

FINAL REPORT

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Election Code 9111 Evaluation of the Preserve Our Agricultural and Rural Lands Initiative

Prepared for:

San Benito County



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EXECUTIVE SUMMARY

INTRODUCTION

This report evaluates the Preserve Our Agricultural and Rural Lands Initiative. It has been prepared under the provisions of the California Elections Code - § 9111, which specifies that the Board of Supervisors may authorize a report on voter initiatives that addresses fiscal impacts, infrastructure funding, consistency with the General Plan, and impacts to agriculture, among other topics.

DESCRIPTION OF THE INITIATIVE

The voters of San Benito submitted the Preserve Our Agricultural and Rural Lands Initiative (initiative) in February of 2020. This initiative proposes to amend the San Benito County General Plan, including its Land Use Diagram, to

1. readopt the Agriculture (A), Rural (R), and Rangeland (RG) land use designations, such that through December 31, 2049, they may only be amended or re-designated only by a vote of the people, with limited exceptions; and
2. remove certain commercial land use designations and re-designate lands previously subject to those designations. The changes apply to lands within the unincorporated area of San Benito County.

The initiative proposes to amend the San Benito County General Plan Land Use Element to remove areas established in 2015 for potential commercial development known as “commercial nodes,” designated “to promote commercial uses on strategic unincorporated parcels in order to accommodate commercial demand, promote economic development, and increase revenue.”

Four “Commercial Regional Nodes” located along U.S. Highway 101 would be removed. Under the 2015 General Plan “uses could include shopping centers, truck and automobile stations, tourist-serving commercial uses, and hotels/motels,” subject to design review.

Nine “Commercial Thoroughfare Nodes,” designated “to provide commercial services for motorists... to capture pass-through traffic and allow for commercial uses that serve the agricultural and rural unincorporated community,” would be deleted. Uses could include small shopping centers, truck and automobile stations, and tourist-serving commercial uses.

Three “Commercial Neighborhood Nodes” designated to “provide convenience goods within or near communities or other concentrations of population,” such as “local businesses, with a destination retailer or restaurant” and “mixed-use developments that could include residential, retail, and office uses.”

All commercial nodes types identified above would be deleted from the General Plan land use maps and text. Future commercial development in the unincorporated area of the County would be limited to areas designated for residential mixed use, three approved Specific Plans areas, and some of the

previously existing “Commercial Neighborhood” designated lands in Aromas, Paicines, and Tres Pinos. The initiative would require voter approval for any future General Plan amendment for the next thirty 30 years, through December 31, 2049, that would re-designate any land designated Agricultural, Rangeland, or Rural in the County to any other use, other than open space, parks, or public facilities.

This initiative would remove Commercial Regional (CR) and Commercial Thoroughfare (CT) from among the available land use designations in the County, and would re-designate all lands currently designated Commercial Regional (CR) and Commercial Thoroughfare (CT) and some lands currently designated Commercial Neighborhood (CN) to different land uses.

Voter approval would be necessary for development of any of the four designated New Community Study Areas: Bolsa, Fairview, San Juan, or Union. Voter approval would be in addition to the state law mandated approval process for General Plan amendments which includes compliance with the California Environmental Quality Act, public notice, and public hearings conducted by the Planning Commission and the Board of Supervisors.

A limited exception to the voter approval requirement is provided for re-designation of land for development of low and very low-income housing following specified procedures. The Board of Supervisors, following at least one public hearing, and after compliance with the California Environmental Quality Act, may, without approval by a vote of the people, amend the General Plan to re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) as necessary to comply with state law regarding the provision of housing for all economic segments of the community.

NODES DEVELOPMENT CAPACITY

Under the existing General Plan, at full buildout, the Nodes affected by the Initiative would have the potential to develop 8.7 million sq. ft. of non-residential development, as shown in Exhibit A. The market analysis in this report projects that by 2035, the Nodes would see about 2.2 million sq. ft. of the potential 8.7 million sq. ft. of new development, as shown in Exhibit B.

The market projections indicate that if the Initiative Measure is passed and development of the Nodes is discouraged by the voter approval requirement, a portion of the development potential could possibly shift into Hollister. The amount of this shift is estimated at about 1.38 million sq. ft. at buildout and 411,000 sq. ft. by 2035. However, the County as a whole would lose the opportunity to develop the Nodes along Hwy 101 and some of the other locations along inter-county commute and commerce routes. In addition, the County’s ability to reduce commuting out of the County to job centers in Santa Clara County would be severely diminished and the County would lose the opportunity to stem its considerable retail leakage, which would have a significant adverse impact on County finances, as discussed further below.

Exhibit A: Buildout Capacity of Node Subject to Voter Initiative

NODE	FAR	Total Dev SF	Lodging SF	Rooms	Retail	Auto/Truck	Office/R&D
Thoroughfare Commercial							
Hwy 156/Union Road	0.35	106,722	93,750	125	11,675	1,297	0
Hwy 156/Fourth Street	0.35	118,919	93,750	125	25,169	0	0
Hwy 156/Hwy 25	0.35	1,114,483	187,500	250	648,888	46,349	231,746
Hwy 156/San Felipe Road	0.35	4,886,343	187,500	250	3,054,248	1,174,711	469,884
Hwy 156/Fairview Road	0.35	152,460	93,750	125	52,839	5,871	0
Hwy 25/Shore Road	0.35	45,738	0	0	45,738	0	0
Shore Road/San Felipe Road	0.35	89,951	0	0	89,951	0	0
Union Road/San Benito Street	0.45	201,901	0	0	201,901	0	0
Tres Pinos	0.45	0	0	0	0	0	0
Subtotal		6,716,516	656,250	875	4,130,408	1,228,228	701,630
Neighborhood Commercial							
Fallon Road/Fairview Road	0.35	67,082	0	0	67,082	0	0
Hwy 25/Fairview Road	0.45	0	0	0	0	0	0
Paicines	0.35	0	0	0	0	0	0
Subtotal		67,082	0	0	67,082	0	0
Regional Commercial							
U.S. Highway 101/Betabel Road	0.35	442,134	93,750	125	313,546	34,838	0
U.S. Highway 101/ Highway 129	0.35	195,149	93,750	125	91,259	10,140	0
U.S. Highway 101/Cole Road	0.35	708,939	93,750	125	553,670	61,519	0
U.S. Highway 101/San Juan Road	0.35	574,774	93,750	125	432,922	48,102	0
Subtotal		1,920,996	375,000	500	1,391,396	154,600	0
TOTAL		8,704,595	1,031,250	1,375	5,588,887	1,382,828	701,630

Source: EMC Planning Group

Exhibit B: 2035 Nodes Development Projection

NODE	Total Dev SF	Lodging SF	Rooms	Retail	Auto/Truck	Office/R&D
Thoroughfare Commercial						
Hwy 156/Union Road	0	0	0	0	0	0
Hwy 156/Fourth Street	0	0	0	0	0	0
Hwy 156/Hwy 25	403,203	93,750	125	36,157	41,550	231,746
Hwy 156/San Felipe Road	640,073	0	0	170,189	0	469,884
Hwy 156/Fairview Road	52,839	0	0	52,839	0	0
Hwy 25/Shore Road	45,738	0	0	45,738	0	0
Shore Road/San Felipe Road	0	0	0	0	0	0
Union Road/San Benito Street	201,901	0	0	201,901	0	0
Tres Pinos*	0	0	0	0	0	0
Subtotal	1,343,754	93,750	125	506,824	41,550	701,630
Neighborhood Commercial						
Fallon Road/Fairview Road	67,082	0	0	67,082	0	0
Hwy 25/Fairview Road*	0	0	0	0	0	0
Paicines*	0	0	0	0	0	0
Subtotal	67,082	0	0	67,082	0	0
Regional Commercial						
U.S. Highway 101/Betabel Road	111,750	93,750	125	12,000	6,000	0
U.S. Highway 101/ Highway 129	111,750	93,750	125	12,000	6,000	0
U.S. Highway 101/Cole Road	0	0	0	0	0	0
U.S. Highway 101/San Juan Road	574,774	93,750	125	432,922	48,102	0
Subtotal	798,274	281,250	375	456,922	60,102	0
TOTAL	2,209,110	375,000	500	1,030,828	101,652	701,630

Source: ADE, Inc. *Note: As discussed further in the analysis, development potential is assigned to the three Nodes at Tres Pinos, Hwy 25/Fairview Avenues, and Paicines, but this potential development is not affected by the Initiative due to the existing zoning at these locations.

FINDINGS

FISCAL IMPACT

The development projected at the Nodes would generate \$47.3 million per year in additional County revenues, primarily from sales taxes but also property taxes, transient occupancy taxes for hotels and business license taxes, among other sources. The additional development would also increase demand for County services, estimated to cost \$9.0 million per year. This would create a net revenue surplus for the County of \$38.3 million per year (Exhibit C).

If the proposed Initiative passes, development of the Nodes would require separate voter approval. If developers choose not to risk seeking such approval, or if the approval is not given, then the development potential at the Nodes along Hwy 101 as well as some of the Nodes on major thoroughfares linking San Benito County to surrounding job centers would go to sites in surrounding counties instead. A portion of the development that could be supported at the other Nodes may shift instead into the City of Hollister, if suitable sites can be found there. The market projections indicate that about 1.38 million sq. ft. of development could possibly shift into Hollister while the remaining 7.3 million sq. ft. of development potential would be lost to San Benito County entirely. County government would receive a smaller share of property and sales taxes from the development within Hollister, estimated at about \$1.26 million per year. Development in the City of Hollister does also exert some impact on County services, estimated to cost nearly \$511,000 per year. The net revenue to the County with passage of the proposed Initiative would be reduced to \$748,800 per year, a loss of \$37.5 million per year compared to the existing General Plan.

The development projected at the Nodes for 2035 would generate \$11.3 million per year in additional County revenues. The additional development by 2035 would also increase demand for County services, estimated to cost \$2.6 million per year. This would create a net revenue surplus for the County of \$8.7 million per year. With passage of the Initiative Measure, an estimated 411,000 sq. ft. of development may shift into the City of Hollister while the potential for an additional 1.79 million sq. ft. would shift to commercial centers in other counties.

County government would receive a smaller share of property and sales taxes from development in Hollister, estimated at about \$428,000 per year. The shifted development in the City of Hollister would increase costs for County services, estimated at nearly \$187,800 per year. The net revenue to the County under this 2035 scenario with passage of the proposed Initiative would be reduced to \$240,200 per year, a loss of \$8.49 million per year compared to the existing General Plan.

Exhibit C: Summary of Fiscal Impacts of the Proposed Initiative

Fiscal Summary	Buildout			2035		
	Current General Plan	Nodes Initiative	Net Change	Current General Plan	Nodes Initiative	Net Change
County Revenues	\$47,299,700	\$1,259,700	(\$46,040,000)	\$11,349,600	\$428,000	(\$10,921,600)
County Service Costs	\$8,998,000	\$510,900	(\$8,487,100)	\$2,618,800	\$187,800	(\$2,431,000)
Annual Net Revenue	\$38,301,700	\$748,800	(\$37,552,900)	\$8,731,600	\$240,200	(\$8,490,600)

Source: ADE, Inc.

Development of the Nodes would also generate funds for the San Benito Council of Governments (COG), which mainly funds major transportation improvements in the County. With full development of the Nodes, the sales tax share to the COG would be \$1.2 million per year and Measure G would add another \$4.9 million annually. With passage of the Initiative Measure, these funds would not be created.

INFRASTRUCTURE FINANCING

If the Initiative Measure prevents development of the Nodes, then the County and the school districts would not receive development impact fees that the Nodes development would otherwise pay. These fees would contribute funding to County facilities for criminal justice, fire protection, information technology, law enforcement, road maintenance and traffic capacity impacts, as well as helping to fund new schools in the County. The maximum loss of impact fee revenues from the Initiative Measure would be \$31.8 million by 2035 and \$114 million at full buildout of the Nodes.

CONSISTENCY WITH COUNTY PLANS

GENERAL PLAN

The most significant planning conflicts created by the Initiative Measure arise from a disconnect between General Plan emphasis on economic development and sales tax revenues from the commercial designations, and the amended policies and elimination of land use designations to the extent that these would no longer support this vision. Under the Initiative Measure, commercial development would be limited to local-serving commercial in locations that are not likely to attract significant out-of-County spending, and would, therefore, not yield significant growth in tax revenues. The Commercial Regional and Commercial Thoroughfare land use designations are critical to achieving significant sales tax revenue generation, particularly in capturing such revenue from persons passing through the County, and these would be eliminated. Specific major conflicts with the County General Plan are itemized below. Numerous other wording and reference inconsistencies are created by the Initiative Measure which are not summarized here but are listed in the body of the report.

- The addition of Policy LU-1.0 to the General Plan limits the County's ability to re-designate Agriculture (A), Rural (R), and Rangeland (RG) land use designations to urban land use designations unless it is approved by the vote of the people at a special or general election. This provision conflicts with policy AD-1.4 Development Review and Permitting Streamlining Process which requires that the County maintain a development review and permit process that is cost and time efficient and ensure that permitting procedures and regulations are applied in a consistent manner to all project applicants.

- The change also interferes with the County's implementation of Policy AD-21, which reads: "The County shall consult with the Cities of Hollister and San Juan Bautista in the early stages of preparing general plan amendments and other policy changes that may impact growth or the ability to provide urban services for land within the cities adopted spheres of influence." The County's ability to consult with Hollister and San Juan Bautista in the early stages of preparing General Plan amendments or policies that may impact their growth would remain; however the voters of San Benito County would have the ultimate say on the amendments approval for any of these lands designated Agriculture, Rural, or Rangeland.

- The Initiative Measure deletes the Commercial Thoroughfare land use designation from available land use designations in the General Plan. This action causes inconsistencies where properties have already been developed with commercial uses and now lose their overlying commercial designation.
- The Initiative Measure would remove most commercial opportunity sites from the General Plan Land Use Diagram and would require voter approval for development of new community areas. Therefore, it limits the County’s ability to implement Goal LU-5 or promote development of commercial uses at key opportunity sites in the County. The “key” economic development sites are removed, and the remaining sites are primarily local-serving.
- The Initiative Measure changes the procedure for establishing new communities, resulting in a process that is potentially more difficult, less open to public process, more likely to result in policy conflicts, and more costly to the County. County processing costs are not subject to reimbursement by the proponent.
- The Initiative Measure could conflict with General Plan policy LU-9.1 Orderly City Expansion, if the orderly expansion of urban uses within the spheres of influence of Hollister and San Juan Bautista are within areas designated as Agriculture, Rural, or Rangeland in the San Benito County General Plan. Most of the land within the San Juan Bautista Sphere of Influence is designated Agriculture in the San Benito County General Plan. The land near the airport within the Hollister Sphere of Influence is designated Agriculture in the San Benito County General Plan. Hollister and San Juan Bautista would not have the ability to influence the type, intensity, and timing of future development in these areas except through annexation.

ZONING CONFLICTS

The Initiative Measure removes all 13 overlying commercial node land use designations as well as additional underlying land use commercial designations, while not affecting the zoning. This would result in some properties that would have Commercial zoning designations with an inconsistent Agricultural, Rural, or Rangeland land use designation, listed below.

- Dunneville Café and Market at Shore Road and Fairview Road (Thoroughfare Commercial Node / C-2 zoning).
- Chillin and Grillin bar and grill on Mitchell Road near the intersection of Highway 156 and Union Road (Thoroughfare Commercial node / M-2 zoning).
- U.S. Highway 101/Betabel Road (Regional Commercial Node/C-1 Zoning)
- U.S. Highway 101/Highway 129 (Regional Commercial Node/C-1 Zoning)
- U.S. Highway 101/Cole Road (Regional Commercial Node/C-2 Zoning)

SPECIFIC PLAN CONSISTENCY

The Initiative Measure states that it does not apply to, and is not intended to alter current or future land use designations for lands within the boundaries of the three existing designated Specific Plan Areas in San Benito County (the San Juan Oaks Specific Plan Area, the Santana Ranch Specific Plan Area, and the Fairview Corners Specific Plan Area) as those boundaries existed on February 5, 2020. While the Initiative Measure primarily effects the ability of the County to develop commercial uses, the Initiative Measure does require voter approval for any of the four designated New Community Study Areas: Bolsa, Fairview, San Juan, or Union. A Specific Plan is required for all New Communities in order to create a unified project. The primary reason for this is that in order to create a complete community, it is necessary to have a comprehensive plan that can be implemented sequentially over a given period of time (General Plan p 3-29). Therefore, all New Community Specific Plans will be subject to voter approval through 2049 and will be impacted by the Initiative Measure.

EFFECT ON THE ABILITY OF THE COUNTY TO MEET ITS REGIONAL HOUSING NEEDS.

The Initiative Measure has an exception for re-designation of Agriculture, Rural, and Rangeland lands for low income housing, provided certain findings are made, but the Initiative does not provide any exceptions for other special needs housing types including for seniors, farmworkers, local workforce, or persons with disabilities housing, or transitional housing, emergency shelters, or group homes for mentally disabled/substance abuse. Therefore, the initiative measure would conflict with many of the provisions of Policy LU-9.9 Special Needs Housing within Spheres of Influence Areas. The Initiative may limit the County in meeting State law mandates for special needs housing.

In addition, while the Initiative exception for low-income housing may lessen the Initiative's impact on the County's ability to achieve its housing element goals and regional housing needs, it would likely still limit housing development opportunities. Most notably, the Initiative would remove existing land use designations that currently allow for residential development (including some Neighborhood Commercial designations), and would require voter approval for development of New Community Areas, as noted above.

ABILITY OF THE COUNTY TO ATTRACT AND RETAIN BUSINESS AND EMPLOYMENT

The Initiative Measure would increase the difficulty of developing designated lands for commercial and employment-generating land uses by requiring separate voter approval for each change in land use. This would significantly increase the costs and level of risk associated with new business development within the Nodes and New Community areas. In comparison with sites within the cities of Hollister and San Juan Bautista, as well as within surrounding counties, where such voter approval requirements are not in effect, it is likely the Initiative Measure would discourage a significant amount of development that is currently allowed in the San Benito County unincorporated area. As shown in Exhibits A and B, above, the unincorporated area could lose a maximum of 8.7 million sq. ft. of non-residential development from the Nodes areas, of which 2.2 million sq. ft. would otherwise be expected to develop by 2035. A portion of this development could shift into the cities of Hollister or San Juan Bautista, which could create a number of jobs for County residents, but have a significantly reduced fiscal benefit for County government. It is estimated that 40 percent of the development

potential of the Nodes would be lost to the County entirely if voter approval is not obtained as required under the Initiative Measure. This would result in the loss of the potential for more than 5,800 jobs in San Benito County as a whole.

AGRICULTURAL LANDS

The General Plan EIR identified a total of 288 acres of either Prime Farmland or Farmland of Statewide Importance associated with the Commercial Node locations. However, the Node areas are not specifically mapped in the General Plan. In the hypothetical mapping process for each node for this analysis, which resulted in the estimate of 8.7 million sq. ft. of non-residential development potential, only 105 acres of Prime Farmland and 26 acres of Statewide importance were impacted by development of the Nodes, less than half of the impact identified in the General Plan EIR. Therefore, based on how specific node boundaries are mapped by the County in the future, it is possible that important farmland could be impacted to a lesser extent than that identified in the General Plan EIR.

While the Initiative Measure is likely to result in the approval of fewer commercial, residential, or mixed-use development projects on agricultural land, it will not prevent all development on these lands that could result in the conversion of Important Farmland as the Agriculture, Rural, and Rangeland designations still allow for some residential development.

TRAFFIC CONGESTION

The Initiative Measure would not directly add to traffic congestion. However, the County has an imbalance of jobs to housing, which results in a significant out-commute to the jobs-rich Silicon Valley area, and traffic congestion on regional highways. Policy LU-8.8, Transportation Efficiency of New Communities, encourage New Communities to be designed to maximize internal transportation efficiency through designs that minimize trip generation, using design features that could include higher density residential uses near employment uses, schools, and neighborhood retail, as well as enhanced pedestrian, bicycling, and transit opportunities. Implementation of this strategy will be reduced by the Initiative Measure, which requires voter approval of Specific Plans for new communities, as discussed elsewhere.

INTRODUCTION

This report evaluates the Preserve Our Agricultural and Rural Lands Initiative. It has been prepared under the provisions of the California Elections Code - § 9111, which specifies that the Board of Supervisors may authorize a report on voter initiatives that addresses the following:

1. Its fiscal impact.
2. Its effect on the internal consistency of the county's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on county actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.
3. Its effect on the use of land, the impact on the availability and location of housing, and the ability of the county to meet its regional housing needs.
4. Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
5. Its impact on the community's ability to attract and retain business and employment.
6. Its impact on the uses of vacant parcels of land.
7. Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
8. Any other matters the Board of Supervisors requests to be in the report.

Chapter 1 of the document details the direction from the San Benito County 2035 General Plan (General Plan) and includes commercial nodes and new community areas descriptions, locations, definitions, and relevant General Plan policies and the direction from the General Plan Environmental Impact Report (EIR). Chapter 2 describes the initiative measure and its key provisions. Chapter 3 summarizes the development capacity for the Regional Commercial, Thoroughfare Commercial, and Neighborhood Commercial nodes and includes market projections of the likely timing of development of the Nodes. Chapter 4 provides a fiscal impact analysis of the Initiative, including the impact to services and infrastructure. Chapter 5 discusses the consistency of the Initiative Measure with the County General Plan and Zoning as well as specific plans. Chapter 6 addresses the effects of the Initiative Measure on the County's ability to meet its affordable housing goals, while Chapter 7 discusses traffic impacts of the Initiative Measure. Chapter 8 addresses agricultural and open space land preservation and Chapter 9 concludes with a brief description of the competing Voter Initiative called Strada Verde.

1. GENERAL PLAN DIRECTION

COMMERCIAL NODES

NODE LOCATIONS

The San Benito County General Plan was adopted on July 21, 2015, by the Board of Supervisors after extensive input, market and economic analysis, and evaluation of competing land uses. The adopted general plan was a carefully crafted document intended to balance the economic, social, and environmental needs of San Benito County residents. The General Plan includes 16 areas (“commercial nodes”), meant to foster economic development within the County, and yield tax revenue to the County. The General Plan includes four Regional Commercial nodes, nine Thoroughfare Commercial nodes, and three Neighborhood Commercial nodes. The General Plan identifies commercial nodes at the following locations:

REGIONAL COMMERCIAL

- U.S. Highway 101/Betabel Road;
- U.S. Highway 101/Highway 129;
- U.S. Highway 101/Cole Road; and
- U.S. Highway 101/San Juan Road

THOROUGHFARE COMMERCIAL

- Highway 156/Union Road;
- Highway 156/Fourth Street;
- Highway 156/Highway 25;
- Highway 156/San Felipe Road;
- Highway 156/Fairview Road;
- Highway 25/Shore Road;
- Shore Road/San Felipe Road;
- Union Road/San Benito Street; and
- Tres Pinos

NEIGHBORHOOD COMMERCIAL

- Fallon Road/Fairview Road;

- Highway 25/Fairview Road; and
- Paicines

The locations are shown on General Plan Figure 3-5, presented here as Figure 1, Map of Commercial Node Locations. Commercial Neighborhood, Commercial Thoroughfare, and Commercial Regional nodes are identified with a dot on General Plan Figure 3-2, Land Use Diagram.

There is one location outside of the node areas, in Aromas, that has a Neighborhood Commercial General Plan land use designation.

The General Plan does not identify specific boundaries or acreages for the commercial nodes. Hypothetical development scenarios are presented in Section 3.0 Commercial Nodes Development Capacity.

RELEVANT GENERAL PLAN POLICIES

The intent of the commercial nodes is addressed by General Plan Goal LU-5 and its supporting policies:

GOAL LU-5

TO PROMOTE THE DEVELOPMENT OF REGIONAL, THOROUGHFARE, AND LOCALLY-SERVING COMMERCIAL USES AT KEY OPPORTUNITIES SITES IN THE UNINCORPORATED COUNTY.

