket	3573 Callan Blvd	South San Francisco	Clarmil International Corporation	Longs Drug Stores California, Inc.	1980		Supermarket	20,703	1.8	\$10,370,000	\$501	---	Mar-14
CVS	135 Pierce St	Daly City	Undisclosed	Undisclosed	2013		Drug Store	20,012	1.1	\$6,733,500	\$336	---	Jan-14
San Mateo Trades (>20,000SF):								774,969	57.5	\$261,653,500	\$338	7.27%	
Remaining North San Mateo County (RBA <20,000 SF)													
195 El Camino Real	195 El Camino Real	San Bruno	Undisclosed	Josefina Lim	1970		Freestanding	1,500	0.1	\$750,000	\$500	---	May-16
Citibank	495 Hickey Blvd	Daly City	Jason Eng and Susan Eng	Lin Revocable Trust	1981		Bank	3,728	0.5	\$3,300,000	\$885	---	Mar-16
1015 E Market St	1015 E Market St	Daly City	West Coast Self Storage	John M & Rachael E Stoich	1975		Freestanding	4,312	0.5	\$2,100,000	\$487	---	Mar-16
5-37 Wellington Ave	5-37 Wellington Ave	Daly City	Ditson L. Garcia	Keydi J. Garcia	1968		Storefront	2,088	0.0	\$650,000	\$311	---	Oct-15
6077 Mission St	6077 Mission St	Daly City	Jimmy C Pon	Albert & Lisa M Chau	1957		Storefront Retail/Resid.	2,088	0.0	\$755,000	\$362	4.26%	Apr-15
373 Klamath St	373 Klamath St	Brisbane	Minh T Ly & Yin Kim Lau	Abdellatif Ahmed	1999		Storefront Retail/Resid.	4,722	0.2	\$2,200,000	\$466	6.49%	Aug-14
Clean X-Press	6105-6115 Mission St	Daly City	Hill-Tucker Investments LLC	Harold James Field	1958		Freestanding	4,450	0.2	\$790,000	\$178	---	May-14
3560 Callan Blvd	3560 Callan Blvd	South San Francisco	Claire Haggarty	Gamos Joshua G	1991		Restaurant	3,696	0.5	\$1,900,000	\$514	---	Mar-14
213 El Camino Real	213 El Camino Real	Millbrae	Yun Kit Chu-Leung	Rowena Tsui	1960		Storefront	2,156	0.1	\$1,280,000	\$594	---	Feb-14
561-567 San Mateo Ave	561-567 San Mateo Ave	San Bruno	Wanting Ye	Chan Terry B C	1960		Storefront	5,400	0.2	\$2,000,000	\$370	---	Nov-13
San Mateo Trades (<20,000SF):								34,140	2.2	\$15,725,000	\$461	5.38%	

West Region - Retail
IRR 2016 Viewpoint Cap Rates
Community Retail 6.30%
Neighborhood Retail 6.50%

