



**CITY COUNCIL AGENDA
REGULAR MEETING
CITY OF HALF MOON BAY**

TUESDAY, JUNE 6, 2023

**HYBRID MEETING (SEE NEXT PAGE)
ADCOCK COMMUNITY CENTER
535 KELLY AVENUE
HALF MOON BAY, CA 94019**

**Deborah Penrose, Mayor
Joaquin Jimenez, Vice Mayor
Robert Brownstone, Councilmember
Harvey Rarback, Councilmember
Debbie Ruddock, Councilmember**

7:00 PM

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the agenda and will have a maximum of three minutes to discuss their item. Comments on Consent Calendar items should be made during the Public Forum section of the agenda. Those wishing to speak on a Business or Public Hearing matter will be called forward at the appropriate time during that item's consideration.

Please Note: Anyone wishing to present materials to the City Council, please submit seven copies to the City Clerk.

Copies of written documentation relating to each item of business on the agenda are on file in the Office of the City Clerk at City Hall where they are available for public inspection. If requested, the agenda shall be available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132.) Information may be obtained by calling 650-726-8271.

In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting the City Clerk's Office at 650-726-8271. A 48-hour notification will enable the City to make reasonable accommodations to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

<http://hmbcity.com/>

HYBRID MEETING PARTICIPATION PROTOCOLS

*This meeting will be held in-person and via Zoom for public participation. Public comments may be made in-person or remotely via Zoom, and interpretation will be available. All Councilmembers and staff will participate in person. During any public comment portions, attendees may use the “raise your hand” feature and will be called upon and unmuted when it is their turn to speak. The meeting will also be streamed on Channel 27, on pacificcoast.tv, and on Facebook at www.facebook.com/cityofhalfmoonbay. Please click to join the webinar: <https://us06web.zoom.us/j/87674804231> or join by phone at 669-900-9128, using Webinar ID 876-7480-4231. If joining by phone, use *9 to raise your hand, *6 to mute and unmute.*

ROLL CALL / PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PROCLAMATIONS AND PRESENTATIONS

NET PARTICIPANT GRADUATION

PRIDE MONTH PROCLAMATION

SAMTRANS MICROTRANSIT PRESENTATION

ABUNDANT GRACE ANNUAL REPORT

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

2023 LEADERSHIP AWARDS

MEXICAN CONSULATE VISIT RECAP

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B RECEIPT OF LEGISLATIVE POSITION LETTERS

Staff Recommendation: Receive and file position letters for Assembly Bill 1598, Assembly Bill 1319, Assembly Constitutional Amendment 1, Senate Bill 567, and Senate Bill 4.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

1.C RESOLUTION GRANTING CONSENT TO THE CITY OF BURLINGAME TO FORM THE SAN FRANCISCO PENINSULA TOURISM MARKETING DISTRICT (SFPTMD) INCLUDING THE CITY OF HALF MOON BAY

Staff Recommendation: Adopt a resolution granting consent to the City of Burlingame to form the San Francisco Peninsula Tourism Marketing District (SFPTMD) and to include the City of Half Moon Bay in the SFPTMD.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

1.D CITIZEN’S OPTION FOR PUBLIC SAFETY GRANT PROGRAM FY 2022-23

Staff Recommendation: Adopt a resolution authorizing the Administrative Services Director to accept the State of California Citizen’s Option for Public Safety Grant Funds for Fiscal Year 2022-23 in the amount of \$100,000 and approve using those funds on projects, business support, and equipment that meet the conditions of the grant.

[STAFF REPORT](#)

[RESOLUTION](#)

2. ORDINANCES AND PUBLIC HEARINGS

2.A ORDINANCE ADOPTING CHAPTER 13.22 - REGULATING DISPOSAL OF FATS, OIL, GREASE, AND SAND

Staff Recommendation: Continue the public hearing to a date certain of July 18, 2023.

2.B SHORT-TERM VACATION RENTAL AND HOME OCCUPATION ORDINANCE

Staff Recommendation: Conduct a public hearing, waive first reading, and introduce an ordinance amending portions of Chapter 18 (Zoning) and Chapter 3 (Revenue and Finance) of the Half Moon Bay Municipal Code to establish Short-Term Vacation Rental regulations and update the Home Occupation regulations to conform with the California Coastal Commission’s conditional certification.

[STAFF REPORT](#)

[ORDINANCE](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

2.C ADJUSTMENTS TO COST OF SERVICES SCHEDULE (USER FEES) FOR FISCAL YEAR 2023-24

Staff Recommendation: Conduct a public hearing and adopt a resolution authorizing adjustments to the Cost of Services Schedule (User Fees) for Fiscal Year 2023-24.

[STAFF REPORT](#)

[RESOLUTION](#)

3. RESOLUTIONS AND STAFF REPORTS

3.A CITY COUNCIL PRIORITIES WORK PLAN FOR FISCAL YEARS 2023-2025

Staff Recommendation: By motion, receive and accept a report on the proposed staff work plan for the City Council Priorities for Fiscal Years 2023-2025.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

3.B FISCAL YEAR 2023-2024 RECOMMENDED BUDGET

Staff Recommendation: Receive a presentation on the FY 2023-24 Recommended Budget, and after accepting public comments and providing additional direction to staff, direct staff to return with the final proposed budget for adoption on June 20, 2023

[STAFF REPORT](#)

COMMISSION / COMMITTEE UPDATES

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

CITY COUNCIL REPORTS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **RECEIPT OF LEGISLATIVE POSITION LETTERS**

RECOMMENDATION:

Receive and file position letters for Assembly Bill 1598, Assembly Bill 1319, Assembly Constitutional Amendment 1, Senate Bill 567, and Senate Bill 4.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

STRATEGIC ELEMENT:

This action supports the Inclusive Governance element of the Strategic Plan.

DISCUSSION:

Annually, the City adopts a Legislative Platform to allow staff to send position letters regarding various bills / issues of interest to the City. The 2023 Legislative Platform was adopted by the City Council on April 4, 2023. The platform provides staff direction and allows the City, on the Council's behalf, to respond in support of or opposition to bills and other legislative and administrative actions. The City Council has delegated its authority to the Mayor and / or City Manager to sign position letters consistent with the legislative platform. Townsend Public Affairs monitors legislation for the City and communicates frequently with staff on bills. Occasionally, the League of California Cities will send action alerts for bills affecting municipalities. Staff reviews those alerts as well and will take action on any that align with the City's Legislative Platform.

In the spirit of transparency, when position letters are sent by the City, staff will include them in a City Council agenda packet for viewing by the Council and the community.

ATTACHMENTS:

AB 1598 Support Letter, AB 1319 Support As Amended Letter, ACA 1 Support Letter, SB 4 Support As Amended Letter and SB 567 Support As Amended Letter



May 25, 2023

The Honorable Maria Durazo
California State Senate
1021 O Street, Room 7530
Sacramento, CA 95814

**Re: SB 567 (Durazo) Termination of Tenancy: No-Fault Just Causes: Gross Rental Rate Increases.
City of Half Moon Bay – Letter of Support (As amended 5.18.2023)**

Dear Senator Durazo:

On behalf of the City of Half Moon Bay, I write in support of your bill, SB 567, which revises the existing statewide restrictions on residential rent increases and the existing statewide protections against eviction without just cause.

As you may know, Half Moon Bay is home to a large immigrant community with many farmworkers and other essential workers who are lower-income. Our city seeks to ensure that those members of our community who are most vulnerable to displacement, do not lose their homes. While the Tenant Protection Act of 2019 offered important support to tenants caught up in California's housing affordability crisis, experience and reflection have revealed ways in which the Act needs to be strengthened if it is to provide genuine protection against heavy rent burdens and families falling into homelessness. SB 567 creates changes that are essential to offering real help to struggling tenants.

In order to help solve in the housing crisis in California, SB 567 amongst other provisions, stipulates that a landlord who demands, accepts, receives, or retains any payment of rent in excess of the maximum rent increase allowed by the Tenant Protection Act is liable in a civil action to the tenant from whom those payments are demanded, accepted, received, or retained. SB 567 also has specific requirements that must be met in order to evict a tenant on the basis of: a demolition or substantial remodel, or a move-in by the owner or a relative of the owner, or, if the owner is withdrawing the property from the rental market. We also appreciate your recent amendments that provide that state and local governments have the authority to bring actions for injunctive relief and clarify that they the bill does not intend to limit the remedies that state or local governments have under existing law.

Adding eviction protections for at-risk tenants who are valuable members of our communities is critical, and this bill does just that. Thank you for your work on this important bill, and again, I am pleased to support SB 567.

Sincerely,

Deborah Penrose
Deborah Penrose
Mayor of Half Moon Bay

Cc: Assembly Member Marc Berman
Senator Josh Becker



May 25, 2023

The Honorable Marc Berman
California State Assembly
1021 O Street, Suite 6130
Sacramento, CA 95814

**Re: Assembly Bill 1598 (Berman) Gun violence: firearm safety education
City of Half Moon Bay – Letter of Support**

Dear Assembly Member Berman:

On behalf of the City of Half Moon Bay, I write to express my strong support for your bill, AB 1598, which would require the Department of Justice (DOJ) to prepare a firearm-safety-certificate study guide, separate from the current instruction manual, explaining information covered on the firearm safety certificate test, and to develop a new pamphlet on the risk and benefits of firearm ownership.

The proliferation of gun violence has deeply and intimately hurt many communities across California, and as you know, very recently hit us in Half Moon Bay. As you have stated and as academic research has shown, knowing the risks of owning a firearm ensures firearm purchasers understand the gravity of being a responsible owner, to ensure appropriate safety measures are being taken. AB 1598 would ensure that potential firearm purchasers are aware of both the benefits and risks of owning and bringing a firearm into the home, as well as knowing about life-saving firearm laws in California.

Passing AB 1598 is one of many important steps that California can take in order to reduce the instances of gun violence. As such, I am pleased to support this bill and thank you for your work on this very important topic.

Sincerely,

Deborah Penrose

Deborah Penrose
Mayor of Half Moon Bay

Cc: Senator Josh Becker



May 25, 2023

The Honorable Buffy Wicks
California State Assembly
1021 O Street, Suite 4240
Sacramento CA, 95814

**Re: AB 1319 (Wicks) Bay Area Housing Finance Authority: housing revenue
City of Half Moon Bay – Letter of Support (As Amended 3.16.2023)**

Dear Assembly Member Wicks,

On behalf of the City of Half Moon Bay, I would like to express my support for your bill, AB 1319, which would enact a set of focused modifications to the Bay Area Housing Finance Authority (BAHFA) with regards to how it may collect and expend revenue. This important bill will maximize the benefits that BAHFA can deliver for the needs of Bay Area residents facing rising housing costs, instability, and homelessness.

Since AB 1487 was passed in 2019, BAHFA has hired its first six staff members as well as engaged a team of expert consultants to work on the BAHFA Business Plan and Equity Framework. By analyzing in greater detail the next steps for BAHFA's work and preparing for a future regional affordable housing bond, the BAHFA team has identified a number of clarifications and modifications that are necessary for the success of BAHFA in meeting the housing needs of the region. In addition, affordable housing partners across the state are exploring statewide measures that may interact with future BAHFA ballot measures, and BAHFA has identified key changes that will allow BAHFA to benefit from any potential changes passed by voters in the future. This new context has informed AB 1319.

The City of Half Moon Bay is committed to helping foster the development of affordable housing in our community, especially with many lower-income farmworkers and other essential workers living in the city. AB 1319 puts forward narrowly focused clarifications and modifications that will make BAHFA as high functioning as possible with a future ballot measure, while staying true to the vision for BAHFA crafted in 2019, a goal that we share along with many other stakeholders in the Bay Area.

Thank you for your leadership on this important issue, and again, I am pleased to support AB 1319.

Sincerely,

Deborah Penrose

Deborah Penrose
Mayor of Half Moon Bay

Cc: Assembly Member Marc Berman
Senator Josh Becker



May 25, 2023

The Honorable Scott Wiener
California State Senate
1021 O Street, Suite 8620
Sacramento, CA 95814

**Re: SB 4 (Wiener) Affordable Housing on Faith Lands Act
City of Half Moon Bay – Letter of Support (As amended 5.18.2023)**

Dear Senator Wiener,

On behalf of the City of Half Moon Bay, I write in support of your bill, SB 4, which provides a streamlined process for religious organizations and independent higher education institutions to develop affordable housing on their property.

Numerous faith-based organizations within California have surplus land situated in non-residential zoned parcels that could accommodate additional multifamily housing units. Under current law, however, a religious institution would have to partner with a developer to undergo a long and costly process to re-zone the land for residential development.

SB 4 provides an innovative approach to housing production by streamlining affordable housing developments for these institutions via a by-right approval process. We appreciate the affordability requirements set forth in this bill, which requires that 100% of the units, exclusive of manager units, in a housing development project eligible for approval as a use by right under these provisions be affordable to lower income households. Although, 20% of the units may be for moderate-income households, and 5% of the units may be for staff of the independent institution of higher education or the religious institution that owns the land, provided that the units affordable to lower income households are offered at affordable rent.

The City of Half Moon Bay is committed to helping foster the development of affordable housing in our community, especially with many lower-income farmworkers and other essential workers living in the city. The bottom line is Californians need more accessible and affordable housing. The growing trend of homelessness and a lack of workforce housing proximate to job locations to due to a lack of affordable housing is simply unacceptable. SB 4 seeks to address these issues by finding creative solutions for housing production.

Thank you for your work on this important bill, and again, I am pleased to support SB 4.

Sincerely,

Deborah Penrose

Deborah Penrose
Mayor of Half Moon Bay

Cc: Assembly Member Marc Berman
Senator Josh Becker



May 25, 2023

The Honorable Cecilia Aguiar-Curry
California State Assembly
1021 O Street, Suite 6350
Sacramento, CA 95814

**Re: ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.
City of Half Moon Bay – Letter of Support**

Dear Assembly Member Aguiar-Curry:

On behalf of the City of Half Moon Bay, I write to express my support for Assembly Constitutional Amendment (ACA) 1, which would lower the constitutional vote threshold to 55 percent for both GO bonds and special taxes, when proposed specifically to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purpose.

This important bill will provide a more realistic financing option to fund the much-needed increase in the supply of affordable housing, and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing. We appreciate your recognition and constant efforts to address the urgent concerns we have with regard to funding.

Half Moon Bay is deeply committed to fostering the creation of more affordable housing and associated infrastructure, especially will the significant population of lower-income farmworkers and other essential workers in our community. If California wants to truly address some of our most pressing crises, then local jurisdictions need tools to address the ever-increasing expenses associated with solving the issues that are present, such as the lack of affordable housing supply, and the public infrastructure needed to accommodate a growing and more inclusive California.

Thank you for being a champion on this issue, and again, I am pleased to support ACA 1.

Sincerely,

Deborah Penrose
Deborah Penrose
Mayor of Half Moon Bay

Cc: Assembly Member Marc Berman
Senator Josh Becker

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director/ City Clerk

TITLE: **RESOLUTION GRANTING CONSENT TO THE CITY OF BURLINGAME TO FORM THE
SAN FRANCISCO PENINSULA TOURISM MARKETING DISTRICT (SFPTMD)
INCLUDING THE CITY OF HALF MOON BAY**

RECOMMENDATION:

Adopt a resolution granting consent to the City of Burlingame to form the San Francisco Peninsula Tourism Marketing District (SFPTMD) and to include the City of Half Moon Bay in the SFPTMD.

FISCAL IMPACT:

None immediately. The SFPTMD programs are intended to increase room night sales for assessed lodging businesses within the SFPTMD, there may be an increase in tax collections.

STRATEGIC ELEMENT:

This action supports the *Inclusive Governance* Element of the Strategic Plan.

BACKGROUND:

In 2001, the San Mateo County Tourism Business Improvement District (SMCTBID) was formed pursuant to the Parking and Business Improvement Area Law of 1989 (89 Law). SFP and San Mateo County lodging businesses seek to modernize the SMCTBID by forming a new District, the SFPTMD, pursuant to the Property and Business Improvement District Law of 1994.

The SFPTMD is a benefit assessment district proposed to create a revenue source to help fund marketing and sales promotion efforts for San Francisco Peninsula area lodging businesses. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights to assessed lodging businesses. The proposed SFPTMD includes all lodging businesses located within the boundaries of the cities of Belmont, Brisbane, Burlingame, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County.

SFP and lodging business owners decided to pursue formation of the SFPTMD in order to create a revenue source devoted to marketing the San Francisco Peninsula area as a tourist, meeting and event destination. If established, the SFPTMD would generate approximately \$10.9 million on an annual basis for promotion of travel and tourism specific to the San Francisco Peninsula area. This assessment does not affect the City's own BID assessment.

DISCUSSION:

Tourism Marketing Districts (TMDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging business owners to organize their efforts to increase tourism. Lodging business owners within the TMD fund the TMD, and those funds are used to provide services that are desired by and benefit the lodging businesses within the TMD.

TMD benefits include: 1) Funds cannot be diverted for other government programs; 2) They are customized to fit the needs of each destination; 3) They allow for a wide range of services, including: destination marketing, tourism promotion, and sales lead generation; 4) They are designed, created and governed by those who will pay the assessment; and 5) They provide a stable funding source for tourism promotion.

In California, TMDs are primarily formed pursuant to the Property and Business Improvement District Law of 1994 (94 Law). This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. The key difference between TMDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the TMD.

The Management District Plan (**Attachment 3**) includes the proposed boundary of the SFPTMD, a service plan and budget and a proposed means of governance. The SFPTMD will include all lodging businesses located within the boundaries of the cities of Belmont, Brisbane, Burlingame, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County.

The annual assessment rate is 1.5% of gross short-term sleeping room rental revenue for lodging businesses with 5,000 square feet or more of dedicated meeting space, and 0.75% for all other lodging businesses within the SFPTMD's boundaries. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days; stays provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews' performance of their jobs for the airline, including layovers between flights; employees of the state or federal government if room charges are paid directly by their employing agency and copies of official travel orders are submitted as applicable; and any properly credentialed officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The proposed SFPTMD will have a five (5) year life, beginning October 1, 2023, or as soon as possible thereafter, and ending five (5) years from its start date. The assessment will be implemented beginning October 1, 2023, or as soon as possible thereafter. Once per year beginning on the anniversary of SFPTMD formation there is a thirty (30) day period in which business owners paying 50% or more of the assessment may protest and begin proceedings to terminate the SFPTMD.

The City of Burlingame shall be responsible for collecting the assessments on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the SFPTMD. The City of Burlingame shall make all reasonable efforts to collect the assessments from each lodging business. The City of Burlingame shall retain, from collected assessments, a fee equal to one percent (1%) of the amount of assessment collected or a flat fee of \$60,000, whichever is greater each year to cover its costs of collection and administration.

ATTACHMENTS:

1. Resolution Granting Consent to the City of Burlingame to Form the SFPTMD
2. Adopted Resolution Requesting Consent from the cities of Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County
3. FPTMD Management District Plan

Resolution No. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
TO GRANT CONSENT TO THE CITY OF BURLINGAME TO FORM THE SAN FRANCISCO
PENINSULA TOURISM MARKETING DISTRICT (SFPTMD)**

WHEREAS, in 2001, the San Mateo County Tourism Business Improvement District (SMCTBID) was formed pursuant to the Parking and Business Improvement Area Law of 1989 (89 Law) by City of Burlingame Ordinance No. 1648; and

WHEREAS, the City of Half Moon Bay granted consent to the City of Burlingame to be included within the boundaries of the SMCTBID by Half Moon Bay City Council Resolution No. C-03-01; and

WHEREAS, the City of Burlingame, San Mateo County/Silicon Valley Convention and Visitors Bureau dba The San Francisco Peninsula (SFP), and San Mateo County lodging businesses seek to modernize the SMCTBID by forming a new District, the San Francisco Peninsula Tourism Marketing District (SFPTMD), pursuant to the Property and Business Improvement District Law of 1994; and

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code §36600 et seq., authorizes the City of Burlingame to establish business improvement districts for the purposes of driving increased business sales directly to payors; and

WHEREAS, the City Council of the City of Burlingame has requested consent to form the SFPTMD in the City of Half Moon Bay with adoption of Burlingame City Council Resolution No. 050-2023 dated May 15, 2023.

NOW, THEREFORE, BE IT RESOLVED THAT by the City Council of the City of Half Moon Bay, that: 1) the City of Burlingame is hereby granted consent to include the City of Half Moon Bay in the SFPTMD, for the formation of the SFPTMD and future renewals; 2) the Clerk of the City of Half Moon Bay is hereby directed to transmit a certified copy of this Resolution to the Clerk of the City of Burlingame; and 3) this Resolution is effective upon its adoption.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 6th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. 050-2023

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURLINGAME REQUESTING
CONSENT OF THE CITIES OF BELMONT, BRISBANE, EAST PALO ALTO, FOSTER CITY,
HALF MOON BAY, MENLO PARK, MILLBRAE, PACIFICA, REDWOOD CITY, SAN BRUNO,
SAN CARLOS, SAN MATEO, SOUTH SAN FRANCISCO, AND THE UNINCORPORATED
AREA OF SAN MATEO COUNTY TO FORM THE SAN FRANCISCO PENINSULA TOURISM
MARKETING DISTRICT**

WHEREAS, the City Council of the City of Burlingame (the Council) desires to begin proceedings to form the San Francisco Peninsula Tourism Marketing District (SFPTMD); and

WHEREAS, certain lodging business owners have requested that the Council form the SFPTMD; and

WHEREAS, a portion of the territory proposed to be included in the SFPTMD lies within the boundaries of the cities of Belmont, Brisbane, Burlingame, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County (the Cities and County), as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

WHEREAS, the area of the Cities and County that lies within the boundaries of the proposed SFPTMD will, in the opinion of the Council, be benefited by the improvements and activities, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BURLINGAME that:

Section 1: The above recitals are true and correct.