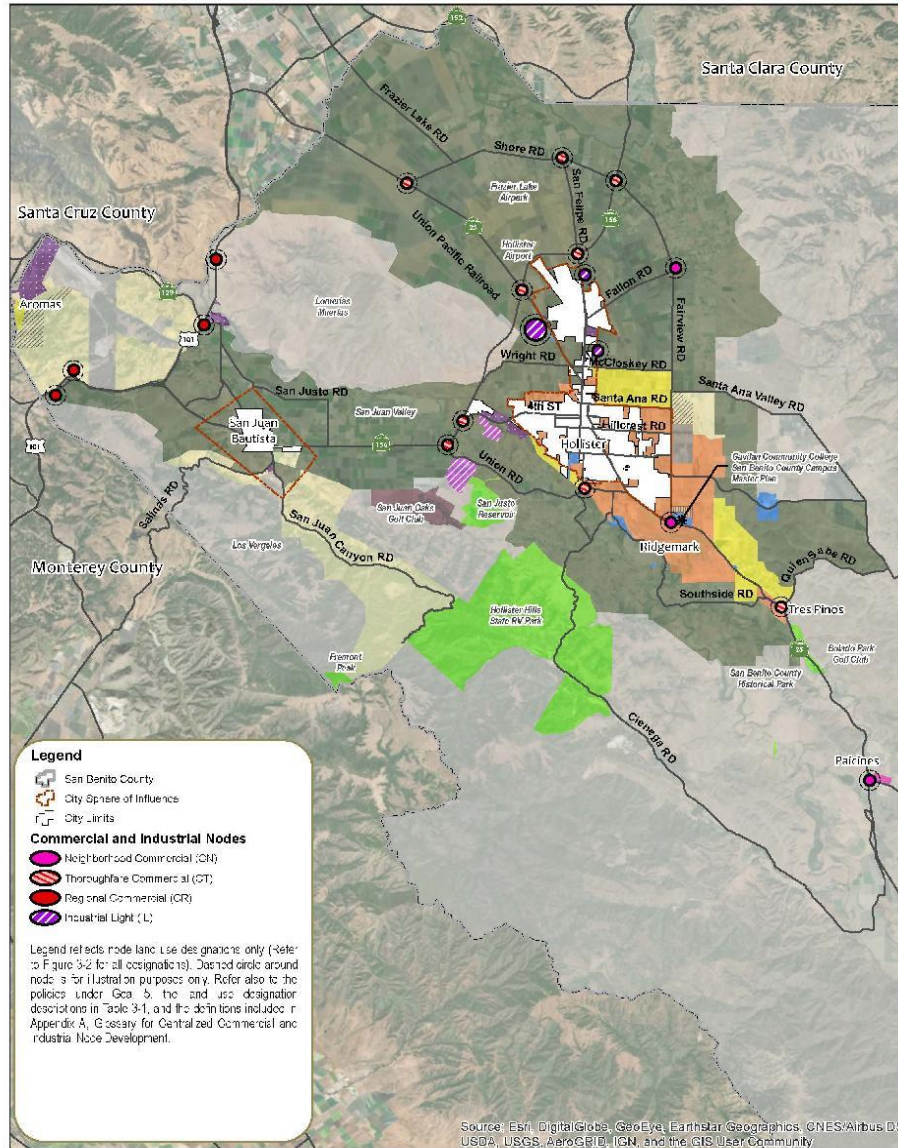
LU-5.1 NEW COMMERCIAL NEIGHBORHOOD NODES 🌐

The County shall encourage new Commercial Neighborhood (CN) nodes, as shown on the Land Use Diagram, so long as they are located within a reasonable walking distance of a community, are centrally located to serve an unincorporated community that is lacking neighborhood commercial services, or where the need for expanded neighborhood commercial services can be demonstrated. The County shall encourage neighborhood commercial uses to connect to residential uses along transit corridors and bicycle and pedestrian paths, as appropriate to the context, and include appropriate transit, bicycle, and pedestrian facilities. (RDR)

LU-5.2 NEW COMMERCIAL THOROUGHFARE NODES 🌐

The County shall encourage new Commercial Thoroughfare (CT) nodes, as shown on the Land Use Diagram, serving travelers and tourists along state routes. The County shall require these uses to have adequate public services, be compatible with surrounding land uses, and respect the scenic character of the county. (RDR)

Figure 1: Map of Commercial Node Locations



Source: San Benito County General Plan 2019

Figure 1-1

Map of Commercial Node Locations

San Benito Commercial Nodes Initiative Evaluation



LU-5.3 NEW COMMERCIAL REGIONAL NODES

The County shall encourage new Commercial Regional (CR) nodes to be located at or near existing or future highway interchanges, major intersections, and along existing or future transit facilities. Facilities should be located consistent with Figure 3-5 (and exclude the intersection of U.S. Highway 101 and State Route 156). In order to respect the scenic character of the county, new development at these commercial nodes shall be subject to design review before the County Planning Commission. Further, development within these commercial nodes is encouraged to contribute to the preservation of scenic areas along the designated scenic corridors within the County. The County shall also encourage additional access to new regional commercial centers through bicycle and pedestrian connections from residential uses as appropriate to the context. (RDR)

U-5.4 NEW COMMERCIAL NODES VISION

The County shall encourage developers to reflect a cohesive vision for node development in site plans submitted as a part of applications for discretionary approval that recognizes the importance of the County's scenic resources and local character and quality of life attributes. (RDR)

LU-5.5 STRIP COMMERCIAL

The County shall discourage the creation of new strip commercial developments (e.g., non-cohesive commercial fronting a major arterial or state highway) in favor of centralized commercial node development that is located in the commercial nodes identified on the Land Use Diagram, and in Policies LU-5.1 to LU-5.3. (RDR)

General Plan Table 3-1 describes the following three land use designations associated with the commercial nodes:

Commercial Neighborhood (CN)

The purpose of this designation is to provide convenience goods within or near communities or other concentrations of population. This designation intends to reduce unnecessary vehicular trips to commercial centers in the cities of Hollister and San Juan Bautista and outlying cities in other counties, encouraging a focus on local businesses, with a destination retailer or restaurant. This designation also allows mixed-use developments that could include residential, retail, and office uses.

Commercial Thoroughfare (CT)

The purpose of this designation is to provide commercial services for motorists near highway interchanges, along thoroughfares, and near Federal, State, and regional parks, and other tourist attractions to capture pass-through traffic, and to allow for commercial uses that serve the agricultural and rural unincorporated community. These uses could include small shopping centers, truck and automobile stations, and tourist-serving commercial uses.

Commercial Regional (CR)

The purpose of this designation is to provide areas that function as destinations for commercial activity serving the regional population. This designation intends to accommodate the location of such commercial uses at key intersections along Interstate 101 [sic] and other major State Routes. These uses could include shopping centers, truck and automobile stations, tourist-serving commercial uses, and hotels/motels.

All commercial designations in the General Plan EIR have a Floor Area Ratio (FAR) maximum of 0.8.

NEW COMMUNITY STUDY AREAS

Figure 3-6 of the General Plan identifies four New Community Study Areas: Bolsa, San Juan, Fairview, and Union. The General Plan identifies the New Community Study Areas to provide the opportunity for San Benito County to accommodate some future growth in new unincorporated communities, while protecting productive agricultural lands, preserving open space, and creating a sustainable land use pattern in the County. The locations shown on General Plan Figure 3-6 are presented here as Figure 2, Map of New Community Study Area Locations.

STUDY AREA LOCATIONS AND DESCRIPTIONS

Land within the New Community Study Areas has been identified as potentially appropriate for more intense development for a variety of reasons, as listed for each of the four areas below. The boundaries for these areas are conceptual, and no specific number of acres or development potential has been quantified for any of the study areas.

SAN JUAN STUDY AREA

This area is located in northwest San Benito County along a portion of the Monterey County line. The area is bordered by U.S. Highway 101 and Highway 156 to the north, San Juan Bautista to the east, and Monterey County to the west and south. The area is comprised primarily of grazing land with some limited rural residential development, the Rancho Larios residential subdivision, and Rocks Ranch in the westernmost portion of the area. The General Plan identified this New Community Study Area for the following reasons:

- U.S. Highway 101 and Highway 156, two major transportation corridors, provide opportunities to attract regional-serving commercial and/or hospitality uses at the location of the new San Juan Road interchange at U.S. Highway 101 and the U.S. Highway 101/Highway 156 intersection.
- Providing a regional commercial presence along the transportation corridors in the study area would capture sales tax dollars that neighboring counties currently enjoy; provide additional commercial opportunities that would not compete with existing businesses in the county; utilize existing and planned infrastructure (including the recently improved San Juan Road interchange); and provide amenities to attract and inform tourists about San Benito County and draw them into the county.
- Most of the lands within the area are undeveloped grazing lands that could provide middle- to higher-end housing with access to major roads, in addition to the existing Rancho Larios residential development.
- The study area has been configured to avoid the prime farmland of the San Juan Valley that is located east of the area between the cities of San Juan Bautista and Hollister.

Figure 2: Map of New Community Study Area Locations

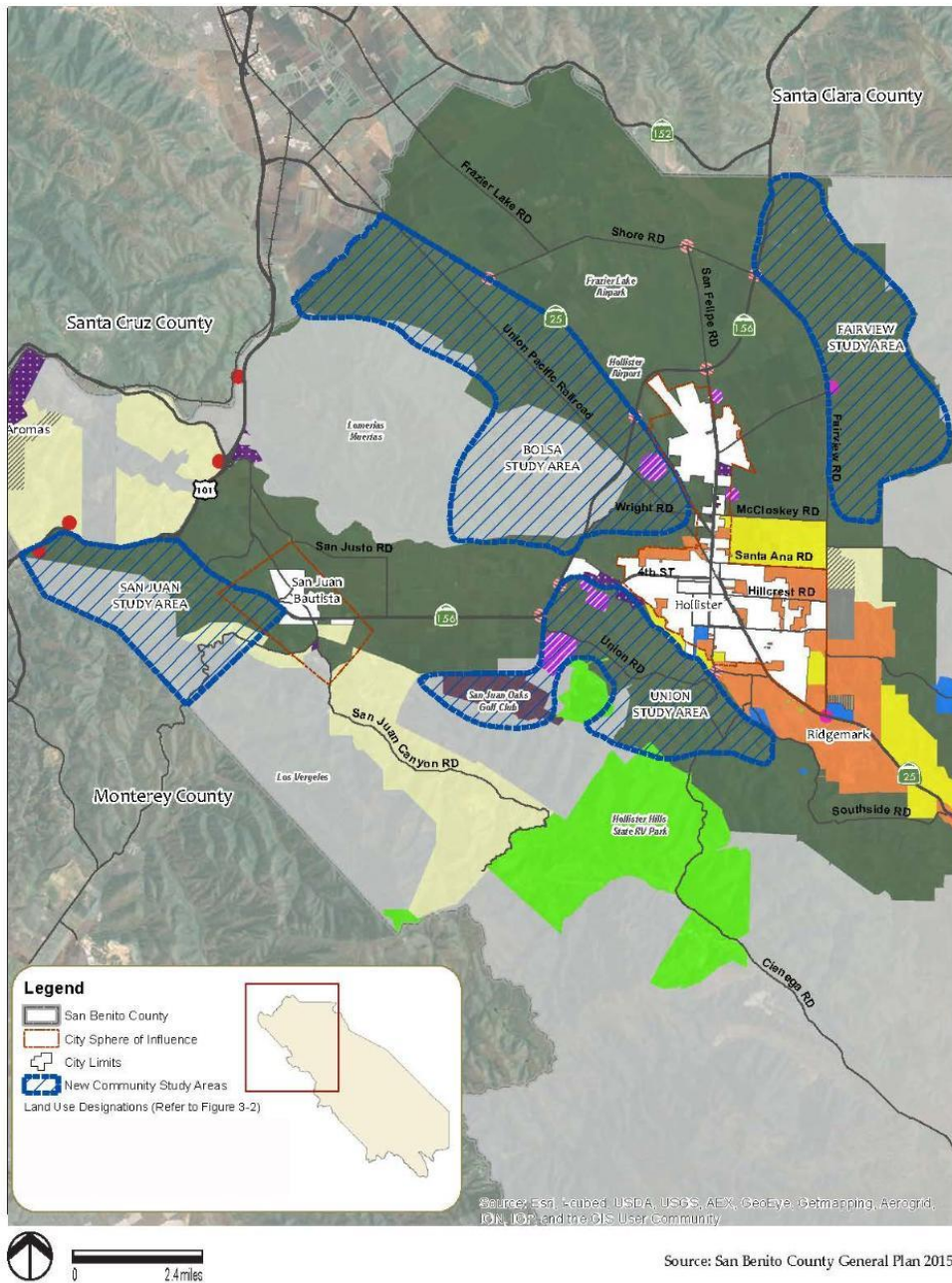


Figure 1-2

Map of New Community Study Area Locations

San Benito Commercial Nodes Initiative Evaluation



The Rocks Ranch Regional Commercial Node is within the San Juan New Community Study Area. The Land Trust of Santa Cruz County recently announced an agreement to obtain a significant portion of Rocks Ranch (excluding the Regional Commercial Node), and this area will be preserved as open space.

BOLSA STUDY AREA

This area is located in northwest San Benito County, between the Santa Clara County line to the north, a segment of Highway 25 (from the Santa Clara County line to the City of Hollister) to the east, the City of Hollister to south, and the steeper topography of the Lomerias Muertas Mountains (Flint Hills) and San Juan Valley to the west. A segment of Highway 156 between Highway 25 and the City of Hollister's Domestic Wastewater Treatment Plant bisects the southeastern portion of the area. The area includes a 12-mile segment of the Union Pacific railroad, which travels north to south west of Highway 25. The General Plan identified this New Community Study Area for the following reasons:

- The area has good access to three major regional transportation routes and corridors, U.S. Highway 101 and Highways 156 and 25, which provide opportunities to attract region-serving commercial uses and to reduce vehicle miles traveled for workers commuting to jobs in other counties. The Union Pacific railroad provides an opportunity for future transit connections between the cities of Hollister, San Jose, and San Francisco, and could facilitate transit-oriented development.
- Development in the area would connect existing and future development to nearby transportation corridors, state and regional public transit, bike, and trail systems.
- The area avoids the large contiguous farmlands of the San Juan and Hollister Valleys.
- The area has fewer sensitive biological resources and natural open space areas than other areas in the County.

The Highway 25/Shore Road and Highway 156/Highway 25 Thoroughfare Commercial Nodes are located along the northern edge of this New Community Study Area.

UNION STUDY AREA

This area is located southwest of the City of Hollister between the Highway 156/Union Road intersection and the Ridgemark residential subdivision and golf course, north of the foothills of the Gabilan Mountain Range, San Justo Reservoir, the Hollister Hills State Vehicular Recreation Area, and east of the agricultural lands in the San Juan Valley. The area is comprised of a range of land uses, including an existing industrial complex south of Union Road, the San Juan Oaks Golf Course, the proposed Del Webb planned development area, and various rural residential and agricultural uses along Union Road. The General Plan identified this New Community Study Area for the following reasons:

- Union Road, an east/west arterial roadway, provides an access connection to Highway 156 on the west and Highway 25 on the east side of the study area.

- The area has existing residential development along Union Road, mostly within the Census Designated Place of Ridgemark; but also has existing rural residential development east of the Highway 156/Union Road intersection.
- The area lacks the same degree of significant natural resources, such as the large area of Prime Farmland of the San Juan Valley and sensitive biological resources as other geographic areas of the County.
- Development in the area would avoid impacting significant recreational and open space resources in the County, including the nearby San Justo Reservoir and Hollister Hills, which are located to the south.

The Highway 156/Union Road and Highway 156/Fourth Street Thoroughfare Commercial Nodes are located along the western edge of this New Community Study Area. The Union Road/San Benito Street Neighborhood Commercial Node is located along the northern boundary of this New Community Study Area.

FAIRVIEW STUDY AREA

This area is located in the north central portion of San Benito County south of the Santa Clara County line near the intersection of Highways 156 and 152, east of Highway 156 and Fairview Road, west of the foothills of the Diablo Range and north of McCloskey Road. The area is comprised of mainly rural residential and agricultural uses. The General Plan identified this New Community Study Area for the following reasons:

- Much of the area is currently developed and has good access to an existing local roadway network, including Fairview Road and a segment of Highway 156, and numerous local collector streets that access Fairview Road.
- Much of the area is currently developed and served by County Service Areas that provide utility and infrastructure services, which could be extended.
- Much of the area is developed, so it has less Prime Farmland and fewer areas with significant natural resources than other areas in the County (the northern portion of the area does contain designated Prime Farmland).
- Much of the area has been designated by the County, for more than two decades, as a special study area for residential uses. The area is near approved growth in the Santana Ranch and Fairview Corners Specific Plan areas.

The Highway 156/Fairview Road Thoroughfare Commercial Node and the Fallon Road/ Fairview Road Neighborhood Commercial Node are located along the western edge of this New Community Study Area.

RELEVANT GENERAL PLAN POLICIES

LU-8.1 NEW COMMUNITY PURPOSE

The County shall consider applications for New Communities on a case-by-case basis in order to accommodate future growth in new, balanced communities.

LU-8.2 NEW COMMUNITY THRESHOLD

The County shall consider any proposed development project that is a unique, self-contained new development a New Community, and as such, subject to the policies of this goal section. The Director of Planning and Building Inspection Services will have the discretion to determine which projects constitute a New Community, but they would generally be projects that cannot be developed under existing allowed residential densities, even with clustered residential incentives, and contain a variety of proposed uses, including residential, employment, neighborhood retail, as well as an emphasis on pedestrian and bicycle circulation and recreational opportunities. The County would especially like to further the development of any project that would provide significant connection to and expansion of the county and regional trail network.

LU-8.3 NEW COMMUNITY LOCATION REQUIREMENTS

The County shall only accept applications for the establishment of New Communities if:

- a. They are accessible to existing major transportation routes and corridors, such as State highways, and/or provide opportunities for public transit.
- b. They are accessible to employment centers.

LU-8.4 NEW COMMUNITY APPLICATION CONTENT REQUIREMENTS

The County shall require all project applicants for New Communities to provide the County with the following information:

- a. A Project Summary that includes: a project description, site history, discussion of the roles of the applicant and County in preparation of the Specific Plan and applicable CEQA environmental review, identification of the anticipated planning issues that will need to be addressed through the application process, and an estimated project schedule.
- b. Completed General Plan Amendment and Zone Change applications.
- c. A Specific Plan consistent with State specific plan requirements, including the location and intensity of planned land uses and circulation system. The plan should result in a more dense land use pattern than would normally be allowed under existing General Plan designations and zoning, provide the opportunity for a mix of land uses and densities (e.g., residential, commercial, mixed-use, employment generating, and public facilities), ensure access and efficient movement by multiple modes of transportation (e.g., car, transit, bicycle, and pedestrians); and provide for energy efficiency and water conservation.
- d. An Infrastructure Master Plan that identifies public and private infrastructure needs; service district or assessment area formation details; a development phasing plan; and a strategy for the installation, operations, and ongoing maintenance of infrastructure required to support the new community. The Plan should include facility designs and operation techniques that promote energy efficiency and water conservation. The plan shall be consistent with all

applicable private, local, regional, State, and Federal infrastructure regulations and programs related to transportation, sewage and wastewater treatment, water quality and quantity, drainage, parks and open space, and any other public facilities, infrastructure, and services.

- e. A Fiscal Impact Analysis that includes an assessment of projected tax revenues compared to projected County service costs in order to demonstrate that the community will have a fiscally neutral or positive impact on the County and any special districts that provide services to the project.
- f. A Water Supply Assessment that demonstrates access to adequate existing and future water supply for the project.
- g. A Public Service Financing Program to ensure that upon buildout the New Community will provide or fund a full range of needed public services, including fire protection, law enforcement, parks, library, community center, and other necessary public services.
- h. A commitment to enter into a Reimbursement Agreement requiring deposits into a Trust Fund with San Benito County for all, or an agreed upon portion, of the estimated staff costs for processing the application, including the costs for preparing the applicable CEQA environmental review.

LU-8.5 SUSTAINABLE NEW COMMUNITIES

The County shall encourage New Communities to be planned and designed to reflect the spirit and intent of sustainable growth strategies, such as providing, as appropriate to the site and scale of the proposed New Community:

- a. easy access to major transportation links, transit, and bicycle networks;
- b. a balance between jobs and housing;
- c. good internal connectivity and good connectivity to the community at large;
- d. a reduced parking footprint; a transportation demand management program;
- e. institutions such as schools within walking distance from residences;
- f. distinct, compact, walkable neighborhoods, each with a recognizable center;
- g. walkable streets with shade trees and sidewalks or walking paths; h. habitat avoidance and conservation plans; and
- h. restoration of resources such as riparian corridors; and permanent preservation of open space.

LU-8.6 NEW COMMUNITY INFRASTRUCTURE COMMITMENTS

The County shall require project applicants for New Communities to study and commit to the County, through a development agreement, that water, wastewater, transportation, and other necessary infrastructure needs can be provided as part of the approval of any New Community.

LU-8.7 NEW COMMUNITY PUBLIC SERVICES COMMITMENTS

The County shall require project applicants for New Communities to study and commit to the County, through a development agreement, that necessary long-term public services funding can be provided as part of the approval of any New Community.

LU-8.8 TRANSPORTATION EFFICIENCY OF NEW COMMUNITIES

The County shall encourage New Communities to be designed to maximize internal transportation efficiency through designs that minimize trip generation. Design features could include higher density residential uses near employment uses, schools, and neighborhood retail, as well as enhanced pedestrian, bicycling, and transit opportunities.

LU-8.9 CONSERVATION OF LAND

The County encourages project applicants for New Communities to use conservation techniques, such as the techniques contained in policies under Goals 3 and 4 of the Land Use Element, as an incentive to protect farmland and focus future development away from the most productive farmland. (RDR/MPSP)

LU-8.10 NEW COMMUNITY CONNECTIVITY REQUIREMENTS

To support integrated land use planning that fosters connectivity between land uses and the circulation system in New Communities, the County shall encourage the following parameters to reduce barriers to connectivity:

1. Limit the use of fences and walls around New Communities or Planned Developments, or public thoroughfares that create barriers for multi-modal travel and an integrated circulation system;
2. Design parking areas near mixed-use, multifamily, and other high-density housing planned developments to be well-connected, and to accommodate pedestrian routes, as appropriate to the context;
3. Provide multiple access points (roadways, bicycle paths through cul-de-sacs) for multimodal types of transportation (vehicular, bicycle, pedestrian) so that the new communities are well-connected and provide a comprehensive network of traffic without undue concentration;
4. Discourage sound walls within New Communities and instead encourage other design solutions to address noise issues, that may include traffic distribution across a well-connected and configured network, narrower roadways, and traffic calming measures, as appropriate to the context; and
5. Encourage additional trail and street connections between proposed New Communities and Planned Developments and established neighborhoods, as appropriate to the context.

As previously mentioned, the boundaries of these areas are conceptual and no specific number of acres or development potential has been quantified for any of the study areas. However, some form of high-level economic value should be assigned for these study areas as they were identified in the in the General Plan.

GENERAL PLAN ENVIRONMENTAL IMPACT REPORT

The General Plan Environmental Impact Report (EIR) analyzed the environmental effects of development of the commercial nodes at a programmatic level. The total anticipated acreages for each node land use type were identified: Commercial Neighborhood 159 acres, Commercial Thoroughfare

283 acres, and Commercial Regional 126 acres. The General Plan EIR did not assume all land uses depicted in the Land Use Diagram would be built out to their maximum potential by 2035. Instead, the General Plan EIR evaluated the impacts of forecasted development that will likely occur through the year 2035. General Plan EIR analysis was based on an analysis of likely population and job growth, utilizing conservative population, housing, and employment forecasts to evaluate the reasonably foreseeable impacts of 2035 General Plan buildout (General Plan Land Use Diagram and General Plan EIR pp. 4-5, 4-8 and 4-12). Table 1, General Plan EIR 2035 Build-out Assumptions, summarizes the build-out scenario used in the General Plan EIR.