EXHIBIT IV-1
RETAIL - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

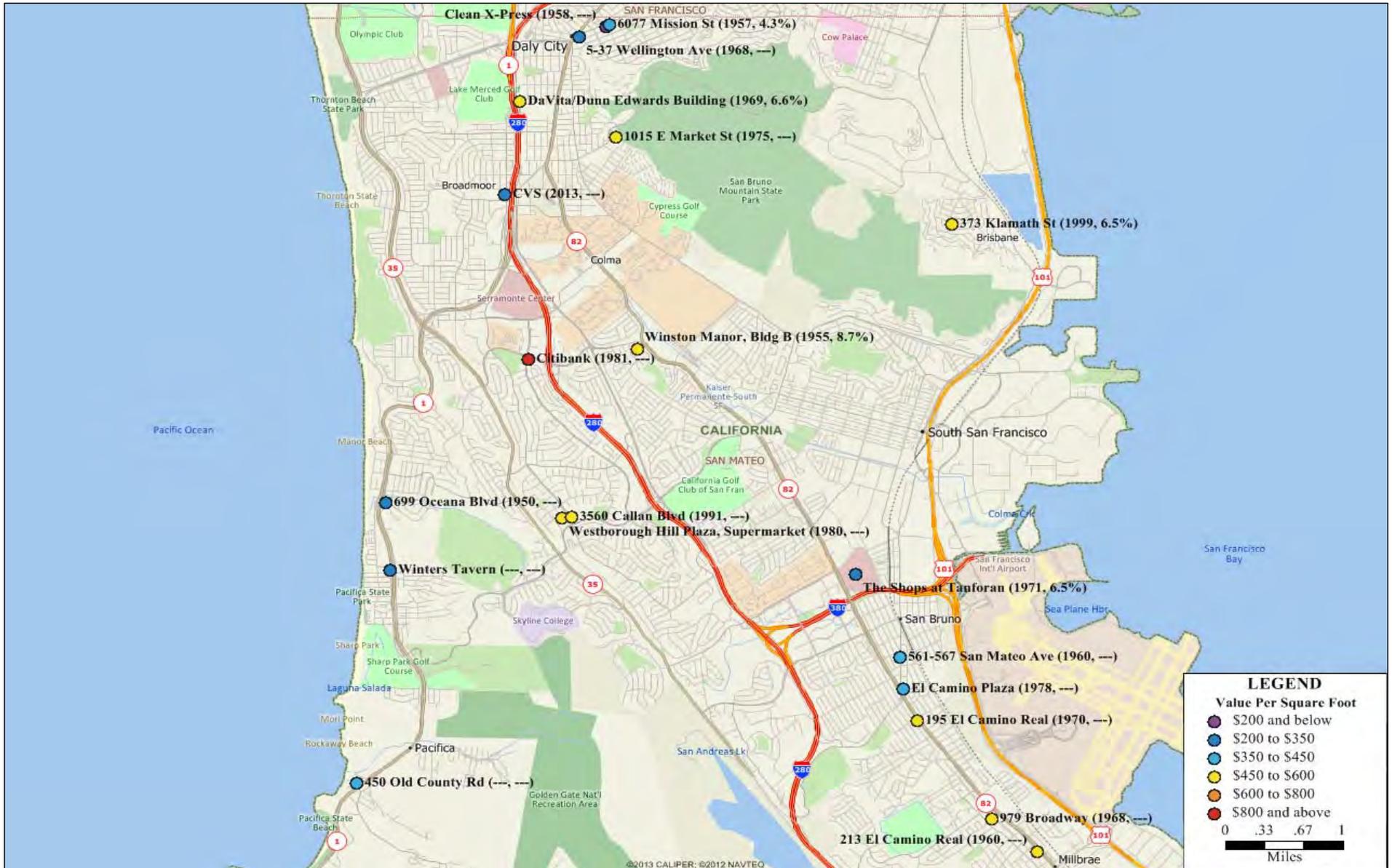


EXHIBIT IV-2

RETAIL - MARKET TRENDS
SAN MATEO COUNTY, CALIFORNIA
2007 THROUGH 2Q 2016

Values in 000s	Annual										Average	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2Q16	5-Yr	10-Yr
Inventory (RBA)												
San Mateo County	31,246,683	31,356,796	31,620,656	31,520,238	31,435,087	31,283,977	31,208,602	31,138,297	31,043,890	30,933,252	31,221,971	31,317,136
Pacifica	1,027,549	1,029,749	1,055,420	1,054,723	1,054,723	1,041,219	1,041,219	1,044,319	1,041,944	1,034,819	1,044,685	1,043,429
% County	3.3%	3.3%	3.3%	3.3%	3.4%	3.3%	3.3%	3.4%	3.4%	3.3%	3.3%	3.3%
Net Deliveries												
San Mateo County	483,413	110,113	263,860	(100,419)	(85,151)	(151,110)	(75,375)	(70,305)	(94,408)	(110,638)	(95,270)	31,180
Pacifica	0	2,200	25,671	(697)	0	(13,504)	0	3,100	(2,375)	(7,125)	(2,556)	1,599
% County	0.0%	2.0%	9.7%	0.7%	0.0%	8.9%	0.0%	(4.4%)	2.5%	6.4%	2.7%	5.1%
Net Absorption												
San Mateo County	662,466	230,778	134,926	45,741	(34,720)	(161,161)	67,890	196,691	(107,617)	(138,805)	(7,783)	114,999
Pacifica	(30,826)	42,743	13,265	(6,476)	(2,900)	(10,097)	(3,384)	22,555	(19,254)	(7,629)	(2,616)	625
% County	(4.7%)	18.5%	9.8%	(14.2%)	8.4%	6.3%	(5.0%)	11.5%	17.9%	5.5%	33.6%	0.5%
Vacancy %												
San Mateo County	4.3%	3.9%	4.3%	3.9%	3.7%	3.8%	3.3%	2.5%	2.5%	2.6%	3.1%	3.6%
Pacifica	6.0%	2.1%	3.2%	3.8%	4.0%	3.8%	4.1%	2.2%	3.8%	3.9%	3.6%	3.7%
Average Rate (NNN)												
San Mateo County	\$25.87	\$27.29	\$25.55	\$24.31	\$25.87	\$25.57	\$26.95	\$28.37	\$30.73	\$32.97	\$27.50	\$26.72
Pacifica	\$15.82	\$16.26	\$22.79	\$24.10	\$22.02	\$20.18	\$18.78	\$20.01	\$21.86	\$21.10	\$20.57	\$20.20
Rent Growth												
San Mateo County	(8.4%)	5.5%	(6.4%)	(4.8%)	6.4%	(1.2%)	5.4%	5.3%	8.3%	7.3%	4.8%	2.2%
Pacifica	(1.7%)	2.8%	40.2%	5.8%	(8.7%)	(8.4%)	(6.9%)	6.6%	9.2%	(3.5%)	(1.9%)	4.1%

Source: CoStar; TCG

EXHIBIT IV-3

RETAIL - COMPARABLES
SAN MATEO COUNTY, CALIFORNIA
JULY 2016

Building Name	Address	City	Year		Elev.	Type	Subtype	Typical Floor	RBA			Ann. Lease Rate	
			Built	Reno.					Total	Avail.	% Lease	Avg.	Type
Pacifica													
549 Oceana Blvd	549 Oceana Blvd	Pacifica			1s	General Retail	Restaurant	3,000	3,000	975	67.5%	\$39.00	NNN
Pedro Point Shopping Cntr	5400-5500 Coast Hwy	Pacifica	1960		1s	Neighborhood Center		12,133	12,133	1,560	87.1%	\$29.16	NNN
Eureka Square	20-94 Eureka Sq	Pacifica	1970		3s	Neighborhood Center		20,000	48,000	876	98.2%	\$21.00	NNN
Manor Plaza	55 Bill Drake Way	Pacifica	1948		1s	General Retail	Restaurant	5,000	5,000	3,000	40.0%	\$18.00	NNN
Pacifica Totals:								10,033	68,133	6,411	90.6%	\$24.32	NNN
Remaining North San Mateo County													
435-439 Broadway	435-439 Broadway	Millbrae	1962		1s	General Retail	Storefront	4,500	4,500	2,100	53.3%	\$46.20	NNN
320-322 Grand Ave	320-322 Grand Ave	South San Francisco	1924		2s	General Retail	Storefront Retail/Resi.	3,000	6,000	3,000	50.0%	\$36.00	NNN
Westborough Hill Plaza	3541-3571 Callan Blvd	South San Francisco			1s	Neighborhood Center	Freestanding	18,853	18,853	2,400	87.3%	\$24.00	NNN
381-383 Grand Ave	381-383 Grand Ave	South San Francisco			1s	General Retail	Storefront	4,095	4,095	2,050	49.9%	\$23.40	NNN
Mills Park	711-731 Kains Ave	San Bruno			1s	Neighborhood Center	Freestanding	4,184	4,184	4,184	0.0%	\$15.36	NNN
Rem. North San Mateo Totals:								6,926	37,632	13,734	63.5%	\$27.29	NNN

