



DATE: May 22, 2023

TO: President and Members of the Estero Municipal Improvement District (EMID) Board of Directors

VIA: Stefan Chatwin, City Manager

FROM: Sofia Mangalam, Community Development Director
Thai-Chau Le, Planning Manager

DEPARTMENT: Community Development

SUBJECT: APPROVING THE WATER SUPPLY ASSESSMENT (WSA)
REPORT FOR THE FINAL ENVIRONMENTAL IMPACT REPORT
(EIR) FOR THE HOUSING AND SAFETY ELEMENTS UPDATE

RECOMMENDATION

It is recommended that the Board of Directors of the Estero Municipal Improvement District (EMID) adopt the attached resolution approving the Water Supply Assessment (WSA) Report for the Final Environmental Impact Report (EIR) for the Housing and Safety Elements Update.

EXECUTIVE SUMMARY

The City has been working on a Program EIR for the Housing and Safety Elements updates in accordance with California Environmental Quality Act (CEQA), implementing the CEQA Guidelines, relevant case law, and City procedures. The 2023-2031 Housing Element identifies and addresses housing needs by including goals, policies, and programs to preserve, improve, and develop housing for all economic segments of the community. This includes identifying housing sites to provide capacity for the Regional Housing Needs Allocation (RHNA) for 1,896 units (plus a buffer) for the 2023-2031 planning period.

A WSA is required for a proposed residential development of more than 500 dwelling units. The requirements for the WSA are described in the California Water Code Sections 10910 through 10915, amended by the enactment of Senate Bill 610 (SB 610) in 2002. SB 610 requires an assessment of whether EMID total projected water supplies available during normal, single-dry and multiple-dry water years, during a 20-year projection, are sufficient to meet the projected water demand associated with the 2023-2031 Housing Element, in addition to existing and planned future uses in the EMID service area (see Water Code Section 10910(c)(3)).

The WSA concludes that there is not “sufficient water supply” (per Government Code 664737.7 (a)(2)) available to meet the demands of the 2023-2031 Housing Element, in addition to the existing and planned future uses evaluated in this WSA, during single-dry and multiple dry water years within a 20-year projection. Water reduction strategies were identified in the WSA such as a Water Neutrality Growth Policy. The City has since adopted the policy framework and Ordinance to implement water reduction strategies for applicable future and new developments.

BACKGROUND

The EMID service area consists of the City of Foster City and a portion of the City of San Mateo immediately adjacent to the west, referred to as the Mariners Island area. EMID’s customers are mostly residential with a broad cross-section of offices, commercial businesses, biotech research and development businesses, and a small number of industrial businesses.

EMID purchases all of its potable water from the San Francisco Public Utility Commission (SFPUC) Regional Water System (RWS) as a contractual member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the 26 member agencies that purchase wholesale water supplies from the SFPUC. EMID receives the already-treated water from SFPUC and distributes it to its customers. As a retailer, EMID has no direct control over its water supply and treatment and relies solely on SFPUC.

The City has been working on a Program EIR for the 6th Cycle Housing Element Update in accordance with CEQA, implementing the CEQA Guidelines, relevant case law, and City procedures. A WSA was prepared as part of the required CEQA process and concluded that EMID’s water supplies are, or will be, insufficient during single-dry and multiple dry water years to meet the future housing units planned for in the 6th Cycle Housing Element Update. The State’s mandate that the City plan for its fair share of the regional housing needs over the next eight (8) years as part of the RHNA Cycle 6 and the inadequate water supply to support housing is a burdensome challenge.

ANALYSIS

The WSA has been developed by the collaborative efforts of the project team consisting of Urban Planning Partners, Maddaus Water Management Inc., EMID, Foster City

Community Development Department, Public Works Departments, and the City of San Mateo Planning Department.

The WSA assumed the EMID 2020 Urban Water Management Plan (UWMP) baseline water use and all post 2020 development project estimated demand. Table 1 shows the total projected annual net new demand generated from the development projects evaluated in this WSA. A detailed description of each development, including its site-specific net demand basis and schedule, is included in the WSA (Attachment 2).