The General Plan EIR analyzed two buildout scenarios: Scenario 1 the Hollister-Centered Growth Scenario and Scenario 2 the New Community Study Areas Plus Hollister General Plan Growth Scenario.

The 2035 General Plan accommodated projected growth by designating new areas for higher intensity development than currently exists, primarily in and around the incorporated City of Hollister. The certified General Plan EIR analyzes this development plan as Scenario 1, the Hollister-Centered Growth Scenario. This scenario envisions that the majority of new population growth, likely with buildout under the proposed 2035 Land Use Diagram, would occur in the unincorporated area of the County in and around the City of Hollister Sphere of Influence.

Although the Board of Supervisors only adopted a policy statement in the General Plan concerning the County’s desire to study the possibility of new communities in the future and does not authorize or endorse development in a New Community Study Area, in order to be conservative, the General Plan EIR nonetheless provides, where it is possible and reasonable to do so, a high-level forecast of the potential environmental impacts of locating a higher percentage of the anticipated population growth nearer the County’s northern boundary. This forecast is called Scenario 2, the New Community Study Areas Plus Hollister General Plan Growth Scenario. The EIR assumes that under Scenario 2 the population and jobs in the County would be roughly equal to that expected under Scenario 1 but that the development would occur both in and around Hollister and for forecasting purposes along the Highway 25 corridor to the north.

Table 1: General Plan EIR 2035 Build-out Assumptions

Scenario 1- 2035			Scenario 2- 2035		
Population	Dwelling Units	Jobs	Population	Dwelling Units	Jobs
54,581	20,269	11,880	54,581	20,269	13,470

Source: San Benito County 2015 (General Plan EIR Table 4-6)

The General Plan EIR analysis quantified Prime Farmland, Farmland of Statewide Importance, and Unique Farmland that was anticipated for conversion to commercial uses. Table 2, Farmland Conversion Analyzed in General Plan EIR, summarizes the number of acres of each type of farmland that might be converted.

Table 2: Farmland Conversion Analyzed in General Plan EIR

Land Use Designation	Prime Farmland	Statewide	Unique
Commercial Neighborhood	59 acres	0 acres	0 acres
Commercial Thoroughfare	204 acres	16 acres	0 acres
Commercial Regional	25 acres	0 acres	0 acres
Total	288 acres	16 acres	0 acres

Source: San Benito County 2015 (General Plan EIR Table 6-7)

2. INITIATIVE MEASURE

The voters of San Benito submitted the Preserve Our Agricultural and Rural Lands Initiative (initiative) in February of 2020. This initiative proposes to amend the San Benito County General Plan, including its Land Use Diagram, to

1. readopt the Agriculture (A), Rural (R), and Rangeland (RG) land use designations, such that through December 31, 2049, they may only be amended or re-designated by a vote of the people, with limited exceptions; and
2. remove certain commercial land use designations and re-designate lands previously subject to those designations. The changes apply to lands within the unincorporated area of San Benito County.

The initiative proposes to amend the San Benito County General Plan Land Use Element to remove areas established in 2015 for potential commercial development known as “commercial nodes,” designated “to promote commercial uses on strategic unincorporated parcels in order to accommodate commercial demand, promote economic development, and increase revenue.”

Four “Commercial Regional Nodes” located along U.S. Highway 101 would be removed. Under the 2015 General Plan “uses could include shopping centers, truck and automobile stations, tourist-serving commercial uses, and hotels/motels,” subject to design review. Commercial Regional Nodes to be removed are located at:

- U.S. Highway 101/Betabel Road;
- U.S. Highway 101/Highway 129;
- U.S. Highway 101/Cole Road (Livestock 101); and
- U.S. Highway 101/San Juan Road

Nine “Commercial Thoroughfare Nodes,” designated “to provide commercial services for motorists... to capture pass-through traffic and allow for commercial uses that serve the agricultural and rural unincorporated community,” would be deleted. Uses could include small shopping centers, truck and automobile stations, and tourist-serving commercial uses. Commercial Thoroughfare Nodes to be removed are located at:

- Highway 156/Union Road;
- Highway 156/Fourth Street;
- Highway 156/Highway 25;
- Highway 156/San Felipe Road;

- Highway 156/Fairview Road;
- Highway 25/Shore Road;
- Shore Road/San Felipe Road;
- Union Road/San Benito Street; and
- Tres Pinos

Three “Commercial Neighborhood Nodes” designated to “provide convenience goods within or near communities or other concentrations of population,” such as “local businesses, with a destination retailer or restaurant” and “mixed-use developments that could include residential, retail, and office uses.” Commercial Neighborhood Nodes to be removed are located at:

- Fallon Road/Fairview Road;
- Highway 25/Fairview Road; and
- Paicines

All commercial nodes identified above would be deleted from the General Plan land use maps and text. Future commercial development in the unincorporated area of the County would be limited to areas designated for residential mixed use, three approved Specific Plans areas, and some of the previously existing “Commercial Neighborhood” designated lands in Aromas, Paicines, and Tres Pinos. The initiative would require voter approval for any future General Plan amendment for the next thirty 30 years, through December 31, 2049, that would re-designate any land designated Agricultural, Rangeland, or Rural in the County to any other use, other than open space, parks, or public facilities.

This initiative would remove Commercial Regional (CR) and Commercial Thoroughfare (CT) from among the available land use designations in the County, and would re-designate all lands currently designated Commercial Regional (CR) and Commercial Thoroughfare (CT) and some lands currently designated Commercial Neighborhood (CN) to different land uses.

Voter approval would be necessary for development of any of the four designated New Community Study Areas: Bolsa, Fairview, San Juan, or Union. Voter approval would be in addition to the state law mandated approval process for General Plan amendments (preparation of a specific plan to designate General Plan direction and Zoning Standards), which would also include compliance with the California Environmental Quality Act, public notice, and public hearings conducted by the Planning Commission and the Board of Supervisors.

A limited exception to the voter approval requirement is provided for re-designation of land for development of low and very low-income housing following specified procedures and if findings are made that:

- The land area will not exceed the minimum necessary to comply with state law.

- The development is immediately adjacent to existing compatible development and can be provided with all public services.
- The development meets the highest priority need for which the County is not in compliance with state law.
- No other existing residentially designated land is available to feasibly accommodate the proposed development.

The Board of Supervisors, following at least one public hearing, and after compliance with the California Environmental Quality Act, may, without approval by a vote of the people, amend the General Plan to re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) as necessary to comply with state law regarding the provision of housing for all economic segments of the community. Such amendment may be adopted only if the Board of Supervisors makes each of the following findings based on substantial evidence:

- i. The proposed development is necessary to comply with State law requirements for the provision of low-and very-low-income housing and the area of land proposed to be re-designated will not exceed the minimum area necessary to comply with State law;
- ii. The proposed development is immediately adjacent to existing compatibly developed areas and the applicant for the amendment has provided to the County evidence that the Fire Department, Police Department, Department of Public Works, Resource Management Agency, water and sewer districts, and school districts with jurisdiction over such land have or will provide adequate capacity to accommodate the proposed development and provide it with adequate public services;
- iii. The proposed development will address the highest priority need identified in the analysis by which the County has determined it is not in compliance with state law, (i.e., low- and very low-income housing);
- iv. There is no other existing residentially designated land available to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands other than those designated Agriculture (A), Rural (R), or Rangeland (RG); and
- v. Notice of such proposed amendment has been given according to the County's standard notice requirements to the owners of properties adjacent to the proposed development, and additionally, notice has been given no fewer than 30 days prior to the proposed amendment's appearance on the Board of Supervisors' agenda, to: (1) LAFCO, (2) any city in whose Sphere of Interest the property to be re-designated is located, and (3) all parties that have requested such notice by placing their name and contact information with the Clerk of the Board of Supervisors.

3. DEVELOPMENT CAPACITY

CALCULATION OF DEVELOPMENT CAPACITY WITHIN NODES

The General Plan EIR identified total anticipated acreages for each node land use type: Commercial Neighborhood 159 acres, Commercial Thoroughfare 283 acres, and Commercial Regional 126 acres. Because the General Plan did not identify specific boundaries for any commercial nodes (but rather identified the nodes as dots on a map-refer to Figure 1-1, specific acreages or boundaries were not allocated to each node. Therefore, EMC Planning Group utilized the four Regional Commercial node boundaries already adopted by the Board of Supervisors for this evaluation. EMC Planning Group then mapped hypothetical node boundaries for the nine Commercial Thoroughfare and the three Commercial Neighborhood nodes. EMC Planning Group utilized the acreage identified in the General Plan EIR for each node type as a starting point, because those acreages were determined to be a reasonable expectation of development under the General Plan.

COMMERCIAL REGIONAL

While the San Benito Zoning Code includes C-1 (Thoroughfare Commercial) and C-2 (Neighborhood Commercial) zoning classifications, the code did not include a zoning classification that correlated with the Commercial Regional land use designation. Therefore, in 2019, the Board of Supervisors approved a C-3 Regional Commercial District and re-zoned the four Regional Commercial nodes along U.S. Highway 101 to C-3. These actions delineated specific boundaries for the four Commercial Regional nodes, totaling 298.5 acres, and a C-3 Regional Commercial zoning code section with development standards was added to the San Benito County zoning code. Addenda to the certified General Plan EIR were prepared for each node and considered by the Board of Supervisors. The Addenda analyzed the impacts associated with an increase in Commercial Regional acreage from the 126 acres identified in the General Plan EIR to 298.5 and determined that no new or substantially more significant impacts would occur than those identified in the General Plan EIR.

A citizen's referendum suspended the C-3 zoning code, but left the C-3 node boundaries in place. Therefore, in this analysis, the existing Commercial Regional boundaries are considered for the four Commercial Regional Nodes.

COMMERCIAL THOROUGHFARE AND COMMERCIAL NEIGHBORHOOD

The Commercial Thoroughfare and Commercial Neighborhood hypothetical boundaries were drawn based on the general node location identified on General Plan Land Use Diagram Figure 3-2, underlying general plan and zoning designations, perceived developability of the area from a market standpoint, surrounding uses, and identified constraints such as topography, prime farmland, accessibility etc. EMC Planning Group then identified potential generalized use types for each node based on the above criteria.

Because the General Plan EIR analyzed general population and employment forecasts rather than specific land use buildout scenarios, urban development was considered generally rather than by

specific land use designation type. Therefore, EMC Planning Group combined the Commercial Thoroughfare and Commercial Neighborhood acreages (442 acres) identified in the General Plan EIR. More of the acreage was ultimately allotted to Commercial Thoroughfare nodes than Commercial Neighborhood nodes, as there was a greater market-based developability of those areas. However, the total acreage identified still fits within buildout scenarios analyzed in the General Plan EIR.

COMMERCIAL NODES WITH UNDERLYING URBAN LAND USE DESIGNATIONS

Several of the node areas have underlying General Plan land use designations that allow for urban development including Residential Mixed, Commercial Thoroughfare, and Commercial Neighborhood. This initiative would remove Commercial Regional and Commercial Thoroughfare from among the available land use designations in the County, and would re-designate all lands currently designated Commercial Regional and Commercial Thoroughfare and some lands currently designated Commercial Neighborhood to different land uses. This effectively deletes both node types (Commercial Regional and Commercial Thoroughfare) and the underlying General Plan commercial designations (excluding limited areas of Commercial Neighborhood).

RESIDENTIAL MIXED

Because the initiative would not affect areas that have a Residential Mixed General Plan land use designation underlying any node designation, those acreages were subtracted from the total acreage identified for each node. For example, the Highway 25/Fairview Road node, as mapped, has a Residential Mixed General Plan land use designation that would allow for commercial development. Therefore, the initiative's removal of its overlying Commercial Thoroughfare node designation would not impact the ability of the area to be built out with commercial uses within the boundary identified.

COMMERCIAL THOROUGHFARE

Nodes with an underlying General Plan Commercial Thoroughfare designation would lose both the node designation and the underlying Commercial Thoroughfare designation because the initiative removes this land use designation from the General Plan. Therefore, all acreage with an underlying Commercial thoroughfare designation would lose the ability to develop commercial uses and are considered in the development capacity, except in those specific cases where Commercial Thoroughfare designations are re-designated to Commercial Neighborhood designations by the initiative measure as discussed below.

COMMERCIAL NEIGHBORHOOD

The initiative measure deletes all Commercial Neighborhood node designations, excluding areas in Tres Pinos, Aromas, and Paicines. One area of Paicines is re-designated from Commercial Thoroughfare to Commercial Neighborhood. Therefore, the development capacity of this area is not lost and was not considered in the overall development capacity.

AREAS WITH COMMERCIAL ZONING

The initiative measure does not affect the zoning designations of existing commercially designated areas within the County. However, by removing the commercial General Plan land use designation,

redevelopment or new development of areas with underlying commercial zoning, where discretionary permits are required, may not be legally supportable as the development may no longer be consistent with the General Plan designation. There are also a number of areas with Agriculture or Rangeland General Plan land use designations that have commercial zoning, and these would be unaffected.

DEVELOPMENT CAPACITY CALCULATION

All commercial designations in the General Plan EIR have a Floor Area Ratio (FAR) maximum of 0.8. EMC Planning Group started with this FAR for each node and adjusted it according to realistic developability of each node to come up with the overall potential development capacity. Ultimately, the FAR for each identified node was reduced to either 0.35 or 0.45, so that the total development included within this analysis is about half the potential allowed by the General Plan. Section 5.0 below discusses individual commercial nodes, underlying commercial, and standalone commercial designations and associated development capacity. The already developed parcels that were not included in net acreage for the nodes, but listed separately, were assigned the same FAR as the node they are located in.

The potential development capacity of each of the commercial nodes was estimated. Each node has unique characteristics, so the development capacity for each was calculated separately, using a probable and representative development scenario for that particular node.

REGIONAL COMMERCIAL NODES

U.S. HIGHWAY 101/BETABEL ROAD

This node is located along Betabel Road west of U.S. Highway 101. The node comprises about 29 acres. The node is immediately south of a recreational vehicle park, and a portion of this node was previously developed with assorted businesses, which have now been removed. The County’s C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node. The node was recently re-zoned to C-1, following removal of the C-3 code section.

Regional Commercial U.S. Highway 101/Betabel Road SUMMARY	
Acres:	29
Development Density:	FAR of 0.35. Two-story lodging with 750 square feet per room gross.
Development Scenario:	Visitor-serving commercial: 313,546 square feet retail vehicle fueling 125 lodging rooms visitor and guest attractions

U.S. HIGHWAY 101/HIGHWAY129

This node comprises about 33 acres at the intersection of Highway 129 and Searle Road, west of U.S. Highway 101. The node has no permanent structures, but portions of the node are used for nursery production and temporary retail sales. The node includes 2.5 acres with C-1 zoning. The County’s C-3

zoning code which was removed from the County code through a referendum process in March 2020, included this node.

Regional Commercial U.S. Highway 101/Highway 129 SUMMARY	
Acres:	33
Development Density:	FAR of 0.35. Two-story lodging with 750 square feet per room gross.
Development Scenario:	Roadside convenience commercial: 91,259 square feet retail vehicle fueling 125 lodging rooms

U.S. HIGHWAY 101/COLE ROAD

This node comprises about 159 acres. Portions of this node are developed with a livestock sales market, related retail business, and horse boarding facilities, and other portions of the node are vacant land used for grazing. Several houses are located within the node. This node has a public access from southbound U.S. Highway 101 and a private access from Cole Road. The node includes 16 acres with C-2 zoning. The County’s C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node under the name “Livestock 101.”

Regional Commercial U.S. Highway 101/Cole Road SUMMARY	
Acres:	159
Development Density:	FAR of 0.35. One-story lodging with 750 square feet per room gross.
Development Scenario:	Destination and roadside convenience commercial: 30,500 square feet existing retail 553,670 square feet additional retail vehicle fueling 125 lodging rooms visitor and guest attractions 3 existing residential units

U.S. HIGHWAY 101/SAN JUAN ROAD

This node comprises about 77 acres northeast of U.S. Highway 101 and San Juan Road. The land within the node is vacant. The County’s C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node under the name “Rocks Ranch.” The upper 19-acre site within this node has been sold to an open space authority, so this acreage is netted out, leaving about 58 acres.

Regional Commercial U.S. Highway 101/San Juan Road SUMMARY	
Acres:	77
Development Density:	FAR of 0.35. One-story lodging with 750 square feet per room gross.
Development Scenario:	Roadside convenience commercial: 432,922 square feet retail vehicle fueling 125 lodging rooms

THOROUGHFARE COMMERCIAL NODES

HIGHWAY 156/UNION ROAD

This node is located north and south of Highway 156 and accessed from Mitchell Road and Union Road at the Highway 156/Union Road intersection. This node comprises about 7 acres. Most of the node is vacant or farmed land. One parcel is occupied by a bar and grill and has M-2 zoning.

Thoroughfare Commercial U.S. Highway 156/Union Road NODES ANALYSIS SUMMARY	
Acres:	7.3
Development Density:	FAR of 0.35. Two-story lodging with 750 square feet per room gross.
Development Scenario:	Roadside convenience commercial: 11,675 square feet retail vehicle fueling 125 lodging rooms

HIGHWAY 156/FOURTH STREET

This node is located to the southeast of the intersection of Highway 156 and Fourth Street (Business Route 156) west of Hollister. The node comprises about 7.8 acres. The land within this node is vacant grazing land.

Thoroughfare Commercial U.S. Highway 156/Fourth Street NODES ANALYSIS SUMMARY	
Acres:	7.8
Development Density:	FAR of 0.35.
Development Scenario:	Roadside convenience commercial: 25,169 square feet retail 125 lodging rooms

HIGHWAY 156/HIGHWAY 25

This node occupies land adjacent to the highway intersection. This node comprises about 78.4 acres. The land within this node is farmed. The node is at the intersection of two regional highways and close to the Hollister Airport.

Thoroughfare Commercial U.S. Highway 156/Highway 25 NODES ANALYSIS SUMMARY	
Acres:	78.4
Development Density:	FAR of 0.35. Two- or three-story lodging with 750 square feet per room gross.
Development Scenario:	Visitor-serving, regional, and roadside convenience commercial: 648,888 square feet retail vehicle fueling and truck stop services 250 lodging rooms

HIGHWAY 156/SAN FELIPE ROAD

This node occupies land adjacent to the intersection. This node comprises about 320 acres. Most of the land within this node is grazing land. There is one set of farm buildings. The easternmost land is within a flood zone.

Thoroughfare Commercial U.S. Highway 156/San Felipe Road NODES ANALYSIS SUMMARY	
Acres:	320.5
Development Density:	FAR of 0.35. Two- or three-story lodging with 750 square feet per room gross.
Development Scenario:	Visitor-serving, regional, and roadside convenience commercial: 3,054,248 square feet retail vehicle fueling and truck stop services 250 lodging rooms

HIGHWAY 156/FAIRVIEW ROAD

This node occupies land adjacent to the intersection. This node comprises about 10 acres. The land within this node is farmed.

Thoroughfare Commercial U.S. Highway 156/Fairview Road NODES ANALYSIS SUMMARY	
Acres:	10
Development Density:	FAR of 0.35. Two-story lodging with 750 square feet per room gross.
Development Scenario:	Roadside convenience commercial: 52,839 square feet retail vehicle fueling 125 lodging rooms

HIGHWAY 25/SHORE ROAD

This node is assumed to occupy land on one corner of the intersection. This node comprises about three acres. The land within this node is grazed.

Thoroughfare Commercial U.S. Highway 25/Shore Road NODES ANALYSIS SUMMARY	
Acres:	3
Development Density:	FAR of 0.35.
Development Scenario:	Roadside convenience commercial: 45,738 square feet retail

SHORE ROAD/SAN FELIPE ROAD

This node is located in the unincorporated community of Dunneville. The node comprises about seven acres. The land within this node includes the Dunneville Market and Café and undeveloped farmland. The 1.3-acre parcel on which the Dunneville Market is located has an underlying General Plan land use designation of Thoroughfare Commercial and is zoned C-2.

Thoroughfare Commercial Shore Road/San Felipe Road NODES ANALYSIS SUMMARY	
Acres:	7.2 (an additional 1.3 acres has an underlying General Plan land use designation of Thoroughfare Commercial)
Development Density:	FAR of 0.35.
Development Scenario:	Local-serving commercial: 89,951 square feet retail 19,800 square feet existing retail

UNION ROAD/SAN BENITO STREET

This node is located adjacent to the Hollister city limits. The node comprises about 30 acres. The land within the node is vacant. The upcoming reconstruction of the Union Road bridge and realignment of the Union Road/San Benito Street intersection will re-configure parcels located at that intersection. The land east of San Benito Street has an underlying General Plan land use designation of Residential Mixed. The land to the west of San Benito Road has a General Plan land use designation of Rural Residential and is zoned C-2.

The development scenario at this node includes 201,901 square feet of retail.

Thoroughfare Commercial Union Road/San Benito Street NODES ANALYSIS SUMMARY	
Acres:	10.3 (20 acres of land within this node has an underlying urban General Plan land use designation)
Development Density:	FAR of 0.45.
Development Scenario:	Local-serving and roadside convenience commercial: 201,901 square feet retail

TRES PINOS

This node is located in the unincorporated community of Tres Pinos. The node comprises about 13 acres along Highway 25. The node is comprised of 19 parcels and portions of parcels. Seven of the parcels include vacant land, measuring about 11 acres; the remaining land has a combination of commercial and residential buildings. New development is expected to be similar in character to the existing commercial uses. All of the commercial land along Highway 25 in Tres Pinos has an underlying General Plan designation of either Neighborhood Commercial (north of Third Street) or Thoroughfare Commercial (south of Third Street). The commercial nodes initiative would re-designate the Thoroughfare Commercial to Neighborhood commercial, and would not significantly affect the development capacity in Tres Pinos.

Thoroughfare Commercial Tres Pinos NODES ANALYSIS SUMMARY	
Acres:	0 (all land has an underlying General Plan land use designation of Commercial Neighborhood and Commercial Thoroughfare, and commercial designations would be retained)
Development Density:	Not applicable
Development Scenario:	39,200 square feet existing retail Additional development with underlying urban General Plan land use designation.

NEIGHBORHOOD COMMERCIAL NODES

FALLON ROAD/FAIRVIEW ROAD

This node is located at the intersection of these two County roads. The node comprises about four acres. The node is developed with a house and a business. The existing business as M-2 zoning. This scenario assumes most of the existing buildings and uses remain.

Neighborhood Commercial Fallon Road/Fairview Road NODES ANALYSIS SUMMARY	
Acres:	4.4
Development Density:	FAR of 0.35.
Development Scenario:	Local-serving commercial: 67,082 square feet retail

HIGHWAY 25/FAIRVIEW ROAD

This node is located at and near the Gavilan Community College Hollister campus site, adjacent to the Hollister city limits. The node comprises 12 acres, of which about 7 acres are within the Gavilan Community College property. All of the land within this node has an underlying General Plan land use design of Residential Mixed.

Neighborhood Commercial Highway 25/Fairview Road SUMMARY	
Acres:	0 (all land has an underlying General Plan land use designation of Residential Mixed)
Development Density:	FAR of 0.45.
Development Scenario:	Development with underlying urban General Plan land use designation.

PAICINES

This node is located in the unincorporated community of Paicines. Commercial development within Paicines consists of the general store and a winery. Existing development is assumed to remain but could be augmented. The land on which the store and winery are located has a General Plan land use designation of Commercial Neighborhood. Although the store has a current Commercial Neighborhood General Plan land use designation, that designation is not included on Exhibits A, B, and C of the initiative, and is assumed to be removed.

Neighborhood Commercial Paicines NODES ANALYSIS SUMMARY	
Acres:	0 (all land has an underlying General Plan land use designation of Commercial Neighborhood)
Development Density:	For new development, FAR of 0.35.
Development Scenario:	Additional development with underlying urban General Plan land use designation.