Source: CoStar; TCG

EXHIBIT IV-3

RETAIL - COMPARABLES
SAN MATEO COUNTY, CALIFORNIA
JULY 2016



EXHIBIT IV-4

**RETAIL - VALUE IMPLICATIONS
SAN MATEO COUNTY, CALIFORNIA
JULY 2016**

I. Product Concept

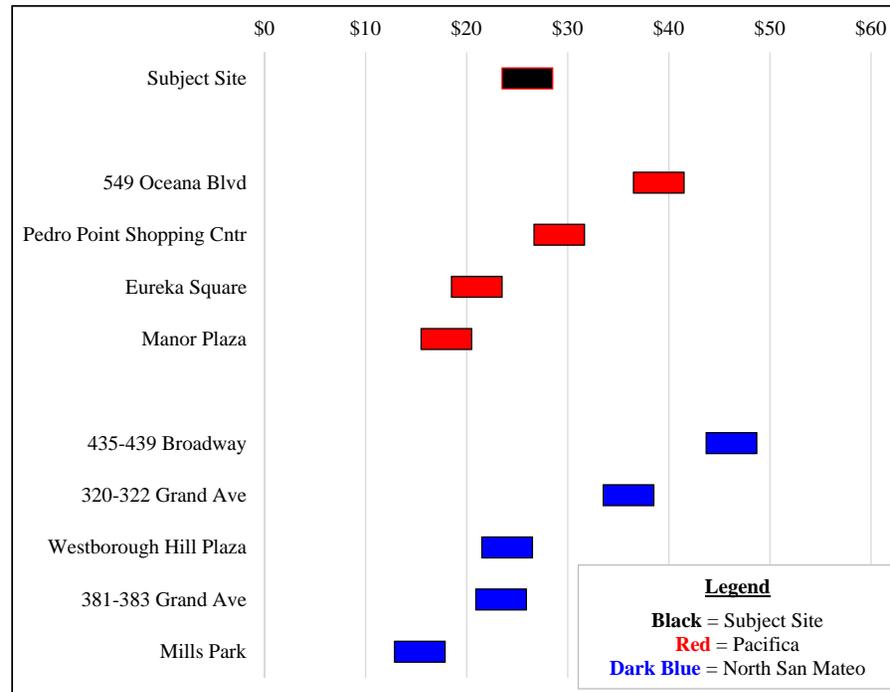
Concept

- Mixed-use, part of Quarry Village
- 35,000 square feet of ground floor retail
- Office space above

Product Assumptions

Product: Retail
Lease Type: NNN

II. Positioning



III. Value Assumptions (Per Built SF)

Lease Revenue	
Lease Rate	\$26.00
Occupancy	92.0%
Eff. Lease Revenue	\$23.92
Operating Expenses	
% Lease Revenue	5.0%
Operating Expenses	(\$1.20)
Net Operating Income	\$22.72
Cap Rate	6.50%
Capitalized Value	\$349.60

IV. Sensitivity Table (Capitalized Value Per Built SF)

Lease Rate	Cap Rate				
	6.00%	6.25%	6.50%	6.75%	7.00%
\$18.50	\$269	\$259	\$249	\$240	\$231
\$21.00	\$306	\$294	\$282	\$272	\$262
\$23.50	\$342	\$329	\$316	\$304	\$293
\$26.00	\$379	\$364	\$350	\$337	\$325
\$28.50	\$415	\$399	\$383	\$369	\$356
\$31.00	\$452	\$434	\$417	\$401	\$387
\$33.50	\$488	\$468	\$450	\$434	\$418

V. OFFICE

EXHIBIT V-1

OFFICE - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

Project Name	Address	City	Buyer	Seller	Use	Year		Class	Elev.	RBA	Acre	Sale Price		Cap Rate	Sale Date
						Built	Renov.					\$	\$/SF		
Pacifica															
329 Waterford St	329 Waterford St	Pacifica	Antony Agosta & Peter D'Errico	David & Doreen McKissack	Office			C	1s	1,245	0.1	\$339,000	\$272	---	Jul-13
										Pacifica Trades:	1,245	0.1	\$339,000	\$272	---
North San Mateo County (Class A)															
Centennial Towers, South Tower	1 Tower Pl	South San Francisco	Phase 3 Real Estate Partners, Inc.	Myers Development Company	Office	2008		A	12s	350,461	16.1	\$220,000,000	\$628	---	Nov-15
Serramonte Business Center	455-459 Hickey Blvd	Daly City	King Asset Management	Nearon Enterprises	Office	1982	2006	A	5s	74,653	3.2	\$17,000,000	\$228	7.00%	Oct-15
Sierra Point Opus Center	4000 Shoreline Ct	South San Francisco	Phase 3 Real Estate Partners, Inc.	The Opus Group	Office	2001		A	4s	68,098	2.4	\$21,395,000	\$314	6.20%	Apr-15
The Gateway II	701 Gateway Blvd	South San Francisco	PGIM Real Estate	Broadway Partners Fund Manager	Office	1998		A	6s	170,414	9.4	\$57,700,000	\$339	5.50%	Sep-14
2171 Junipero Serra Blvd	2171 Junipero Serra Blvd	Daly City	Brothers International Holdings	Woodmont Real Estate Services	Office	1986		A	7s	55,050	1.3	\$14,300,000	\$260	6.00%	Aug-14
850 Cherry Ave	850 Cherry Ave	San Bruno	Wal-Mart Stores, Inc.	Sabrina Simmons	Office	2000		A	6s	266,073	3.3	\$121,000,000	\$455	---	Jun-14
Sierra Point	5000 Marina Blvd	Brisbane	Westport Capital Partners, LLC	Starwood Property Trust, Inc.	Office	2000		A	3s	63,048	3.4	\$18,000,000	\$285	---	Apr-14
										Class A Trades:	1,047,797	39.2	\$469,395,000	\$448	6.18%
North San Mateo County (Class BC)															
Old Croatian Bldg	415-417 Grand Ave	South San Francisco	AKAL Enterprises, LP	Chris Prohaska	Office	1960		C	3s	30,879	0.2	\$7,400,000	\$240	5.35%	Jan-16
Park Broadway	1331-1369 El Camino Real	Millbrae	Louis Fai Ming Lam	TestMagic, Inc.	Office	2009		B	4s	17,147	0.2	\$1,200,000	\$70	---	Sep-15
Gateway North Campus, Bldg 3	801 Gateway Blvd	South San Francisco	Health Plan of San Mateo	Shorenstein Properties, LLC	Office	2001		B	5s	136,075	11.2	\$47,500,000	\$349	---	Feb-15
1001 Broadway	1001 Broadway	Millbrae	Michael & Athia Giotinis	Wells Fargo Bank	Office	1982	1999	B	3s	16,668	0.3	\$2,900,000	\$174	---	Jan-15
Serramonte Plaza	333 Gellert Blvd	Daly City	Regent West Limited, LP	Menlo Management Company	Office	1977		B	2s	61,850	2.4	\$13,825,000	\$224	6.00%	Sep-14
Cedar Hill Office	295 89th St	Daly City	PB&J Acquisitions	Culligan Management Company	Office	1985		B	3s	24,072	0.3	\$3,000,000	\$125	6.40%	Jun-14
										Class BC Trades:	286,691	14.5	\$75,825,000	\$264	5.92%