Table 1: PROJECTED ANNUAL NET NEW DEMANDS FROM DEVELOPMENT PROJECTS (AFY*)

Development Project	2025	2030	2035	2040	2045
Biomed Phase 2	19	19	19	19	19
Gilead Integrated Corporate Campus	0	10	74	74	74
Pilgrim Triton Project Completion	16	16	16	16	16
15-Acres Project (Foster Square)	3.1	3.1	3.1	3.1	3.1
Chess/Hatch Drive Offices Project	0	15	15	15	15
New Hotel in Metro Center (VISA)	0	12	12	12	12
388 Vintage Park	5.7	5.7	5.7	5.7	5.7
Lantern Cove Apartments Redevelopment	0	41	41	41	41
Bridgepointe Redevelopment (City of San Mateo)	0	67	89	89	89
1065 E. Hillsdale (Century Plaza) R&D Conversions	1.7	1.7	1.7	1.7	1.7
1065 E. Hillsdale Retail Pavilion (Century Plaza UP-21- 0015)	2.6	2.6	2.6	2.6	2.6
Schooner Bay I Redevelopment	0	33	33	33	33
Schooner Bay II Redevelopment	0	28	28	28	28
Charter Square Demo/Beach Park Elementary School	4.3	4.3	4.3	4.3	4.3
1010 Metro Center Blvd (OSH Redevelopment)	1.3	12	12	12	12
1001 E. Hillsdale (Parkside Towers)	0	12	12	12	12
901/951 Mariner's Island Blvd Office to Life Science Building Conversion (City of San Mateo)	3.1	3.1	3.1	3.1	3.1
1400 Fashion Island Blvd (City of San Mateo)	1.7	1.7	1.7	1.7	1.7
999 Baker Way (City of San Mateo)	0.5	0.5	0.5	0.5	0.5
Other/Additional Non-Residential Growth	0	0	2.6	5.2	5.2
Accessory Dwelling Units (ADU) for Eaves and Single- Family Homes ₁	2.9	4.0	4.2	4.2	4.2
2023-2031 Residential Development to Achieve RHNA (Other Sites in the Sites Inventory)	0	61	61	61	61
Other/Additional Residential Development (Other Sites in the Sites Inventory)	0	0	32	70	108
Subtotal Developments	62	352	474	515	553
Net Demand Reduction Due to Water Neutrality Growth Ordinance ₂	11	292	350	390	428
Subtotal Developments With Net Demand Reduction Due to Water Neutrality Growth Ordinance	51	60	125	125	125
Estimated Total System Water Loss ₃	4	5	10	10	10

Grand Total Net New Development Demand	55	65	134	134	134
Note: AFY – Acre-feet per Year					

The WSA notes that the existing and planned future uses will generate a net new water demand by year 2045 of 134 AFY post year 2020 baseline EMID 2020 UWMP demand with the enforcement of the Water Neutrality Growth Ordinance. The water demand associated with the 2023-2031 Housing Element and the existing and future uses evaluated will be accommodated by EMID's existing supplies during non-drought years within a 20-year projection.

During single and multiple dry years, EMID's total annual water demand is expected to exceed EMID's available water supplies from 2025 to 2045. The estimated demand from the 2023-2031 Housing Element in addition to the existing and planned future uses evaluated in this WSA, will exacerbate the projected supply shortfall documented in EMID's 2020 UWMP during single and multiple dry years. There will not be sufficient supplies under dry year conditions even with EMID's implementation of the mandatory demand reduction as outlined in the WSCP and with implementation of the Water Neutrality Growth Ordinance. The WSCP and Water Neutrality Growth Ordinance would reduce shortfalls from inadequate water supplies within the EMID service area if the SFPUC reduces water deliveries to EMID (as would occur during a prolonged drought) but would not eliminate all estimated shortfalls in dry year conditions.

Therefore, the WSA concludes that there is not "sufficient water supply" (per Government Code 664737.7(a)(2)) available to meet the demands of the 2023-2031 Housing Element, in addition to the existing and planned future uses evaluated in this WSA, during single-dry and multiple dry water years within a 20-year projection. EMID continues to explore ways to maintain and increase supply to address the shortage at a project level. Most recently, EMID adopted the Water Neutrality Growth Ordinance on May 01, 2023 ([see staff report](#)), as a long-term demand management measure. Prior to this, EMID updated its Water Shortage Contingency Plan (WSCP) along with the 2020 UWMP update ([see link](#)). As mentioned in the WSA and associated EIR, the adopted Water Neutrality Growth Ordinance does not change the projected water insufficiency due to uncertainty relating to the implementation process and procedure of the future final policy, the timing to implement the policy and its measures, and the effectiveness of the policy to all types of unknown future developments.

Per Water Code Section 10911, EMID shall consider this projected insufficiency and shall provide the City with its plans to acquire and develop additional water supplies. Prior to issuance of future development project entitlements, utility analyses shall be performed by the project developer to determine whether existing transmission/distribution infrastructure has adequate capacity to deliver the needed water to the development project sites.

CEQA

This Resolution is not subject to review under CEQA pursuant to Public Resources Code Section 21000, et seq. and the CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et. seq.), Section 15307 (Class 7), because this is an action by a regulatory agency authorized by state law to assure the protection of natural resources.

FISCAL IMPACT

There is no fiscal impact associated with this report.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Smart Planning, Development, and the Local Economy

ATTACHMENTS:

Attachment 1 – Resolution

Attachment 2 – Water Supply Assessment