SPECIFIC EXISTING COMMERCIAL USES

The proposed initiative would have indirect, but potentially adverse, effects on several existing businesses within the County, for which the commercial General Plan land use would be removed. There are a number of other existing commercial uses, and some vacant parcels with commercial zoning, that would be affected less significantly, or not at all, as described below.

In this analysis, it is assumed that existing businesses can operate under consistent zoning, even if that zoning does not directly correlate to the General Plan land use designation. For a ministerial permit (remodeling or re-construction building permit, for example), consistency with the zoning should be adequate. It is best, however, if the existing commercial use is consistent with both the General Plan land use designation and the zoning designation and standards. If a discretionary permit was required, such as for a conditional use permit, the Planning Commission or Board of Supervisors can make more adequate findings concerning General Plan consistency if the General Plan land use designation clearly supports the use.

This section provides details on several specific commercial land uses and describes the extent to which the initiative would affect those uses. Note that the initiative affects only General Plan land use designations, and does not change the zoning.

EXISTING COMMERCIAL USES LOSE GENERAL PLAN DESIGNATION

DUNNEVILLE CAFÉ AND MARKET AT SHORE ROAD AND FAIRVIEW ROAD (THOROUGHFARE COMMERCIAL NODE / C-2 ZONING).

This commercially developed parcel is within a Thoroughfare Commercial node and also has an underlying General Plan Thoroughfare Commercial land use designation shown on the County's GIS mapping. The initiative would remove the node designation and change the General Plan land use designation to Agriculture.

This café and store are about 6,000 square feet on a 1.3-acre parcel. This parcel has C-2 zoning. Because the existing use is consistent with the zoning, this business should be able to rebuild or expand within the limits of the C-2 district, even if the General Plan commercial land use designation is removed. However, expansion or establishment of a different commercial use requiring a discretionary permit would need to be consistent with the Agriculture General Plan land use designation. Therefore, this parcel would lose potential future re-development capacity. This development capacity is in addition to what is included in the Nodes analysis.

PAICINES STORE AT THE CORNER OF HIGHWAY 25 AND PANOCHÉ ROAD (NEIGHBORHOOD COMMERCIAL NODE / C2 ZONING).

This commercially developed parcel is within a Neighborhood Commercial node and also currently has an underlying Neighborhood Commercial General Plan land use designation shown on the County's GIS mapping. The initiative would remove the commercial node designation and change the General Plan land use designation to Rangeland. This store is about 9,350 square feet on a 1.8-acre parcel that also includes a house. This parcel has C-2 zoning. Because the existing use is consistent with the

zoning, this business should be able to remodel or rebuild the same commercial use within the limits of the C-2 district, even if the General Plan commercial land use designation is removed. However, expansion or establishment of a different commercial use requiring a discretionary permit would need to be consistent with the Agriculture General Plan land use designation. Therefore, this parcel would lose potential future re-development capacity. This development capacity is in addition to what is included in the Nodes analysis.

**CHILLIN AND GRILLIN BAR AND GRILL ON MITCHELL ROAD NEAR THE INTERSECTION OF HIGHWAY 156 AND UNION ROAD
(THOROUGHFARE COMMERCIAL NODE / M-2 ZONING).**

This commercially developed parcel is within a Thoroughfare Commercial node. The initiative would change the General Plan land use designation to Agriculture. This bar and grill are about 2,400 square feet on a 0.3-acre parcel. This parcel has M-2 zoning. The bar and grill are not consistent with the uses allowed by M-2 zoning. If the General Plan commercial land use designation is removed, this existing business would not be able to rebuild or expand under the M-2 district. Ministerial permits for a use consistent with the M-2 zoning and the Agriculture General Plan land use designation could be issued. Establishment of a use requiring a discretionary permit would need to be consistent with the Agriculture General Plan land use designation. Therefore, this parcel would lose potential future re-development capacity. This development capacity is in addition to what is included in the Nodes analysis.

**LIVESTOCK 101 LIVESTOCK FACILITIES AND RETAIL ALONG U.S. HIGHWAY 101 NEAR COLE ROAD
(REGIONAL COMMERCIAL NODE / C-2 ZONING).**

This commercial use on three parcels is within a Regional Commercial node. The initiative would change the General Plan land use designation to Rangeland. The office, retail store, auction hall, covered/open stock pens, and horse stalls cover about 30,500 square feet on portions of three parcels. This location has about 16 acres of C-2 zoning. If the General Plan commercial land use designation is removed, this existing would be allowed to continue operations under the C-2 zoning designation, and the business should be able to remodel or rebuild within the limits of the C-2 district. Discretionary permits for expansion of the existing use could also be issued, since the existing use is consistent with the Rangeland General Plan land use designation. However, if the use were to change and required a discretionary permit, unless the use was determined to be consistent with the General Plan Rangeland designation and C-2 commercial, it would not be permitted. Development capacity for this location is included within the Nodes analysis.

RE-DESIGNATION FROM THOROUGHFARE COMMERCIAL TO NEIGHBORHOOD COMMERCIAL

THE INN AT TRES PINOS ON HIGHWAY 25 AT THIRD STREET IN TRES PINOS

SAN BENITO STRENGTH ON HIGHWAY 25 SOUTH OF THIRD STREET IN TRES PINOS

THE 19TH HOLE ON HIGHWAY 25 BETWEEN FIRST STREET AND THIRD STREET IN TRES PINOS.

TRES PINOS RANCH SUPPLY ON THIRD STREET IN TRES PINOS

(THOROUGHFARE COMMERCIAL / C2 ZONING)

These four existing businesses and several acres of vacant land are within the Thoroughfare Commercial node at Tres Pinos. These parcels have C-2 zoning. The Inn at Tres Pinos is a restaurant of about 5,175 square feet, including two buildings, on a 1.2-acre parcel. San Benito Strength is a strength training business in a barn of about 2,700 square feet on a 1.1-acre parcel. The 19th Hole is a restaurant of about 1,500 square feet on a 0.2-acre parcel. Tres Pinos Ranch Supply is a store of about 4,400 square feet on a 0.2-acre parcel. The initiative would change the General Plan land use designation to Neighborhood Commercial.

These businesses, and those within the existing Neighborhood Commercial land use designation north of Third Street are not significantly affected by the initiative, and are not included in the Nodes analysis. These specific locations are included as remaining under a Neighborhood Commercial General Plan land use designation on Exhibits A, B, and C to the initiative. Therefore, there is no additional development capacity included in the analysis.

COMMERCIAL USES UNAFFECTED BY THE INITIATIVE

THE WINERY ON PANOCHÉ ROAD EAST OF HIGHWAY 25 IN PAICINES

(NEIGHBORHOOD COMMERCIAL NODE / C-2 ZONING).

THE MARSHALL'S GROCERY, MARSHALL'S SERVICE, AND AROMAS FEED ON CARPENTERIA ROAD IN AROMAS

(GENERAL PLAN COMMERCIAL NEIGHBORHOOD / C-2 ZONING).

These existing businesses with Commercial Neighborhood General Plan land use designations would not be affected by the initiative. Although the commercial node would be removed in Paicines, these specific locations are included as remaining under a Neighborhood Commercial General Plan land use designation on Exhibits A, B, and C to the initiative.

THE AROMAS GRILL ON CARPENTERIA ROAD IN AROMAS

(GENERAL PLAN RURAL RESIDENTIAL / RR ZONING).

This existing business with a Rural Residential General Plan land use designation would not be affected by the initiative. The initiative does not affect parcels with a Rural Residential General Plan land use designation. This use will continue to be inconsistent with both the General Plan land use designation and zoning.

**FAIRVIEW MARKET ON FAIRVIEW ROAD NORTH OF FALLON ROAD
(GENERAL PLAN AGRICULTURE / C-2 ZONING).**

**PANOCHÉ INN ON PANOCHÉ ROAD WEST OF LITTLE PANOCHÉ ROAD
(GENERAL PLAN AGRICULTURE / C-2 ZONING).**

**TANIMURA AND ANTLE OFFICES ON FAIRVIEW ROAD EAST OF DUNNEVILLE
(GENERAL PLAN AGRICULTURE / C-2 ZONING).**

**FERGUSSON PLUMBING SUPPLY AND DeBRITO CHOCOLATE FACTORY ON WRIGHT ROAD (GENERAL PLAN
AGRICULTURE / C-1 ZONING).**

**EDEN RIFT WINERY, DeROSE WINERY, AND A QUARRY ON CIENGA ROAD SOUTH OF THE HOLLISTER HILLS
STATE OFF-ROAD RECREATION AREA
(GENERAL PLAN AGRICULTURE / C-2 ZONING).**

These businesses are representative of parcels that have an Agriculture General Plan land use designation, but a C-1 or C-2 zoning. There are several other parcels with a variety of small businesses, some operating out of homes or farms, that have a commercial use and commercial zoning within an area of an Agriculture or Rangeland General Plan land use designation. The initiative would not affect these General Plan land use designations or these existing businesses.

EFFECTS ON DEVELOPMENT CAPACITY

Table 5, Existing Commercial Uses with Potential Adverse Effect from Initiative, summarizes those commercial uses that would or could be affected by the initiative in terms of development capacity.

Table 3: Existing Commercial Uses with Potential Adverse Effect from Initiative

Name	Current GP and Zoning	GP with Initiative	Lost Redevelopment Capacity
Dunneville Café and Market	CT Node C-2	A	1.3 acres at FAR .35 = 19,820 square feet
Paicines Store	CN Node C-2	R	1.8 acres at FAR .35 = 27,443 square feet
Chillin and Grillin	CT Node M-2	A	0.3 acres at FAR .35 = 4,574 square feet

Source: EMC Planning Group 2020

DEVELOPMENT CAPACITY REDUCED BY INITIATIVE

The proposed initiative would reduce commercial development capacity within the County by eliminating two of the General Plan's commercial land use designations, and reverting land under those designations to Agriculture and Rangeland designations.

Table 4, 2035 General Plan Full – Buildout and Development Capacity Reductions, summarizes those commercial uses that would or could be affected by the initiative in terms of full-buildout development capacity.

Table 4: 2035 General Plan Full-Buildout and Development Capacity Reductions

Location	Net Acres	FAR	Total Square Feet	Rooms	Retail	Auto/ Truck	Office/ R&D	Specific Notes
CT Node Hwy 156/Union Road	7.0	0.35	106,722	125	11,675	1,297	0	1, 2
CT Node Hwy 156/Fourth Street	7.8	0.35	118,919	125	25,169	0	0	1
CT Node Hwy 156/Hwy 25	73.1	0.35	1,114,483	250	648,888	46,349	231,746	1
CT Node Hwy 156/San Felipe Road	320.5	0.35	4,886,343	250	3,054,248	1,174,711	469,884	1
CT Node Hwy 156/Fairview Road	10	0.35	152,460	125	52,839	5,871	0	1
CT Node Hwy 25/Shore Road	3	0.35	45,738	0	45,738	0	0	
CT Node Shore Road/San Felipe Road	5.9	0.35	89,951	0	89,951	0	0	3
CT Node Union Road/San Benito Street	10.3	0.45	201,901	0	201,901	0	0	4
CT Node Tres Pinos	0	0.45	0	0	0	0	0	5
CN Node Fallon Road/Fairview Road	4.4	0.35	67,082	0	67,082	0	0	
CN Node Hwy 25/Fairview Road	0	0.45	0	0	0	0	0	6
CN Node Paicines	0	0.35	0	0	0	0	0	7
CR Node U.S. Highway 101/Betabel Road	29	0.35	442,134	125	313,546	34,838	0	1, 8
CR Node U.S. Highway 101/ Highway 129	12.8	0.35	195,149	125	91,259	10,140	0	1, 8
CR Node U.S. Highway 101/Cole Road	46.5	0.35	708,939	125	553,670	61,519	0	1, 8
CR Node U.S. Highway 101/San Juan Road	37.7	0.35	574,774	125	432,922	48,102	0	1, 8
SUBTOTAL	568.0		8,704,595	1,375	5,588,887	1,382,828	701,630	
Dunneville Store	1.3	0.35	19,820	0	19,820	0	0	
Paicines Store	1.8	0.35	27,443	0	27,443	0	0	
Chillin and Grillin	0.3	0.35	4,574	0	4,574	0	0	
GRAND TOTAL	571.4		8,756,432	1,375	5,640,724	1,382,828	701,630	

Source: EMC Planning Group

NOTES: CT = Thoroughfare Commercial; CN = Neighborhood Commercial; CR = Regional Commercial

1. Hotels are assumed to total 750 gross square feet per guest room.
2. Chillin and Grillin is not included in net acres
3. Dunneville Store is not included in net acres
4. Land east of San Benito Street with Residential Mixed General Plan designation is not included in net acres.
5. All of the commercial areas of Tres Pinos retain a commercial designation, and are not included in net acres.
6. Land at this node has a Residential Mixed General Plan designation and is not included in net acres.
7. Paicines Store is not included in net acres. Winery retains a commercial designation and is not included in net acres.
8. Regional Commercial nodes net acreage is total acres within C-3 zoning boundary adjusted for topography and other constraints.

DEVELOPMENT BY 2035

The total full-buildout development capacity of the Rural Nodes affected by the Voter Initiative is estimated at about 8.7 million sq. ft. (Table 5-2). The General Plan envisions a development horizon year of 2035; however, the market may not absorb all of the development capacity by this time. This section of the report analyzes market trends for the major land uses included in the Nodes and projects that by 2035 about 2.2 million sq. ft. would likely develop at the Nodes (Table 5). The discussion below describes the data analyzed to reach this conclusion.

Table 5: 2035 General Plan Nodes Development Projection

NODE	Total Dev SF	Lodging SF	Rooms	Retail	Auto/Truck	Office/R&D
Thoroughfare Commercial						
Hwy 156/Union Road	0	0	0	0	0	0
Hwy 156/Fourth Street	0	0	0	0	0	0
Hwy 156/Hwy 25	403,203	93,750	125	36,157	41,550	231,746
Hwy 156/San Felipe Road	640,073	0	0	170,189	0	469,884
Hwy 156/Fairview Road	52,839	0	0	52,839	0	0
Hwy 25/Shore Road	45,738	0	0	45,738	0	0
Shore Road/San Felipe Road	0	0	0	0	0	0
Union Road/San Benito Street	201,901	0	0	201,901	0	0
Tres Pinos*	0	0	0	0	0	0
Subtotal	1,343,754	93,750	125	506,824	41,550	701,630
Neighborhood Commercial						
Fallon Road/Fairview Road	67,082	0	0	67,082	0	0
Hwy 25/Fairview Road*	0	0	0	0	0	0
Paicines*	0	0	0	0	0	0
Subtotal	67,082	0	0	67,082	0	0
Regional Commercial						
U.S. Highway 101/Betabel Road	111,750	93,750	125	12,000	6,000	0
U.S. Highway 101/ Highway 129	111,750	93,750	125	12,000	6,000	0
U.S. Highway 101/Cole Road	0	0	0	0	0	0
U.S. Highway 101/San Juan Road	574,774	93,750	125	432,922	48,102	0
Subtotal	798,274	281,250	375	456,922	60,102	0
TOTAL	2,209,110	375,000	500	1,030,828	101,652	701,630

Source: ADE, Inc. *Note: As discussed further in the analysis, development potential is assigned to the three Nodes at Tres Pinos, Hwy 25/Fairview Avenues, and Paicines, but this potential development is not affected by the Initiative due to the existing zoning at these locations.

RETAIL COMMERCIAL

Most of the development capacity for the Nodes is in retail development, so a major focus of the market projections is the current and future demand for retail growth. Table 6 shows the estimated retail demand from residential development in the unincorporated area. The 2020 calculations are based on 6,695 households in the unincorporated area, and the growth projections to 2035 are based on AMBAG projections of housing growth, at 1.4 percent per year. This results in growth of 1,548 households between 2020 and 2035 in the unincorporated area.

Current household purchasing power is \$119.7 million in non-auto related categories, of which \$101.5 million leaks out of the County unincorporated area. This leakage would support 287,404 sq. ft. of retail development if fully recaptured. Auto sales and gas stations add another \$54 million to the sales

leakage. By 2035, the household retail leakage is projected to grow to \$127.4 million, increasing supportable sq. ft. to 360,976.

Table 6: Unincorporated Area Household Retail Demand and Leakage, 2020 and 2035

Retail Group	2020 Retail Spending (w/o Automotive)	2020 Retail Leakage (w/o Automotive)	2020 Supportable SF	2035 Retail Spending (w/o Automotive)	2035 Retail Leakage (w/o Automotive)	2035 Supportable SF
Total	\$119,072,184	\$101,490,342	287,404	\$146,608,328	\$127,458,211	360,976
Apparel Store Group	\$9,176,292	\$9,144,992	32,344	\$11,298,363	\$11,267,063	39,852
General Merchandise Group	\$30,578,412	\$30,551,625	98,493	\$37,649,849	\$37,623,063	121,292
Specialty Retail Group	\$8,378,401	\$7,538,801	26,890	\$10,315,956	\$9,476,356	33,846
Food, Eating and Drinking Group	\$59,297,877	\$49,046,145	112,002	\$73,010,860	\$62,455,667	143,293
Grocery and Food Stores	\$26,681,402	\$24,964,202	45,204	\$32,851,633	\$31,134,433	56,415
Liquor/Convenience Stores	\$1,312,231	\$0	0	\$1,615,692	\$0	0
Eating Places	\$31,304,243	\$24,081,943	66,798	\$38,543,534	\$31,321,234	86,878
Building Materials and Home Furnishings	\$11,641,203	\$5,208,778	17,674	\$14,333,299	\$6,636,062	22,694
Automotive Group	\$55,638,371	\$53,967,431		\$68,505,072	\$66,592,946	
Vehicles and Parts	\$35,143,982	\$33,473,042	Separate calc.	\$43,271,235	\$41,359,109	Separate calc.
Gasoline Service Stations	\$20,494,389	\$20,494,389	13,062	\$25,233,837	\$25,233,837	16,083

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

There are other sources of retail demand including in-bound commuters, overnight visitors, and business to business transactions. Together, these categories add \$25.5 million in demand in 2020 (Table 7). Including growth in these sectors, total non-auto related leakage would increase to \$223 million by 2035, potentially supporting 591,744 sq. ft. of retail space (Table 8).

We estimate the auto sales demand would support a sales lot of about four acres in size, which would likely include indoor sales space of about 35,000 sq. ft. The gas station demand would potentially support 4-5 new gas stations.

RETAIL METHODOLOGY

The retail market analysis computed multiple components of demand. These include spending from households, commuters, visitors, and business-to-business transactions.

In order to estimate the household spending, ADE utilizes a retail demand model that estimates spending for more than 50 different retail store categories. The model is based on data from the U.S. Economic Census and the U.S. Bureau of Labor Statistics Consumer Expenditure Survey. These datasets estimate the level of demand by merchandise line, and translates the commodity-based demand into individual store categories. Because retail spending differs by income group, the model calculates the demand separately for nine different income groupings. The household spending only included those households not located within an incorporated city.

Table 7: Existing Non-Residential Retail Demand, San Benito County Unincorporated Area, 2019

Retail Group	Visitor Spending	Commuter Spending Potential	2019 B2B Spending	Existing Non-residential Unincorporated Retail Demand
Total	\$5,049,801	\$12,824,375	\$7,668,347	\$25,542,523
Apparel Store Group	\$0	\$275,899	\$237,447	\$513,346
General Merchandise Group	\$0	\$3,366,815	\$149,944	\$3,516,759
Specialty Retail Group	\$1,274,323	\$2,823,733	\$1,844,833	\$5,942,888
Food, Eating and Drinking Group	\$3,775,478	\$5,856,105	\$4,457,672	\$14,089,255
Grocery and Food Stores	\$902,316	\$1,802,095	\$121,736	\$2,826,147
Liquor/Convenience Stores	\$0	\$0	\$0	\$0
Eating Places	\$2,873,163	\$4,054,010	\$4,335,935	\$11,263,108
Building Materials and Home Furnishings	\$0	\$501,823	\$978,452	\$1,480,275
Automotive Group	\$0	\$2,008,474	\$688,786	\$2,697,260
Vehicles and Parts	\$0	\$0	\$468,689	\$468,689
Gasoline Service Stations	\$0	\$2,008,474	\$220,097	\$2,228,571

Source: ADE, Inc.; based on Dean Runyan Impact of Visitor Spending, Implan Input-Output Model for San Benito County, LEHD Commuter and Employment estimates.

Table 8: 2035 Projection and Supportable Retail Space

Retail Group	Visitor Spending	Commuter Spending	B2B Spending	2035 Unincorporated Retail Demand Including Household	2035 Leakage	Supportable SF
Total	\$17,081,995	\$17,218,014	\$10,295,527	\$191,203,864	\$223,064,529	591,744
Apparel Store Group	\$0	\$370,422	\$318,796	\$11,987,581	\$11,442,936	40,472
General Merchandise Group	\$0	\$4,520,288	\$201,314	\$42,371,452	\$38,827,906	125,175
Specialty Retail Group	\$4,310,660	\$3,791,145	\$2,476,874	\$20,894,635	\$14,112,147	50,337
Food, Eating and Drinking Group	\$12,771,335	\$7,862,410	\$5,984,873	\$99,629,478	\$75,288,492	171,928
Grocery and Food Stores	\$3,052,269	\$2,419,494	\$163,443	\$38,486,840	\$33,943,493	61,463
Liquor/Convenience Stores	\$0	\$0	\$0	\$1,615,692		
Eating Places	\$9,719,066	\$5,442,916	\$5,821,430	\$59,526,946	\$41,041,538	113,839
Building Materials and Home Furnishings	\$0	\$673,748	\$1,313,670	\$16,320,718	\$8,408,018	28,529
Automotive Group	\$0	\$0	\$0	\$68,505,072	\$10,169,441	\$67,758,215
Vehicles and Parts	\$0	\$0	\$629,262	\$43,900,497	\$8,287,826	\$41,760,868
Gasoline Service Stations	\$0	\$2,696,578	\$295,503	\$28,225,918	\$5,502,958	\$25,997,347

Source: ADE, Inc.

For commuter spending, ADE estimated a total of 8,771 in-commuters into San Benito County. The worker demand was calculated using data from the International Council of Shopping Centers and UW-Extension. This worker demand was first calculated by broad merchandise grouping, and then distributed into specific store categories using the categorical distribution of taxable sales for unincorporated San Benito County.

Visitor spending was estimated using Dean Runyan Associates' estimate of 2019 tourism impacts for San Benito County. These estimates were produced under contract to Visit California. In order to allocate the percentage of spending to the unincorporated areas of San Benito County, the analysis used the unincorporated county share of transient occupancy tax (TOT) receipts.

To calculate business-to-business demand, ADE relied on data from the IMPLAN Pro input-output model. Using datasets specific to San Benito County, ADE estimated the amount of business spending that goes towards retail stores. In order to allocate the business-to-business transactions to the unincorporated areas of San Benito County, ADE used the employment data from the U.S. Department of Commerce’s Longitudinal Employer-Household Dynamics (LEHD) website.

LODGING

In order to gain an understanding of the San Benito County lodging market, ADE acquired room revenue and occupancy data from Smith Travel Research for the local and regional markets. San Benito County has a total of seven lodging properties with 278 rooms.¹ For comparison, the Smith Travel Research dataset also included a larger regional market area that encompassed Salinas, and the other communities along the Highway 101 corridor from Gilroy down to King City.

The growth assumptions for San Benito County evaluate two different scenarios. The first scenario used the historical lodging revenue growth trends for San Benito County. This data was estimated using the room counts for San Benito County, and the revenue and occupancy data for the local market area that includes Gilroy. The second scenario is based on the Visit California’s projected overall tourism growth for California. The data was adjusted to account for the effect that the COVID-19 pandemic has had on the tourism market. Tourism Economic produced an estimate of the COVID-19 impact for 2020, which averages out to about a 50 percent market decline for the year. ADE assumed that the tourism market would recover to 2019 levels in 2022. The pre-COVID-19 growth rates were applied for the time period from 2022 to 2035.