Section 2: Consent of the cities of Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County, through their City Councils and Board of Supervisors, is hereby requested to form the SFPTMD, and to grant to the Council of the City of Burlingame jurisdiction for all the purposes in connection with the creation, operation, and future renewals of the proposed SFPTMD.

Section 3: The Burlingame City Clerk is hereby directed to transmit a certified copy of this Resolution to the clerks of the Granting Cities and County.



Michael Brownrigg, Mayor

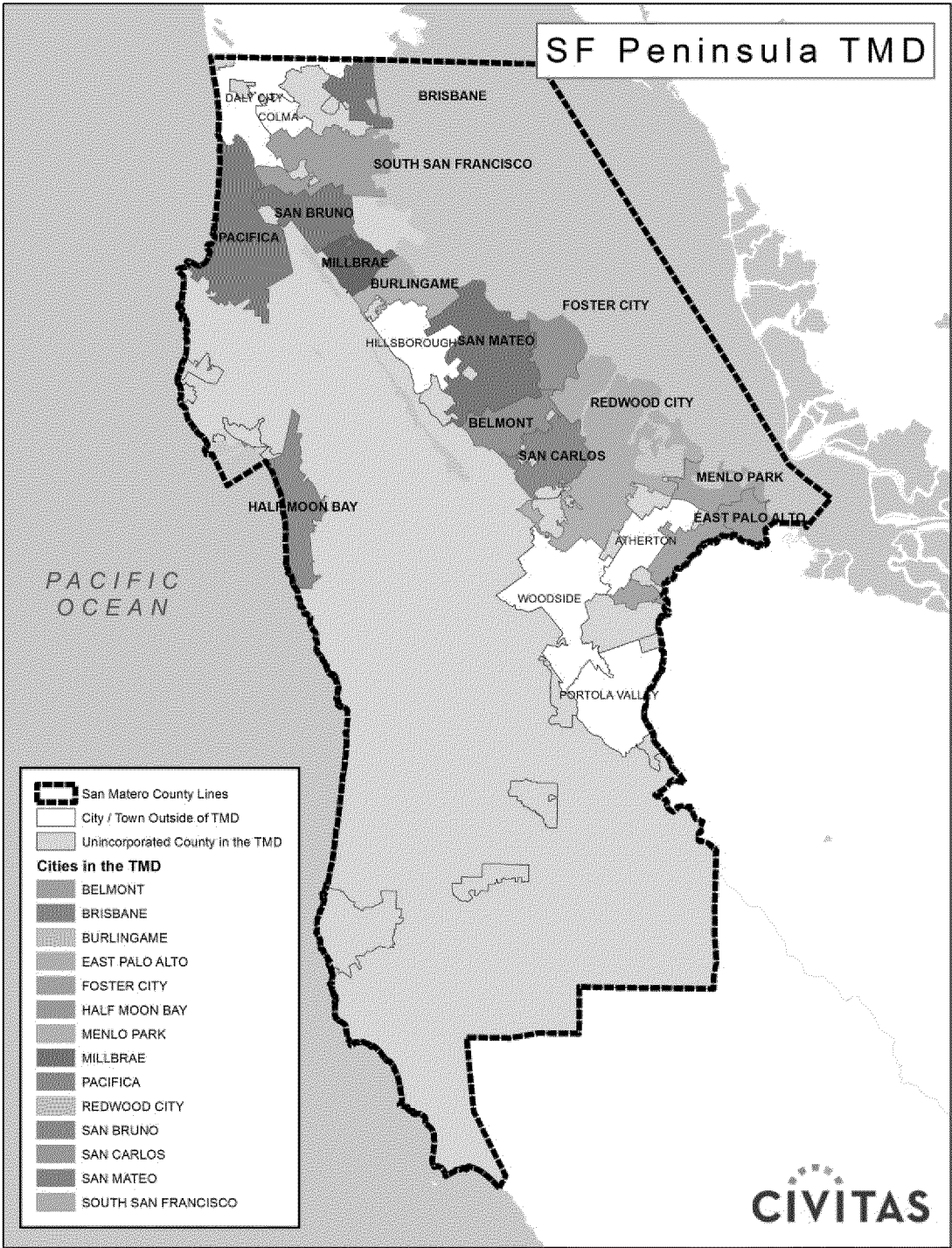
I, Meaghan Hassel-Shearer, City Clerk of the City of Burlingame, certify that the foregoing Resolution was introduced at a regular meeting of the City Council on the 15th day of May, 2023, and was adopted thereafter by the following vote:

AYES: Councilmembers: BEACH, BROWNRIGG, COLSON, ORTIZ, STEVENSON
NOES: Councilmembers: NONE
ABSENT: Councilmembers: NONE

Meaghan Hassel-Shearer

Meaghan Hassel-Shearer, City Clerk

Exhibit A
Boundary Map



2023-2028



SAN FRANCISCO PENINSULA TOURISM MARKETING DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District
Law of 1994, Streets and Highways Code section 36600 et seq.*

January 23, 2023

Table of Contents

I. OVERVIEW	3
II. BACKGROUND	5
III. BOUNDARY.....	6
IV. ASSESSMENT BUDGET AND SERVICES	7
A. ANNUAL SERVICE PLAN	7
B. ANNUAL BUDGET	9
C. CALIFORNIA CONSTITUTIONAL COMPLIANCE	9
D. ASSESSMENT	11
E. PENALTIES AND INTEREST.....	12
F. TIME AND MANNER FOR COLLECTING ASSESSMENTS	13
V. GOVERNANCE	14
A. OWNERS' ASSOCIATION	14
B. BROWN ACT AND CALIFORNIA PUBLIC RECORDS ACT COMPLIANCE	14
C. ANNUAL REPORT	14
APPENDIX 1 – LAW.....	15
APPENDIX 2 – ASSESSED BUSINESSES	26
APPENDIX 3 – BENEFITS BY BUSINESS CATEGORY	31
APPENDIX 4 – SMG CONSULTING ANALYSIS.....	33



Prepared by
Civitas



(800)999-7781
www.civitasadvisors.com

I. OVERVIEW

Developed by the San Mateo County/Silicon Valley Convention and Visitors Bureau dba The San Francisco Peninsula (SFP) and San Mateo County lodging businesses, the San Francisco Peninsula Tourism Marketing District (SFPTMD) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors. In 2001, the San Mateo County Tourism Business Improvement District (SMCTBID) was formed pursuant to the Parking and Business Improvement Area Law of 1989 (89 Law). This effort seeks to modernize the SMCTBID by disestablishing the 89 Law District and forming a new District, the SFPTMD, pursuant to the Property and Business Improvement District Law of 1994 (94 Law).

- Location:* The SFPTMD includes all lodging businesses, existing and in the future, located within the boundaries of the cities of Belmont, Brisbane, Burlingame, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County, as shown on the map in Section III.
- Services:* The SFPTMD is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales, meetings, and conventions. Sales and marketing programs will increase demand for overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing demand for room night sales, meetings, and conventions.
- Budget:* The total SFPTMD annual assessment budget for the initial year of its five (5) year operation is anticipated to be approximately \$10,895,479. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.
- Cost:* The annual assessment rate is one- and one-half percent (1.5%) of gross short-term sleeping room rental revenue for lodging businesses with 5,000 square feet or more of dedicated meeting space, and 0.75% for all other lodging businesses within the SFPTMD's boundaries. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days; stays provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews' performance of their jobs for the airline, including layovers between flights; employees of the state or federal government if room charges are paid directly by their employing agency and copies of official travel orders are submitted as applicable; and any properly credentialed officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.
- Collection:* The City of Burlingame shall be responsible for collecting the assessments on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the SFPTMD. The City shall take all reasonable efforts to collect the assessments from each lodging business.

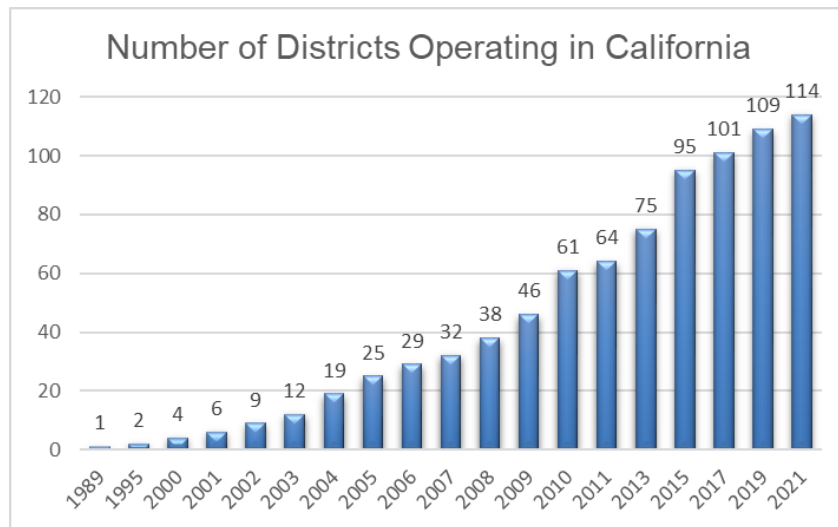
Duration: The SFPTMD will have a five (5) year life, beginning October 1, 2023, or as soon as possible thereafter, and ending five (5) years from its start date. After five (5) years, the SFPTMD may be renewed pursuant to the 94 Law if business owners support continuing the SFPTMD programs. Once per year, beginning on the anniversary of SFPTMD formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a hearing on SFPTMD termination.

Management: The San Mateo County/Silicon Valley Convention and Visitors Bureau dba The San Francisco Peninsula (SFP) shall serve as the SFPTMD's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Burlingame City Council.

The SFP shall create a SFPTMD Committee tasked with determining how SFPTMD funds are spent, within the designated programs in this Plan, subject to final approval by the SFP Board. The SFPTMD Committee shall include lodging business owners or representatives paying the SFPTMD assessment.

II. BACKGROUND

TMDs are an evolution of the traditional Business Improvement District. The first TMD was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Massachusetts, Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TMD laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TMD. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TMDs without a state law.



California's TMDs collectively raise over \$300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that San Francisco Peninsula tourism businesses invest in stable, commerce-specific marketing programs.

TMDs utilize the efficiencies of private sector operation in the market-based promotion of

tourism districts. TMDs allow tourism business owners to organize their efforts to increase commerce. Tourism business owners within the TMD pay an assessment and those funds are used to provide services that increase commerce.

In California, most TMDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TMDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TMDs:

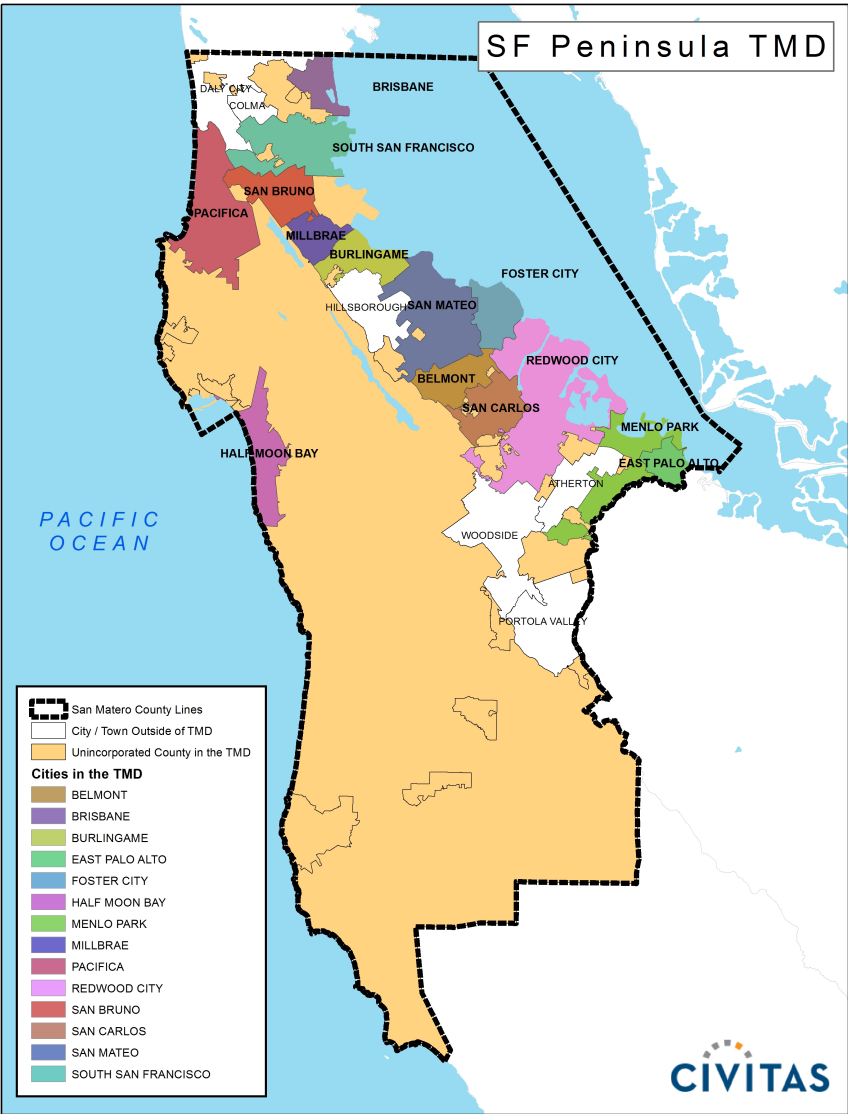
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The SFPTMD includes all lodging businesses, existing and in the future, located within the boundaries of the cities of Belmont, Brisbane, Burlingame, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and the unincorporated area of San Mateo County, illustrated by the map below.

“Lodging business” means: any hotel, motel, inn, bed and breakfast, or other similar structure or portion thereof that is rented for dwelling, lodging, or sleeping purposes on a transient basis. Tourist home or house, studio hotel, bachelor hotel, lodginghouse, roominghouse, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, are not included in the definition of “lodging business.”

The boundary is shown on the map below. A list of lodging businesses proposed to be assessed in the SFPTMD can be found in Appendix 2.

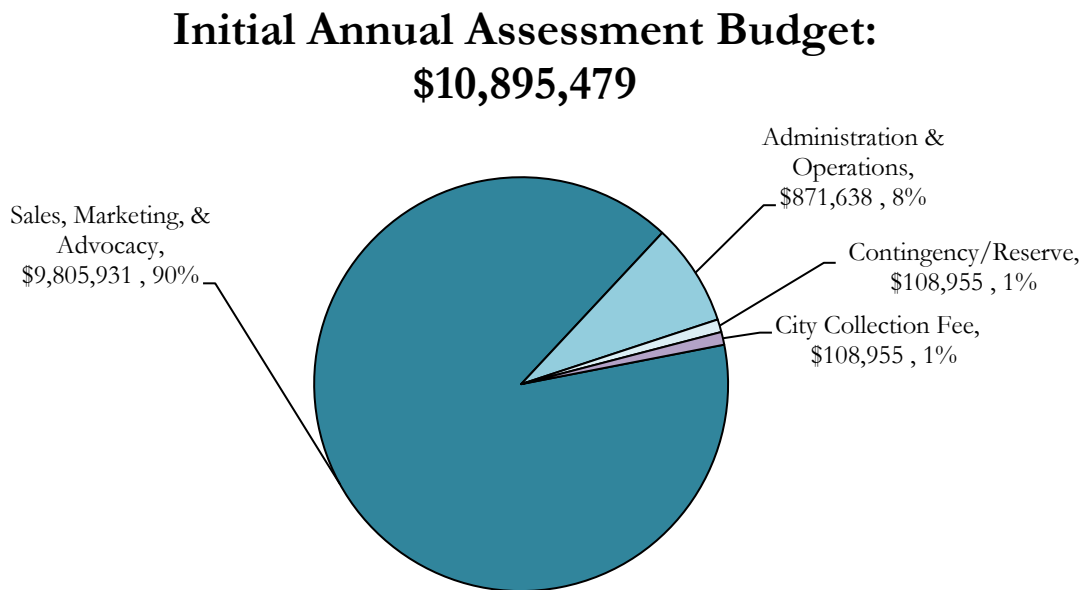


IV. ASSESSMENT BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the SFPTMD funds are sales and marketing programs available only to assessed businesses.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget will be developed and approved by the SFP. The table below illustrates the initial annual assessment budget allocations. These activities and allocations will also apply in subsequent years. The total initial assessment budget is \$10,895,479.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the SFP board shall have the authority to adjust budget allocations between the categories by no more than twenty (20%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SFPTMD, any and all assessment funds may be used for the costs of defending the SFPTMD. In the first year of operation, the costs of creating the SFPTMD may be repaid by deducting repayment funds proportionally from budget categories.

Each budget category includes all costs related to providing that service. For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by the SFP Board on an as-needed basis.

Sales, Marketing, & Advocacy

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting San Francisco Peninsula as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Funds to support group business to offset costs within the destination, thereby generating room nights for assessed businesses;
- Payment of bid fees, incentives or other costs associated with bringing large scale events to the destination that generate room nights for assessed businesses;
- Funds to support events and/or local partnerships that increase the public notoriety of the destination as a tourist, meetings, or event destination – thereby increasing consumer demand for assessed businesses;
- Support of public relation strategies that increase the profile of the destination as a tourist, meetings, or event destination – thereby increasing consumer demand for assessed businesses;
- Strategic partnerships, sponsorships, or other alliances that reinforce the destination within the travel marketplace and position the San Francisco Peninsula as a destination of choice for meetings, events, and leisure travel to assessed businesses;
- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Familiarization tours of the destination and assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses;
- Education of lodging business management and the Owners' Association on advocacy and marketing strategies best suited to meet assessed businesses' needs; and
- Other activities that increase the profile and notoriety of The San Francisco Peninsula as an overnight travel destination and promote greater room night sales for assessed businesses.

Administration & Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the SFP Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve

fund shall be set by the SFP Board. Contingency/reserve funds may be spent on SFPTMD programs or administrative and renewal costs in such proportions as determined by the SFP Board. The reserve fund may be used for the costs of renewing the SFPTMD.

City Collection Fee

As lead agency, the City of Burlingame shall retain a fee equal to one percent (1%) of the amount of assessment collected or a flat fee of \$60,000, whichever is greater each year, to cover their costs of collection and administration.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$10,895,479 annually, or \$64,132,237 through 2028. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.

The following chart has been prepared based on a five-year projection developed by SMG Consulting. The full report can be found in Appendix 4.

Fiscal Year	Sales, Marketing, & Advocacy	Administration & Operations	Contingency / Reserve	City Collection Fee	Total
2023-24	\$9,805,931	\$871,638	\$108,955	\$108,955	\$10,895,479
2024-25	\$10,612,716	\$943,353	\$117,919	\$117,919	\$11,791,907
2025-26	\$11,437,986	\$1,016,710	\$127,089	\$127,089	\$12,708,873
2026-27	\$12,422,508	\$1,104,223	\$138,028	\$138,028	\$13,802,787
2027-28	\$13,439,872	\$1,194,655	\$149,332	\$149,332	\$14,933,191
Total	\$57,719,013	\$5,130,579	\$641,322	\$641,322	\$64,132,237

C. California Constitutional Compliance

The SFPTMD assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.¹ Rather, the SFPTMD assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the SFPTMD, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

privilege.”² The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the SFPTMD. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the SFPTMD, and are narrowly tailored. SFPTMD funds will be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in SFPTMD programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses. Nothing in this Plan limits the ability of the SFP Corporation to enter into private contracts with non-assessed lodging businesses for the provision of services to those businesses.

The assessment imposed by this SFPTMD is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in demand for room night sales. The specific benefit of an increase in demand for room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the SFPTMD assessment. The marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

Although the SFPTMD, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a non-payor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the SFPTMD are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

SFPTMD services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the SFP, and reports submitted on an annual basis to the City. Only assessed

² Cal. Const. art XIII C § 1(e)(1)

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

lodging businesses will be featured in marketing materials, receive sales leads generated from SFPTMD-funded activities, be featured in advertising campaigns, and benefit from other SFPTMD-funded services. Non-assessed lodging businesses will not receive these, nor any other, SFPTMD-funded services and benefits.

The SFPTMD-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill-over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-SFPTMD funds. SFPTMD funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is one- and one-half percent (1.5%) of gross short-term sleeping room rental revenue for lodging businesses with 5,000 square feet or more of dedicated meeting space, and 0.75% for all other lodging businesses within the SFPTMD's boundaries. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days; stays provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews' performance of their jobs for the airline, including layovers between flights; employees of the state or federal government if room charges are paid directly by their employing agency and copies of official travel orders are submitted as applicable; and any properly credentialed officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The services provided in the SFPTMD are all targeted to benefit payors, however, not all programs benefit payors equally. The determination of the assessment rates of one- and one-half percent (1.5%) of gross short-term sleeping room rental revenue for lodging businesses with 5,000 square feet or more of dedicated meeting space, and 0.75% for all other lodging businesses within the SFPTMD's boundaries, was calculated based on benefit received by payors. SMG Consulting was engaged to conduct a Hotel Revenue Proportionality Estimate analysis to quantify the estimated benefit the lodging business types will receive from SFPTMD services. By analyzing the projected number of rooms sold and the total amount of revenue estimated to be generated from sales and marketing programs, SMG Consulting found that properties with 5,000 square feet or more of dedicated meeting space will receive approximately double the amount of benefit to all other lodging businesses. The SFPTMD Sales, Marketing, and Advocacy program included in the budget has services that are intended to drive convention and meetings to the SFPTMD. Since lodging businesses with 5,000 square feet or more of dedicated meeting space are uniquely suited to accommodate large conventions and will benefit from overnight stays as a result of SFPTMD services intended to bring such business activity to the SFPTMD, they are assessed at a higher rate than other lodging businesses in the SFPTMD.

The term "dedicated meeting space" as used herein means: a permanent room or space whose primary use is dedicated for group and social meetings, meals, and/or functions. The space has been designed for and is marketed and sold as group or event function space.