*San Francisco - Suburban Office
IRR 2016 Viewpoint Cap Rates*

Class A:	5.50%
Class B:	6.30%

Source: CoStar, IRR, TCG

EXHIBIT V-1
OFFICE - BUILDING TRADES
SAN MATEO COUNTY, CALIFORNIA
LAST THREE YEARS ENDING JULY 2016

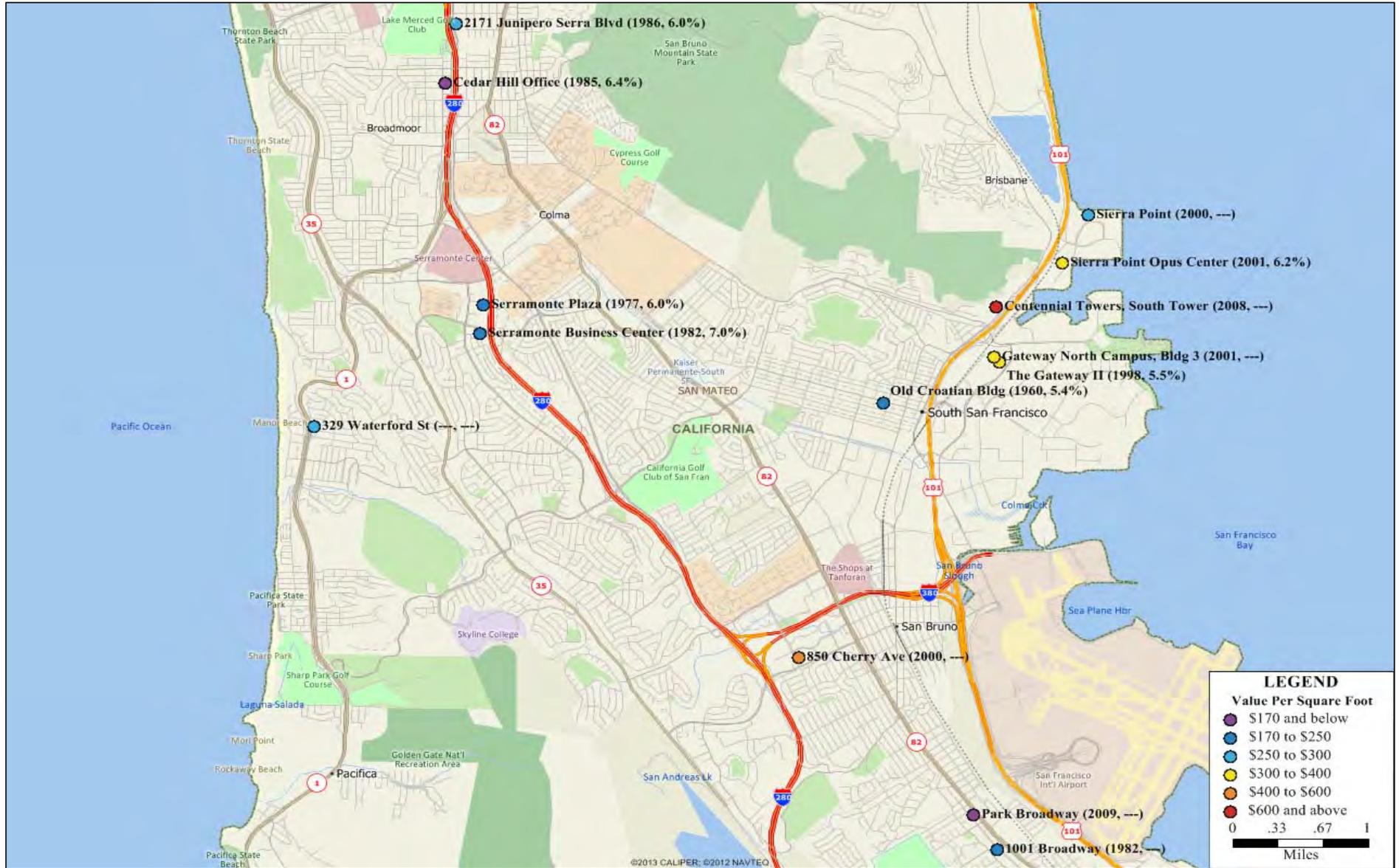


EXHIBIT V-2

OFFICE - MARKET TRENDS
SAN MATEO COUNTY, CALIFORNIA
2000 THROUGH 2Q 2016

Values in 000s	Annual																	Average	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2Q16	5-Yr	10-Yr
Inventory (RBA)																			
San Mateo County	38,221	41,931	44,788	46,273	46,906	46,938	47,040	47,170	47,659	48,383	48,361	48,394	48,480	48,579	48,519	49,118	50,051	48,618	48,170
Class A	12,611	15,115	17,173	18,268	18,713	18,713	18,746	18,845	19,218	19,776	19,820	19,901	20,053	20,217	20,243	20,907	21,912	20,264	19,773
% Class A	33.0%	36.0%	38.3%	39.5%	39.9%	39.9%	39.9%	40.0%	40.3%	40.9%	41.0%	41.1%	41.4%	41.6%	41.7%	42.6%	43.8%	41.7%	41.0%
Pacifica	131	131	136	147	153	153	160	163	165	168	168	168	168	168	168	168	168	168	166
Net Deliveries																			
San Mateo County	1,927	3,710	2,857	1,485	633	32	102	130	489	723	(22)	33	86	99	(60)	599	933	151	218
Class A	1,447	2,504	2,058	1,095	445	0	33	99	373	558	44	81	152	164	27	663	1,005	217	219
% Class A	75.1%	67.5%	72.0%	73.7%	70.3%	0.0%	32.3%	76.2%	76.2%	77.2%	(203.7%)	245.8%	176.3%	165.0%	(44.4%)	110.8%	107.7%	143.6%	100.7%
Pacifica	15	0	5	11	6	0	8	3	3	3	0	0	0	0	0	0	0	0	2
Net Absorption																			
San Mateo County	2,950	(289)	(322)	244	1,014	765	1,473	1,751	653	(667)	(744)	476	753	355	529	1,336	1,092	690	591
Class A	1,894	348	212	873	844	117	1,038	908	391	(416)	(245)	534	(167)	405	615	931	859	464	399
% Class A	64.2%	(120.2%)	(65.7%)	357.5%	83.2%	15.3%	70.5%	51.8%	59.9%	62.3%	32.9%	112.3%	(22.2%)	114.0%	116.3%	69.7%	78.7%	67.2%	67.5%
Pacifica	17	(2)	4	4	7	1	11	(15)	(8)	4	6	2	(3)	1	18	2	0	4	2
Vacancy %																			
San Mateo County	1.6%	11.0%	17.4%	19.5%	18.4%	16.8%	13.9%	10.4%	10.0%	12.7%	14.2%	13.3%	11.9%	11.3%	10.1%	8.5%	8.0%	11.0%	11.6%
Class A	2.7%	16.5%	25.3%	25.0%	22.2%	21.6%	16.2%	11.8%	11.5%	16.1%	17.5%	15.2%	16.7%	15.3%	12.4%	10.7%	10.9%	14.1%	14.3%
Pacifica	0.0%	1.9%	2.7%	7.5%	6.4%	5.5%	3.0%	13.6%	19.9%	18.4%	15.0%	14.0%	15.6%	14.7%	3.7%	2.4%	2.3%	10.1%	12.0%
Average Rate (NNN)																			
San Mateo County	\$49.97	\$42.89	\$28.07	\$22.45	\$21.36	\$20.07	\$22.39	\$28.63	\$33.47	\$28.25	\$26.58	\$28.83	\$33.25	\$35.57	\$37.72	\$41.95	\$46.13	\$35.46	\$31.66
Class A	\$50.93	\$41.99	\$26.61	\$22.35	\$21.75	\$20.13	\$22.84	\$29.51	\$34.12	\$28.48	\$26.73	\$30.09	\$34.97	\$36.47	\$38.21	\$43.64	\$46.47	\$36.68	\$32.50
Pacifica	\$15.00	\$15.30	\$15.00	\$15.00	\$36.00	\$36.00	\$36.00	---	\$16.53	\$12.79	\$12.20	\$13.33	\$13.98	\$15.21	\$16.52	\$18.65	\$21.60	\$15.54	\$17.24
Rent Growth																			
San Mateo County	42.4%	(14.2%)	(34.6%)	(20.0%)	(4.9%)	(6.0%)	11.6%	27.8%	16.9%	(15.6%)	(5.9%)	8.5%	15.3%	7.0%	6.0%	11.2%	10.0%	9.6%	7.7%
Class A	34.9%	(17.6%)	(36.6%)	(16.0%)	(2.7%)	(7.4%)	13.5%	29.2%	15.6%	(16.5%)	(6.2%)	12.6%	16.2%	4.3%	4.8%	14.2%	6.5%	10.3%	8.0%
Pacifica	0.0%	2.0%	(2.0%)	0.0%	140.0%	0.0%	0.0%	0.0%	0.0%	(22.7%)	(4.6%)	9.3%	4.9%	8.8%	8.6%	12.9%	15.8%	8.9%	(6.4%)