San Benito County total has seen growth in lodging room revenues of 13.4 percent per year between 2012 and 2019, with only one new hotel coming online during that time (2017). If San Benito County is able to resume its recent lodging revenue growth in 2022, by 2035 there could be support for 1,114 additional rooms. In the General Plan economic analysis, AECOM estimated that 65 percent of lodging demand would occur in the unincorporated area, which would result in development of 5 to 6 new hotels by 2035 based on recent trends.

OTHER DEVELOPMENT

The Nodes at Highway 156 and San Felipe Road and at Highway 25 have potential for office/R&D development. We have done total employment projections for the County to estimate demand for these sites. Table 9 shows the distribution of jobs by sector and jurisdiction for 2019 and the trends over the past ten years. The unincorporated area captured nearly 80 percent of the net job growth countywide since 2009. The County jobs as a whole grew at an annual rate of 1.2 percent, but this was fueled in part by recovery from the Great Recession. Chmura JobsEQ projects that the County would grow by 0.9 percent over the next ten years, not accounting for the two-year recovery from the pandemic recession. However, as we analyze specific job development potential in the unincorporated area, we calculate that jobs there may grow as much as 3.5 percent annually through 2035. In part,

¹ In order to follow Smith Travel Research’s confidentiality requirements, the financial data for the local market area sample included Gilroy because San Benito County’s small sample size required that the market area encompass a larger geographic area.

this is due to the increased growth in residential and retail demand discussed above, but in part it reflects the potential the Nodes offer to capture some of the longer-term jobs' growth spreading south from Silicon Valley.

In 2018, San Benito County has more than 2,800 workers living in the County who are employed in Information, Professional and Technical Services prevalent in Silicon Valley. However, the county has fewer than 350 jobs in these sectors, only 12 percent of those needed to employ this skilled workforce. Overall, the County has 60 percent of the jobs needed to fully employ its resident workforce. If by 2035, it could attract a similar percentage of tech jobs, it would create demand for more than 700,000 sq. ft. of office and R&D space in San Benito County.

Table 10 summarizes the jobs growth and supportable building space by industry sector, including the retail and lodging demand discussed above. These projections assume it will take two years to fully recover from the current recession. Part of the retail demand discussed above is for restaurants, which are grouped with accommodations in Table 10, rather than included in the retail category. The category "Other Services (except Public Administration)" which is projected to have demand for about 53,000 sq. ft. includes commercial services such as hair care, repair services, dry cleaners, and the like. This group is not included in the retail demand analysis above but typically is found in neighborhood or community shopping centers and would be likely to be located in the Nodes. Finally, Table 10 does not include demand from drive-by traffic, except for lodging. As discussed further below, the estimates of 2035 development at the Regional Thoroughfare Nodes along SR 101 include food service, retail and other businesses that would service regional traffic demand separate from demand internal to the County.

Table 9: Jobs by Jurisdiction, 2009-2019

Industry	2019 Employment				2009-2019 Change			
	County	Hollister	SJB	Uninc.	County	Hollister	SJB	Uninc.
Agriculture, Forestry, Fishing and Hunting	2,263	603	0	1,660	-78	101	0	-179
Mining, Quarrying, and Oil and Gas Extraction	19		0	19	6			6
Utilities	69	8		61	-30	0	0	-30
Construction	1,596	797	93	706	407	192	58	157
Manufacturing	3,363	1,334	0	2,029	692	-275	0	967
Wholesale Trade	333	178	0	155	-67	-119	0	52
Retail Trade	1,335	889	246	200	-320	-388	-30	98
Transportation and Warehousing	497	284	0	213	241	121	0	120
Information	66	60	0	6	-21	-16	0	-5
Finance and Insurance	214	200		14	-49	-41		-8
Real Estate and Rental and Leasing	135	92	12	31	34	11	7	16
Professional, Scientific, and Technical Services	275	121	17	137	88	0	9	79
Administrative, Waste Management, Co. Mgmt	829	649	3	177	345	274	1	70
Educational Services	1,549	1,120	137	292	221	348	35	-162

Industry	2019 Employment				2009-2019 Change			
	County	Hollister	SJB	Uninc.	County	Hollister	SJB	Uninc.
Health Care and Social Assistance	1,641	1,092	16	533	587	242	6	339
Arts, Entertainment, and Recreation	264	62	2	200	-126	-57	-43	-26
Accommodation and Food Services	1,363	894	209	260	223	86	103	34
Other Services (except Public Administration)	427	344	39	45	-209	-151	-10	-48
Public Administration	880	671	45	164	70	-89	39	120
Unclassified	8	3		5	-28	-11		-17
Total - All Industries	17,126	9,402	818	6,906	1,986	227	177	1,582

Source: ADE, Inc., based on Chmura JobsEQ and Longitudinal Employer Household Data (LEHD).

Table 10: Employment Projections for San Benito County Unincorporated Area, 2020-2035

Industry Sector	2020-2035 Job Growth	Bldg. SF/Job	Bldg. SF
Agriculture, Forestry, Fishing and Hunting	330		
Mining, Quarrying, and Oil and Gas Extraction	2		
Utilities	7	526	3,658
Construction	150	526	78,908
Manufacturing	19	631	11,822
Wholesale Trade	2	755	1,286
Retail Trade	964	550	535,405
Transportation and Warehousing	10	755	7,777
Information	42	421	17,682
Finance and Insurance	2	421	733
Real Estate and Rental and Leasing	5	421	2,219
Professional, Scientific, and Technical Services	1,295	532	688,940
Administrative, Waste Management, Co. Mgmt	24	421	10,144
Educational Services	14	446	6,124
Health Care and Social Assistance	371	452	167,840
Arts, Entertainment, and Recreation	46	550	25,402
Accommodation and Food Services	1,201	540.867	649,378
Other Services (except Public Administration)	96	550	53,016
Public Administration	16	335	5,223
Unclassified	2		
Total - All Industries	4,597		2,265,558

Source: ADE, Inc.

2035 NODES DEVELOPMENT

The resulting projections for development in the Nodes locations by 2035 was shown above in Table 3 and total 2.2 million sq. ft. This projection addresses the following considerations from the market research discussed above.

- Full development of the commercial component of the Node at San Juan Rd./SR 101 plus one hotel. The completion of the interchange here significantly improves the attractiveness of this location.
- Partial development at SR 129/SR 101 and Betabel/SR 101 including one hotel, four fast food establishments and two gas stations at each location.
- Full development of the office/R&D potential at the Nodes at SR 156/San Felipe Rd. and SR 156/SR 25.
- One additional hotel at SR 156/San Felipe Rd.
- Development of 573,906 sq. ft. of retail/commercial services spread over six Nodes.
- We estimate that 126,800 sq. ft. of retail space and one hotel would occur at the three Nodes at SR 25/Fairview Rd., Tres Pinos and Paicines. These Nodes are not affected by the Initiative because they have commercial zoning rather than agricultural zoning, but they would logically attract some of the market demand by 2035.
- Given the identified market demand between 2020 and 2035, we anticipate development of the Nodes at SR 156/Union Rd., SR 156/Fourth St., and Shore Rd./San Felipe Rd. would occur after 2035.

MARKET SHIFT TO HOLLISTER WITH ADOPTION OF THE INITIATIVE

If the Initiative is adopted, voter approval would be needed for development of each Node currently designated in the General Plan. It may be expected that many developers will not want to incur this expense and risk as long as other development opportunities exist within Hollister or the regional market area. Further, any such future initiatives that are brought before the voters may not receive approval. In this circumstance, it is likely San Benito County as a whole will lose certain economic development opportunities to surrounding counties and other developments could theoretically shift into the City of Hollister.

It is likely that development within Hollister could not capture the regional traveler market along Hwy 101, so the development at the four Regional Commercial Nodes at San Juan Rd., Cole Rd., Hwy 129 and Betabel Rd. would not occur. Similarly, the Thoroughfare Commercial Nodes on Shore Rd., and the one at Hwy 156 and Fairview Avenue, which would primarily serve traffic between Merced County and Santa Clara County would also not occur. In addition, the opportunity for the County to recapture current retail leakage would be lost. Regarding employment generating uses such as the office/R&D

development planned for the Nodes at San Felipe Rd./Hwy 156 and at Hwy 25/Hwy156, Hollister has only gained about ten percent of the development of those types of businesses as the County unincorporated area over the past ten years. Therefore, only a limited amount of that development can be expected find its way to sites in Hollister. It should be recognized that even this is only a theoretical possibility, as no analysis has been done to identify where such development might occur within the City. As of this writing, the City of Hollister is undertaking a General Plan Update and future vacant development sites have not been determined.

As shown in Table 11, the projected development demand that could remain within San Benito County if the Initiative is adopted ranges from about 411,000 sq. ft. in 2035 to 1.38 million sq. ft. at buildout. However, as discussed in the next chapter, the fiscal benefit of this development for the County government would be greatly reduced if the development occurs instead in the City of Hollister.

Table 11: Development Shifting to Hollister with Adoption of Initiative

Land Use	2035			Buildout		
	Bldg. Space	Jobs	Assessed Value	Bldg. Space	Jobs	Assessed Value
Commercial	246,936	473	88,139,822	746,523	1,379	265,041,934
Office/R&D	70,163	234	\$16,067,327	70,163	234	\$16,067,327
Lodging	93,750	82	\$16,593,750	562,500	489	\$99,562,500
Total	410,849	789	\$120,800,899	1,379,186	2,102	\$380,671,761

Source: ADE, Inc.

4. FISCAL IMPACTS

FISCAL SETTING

The fiscal analysis estimates the impact that development of the Nodes would have on the County tax base, compared to the costs for County services. This is compared to the scenario in which the Nodes remain in their current land uses, mainly agriculture. For Fiscal Year (FY) 2019-2020, total County expenditures are \$141.7 million and current revenues are \$124.7 million, as shown in Table 12. The additional expenditures include capital projects and other items using available fund balances accumulated from prior years.

County government provides certain services to the countywide population, including the criminal justice system, public health, public assistance and functions such as the Assessor and County Recorder. Other services are provided only to the population in the unincorporated areas, including police protection through the Sheriff's Office, fire protection, and county planning. This is reflected to an extent in the expenditure section of Table 12, where "Other Public Protection – Unincorporated" includes fire protection, animal control, planning and zoning, housing and community development, engineering and related functions.

REVENUES

Development of the Nodes would generate increased property taxes and sales taxes for the County, as well as business license taxes, franchise taxes and charges for services, among others.

Property Tax. Property owners pay an ad valorem property tax equal to one percent of assessed value, of which the County General Fund and other taxing agencies get a share. Assessed values are initially set at market value when properties are new, but then only increase annually at two percent per year unless resold. Therefore, existing assessed values of properties in the County do not necessarily reflect the initial assessed value that would occur as the Nodes are first developed.

ADE researched non-residential property values in San Benito County and the surrounding market area by identifying development that has occurred within the past five years and properties that have resold within the past three years. Table 13 shows the average values for recently sold properties. ADE downloaded assessor's data through CoreLogic for San Benito, Santa Clara, Santa Cruz and Monterey Counties, but focused on properties in the cities closest to San Benito, as shown in the Table. However, the column labeled Region shows data from other parts of these counties. The data for San Benito County seldom provided the building size, so ADE calculated factors based on land area and the lower part of the table shows comparative figures for the different cities per acre. San Benito County values tend to be higher than Watsonville but lower than the other cities in most cases.

Table 12: San Benito County Budget, FY 2019-20

Budget Categories	Annual
REVENUES	
GENERAL FUND	
Property Tax	\$10,265,000
In Lieu Vehicle Lic. Fee Property Tax	\$6,500,000
Documentary Transfer Tax	\$850,000
Sales Tax	\$2,125,364
Sales Tax: Public Safety	\$3,882,926
Transient Occupancy Tax	\$150,000
Aircraft Taxes	\$50,000
Business Tax (Meas. H)	\$635,000
Charges for Service	\$8,344,250
Fines/ Forfeitures/Penalties	\$769,100
Licenses, Permits & Franchises	\$1,715,500
Use of Money & Property	\$125,000
Intergovernmental	\$5,218,817
Other Revenue	\$1,158,612
Interfund Transfers	\$2,372,229
General Fund Subtotal	\$44,161,798
ROAD FUND	\$7,865,336
PUBLIC ASSISTANCE	\$35,278,411
HEALTH	\$18,794,252
CRIMINAL JUSTICE	\$742,025
FIRE PROTECTION	\$2,282,557
OTHER SPECIAL REVENUE FUNDS	\$4,438,699
CAPITAL PROJECTS	\$10,740,329
DEBT SERVICE	\$410,000
Total Current Revenues	\$124,713,407
Use of Fund Balances	\$16,965,980
Total Funds Available	\$141,679,387
EXPENDITURES	
General Administration	\$24,853,403
Criminal Justice	\$18,990,408
Sheriff	\$8,508,452
Other Public Protection Countywide	\$2,740,629
Other Public Protection Unincorporated	\$7,000,172
Public Ways and Facilities	\$20,093,783
Health and Sanitation	\$20,113,410
Public Assistance	\$36,732,548
Education	\$1,364,952
Recreation Facilities	\$871,630
Debt Service	\$410,000
Total Expenditures	\$141,679,387

Source: San Benito County Annual Budget FY 2019-20

Table 13: Total Assessed Value of Properties Sold Since January 1, 2016

Land Use	Hollister	Gilroy	Morgan Hill	Watsonville	Salinas	Region	Average
Total Assessed Value per sq. ft. of Building Space							
Auto Repair				\$572.31		\$257.14	\$414.73
Auto Sales						\$111.51	\$111.51
Commercial	\$353.67	\$163.45	\$242.06	\$111.85			\$217.76
Fast Food						\$720.13	\$720.13
Restaurant				\$303.49	\$354.65		\$329.07
Industrial	\$247.73				\$59.56	\$152.98	\$153.42
Medical				\$165.84	\$206.69		\$186.27
Office	\$89.01	\$199.36	\$201.97	\$236.07	\$140.49		\$173.38
R&D						\$254.34	\$254.34
Service Station						\$643.99	\$643.99
Total Assessed Value per Acre							
Auto Sales						\$927,775	\$927,775
Commercial	\$1,156,574	\$1,668,321	\$2,297,160	\$821,563			\$1,485,904
Restaurant	\$1,381,092			\$2,325,681	\$2,283,673		\$1,996,815
Industrial	\$391,089				\$318,874	\$3,188,332	\$1,299,432
Medical	\$1,782,684			\$2,547,022	\$3,103,264		\$2,477,657
Office	\$2,525,322	\$3,955,815	\$2,725,477	\$2,214,400	\$2,677,790		\$2,819,761

Source: ADE, Inc., based on data provided by CoreLogic.

Many of the properties that have sold in the past three years were built many years ago and may not reflect current construction costs or values for new development. Table 14 shows assessed values for projects built since 2015. Relatively few of these projects were built in San Benito, Santa Cruz or Monterey counties, so the values tend to reflect development in Santa Clara County, which has been a rapidly expanding market in recent years. It is useful to note that the building values are similar to Table 15 above for commercial and industrial development but substantially higher for office development.

Table 14: Assessed Values for Projects Built Since 2015, Four County Region

Land Use	Total Value / sq. ft. Bldg. Space	Bldg. Value / sq. ft.	Percent Improved Value
Commercial	\$357.97	\$166.13	46.4%
Industrial	\$189.32	\$85.31	45.1%
Medical	\$484.36	\$417.42	86.2%
Office	\$760.68	\$448.87	59.0%

Source: ADE, Inc., based on data provided by CoreLogic.

For purposes of this fiscal analysis, we have used values derived from the data in Table 13 rather than Table 14. While these values may not reflect current construction costs, they do reflect the fact that

over time assessed values will decline relative to market values due to the annual assessment provisions of Proposition 13. The assessed values for the Nodes at Buildout and the 2035 time horizon are shown in Table 15 below.

Table 15: Projected Assessed Values by Land Use for the Rural Nodes at 2035 and at Buildout

Land Use	Assessed Value per Sq. Ft.	2035 Development	2035 Assessed Value	Buildout Development	Buildout Assessed Value
Commercial	\$354	982,828	\$347,921,112	5,513,888	\$1,951,916,352
Fast Food	\$720	48,000	\$34,560,000	75,000	\$54,000,000
Gas Station	\$644	18,000	\$11,592,000	53,308	\$34,330,352
Auto Sales	\$106	41,500	\$4,401,371	46,349	\$4,915,643
Other Auto	\$260	42,102	\$10,946,520	1,283,170	\$333,624,200
Office/R&D	\$229	701,630	\$160,673,270	701,630	\$160,673,270
Lodging	\$177	375,000	\$66,375,000	1,031,250	\$182,531,250
Total		2,209,060	\$636,469,273	8,704,595	\$2,721,991,067

Source: ADE, Inc.

The Nodes would have an estimated assessed value (AV) of \$636.5 million by 2035 and \$2.72 billion at buildout. The one percent ad valorem property tax paid by the property owners would range from \$6.4 to \$27.2 million per year. County General Fund share of taxes is about 22.3 percent, while the County State Fire Contract Account receives 2.56 percent. Three of the Nodes along Hwy 1010 are also in the Aromas Tri-County Fire Protection District, which receive about 14.7 percent of property taxes. The State Education Relief Augmentation Fund (ERAF) shifts approximately 48 percent of the County revenue to local school districts and education agencies. The net amount accruing to the County General Fund from the Nodes is estimated at \$641,648 by 2035 and \$2.94 million at full buildout, while the combined Fire Services would receive an estimated \$351,500 per year in 2035 and \$1.15 million at buildout.

In addition to the ad valorem property tax, the County receives property tax in lieu of vehicle license fees (PIVLF) directly from the State, through a program established in the 2004 State Budget legislation. This revenue increases annually in proportion to increases in County AV. The additional AV generated by the proposed project would be about 6.8 percent of current County AV by 2035 and nearly 30 percent at buildout. The PIVLF received by the County in FY 2019-20 is \$6.5 million and development of the Nodes would increase that by \$450,000 per year in 2035 and \$1.9 million per year at buildout.

Documentary Transfer Tax. When real property in the unincorporated area is sold, it is subject to a transfer tax to the County, at the rate of \$1.10 per \$1,000 dollars in value. When the development at the Nodes is first constructed and sold, it would generate approximately \$684,000 in documentary transfer tax for the County by 2035 and \$2.97 million by the time the Nodes are built out. Over the longer term, non-residential development typically turns over every ten years on average. Using 10 percent of the project's AV as a basis, it may be expected the project would generate \$64,700 per year in documentary transfer tax for the County by 2035 and \$287,500 per year at buildout.

Sales Tax. The market analysis in the previous chapter estimated that the Nodes would capture not only internal County purchasing power currently leaking out of the unincorporated area, but also sales from visitors and through traffic at the regional and thoroughfare commercial centers. Combined with future growth of both housing and jobs in the unincorporated area, Table 16 shows that by 2035, the Node would be expected to capture \$488.7 million per year in taxable sales. This figure would increase to \$2.2 billion per year at buildout. The County would receive one percent of sales under the Bradley Burns sales tax allocation, which would result in County revenues of \$4.9 million per year in 2035 and \$22.3 million per year at buildout.

Table 16: Taxable Sales Projections for the Nodes, 2035 and Buildout

Land Use	Taxable Sales per Sq. Ft.	2035 Development	2035 Taxable Sales	Buildout Development	Buildout Taxable Sales
Commercial	\$353	982,828	\$346,938,284	5,513,888	\$1,946,402,464
Fast Food	\$491	48,000	\$23,586,631	75,000	\$36,854,111
Gas Station	\$1,960	18,000	\$35,280,000	53,308	\$104,483,680
Auto Sales	\$1,223	41,500	\$50,754,500	46,349	\$56,684,827
Other Auto	\$44	42,102	\$1,852,488	1,283,170	\$56,459,480
Office/R&D	\$43	701,630	\$30,274,937	701,630	\$30,274,937
Lodging	\$0	375,000	\$0	1,031,250	\$0
Total		2,209,060	\$488,686,840	8,704,595	\$2,231,159,499

Source: ADE, Inc.

In addition to the one percent Bradley Burns sales tax allocation the County receives, the Proposition 172 Public Safety Sales tax administered by the State generates another one half percent sales tax for the County, for use in police protection services.

Other sales taxes are also collected in the County to support transportation improvements. The San Benito Council of Governments (COG) receives a ¼ percent share which helps to funds its transportation planning efforts. The Rural Nodes would contribute an estimated \$5.58 million per year to the COG revenues.

Voters in San Benito County approved Measure G, which took effect in April of 2019 and generates an additional one percent of sales tax revenues that are distributed through the COG to the cities, the County and regional transportation programs for transportation improvements. The Rural Nodes would generate an estimated \$4.9 million per year in 2035 and \$22.3 million per year at buildout in Measure G funds. Measure G is a 30 year tax, so the COG revenues would revert to \$5.58 million per year after 2049.

The County would also potentially receive use tax on the purchase of construction material to build the development at the Nodes. Similar to the sales tax, the local share of use tax would be 2.75 percent of the value of the materials purchases at the point of sale in San Benito County, including the Proposition 172, Measure G and the transportation sales tax to the COG. The project developers would need to work through the State to designate the construction sites as the points of sale for all material

purchases, whether or not the vendor is located in the County. This would ensure the maximum use tax to the County of these purchases.

Transient Occupancy Tax (TOT). The County charges a 12 percent tax on lodging room revenues. The market analysis in the previous chapter estimates that by 2035, the Nodes would see development of four hotels, totaling 500 rooms. At an average room rate of \$125 per night and a typical 65 percent occupancy rate, this would generate \$4.9 million in annual TOT revenues for the County. At Buildout, the total new rooms at the Nodes would be 1,375, creating \$1.78 million per year in TOT revenues at current room rates.

Business License Tax. The Measure H Initiative, adopted in 2018, established a business license tax in the unincorporated area. The tax is paid on an annual flat rate basis and also includes an employee multiplier that varies by the type of business. The Nodes would support development that would more than double the jobs in the unincorporated area and yield annual business license taxes of \$420,700 at buildout and \$104,408 by 2035.

Other County Revenues. Businesses in the unincorporated area generate other revenues, including various charges for service, fines and penalties, license fees, franchise taxes paid by utilities, and other revenues. These revenues are calculated on a per capita basis, as explained further below.

PER CAPITA REVENUE AND COST METHODOLOGY

For certain county costs and revenues, ADE has used a per capita approach, where more detailed metrics are not available. This approach begins with the County budget figures in Table 12 and calculated costs and revenues per resident or per job. The first step is to adjust the budget figures to focus on services funded by local revenues by removing the intergovernmental revenues and associated costs from the budget figures. This helps to identify the Net County Cost of providing service of San Benito County. Also, the analysis is intended to reflect ongoing annual operations, so we have removed fees and service costs associated with the development entitlement process. Similarly, we have removed one time capital expenditures from the budget figures. A summary of the budget adjustments is shown in Table 17. The remaining budget of \$54.9 million is still \$10.2 million more than the current year revenues in the FY 2019-20 budget.