The term "gross sleeping room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross sleeping room rental revenue shall not include any federal, state, or local taxes collected, including but not

limited to transient occupancy taxes. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days; stays provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews' performance of their jobs for the airline, including layovers between flights; employees of the state or federal government if room charges are paid directly by their employing agency and copies of official travel orders are submitted as applicable; and any properly credentialed officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the SFPTMD assessment is identified separately it shall be disclosed as the "SFPTMD Assessment." As an alternative, the disclosure may include the amount of the SFPTMD assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The SFPTMD shall reimburse the City of Burlingame for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent SFPTMD assessment are sought to be recovered in the same collection action by the City, the SFPTMD shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of five percent (5%) of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent remittance on or before a period of fifteen (15) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of five percent (5%) of the amount of the assessment in addition to the amount of the assessment and the five percent (5%) penalty first imposed. An additional penalty of five percent (5%) shall be paid for each fifteen (15) days thereafter which the remittance is delinquent.
3. *Fraud:* If the City determines that the nonpayment of any remittance due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in subsections (1) and (2) of this section.
4. *Interest:* In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

F. Time and Manner for Collecting Assessments

The SFPTMD assessment will be implemented beginning October 1, 2023, or as soon as possible thereafter, and ending five (5) years from its start date. The City of Burlingame shall be responsible for collecting the assessment on a monthly basis, (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the SFPTMD. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

V. GOVERNANCE

A. Owners' Association

The Burlingame City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the SFPTMD as defined in Streets and Highways Code §36612. The San Francisco Peninsula (SFP) will serve as the SFPTMD's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with the Management District Plan, and must provide annual reports to Burlingame City Council.

The SFP shall create a SFPTMD Committee tasked with determining how SFPTMD funds are spent, within the designated programs in this Plan, subject to final approval by the SFP Board. The SFPTMD Committee shall include lodging business owners or representatives paying the SFPTMD assessment.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the SFP board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The SFP shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2022 SUPPLEMENT ***
(ALL 2021 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
 - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The

mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in

determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
- (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

- (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k)
 - (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
 - (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.
- (c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the

revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

- (1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.
- (2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.

- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
 - (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
 - (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
 - (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.
 - (c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.
- The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
 - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
 - (2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.
- (b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the

owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

HOTEL NAME	SITE ADDRESS	CITY	ST	ZIP
AC HOTEL SAN FRANCISCO AIRPORT/OYSTER POINT WATERFRONT	1333 Veterans Blvd	So. San Francisco	CA	94080
AIRPORT INN	751 Airport Blvd	So. San Francisco	CA	94080
ALL SEASONS LODGE	800 El Camino Real	So. San Francisco	CA	94080
ALOFT SAN FRANCISCO AIRPORT	401 E. Millbrae Ave	Millbrae	CA	94030
AMERICANA INN MOTEL	760 El Camino Real	So. San Francisco	CA	94080
AMERICAS BEST VALUE INN - PACIFICA	2160 Francisco Blvd	Pacifica	CA	94044
ANCHOR INN PACIFICA	500 San Pedro Ave	Pacifica	CA	94044
ARISTOCRAT HOTEL, BW SIGNATURE COLLECTION	1410 Cabrillo Hwy S	Half Moon Bay	CA	94019
ATHERTON INN	1201 W Selby Lane	Redwood City	CA	94061
ATHERTON PARK INN & SUITES	2834 El Camino Real	Redwood City	CA	94061
BAY LANDING HOTEL	1550 Bayshore Hwy	Burlingame	CA	94010
BAYHILL INN	950 El Camino Real	San Bruno	CA	94066
BEACH HOUSE HOTEL	4100 Cabrillo Hwy N	Half Moon Bay	CA	94019
BELMONT PALMS	700 El Camino Real	Belmont	CA	94002
BEST WESTERN COYOTE POINT	480 N Bayshore Blvd	San Mateo	CA	94401
BEST WESTERN INN	316 El Camino Real	Redwood City	CA	94062
BEST WESTERN PLUS EXECUTIVE SUITES	25 5th Ave	Redwood City	CA	94063
BEST WESTERN PLUS GROSVENOR HOTEL	380 S Airport Blvd	So. San Francisco	CA	94080
BUDGET INN	2526 El Camino Real	Redwood City	CA	94061
CANYON RANCH WELLNESS RETREAT	16350 Skyline Blvd	Woodside	CA	94062
CAPRI MOTEL	2380 El Camino Real	Redwood City	CA	94063
THE CATRINA HOTEL	2110 S El Camino Real	San Mateo	CA	94403
COMFORT INN & SUITES - SAN BRUNO	611 San Bruno Ave E	San Bruno	CA	94066
COMFORT INN & SUITES SFO NORTH	121 E. Grand Ave	So. San Francisco	CA	94080
COSTANOA LODGE+CAMP+RESORT	2001 Rossi Rd	Pescadero	CA	94060
COUNTRY INN & SUITES BY RADISSON	251 El Camino Real	San Carlos	CA	94070
COURTYARD REDWOOD CITY	600 Bair Island Rd	Redwood City	CA	94063
COURTYARD SAN FRANCISCO AIRPORT	1050 Bayhill Dr	San Bruno	CA	94066
COURTYARD SAN MATEO FOSTER CITY	550 Shell Blvd	Foster City	CA	94404
CROWNE PLAZA FOSTER CITY-SAN MATEO	1221 Chess Dr	Foster City	CA	94404
CROWNE PLAZA S.F. AIRPORT	1177 Airport Blvd	Burlingame	CA	94010
CYPRESS INN ON MIRAMAR BEACH	407 Mirada Rd	Half Moon Bay	CA	94019
DAYS INN - REDWOOD CITY	2650 El Camino Real	Redwood City	CA	94061
DAYS INN S.F. AIRPORT-OYSTER POINT - SSF	1113 Airport Blvd	So. San Francisco	CA	94080
DELUXE INN - REDWOOD CITY	1402 Stafford St	Redwood City	CA	94062

DELUXE INN - SSF	920 El Camino Real	So. San Francisco	CA	94080
DOUBLETREE BY HILTON S.F. AIRPORT	835 Airport Blvd	Burlingame	CA	94010
DOUBLETREE BY HILTON S.F. AIRPORT NORTH	5000 Sierra Point Parkway	Brisbane	CA	94005
DOUBLETREE BY HILTON SF / SOUTH AIRPORT BLVD	275 S Airport Blvd	So. San Francisco	CA	94080
THE DYLAN HOTEL AT SFO	110 S El Camino Real	Millbrae	CA	94030
EMBASSY SUITES S.F. AIRPORT SOUTH SAN FRANCISCO	250 Gateway Blvd	So. San Francisco	CA	94080
EMBASSY SUITES S.F. AIRPORT - WATERFRONT	150 Anza Blvd	Burlingame	CA	94010
EXTENDED STAY AMERICA - BELMONT	120 Sem Lane	Belmont	CA	94002
EXTENDED STAY AMERICA - SAN CARLOS	3 Circle Star Way	San Carlos	CA	94070
EXTENDED STAY AMERICA - SAN MATEO	1830 Gateway Dr	San Mateo	CA	94404
FAIRFIELD INN & SUITES SAN FRANCISCO PACIFICA	500 Old County Rd	Pacifica	CA	94044
FAIRFIELD INN & SUITES SAN FRANCISCO SAN CARLOS	555 Skyway Rd	San Carlos	CA	94070
FAIRFIELD INN & SUITES SFO OYSTER POINT AREA	127 W. Harris Avenue	So. San Francisco	CA	94080
FOUR POINTS BY SHERATON HOTEL & SUITES	264 S Airport Blvd	So. San Francisco	CA	94080
FOUR SEASONS HOTEL SILICON VALLEY	2050 University Ave	East Palo Alto	CA	94303
GARDEN MOTEL	1690 Broadway	Redwood City	CA	94063
GATEWAY INN & SUITES	516 El Camino Real	San Bruno	CA	94066
GOOD LIVING INN	1562 El Camino Real	San Carlos	CA	94070
GOOD NITE INN	485 Veterans Blvd	Redwood City	CA	94063
GRAND BAY SAN FRANCISCO	223 Twin Dolphin Dr	Redwood City	CA	94065
GRAND HYATT AT SFO	55 S. McDonnell Road	San Francisco	CA	94128
HALF MOON BAY INN	401 Main St	Half Moon Bay	CA	94019
HALF MOON BAY LODGE	2400 Cabrillo Hwy S	Half Moon Bay	CA	94019
HAMPTON INN & SUITES SFO SOUTH - BURLINGAME	1755 Bayshore Hwy	Burlingame	CA	94010
HAMPTON INN & SUITES - SAN MATEO	2940 S. Norfolk St.	San Mateo	CA	94403
HAMPTON INN SFO NORTH - SSF	300 Gateway Blvd	So. San Francisco	CA	94080
HARBOR VIEW INN	51 Ave Alhambra	El Granada	CA	94018
HILTON GARDEN INN SAN MATEO	2000 Bridgepoint Circle	San Mateo	CA	94404
HILTON GARDEN INN SFO - BURLINGAME	765 Airport Blvd	Burlingame	CA	94010
HILTON GARDEN INN - SFO NORTH - SSF	670 Gateway Blvd	So. San Francisco	CA	94080
HILTON S.F. AIRPORT BAYFRONT	600 Airport Blvd	Burlingame	CA	94010
HOLIDAY INN & SUITES SAN MATEO-SF SFO	330 N Bayshore Blvd	San Mateo	CA	94401
HOLIDAY INN EXPRESS & SUITES BELMONT	1650 El Camino Real	Belmont	CA	94002
HOLIDAY INN EXPRESS REDWOOD CITY CENTRAL	1836 El Camino Real	Redwood City	CA	94063
HOLIDAY INN EXPRESS SFO NORTH - SSF	373 S Airport Blvd	So. San Francisco	CA	94080

HOLIDAY INN EXPRESS SFO SOUTH - BURLINGAME	1250 Bayshore Hwy	Burlingame	CA	94010
HOME2 SUITES BY HILTON SFO NORTH	550 Gateway Blvd	So. San Francisco	CA	94080
HOMEWOOD SUITES BY HILTON BELMONT	1201 Shoreway Road	Belmont	CA	94002
HOMEWOOD SUITES BY HILTON SFO AIRPORT NORTH	2000 Shoreline Court	Brisbane	CA	94005
HOTEL 1550	1550 El Camino Real	San Bruno	CA	94066
HOTEL ALUXOR	500 El Camino Real	San Bruno	CA	94066
HOTEL AURA SFO	190 El Camino Real	San Bruno	CA	94066
HOTEL BELMONT	560 El Camino Real	Belmont	CA	94002
HOTEL FOCUS SFO	111 Mitchell Ave	So. San Francisco	CA	94080
HOTEL NOVA SFO BY FAIRBRIDGE	410 S Airport Blvd	So. San Francisco	CA	94080
HOTEL V	222 S Airport Blvd	So. San Francisco	CA	94080
HYATT HOUSE BELMONT/REDWOOD SHORES	400 Concourse Dr	Belmont	CA	94002
HYATT PLACE SAN CARLOS	26 El Camino Real	San Carlos	CA	94070
HYATT REGENCY SAN FRANCISCO AIRPORT	1333 Bayshore Hwy	Burlingame	CA	94010
INN @ BAYSHORE	140 N Bayshore Blvd	San Mateo	CA	94401
INN AT MAVERICKS	346 Princeton Ave	El Granada	CA	94018
INN AT ROCKAWAY	200 Rockaway Beach Ave	Pacifica	CA	94044
INN BY THE SFO	701 Airport Blvd	So. San Francisco	CA	94080
LA QUINTA INN & SUITES S.F. AIRPORT WEST	1390 El Camino Real	Millbrae	CA	94030
LA QUINTA INN S.F. AIRPORT NORTH	20 Airport Blvd	So. San Francisco	CA	94080
LARKSPUR LANDING HOTEL SSF	690 Gateway Blvd	So. San Francisco	CA	94080
LIA HOTEL	950 El Camino Real	San Carlos	CA	94070
LIGHTHOUSE HOTEL	105 Rockaway Beach Ave	Pacifica	CA	94044
MARRIOTT FAIRFIELD INN & SUITES SFO	250 El Camino Real	Millbrae	CA	94030
MILL ROSE INN	615 Mill St	Half Moon Bay	CA	94019
MILLWOOD INN & SUITES	1375 El Camino Real	Millbrae	CA	94030
THE MIRAMAR INN & SUITES	3020 Cabrillo Hwy N	Half Moon Bay	CA	94019
MOTEL 6 - BELMONT	1101 Shoreway Rd	Belmont	CA	94002
NANTUCKET WHALE INN	779 Main St	Half Moon Bay	CA	94019
NICHE HOTEL	868 Main St	Redwood City	CA	94063
OCEAN VIEW INN	8425 Cabrillo Hwy	Montara	CA	94037
THE OCEANFRONT HOTEL	211 Mirada Rd	Half Moon Bay	CA	94019
OCEANO HOTEL & SPA	280 Capistrano Rd	Half Moon Bay	CA	94019
PACIFICA BEACH HOTEL	525 Crespi Dr	Pacifica	CA	94044
PARK POINTE HOTEL	245 S. Airport Blvd	So. San Francisco	CA	94080
PESCADERO CREEK INN	393 Stage Rd	Pescadero	CA	94060

QUALITY INN HALF MOON BAY	2930 Cabrillo Hwy N	Half Moon Bay	CA	94019
RAMADA LIMITED SUITES	721 Airport Blvd	So. San Francisco	CA	94080
REDWOOD CREEK INN	1090 El Camino Real	Redwood City	CA	94063
REDWOOD MOTOR COURT	3706 Rolison Rd	Redwood City	CA	94063
REGENCY INN SFO	411 San Bruno Ave E	San Bruno	CA	94066
RESIDENCE INN SAN FRANCISCO AIRPORT/MILLBRAE	161 N. Rollins Road	Millbrae	CA	94030
RESIDENCE INN REDWOOD CITY SAN CARLOS	800 E. San Carlos Ave	San Carlos	CA	94070
RESIDENCE INN SAN FRANCISCO AIRPORT/SAN MATEO	2000 Winward Way	San Mateo	CA	94404
THE RITZ-CARLTON, HALF MOON BAY	One Miramontes Point Rd	Half Moon Bay	CA	94019
RITZ INN	151 El Camino Real	San Bruno	CA	94066
ROYAL INN	120 Hickey Blvd	So. San Francisco	CA	94080
SAN BENITO HOUSE	356 Main St	Half Moon Bay	CA	94019
SAN CARLOS INN	1140 Morse Blvd	San Carlos	CA	94070
SAN FRANCISCO AIRPORT MARRIOTT WATERFRONT	1800 Old Bayshore Hwy	Burlingame	CA	94010
SAN MATEO MARRIOTT	1770 So. Amphlett Blvd	San Mateo	CA	94402
SEA BREEZE MOTEL	100 Rockaway Beach Ave	Pacifica	CA	94044
SEAL COVE INN	221 Cypress Ave	Moss Beach	CA	94038
SEQUOIA INN	526 El Camino Real	Redwood City	CA	94063
SFO AIRPORT HOTEL, EL RANCHO INN	1100 El Camino Real	Millbrae	CA	94030
SILICON VALLEY INN	630 El Camino Real	Belmont	CA	94002
SONESTA ES SUITES SFO SAN BRUNO	1350 Huntington	San Bruno	CA	94066
SONESTA ES SUITES SFO OYSTER POINT WATERFRONT	1350 Veterans Blvd	So. San Francisco	CA	94080
SONESTA SELECT SFO OYSTER POINT WATERFRONT	1300 Veterans Blvd	So. San Francisco	CA	94080
SPRINGHILL SUITES BELMONT REDWOOD SHORES	1401 Shoreway Rd	Belmont	CA	94002
SUPER 8 S.F. AIRPORT - SAN BRUNO	421 El Camino Real	San Bruno	CA	94066
TOWNEPLACE SUITES SAN MATEO FOSTER CITY	1299 Chess Drive	Foster City	CA	94404
TRAVELERS INN	100 Hickey Blvd	So. San Francisco	CA	94080
TRAVELODGE SFO NORTH	326 S Airport Blvd	So. San Francisco	CA	94080
VAGABOND INN EXECUTIVE S.F. AIRPORT BAYFRONT	1640 Old Bayshore Hwy	Burlingame	CA	94010
VILLA MONTES HOTEL, ASCEND HOTEL COLLECTION	620 El Camino Real	San Bruno	CA	94066
THE WESTIN S.F. AIRPORT	1 Old Bayshore Hwy	Millbrae	CA	94030
ZABALLA HOUSE BED & BREAKFAST	324 Main St	Half Moon Bay	CA	94019
Hotel Nia	200 Independence Drive	Menlo Park	CA	94025
Park James	1400 El Camino Real	Menlo Park	CA	94025
Rosewood Sand Hill	2825 Sand Hill Road	Menlo Park	CA	94025

Stanford Park Hotel	100 El Camino Real	Menlo Park	CA	94025
Residence Inn	555 Glenwood Avenue	Menlo Park	CA	94025
Best Western Plus Riviera	15 El Camino Real	Menlo Park	CA	94025
Hotel Lucent	727 El Camino Real	Menlo Park	CA	94025
Menlo Park Inn	1315 El Camino Real	Menlo Park	CA	94025
Red Cottage Inn	1704 El Camino Real	Menlo Park	CA	94025

APPENDIX 3 – BENEFITS BY BUSINESS CATEGORY

Program	Service	Tier 1 (1.5%)	Tier 2 (0.75%)
General	Listing on www.thesanfranciscopeninsula.com with link to hotel booking page	X	X
General	Inclusion in Sales, Marketing and Promotional Opportunities	X	X
General	Inclusion in SFP's Consumer Brochures	X	X
General	Access to SFP's research reports and insights	X	X
General	Represented by SFP at industry conferences and events	X	X
General	Access to California Hotel Lodging Association's industry advocacy efforts and training materials	X	X
Consumer	Opportunity to participate in Consumer Marketing Campaigns	X	X
Consumer	Public Relations participation opportunities	X	X
Consumer	Familiarization Tour (Press and Influencer) Opportunities	X	X
Consumer	Inclusion Opportunity in Social Media Efforts	X	X
Consumer	Inclusion Opportunity in Destination Video and Photo Shoots	X	X
Consumer	New project and special event opportunities	X	X
Travel Trade	Trade Show Opportunities	X	X
Travel Trade	Sales Mission Opportunities	X	X
Travel Trade	Lead Opportunities	X	X
Travel Trade	Familiarization Tour Leads (Press and Travel Trade) Opportunities	X	X
Meetings	Lead Distribution	X	
Meetings	Site Inspections	X	
Meetings	Convention Services Support	X	
Meetings	Opportunity to participate in Sales Missions	X	
Meetings	Opportunity to participate in Client Events	X	
Meetings	Industry tradeshow participation	X	
Meetings	Participation in local industry chapter meetings and events	X	
Meetings	Familiarization Tours	X	
Meetings	Marketing Campaigns	X	
Meetings	Inclusion in Meetings Market Brochures	X	
Meetings	Opportunity for Sponsorship of Group Events	X	
Meetings	Custom Event Landing Page for Groups: Things To Do Nearby With Your Selected Venue (Itinerary)	X	

Meetings	Distribution of hot rates and dates to planners	X	
Meetings	Co-op advertising opportunities in key meeting publications	X	
Meetings	Social media mentions/posts promoting groups space	X	
Meetings	Inclusion on Meeting Planner section of website	X	
Meetings	Opportunity to be highlighted in meeting planner newsletter	X	
Meetings	Access to SF Travel group leads via our alliance with SFT	X	

APPENDIX 4 – SMG CONSULTING ANALYSIS

SF Peninsula

Tourism Business Improvement District Pro Forma Review

SMGConsulting

TAKE ANOTHER PATH.

Overview

In 2001, the Organization established a Tourism Business Improvement District (TBID) under the Parking and Business Improvement Area Law of 1989 ('89 Law) and now wishes to convert to a Tourism Marketing District (TMD) under the Property and Business Improvement District Law of 1994 ('94 Law).

The organization is moving forward with a Tourism Business Improvement District (TBID) transition that will increase its funding above \$6 million annually to be available for tourism promotion efforts. The TBID contribution is a significant budget increase for the organization. In developing the proposal for the TBID renewal and the subsequent approval of the lodging industry, the organization staff has prepared a TMD Benefits Proforma to estimate the potential return on investment from the new TBID funds.

This staff assessment includes the proposed allocation and use of new funds for different tourism promotion efforts (sales, advertising, public relations, social media, etc.) and the projected return on investment for those funds.

Proforma Review

The TMD Benefits Proforma review includes a review of the staff proforma to check the assumptions and estimates and make suggestions and recommendations.

Scope of Work

The following is a review of the proforma developed for the TBID renewal. The analysis was done using the information supplied by The San Francisco Peninsula CVB. Project elements include the following:

I. DEVELOP SMITH TRAVEL RESEARCH TRENDLINE AND ANNUAL GROWTH RATE FOR LODGING REVENUE. DEVELOP MULTI-YEAR FORECAST.

➤ DETERMINE THE PROJECTABLE RATE OF GROWTH.

• REVIEW STAFF DRAFT PROFORMA, INCLUDING ASSUMPTIONS AND FINAL ESTIMATES.

I. COMPARE PROFORMA ESTIMATES WITH TRENDLINE AND ASSESS WITH POTENTIALLY DIFFERENT SCENARIOS (HIGH, MEDIUM, AND LOW ESTIMATES).

Limiting Conditions

The following analysis and estimates are based on the best information and time available. The results and opinions provided are a guide for consideration, and we do not claim as to the accuracy of the final results.