Source: CoStar; TCG

EXHIBIT V-3

OFFICE - COMPARABLES
SAN MATEO COUNTY, CALIFORNIA
JULY 2016

Building Name	Address	City	Year		Elev.	Type	Class	Park Lot	Typical Floor	RBA			Ann. Lease Rate	
			Built	Reno.						Total	Avail.	% Lease	Avg.	Type
Pacifica														
Park Mall Center	1005 Terra Nova Blvd	Pacifica	1982		1s	Wood Frame	B	32	8,010	8,010	2,035	74.6%	\$22.49	FSG*
Pacifica Comparables:								32	8,010	8,010	2,035	74.6%	\$22.49	FSG
North San Mateo County (Class A)														
2001 DC Station	2001 Junipero Serra Blvd	Daly City	2001		9s	Reinforced Concrete	A	400	41,053	383,123	112,692	70.6%	\$48.00	FSG
Sierra Point Towers, Bldg A	8000 Marina Blvd	Brisbane	2000		8s	Steel	A	659	26,506	201,861	79,518	60.6%	\$45.00	FSG
Sierra Point Towers, Bldg B	2000 Sierra Point Pky	Brisbane	1987	2007	12s	Steel	A	735	18,267	219,213	40,668	81.4%	\$45.00	FSG
Gateway Commons, Bldg A	601 Gateway Blvd	South San Francisco	1984		12s	Steel	A	600	17,980	215,767	11,886	94.5%	\$42.00	FSG
Gateway Commons, Bldg B	611 Gateway Blvd	South San Francisco	2002		11s	Steel	A	400	23,000	270,000	195,529	27.6%	\$42.00	FSG
The Gateway II	701 Gateway Blvd	South San Francisco	1998		6s	Steel	A	553	28,402	170,414	53,282	68.7%	\$42.00	FSG
Sierra Point, Koll Center	7000 Marina Blvd	Brisbane	1986		5s	Steel	A	263	17,400	87,000	87,000	0.0%	\$41.25	FSG*
Serramonte Business Center	455-459 Hickey Blvd	Daly City	1982	2006	5s	Steel	A	273	14,930	74,653	9,592	87.2%	\$40.76	FSG
Sierra Point Opus Center, Bldg A	6000 Shoreline Ct	South San Francisco	2001		3s	Steel	A	100	47,341	148,894	61,992	58.4%	\$39.00	FSG
Oyster Point Marina Plaza, Bldg A	395 Oyster Point Blvd	South San Francisco	1985		5s	Masonry	A	300	45,000	232,733	11,210	95.2%	\$31.20	FSG
Oyster Point Marina Plaza, Bldg B	400 Oyster Point Blvd	South San Francisco	1984		5s	Masonry	A	927	45,000	231,769	32,365	86.0%	\$31.20	FSG
Class A Comparables:								5,210	29,534	2,235,427	695,734	68.9%	\$42.44	FSG
North San Mateo County (Class BC)														
Physicians Medical Center	901 Campus Dr	Daly City	1990		3s	Reinforced Concrete	B	240	25,186	75,559	4,101	94.6%	\$48.75	FSG*
The Lakes at Bayhill, Bldg A	1150 Bayhill Dr	San Bruno	1976		3s	Masonry	B	150	17,000	68,500	20,575	70.0%	\$47.40	FSG
Bayhill Office Center, Bayhill III Bldg A	801 Traeger Ave	San Bruno	1980		3s	Reinforced Concrete	B	50	17,565	52,694	1,367	97.4%	\$45.00	FSG
323 89th St	323 89th St	Daly City	1978		1s	Masonry	C	15	13,000	13,000	6,500	50.0%	\$33.33	FSG*
San Bruno Office Park, Bldg B	901-903 Sneath Ln	San Bruno	1976		2s	Wood Frame	C	34	35,930	27,334	4,004	85.4%	\$33.00	FSG
Serramonte Plaza, Bldg A	333 Gellert Blvd	Daly City	1977		2s	Reinforced Concrete	B	828	30,778	61,850	4,780	92.3%	\$32.67	FSG*
Civic Center North, Steinhart-Rubyhill Building	350 90th St	Daly City	1982		3s	Reinforced Concrete	B	70	7,500	24,000	15,225	36.6%	\$30.00	FSG
1001 Broadway	1001 Broadway	Millbrae	1982	1999	3s	Reinforced Concrete	B	50	5,556	16,668	3,861	76.8%	\$30.00	FSG*
Northhill Business Park	150 N Hill Dr	Brisbane	1983		2s	Reinforced Concrete	B	150	35,417	71,416	7,670	89.3%	\$30.00	FSG
Serramonte Plaza, Bldg B	355 Gellert Blvd	Daly City	1976		2s	Reinforced Concrete	B	100	24,246	48,492	23,712	51.1%	\$29.40	FSG
Saint Francis Medical Center	1440 Southgate Ave	Daly City	1975		1s	Wood Frame	C	25	9,000	9,000	1,774	80.3%	\$27.00	FSG
25 Park Ln	25 Park Ln	Brisbane	1950		1s	Wood Frame	C	48	10,000	10,000	10,000	0.0%	\$26.00	FSG*
Cedar Hill Office	295 89th St	Daly City	1985		3s	Steel	B	50	8,024	24,072	2,325	90.3%	\$25.80	FSG
434-436 Rozzi Pl	434-436 Rozzi Pl	South San Francisco	1969		2s	Wood Frame	C	25	4,848	9,696	4,848	50.0%	\$24.00	FSG
220 S Spruce Ave	220 S Spruce Ave	South San Francisco	1985		2s	Reinforced Concrete	B	40	10,000	20,000	6,574	67.1%	\$23.40	FSG
88 N Hill Dr	88 N Hill Dr	Brisbane	1977		2s	Wood Frame	C	19	1,938	3,875	1,200	69.0%	\$20.04	FSG
6150-6160 Mission St	6150-6160 Mission St	Daly City	1928		2s	Wood Frame	C	10	6,000	12,000	1,135	90.5%	\$19.69	FSG*
91 Westborough Blvd	91 Westborough Blvd	South San Francisco	1984		2s	Wood Frame	B	40	5,627	13,484	1,260	90.7%	\$15.00	FSG
Class BC Comparables:								1,944	14,868	561,640	120,911	78.5%	\$32.63	FSG