Table 17: Budget Adjustments for Fiscal Analysis Per Capita Factors

Expenditure Function	Intergovernmental	Capital Projects	Interfund Transfers	Entitlement/ Impact Fees	Remaining Budget
General Administration	\$2,669,744	\$3,485,000	\$2,372,229		\$16,294,430
Criminal Justice	\$3,624,659	\$4,800,000		\$1,887,917	\$8,971,561
Sheriff	\$513,729				\$7,884,723
Other Public Protection Countywide	\$319,739	\$500,000			\$1,820,890
Other Public Protection Unincorporated			\$991,396	\$2,156,552	\$4,446,382
Public Ways and Facilities	\$6,891,714		\$2,239,457		\$10,962,612
Health and Sanitation	\$15,207,950	\$840,000	\$3,213,606		\$292,854
Public Assistance	\$26,545,398		\$14,626,026		\$2,874,137
Education					\$1,364,952
Recreation Facilities		\$850,000			\$21,630
Debt Service			\$410,000		\$0

Total	\$55,772,933	\$10,475,000	\$23,852,714	\$4,044,469	\$54,934,171
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Source: ADE, Inc. based on San Benito County FY 2019-20 Budget

Using the remaining budget figures above, we calculate per capita factors for both residents and businesses. The number of jobs in the county represents the demand for County services from businesses. Jobs are estimated to have half the service demand of full time residents on the County. The service population for the county as a whole is 70,916, comprised of 62,353 residents and one half of the 17,126 jobs. We also estimate the service population for the unincorporated area at 23,048, with 19,595 residents and half of the 6,906 jobs. These figures are used to calculate the generation of certain revenues and percentage shares of demand for services and as shown in Table 18.

Table 18: Per Capita Revenue and Cost Factors

Budget Category	Countywide		Unincorporated		Countywide		Unincorporated	
	Proportion	Per Capita	Proportion	Per Capita	Proportion	Per Capita	Proportion	Per Capita
Revenues	Residential Unit Revenues				Business Unit Revenues			
Business Tax (Meas. H)			5.00%	\$1.62			95.00%	\$87.35
Charges for Service	87.99%	\$101.93	0.00%	\$0.00	12.01%	\$48.71	0.00%	\$0.00
Fines/ Forfeitures/Penalties	87.99%	\$10.73	85.02%	\$0.39	12.01%	\$0.00	14.98%	\$16.68
Licenses, Permits & Franchises								
Residential	100.00%	\$0.27	0.00%	\$0.00	0.00%		0.00%	\$0.80
Agriculture	0.00%	\$0.00	0.00%	\$0.00	0.00%		100.00%	\$137.91
Franchises	0.00%	\$0.00	85.02%	\$30.94	12.01%	\$0.00	14.98%	\$15.47
Other Revenue	87.99%	\$16.35	85.02%	\$50.27	12.01%	\$0.00	14.98%	\$25.13
Expenditures	Residential Unit Costs				Business Unit Costs			
General Administration	87.99%	\$108.08	85.02%	\$68.63	12.01%	\$54.04	14.98%	\$34.32
Criminal Justice	87.99%	\$126.61	0.00%	\$0.00	12.01%	\$63.30	0.00%	\$0.00
Sheriff	0.00%	\$0.00	85.02%	\$342.10	0.00%	\$0.00	14.98%	\$171.05
Other Public Protection Countywide	87.99%	\$25.70	0.00%	\$0.00	12.01%	\$12.85	0.00%	\$0.00
Other Public Protection Unincorporated	0.00%	\$0.00	85.02%	\$192.92	0.00%	\$0.00	14.98%	\$96.46
Public Ways and Facilities	87.99%	\$154.70	0.00%	\$0.00	12.01%	\$77.35	0.00%	\$0.00
Health and Sanitation	87.99%	\$4.13	0.00%	\$0.00	12.01%	\$2.07	0.00%	\$0.00
Public Assistance	100.00%	\$46.09	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Education	87.99%	\$18.27	0.00%	\$0.00	12.01%	\$9.63	100.00%	\$652.28
Recreation Facilities	0.00%	\$0.00	100.00%	\$1.10	0.00%	\$0.00	0.00%	\$0.00

Source: ADE, Inc

SERVICE COSTS

Development of the Nodes would be expected to create needs for additional County services, particularly for police and fire protection. These costs have been calculated using the per capita factors shown in Table 18 above. The General Administration category includes functions such as the County Assessor and Auditor as well as County management functions. Within the General Administration category, the Finance functions are allocated to the countywide population while the County Counsel and the Board of Supervisors are allocated to the unincorporated population. Other General Administrative costs not included in the per capita factor are allocated as an 18.2 percent overhead charge on the project's costs for direct services.

The Other Public Protection category includes the County Recorder, County Planning and Engineering as well as services such as animal control and the Office of Emergency Services, among others. As discussed above, the calculations use the Net County Cost as the basis, which removes intergovernmental revenues and isolates on the services funded from locally generated revenues. Health and Sanitation and Public Assistance services are heavily funded from intergovernmental revenues.

FISCAL IMPACT

In total, the development at the Nodes at full buildout is estimated to generate \$47.3 million in annual revenues and \$9.0 million in annual County costs (Table 19). This creates an annual net revenue of \$38.3 million per year. This effect also includes the fiscal impact of removing the Nodes land area from agricultural production. As shown in the Table 19 column labeled Agriculture, this land area is estimated to generate \$44,193 per year in revenues for the County, mainly through property taxes, and also require \$30,984 in County services. (The figures are shown as negatives since the land would be taken out of agricultural use if the Nodes develop). The service costs include the services of the Agricultural Commissioner, which is included in the "Education" function in Table 18. Thus, the loss of agricultural activity on the Nodes sites would reduce County net revenue by \$13,209 per year, but the gain in sales tax from development of the Nodes would be significantly more than this.

The projected development at the Nodes by 2035 provide a more immediate net fiscal benefit to the County. As shown in Table 20, the 2035 development would generate \$11.3 million in revenues against \$2.6 million in costs, for an annual net benefit of \$8.7 million. This is a common fiscal outcome for cities and counties in California, where non-residential land uses that generate sales taxes often provide the tax base necessary to provide services to residential neighborhoods, where property taxes often fall short.

FISCAL EFFECT OF ADOPTING THE NODES INITIATIVE

The development capacity analysis in the previous chapter indicated that if the Nodes Initiative is approved by the voters and the Nodes themselves do not develop as allowed in the current General Plan, some of the projected demand for development may shift to the City of Hollister. As noted at the beginning this chapter, the County provides certain services to all County residents and businesses and also receives a share of revenues to cover these service costs. Therefore, approval of the Nodes Initiative would not result in the complete loss of all the net revenue discussed above.

Table 19: Annual Cost/Revenue Balance for Nodes at Full Buildout, by Land Use

Budget Category	Total	Agriculture	Commercial	Auto/ Truck	Office/ R&D	Lodging
REVENUES						
Base Property Tax	\$2,939,065	\$2,179,321	\$405,104	\$174,563	\$198,310	(\$18,233)
VLF Prop Tax	\$2,229,070	\$1,652,995	\$307,267	\$132,404	\$150,417	(\$14,013)
Doc Transfer Tax	\$287,509	\$220,651	\$41,016	\$17,674	\$10,039	(\$1,871)
Sales Tax	\$22,311,595	\$19,832,566	\$2,176,280	\$302,749		
Sales Tax: Public Safety	\$11,155,797	\$9,916,283	\$1,088,140	\$151,375		
Transient Occupancy Tax	\$4,893,281				\$4,893,281	
Aircraft Taxes	\$0					
Business Tax (Meas. H)	\$420,672	\$339,376	\$43,517	\$32,135	\$5,988	(\$344)
Charges for Service	\$823,782	\$533,872	\$126,579	\$118,982	\$45,621	(\$1,272)
Fines/ Forfeitures/Penalties	\$270,169	\$175,090	\$41,513	\$39,022	\$14,962	(\$417)
Licenses, Permits & Franchises						
Agriculture	\$0	\$0	\$0	\$0	\$0	\$0
Franchises	(\$3,448)					(\$3,448)
Use of Money & Property	\$250,463	\$162,318	\$38,485	\$36,175	\$13,871	(\$387)
Other Revenue	\$162,794	\$124,883	\$15,330	\$3,766	\$18,958	(\$144)
FIRE PROTECTION						
Property Tax	\$1,151,929	(\$3,438)	\$851,424	\$158,267	\$68,199	\$77,477
Total Revenue	\$47,299,676	(\$44,193)	\$36,252,542	\$4,504,036	\$1,135,829	\$5,451,462
EXPENDITURES						
General Administration	\$2,129,804	(\$4,048)	\$1,657,588	\$224,485	\$179,945	\$71,834
Criminal Justice	\$1,024,261	(\$1,581)	\$663,796	\$157,384	\$147,938	\$56,723
Sheriff	\$2,769,745	(\$4,276)	\$1,794,999	\$425,589	\$400,046	\$153,387
Other Public Protection Countywide	\$243,518	(\$376)	\$157,818	\$37,418	\$35,172	\$13,486
Other Public Protection Unincorporated	\$1,561,925	(\$2,411)	\$1,012,243	\$240,000	\$225,595	\$86,499
Public Ways and Facilities	\$1,251,574	(\$1,932)	\$811,112	\$192,312	\$180,770	\$69,312
Health and Sanitation	\$33,434	(\$52)	\$21,668	\$5,137	\$4,829	\$1,852
Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
Education	(\$16,307)	(\$16,307)				
Recreation Facilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$8,997,955	(\$30,984)	\$6,119,224	\$1,282,325	\$1,174,297	\$453,093
NET SURPLUS/(DEFICIT)	\$38,301,721	(\$13,209)	\$30,133,318	\$3,221,711	(\$38,468)	\$4,998,369

Source: ADE, Inc.

Table 20: Annual Cost/Revenue Balance for Nodes in 2035

Budget Category	Total	Agriculture	Commercial	Auto/ Truck	Office/R&D	Lodging
REVENUES						
Base Property Tax	\$641,648	(\$15,879)	\$395,135	\$27,831	\$165,989	\$68,571
VLF Prop Tax	\$512,284	(\$12,204)	\$315,187	\$22,200	\$132,404	\$54,697
Doc Transfer Tax	\$64,732	(\$1,629)	\$42,073	\$2,963	\$17,674	\$3,651
Sales Tax	\$4,886,868		\$3,705,249	\$878,870	\$302,749	
Sales Tax: Public Safety	\$2,443,434		\$1,852,625	\$439,435	\$151,375	
Transient Occupancy Tax	\$1,779,375					\$1,779,375
Business Tax (Meas. H)	\$104,408	(\$297)	\$67,492	\$2,900	\$32,135	\$2,177
Charges for Service	\$249,080	(\$1,100)	\$106,172	\$8,437	\$118,982	\$16,589
Fines/ Forfeitures/Penalties	\$81,689	(\$361)	\$34,820	\$2,767	\$39,022	\$5,441
Licenses, Permits & Franchises		\$0	\$0	\$0	\$0	\$0
Agriculture	(\$2,983)	(\$2,983)				
Franchises	\$75,730	(\$335)	\$32,281	\$2,565	\$36,175	\$5,044
Use of Money & Property	\$38,798	(\$125)	\$23,377	\$4,928	\$3,736	\$6,881
Other Revenue	\$123,060	(\$544)	\$52,455	\$4,168	\$58,784	\$8,196
FIRE PROTECTION						
Property Tax	\$351,476	(\$2,060)	\$212,455	\$14,964	\$89,248	\$36,869
Total Revenue	\$11,349,599	(\$37,517)	\$6,839,322	\$1,412,029	\$1,148,274	\$1,987,491
EXPENDITURES						
General Administration	\$550,749	(\$3,503)	\$311,501	\$38,713	\$174,798	\$29,240
Criminal Justice	\$309,931	(\$1,369)	\$132,110	\$10,498	\$148,050	\$20,642
Sheriff	\$837,464	(\$3,700)	\$356,975	\$28,366	\$400,046	\$55,777
Other Public Protection Countywide	\$73,686	(\$326)	\$31,409	\$2,496	\$35,199	\$4,908
Other Public Protection Unincorporated	\$472,266	(\$2,086)	\$201,306	\$15,996	\$225,595	\$31,454
Public Ways and Facilities	\$378,713	(\$1,673)	\$161,429	\$12,828	\$180,907	\$25,223
Health and Sanitation	\$10,117	(\$45)	\$4,312	\$343	\$4,833	\$674
Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
Education	(\$14,109)	(\$14,109)				
Recreation Facilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$2,618,817	(\$26,811)	\$1,199,043	\$109,239	\$1,169,427	\$167,918
NET SURPLUS/(DEFICIT)	\$8,731,554	(\$10,710)	\$5,640,643	\$1,302,825	(\$20,825)	\$1,819,621

Source: ADE, Inc.

For development within the cities, the County receives a lower share of property taxes, approximately 18 percent compared to about 22 percent in the unincorporated area. With the ERAF adjustment, the County share from City property is approximately 9.5 percent. The County does also receive the PTILVLF from the state based on increases in city assessed values. For sales tax, the County receives .25 percent of taxable sales rather than the one percent it receives in the unincorporated area and it receives half of the documentary transfer tax. Finally, certain charges for service apply to all County residents and businesses.

In terms of service costs, the County would not provide police or fire protection to development within the City, but would incur service costs for the criminal justice system, maintenance of County roads,

environmental health services and a variety of functions such as the Assessor and Recorder. As shown in Table 21, the 1.38 million sq. ft. of development that would shift to Hollister with approval of the Nodes Initiative would generate \$1.26 million in annual revenue for the County and about \$511,000 in costs, for a net surplus revenue of \$748,737. Thus, the net loss in revenue for the County with passage of the Initiative would be **\$35.3 million per year at full buildout.**

Table 21: Cost/Revenue Balance for County with Adoption of the Initiative at Full Buildout

Budget Category	Total	Agri- culture	Commer- cial	Auto/ Truck	Office/ R&D	Lodging
REVENUES						
Base Property Tax	\$166,415	\$0	\$115,194	\$672	\$7,024	\$43,525
VLF Prop Tax	\$275,544	\$0	\$190,734	\$1,113	\$11,630	\$72,067
Doc Transfer Tax	\$18,199	\$0	\$14,493	\$85	\$884	\$2,738
Sales Tax	\$687,930		\$653,741	\$26,620	\$7,569	
Sales Tax: Public Safety	\$0					
Transient Occupancy Tax	\$0					
Business Tax (Meas. H)	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Service	\$107,103	\$0	\$69,628	\$592	\$11,907	\$24,903
Fines/ Forfeitures/Penalties	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, Permits & Franchises						
Agriculture	\$0	\$0				
Franchises	\$0	\$0	\$0	\$0	\$0	\$0
Use of Money & Property	\$4,560	\$0	\$3,792	\$106	\$142	\$520
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
FIRE PROTECTION						
Property Tax	\$0		\$0	\$0	\$0	\$0
Total Revenue	\$1,259,678	\$0	\$1,047,581	\$29,188	\$39,156	\$143,753
EXPENDITURES						
General Administration	\$179,269	\$0	\$155,103	\$3,396	\$6,577	\$14,193
Criminal Justice	\$133,078	\$0	\$86,573	\$736	\$14,805	\$30,963
Sheriff	\$0	\$0	\$0	\$0	\$0	\$0
Other Public Protection Countywide	\$31,639	\$0	\$20,583	\$175	\$3,520	\$7,362
Other Public Protection Unincorporated	\$0	\$0	\$0	\$0	\$0	\$0
Public Ways and Facilities	\$162,611	\$0	\$105,786	\$900	\$18,091	\$37,835
Health and Sanitation	\$4,344	\$0	\$2,826	\$24	\$483	\$1,011
Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$0	\$0				
Recreation Facilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$510,941	\$0	\$370,871	\$5,231	\$43,476	\$91,363
NET SURPLUS/(DEFICIT)	\$748,737	\$0	\$676,710	\$23,958	(\$4,321)	\$52,390

Source: ADE, Inc.

For the 2035 scenario, the 411,000 sq. ft. of development that would shift to Hollister would generate \$428,020 in annual revenues and \$187,776 in annual costs, for a net surplus of \$240,244 per year (Table 22). For the 2035 time frame, the net loss from passage of the Initiative for the County would be **\$7.94 million per year.**

Table 22: Cost/Revenue Balance for County with Adoption of the Initiative at 2035

Budget Category	Total	Agri- culture	Commer- cial	Auto/ Truck	Office/ R&D	Lodging
REVENUES						
Base Property Tax	\$52,218	\$0	\$37,828	\$272	\$6,945	\$7,173
VLF Prop Tax	\$87,440	\$0	\$63,343	\$456	\$11,630	\$12,011
Doc Transfer Tax	\$6,188	\$0	\$4,813	\$35	\$884	\$456
Sales Tax	\$240,473		\$214,759	\$18,145	\$7,569	
Sales Tax: Public Safety	\$0					
Transient Occupancy Tax	\$0					
Business Tax (Meas. H)	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Service	\$40,152	\$0	\$23,663	\$432	\$11,907	\$4,150
Fines/ Forfeitures/Penalties	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, Permits & Franchises						
Agriculture	\$0	\$0				
Franchises	\$0	\$0	\$0	\$0	\$0	\$0
Use of Money & Property	\$1,549		\$1,251	\$70	\$141	\$86
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
FIRE PROTECTION						
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$428,020	\$0	\$345,657	\$19,409	\$39,077	\$23,877
EXPENDITURES						
General Administration	\$63,350	\$0	\$50,444	\$3,545	\$6,386	\$2,975
Criminal Justice	\$49,924	\$0	\$29,421	\$537	\$14,805	\$5,161
Sheriff	\$0	\$0	\$0	\$0	\$0	\$0
Other Public Protection Countywide	\$11,869	\$0	\$6,995	\$128	\$3,520	\$1,227
Other Public Protection Unincorporated	\$0	\$0	\$0	\$0	\$0	\$0
Public Ways and Facilities	\$61,003	\$0	\$35,951	\$656	\$18,091	\$6,306
Health and Sanitation	\$1,630	\$0	\$960	\$18	\$483	\$168
Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$0	\$0				
Recreation Facilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$187,776	\$0	\$123,771	\$4,882	\$43,285	\$15,837
NET SURPLUS/(DEFICIT)	\$240,244	\$0	\$221,886	\$14,526	(\$4,209)	\$8,040

Source: ADE, Inc.

INFRASTRUCTURE FUNDING

If the Initiative Measure prevents development of the Nodes, then the County and the school districts would not receive development impact fees that the Nodes development would otherwise pay. As shown in Table 23, these fees would contribute funding to County facilities for criminal justice, fire protection, information technology, law enforcement, road maintenance and traffic capacity impacts, as well as helping to fund new schools in the County. The maximum loss of impact fee revenues from the Initiative Measure would be \$31.8 million by 2035 and \$114 million at full buildout of the Nodes.

Table 23: Estimated Loss of Impact fee Revenue with Adoption of the Initiative

Fee Category	2020 Fee*	Building Space		Fee Revenue	
		2035	Buildout	2035	Buildout
Detention Facilities					
Commercial	\$0.517	1,507,480	8,002,965	\$778,634	\$4,133,642
Office	\$0.393	701,630	701,630		
Fire Protection					
Commercial	\$0.730	820,956	6,523,103	\$599,034	\$4,759,767
Office	\$0.554	701,630	701,630	\$389,006	\$389,006
Aromas Fire District	\$0.543	686,524	1,479,862	\$372,892	\$803,801
General Government					
Commercial	\$0.517	1,507,480	8,002,965	\$778,634	\$4,133,642
Office	\$0.393	701,630	701,630	\$275,396	\$275,396
Information Technology					
Commercial	\$0.052	1,507,480	8,002,965	\$78,790	\$418,285
Office	\$0.040	701,630	701,630	\$28,043	\$28,043
Law Enforcement					
Commercial	\$0.299	1,507,480	8,002,965	\$451,114	\$2,394,888
Office	\$0.226	701,630	701,630	\$158,910	\$158,910
Road Maintenance					
Commercial	\$0.117	1,507,480	8,002,965	\$176,120	\$934,991
Office	\$0.089	701,630	701,630	\$62,557	\$62,557
Traffic					
Zone 1 - Commercial	\$2.244	686,524	1,479,862	\$1,540,818	\$3,321,366
Zone 2 - Commercial	\$11.109	820,956	6,523,103	\$9,120,121	\$72,466,111
Zone 2 - Office	\$22.864	701,630	701,630	\$16,042,024	\$16,042,024
Schools					
North County, Jefferson, Southside	\$0.420	1,522,586	7,224,733	\$639,486	\$3,034,388
Aromas, San Juan	\$0.470	686,524	1,479,862	\$322,666	\$695,535
TOTAL				\$31,814,247	\$114,052,354

Source: ADE, Inc. based on San Benito County Building Impact Fee Summary, Current as of December 2018.

*Note: 2018 fees updated using ENR Construction Cost Index of 1.025 from July 2018 to January 2020.

5. CONSISTENCY WITH COUNTY PLANS

This section analyzes the Initiative Measure’s effect on the internal consistency of the County’s general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on County actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

GENERAL PLAN

California law (Government Code 65300 et seq.) requires every county and city in the state to develop a general plan with policies and objectives to guide land use and development. General Plans are of such importance that they are often referred to as the “constitution” for development. State law requires that the general plan be comprehensive and long-term, and that all specific plans, zoning ordinances, and other city plans be consistent with the general plan, with some exceptions for charter cities. San Benito’s current general plan, San Benito County 2035 General Plan (General Plan), was adopted on July 21, 2015.

The Initiative Measure would result in text, policy, and figure additions and deletions that would result in some internal inconsistencies within the General Plan as well as limit the County’s ability to implement some of its General Plan goals and policies. Table 24, Initiative’s General Plan Amendments and Impacts Summary, outlines the amendments to the General Plan included in the Initiative Measure and the inconsistencies/impacts associated with these changes. The Initiative Measure’s General Plan text additions are shown in underline and the deletions are shown in strikethrough in Table 24.