Model Development

We developed an SF Peninsula Tourism Economic Model to develop lodging revenue and room night projections with the addition of new properties and the potential of Menlo Park Inclusion. The model was developed utilizing the past ten years of monthly lodging data from Smith Travel Research. The model measures a variety of economic activities, including the following:

II. LODGING REVENUE PROJECTIONS THROUGH 2027

III. ROOM NIGHT PROJECTION THROUGH 2027

IV. TBID REVENUE WITHOUT MENLO PARK

V. TBID REVENUE WITH MENLO PARK

VI. TBIB REVENUE WITH NEW PROPERTIES

VII. TBID REVENUE WITHOUT NEW PROPERTIES.

The SF Peninsula Tourism Economic Model can be adjusted to test or consider different scenarios.

Model Methodology

The future growth of ADR and room nights is using a Bayesian Structural Times Series (BSTS) model, a technique for fitting historical data and forecasting future trends (Scott and Varian, Predicting the Present with Bayesian Structural Time Series 2013). BSTS was chosen for its ability to forecast future trends, including seasonal variation, using robust time series data. In this case, data is available in monthly intervals from July 2012. This model was fit by specifying a semi-local linear trend. Confidence intervals bound a mean forecast to quantify the degree of uncertainty in the future (Scott, Fitting Bayesian structural time series with the bstS R package 2017).

Rather than having the pandemic disruption influence the forecasts, only data from July 2012 through December 2019 was taken as input. Revenue is simply forecast as the product of ADR and room nights.

Given the fact that the STR reports track all cities in San Mateo County, the revenue forecast is reduced in proportion to the number of room nights in the TMD (15,699/17,190) or 91.3 percent. TMD fee revenue is also forecast in proportion to available rooms, with 42 percent A-level property rooms paying 1.5 percent of gross room revenue. The balance is paid by B-level property rooms at 0.75 percent.

Construction of three new B-level properties is underway and will bring 451 rooms online. These rooms are assumed to be available from January 2023. There are 533 A-level property rooms and 338 B-level property rooms in Menlo Park. Potential gross room and TMD fee revenue is forecast on the basis of room count proportionality.

Model Assumptions

The model forecasts mean values of ADR and room nights along with 2.5 percent confidence intervals. This report is based on mean values. By constructing the model in this manner, we are

assuming that the conditions supporting ADR and room night growth prior to the pandemic will continue from 2023 forward.

Sources of variation include the impact of macroeconomic conditions, actual timing of new construction (planned and unplanned), promotions and policies such as airline crew waivers.

Model Limitations

The baseline SF Peninsula Tourism Economic Model provides a static look based on a given set of assumptions. Forecasts of future events are inherently uncertain as the recent pandemic reminded us. As noted above, the model can be adjusted to estimate specific scenarios in detail in which case the relative differences generally provide the most value.

Findings

Table 1 below summarizes Room Nights, Revenue, and Average Daily Rate (ADR) projections.

Table 1: Room Night, Revenue, and Average Daily Rate Projections 2021-2027

	2021	2022	2023	2024	2025	2026	2027
Room nights	3,201,672	3,273,894	3,356,784	3,470,192	3,592,148	3,720,575	3,824,263
RN annual growth		2.3%	2.5%	3.4%	3.5%	3.6%	2.8%
Revenue (thousands)	\$430,563	\$784,357	\$1,053,955	\$1,140,669	\$1,229,371	\$1,335,188	\$1,444,536
Rev annual growth		82.2%	34.4%	8.2%	7.8%	8.6%	8.2%
ADR	\$134	\$240	\$314	\$329	\$342	\$359	\$378
ADR annual growth		78.2%	31.1%	4.7%	4.1%	4.9%	5.3%

- A. THE MODEL INCLUDES GROWTH RATE PROJECTIONS FOR EACH OF THOSE CATEGORIES. NOTE THE SIGNIFICANT REVENUE GROWTH PROJECTION IN 2022 AND 2023, AFTER WHICH THE GROWTH SLOWS DOWN INTO A MORE CONSISTENT PATTERN AFTER 2023. (SEE TABLE 1 ABOVE)
- B. THE TMD BENEFITS PROFORMA DEVELOPED BY STAFF HAS LODGING RATES BETWEEN \$200 AND \$293, WHICH IS WITHIN ESTIMATES OR THE PROJECTED AVERAGE DAILY RATE OF THE SF PENINSULA TOURISM ECONOMIC MODEL. (SEE TABLE 2)
- A. REGARDING TBID REVENUE PROJECTION, THE TMD BENEFITS PROFORMA ANTICIPATES TBID REVENUE OF APPROXIMATELY \$6M. BASED ON THE SF PENINSULA TOURISM ECONOMIC MODEL'S ASSUMPTIONS, TBID COLLECTIONS COULD BE HIGHER STARTING IN 2022 (APPROXIMATELY \$8M). (SEE TABLE 2)
- B. THE MODEL CONSIDERS THE NEW CONSTRUCTION OF HOTELS (451 UNITS) WHICH INCREASES THE POTENTIAL TBID REVENUE GENERATION BY APPROXIMATELY \$207,000. (SEE TABLE 2)
- C. ADDITIONALLY, THE MODEL CONSIDERS THE POTENTIAL ADDITION OF MENLO PARK HOTELS BEING A PART OF THE TBID. THE ADDITION OF MENLO PARK HOTELS WOULD INCREASE TBID CONTRIBUTIONS BY APPROXIMATELY \$638,000 STARTING IN 2023. (SEE TABLE 2)

Table 2: TMD Room Revenue and Fee Projections

		2021	2022	2023	2024	2025	2026	2027
A rooms	6607			Base Year				
Total available	15699			TBID Projection				
B rooms	9092							
	A Revenue	\$101,204,557	\$330,100,605	\$405,089,050	\$438,417,832	\$472,510,240	\$513,181,465	\$555,203,395
	1.50%	\$2,718,068	\$4,951,509	\$6,076,336	\$6,576,267	\$7,087,654	\$7,697,722	\$8,328,141
	B Revenue	\$249,358,533	\$454,256,803	\$557,449,620	\$603,313,899	\$650,229,026	\$706,197,349	\$764,032,666
	0.75%							
	Total TBID/TMD	\$4,588,257	\$8,358,435	\$10,257,208	\$11,101,122	\$11,964,371	\$12,994,202	\$14,058,366
New Construction								
New rooms 2023 (B)	451		Total w/new hotels	\$10,464,596	\$11,325,573	\$12,206,276	\$13,256,929	\$14,342,629
% increase in B	5.0%							
Menlo Park								
New rooms 2023 (A)	533							
% increase in A	8.1%							
New rooms 2023 (B)	338							
% increase in B	3.5%							
			Total w/Menlo	\$10,895,479	\$11,791,907	\$12,708,873	\$13,802,787	\$14,933,191

Inventory Notes:

Changes in Hotel Inventory

318 rooms lost to Project Home Key (housing the un-housed) during 2020/2021

Possibly December 15, 2022 or early 2023

Red Roof Inn, Burlingame

213 Rooms

Possibly in 2023

El Rancho Inn, Millbrae

219 Rooms

2023 (Buyer is getting financing together, no set month for demolishing.)

Holiday Inn Express, Burlingame

148 Rooms

Possibly 2023 (Entitlements approved Sept 2022. No word when developer will start work.)

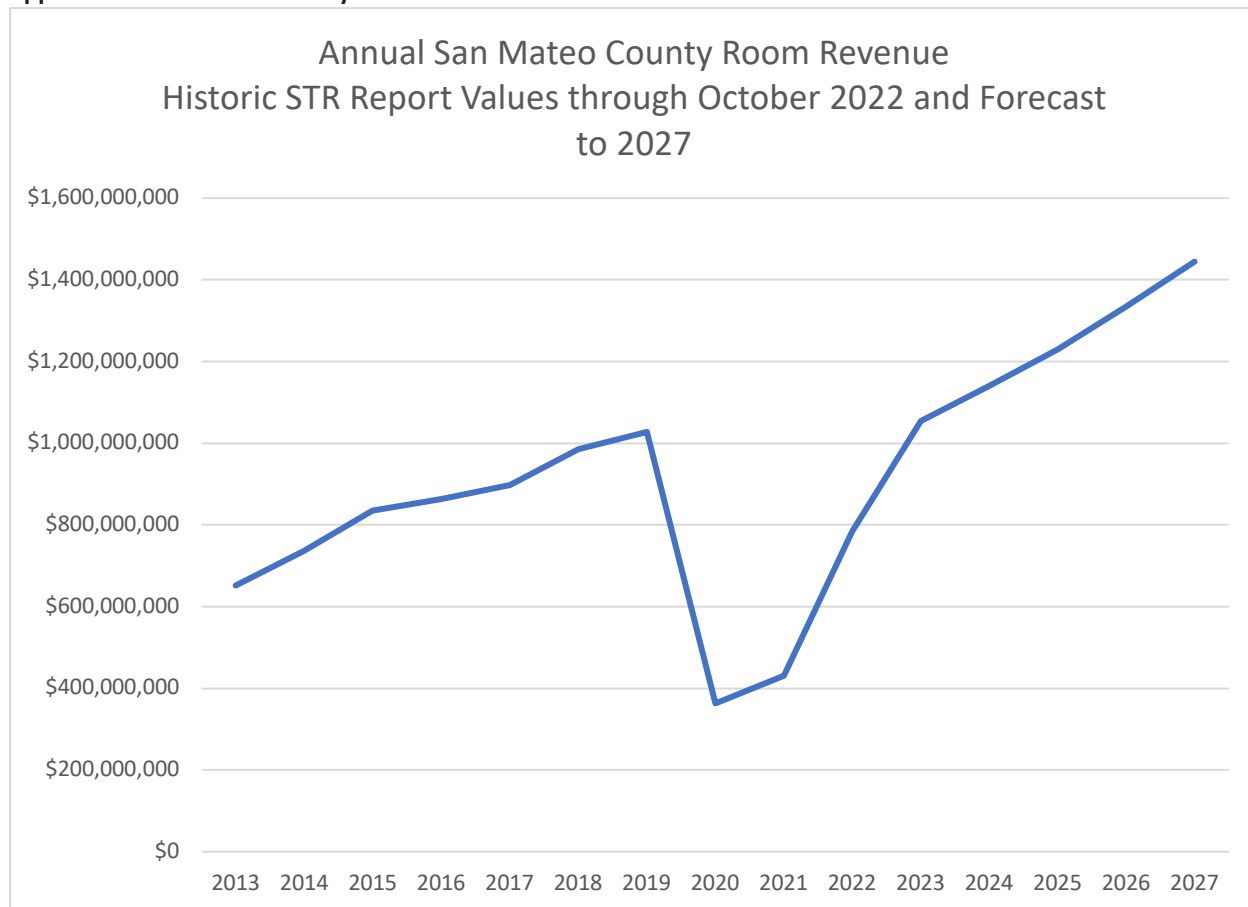
Comfort Inn & Suites, South San Francisco

166 Rooms



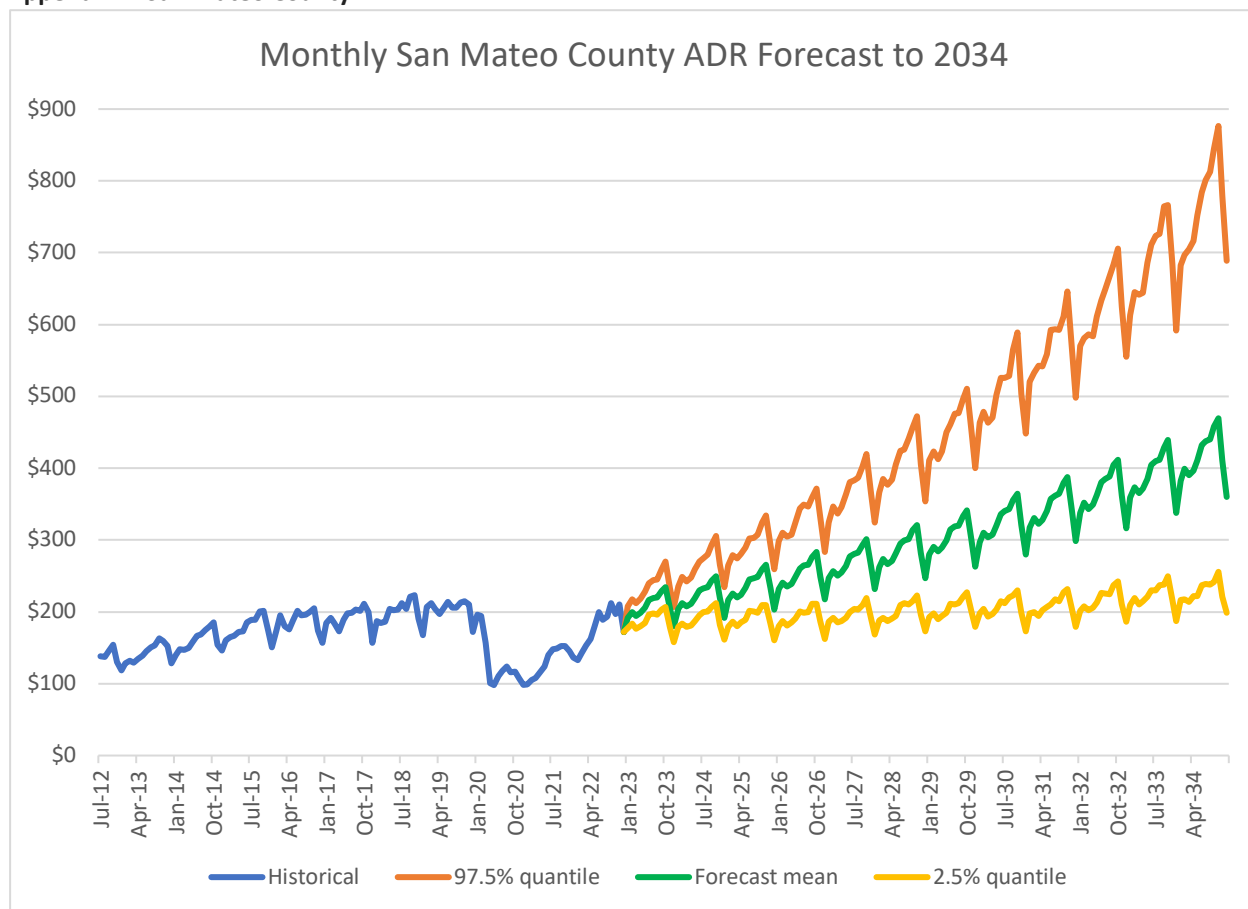
Appendix

Appendix 1: San Mateo County Room Revenue



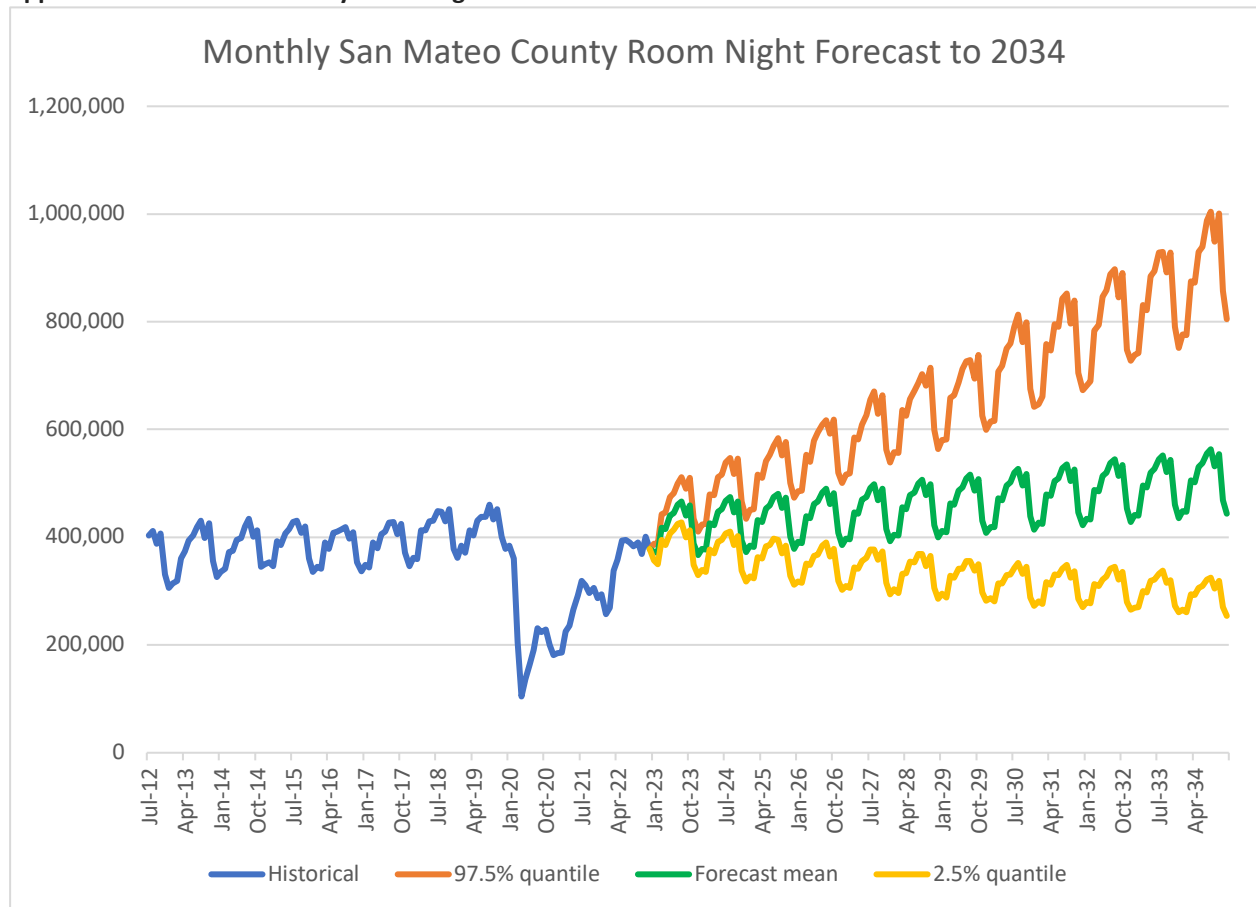
Source: STR Reports and Consulting Team.

Appendix 2: San Mateo County ADR



Source: STR Reports and Consulting Team.

Appendix 3: San Mateo County Room Nights



Source: STR Reports and Consulting Team.

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY
AGENDA REPORT**

For meeting of: **June 6, 2023**

TO: The Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: John Doughty, Assistant City Manager
Carlo Wei, Management Analyst

TITLE: CITIZEN'S OPTION FOR PUBLIC SAFETY GRANT PROGRAM FY 2022-23

RECOMMENDATION:

Adopt a resolution authorizing the Administrative Services Director to accept the State of California Citizen's Option for Public Safety Grant Funds for Fiscal Year 2022-23 in the amount of \$100,000 and approve using those funds on projects, business support, and equipment that meet the conditions of the grant.

FISCAL IMPACT:

The Citizen's Option for Public Safety (COPS) Grant program has been funded at \$100,000. The grant cannot be used to supplant the adopted budget and does not have a matching fund requirement. Therefore, there is no budget impact associated with this action.

BACKGROUND:

In FY 1996-97, the California State Legislature enacted Chapter 134 (AB3229 Brulte) creating the Citizen's Option for Public Safety (COPS) Program. Under this program, cities and counties receive state funds to augment public safety expenditures. The City has participated in this program for over a decade. The provisions of the COPS grant require that the funding be placed into a Supplemental Law Enforcement Services Fund (SLESF).

The funds must be used to supplement, not supplant the delivery of front-line law enforcement services through the use of projects, programs and/or equipment that meet the conditions of the grant. Upon receipt of a signed City Council Resolution authorizing the disbursement of the funds, the County will release the funds to the City, which will then be deposited in the City's SLESF account. The funds will be used for projects, programs and/or equipment designed to enhance the delivery of front line services benefitting residents and visitors to Half Moon Bay.

Staff is recommending these funds be used to enhance the level of law enforcement services currently provided under contract by the San Mateo County Sheriff. Projects/programs include:

Projects/Programs	Description	Amount
Business Support	Evaluate ways to augment business safety and monitoring.	\$90,000
Augment Patrol	Supplement patrol and/or CSO staffing levels with the intent of enhancing downtown presence, coordination of special events, parking enforcement and traffic enforcement.	
Special Events		
Traffic Enforcement (Motorcycle)	Supplement patrol with the intent of addressing traffic control and enforcement during peak hours on weekends, holidays, and special events/details.	
Parking Enforcement	Personnel will also assist with other special assignments as needed throughout the year.	
Community engagement and outreach	Host several events throughout the City for the residents of Half Moon Bay: Meet and Greet with Deputies and Community events, etc..	\$10,000
TOTAL AMOUNT NOT TO EXCEED		\$100,000

ATTACHMENT

1. Resolution

Resolution No. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING
EXPENDITURES IN SUPPLEMENTAL LAW ENFORCEMENT SPECIAL FUND (SLESF) FOR CITIZEN'S
OPTION FOR PUBLIC SAFETY GRANT PROGRAM IN FY 2022-23**

WHEREAS, the California State Legislature enacted Chapter 134 (AB3229 Brulte) creating a City's Option for Public Safety (COPS) Program; and

WHEREAS, Under the COPS program, Cities and Counties receive state funds in the amount of \$100,000 to augment public safety expenditures; and

WHEREAS, the City of Half Moon Bay is participating in this grant and is proposing using the grant funds for business support, Patrol Augmentation, Traffic and Parking Enforcement, and to assist with Special Events.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the Administrative Services Director to accept the State of California Citizen's Option for Public Safety Grant Funds for Fiscal Year 2022-23 in the amount of \$100,000.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 6th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jill Ekas, Community Development Director
Ocoee Wilson, Assistant Planner

TITLE: **SHORT-TERM VACATION RENTAL AND HOME OCCUPATION ORDINANCE
(CONTINUED FROM MAY 16, 2023)**

RECOMMENDATION:

Conduct a public hearing, waive first reading, and introduce an ordinance amending portions of Chapter 18 (Zoning) and Chapter 3 (Revenue and Finance) of the Half Moon Bay Municipal Code to establish Short-Term Vacation Rental regulations and update the Home Occupation regulations to conform with the California Coastal Commission's conditional certification.