Source: CoStar, TCG

EXHIBIT V-3

OFFICE - COMPARABLES
 SAN MATEO COUNTY, CALIFORNIA
 JULY 2016



EXHIBIT V-4

OFFICE - VALUE IMPLICATIONS
PACIFICA QUARRY SITE; PACIFICA, CALIFORNIA
JULY 2016

I. Product Concept

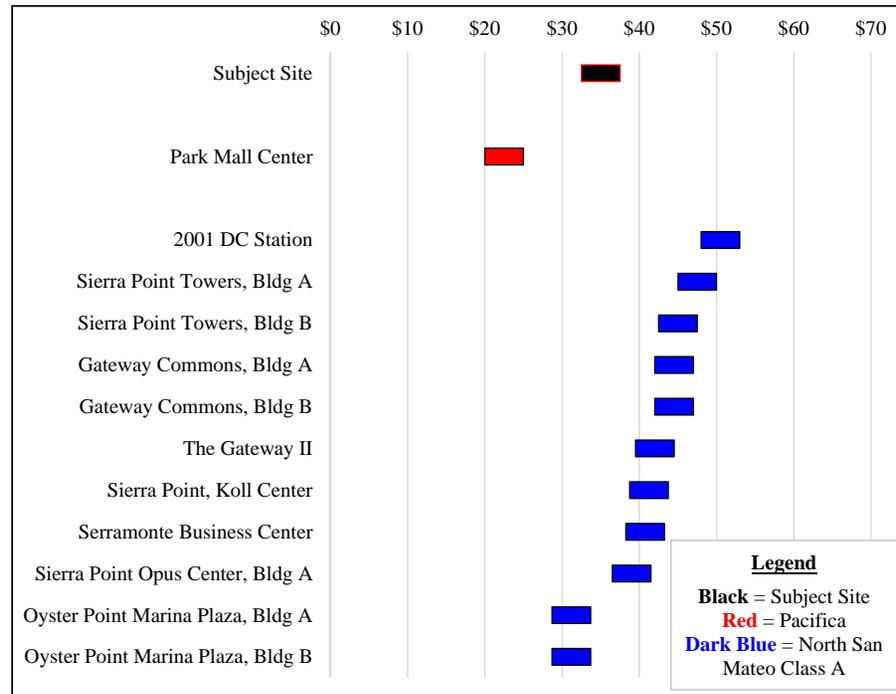
Concept

- Mixed-use, part of Quarry Village
- 35,000 square feet of office above retail
- Ground floor retail below

Product Assumptions

Product: Office
Class: A
Lease Type: FSG

II. Positioning



III. Value Assumptions (Per Built SF)

Lease Revenue	
Lease Rate	\$35.00
Occupancy	90.0%
Eff. Lease Revenue	\$31.50
Operating Expenses	
% Lease Revenue	30.0%
Operating Expenses	(\$9.45)
Net Operating Income	\$22.05
Cap Rate	6.25%
Capitalized Value	\$352.80

IV. Sensitivity Table (Capitalized Value Per Built SF)

Lease Rate	Cap Rate				
	5.75%	6.00%	6.25%	6.50%	6.75%
\$27.50	\$301	\$289	\$277	\$267	\$257
\$30.00	\$329	\$315	\$302	\$291	\$280
\$32.50	\$356	\$341	\$328	\$315	\$303
\$35.00	\$383	\$368	\$353	\$339	\$327
\$37.50	\$411	\$394	\$378	\$363	\$350
\$40.00	\$438	\$420	\$403	\$388	\$373
\$42.50	\$466	\$446	\$428	\$412	\$397

Exhibit 4

City's Below Market Rate Housing Ordinance

Article 47. - City of Pacifica Below Market Rate (Inclusionary) Program.

Sec. 9-4.4700. - Intent.

It is the intent of this article to establish requirements for the provision of housing units for very low, lower and moderate income households in residential development projects of a certain size.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4701. - Definitions.

For the purposes of this article, unless otherwise apparent from the context, the following words and phrases are defined as set forth below:

- (a) "Affordability agreement" means an agreement, running with the land assuring that a housing unit will be maintained and sold or leased at an affordable housing cost as required by this article and City policies. It may be a covenant, deed restriction, performance deed of trust, or such other document or documents as are satisfactory to the City Attorney.
- (b) "Affordable housing cost" means an "affordable housing cost" as defined in Section 50052.5 of the California Health and Safety Code.
- (c) "Affordable rent" means an "affordable rent" as defined in Section 50053 of the California Health and Safety Code.
- (d) "Area median income" means the median household income for the San Francisco Primary Metropolitan Statistical Area (PMSA) as determined annually by the U.S. Department of Housing and Urban Development.
- (e) "BMR unit" means a dwelling unit that must be offered at an affordable rent or affordable housing cost to a very low, lower or moderate income household.
- (f) "City" means the City of Pacifica.
- (g) "Compliance agreement" means an agreement between a developer and the City describing the terms and conditions under which the BMR unit requirement for a residential development will be met and shall be in a form satisfactory to the Planning Director and City Attorney.
- (h) "Density bonus" means entitlement to build additional residential units above the maximum number of units permitted pursuant to the existing General Plan, applicable specific plan and/or zoning designation, and as further specified in [Article 41](#) of this chapter.
- (i) "Developer" means any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which holds fee title to the land on which the residential development is located.
- (j) "Eligible household" means a very low, lower or moderate income household approved by the

City in accordance with this article.