Table 24: Initiative’s General Plan Amendment and Impact Summary

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
P. 3-8	<p><u>LU-1.0 PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE</u></p> <p><u>In 2020, the voters of San Benito County adopted the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE. Pursuant to the provisions of the Initiative, the following shall obtain through December 31, 2049</u></p> <p><u>a.) The provisions setting forth the land use designations for Agriculture (A), Rural (R), and Rangeland (RG) in the General Plan, as amended through February 5, 2020, and as referenced herein and amended hereby, shall not be further amended, except as set forth herein, unless such amendment is approved by a vote of the people or by the Board of Supervisors pursuant to the procedures set forth herein.</u></p> <p><u>b.) All those lands within the unincorporated area of the County designated Agriculture (A), Rural (R), or Rangeland (RG) on the General Plan’s Land Use Diagram, as amended by the PRESERVE OUR</u></p>	<p>The addition of Policy LU-1.0 to the General Plan limits the County’s ability to re-designate Agriculture (A), Rural (R), and Rangeland (RG) land use designations to urban land use designations unless it is approved by the vote of the people at a special or general election. This provision conflicts with policy AD-1.4 Development Review and Permitting Streamlining Process which requires that the County maintain a development review and permit process that is cost and time efficient and ensure that permitting procedures and regulations are applied consistent manner to all</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	<p><u>AGRICULTURAL AND RURAL LANDS INITIATIVE, shall remain so designated unless a re-designation is approved by a vote of the people, or by the Board of Supervisors pursuant to the procedures set forth in this Policy LU-1.0.</u></p> <p><u>c.) The Board of Supervisors, following at least one public hearing, and after compliance with the California Environmental Quality Act, may place any amendment to the provisions setting forth the land use designations Agriculture (A), Rural (R), or Rangeland (RG) on the ballot for approval by a vote of the people at a special or general election pursuant to the mechanisms provided by state law.</u></p> <p><u>d.) The Board of Supervisors may, without approval by a vote of the people, reorder or renumber individual provisions of the General Plan, including the provisions set forth in this policy, in the course of making updates to the General Plan in accordance with the requirements of state law. The Board of Supervisors may, without a vote of the people, make technical, non-substantive modifications to the General Plan/or clarification and internal consistency provided such modifications are consistent with the Purpose and Findings of the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE.</u></p> <p><u>e.) The Board a/Supervisors may, without approval by a vote of the people:</u></p> <p><u>i. re-designate lands not designated Agriculture (A), Rural (R), or Rangeland (RG) to Agriculture (A), Rural (R), or Rangeland (RG);</u></p> <p><u>ii. re-designate lands designated Rural (R) to Agriculture (A) or Rangeland (RG);</u></p> <p><u>iii. re-designate lands designated Agriculture (A) to Rangeland (RG);</u></p> <p><u>iv. re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) to Parks (P) as that land use designation existed in the General Plan on February 5, 2020, provided that lands so re-designated may not subsequently be redesignated to any land use designation other than Agriculture (A), Rural (R), or Rangeland (RG) without a vote of the people;</u></p> <p><u>v. re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) to Public/Quasi-Public (POP) as that land use designation existed in the General Plan adopted on July 21, 2015, provided that lands so redesignated may not subsequently be re-designated to any land use designation other than Agriculture (A), Rural (R), or Rangeland (RG) without a vote of the people.</u></p> <p><u>Once designated to Agriculture (A), Rural (R), or Rangeland (RG), lands shall become subject to the rules contained in this policy for any further re-designation. Any redesignations made pursuant to this subdivision (e.) must comply with the provisions for making such amendments as set forth in state law and all Board-adopted policies.</u></p> <p><u>f) The Board of Supervisors may, without approval by a vote of the people, amend the provisions setting forth the land use designations Agriculture (A), Rural (R), or Rangeland (RG) to impose or increase a minimum lot size for these land use designations.</u></p> <p><u>g.) The Board of Supervisors may, without approval by a vote of the people, and if the Board of Supervisors deems it to be in the public interest, create a new "Open Space" land use designation, and re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) to such "Open Space" land use designation, provided that such "Open Space" land use designation allows only those uses consistent with the uses of "open space land" as set forth in Government Code section 65560, subsections (b)(1), (b)(3), and (b)(4), as of February 5, 2020. Lands re-designated pursuant to this subdivision may not subsequently be re-designated to any land use designation other than Agriculture (A), Rural (R), or Rangeland (RG) without approval by a vote of the people.</u></p>	<p>project applicants. Any proposed project that requires a General Plan land use re-designation from Agricultural, Rural, or Rangeland to an urban designation would require an election in addition to the County's existing approval process, which could significantly increase time and reduce cost efficiency.</p> <p>The change also interferes with the County's implementation of Policy AD-21, which reads: "The County shall consult with the Cities of Hollister and San Juan Bautista in the early stages of preparing general plan amendments and other policy changes that may impact growth or the ability to provide urban services for land within the cities adopted spheres of influence."</p> <p>The County's ability to consult with Hollister and San Juan Bautista in the early stages of preparing General Plan amendments or policies that may impact their growth would remain; however, the voters of San Benito County would have the ultimate say on the amendments approval for any of these lands designated Agriculture, Rural, or Rangeland.</p> <p>Because the Initiative measure requires a vote of the people for re-designation of Agriculture, Rural, or Rangeland designated lands and for development of New Community areas, it removes land use authority from elected decision makers.</p> <p>Section h of this Initiative Measure is discussed in Section 3.0 of this evaluation.</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	<p><u>h.) The Board of Supervisors, following at least one public hearing, and after compliance with the California Environmental Quality Act, may, without approval by a vote of the people, amend the General Plan to re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) as necessary to comply with state law regarding the provision of housing for all economic segments of the community. Such amendment may be adopted only if the Board of Supervisors makes each of the following findings based on substantial evidence:</u></p> <p><u>i. The proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land proposed to be re-designated will not exceed the minimum area necessary to comply with State law; and</u></p> <p><u>ii. The proposed development is immediately adjacent to existing compatibly developed areas and the applicant for the amendment has provided to the County evidence that the Fire Department, Police Department, Department of Public Works, Resource Management Agency, water and sewer districts, and school districts with jurisdiction over such land have or will provide adequate capacity to accommodate the proposed development and provide it with adequate public services; and</u></p> <p><u>iii. The proposed development will address the highest priority need identified in the analysis by which the County has determined it is not in compliance with state law, (i.e., low- and very low-income housing); and</u></p> <p><u>iv. There is no other existing residentially designated land available to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands other than those designated Agriculture (A), Rural (R), or Rangeland (RG); and</u></p> <p><u>v. Notice of such proposed amendment has been given according to the County's standard notice requirements to the owners of properties adjacent to the proposed development, and additionally, notice has been given no fewer than 30 days prior to the proposed amendment's appearance on the Board of Supervisors' agenda, to: (1) LAFCo, (2) any city in whose Sphere of Interest the property to be re-designated is located, and (3) all parties that have requested such notice by placing their name and contact information with the Clerk of the Board of Supervisors.</u></p> <p><u>i.) Nothing in this policy is intended to prevent the Board of Supervisors from redesignating lands not designated Agriculture (A), Rural (R), or Rangeland (RG) without approval by a vote of the people, except as provided in subdivisions (e)(iv), (e)(v), and (g).</u></p> <p><u>j.) This policy does not apply to, and is not intended to alter current or future land use designations for, lands within the boundaries of the three existing designated Specific Plan Areas in San Benito County (the San Juan Oaks Specific Plan Area, the Santana Ranch Specific Plan Area, and the Fairview Corners Specific Plan Area) as those boundaries existed on February 5, 2020.</u></p> <p><u>k.) For the purposes of this policy, approval by a vote of the people is accomplished when a General Plan amendment is placed on the ballot through any procedure provided for in the State Elections Code, and a majority of the voters votes in favor of the amendment. Whenever the Board of Supervisors adopts an amendment requiring approval by a vote of the people pursuant to this policy, the amendment shall not take effect until after such a vote is held and a majority of the voters votes in favor of it. The Board of Supervisors shall follow the provisions of the state Elections Code in all matters pertaining to placing such a measure on the ballot.</u></p>	

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
<p>P. 3-6</p>	<p>Table 3-1 Land Use Designations and Standards</p> <p>Commercial Thoroughfare (CT) The purpose of this designation is to provide commercial services for motorists near highway interchanges, along thoroughfares, and near Federal, State, and regional parks, and other tourist attractions to capture pass through traffic, and to allow for commercial uses that serve the agricultural and rural unincorporated community. These uses could include small shopping centers, truck and automobile stations, and tourist serving commercial uses.</p> <p>Maximum FAR 0.8</p>	<p>This action deletes the Commercial Thoroughfare land use designation from available land use designations in the General Plan. This action causes inconsistencies where properties have already been developed with commercial uses and now lose their overlying commercial designation.</p> <p>The Initiative measure removes Commercial Thoroughfare and Commercial Regional land use designations from the General Plan leaving only one commercial designation type- Neighborhood Commercial. The Initiative Measure also removes all Commercial Neighborhood nodes, and several Commercial Neighborhood designations outside of the node areas leaving only two areas of existing Neighborhood Commercial. Therefore, new commercial development would only be allowed in these two existing areas. Any additional commercial proposal, outside of these existing commercial areas, would require re-designation of lands. If any of these lands are Agriculture, Rural, or Rangeland areas it would require a majority vote of the residents of San Benito County. Therefore, the Initiative measure removes the ability for the County to pursue new commercial development under the General Plan and would require re-designation of lands and in some cases approval by the residents of San Benito to move projects forward.</p>
<p>P 3-6</p>	<p>Table 3-1 Land Use Designations and Standards</p> <p>Commercial Regional (CR) The purpose of this designation is to provide areas that function as destinations for commercial activity serving the regional population. This designation intends to accommodate the location of such commercial uses at key intersections along Interstate 101 and other major State Routes. These uses could include shopping centers, truck and automobile stations, tourist serving commercial uses, and hotels/motels.</p> <p>Maximum FAR 0.8</p>	<p>See Above.</p> <p>The Initiative Measure deletes the Commercial Regional Land Use designation from the available land use designations in the General Plan. This results in some internal inconsistency as there remain references to this designation on page 3-24 of the General Plan. However, the Initiative measure does allow for the Board of Supervisors to, without a vote of the people, make technical, non-substantive modifications to the General Plan/or clarification and internal consistency provided such modifications are consistent with the Purpose and Findings of the Initiative Measure.</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
<p>P. 3-9, 3-11, and 3-13</p>	<p>The General Plan's Land Use Diagram, Figure 3-1, Figure 3-2, and Figure 3-3, is further amended to remove all Commercial Thoroughfare (CT) and Commercial Regional (CR) land use designations and to re-designate lands previously designated Commercial Thoroughfare (CT) or Commercial Regional (CR) to other land use designations, as depicted on Exhibit A, Exhibit B, and Exhibit C.</p> <p>The General Plan's Land Use Diagram, Figure 3-1, Figure 3-2, and Figure 3-3, is further amended to remove all Commercial Neighborhood (CN) node designations and to re-designate certain of those lands to other land use designations, while retaining certain other of those lands as Commercial Neighborhood (CN) designation, as depicted on Exhibit A, Exhibit B, and Exhibit C.</p>	<p>The amendments to Figures 3-1, 3-2, and 3-3 removing all Commercial Thoroughfare and Commercial Regional land use designations and revising to other land use designations serves to make the General Plan land use figures consistent with the text amendments made by the Initiative Measure.</p> <p>According to the Economic Development Element of the General Plan, most San Benito County residents commute outside of the county daily for work. This out migration of workers hurts the county by limiting economic growth and increasing energy consumption. The General Plan outlines goals and policies to promote new employment opportunities within the county for residents and to provide guidance for future employment and industrial uses in the county that are vital to the economic health of the community (General Plan p 3-24). Additionally, the General Plan notes that historically residential growth in San Benito County has outpaced commercial and mixed-use growth. The County desires to promote commercial uses on strategic unincorporated parcels in order to accommodate commercial demand, promote economic development, and increase revenue. The node locations identified in Figure 3-5 were identified as ideal areas for future commercial and mixed-use development (General Plan p 3-23). The Initiative Measure removes all commercial nodes and removes or edits many of the General Plan's goals and policies that were intended to foster economic growth. The Initiative measure consequently limits economic development opportunities, and employment opportunities and job growth by removing commercial land use designations from areas identified for commercial development.</p>
<p>P. 3-15</p>	<p>Policy LU-1.2 Sustainable Development Patterns</p> <p>The County shall promote compact, clustered development patterns that use land efficiently; reduce pollution and the expenditure of energy and other resources; and facilitate walking, bicycling, and transit use; and encourage employment centers and shopping areas to be proximate to residential areas to reduce vehicle trips. Such patterns would apply to infill development, unincorporated communities, and the New Community Study Areas. The County</p>	<p>The Initiative Measure makes a minor wording change in regard to the new community areas.</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	recognizes that the New Community Study Areas comprise locations that can have the potential to promote such sustainable development. (RDR)	
P. 3-23	Historically residential growth in San Benito County has outpaced commercial and mixed-use growth. The County desires to promote commercial uses on strategic unincorporated parcels in order to accommodate commercial demand, promote economic development, and increase revenue. The focus of this goal section is to identify types and areas for future commercial and mixed-use development. Figure 3-5 shows the locations, Table 3-1 describes the land use designations, and Appendix A defines the new commercial nodes.	This text deletes the reference to Appendix A but does not delete commercial node references in Appendix A, which results in an internal consistency in the General Plan. The strategic parcels for economic development are removed by the Initiative; only local-serving locations with minimal potential for economic development remain.
P. 3-23	GOAL LU-5 To promote the development of regional, thoroughfare, and locally serving commercial uses at key opportunity sites in the unincorporated County.	The Initiative Measure would remove most commercial opportunity sites from the General Plan Land Use Diagram and would require voter approval for development of new community areas. Therefore, it limits the County's ability to implement this goal or promote development of commercial uses at key opportunity sites in the County. The "key" economic development sites are removed, and the remaining sites are primarily local-serving.
P. 3-23	LU-5.1 New Commercial Neighborhood Nodes The County shall encourage new Commercial Neighborhood (CN) development nodes, as shown on the Land Use Diagram, so long as they are located within a reasonable walking distance of a community, are centrally located to serve an unincorporated community that is lacking neighborhood commercial services, or it is located where the need for expanded neighborhood commercial services can be demonstrated. The County shall encourage neighborhood commercial uses to connect to residential uses along transit corridors and bicycle and pedestrian paths, as appropriate to the context, and include appropriate transit, bicycle and pedestrian facilities. (RDR)	The Initiative Measure removes all Commercial Neighborhood node designations but retains Commercial Neighborhood designations at three specific locations: Aromas, Tres Pinos, and Paicines. Appendix A Glossary still includes the following definition: "Centralized Commercial Node Development- A strategically located concentration of development (e.g. commercial, office, industrial, residential and/or a combination thereof) at, or within a reasonable distance from , the existing and future intersections of highways, state routes, and major collectors or arterials, intended to prevent linear or "strip" development in order to maintain or improve community character and to create easy access and high visibility for commercial businesses.
P. 3-23	LU-5.2 New Commercial Thoroughfare Nodes The County shall encourage new Commercial Thoroughfare (CT) nodes, as shown on the Land Use Diagram, serving travelers and tourists along state routes. The County shall require these uses to have adequate public services, be compatible with surrounding land uses, and respect the scenic character of the county. (RDR)	The Initiative Measure removes Commercial Thoroughfare from the available land use designations in the General Plan. Therefore, the Initiative Measure deletes policies referencing this land use designation.
P. 3-23- 3-24	LU-5.3 New Commercial Regional Nodes	The Initiative Measure removes Commercial Regional from the available land use designations in

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	<p>The County shall encourage new Commercial Regional (CR) nodes to be located at or near existing or future highway interchanges, major intersections, and along existing or future transit facilities. Facilities should be located consistent with Figure 3-5 (and exclude the intersection of U.S. Highway 101 and State Route 156). In order to respect the scenic character of the county, new development at these commercial nodes shall be subject to design review before the County Planning Commission. Further, development within these commercial nodes is encouraged to contribute to the preservation of scenic areas along the designated scenic corridors within the County. The County shall also encourage additional access to new regional commercial centers through bicycle and pedestrian connections from residential uses as appropriate to the context. (RDR).</p>	<p>the General Plan. Therefore, the Initiative Measure deletes policies referencing this land use designation.</p>
<p>P. 3-24</p>	<p>LU-5.4 New Commercial Nodes Development Vision</p> <p>The County shall encourage developers to reflect a cohesive vision for node commercial development in site plans submitted as a part of applications for discretionary approval that recognizes the importance of the County's scenic resources and local character and quality of life attributes. (RDR)</p>	<p>Because the Initiative Measure deletes the node reference in this goal this policy is now applicable primarily to the remaining Neighborhood Commercial areas. This policy should be re-numbered to LU-5.2.</p>
<p>P 3-24</p>	<p>LU-5.5 Strip Commercial The County shall discourage the creation of new strip commercial developments (e.g., non-cohesive commercial fronting a major arterial or state highway) in favor of centralized <u>or clustered</u> commercial node development that is located in the commercial nodes identified on the Land Use Diagram and in Policies LU-5.1 to LU-5.3. (RDR)</p>	<p>Because the Initiative Measure deletes the node reference in this goal this policy is now applicable primarily to the remaining Neighborhood Commercial areas. This policy should be re-numbered to LU-5.3.</p>
<p>P 3-29</p>	<p>New Communities provide an opportunity for San Benito County to accommodate future growth in new, balanced communities that provide urban infrastructure and services, employment generating land uses and institutional facilities e.g., schools, libraries, community centers, fire stations). The creation of New Communities can provide the County with the opportunity to meet its goals of locating future growth in areas that minimize both agricultural and environmental impacts. Since <u>If</u> infill development alone is not likely to be able to accommodate projected future population growth, New Communities may be necessary as well as desirable to accommodate the anticipated population growth in San Benito County. In addition, by minimizing to the extent that they minimize the number of per capita vehicle miles traveled, New Communities can <u>may</u> help the County lower its carbon footprint as effectively, and sometimes more effectively, than infill development.</p> <p><u>In 2020 the voters of San Benito County passed the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE. The Initiative requires approval by a vote of the people for any proposed General Plan amendment that would re-designate Agriculture (A), Rural (R), or Rangeland (RG) lands through December 31, 2049, with certain exceptions. Proposals for New Communities must comply with the requirements of the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE.</u></p>	<p>The Initiative Measure changes the procedure for establishing new communities, resulting in a process that is potentially more difficult, less open to public process, more likely to result in policy conflicts, and more costly to the County. County processing costs are not subject to reimbursement by the proponent.</p>
<p>P. 3-30</p>	<p>The purpose of identifying the New Community Study Areas is to provide the opportunity for San Benito County to accommodate <u>consider accommodating</u> some future growth in new unincorporated communities, while protecting productive agricultural lands, preserving open space, and creating a sustainable land use pattern in the county.</p>	<p>The Initiative Measure makes a minor wording change in regard to the new community areas.</p>
<p>P. 3-33</p>	<p>Providing a regional commercial presence along the transportation corridors in the study area would <u>potentially allow for the capture of</u> sales tax dollars that neighboring counties currently enjoy, provide</p>	<p>The Initiative Measure removes the regional commercial land use designation, yet leaves a reference</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	<p>additional commercial opportunities that would not compete with existing businesses in the county, utilize existing and planned infrastructure (including the recently improved San Juan Road interchange) and provide amenities to attract and inform tourists about San Benito County and draw them into the county.</p> <ul style="list-style-type: none"> • Most of the lands within the area are undeveloped grazing lands that could provide middle to higher end housing with access to major roads, in addition to the existing Rancho Larios residential development. 	<p>to regional commercial uses within this paragraph, including a specific reference to the San Juan Road (Rocks Ranch) commercial node. This presents an internal inconsistency within the General Plan because the removal of the commercial regional nodes precludes achievement of the primary intent of this policy.</p>
<p>P 3-35</p>	<p>LU 8.4- New Community Application Content Requirements</p> <p>The County shall require all project applicants for New Communities to provide the County with the following information: ...</p> <p>b. Completed General Plan Amendment and Zone Change applications. <u>(Proposed General Plan Amendments must comply with the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE, adopted by the voters in 2020, which requires approval by a vote of the people or any proposed General Plan amendment that would re-designate Agriculture (A), Rural (R), or Rangeland RG lands through December 31, 2049, with certain exceptions.</u></p>	<p>The Initiative Measure adds a parenthetical note to this policy regarding the need for voter approval of General Plan Amendments.</p>
<p>P 3-38</p>	<p>LU-9.1 Orderly City Expansion</p> <p>The County shall support the orderly expansion of urban uses within the spheres of influence of Hollister and San Juan Bautista, recognizing that the Cities have primary responsibility for determining the type, intensity, and timing of future development in these areas, and provided that in doing so, the County will comply with the <u>PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE, adopted by the voters in 2020, which requires approval by a vote of the people for any proposed General Plan amendment that would re-designate Agriculture (A), Rural (R), or Rangeland (RG) lands through December 31, 2049, with certain exceptions.</u> (RDR/IGC)</p>	<p>The Initiative Measure could conflict with this General Plan policy if the orderly expansion of urban uses within the spheres of influence of Hollister and San Juan Bautista are within areas designated as Agriculture, Rural, or Rangeland in the San Benito County General Plan. Most of the land within the San Juan Bautista Sphere of Influence is designated Agriculture in the San Benito County General Plan. The land near the airport within the Hollister Sphere of Influence is designated Agriculture in the San Benito County General Plan. Hollister and San Juan Bautista would not have the ability to influence the type, intensity, and timing of future development in these areas as it would ultimately be determined by a vote of the residents of San Benito County. However, the Initiative Measure does not preclude annexation of this territory by the cities, which would bring the territory under the designations of the cities' General Plans and remove the voter requirement for County General Plan Amendments.</p>
<p>P 3-39</p>	<p>LU-9.3 Sphere of influence Area Coordination</p> <p>The County shall coordinate with the Cities of Hollister and San Juan Bautista on all County planning and permit approvals for properties located within the City's adopted spheres of influence, and where appropriate, require a concurrent application for any general plan amendment on property located within the City's adopted spheres of influence. (RDR/IGC) <u>(Proposed General Plan Amendments to re-designate lands within the unincorporated area of San Benito County must comply with the PRESERVE OUR AGRICULTURAL AND RURAL</u></p>	<p>See above.</p>

General Plan Page Number	General Plan Text or Policy Revisions or Deletions	Effect
	<p><u>LANDS INITIATIVE, adopted by the voters in 2020, which requires approval by a vote of the people for any proposed General Plan amendment that would re-designate Agriculture (A), Rural (R), or Rangeland (RG) lands through December 31, 2049, with certain exceptions.</u></p>	
<p>P. 3-39</p>	<p>LU-9.9 Special Needs Housing within Spheres of Influence Areas</p> <p>The County shall cooperate with the Cities to protect land within adopted spheres-of-influence for future urban density. However, the County may allow development of unmet special needs housing for the following special need groups: lower-income households, seniors, farm workers, persons with disabilities, the local work force, persons in need of emergency shelter or transitional housing, and group homes for mentally disabled/substance abuse. (RDR/IGC) <u>(In so doing, the San Benito County will comply with the PRESERVE OUR AGRICULTURAL AND RURAL LANDS INITIATIVE, adopted by the voters in 2020, which requires approval by a vote of the people for any proposed General Plan amendment that would re-designate Agriculture (A), Rural (R), or Rangeland (RG) lands through December 31, 2049, with certain exceptions).</u></p>	<p>The Initiative Measure has an exception for re-designation of Agriculture, Rural, and Rangeland lands for low income housing, provided certain findings are made, but the Initiative does not provide any exceptions for other special needs housing types including for seniors, farmworkers, local workforce, or persons with disabilities housing, or transitional housing, emergency shelters, or group homes for mentally disabled/substance abuse. Therefore, the initiative measure would conflict with many of the provisions of this policy. The Initiative may limit the County in meeting State law mandates for special needs housing.</p>

The most significant conflicts arise from a disconnect between General Plan emphasis on economic development and sales tax revenues from the commercial designations, and the amended policies and elimination of land use designations to the extent that these would no longer support this vision. Under the Initiative Measure, commercial development would be limited to local-serving commercial in locations that are not likely to attract significant out-of-County spending, and would, therefore, not yield significant growth in tax revenues. The Commercial Regional and Commercial Thoroughfare land use designations are critical to achieving significant sales tax revenue generation, particularly in capturing such revenue from persons passing through the County, and these would be eliminated.

To a lesser degree, the Initiative Measure could limit the County’s ability to provide for affordable housing and emergency shelters. These uses are not expected to be a major component within the commercial designations that are eliminated by the Initiative Measure, but there is the potential that these designations would provide some level of affordable housing, including workforce housing for the commercial uses within the commercial areas. The previously adopted, and since rescinded C-3 Regional Commercial zoning had an allowance for a small number of residential units at each of the U.S. Highway 101 commercial nodes, which could have fulfilled a need for affordable housing. Although the Initiative Measure provides an exception for affordable housing development, that exemption is not inclusive of emergency shelters (mandated under Government Code section 65008), and other special needs housing. This is discussed further in Section 3.0 Housing Impacts.

The Initiative Measure would result in other more minor internal inconsistencies; however, the Initiative Measure authorizes and directs the County to amend the General Plan and other San Benito

County plans, ordinances, and policies affected by this Initiative as soon as possible and periodically thereafter as necessary to ensure consistency between the provisions adopted in the Initiative and other sections of the General Plan and other San Benito County plans, ordinances, and policies (Rural Lands Initiative p. 16-17). While the internal inconsistencies may be able to be resolved by the County, the Initiative Measure would result in conflicts between the General Plan and Zoning as well as between existing uses and their General Plan Designations that could not be resolved without a vote of the people; see Section 2.2 for a discussion on these inconsistencies.

ZONING CONSISTENCY

The Initiative Measure removes all 13 overlying commercial node land use designations as well as additional underlying land use commercial designations while not affecting the zoning. This would result in some properties that would have Commercial zoning designations with an inconsistent Agricultural, Rural, or Rangeland land use designation.

DUNNEVILLE CAFÉ AND MARKET AT SHORE ROAD AND FAIRVIEW ROAD (THOROUGHFARE COMMERCIAL NODE / C-2 ZONING).

This commercially developed parcel is within a Thoroughfare Commercial node and also has an underlying General Plan Thoroughfare Commercial land use designation shown on the County's GIS mapping. The Initiative would remove the Commercial Node designation and change the underlying General Plan land use designation from Commercial Thoroughfare to Agriculture.