FISCAL IMPACT:

The proposed Ordinance may reduce the total number of short-term vacation rentals (STRs) operating within the city over time; however, the Coastal Commission's conditional certification of the Ordinance allows continuance for qualifying STRs in good standing that may not have otherwise conformed to provisions of the new Ordinance, and thus this impact is expected to be minor. Staff time to implement the Ordinance will be substantially covered by application fees.

STRATEGIC ELEMENT:

This action supports the *Fiscal Sustainability, Healthy Communities and Public Safety, and Inclusive Governance* Elements of the Strategic Plan.

BACKGROUND:

The Planning Commission initiated a multi-year public review process regarding STRs in March 2018. It was first brought to City Council on August 17, 2021. The City Council then adopted a revised Short-Term Vacation Rental and Home Occupation Ordinance ("Ordinance") on September 21, 2021. Following adoption by City Council, the Ordinance was submitted to the California Coastal Commission as an amendment to the Local Coastal Program (LCP). After continuing the item at its October 2022 hearing, the Coastal Commission conditionally certified the Ordinance on March 8, 2023. The certification included primary residence provisions and a 60-night cap on most unhosted STR operations. The primary residence requirement is the foundation of Half Moon Bay's Ordinance, and thus the Coastal Commission's conditional certification

preserving this key provision was very supportive of City Council's adopted Ordinance which took great care to ensure that housing stock is protected from permanent conversion to STR use.

The Coastal Commission's conditional certification includes several modifications to the City Council's Ordinance. The most notable modifications pertained to minimum lot size, maximum occupancy, parking, and continuance of existing STRs in good standing. These modifications are further described within the Discussion section of this staff report. Due to these modifications, the City must readopt the Ordinance as part of a follow-up process with the Coastal Commission to achieve final certification and the City's ability to begin implementing the Ordinance.

This staff report focuses on the Coastal Commission's modifications. For background on the Short-Term Rental and Home Occupation Ordinance as adopted by City Council in September 2021, the following links provide references to past City Council agendas for this matter:

- August 17, 2021 – City Council Ordinance Introduction (Continued to date certain) ([Agenda Link](#))
- September 7, 2021 – City Council Ordinance Re-Introduction (new 1st Reading) ([Agenda Link](#))
- September 21, 2021 - City Council Ordinance Adoption (2nd Reading) ([Agenda Link](#))

DISCUSSION:

As adopted by City Council in September of 2021, the STR Ordinance relied on a primary residence requirement for most STRs as a foundation for the sake of preserving housing stock. The Ordinance continues to keep primary residency at its core and supports it through implementing additional measures such as maximum number of annual overnight stays for unhosted STRs, maximum occupancy limits, and minimum lot size for STRs in residential zoning areas.

The Coastal Commission's certification carries forward the following provisions as originally adopted by the City Council in 2021:

Home Occupations:

- Eligible Employees: Residents and one non-resident employee may be employed on site.
- Traffic: One visitor vehicle at a time up to a maximum of two per day are allowed.
- Parking: Parking must be provided on site for any employee of the home occupation.
- Business License: The Ordinance continues to require issuance of a Business License.

Short-Term Rentals:

- Application: STR operators will need to submit an application to the City prior to operation. The application covers key provisions including proof of primary residency, proof of rental nights (upon renewal), information on the dwelling being rented, and a registration fee prescribed by City Council resolution.
- Primary Residence: The operator of the STR shall be the primary resident of the residential unit (defined as residing in the unit for the majority of the calendar year) with limited exceptions, including STRs operated out of up to one unit in a mixed-use development located within the Commercial Downtown (C-D), Commercial General (C-G), and Commercial-Visitor Serving (C-VS) zoning districts; as well as other units in the C-VS zoning district which

emphasizes coastal visitation.

- Transient Occupancy Tax (TOT): Operators must be in compliance with section 3.12 regarding the transient occupancy tax and registration certificate.
- Maximum Rental Nights: Un-hosted STR use is limited to no more than 60 nights per calendar year other than for special cases of one unit on mixed-use property that is not subject to primary residence requirements. Hosted nights have no limit.
- Maximum Number of Rentals per Operator: Each operator is limited to one STR, with only one rental agreement operating at any one time.

Coastal Commission Modifications:

The Coastal Commission's review of the City's Short-Term Rental and Home Occupation Ordinance found the Ordinance to be consistent with the Coastal Act and the City of Half Moon Bay's Certified Local Coastal Land Use Plan. The Coastal Commission conditionally approved the Ordinance as an amendment to the City's Local Coastal Program, provided that the City readopt the Ordinance with specified modifications. The Coastal Commission staff report is provided in Attachment 2.¹ The modifications are relatively minor and pertain to several sections as seen below. The ~~striketrough~~ (deletions) and underline (insertions) format indicate Coastal Commission-approved substantive revisions to the City's Short-Term Rental Ordinance that are being recommended for City Council adoption:

Minimum lot size requirements: The Coastal Commission eliminated minimum lot size requirements in Section 18.06.025(G)(5)(a)(i) as follows:

i. Single-family and residential condominium dwelling unit: One short-term vacation rental may operate as an accessory use to a single-family unit or residential condominium dwelling unit; ~~provided, however that minimum lot sizes for short term vacation rental use on any single family lot developed with a detached single family home is as follows:~~

~~1. R-1, R-2, R-3, and C-R zoning districts: 4,125 square feet~~

~~2. PUD zoning district: The lot size established for the site when the coastal development permit was issued for the applicable subdivision in place as of the effective date of this ordinance~~

~~3. PUD X zoning district: 10,500 square feet~~

Maximum occupancy requirements: The Commission modified the City's maximum occupancy limit of eight (8) persons, but retained a limit of two (2) persons per bedroom in Section 18.06.025(G)(5)(h) as follows:

¹ The Coastal Commission staff recommendation presented in this report includes a 180-night/year cap on unhosted STR operations; however, the Coastal Commission's certification did not incorporate that provision of the staff recommendation. Instead, the Coastal Commission conditionally certified the Ordinance with a 60-night cap on unhosted STR operations per the City Council original Ordinance adoption. The Commission accepted the remaining recommendations presented in the report by Coastal Commission staff.

h. Maximum Overnight Occupancy. Overnight occupancy for short-term vacation rentals shall be limited to a maximum of up to two (2) persons per bedroom, up to a total of eight (8) occupants. For a hosted short-term vacation rental, the bedroom(s) occupied by the host shall not be used in determining the maximum overnight occupancy for guests.

Off-street parking requirements: Parking provisions were simplified and scaled to bedroom count/occupancy, in substantial alignment with City Council's original approval in Section 18.06.025(G)(6)(e) as follows:

e. Parking. ~~The maximum number of vehicles allowed overnight at the~~ Parking for short-term vacation rental shall be limited to one (1) vehicle per one-bedroom unit, two (2) vehicles per two- or three-bedroom unit, and one (1) additional vehicle for four or more bedrooms. On-site parking spaces ~~users shall be provided for at a rate of at least fifty percent~~ one off-street parking space per bedroom, which shall be dedicated and available to guests during the period of the maximum-allowed number of vehicles (half spaces shall be rounded up)-rental. No vehicles shall be used for overnight occupancy. Parking exceptions may be considered by the planning commission subject to Section 18.36.085; provided that the planning commission shall consider whether a prior parking exception was previously granted for the property. In the Commercial-Downtown zoning district, exceptions must also comply with Section 18.07.045.

Continuance of Existing Qualified STRs: Continuance provisions for STRs in good standing that do not currently have a primary resident were established in Section 18.06.025(G)(11) as follows:

~~1110.~~ Existing Short-Term Vacation Rentals.

a. Short-term vacation rentals in operation for at least three (3) months at the time of the effective date of this Ordinance and ~~in compliance with all previously existing City regulations, including proof of payment of all applicable transient occupancy tax ("Existing STVRs"), taxes,~~ shall have six (6) months from the effective date of this Ordinance to register. For approved unhosted short-term vacation rental operations, the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance.

b. ~~Existing STVRs shall have one (1) year from the effective date of this Ordinance~~ Short-term vacation rentals are not required to come into compliance with ~~meet~~ the primary residence requirement if all of the following conditions are met:

c. ~~Discontinued use for six (6) or more months for an Existing STVR shall result in disqualification from these provisions.~~

i. The short-term vacation rental does not currently meet the primary residency requirement and was in operation and in good standing with the City (i.e., had obtained a business license and had paid all required TOT) as of October 14, 2022.

ii. The short-term vacation rental has paid all applicable transient occupancy tax owed between October 14, 2022 and the date of registration.

iii. The short-term vacation rental is within a single-family or residential condominium unit. No accessory dwelling units qualify for this exemption.

This primary residence exemption shall no longer be valid for a property if ownership of the property is transferred, if short-term vacation rental use is discontinued for twelve (12) or more months, or if the short-term vacation rental registration is revoked.

Additional City Staff Recommended Modifications:

Additional clarifications to the ordinance as recommended by City Staff are presented below. For these modifications, the City's revisions are shown in ~~double strikethrough~~ (deletions) and double underline (insertions) format indicate Coastal Commission approved revisions to the City's Short-Term Rental Ordinance that are being recommended for City Council adoption. Staff has confirmed with Coastal Commission staff that these clarifying modifications are within the scope of the Coastal Commission's certification.

The maximum unhosted nights provision in Section 18.06.025 (G)(5)(c) should not apply to STRs in mixed-use developments in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning Districts, or to any STRs in the C-VS Zoning District, as follows:

c. Maximum Number of Rental Nights. An unhosted short-term vacation rental shall be operated no more than sixty (60) nights per calendar year. There are no rental night limitations for hosted short-term vacation rentals.

i. An unhosted short-term vacation rental is defined as a short-term vacation rental use where no resident is present during the course of the rental.

ii. A hosted short-term vacation rental is defined as a short-term vacation rental use where a resident, who is the operator and acting as a host, occupies one or more bedrooms in a dwelling unit while other areas of the unit are rented for the purpose of transient overnight lodging.

iii. Short-term vacation rentals permitted to operate in mixed-use developments in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning Districts and all other short-term vacation rentals permitted to operate in the Commercial-Visitor Serving Zoning District are exempt from the limitation on unhosted rental nights.

The definition of "Short-term vacation rental" in Section 18.02.040 Definitions is clarified to avoid the implication that STRs are not allowed in districts other than residential zoning districts.

"Short-term vacation rental" means a residential or mixed-use property that contains a dwelling unit or habitable portion thereof that is offered for hire for transient occupancy for periods of thirty days or less. In residential zoning districts, short-term vacation rental use that is incidental to the principal residential use of a dwelling unit or property in residential zoning districts. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term vacation rental facilities.

The updated Ordinance also includes a minor modification to Section 5 of the Ordinance. The

modification would require review by the City of Half Moon Bay to evaluate the number of short-term vacation rentals operating in accordance with the Short-Term Vacation Rental Ordinance at 12 months following acknowledgment of the Ordinance by the California Coastal Commission, as opposed to at 6 months and 12 months. This modification will allow the City time to register the STRs and gather enough data to evaluate the number of STRs.

Environmental Review

The Ordinance is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines sections 15305 (minor alterations to land use limitations) and 15061(b)(3) (common sense exemption). The City currently permits short-term vacation rentals and home occupations to operate in the City. The proposed amendments restrict and regulate short-term vacation rental uses. Consequently, a decrease in short-term vacation rental activity, as well as any related environmental effects, is reasonably anticipated as a result of these amendments. The amendments to the Home Occupation provisions do not involve a change in land use or density.

Conclusion:

These Ordinance provisions support coastal access and economic development while also supporting housing stock and neighborhood compatibility. STRs and Home Occupations will remain as accessory uses to the primary residential use within residential zoning districts.

Next Steps

If City Council introduces the Ordinance incorporating the Coastal Commission modifications, a second reading will be scheduled for Council's next meeting. Once readopted, the Ordinance will be submitted to the Coastal Commission, where the Executive Director will review the City Council's action and make a determination for the Coastal Commission's confirmation. Provided this outcome, the Ordinance will be effectively certified.

ATTACHMENTS:

1. Short-Term Vacation Rental and Home Occupation Ordinance
2. California Coastal Commission Staff Report, March 21, 2023
3. Public Written Comment dated May 12, 2023 from STR Operator in Mixed-Use Commercial Downtown

ORDINANCE NO. C-2023-_____
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AMENDING CHAPTER 18.06.025 “USE REGULATIONS” AND RELATED PROVISIONS OF THE
ZONING AND REVENUE AND FINANCE TITLES OF THE HALF MOON BAY MUNICIPAL CODE
RELATED TO SHORT-TERM VACATION RENTALS AND HOME OCCUPATIONS

THE CITY COUNCIL OF THE CITY OF HALF MOON BAY DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council of the City of Half Moon Bay hereby amends Chapter 18.06.025 “Use regulations” and related provisions of the Zoning and Revenue and Finance Titles of the Half Moon Bay Municipal Code related to Short-Term Vacation Rentals and Home Occupations (“Short Term Vacation Rental and Home Occupation Ordinance” or “Ordinance”). The City Council finds and declares as follows:

- a) The City of Half Moon Bay is located fully within the California Coastal Zone.
- b) The City of Half Moon Bay’s certified Local Coastal Program includes an implementation plan which is in part comprised of the Zoning Ordinance.
- c) Half Moon Bay is a highly desirable destination for coastal tourism. The City has nearly 600 existing rooms in hotel and motel establishments and over 200 campsites accommodating campers and recreational vehicles.
- d) Half Moon Bay also has the highest rate of employed residents who work from home in San Mateo County and home occupations are an important means of employment in the City.
- e) The City Council seeks to support lower-cost visitor serving uses, including accommodations, and coastal access pursuant to the California Coastal Act and its Local Coastal Program, while also providing opportunities for income generating uses in areas that are already developed.
- f) The City Council further seeks to protect neighborhood integrity.
- g) The City Council has identified affordable housing as a multi-year priority and directed that existing housing stock be preserved for residential use.
- h) More than one hundred short-term vacation rentals have operated within the city limits without benefit of compatible use regulations and registration requirements.
- i) Short-term vacation rental use has in some cases eliminated residential use of dwelling units, especially those used as “whole house” or unhosted operations, and thereby reduced housing stock.

- j) The operation of some short-term vacation rentals has caused significant disruption within various neighborhoods and required repeated code enforcement efforts; however, absent compatible use regulations and registration requirements, enforcement has not always resulted in sustained improvement.
- k) City research of the short-term vacation rentals operating within the city limits concludes that short-term vacation rentals with direct oversight from the property owner and/or long-term tenant operate more compatibly within their surrounding neighborhood and tend to be lower-cost.
- l) Short-term vacation rentals and home occupations can be conducted so as to safeguard neighborhood integrity, promote coastal access, and protect coastal resources.
- m) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations by imposing a primary residence requirement to ensure better local oversight and neighborhood compatibility.
- n) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations that limit the number of overnight stays per year for “whole house” or unhosted short-term vacation rental operations because unlimited and/or predominate use of residential dwelling units as unhosted short-term vacation rentals diminishes, and in some cases leads to discontinuance of, the primary use of the residence as a dwelling unit and thereby reduces local housing stock.
- o) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations that do not limit the number of overnight stays for hosted short-term vacation rental operations in part because hosted short-term vacation rentals are maintained as residential dwelling units which is the intended primary use for residential development and maintenance of local housing stock.
- p) The San Mateo County 21 Elements collaborative group supports housing policy in San Mateo County and has identified that primary residence requirements and disallowing short-term rental use of accessory dwelling units are effective regulations for preserving housing stock for residential use.
- q) The Ordinance is consistent with the California Coastal Act and Half Moon Bay’s certified Local Coastal Land Use Plan which includes policies addressing residential land use compatibility, the preservation of housing stock, short-term vacation rentals, home occupations, and coastal access provisions relative to infrastructure capacity and the need for lower cost visitor serving accommodations, specifically:

Policy 2-7. Housing Stock Preservation. Safeguard existing housing stock so that it is preserved and used as full-time housing through the establishment of programs and ordinances.

Policy 2-72. Residential Land Use Compatibility. Ensure that development, including a change in intensity of use, in residential land use designations avoids impacts on the residential living environment and the adjacent land uses, including proximate agricultural and agricultural compatible land uses, with respect to noise, lighting, parking, loading, and aesthetics. Consider other aspects of non-residential uses permitted in residential land use designations that may be impactful on a neighborhood setting or the adjacent land uses and require strategies to avoid such impacts.

Policy 2-75. Home Occupations. Permit home occupations within residences for business types and activities that are compatible with the residential living environment and subservient to the primary residential use of each property. Establish performance standards in the IP for traffic, parking, noise, and other considerations with respect to home occupations.

Policy 2-76. Short-Term Rentals. Allow short-term rental businesses within the established neighborhoods. Short-term rental uses should be subordinate to primary residential uses such that residential units continue to be used for long-term residential occupancy. Establish land use regulations in the IP with performance standards necessary to protect coastal resources and the residential living environment of the neighborhoods, such as standards for property management, traffic, parking, noise, and trash. Short-term rental businesses shall pay transient occupancy tax to the City. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging facilities or uses and are not subject to transient occupancy tax.

Policy 5-1. Maximum Coastal Access and Recreational Opportunities. Provide maximum coastal access and recreational opportunities for all people consistent with public safety needs and the need to protect public rights, rights of property owners, and natural resource areas from overuse.

Policy 5-70. New Overnight Accommodations. Consider the carrying capacity of the coast, visitor demand over a range of affordability levels for various accommodation types, and consistency with all applicable LCP and General Plan policies before approving any new overnight accommodation development proposals. Prioritize lower-cost visitor-serving accommodations over higher-cost lodging.

- r) The Ordinance is further consistent with Half Moon Bay's certified Local Coastal Land Use Plan which requires careful oversight of infrastructure capacity and resource management.

- s) The Ordinance is further consistent with Half Moon Bay's certified Local Coastal Land Use Plan which provides for accessory uses in residential development in substantially developed Planned Development areas including home occupations.
- t) The Ordinance is further consistent with the California Coastal Act and Half Moon Bay's certified Local Coastal Land Use Plan, in that it includes mechanisms to ensure protection of coastal resources.
- u) The Ordinance is consistent with the City of Half Moon Bay certified Housing Element, which contains programs to preserve housing stock.
- v) The Ordinance supports short-term vacation rental operations throughout the City as one of many available accommodation types. The City currently has significant visitor-serving capacity, including camping, RV parks, and hotels of every class, from economy to luxury. Short-term vacation rentals, as part of this broader portfolio of accommodations, will continue to support lower-income visitors as well as visitors seeking diversity with respect to accommodation type and location.
- w) The Ordinance supports lower cost visitor serving accommodations through broad allowances for hosted short-term vacation rentals, which have been found through review of rental listings to offer some of the lowest cost lodging rates in Half Moon Bay, as explained in the materials; while continuing to provide for higher cost accommodations for un-hosted and higher occupancy short-term vacation rentals that conform to the Local Coastal Land Use Plan policies as implemented through the standards contained in the ordinance for these more intense uses of residential properties.
- x) The City Council conducted a duly noticed public hearing on the Short Term Rental and Home Occupation Ordinance on August 17, 2021, at which time all those desiring to be heard on the matter were given an opportunity to be heard, and continued the hearing to September 7, 2021, a date certain, to allow staff to conduct additional research and return with a revised ordinance for a first reading; and
- y) On September 7, 2021, the City Council conducted a duly noticed public hearing on the Short Term Rental and Home Occupation Ordinance, at which time all those desiring to be heard on the matter were given an opportunity to be heard, and introduced the ordinance; and
- z) The City Council waived the second reading and adopted the Short Term Rental and Home Occupation Ordinance at a duly noticed public hearing on September 21, 2021; and
- aa) The City submitted an application to the California Coastal Commission for an amendment to the certified Local Coastal Program for the Short Term Rental and Home Occupation Ordinance; and

bb) On March 21, 2023, the California Coastal Commission conducted a duly noticed public hearing on the Local Coastal Program Amendment for the Short Term Rental and Home Occupation Ordinance and approved the proposed amendments to the ordinance with modifications related primarily to grandfathering, minimum lot size, and parking pursuant to the resolution of certification on LCP-2-HMB-21-0078-2; and

cc) The City of Half Moon Bay revised the Short Term Rental and Home Occupation Ordinance to incorporate the Coastal Commission modifications and (a) acknowledges receipt of the Coastal Commission's resolution of certification, including the suggested modifications for final certification, (b) accepts and agrees to the modifications and takes this formal action to satisfy the modification through readoption and implementation of this Ordinance with said modifications, (c) agrees to administer the Short Term Rental and Home Occupation Ordinance throughout the City subject to the approved amendment; and

Section 2. Amendments. The following sections of the Municipal Code are amended as specified below and in Attachment A. Attachment A generally shows additions with underlined text and deletions with ~~strike-out text~~.

Municipal Code Provision	Action
Section 18.06.025	Amendments as shown in Attachment A
Section 18.02.040	Definitions shown in Attachment A to be inserted in alphabetical order
Section 18.06.020	Amendments as shown in Attachment A
Section 18.07.020	Amendments as shown in Attachment A
Section 18.07.025	Amendments as shown in Attachment A
Section 18.08.020	Amendments as shown in Attachment A
Section 18.08.025	Amendments as shown in Attachment A
Section 18.15.025	Amendments as shown in Attachment A
Section 18.16.025	Amendments as shown in Attachment A
Section 18.16.030	Amendments as shown in Attachment A
Section 3.12.020	Amendments as shown in Attachment A

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4. CEQA. The City Council finds that the Ordinance is exempt from CEQA under CEQA Guidelines sections 15301 (existing facilities), 15305 (minor alterations to land use limitations)

and 15061(b)(3) (common sense exemption). The City currently permits short-term vacation rentals and home occupations to operate in the City. Prior to restrictions resulting from the COVID-19 pandemic, approximately 80-100 short-term vacation rentals were operating in the City. The City would expect these short-term vacation rentals to return as pandemic-related restrictions ease. During COVID-19 restrictions, home occupations have likely increased. The proposed amendments restrict and regulate short-term vacation rental uses. Consequently, a modest decrease in short-term vacation rental activity, as well as any related environmental effects, is reasonably anticipated as a result of these amendments. The amendments to the Home Occupation provisions do not involve a change in land use or density. As it can be seen with certainty that there is no possibility that the amendments may have a significant effect on the environment, the common sense exemption applies.