- (k) "For-sale BMR unit" means a BMR unit offered for sale, including, but not limited to, single-family homes, condominiums, other common interest developments and mutual housing associations.
- (l) "Household" means one person living alone or two (2) or more persons sharing residency whose income is considered for housing payments.
- (m) "Lower income household" means a household whose annual income does not exceed the qualifying limits set for "lower income households" in Section 50079.5 of the California Health and Safety Code.
- (n) "Market rate unit" means a dwelling unit where the rental rate or sales price is not restricted by this article.
- (o) "Moderate income household" means a household whose annual income does not exceed the qualifying limits set for "persons and families of low or moderate income" in Section 50093 of the California Health and Safety Code.
- (p) "Off-site" means located outside the residential development.
- (q) "On-site" means located on or in the residential development.
- (r) "Redevelopment project area" means the area designated by the City Council of the City in Ordinance No. 467-86, adopted on July 14, 1986, as amended as the Rockaway Beach Redevelopment Project Area.
- (s) "Rental BMR unit" means a BMR unit offered for lease or rent.
- (t) "Residential development" means any new construction of dwelling units, subdivision of property for housing development, conversion of rental projects to condominium or other common interest ownership under [Article 24.5](#) or any other creation of dwelling units or lots for housing that is authorized by a discretionary land use. Residential developments include those that are part of a mixed use project with a commercial component.
- (u) "Very low income household" means a household whose annual income does not exceed the qualifying limits set for "very low income households" in Section 50105 of the California Health and Safety Code.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4702. - Below market rate housing requirements—General.

- (a) Applicability. The requirements of this article shall apply to all residential developments of eight (8) or more units, lots or parcels, including all residential developments in which eight (8) or more units will be added to existing projects.

- Number of BMR units required.* Not less than fifteen (15%) percent of all units, lots or parcels in a
- (b) residential development subject to this article shall be BMR units restricted for occupancy by very low, lower or moderate income households.
- (1) In the City's redevelopment project area, the first required BMR unit, and at least forty (40%) percent of the total number of required BMR units, shall be restricted to occupancy by very low income households. An additional thirty (30%) percent of the required BMR units must be, if not affordable to very low income households, restricted to occupancy for lower income households. Any remaining required BMR units shall be restricted to occupancy by moderate income households.
- (2) Outside the redevelopment project area, the first required BMR unit and at least fifty (50%) percent of the required BMR units shall be restricted to occupancy by lower income households and the remaining required BMR units shall be restricted to occupancy by moderate income households. Provided, the developer has the right but is not required to increase the percentage of lower income household BMR units.
- (3) In determining the number of BMR units required, any decimal fraction below .5 shall be rounded down to the nearest whole number and any decimal fraction .5 or above shall be rounded up to the nearest whole number.
- (c) Exemptions. The requirements of this article do not apply to:
1. The reconstruction of any structures that have been destroyed by fire, flood, earthquake or other act of nature provided that the reconstruction takes place within three (3) years of the date the structures were destroyed.
 2. Residential developments that already have or will have more units that qualify as BMR units than this article requires.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4703. - For-sale BMR units.

- Price of units.* The maximum sales price of a for-sale BMR unit shall be an affordable housing cost
- (a) approved by the City.
- (b) *Deed and resale restrictions.*
- (1) For-sale BMR units shall remain available at an affordable housing cost to an eligible household for a minimum of forty-five (45) years. Resale controls shall be by legal agreement approved as to form by the City Attorney and shall be in the form of affordable housing covenants, deed restrictions, covenants and/or resale restriction and refinance limitation agreements. Such documents shall provide that the City has an option to purchase the for-sale BMR unit. The City's option to purchase may be assigned to a qualifying eligible household, a nonprofit housing organization, other government entity, or other entity that will ensure the continuation of the affordability of the BMR unit.

- In order to maintain the affordability of the for-sale BMR units constructed pursuant to this
- (2) article, the purchase price paid by each subsequent purchaser shall be limited to the lesser of:
- (i) The original purchase price, plus the percentage increase in Area Median Income from the date of original purchase, plus the cost of any capital improvement expenditures approved by the City and greater than one percent of the original purchase price, minus any costs necessary to bring the unit into conformity with City building regulations in the event that the occupant has allowed the unit to deteriorate due to deferred maintenance; or
 - (ii) The fair market value as determined by an appraiser approved by the City.
- (c) Administration. The City intends to contract with an outside agency, which shall be responsible for selection and qualification of buyers in accordance with City-approved policies, and continuing monitoring for compliance. The developer or subsequent seller shall pay all costs associated with this service for the for-sale BMR unit.
- (d) *Occupancy restrictions.* For-sale BMR units shall only be occupied by their owners. Renting, leasing, subleasing or subletting shall not be permitted for more than two (2) months in any year. Violation of these occupancy restrictions will be grounds for termination of the occupancy.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4704. - Rental BMR units.

- Rental rates.* The maximum rent of a rental BMR unit shall be an affordable rent approved by the
- (a) City.
- (b) *Rental restrictions.* Rental BMR units shall remain available at an affordable rent to an eligible household for a minimum of fifty-five (55) years. Rent controls shall be by legal agreement approved as to form by the City Attorney and shall be in the form of affordable housing covenants, deed restrictions and/or covenants.
- (c) Administration. The rental of rental BMR units shall be administered according to City-approved policies by the developer or a nonprofit housing organization, government entity or entity approved by the City. The City may charge a fee to cover the costs of administration of this program, in an amount set from time to time by City Council resolution.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4705. - BMR unit size and design.

- BMR unit requirements.* BMR units shall:
- (a)
- (1) Have exterior design and appearance compatible with and substantially the same as market rate units within the residential development, including landscaping;
 - (2) Be distributed throughout the residential development;

- (3) Have similar access from the exterior as market rate units;
 - (4) Contain proportionately the same or a larger number of bedrooms as market rate units;
 - (5) Generally be of comparable size to similar market rate units, although the size of BMR units may be reduced if the project is in a very high or high density zone;
 - (6) Have access to all on-site amenities; and
 - (7) Be constructed prior to or concurrently with market rate units in the residential development or applicable phase of the residential development.
- (b) *Interior amenities.* Interior unit amenities, such as floor covering, appliances, and other fixtures, shall be specified within the BMR proposal submitted at the time of planning application, as required by [Section 9-4.4709\(a\)](#), and may differ from market rate units, but must at a minimum be UL (Underwriters Laboratories) or AGA (American Gas Association) listed.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4706. - Alternatives.