This parcel has Neighborhood Commercial C-2 zoning and an existing café and market. The Initiative Measure would remove the Commercial land use designation resulting in zoning that is inconsistent with the land use designation. Additionally, the existing business would no longer be consistent with its General Plan designation, and this could potentially become an issue if the owner wished to make major improvements or expansions to the existing use.

CHILLIN AND GRILLIN BAR AND GRILL ON MITCHELL ROAD NEAR THE INTERSECTION OF HIGHWAY 156 AND UNION ROAD (THOROUGHFARE COMMERCIAL NODE / M-2 ZONING).

This commercially developed parcel is within a Thoroughfare Commercial node. The initiative would change the General Plan land use designation to Agriculture. This parcel has M-2 zoning. The bar and grill are not consistent with the uses allowed by M-2 zoning. If the General Plan commercial land use designation is removed, this business would not be able to rebuild or expand under the M-2 district. Ministerial permits for a use consistent with the M-2 zoning and the Agriculture General Plan land use designation could be issued. Establishment of a use requiring a discretionary permit would need to be consistent with the Agriculture General Plan land use designation. Therefore, this area would lose potential future re-development capacity.

U.S. HIGHWAY 101/BETABEL ROAD (REGIONAL COMMERCIAL NODE/C-1 ZONING)

This 29-acre node is located along Betabel Road west of U.S. Highway 101 immediately south of a recreational vehicle park. The County's C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node. With this referendum, the new C-3 zoning was removed and the site reverted back to its previous zoning. However, the node was

recently re-zoned to C-1, following removal of the C-3 code section. The removal of the node's Regional Commercial node designation would revert the land use designation to Rangeland. Therefore, the Initiative Measure would cause this site to have a rural land use designation inconsistent with its commercial zoning.

U.S. HIGHWAY 101/HIGHWAY 129

This node is located at the intersection of Highway 129 and Searle Road, west of U.S. Highway 101. The node has no permanent structures, but portions of the node are used for nursery production and temporary retail sales. The County's C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node. With this referendum, the site's C-3 zoning was removed and the site reverted back to its previous zoning which includes 2.5 acres with C-1 zoning. The removal of the node's Regional Commercial node designation would revert the land use designation to Rangeland. Therefore, the Initiative Measure would cause this site to have a rural land use designation inconsistent with its C-1 zoning.

U.S. Highway 101/Cole Road

Portions of this commercial node are developed with a livestock sales market, related retail business, and horse boarding facilities, and other portions of the node are vacant land used for grazing. The County's C-3 zoning code which was removed from the County code through a referendum process in March 2020, included this node under the name "Livestock 101." With this referendum, the site's C-3 zoning was removed and the site reverted back to its previous zoning which includes 16 acres with C-2 zoning. Therefore, the Initiative Measure would cause this site to have a rural land use designation inconsistent with its C-2 zoning.

SPECIFIC PLAN CONSISTENCY

The Initiative Measure states that it does not apply to, and is not intended to alter current or future land use designations for lands within the boundaries of the three existing designated Specific Plan Areas in San Benito County (the San Juan Oaks Specific Plan Area, the Santana Ranch Specific Plan Area, and the Fairview Corners Specific Plan Area) as those boundaries existed on February 5, 2020. While the Initiative Measure primarily effects the ability of the County to develop commercial uses, the Initiative Measure does require voter approval for any of the four designated New Community Study Areas: Bolsa, Fairview, San Juan, or Union. A Specific Plan is required for all New Communities in order create a unified project. The primary reason for this is that in order to create a complete community, it is necessary to have a comprehensive plan that can be implemented sequentially over a given period of time (General Plan p 3-29). Therefore, all New Community Specific Plans will be subject to voter approval through 2049 and will be impacted by the Initiative Measure.

6. HOUSING IMPACTS

The Initiative Measure affects the ability of the County to approve housing projects by:

- removing all Commercial Regional and many Commercial Neighborhood land use designations, which allow for residential development per Policy LU-5.7;
- requiring voter approval for any development of New Community Areas; and
- requiring voter approval to re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) including those that could be ideal for housing projects (excluding the exception discussed below).

The Initiative Measure (section h) includes a limited exception to the voter approval requirement for re-designation of land for development of low and very low-income housing. Specifically, “the Board of Supervisors, following at least one public hearing, and after compliance with the California Environmental Quality Act, may, without approval by a vote of the people, amend the General Plan to re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) as necessary to comply with state law regarding the provision of housing for all economic segments of the community. Such amendment may be adopted only if the Board of Supervisors makes each of the following findings based on substantial evidence:

- i. The proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land proposed to be re-designated will not exceed the minimum area necessary to comply with State law; and
- ii. The proposed development is immediately adjacent to existing compatibly developed areas and the applicant for the amendment has provided to the County evidence that the Fire Department, Police Department, Department of Public Works, Resource Management Agency, water and sewer districts, and school districts with jurisdiction over such land have or will provide adequate capacity to accommodate the proposed development and provide it with adequate public services; and
- iii. The proposed development will address the highest priority need identified in the analysis by which the County has determined it is not in compliance with state law, (i.e., low- and very low-income housing); and
- iv. There is no other existing residentially designated land available to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands other than those designated Agriculture (A), Rural (R), or Rangeland (RG); and
- v. Notice of such proposed amendment has been given according to the County's standard notice requirements to the owners of properties adjacent to the proposed development, and additionally, notice has been given no fewer than 30 days prior to the proposed amendment's appearance on the Board of Supervisors' agenda, to: (1) LAFCo, (2) any city in whose Sphere of Interest the property to be re-designated is located, and (3) all parties that have

requested such notice by placing their name and contact information with the Clerk of the Board of Supervisors.”

Additionally, the Board of Supervisors must make the following findings:

- The land area will not exceed the minimum necessary to comply with state law;
- The development is immediately adjacent to existing compatible development and can be provided with all public services;
- The development meets the highest priority need for which the County is not in compliance with state law; and
- No other existing residentially designated land is available to feasibly accommodate the proposed development.

IMPACT ON HOUSING ELEMENT CONSISTENCY/ REGIONAL HOUSING NEEDS/ AVAILABILITY AND LOCATION OF HOUSING

LAND AVAILABILITY

General Plan Housing Element Policy HOU-2I states that the County shall ensure that there is sufficient land zoned for a variety of housing types, residential densities and housing prices that will meet the needs for projected growth while providing flexibility on the identification of housing sites (San Benito County Housing Element p. 5-64). San Benito County ministerially allows multifamily rental housing in its highest-density residential zoning district, Residential Multiple (RM). The RM District’s uses are also allowed as conditional uses in the Neighborhood Commercial (C-2) district. As the unincorporated County is largely rural, with few locations close to services and amenities, multifamily rental housing is generally located within and near the incorporated cities of Hollister and San Juan Bautista.

While the Initiative exception for low-income housing may lessen the Initiative’s impact on the County’s ability to achieve its housing element goals and regional housing needs, it would likely still limit housing development opportunities. Most notably, the Initiative would remove existing land use designations that currently allow for residential development (including some Neighborhood Commercial and all Regional Commercial and Thoroughfare Commercial designations), and would require voter approval for development of New Community Areas.

The Initiative Measure re-designates areas with Commercial designations to Agriculture, Rural, or Rangeland. These areas were identified by the General Plan as ideal locations for mixed use projects with a residential component. This action would result in changing designations for areas that currently allow for high density residential development to agricultural designations that would allow only very limited residential development. This conflicts with Housing Element goals and policies. While the Initiative Measure has an exception that allows for re-designation of lands as necessary for low-income housing per State mandates without a vote by the citizens of San Benito County, this would require additional cost and time to re-designate new lands for residential development.

Some of the lands currently designated for Neighborhood Commercial do not have commercial zoning designations, however, according to Government Code Section 65008, a project shall not be deemed to be inconsistent with the zoning designation for the site if that zoning designation is inconsistent with the general plan only because the project site has not been rezoned to conform with a more recently adopted general plan. Under this provision, lands designated for Neighborhood Commercial uses could be developed with residential mixed uses even if the zoning designation for the site is inconsistent with that designation. Therefore, by removing the Neighborhood Commercial designation from lands, the Initiative Measure is stripping an existing right to develop the lands with residential uses.

HOUSING WITHIN NEW COMMUNITIES

Figure 3-6 of the General Plan identifies four New Community Study Areas: Bolsa, San Juan, Fairview, and Union. The General Plan identifies the New Community Study Areas to provide the opportunity for San Benito County to accommodate some future growth in new unincorporated communities, while protecting productive agricultural lands, preserving open space, and creating a sustainable land use pattern in the County.

Voter approval would be necessary for development of any of the four designated New Community Study Areas in addition to the state law mandated approval process for General Plan amendments which includes compliance with the California Environmental Quality Act, public notice, and public hearings conducted by the Planning Commission and the Board of Supervisors.

The General Plan provides for housing within new community areas. General Plan Policy LU-8.2 states that development projects will be considered a "New Community" when the development project is a unique, self-contained new development. The Director of Planning and Building Inspection Services has the discretion to determine which projects constitute a New Community, but they would generally be projects that cannot be developed under existing allowed residential densities, even with clustered residential incentives, and contain a variety of proposed uses, including residential, employment, neighborhood retail, as well as an emphasis on pedestrian and bicycle circulation and recreational opportunities.

Per General Plan Policy LU- 8.4, development any of the four New Community Areas the General Plan requires the approval of a Specific Plan consistent with State specific plan requirements, including the location and intensity of planned land uses and circulation system. The General Plan notes that the plan should result in a more dense land use pattern than would normally be allowed under existing General Plan designations and zoning, provide the opportunity for a mix of land uses and densities (e.g., residential, commercial, mixed-use, employment generating, and public facilities), ensure access and efficient movement by multiple modes of transportation (e.g., car, transit, bicycle, and pedestrians); and provide for energy efficiency and water conservation

Because the General Plan would require a Specific Plan for development of any of the New Community areas and encourages such development to be self-contained and include a variety of uses, future development proposals for these four new community areas are anticipated to be in the form of a Specific Plan for mixed-use development. The Initiative Measure would subject such proposals to voter

approval. Specific Plan development proposals would not specifically qualify for the low-income housing exception identified in the Initiative Measure if they are for a mixed-use project. Therefore, a Specific Plan that complies with General Plan goals and policies for a mixed-use development within the New Community areas including those with a low-income housing component would be delayed until a general or special election could be held (and could subsequently be denied by the voters even if approved by the Board of Supervisors). This could prevent important housing projects from moving forward that otherwise might but not for the Initiative Measure.

LIMITATIONS ON COUNTY'S ABILITY TO IMPLEMENT CALIFORNIA GOVERNMENT CODE SECTIONS

SECTION 65008

Government Code Section 65008 forbids discrimination against affordable housing by local government agencies exercising their planning and land use powers. Specifically, the statute prohibits actions, laws or policies that discriminate against: 1) affordable housing (including homeless shelters), 2) the residents or potential residents of affordable housing, or 3) the developers of affordable housing or shelters, if the discrimination is based on:

- 1) Race, sex, color, religion, ethnicity, national origin, ancestry, lawful occupation, or age; 2) The method of financing (i.e. that the development is subsidized); 3) Occupancy by low- or moderate-income persons.

The Initiative Measure includes an exception to its voter requirement to re-designate land for low-income housing and therefore would not impact the County's ability to implement this State mandate in regard to affordable housing; however, the Initiative Measure does not include an exception for emergency shelters, and so it could limit the County's abilities in that respect.

SECTIONS 65913 CHAPTER 4.2. HOUSING DEVELOPMENT APPROVALS

Section 65913 declares that a severe shortage of affordable housing exists, especially for persons and families of low and moderate income, and that there is an immediate need to encourage the development of new housing, not only through the provision of financial assistance, but also through changes in law designed to expedite the local and state residential development process, assure that local governments zone sufficient land at densities high enough for production of affordable housing, assure that local governments make a diligent effort through the administration of land use and development controls and the provision of regulatory concessions and incentives to significantly reduce housing development costs and thereby facilitate the development of affordable housing, including housing for elderly persons and families.

The Legislature further declared that the costs of new housing developments have been increased, in part, by the existing permit process and by existing land use regulations and that vitally needed housing developments have been halted or rendered infeasible despite the benefits to the public health, safety, and welfare of those developments and despite the absence of adverse environmental impacts.

This chapter amends existing statutes which govern housing development to provide greater encouragement for local and state governments to approve needed and sound housing developments. It encourages jurisdictions to designate and zone sufficient vacant land for residential use and to refrain from imposing criteria for design or improvements for the purpose of rendering the development of housing infeasible for any and all economic segments of the community.

The County will not be permitted to implement provisions that would go beyond the allowances provided the Initiative Measure to comply with State Law. The Board of Supervisors would be required to allow just enough land re-designation/ residential development, etc. to meet state mandates. Therefore, while the County would not be barred from implementing these code sections, the County would not be allowed to go beyond what is mandated in these code sections to allow for additional housing on any lands that are subject to the Initiative Measure.

As previously discussed, the Initiative Measure removes Neighborhood Commercial land use designations in areas that would currently allow for residential development and requires voter approval for designated "New Community" areas where mixed-use development including residential, could occur. Section 65913.1 (b) states that the County shall refrain from imposing standards and criteria for public improvements including, but not limited to, streets, sewers, fire stations, schools, or parks, which exceed the standards and criteria being applied by county at that time to its publicly financed improvements located in similarly zoned districts within the county. The Initiative Measure requires findings to be made prior to re-designation from agricultural to urban designations including that the proposed development is immediately adjacent to existing compatibly developed areas and the applicant for the amendment has provided to the County evidence that the Fire Department, Police Department, Department of Public Works, Resource Management Agency, water and sewer districts, and school districts with jurisdiction over such land have or will provide adequate capacity to accommodate the proposed development and provide it with adequate public services and that no other existing residentially designated land is available to feasibly accommodate the proposed development. It may be difficult for the County to make each of these findings and therefore, the Initiative Measure could hinder housing development in these areas.

SECTION 61915

The California State Density Bonus Law, under Section 65915 of the California Government Code, offers incentives including up to a 35 percent increase in densities that are intended to encourage the development of affordable housing. The Initiative Measure is unlikely to impact the County's Implementation of its density bonus law and incentives.

7. TRAFFIC CONGESTION

The Initiative Measure would not directly add to traffic congestion. However, the County has an imbalance of jobs to housing, which results in a significant out-commute to the jobs-rich Silicon Valley area, and traffic congestion on regional highways.

Policy LU-8.8, Transportation Efficiency of New Communities, encourage New Communities to be designed to maximize internal transportation efficiency through designs that minimize trip generation, using design features that could include higher density residential uses near employment uses, schools, and neighborhood retail, as well as enhanced pedestrian, bicycling, and transit opportunities. Implementation of this strategy will be reduced by the Initiative Measure, which requires voter approval of Specific Plans for new communities, as discussed elsewhere.

8. IMPACT ON AGRICULTURAL LANDS, OPEN SPACE, AND VACANT LAND

AGRICULTURAL LANDS

San Benito County comprises about 890,000 acres, about 75 percent of which is agricultural. As shown in Table 6-3 of the General Plan EIR, 2,430 acres of agricultural land was converted to urban uses from 1992 to 2010. Based on the Farmland Mapping and Monitoring Program (FMMP) land use categories, much of this conversion occurred on high-value farmland including Prime Farmland. In its 2007 report, *Paving Paradise: A New Perspective on California Farmland Conversion*, the American Farmland Trust analyzed FMMP data for 1990 to 2004 for all California counties. Out of the total 2,191 acres that converted to urban uses in San Benito County over that time period, 966 acres (or 44 percent) were on Prime Farmland, with another 137 on other high-quality farmland (General Plan EIR p. 6-16). The General Plan EIR identified acreages of Prime, Important, and Unique farmland that it anticipated would be converted to Thoroughfare Commercial, Neighborhood Commercial, and Regional Commercial uses. The General Plan EIR identified 204 acres of Prime Farmland, and 16 acres of Farmland of Statewide Importance for conversion to Commercial Thoroughfare uses; 59 acres of Prime Farmland for conversion to Neighborhood Commercial; and 25 acres of Prime Farmland for conversion to Regional Commercial. Table 25, Important Farmland Summary, presents a summary of the agricultural land loss at the commercial nodes. Note that because there are no specific commercial node boundaries established in the General Plan, the assignment of agricultural land loss at each node is an estimate.

The 2035 Land Use Diagram and land use goals and policies were designed to promote clustered residential development located away from prime farmland and other natural resources, and to accommodate regional commercial and employment growth at key intersections along State Route 25, the Airpark Business Center, and the San Felipe Road business corridor. San Benito County ranked first in all Central Coast counties and third in all California agricultural counties in the percentage increase in people per urbanized acre, which indicates that the 1992 General Plan policies effectively promoted clustering. Continuation of these policies as proposed in the 2035 General Plan should have the same results.

While the General Plan EIR identified 204 acres of Prime Farmland, and 16 acres of Farmland of Statewide Importance for conversion to Commercial Thoroughfare uses; 59 acres of Prime Farmland for conversion to Neighborhood Commercial; and 25 acres of Prime Farmland for conversion to Regional Commercial. In a hypothetical mapping process for each node 98 acres Prime Farmland and 26 acres of Statewide importance were impacted by hypothetical Commercial Thoroughfare nodes and 7 acres of Prime Farmland and were impacted by Commercial Neighborhood Nodes. Therefore, based on how specific node boundaries are mapped by the County in the future, it is possible that important farmland could be impacted to a lesser extent than that identified in the General Plan EIR.

Table 25: Important Farmland Summary

Node	Prime Farmland	Farmland of Statewide Importance
Commercial Thoroughfare (acres)		
Highway 156 and Union Road	5	0
Highway 156 and Fourth Street	0	0
Highway 156 and Highway 25	78	0
Highway 156 and San Felipe Road	0	26
Highway 156 and Fairview Road	10	0
Highway 25 and Shore Road	0	0
Shore Road and San Felipe	5	0
Union Road and San Benito Street	0	0
Tres Pinos	0	0
Total:	98	26
Neighborhood Commercial (acres)		
Fallon Road and Fairview Road	0	0
Highway 25 and Fairview Road	0	0
Paicines	7	0
Total:	7	0
Regional Commercial (acres)		
Betabel	25	0
Highway 129	0	0
Cole Road	0	0
San Juan Road	0	0
Total:	25	0

Source: EMC Planning Group

This summary does not account for farmland conversion that may result over time from rural residential development that could occur within non-urban designated lands, such as rangeland, rangeland management area, agriculture, and park land. For example, under the Rangeland land use designation proposed to be applied to some of the commercial nodes, the development standard permits one dwelling unit per 40 acres. Under the Agriculture land use designation proposed to be applied to some of the commercial nodes, one dwelling unit is allowed per five acres. Some level of residential development may occur within the Rangeland and Agricultural designations in the area of the current commercial nodes. Therefore, while the 2035 General Plan intends to limit new development on important farmlands, some urbanization could occur on prime farmland, unique

farmland, and farmland of statewide importance. Over time this type of development has the potential to result in greater impacts to the viability of the agricultural industry because of land use conflicts and the loss of larger parcels to residential subdivision (General Plan EIR 6-33).

Policy LU-3.10: Agricultural Land Mitigation: If new development permanently converts Prime Farmland that is Class 1 soil to non-agricultural uses, the County shall encourage project applicants to preserve up to an equal number of Prime Farmland acres (i.e. up to a 1:1 ratio) either on- or off-site. An applicant may pay mitigation fees for some or all of that mitigation as agreed in a development agreement. Further, the County shall work with the City of San Juan Bautista and the City of Hollister to encourage them to adopt a similar agricultural conversion mitigation ratio.

While the Initiative Measure is likely to result in the approval of fewer commercial, residential, or mixed-use development projects on agricultural land, it will not prevent all development on these lands that could result in the conversion of Important Farmland as the Agriculture, Rural, and Rangeland designations still allow for development.

OPEN SPACE AND VACANT LANDS

The Initiative Measure allows the Board of Supervisors, without approval by a vote of the people, and if the Board of Supervisors deems it to be in the public interest, to create a new "Open Space" land use designation, and re-designate lands designated Agriculture (A), Rural (R), or Rangeland (RG) to such "Open Space" land use designation, provided that such "Open Space" land use designation allows only those uses consistent with the uses of "open space land" as set forth in Government Code section 65560, subsections (b)(1), (b)(3), and (b)(4), as of February 5, 2020. Specifically, these allowed uses are as follows:

- Open space for the preservation of natural resources, including, but not limited to, areas required for the preservation of plant and animal life, including habitat for fish and wildlife species; areas required for ecologic and other scientific study purposes; rivers, streams, bays, and estuaries; and coastal beaches, lakeshores, banks of rivers and streams, and watershed lands.
- Open space for outdoor recreation, including, but not limited to, areas of outstanding scenic, historic, and cultural value; areas particularly suited for park and recreation purposes, including access to lakeshores, beaches, and rivers and streams; and areas that serve as links between major recreation and open-space reservations, including utility easements, banks of rivers and streams, trails, and scenic highway corridors.
- Open space for public health and safety, including, but not limited to, areas that require special management or regulation because of hazardous or special conditions such as earthquake fault zones, unstable soil areas, flood plains, watersheds, areas presenting high fire risks, areas required for the protection of water quality and water reservoirs, and areas required for the protection and enhancement of air quality.

Lands re-designated pursuant to this subdivision may not subsequently be re-designated to any land use designation other than Agriculture (A), Rural (R), or Rangeland (RG) without approval by a vote of

the people. Because the County may already establish an "Open Space" land use designation and re-designate areas as "Open Space" without a vote of the people of San Benito County, this provision would not have any affect with regards to new "Open Space" designations.

The County does not have an "Open Space" designation currently, but, in addition to Agriculture and Rangeland designations, does have a "Parks" designation that is applied to lands presently owned by Federal, State, or County agencies and used as active or passive parkland. The uses allowed within the Federal and State parks are dictated by those agencies. Permissible uses within the Parks, Public category are public recreation facilities such as public golf courses, community park, neighborhood park, local park, community center, campgrounds, recreation corridors, and trails.

The Initiative Measure would keep vacant lands vacant for longer in areas designated as Agriculture (A), Rural (R), or Rangeland (RG). Some of the commercial node sites, which already have commercial zoning, could develop to some extent, but that development may be more limited. Other commercial node sites, that do not have a commercial zoning in place, may develop with limited rural or agricultural uses, but not to the same extent of commercial development as they would with the commercial node designations. In terms of development within the new community areas, as it is unknown what future projects would be proposed and subsequently approved or denied by the people of San Benito County, the extent to which open space land would be developed cannot be predicted.

9. STRADA VERDE INITIATIVE

The Strada Verde Innovation Park Voter Initiative (“Strada Verde Initiative”) was submitted to San Benito County, and approved for the collection of voter signatures on May 29, 2020. This citizen’s initiative measure would approve the Strada Verde Innovation Park Specific Plan (“Specific Plan”) for about 2,777 acres located in an unincorporated area of northwest San Benito County, east of U.S. Highway 101 and the Pajaro River and north of State Route 25 and the Union Pacific Railroad tracks, and make conforming amendments to the County’s General Plan and Zoning Ordinance. The Specific Plan area is approximately seven miles south of Gilroy and nine miles northwest of Hollister.

This measure directly conflicts with the provisions of the Rural Lands Initiative Measure. However, Section 6 of the Rural Lands Initiative states “if this Initiative and any such other San Benito County measure receive a majority of votes by the voters voting thereon at the same election, then the measure receiving the most votes in favor shall prevail and no provision of the other measure shall take effect.” Therefore, if both the Strada Verde Initiative and the Rural Lands Initiative are approved, whichever Initiative receives the most votes will prevail. This provision is consistent with California Constitution Article II Section 10 (b), if two or more measures conflict, the measure receiving the greatest number of affirmative votes supersedes the other.

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