Section 5. Regular Reviews. In order to ensure monitoring and management of the potential depletion of housing stock and impacts on neighborhood integrity that may be caused by short-term vacation rentals, the City of Half Moon Bay shall evaluate the number of short-term rentals operating in each neighborhood and in the City as a whole twelve (12) months after final acknowledgement of the Ordinance by the California Coastal Commission, and annually thereafter.

Section 6. Publication. The City Clerk of the City of Half Moon Bay is hereby directed to publish this Ordinance pursuant to Government Code section 36933.

Section 7. Effective date. This Ordinance shall take effect and be in force on the thirtieth (30th) day from and after its final passage and upon acknowledgement by the California Coastal Commission.

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 16th of May, 2023.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the ____ of June, 2023, by the following vote:

Ayes, Councilmembers:	_____
Noes, Councilmembers:	_____
Absent, Councilmembers:	_____
Abstain, Councilmembers:	_____

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

ATTACHMENT A

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

18.06.025 Use regulations.

Additional regulations for permitted uses in each residential district shall be met for the following uses:

A. – E. *[Intentionally omitted. No changes to these subsections are proposed]*

F. Home Occupations. Home occupations are ~~permitted~~allowed in all residential districts and shall comply with the following:

1. ~~Eligible Employees~~Resident Only. No one other than a r~~Residents of the dwelling and one non-resident employee may~~shall be employed on site or report to work at the site of a home occupation. This ~~limitation~~prohibition also applies to independent contractors.
2. No Inconsistent Activity. There shall be no interior or exterior activity related to the home occupation ~~that interferes with or is detrimental to residential use of adjacent property inconsistent with or interfering with residential use of the property or detrimental to property in the vicinity.~~
3. Entirely Within. A home occupation shall be conducted entirely within a building, either the main residence or an accessory building, and shall occupy no more than five hundred square feet of floor area. No outdoor storage of materials or supplies shall be ~~allowed~~permitted in conjunction with the home occupation.
4. No Visibility. The existence of a home occupation shall not be apparent beyond the boundaries of the site, and no home occupation shall involve the use of a sign, nor the display of products visible from the street.
5. No On-site Retail. The home occupation shall not involve on-site retail business, interior or exterior alterations, nor construction features not normally found in dwellings. Retail business operating entirely by mail are permitted.
6. ~~No~~ Traffic. A home occupation shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity. Visitor vehicle trips to the home occupation such as for customers, clients, vendors, or suppliers, are limited to one visitor vehicle at a time, with no more than two occurrences per day. Incidental traffic associated with deliveries may take place.
7. Parking. Parking shall be provided on site for any employee of the home occupation.
8. Non-Priority Use. Home occupations shall not be considered Coastal Act Priority Uses, as that term is defined in the Local Coastal Land Use Plan.

9. Business License Submittal Required. Prior to the issuance of a business license for a home occupation, the applicant shall submit to the community development director a written description of the operational characteristics of the proposed home occupation. The community development director shall determine that the proposed home occupation complies with the requirements of this section. Decisions of the community development director may be appealed to the planning commission by the applicant or by any interested party.

108. Violations/Complaints. Violations of the provisions of this section or other city requirements shall be enforced according to Title 4 of the Municipal Code. Nothing in Chapter 18.06.025 limits the City's authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code. ~~In the event a complaint is received regarding a home occupation, the community development director shall refer the issue to the planning commission to review the operational characteristics of the use. Both the complaining party and the operator of the home occupation shall be notified of the time, place, and date of the planning commission meeting. In the event it is determined that the home occupation is detrimental to the neighborhood, the planning commission may impose any conditions necessary to maintain consistency with the provisions of this chapter.~~

G. Short-term vacation rentals. Short-term vacation rentals are allowed as accessory uses to residential dwelling units subject to this section:

1. Short-Term Vacation Rental Registration and Compliance Review Required. No person shall offer any short-term vacation rental unless the short-term vacation rental is registered and found to be in compliance with this chapter.

2. Application. Prior to operation of a short-term vacation rental, the operator shall submit an application that includes all of the following:

a. Name and contact information of the operator. All adults for whom the property is a permanent residence shall be listed as operator.

b. A written description of the proposed short-term vacation rental's compliance with this section on a form prepared by the community development director.

c. Site plan showing location of all existing buildings and location and dimensions of on-site parking.

d. Floor plan showing all rooms with each room labeled as to room type.

e. Description of rooms or dwelling unit to be used for the short-term vacation rental.

f. If the operator is not the property owner, the property owner's written consent to the short-term vacation rental use.

g. If the property is subject to a homeowner's association (HOA), the HOA's written consent to the short-term vacation rental use.

h. Proof of primary residence. The operator shall provide documentation that the property where the short-term vacation rental use is to be conducted is the operator's primary residence, if required by this section.

i. Consent to inspection. Consent to physical inspection(s) by City staff, contractors, or representatives for the purpose of verifying compliance with this Chapter during regular business hours (7:30 a.m. to 5:30 p.m.) or if in response to a complaint, regardless of the time. Consent to provide records of compliance to the City within one (1) week upon request.

j. Municipal services. The short-term vacation rental property shall have an adequate water and sewer connections and shall be served by local utility agencies for water and sewer service. In the event that the short-term vacation rental property is served by a well for potable water and/or by a private sewage treatment system such as a septic system, the short-term vacation rental operator shall provide written proof of safe yield and/or adequate capacity by San Mateo County Environmental Health Services or other applicable oversight agency. Short-term vacation rental use shall not qualify for priority infrastructure service.

k. Water use. For any renewal or registration of an existing short-term vacation rental, the operator shall provide documentation of the water use at the property for the prior year during the period in which the property was used as a short-term vacation rental.

l. Proof of Rental Nights. For any renewal, the operator shall provide documentation of the number of nights the unit was rented during the prior year, including whether the unit was used as a hosted short-term rental or an unhosted short-term rental.

m. Fee. The operator shall pay a registration fee prescribed by City Council resolution, no part of which shall be returnable to the operator. The City Council may establish fees that are different for initial registration of a new short-term vacation rental and renewals or registrations of existing short-term vacation rentals.

n. Additional materials as deemed necessary by the community development director.

3. Registration Requirements. The community development director shall register short-term vacation rentals that comply with all of the requirements of this Section 18.06.025 (G), including:

a. Building and Fire Code Inspection. There shall be no outstanding building, electrical, plumbing, fire, health, housing, police, or planning code violations

or enforcement actions, including any notices of violation, notices to cure, orders of abatement, cease and desist orders, or correction notices related to the property on which the short-term vacation rental is to be located.

b. Indemnification. The property owner and any separate operator shall jointly and severally agree to indemnify, hold harmless and defend the City and its officials, employees, and agents from any and all liability, actions, claims, damages, costs and expenses, including reasonable attorney's fees and costs, which may be asserted by any person or entity arising from or related to the issuance of the short-term vacation rental registration or its operation.

c. Insurance. The operator shall file a certificate of insurance showing the maintenance of insurance in the amount appropriate to cover any liability of the operator for property damage and injuries to persons in connection with short-term vacation rental activities.

d. Business License. The operator shall obtain a City of Half Moon Bay business license.

e. Transient Occupancy Tax. Evidence of compliance with the provisions of transient occupancy tax, Chapter 3.12 including registration certificate. For short-term vacation rentals operating prior to the date of application, payment of all taxes, penalties, and interest due is also required.

f. Notification. The operator shall have notified neighbors within 100 feet of the short-term vacation rental property, posted a temporary sign for thirty (30) days on the property indicating intent to register as a short-term vacation rental. The notification and signage shall include the contact information of the responsible party designated to respond to a complaint pursuant to Section 18.06.025 (G)(5)(g).

g. Water Use. If the water use documentation demonstrates short-term vacation rental water use exceeding an average of 300 gallons per day, the operator shall include strategies to reduce water use to below an average of 300 gallons per day during the next year. If such strategies are ineffective, the registration shall not be renewed.

h. Compliance. The property on which the short-term vacation rental will be located has not had two (2) or more violations of the Section 18.06.025 within the last twelve (12) months from registration submittal and has not been denied registration or had registration revoked within the preceding twelve (12) months. The operator has not had two (2) or more violations of the Section 18.06.025 within the last twelve (12) months from registration submittal related to any short-term vacation rental, has not been denied registration for any other short-term vacation rental within the preceding twelve (12) months, and has not had a short-term vacation rental registration revoked at any time.

i. Nuisance. Operation of the short-term vacation rental would not a public nuisance or threat to the public health, safety, or welfare.

4. Registration Term. The initial short-term vacation rental registration is valid for one (1) year and renewable through an administrative review by the community development director thereafter, if in good standing. Registration renewals shall comply with subsection (3), except for the inspection and notification provisions. Registrations are not nontransferable to another property or operator.

5. Operation Requirements.

a. Residential Unit Type.

i. Single-family and residential condominium dwelling unit: One short-term vacation rental may operate as an accessory use to a single-family unit or residential condominium dwelling unit.

ii. Duplexes and triplexes: Short-term vacation rentals may operate from duplexes and triplexes under limited conditions as follows:

1. At least one unit within the duplex or triplex is the primary residence of the property owner; and

2. No more than one unit in a duplex or triplex may be registered and operated for short-term vacation rental use.

iii. Mixed-use development: In the Commercial-Downtown, Commercial-General, and Commercial-Visitor Serving Zoning Districts, in mixed-use developments with at least two dwelling units, no more than one unit may be registered and operated for short-term vacation rental use.

iv. Prohibited: Short-term vacation rentals may not operate from mobile homes, recreational vehicles, multi-family developments with four or more units, any mixed-use or residential development containing one or more units restricted to be affordable to lower income households, farmworker housing, accessory dwelling units except pursuant to Chapter 18.33, in the Open Space Reserve (OS-R) or Urban Reserve (U-R) zoning districts, or in the substantially undeveloped Planned Developments in Chapter 2 of the Land Use Plan.

b. Primary Residence. No dwelling unit shall be operated for short-term vacation rental use unless the dwelling is the primary residence of the operator. Short-term vacation rentals permitted to operate in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning District pursuant to subsection (a)(i) or (a)(iii) are exempt from this primary residence requirement.

c. Maximum Number of Rental Nights. An unhosted short-term vacation rental shall be operated no more than sixty (60) nights per calendar year. There are no rental night limitations for hosted short-term vacation rentals.

i. An unhosted short-term vacation rental is defined as a short-term vacation rental use where no resident is present during the course of the rental.

ii. A hosted short-term vacation rental is defined as a short-term vacation rental use where a resident, who is the operator and acting as a host, occupies one or more bedrooms in a dwelling unit while other areas of the unit are rented for the purpose of transient overnight lodging.

iii. Short-term vacation rentals permitted to operate in mixed-use developments in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning Districts and all other short-term vacation rentals permitted to operate in the Commercial-Visitor Serving Zoning District are exempt from the limitation on unhosted rental nights.

d. Maximum Number of Short-Term Vacation Rentals per Operator. The maximum number of short-term vacation rentals per operator within the city limits is one.

e. Maximum Number of Short-Term Vacation Rentals per Site. The maximum number of short-term vacation rentals is one per assessor's parcel number, one short-term vacation rental per residential condominium dwelling unit, or one short-term vacation rental per site developed with a duplex or triplex. An operator may register different areas of a site for use as a short-term vacation rental, but only one short-term vacation rental may be operated at a time.

f. Maximum Number of Rental Agreements. Only one rental agreement may be in effect for a short-term vacation rental at any one time.

g. Responsible Party. For hosted short-term vacation rentals, the operator shall be the host and the responsible party. For unhosted short term-term vacation rentals, the responsible party may be the property owner, operator, or the operator's agent. In all cases, the responsible party shall be a local contact person; who shall meet all of the following minimum qualifications:

i. Be available twenty-four hours per day and seven days per week when the short-term vacation rental is in operation; and

ii. Be accessible and able to respond in person at the short-term vacation rental within a reasonable time (approximately twenty (20) minutes) to any complaint regarding the condition, operation, or conduct of occupants of the dwelling; and

iii. Be responsive to take remedial action necessary to resolve any violations of the requirements of this section.

h. Maximum Overnight Occupancy. Overnight occupancy for short-term vacation rentals shall be limited to a maximum of up to two (2) persons per bedroom. For a hosted short-term vacation rental, the bedroom(s) occupied by the host shall not be used in determining the maximum overnight occupancy for guests.

i. Record Keeping. The operator shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform or otherwise, records indicating the payment of any and all transient occupancy taxes, length of stay per reservation, and number of persons per reservation. Upon reasonable notice, the operator shall provide any such documentation to the City.

6. Performance Standards. There shall be no interior or exterior activity related to the short-term vacation rental that interferes with or is detrimental to residential use of adjacent property. The following performance standards apply to short-term vacation rentals:

a. Notification of City Registration. The operator shall ensure that all advertising, including, but not limited to, in any written publication or on any online website, or any other medium that lists or offers the availability or existence of the short-term vacation rental property, includes the city-issued short-term vacation rental registration number.

b. Notification of City Requirements. The operator shall prepare a manual of City requirements and standards for short-term vacation rentals. The operator shall provide the manual to all guests in conjunction with any booking as well as prominently displayed in the short-term vacation rental. The manual shall include the contact information for the responsible party and standard language available from the community development director.

c. No Visibility. The existence of a short-term vacation rental shall not be apparent beyond the boundaries of the site, and no short-term vacation rental shall involve the use of a sign, nor the display of products visible from the street.

d. Traffic. A short-term vacation rental shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity or neighborhood parking impacts. The property address shall be clearly marked.

e. Parking. Parking for short-term vacation rental users shall be provided at a rate of at least one off-street parking space per bedroom, which shall be dedicated and available to guests during the period of the rental. No vehicles

shall be used for overnight occupancy. Parking exceptions may be considered by the planning commission subject to Section 18.36.085; provided that the planning commission shall consider whether a prior parking exception was previously granted for the property. In the Commercial-Downtown zoning district, exceptions must also comply with Section 18.07.045.

f. Noise Limits. All short-term vacation rental use shall be required to follow the following standards set forth in Chapter 9.23.

g. Building and Fire Codes. All properties on which short-term vacation rental use is occurring shall remain compliant with all applicable building and fire codes.

h. State and Local Laws and Orders. All short-term vacation rental use shall comply with all applicable state and local laws and orders, including any public health order.

i. Special Events. Short-term vacation rentals shall not be concurrently used for any commercial purpose (such as a corporate retreat or conference) or any event that is likely to result in a violation of traffic, parking, noise, or other standards regulating the residential use and character of the neighborhood. Such events include most weddings, concerts, and parties. Home occupations conducted by the primary resident compliant with Section 18.06.025 (F) are allowed provided that parking and all other requirements for both the short-term vacation rental and the home occupation are met.

j. Trash and Recycling Management. Short-term vacation rental use shall comply with trash and recycling requirements and scheduled solid waste pick-up days at least once per week. Trash and recycling containers shall be located to be readily accessible for servicing, but shall not be placed within the limits of any street, road, avenue, way, alley, public place or any other places as to constitute a nuisance.

7. Hosting Platform Regulations.

a. Record Keeping. Hosting platforms shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform, the payment of any and all transient occupancy taxes (including via a hosting platform on behalf of a host), the length of stay per reservation, and the number of persons per reservation.

b. Registration Required for Platform Listings. Hosting platforms shall be required to prompt hosts to include the City-issued registration number in their listing(s), in a format designated by the City. Upon notice from the City that a listing is non-compliant, hosting platforms shall cease any short-term vacation rental booking transactions for said listing(s) within five business

days. A hosting platform shall not complete any booking transaction for any residential property or unit subject to a City notice, until notified by the City that the residential property or unit is in compliance with the local registration requirement.

c. Safe Harbor. A hosting platform operating exclusively on the Internet, which operates in compliance with subsections (a) and (b) shall be presumed to be in compliance with this Chapter.

d. The provisions of this section shall be interpreted in accordance with otherwise applicable State and Federal law(s) and will not apply if determined by the City to be in violation of, or preempted by, any such law(s).

8. Revocation.

a. Revocation of registration. A short-term vacation rental registration may be revoked for the following reasons:

i. That the registration was obtained by misrepresentation, false statement or fraud;

ii. That the short-term vacation rental activity is being conducted in violation of local or state law;

iii. That two (2) violations of Section 18.06.025(G) have occurred on the property on which the short-term vacation rental is located within the preceding twelve (12) months;

iv. That the short-term vacation rental activity has caused or is causing a serious threat to human health or public safety; or

v. That consent to an inspection is not provided.

vi. As used in this Section 18.06.025(G), the term “violation” shall mean any violation of the Section 18.06.025(G), as evidenced by a City-issued citation, unresolved notice of violation, unresolved cease-and-desist order, or other appropriate documentation. Each unique violation of Section 18.06.025(G) shall constitute one (1) violation.

b. Process: In any case where substantial evidence indicates that the conditions in subsection (a) exist, revocation proceedings shall occur as follows:

i. The City Manager or his or her designee may issue either a notice of pending revocation or a notice of suspension pending revocation, the latter of which shall require immediate suspension of all short-term vacation rental activity pending a final determination regarding revocation. Any notice of suspension shall explain why the short-term vacation rental activity presents an immediate, serious threat to

human health or public safety. The notice shall detail the grounds for potential revocation of the permit and allow thirty calendar (30) days for submission of a written statement and/or supporting documentation disputing such grounds.

ii. The City Manager's or his or her designee's determination shall be made not more than thirty calendar (30) days after the deadline for submittal of documentation provided on the notice.

iii. All notices and determinations shall be mailed to the operator, the property owner (if applicable), and the responsible party (if applicable).

iv. The community development director is authorized to issue administrative guidelines to further define procedures for making revocation determinations.

c. Appeals: If the registration is revoked, the operator shall have the right to appeal the decision as follows:

i. The appellant must file a notice of appeal with the City Clerk within fourteen (14) calendar days of the date of the revocation decision.

ii. The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager or his or her designee no more than thirty (30) calendar days from the receipt of the appeal.

iii. The appellant shall be served with notice of the time and place of hearing, as well as any relevant materials, at least seven calendar days prior to the hearing.

iv. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party and the City Manager or his or her designee may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

v. Based upon the submission of such evidence and the review of the city's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within a reasonable time after the conclusion of the hearing and shall state the reasons for the decision. The notice shall be mailed to appellant, and if different from the appellant, the operator, the property owner, and the responsible party (if applicable). The notice shall specify that the decision is final and subject only to judicial review in accordance with law.

9. Violations. Violations of the provisions of this Section shall be enforced according to Title 4 of the Municipal Code. Nothing in Chapter 18.06.025 limits the City's

authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code.

10. Existing Short-Term Vacation Rentals.

a. Short-term vacation rentals in operation for at least three (3) months at the time of the effective date of this ordinance and with proof of payment of all applicable transient occupancy taxes, shall have six (6) months from the effective date of this Ordinance to register. For approved unhosted short-term vacation rental operations, the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance.

b. Short-term vacation rentals are not required to meet the primary residence requirement if all of the following conditions are met:

i. The short-term vacation rental does not currently meet the primary residency requirement and was in operation and in good standing with the City (i.e., had obtained a business license and had paid all required TOT) as of October 14, 2022.

ii. The short-term vacation rental has paid all applicable transient occupancy tax owed between October 14, 2022 and the date of registration.

iii. The short-term vacation rental is within a single-family or residential condominium unit. No accessory dwelling units qualify for this exemption.

This primary residence exemption shall no longer be valid for a property if ownership of the property is transferred, if short-term vacation rental use is discontinued for twelve (12) or more months, or if the short-term vacation rental registration is revoked.

GH. Parking Areas. Surfaced parking areas to support commercial uses adjacent to residential districts may be approved by use permit. Any such support parking area shall be subject to review and recommendations by any city council appointed advisory committee or commission prior to consideration by the planning commission of a use permit application.

HJ. Swimming Schools. Swimming schools may be approved by use permit in R-1 and R-2 districts on sites having a minimum of six thousand square feet.

IJ. Commercial Filming. Commercial filming is permitted in all residential districts upon securing all necessary permits and licenses required by this code.

JK. Personal Property Sales. Personal property sales such as garage sales are limited to a maximum of three weekends per calendar year for each site in the R-1 districts and per dwelling unit in the R-2 and R-3 districts.

KL. Construction Trailer. For purposes of this section, a construction trailer is defined as a mobile or temporary office facility for the use of the contractor during the construction of a residential structure or structures. The construction trailer shall be removed from the site within ten days of issuance of a certificate of occupancy or the final building inspection, whichever occurs first. The construction trailer may be converted to a sales office upon approval of a use permit in each case.

LM. Large family day care is allowed incidental to a residential use in all residential zoning districts subject to a determination by the community development director that the large family day care conforms to all of the following:

1. Concentration of Uses. No more than one large family day care shall be permitted within three hundred linear feet of the property line of any existing large family day care.
2. Parking. On-site parking beyond that required for the residential use shall not be required.
3. Passenger Loading. In addition to available on-street loading, a minimum of one passenger loading space shall be provided on the site during pick-up and drop-off periods.
4. Noise. Operation of a large family day care shall conform to the noise limitations of Chapter 9.23.
5. Screening of Outdoor Play Areas. A solid fence in conformance with the requirements of this chapter shall be provided to screen outdoor play areas located in the rear yard.
6. Residency. The operator of a large family day care must be a full-time resident of the dwelling unit in which the day care is located.
7. Garage. No portion of a garage providing “required” parking shall be utilized for the day care.
8. Fire and Building Code Requirements. Large family day care shall conform to the requirements of the State Fire Marshall.
9. State and Other Licensing. Large family day care shall be state licensed and operated according to all applicable state and local regulations.