A developer may propose an alternative means of complying with this article as set forth below. The Planning Commission may approve, conditionally approve or reject any alternative proposed by the developer. The Planning Commission may only approve or conditionally approve a proposed alternative if the Planning Commission finds that the purposes of this article would be better served by implementation of the proposed alternative and that the proposed alternative meets the greatest community needs at that time.

- (a) *Off-site construction.* Off-site construction of BMR units may be allowed if the developer demonstrates, and the Planning Commission finds that on-site construction is infeasible. If allowed, off-site BMR units shall be constructed within the City of Pacifica, shall be occupied prior to occupancy of the residential development, and shall be consistent and comply with the standards and requirements specified in this article.
- (b) *Land dedication.* In lieu of building BMR units, the developer may propose to dedicate land to the City suitable for the construction of BMR units, provided that the Planning Commission reasonably determines that the land is of equivalent or greater value than the required BMR units and that the land has the equivalent or greater development potential of the residential development.
- (c) *Payment in lieu of providing a unit.* For any residential development that is not located within the redevelopment project area, the developer may propose to pay the City an amount of money in lieu of providing a unit. The in-lieu payment for each BMR unit shall reflect the estimated cost to provide the BMR unit and shall be set forth in a resolution adopted by the City Council. In-lieu payments shall be paid prior to occupancy of the first market rate unit to be developed within the residential development. In-lieu payments collected under this article shall be deposited into a housing trust fund and shall be used only for the purpose of providing funding assistance for the provision of affordable housing and reasonable administration costs,

including, but not limited to, a buyer's assistance program for eligible households.

- (d) **Combination.** Developer may propose any combination of on-site construction, off-site construction, land dedication and/or in-lieu payments that the City determines to be at least equal to the cost of providing the required BMR units on-site.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007, as amended by § I, Ord. 752-C.S., eff. August 9, 2007)

Sec. 9-4.4707. - Incentives for on-site units.

Any residential development providing all required BMR units on-site shall automatically qualify for the density bonus and additional incentive available for an affordable housing project under [Section 9-4.4102\(b\)\(1\)](#). When determining if the residential development would qualify for a larger density bonus under [Article 41](#) of this chapter, on-site BMR units shall be counted in determining the percentage of units in the project that are affordable.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4708. - Eligibility requirements.

Only eligible households may occupy BMR units. No household may occupy a BMR unit unless the City or its designee has approved the household's eligibility in accordance with City-approved policies. Preference shall be given to persons residing or working within Pacifica.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4709. - Compliance.

- (a) *Application process.* At the time of filing a planning application for a residential development subject to this article, the developer shall provide, in addition to information specified elsewhere for the applicable planning permit(s), the following information:
 - (1) The number of BMR units proposed;
 - (2) The unit sizes and the number of bedrooms per dwelling unit;
 - (3) The proposed location of the BMR units;
 - (4) The interior unit amenities which would differ from market rate units, including, but not limited to, floor coverings, appliances, plumbing and electrical fixtures;
 - (5) The schedule for production of BMR units in phased residential developments; and
 - (6) Any alternatives proposed to comply with this article, including reasons why the findings required to approve such an alternative can be met.
- (b) *Condition of approval.* As part of the approval of any residential development subject to the requirements of this article, the Planning Commission shall approve a program for compliance with it. The developer shall execute an inclusionary zoning compliance agreement prior to recordation of any map, or if there is no map, prior to issuance of any building permit. Recordation of affordability

agreements for each BMR unit shall be a condition of approval.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4710. - Adjustments, waivers.

- (a) *Process.* The requirements of this article may be waived, adjusted or reduced if the developer shows that there is not a reasonable relationship between the impact of a proposed residential development and the requirements of this article or that applying the requirements of this article would take property in violation of the United States or California Constitutions. Such a request shall be made in writing and filed with the City Manager at the time of submittal of an initial application for approval of the residential development and/or as part of any appeal that the city provides as part of the process of approval. The request shall state completely and in detail: (i) the requested waiver, adjustment or reduction of the requirements, (ii) the factual basis for the request, and (iii) the legal basis of this request. The City Manager, in consultation with the City Attorney, shall consider the request and render a decision in writing within thirty (30) days. If the City Manager determines that the requirements of this article lack a reasonable relationship to the impact of a proposed residential development on demand for affordable housing in the City or that those requirements constitute a taking in violation of the United States or California Constitutions, the requirements of this article shall be modified, adjusted or waived to the extent necessary to avoid an unconstitutional result or illegal outcome. If the City Manager determines that no violation of the United States or California Constitutions would occur through application of this article, the requirements of this article shall remain applicable unless the City Manager's determination is overruled or modified by the City Council on appeal.
- (b) *Appeal procedure.* A decision of the City Manager on a request for a reduction or waiver pursuant to subsection (a) above shall be appealable in accordance with this section. A person seeking judicial review of a decision shall first complete an appeal under this section. Any person wishing to appeal a decision of the City Manager shall file an appeal to the City Council in writing with the City Clerk not later than ten (10) days from the date of the written decision of the City Manager. The written appeal shall state completely and in detail the factual and legal grounds for the appeal. The City Council shall consider the appeal at a public hearing within sixty (60) days after the filing of the request. The decision of the City Council is final.
- (c) *Fee for adjustment request or appeal.* The cost of the request for adjustment or waiver of the requirements of this article and appeal shall be borne by the applicant in an amount set forth in a resolution adopted by the City Council.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4711. - Hillside preservation and B-Lot size overlay districts.

Nothing in this article is intended to nor shall it supersede the provisions of the Hillside Preservation District (HPD) or B-lot size overlay district (B-district). Residential developments located within HPD and/or B-district land that provide BMR units in accordance with this article shall be subject to all regulations and standards of [Article 22.5](#), regarding the HPD district, including applicable lot coverage limitations, and [Article 20](#), regarding the B-district.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)

Sec. 9-4.4712. - Enforcement.

- Penalty for violation.* It shall be a misdemeanor to violate any provision of this article. Without
- (a) limiting the generality of the foregoing, it shall also be a misdemeanor for any person to sell or rent to another person a BMR unit under this article at a price or rent exceeding the maximum allowed under this article or to sell or rent a BMR unit to a household that does not qualify under this article. It shall further be a misdemeanor for any person to provide false or materially incomplete information to the City or to a seller or lessor of a BMR unit to obtain occupancy of housing for which he or she is not eligible.
- (b) *Legal action.* The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this article. Failure of any official or agency to fulfill the requirements of this article shall not excuse any person, owner, household or other party from the requirements of this article.

(§ 2 (part), Ord. 746-C.S., eff. May 9, 2007)