Chapter 18.02 Definitions

Section 18.02.040 Definitions

The following definitions shall be inserted in alphabetical order:

“Hosting Platform” means a person, legal entity, or an association of individuals that provide a means, which may or may not be internet-based, through which a short-term vacation rental is offered to the public, in exchange for a fee or other compensation. A hosting platform generally has the following attributes: allows a host to advertise a short-term vacation rental, and provides a means to arrange and enter into agreements to occupy short-term vacation rentals, whether payment of rent is made directly to the host or through the hosting platform.

“Primary residence” means residential property at which a person resides a majority of the time, carries on basic living activities, and the place he or she usually returns to, in the event of travel. Evidence, such as motor vehicle registration, voter registration, a homeowner’s exemption on the property tax bill, long-term lease of the residential property, or other similar documentation, may be required by the City to determine whether the property is the primary residence. For a renter-occupied property, a long-term tenant must have resided for a majority of time on the property for at least two years prior to initiating short-term vacation rental use.

“Short-term vacation rental” means a residential or mixed-use property that contains a dwelling unit or habitable portion thereof that is offered for hire for transient occupancy for periods of thirty days or less. In residential zoning districts, short-term vacation rental use is incidental to the principal residential use of a dwelling unit or property. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term vacation rental facilities.

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

Section 18.06.020 Schedule of Uses.

Table A-4 is amended as follows:

Table A-4

SCHEDULE OF ACCESSORY USES

Accessory Uses	Allowed by Zoning	With a Use Permit	Additional Regulations
Accessory dwelling units	All R		
<u>Home occupation</u>	<u>All R</u>		
<u>Short-term vacation rental</u>	<u>All R</u>		

Chapter 18.07 Commercial Land Use (C-D, C-R)

Section 18.07.020 Permitted Uses.

Table 18.07.020E is amended as follows:

Table 18.07.020E

ACCESSORY USES

C-D Commercial-downtown zoning district

C-R Commercial-residential zoning district

C-D (Heritage Main Street) commercial-downtown zoning district–Main Street between Pilarcitos Creek and Correas Street, first fifty feet of frontage depth on ground floor

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain circumstances

CDD = Requires community development director determination if use qualifies as active ground-floor dependent use or as ancillary to a permitted use

Key	Accessory Uses	C-D Zoning	C-R Zoning	C-D Heritage Main Street
E-1	Accessory Use or Structure	OK	OK	CDD
E-2	Accessory Dwelling Unit	OK	OK	OK
E-3	Mixed Commercial and Residential	UP	UP	OK
<u>E-4</u>	<u>Home Occupation</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>
<u>E-5</u>	<u>Short-Term Vacation Rental</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>

Section 18.07.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted. For uses in the first fifty feet of frontage depth on the ground floor of Heritage Main Street, accessory uses or structures shall be ancillary to a permitted use on Heritage Main Street.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.08 Commercial Land Use (C-VS, C-G)

Section 18.08.020 Permitted Uses.

Table 18.08.020E is amended as follows:

Table 18.08.020E

ACCESSORY USES

C-VS Visitor-serving commercial zoning district

C-G General commercial zoning district

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain
circumstances

Key	Accessory Uses	C-VS Zoning	C-G Zoning
E-1	Accessory Use or Structure	OK	OK
E-2	Accessory Dwelling Unit	OK	OK
E-3	Mixed Commercial and Residential	UP	OK
<u>E-4</u>	<u>Home Occupations</u>	<u>OK</u>	<u>OK</u>
<u>E-5</u>	<u>Short-Term Vacation Rentals</u>	<u>OK</u>	<u>OK</u>

Section 18.08.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No residential uses are permitted as part of mixed-use development in the C-VS district unless ancillary to a permitted use and upon the approval of a use permit in each case. In the C-G district, no additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.15 Planned Development Land Use (PUD)

18.15.025 Permitted land uses.

Only the following uses shall be permitted on any site within a planned unit development district:

A. Uses Consistent with the General Plan, Adopted Planned Unit Development Plan, Specific Plan or Precise Plan. Permitted uses, densities, and intensities shall be consistent with those established in the land use plan, general plan or an approved planned unit development plan or specific plan, for the site.

B. Continuation of Existing Uses. The continuation of an existing land use prior to the adoption of a planned unit development plan as provided for in this chapter may be incorporated into the overall development plan if the existing use is consistent with the general plan and this chapter, or the existing use shall terminate in accordance with a specific abatement schedule approved as a part of a planned unit development plan for the site.

C. Interim or Temporary Uses. Interim or temporary uses and structures when approved by the community development director or the planning commission when consistent with the general plan and will not impact the health, safety, and general welfare of persons working or residing in the vicinity of the proposed temporary use or building, and any other ordinances or policies of the city, subject to the following conditions:

1. Temporary Uses and Structures Not to Exceed Ninety Days. The community development director may authorize the temporary use of structures and land in any planned unit development district for a period of time not to exceed ninety days. Prior to taking action on a request for temporary uses and/or structures, the community development director shall inform the planning commission and any other party requesting such information of the request. The action of the community development director may be appealed pursuant to the provisions of Section 18.22.200.

2. Temporary Uses and Structures in Excess of Ninety Days. The planning commission may authorize the temporary use of structures or land in any planned unit development district for periods of time in excess of ninety days, subject to the review and approval of a use permit in each case. In approving a use permit for the temporary use of structures or land, the planning commission may impose whatever conditions deemed necessary to assure that the purpose and intent of the general plan and this chapter are carried out. The use permit shall establish a specific point in time when the temporary use is to be terminated and the site restored. The planning commission may authorize additional extensions of time for temporary use permits at a duly noticed public hearing.

D. Home Occupations. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E. Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.16 Dykstra Ranch

18.16.025 Permitted uses.

The following uses are permitted within the Dykstra Ranch planned unit development:

- A. Single-family residences on separate lots;
- B. Accessory uses which are directly related to and incidental to the primary residential use of the property, including but not limited to living quarters for persons employed as service to the residents;
- C. Public parks and recreational facilities as shown on the Dykstra Ranch planned unit development plan;
- D. Private parks and open space as shown on the Dykstra Ranch planned unit development plan;
- E. Community centers, tennis courts, and other private recreational facilities owned and operated by the homeowners association for the use and enjoyment of the residents;
- F. Public utility structures and facilities required for the service of the development;
- G. Temporary sales centers, construction yards and structures, signs and other facilities required for the development and marketing of the property. All signs and any temporary structures or construction yard sites intended to exist for more than one year shall be subject to the approval of the community development director;
- H. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).
- I. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).
- JH. Other uses which in the opinion of the community development director are consistent with the intent and purpose of this planned unit development plan.

18.16.030 Prohibited uses.

Any retail, office, or commercial activity or use is prohibited in the Dykstra Ranch planned unit development, ~~including any home occupation that would require deliveries to the residence, or any employees, patrons, visitors to the residence with the express intent of participating in the business activity.~~

Chapter 3.12 Transient Occupancy Tax

Section 3.12.020 Definitions

Subsection A is amended as follows:

A. “Hotel” means any structure or facility, or any portion of any structure or facility, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house (including any short-term vacation rental), motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, campground or other similar structure or facility, or portion thereof, wherein overnight accommodations are offered for hire.

1633548.3

CALIFORNIA COASTAL COMMISSION

NORTH CENTRAL COAST DISTRICT OFFICE
455 MARKET STREET, SUITE 300
SAN FRANCISCO, CALIFORNIA 94105-2421
PH (415) 904-5260 OR (415) 904-5200 FAX (415) 904-5400
WWW.COASTAL.CA.GOV



NOTIFICATION OF ACTION ON LOCAL COASTAL PROGRAM AMENDMENT

Date: March 21, 2023

To: Jill Ekas
City of Half Moon Bay
Planning Department
501 Main Street
Half Moon Bay, CA 94019

From: Stephanie Rexing, North Central Coast District Manager

Subject: **City of Half Moon Bay LCP Amendment Number LCP-2-HMB-2-0078-2
(Short Term Rentals and Home Occupations)**

Dear Ms. Ekas:

At its March 8, 2023 meeting, the California Coastal Commission took action on the City of Half Moon Bay LCP Amendment No. LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations). The Commission approved the proposed amendments to the LCP, if modified as suggested. A copy of the findings and suggested modifications is enclosed.

This letter formally transmits to you the Commission's resolution of certification and findings pursuant to Section 13544 of Title 14 of the California Code of Regulations. Pursuant to Section 13544, effective certification of LCP Amendment No. LCP-2-HMB-21-0078-2 whereby the City may begin implementing the Short Term Rentals and Home Occupations regulations subject to this amendment, will occur after:

1. The City, by action of the City Council: (a) acknowledges receipt of this resolution of certification, including the suggested modifications; (b) accepts and agrees to the modifications and takes whatever formal action is required to satisfy the modifications (e.g., implementation of ordinances); and (c) agrees to issue coastal development permits subject to the approved amendment.

Notification of Commission Action
LCP-2-HMB-21-0078-2

2. The Commission's Executive Director reports to the Commission his/her determination that the City's actions are legally adequate, and the Commission does not object to the Executive Director's determination.
3. Notice of the certification of the LCP amendment is filed with the Secretary of the Resources Agency.

Coastal Commission staff will take care of items #2 and #3 above, following completion of item #1 by the City. Note that the Commission's regulations provide that the Commission's action of certification with the suggested modifications shall expire six months from the date of the Commission's action, or on September 8, 2023.

Please let us know if we can assist you in any way in completing action on this LCP amendment, or if you have any questions.

Sincerely,

DocuSigned by:

035096250A8E49E...

Stephanie Rexing
District Manager
North Central Coast District Office

cc: Commissioners/File

Encl.: Coastal Commission Adopted Staff Report

CALIFORNIA COASTAL COMMISSION

NORTH CENTRAL COAST DISTRICT
455 MARKET STREET, SUITE 300
SAN FRANCISCO, CA 94105
PHONE: (415) 904-5260
FAX: (415) 904-5400
WEB: WWW.COASTAL.CA.GOV

**ADOPTED****W14b**

Prepared February 24, 2023 for March 8, 2023 Hearing

To: Commissioners and Interested Persons

From: Stephanie Rexing, North Central Coast District Manager

Subject: City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2
(Short Term Rentals and Home Occupations)

SUMMARY OF STAFF RECOMMENDATION

The City of Half Moon Bay proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to establish regulations for short-term rentals (STRs) within residential units in the City and to update existing home occupation standards. With respect to the latter, the home occupation standards will facilitate work from home opportunities for small home businesses, while addressing their potential impacts (e.g., requirements to limit new traffic, provide adequate parking, address employees, etc.) in such a way as to avoid any significant coastal resource concerns.

The amendment primarily focuses on STRs, allowing for STRs in most dwelling units in the City (other than in open space and agricultural zoning districts, and in a variety of lower-cost housing settings). While the proposed amendment provides some important and necessary standards to ensure STRs are appropriately operated and regulated through a series of 'good neighbor' operational requirements (as well as registration and performance standards) the City's ordinance on the whole represents a fairly restrictive approach to STR regulation as compared to other coastal jurisdictions, in a city that already has a small STR market. It does this in four ways.

First, in residential areas, the STR must be the "primary residence" of the STR operator, meaning the operator must reside in the unit a majority of the time. Second, all STRs would be classified as hosted or unhosted, where the former means the primary resident is present (and "hosting") and the latter meaning the primary resident is not present during an occupant's stay. In all areas, unhosted rentals would be limited to a maximum of 60 rental nights per calendar year (i.e., about 16% of the year). Third, the number of people and cars allowed per STR would be limited to a max of 8 and 3 respectively, regardless of the STR's ability to accommodate more than that number of people and cars. Finally, the ordinance would prohibit STRs on smaller lots in

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

residential zoning districts, affecting about 100 residential lots in the City. These provisions would simultaneously limit both the capacity and number of STRs near prime visitor destinations (particularly near the immediate shoreline and popular beaches seaward of Highway 1), and would significantly limit the ability of STRs to provide for an important overnight accommodation option to those not fortunate enough to live in Half Moon Bay, including larger groups and families for which STRs provide a unique service not available through other types of accommodations such as hotels or campsites.

The Commission has long recognized that STRs can provide a unique and important source of visitor-serving accommodations in the Coastal Zone, especially for larger families and groups, and has typically found that bans or undue restrictions on this type of lodging are inconsistent with Coastal Act and/or LCP policies prioritizing public access and visitor-serving uses. At the same time, the Commission has in limited cases recognized a need to restrict STRs in some coastal communities where evidence showed that the STR market was having impacts on coastal resources, or even significantly impacting the availability of housing. The Commission has always supported “good neighbor” operational standards, which are important tools to address concerns about community character while maintaining STRs as an option for overnight accommodations in coastal areas.

The LCP’s Land Use Plan (LUP) provides the standard of review for the proposed amendment and calls for a balance between facilitating short-term rentals in the City while also providing for adequate housing stock and maintaining residential community character. The City acknowledges one intent of this ordinance is to limit the number of STRs in order to preserve as many housing units in the City as possible. Encouraging housing is a legitimate purpose, but the City’s approach does not strike an appropriate balance, especially when visitor-serving uses and activities are a higher priority than residential under both the Coastal Act and the LCP. In actuality, the City’s STR market is fairly modest, with the City identifying only 46 registered STRs currently (and perhaps up to 20 others operating without registration), which is less than 1% of the housing stock in a city with approximately 4,700 total housing units. Further there is a lack of evidence suggesting that existing STR operations are causing any significant coastal resource impacts, including as it relates to inappropriate user behaviors and harm to community character, or are causing a significant loss of housing units from the housing market. In fact, per the City’s estimates (in October 2021), less than ten STRs in the City were used primarily as STRs (or 0.2% of the City’s housing units), and the rest were used primarily as longer-term housing units. In other words, the ‘problem’ that the City’s proposal purports to address is unclear, and the solution appears to be a poor fit for this context.

In particular, while much of the proposed amendment provides rational standards designed to ensure STRs are appropriately operated and regulated (including through ‘good neighbor’ provisions and a process for City STR permitting and monitoring), the primary residency requirement, the rental night limitation, the person/vehicle limits, and the lot size limitations together would result in significantly limiting STRs even further than the existing already limited STR market. These provisions would simultaneously limit both the capacity and number of STRs near prime visitor destinations (particularly near the immediate shoreline and popular beaches) in the City and would significantly

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

limit the ability of STRs to provide an important and unique overnight accommodation option, including for larger groups and families for which STRs are sometimes the best and/or only financially feasible option.

At the same time, staff respects that the City feels strongly that these provisions are an important means to safeguard housing, and given that the STR market is so limited, staff has worked with the City to accommodate a compromise that can meet the City's primary objectives while still accommodating a modest STR market, particularly in light of its importance to the mix of accommodation types available in the City. A number of alternatives were discussed, and one option considered in depth was the idea of applying a cap that would limit the number of unhosted STRs in the City (or possibly just seaward of Highway 1) while eliminating the primary residency requirement. STR caps are perhaps the most common type of STR restriction that the Commission has applied in other cases where warranted and could serve to ensure that the STR market would be allowed to essentially provide the amount of STR options as are available currently. Given there are 46 registered STRs in the City, which equates to about 1% of housing stock, the cap could be placed at or near that number, such as at 50. Then, if there were to be a user night limit as requested by the City, that cap number would need to be multiplied in order to at least maintain a similar amount of STR availability (e.g., if the allowed nights were to be limited to half the year (e.g., roughly 180 days), then the cap would need to be doubled to make up for the loss of the other half the year of the STR market). Thus, one option considered was exactly that, a roughly 50 unit unhosted STR cap west of Highway 1 with no primary residency requirement, doubled to 100 if combined with a 180-night limit. The City indicated that they did not prefer this approach, including due to the complexity of oversight such an approach might require.¹ But really, the City indicated that the primary residency requirement was their primary objective.

Toward that end, staff offered a different option to compromise that would keep intact the City's proposed primary residency requirement, provided the number of allowed rental nights for unhosted rentals was increased from 60 as proposed to 180. In staff's view, this makes sense as the primary residency requirement means that a house operating as an unhosted STR could only operate in that way for half the year regardless (where 180 days is just less than that half a year time period). Such an outcome would help to reach multiple goals, including the City's to ensure that housing units are used for longer-term housing at least half the year, while also maintaining a range of visitor-serving accommodations by ensuring that the unhosted STR market is not simply eliminated over time in the City, as staff believes could be the case with the proposed amendment. As of the date of the staff report, City staff indicates that they appreciate the primary residency portion of this alternative but are still considering the manner in which the change in the maximum allowed number of user nights might be acceptable to the City. In any case, staff's recommendation accommodates this option, and not the cap option above, including as it appears to be the most acceptable to the City.

¹ To be fair, all such restrictions require oversight, and it is not clear to staff how enforcing the primary residency requirement will be any more straightforward.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

In any case, Commission and City staff were able to reach agreement on other aspects of the proposed amendment, including ensuring that use limitations are dictated by the house/lot's ability to accommodate STR use, thus providing a direct and clear correlation between size and potential use intensity; applying such use limitations to all potential sites, including those on smaller lots (which would have lower use intensity allowances as a general rule); allowing existing STRs in good standing to continue to operate even if they do not meet the primary residence standard, including as a matter of fairness to these existing operators (estimated by the City to be less than 10 homes) until such homes change hands and/or they no longer operate an STR; and ensuring that STR enforcement is through the LCP, and not other non-LCP standards otherwise applicable in the City.²

Staff notes that the Commission postponed this matter in October 2022, in part to allow time for Commission and City staffs to seek as much consensus as possible, and staff believed that the staff recommendation provided just that, and appropriately balanced competing objectives consistent with the LUP. Ultimately, the Commission adopted all of staff's recommendation except for the 180 rental night maximum, changing that to a 60 rental night maximum at the March 8 hearing. In doing so, the Commission found a slightly different balance than had staff, determining that 60 rental nights more appropriately responded to the LUP in this case than did 180.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on March 15, 2022. The proposed amendment affects the LCP's IP only, and the 60 working day deadline for the Commission to take action on it was June 15, 2022. However, on May 13, 2022 the Commission extended the action deadline by one year as allowed by the Coastal Act, and therefore the Commission has until June 15, 2023, to take a final action on this LCP amendment.

TABLE OF CONTENTS

1. MOTIONS AND RESOLUTIONS.....	5
2. SUGGESTED MODIFICATIONS.....	6
3. FINDINGS AND DECLARATIONS.....	9
A. Description of Proposed LCP Amendment.....	9
B. Evaluation of Proposed LCP Amendment	12
C. California Environmental Quality Act (CEQA).....	25
4. APPENDICES.....	26

EXHIBITS

Exhibit 1: Proposed LCP Amendment

² This is especially important because non-LCP Municipal Codes are not vetted and approved by the Commission, and should not be allowed to impact implementation of the LCP.

1. MOTIONS AND RESOLUTIONS

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment with suggested modifications. The Commission needs to make two motions on the amendment in order to act on this recommendation.

A. Deny the Amendment as submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the City's proposed LCP Implementation Plan Amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission reject LCP Amendment Number LCP-2-HMB-21-0078-2 as submitted by the City of Half Moon Bay, and I recommend a yes vote.*

Resolution to Deny: *The Commission hereby denies LCP Amendment Number LCP-2-HMB-21-0078-2 as submitted by the City of Half Moon Bay, and adopts the findings set forth below on grounds that the Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Amendment as submitted.*

B. Certify the Amendment with Suggested Modifications

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the LCP Implementation Plan Amendment if it is modified as directed by the suggested modifications and adoption of the following resolution and the findings. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present:

Motion: *I move that the Commission certify LCP Amendment Number LCP-2-HMB-21-0078-2 as submitted by the City of Half Moon Bay if it is modified as suggested pursuant to the staff recommendation.*

Resolution to Certify: *The Commission hereby certifies LCP Amendment Number LCP-2-HMB-21-0078-2, if modified as suggested, and adopts the findings set forth below on grounds that the Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.*

2. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following modifications to the proposed LCP Implementation Plan amendment, which are necessary to make the requisite LCP Land Use Plan consistency findings. If the City of Half Moon Bay accepts the suggested modifications within six months of Commission action (i.e., by September 8, 2023), by formal resolution of the City Council, the modified amendment will become effective upon the Executive Director's reporting to the Commission that this acceptance has been properly accomplished. Where applicable, text in underline format denotes text to be added by the Commission, and text in ~~striketrough~~ format denotes text to be deleted by the Commission.

1. Modify IP Section 18.06.025(F)(10) as follows:

Violations. *Violations of the provisions of this section or other city requirements shall be enforced according to Title 4 of the Municipal Code. Nothing in Chapter 18.06.025 limits the City's authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code.*

2. Modify IP Section 18.06.025(G)(2)(j) as follows:

Municipal services. *The short-term vacation rental property shall have an adequate water and sewer connections and shall be served by local utility agencies for water and sewer service. In the event that the short-term vacation rental property is served by a well for potable water and/or by a private sewage treatment system such as a septic system, the short-term vacation rental operator shall provide written proof of safe yield and/or adequate capacity by San Mateo County Environmental Health Services or other applicable oversight agency. Short-term vacation rental use shall not qualify for priority infrastructure service.*

3. Modify IP Section 18.06.025(G)(3)(h) as follows:

Compliance. *The property on which the short-term vacation rental will be located has not had two (2) or more violations of the City's Municipal Code Section 18.06.025 within the last twelve (12) months from registration submittal and has not been denied registration or had registration revoked within the preceding twelve (12) months. The operator has not had two (2) or more violations of the City's Municipal Code ~~Section 18.06.025~~ within the last twelve (12) months from registration submittal related to any short-term vacation rental, has not been denied registration for any other short-term vacation rental within the preceding twelve (12) months, and has not had a short-term vacation rental registration revoked at any time.*

4. Modify IP Section 18.06.025(G)(5)(a)(i) as follows:

Single-family and residential condominium dwelling unit: One short-term vacation rental may operate as an accessory use to a single-family unit or residential condominium dwelling unit. ~~; provided, however that minimum lot sizes for short term vacation rental use on any single-family lot developed with a detached single-family home is as follows:~~

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

~~R-1, R-2, R-3, and C-R zoning districts: 4,125 square feet~~

~~PUD zoning district: The lot size established for the site when the coastal development permit was issued for the applicable subdivision in place as of the effective date of this ordinance~~

~~PUD-X zoning district: 10,500 square feet~~

5. Modify IP Section 18.06.025(G)(5)(c) as follows:

Maximum Number of Rental Nights. An unhosted short-term vacation rental shall be operated no more than sixty (60) nights per calendar year. There are no rental night limitations for hosted short-term rentals. (i) An unhosted short-term vacation rental is defined as a short-term vacation rental use where a ~~primary~~ no resident is ~~not~~ present during the course of the rental. (ii) A hosted short-term vacation rental is defined as a short-term vacation rental use where a ~~primary~~ resident, who is the operator and acting as host, occupies one or more bedrooms in a dwelling unit while other areas of the unit are rented for the purpose of transient overnight lodging.

6. Modify IP Section 18.06.025(G)(5)(h) as follows:

Maximum Overnight Occupancy. Overnight occupancy for short-term vacation rentals shall be limited to a maximum of up to two (2) persons per bedroom up to a total of eight (8) occupants. For a hosted short-term vacation rental, the bedroom(s) occupied by the host shall not be used in determining the maximum overnight occupancy for guests.

7. Modify IP Section 18.06.025(G)(6)(e) as follows:

Parking. ~~The maximum number of vehicles allowed overnight at the Parking for short-term vacation rental users shall be provided at a rate of at least one off-street parking space per bedroom, which shall be dedicated and available to guests during the period of the rental. limited to one (1) vehicle per one-bedroom unit, two (2) vehicles per two or three-bedroom unit, and one (1) additional vehicle for four or more each additional bedrooms. On-site parking spaces shall be provided for at least fifty percent of the maximum allowed number of vehicles (half spaces shall be rounded up).~~ No vehicles shall be used for overnight occupancy. Parking exceptions may be considered by the planning commission subject to Section 18.36.085; provided that the planning commission shall consider whether a prior parking exception was previously granted for the property. In the Commercial-Downtown zoning district, exceptions must also comply with Section 18.07.045.

8. Delete IP Section 18.06.025(G)(7) (and adjust subsequent numbering/lettering accordingly).

9. Modify IP Section 18.06.025(G)(9)(a)(iii) as follows:

~~That two (2) violations of the Municipal Code Section 18.06.025(G) have occurred on the property on which the short term vacation rental is located within the preceding twelve (12) months;~~

...

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

10. Modify IP Section 18.06.025(G)(9)(a)(vi) as follows:

As used in this Section 18.06.025(G), the term “violation” shall mean any violation of ~~the Municipal Code Section 18.06.025(G)~~, as evidenced by a City-issued citation, unresolved notice of violation, unresolved cease-and-desist order, or other appropriate documentation. Each unique violation of ~~the Municipal Code Section 18.06.025(G)~~ shall constitute one (1) violation.

11. Modify IP Section 18.06.025(G)(10) as follows:

Violations. Violations of the provisions of this chapter ~~Section, or other city requirements~~, shall be enforced according to Title 4 of the Municipal Code. Nothing in Chapter 18.06.025 limits the City’s authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code.

12. Modify IP Section 18.06.025(G)(11)(a) as follows:

a. Short-term vacation rentals in operation for at least three (3) months at the time of the effective date of this ordinance and ~~in compliance with all previously existing City regulations, including with proof of payment of all applicable transient occupancy taxes (“Existing STVRs”),~~ shall have six (6) months from the effective date of this ordinance to register. For approved unhosted short-term vacation rental operations. the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance.

13. Modify IP Section 18.06.025(G)(11)(b) as follows:

~~Existing STVRs shall have one (1) year from the effective date of this Ordinance to come into compliance with~~ Short-term vacation rentals are not required to meet the primary residence requirement if all of the following conditions are met:-

i. The short-term vacation rental does not currently meet the primary residency requirement and was in operation and in good standing with the City (i.e., had obtained a business license and has paid all required TOT) as of October 14, 2022.

ii. The short-term vacation rental has paid all applicable transient occupancy tax owed between October 14, 2022 and the date of registration.

iii. The short-term vacation rental is within a single-family or residential condominium unit. No accessory dwelling units qualify for this exemption.

This primary residence exemption shall no longer be valid for a property if ownership of the property is transferred, if short-term vacation rental use is discontinued for twelve (12) or more months, or if the short-term vacation rental registration is revoked.

14. Modify IP Section 18.02.040 definition of “Short-term vacation rental” as follows:

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

“Short-term vacation rental” means a residential or mixed-use property that contains a dwelling unit or habitable portion thereof that is offered for hire for transient occupancy for periods of thirty days or less ~~as a use that is incidental to the principal residential use of a dwelling unit or property as a use that is incidental to the principal residential use of a dwelling unit or property in residential zoning districts.~~ Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term vacation rental ~~transient lodging~~ facilities.

3. FINDINGS AND DECLARATIONS

A. Description of Proposed LCP Amendment and Background

The proposed amendment would provide new LCP short-term rental (STR) provisions in the LCP’s Implementation Plan (IP) when currently there are no such explicit IP provisions and would update existing IP home occupation provisions. In terms of the latter, the proposed amendment is intended to support work-from-home opportunities for small home-based businesses. The LCP’s current home occupation provisions limit home occupations entirely to the resident of the property, do not account for parking requirements, and restrict all retail businesses. The proposed updates would clarify requirements to limit traffic, provide adequate parking, allow for one non-resident employee (in addition to the resident) per residence that contains a home occupation, and allow for retail businesses that operate entirely by mail. The amendment to the existing ordinance also provides an allowance for limited commercial visitor vehicle trips (such as those done by vendors or clients).

The proposed amendment for STRs would allow for STRs in most dwelling units throughout a majority of the City (i.e., other than in open space and agricultural zoning districts,³ and other than in a variety of lower-cost housing settings⁴). However, the ordinance establishes a “Primary Resident Requirement”, where the STR operator must also be the primary resident of the unit, aside from in mixed-use commercial areas,⁵ which are typically sited further inland from the shoreline. STRs would also be classified as hosted versus unhosted, where the former means the primary resident is present (and “hosting”) with the latter meaning that the primary resident is not present during an occupant’s stay. Unhosted rentals would be limited to a maximum of 60 rental nights per calendar year and hosted rentals would have no limit on rental nights. The proposed amendment would also provide for a series of ‘good neighbor’ operational restrictions (related to noise, parking, occupancy limits, special events, etc.) as well as an overall City authorization process (including required registration, inspection, performance

³ That is, STRs would not be allowed in the Urban Reserve and Open Space Reserve zoning districts.

⁴ For example, STRs would be prohibited in designated affordable housing units, mobile homes, farm worker housing units, and multi-family developments with four or more units.

⁵ Specifically, the Commercial-Downtown (C-D), Commercial-General (C-G), or Commercial-Visitor-Serving (C-VS) zoning districts, which are primarily located in and around the downtown area and inland of Highway 1.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

standards, hosting platform regulations, and a revocation and appeals process). Specific details on the proposed STR provisions follow.

Application Requirements

The proposed STR provisions would require STR applications (where these do not involve a CDP) that would include: operator identification and information (where the host for hosted STRs would be the operator), including identifying all adults for whom the property is a permanent residence; responsible party identification and information (which, for hosted STRs, would be required to be the host, but could be different people for unhosted rentals); a description addressing how the STR is or would be in compliance with LCP STR provisions; site and floor plans, including an indication of the portions of the unit to be used for the STR; HOA and/or property owner consent, as applicable; proof of operator primary residence;⁶ consent to inspection by the City and/or other relevant agencies, as applicable; and, for a renewal of an existing STR, water use information for the preceding year where, should prior year water use exceed 300 gallons per day on average, then the application would also have to include an identification of strategies to reduce water use.⁷ To be approved, such applications would have to be found consistent with the proposed LCP STR provisions.

Registration Requirements

STR applications would be reviewed by City staff and would be required to demonstrate there are no outstanding building and fire code violations; proof of indemnification and insurance; business license and transient occupancy tax (TOT) registration; neighbor notification;⁸ implementation of water conservation strategies if previous records show use exceeded 300 gallons per day on average; and confirmation by City staff of no recent LCP violations at the site.

Operation Requirements

The proposed amendment would allow STRs in single-family homes and residential condominium dwelling units in nearly all zoning districts, including Planned Unit Development (PUD) districts that are substantially developed and in the Dykstra Ranch PUD district (PUD-X); in a single unit of each duplex or triplex complex; and in a single unit of mixed-use commercial-residential developments (i.e., the C-D, C-G, and C-VS zoning districts). STRs would be prohibited in certain affordable housing types, including mobile homes, recreational vehicles, multi-family housing developments with four or more units, multi-family housing developments containing one or more units restricted to be affordable/lower-income housing, and farmworker housing units. STRs would also be prohibited in Accessory Dwelling Units (ADUs) (unless already authorized under the

⁶ To establish primary residency, the operator must prove that they live in the unit a majority of the time, that they carry on basic living activities during that time, and that they usually return to the unit in the event of travel. Supporting evidence may include utility bills, motor vehicle registration, long-term leases and other documentation of this sort. For a renter-occupied unit to be used as an STR, an operator must have resided there for at least two years.

⁷ Where repeated years of water use exceeding 300 gallons per day is grounds for denying a renewal.

⁸ The operator would be required to notify any neighbors within 100 feet of the STR and post a temporary sign for 30 days on the property indicating intent to register as a STR.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

City's certified ADU regulations);⁹ in residential units in the Urban Reserve and Open Space Reserve zoning districts; and in residential units in substantially undeveloped PDs as identified in the LUP.

The proposed amendment contains additional restrictions on STRs which include a primary resident requirement, limits on the number of nights for unhosted STRs, limits on occupancy and parking, limits on the number of STRs an operator can run, and lot size limits on STRs. First, the ordinance stipulates that "no dwelling unit shall be operated for short term rental use unless the dwelling is the primary resident¹⁰ of the operator", with only dwelling units in C-D, C-G, and C-VS districts which predominantly are inland of Highway 1 and in and around downtown being exempt from this requirement. For duplex and triplex complexes, only one unit at a time would be allowed to be operated as an STR. Further, while there would be no restriction on the number of rental nights for hosted STRs in any of the zoning districts in which STRs are allowed, there would be a 60 rental night restriction on unhosted STRs in all districts where STRs are allowed. STR operators would also be allowed to run both hosted and unhosted rentals in the same STR, as long as they do not exceed the 60 rental night limit for the unhosted portion. In addition, the amendment would limit STRs to one per operator. An operator may register different areas of a site for use as a short-term rental, but only one rental may be operated at a time. The ordinance also establishes a minimum lot size of 4,125 square feet to operate an STR in the R-1, R-2, R-3, and C-R zoning districts (where 4,125 square feet is the LCP's minimum parcel size when creating new lots), 10,500 square feet in the PUD-X zoning district, and the lot sizes established by the original CDP in developed PUD districts. Finally, the proposed operational requirements would establish guidelines requiring that a nearby responsible party be designated as available to timely respond to complaints, as that record keeping be maintained.

Performance Standards

The proposed amendment would establish performance standards, including a prohibition on interior and exterior activities related to the STR that would interfere with adjacent residential use; a requirement that the operator ensures that the City STR registration number be included on all advertisements of the STR; a requirement that

⁹ ADUs that had historically been operated as STRs were essentially 'preauthorized' when the City updated its LCP ADU provisions (most recently updated and certified by the Commission in February 2022). Namely, ADUs were allowed to continue to operate as STRs if they had been rented as a STR for at least 30 nights for 6 months prior to December 12, 2018, if they continued to operate as an STR in good standing (including payment of TOT), if they were owner occupied and only allowed hosted rentals, and if they continued to comply with all other applicable City requirements. STRs were and are otherwise prohibited in ADUs under the LCP. While the City has not provided data on whether any ADUs include such preauthorized STRs, the data provided to date would suggest that there are currently no ADUs that offer STRs in the City under these provisions.

¹⁰ Per the City's proposal, "Primary residence" means residential property at which a person resides a majority of the time, carries on basic living activities, and the place he or she usually returns to, in the event of travel. Evidence, such as motor vehicle registration, voter registration, a homeowner's exemption on the property tax bill, long-term lease of the residential property, or other similar documentation, may be required by the City to determine whether the property is the primary residence. For a renter-occupied property, a long-term tenant must have resided for a majority of time on the property for at least two years prior to initiating short-term vacation rental use.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

City STR requirements and standards be provided to guests upon booking and in a manual at the STR; a requirement that STRs must be accessory to the underlying residential use; and requirements to comply with the City's noise ordinance, building and fire codes, applicable state and local laws, and trash and recycling requirements. STRs would also be limited to a maximum of 2 people per bedroom, and a maximum of up to 8 users total, and STR users could arrive in no more than 3 vehicles per STR.¹¹ Finally, the proposal would also prohibit the use of STRs for commercial purposes (such as corporate retreats/conferences) and special events (e.g., weddings).

Hosting Platform Regulations/Revocations and Violations

The proposal would require hosting platforms to maintain records covering the last three years for all STRs that use their platform. Information required to be retained would include the history of all reservations on the property, TOT payments, the length of stay per reservation, and the number of persons per reservation. Hosting platforms would also be required to prompt hosts to include City-issued registration information in their listings and to cease transactions for noncompliant STRs within five days, upon notification by the City that the listing is not in compliance. Finally, the amendment would establish a revocation and appeals process for out-of-compliance STRs and include STRs in the definition of hotels, although only for the purposes of collecting TOT (i.e., adding STRs to that definition would only be relevant within the TOT context).

Please see **Exhibit 1** for the full text of the proposed IP amendment.

B. Evaluation of Proposed LCP Amendment

Standard of Review

The proposed amendment affects the IP component of the City of Half Moon Bay LCP only, and the standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LCP Land Use Plan (LUP).

Applicable Land Use Plan Policies

The LUP explicitly calls for a balance as it relates to STRs between facilitating this type of overnight accommodation while also providing for adequate housing stock and maintaining residential character. The LUP also provides for home occupation businesses, as long as they are compatible uses and secondary to the primary residential use of the property. Finally, there are several LUP provisions addressing the need for sufficient water, sewage, and road services for new development and redevelopment in residential and non-residential areas. Applicable provisions include:

LUP Policy 5-1. Maximum Coastal Access and Recreational Opportunities.

Provide maximum coastal access and recreational opportunities for all people consistent with public safety needs and the need to protect public rights, rights of property owners, and natural resource areas from overuse.

¹¹ STR users could bring at most one vehicle per one-bedroom units, two vehicles per two- or three-bedroom units, and three vehicles per four- or more bedroom units. STRs would need to provide at least one off-street parking space for one-, two-, and three-bedroom units, and at least two off-street parking spaces for four- or more bedroom units.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

LUP Policy 5-70. New Overnight Accommodations. Consider the carrying capacity of the coast, visitor demand over a range of affordability levels for various accommodation types, and consistency with all applicable LCP and General Plan policies before approving any new overnight accommodation development proposals. Prioritize lower-cost visitor-serving accommodations over higher-cost lodging.

LUP Policy 2-7. Housing Stock Preservation. Safeguard existing housing stock so that it is preserved and used as full-time housing through the establishment of programs and ordinances.

LUP Policy 2-72. Residential Land Use Compatibility. Ensure that development, including a change in intensity of use, in residential land use designations avoids impacts on the residential living environment and the adjacent land uses, including proximate agricultural and agricultural compatible land uses, with respect to noise, lighting, parking, loading, and aesthetics. Consider other aspects of non-residential uses permitted in residential land use designations that may be impactful on a neighborhood setting or the adjacent land uses and require strategies to avoid such impacts.

LUP Policy 2-76. Short-Term Rentals. Allow short-term rental businesses within the established neighborhoods. Short-term rental uses should be subordinate to primary residential uses such that residential units continue to be used for long-term residential occupancy. Establish land use regulations in the IP with performance standards necessary to protect coastal resources and the residential living environment of the neighborhoods, such as standards for property management, traffic, parking, noise, and trash. Short-term rental businesses shall pay transient occupancy tax to the City. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging facilities or uses and are not subject to transient occupancy tax.

LUP Policy 3-6. New Development Requirements and Findings. Require that all new development has available municipal water and sewer services and access from a public street or over private streets to a public street where these improvements or facilities are essential to the type of development. Prior to approval of a coastal development permit, the approving authority shall determine if infrastructure, including water connections, is available and adequate; and if so, shall make the finding that such development will be served with water, sewer, and road facilities, including such improvements as are provided with the development. Lack of available services or resources shall be grounds for denial of the project or reduction in the density otherwise indicated in the Land Use Plan. Some development types may be exempt from the requirements of this policy such as habitat restoration, trails and other coastal recreational uses, and many agricultural and agricultural supplemental and ancillary uses.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

LUP Policy 3-20. Water Connections for New Development. Other than as described in Policies 3-21 and 3-22, new development within the urban boundary shall require a connection to the Coastside County Water District system. The City shall refer coastal development permit applications for new development or redevelopment projects to CCWD for confirmation of water supply adequacy and consistency with water connection requirements.

LUP Policy 3-29. Sewer Connections for New Development. Other than as described in Policies 3-30 and 3-31, new development within the urban boundary shall require a connection to the municipal sewer system.

LUP 3-25. Water Conservation Measures. Require water conservation measures for new development and redevelopment of residential and non-residential uses, including but not limited to, the use of high-efficiency fixtures and equipment, storm water capture, gray water collection and reuse, drip or microspray irrigation systems, and native drought-tolerant landscaping. For agricultural and horticultural business uses, water conservation policies in Chapter 4 are applicable.

LUP Policy 2-75. Home Occupations. Permit home occupations within residences for business types and activities that are compatible with the residential living environment and subservient to the primary residential use of each property. Establish performance standards in the IP for traffic, parking, noise, and other considerations with respect to home occupations.

Consistency Analysis

Taken together, these LUP objectives and policies seek to protect, provide for, and enhance coastal access and recreational opportunities for the public by prioritizing a range of accommodations, including lower cost visitor-serving accommodations, while also establishing standards to preserve the unique residential environment and coastal resources that attract residents and visitors to the City. In addition, the LUP requires that such visitor-serving development be in harmony with other uses in the City such as housing (and affordable housing) stock and agriculture, be supported by adequate services (water, sewer, and road facilities), and not cause detrimental impacts to surrounding development through excessive noise, incompatible lighting, insufficient parking, or impacts from trash generation. The LUP also explicitly provides for the allowance of home occupations for business activities if they are compatible with the residential living environment.

Home Occupations

The proposed home occupation changes are designed to help facilitate home-based businesses while addressing their potential impacts (e.g., requirements to limit new traffic, provide adequate parking, address employees, etc.) in such a way as to avoid any sort of significant coastal resource concerns. Specifically, the proposed amendment would clarify performance standards regarding traffic, parking, noise, and other considerations in the IP concerning home occupations, in line with LCP Policy 2-75 which requires that home occupation uses be compatible with its surrounding environment. Despite a potentially modest increase in allowances for home occupation

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

uses due to the proposed amendment, the City does not expect that most home occupations will operate much differently from residential uses with regards to occupancy, trip generation rates, parking demand, noise, and water demand, and thus the changes as proposed align with LUP Policy 2-75. The Commission concurs in this assessment and further sees no evidence that the proposed updated home occupation provisions would lead to any sort of significant coastal resource concerns. As a result, this portion of the proposed IP amendment can be found LUP consistent.

Short-Term Rentals

To put the City's proposed STR provisions in context, the Commission has long recognized that STRs provide a unique and important source of visitor-serving accommodations in the Coastal Zone, especially for larger families and groups, and has found that outright bans or undue restrictions on this type of lodging are inconsistent with Coastal Act policies prioritizing public access and visitor-serving uses. At the same time, the Commission has in some cases recognized a need to restrict STRs in some coastal communities where evidence showed that the STR market having impacts on coastal resources, or even was significantly impacting the availability of housing. Prior Coastal Commission guidance to local governments has emphasized the need to allow, but regulate, STRs in a manner that balances the important public access and visitor-serving benefits of STRs with reasonable regulations to limit adverse impacts on coastal communities.¹² In prior actions, the Commission has focused on "good neighbor" operational standards, which have proven to be an important tool to address concerns about community character while preserving STRs as an option for overnight accommodations in coastal areas, but has also applied caps and other means of STR restriction where warranted.

Examples of the range of types of Commission actions on STR LCP amendments include the Commission's rejection of a City of Santa Barbara STR ordinance that significantly restricted STRs without meaningful benefits to community character or housing in 2018;¹³ the Commission's approval of a City of Santa Cruz STR ordinance that significantly restricted STRs in 2018;¹⁴ the approval of the City of Dana Point's STR provisions in 2022 with conditions to allow for a "cap" on unhosted STRs in the Coastal Zone based on the approximate number of STR permits in existence when the City stopped issuing STR permits;¹⁵ the City of San Diego's STR provisions approved in 2022 that capped whole home (unhosted) rentals at various levels for varying neighborhoods and created a "lottery" in order to issue STR permits, due to a demand

¹² See, for example, the Commission's 2016 guidance to local governments available at: https://documents.coastal.ca.gov/assets/la/Short_Term_Vacation_Rental_to_Coastal_Planning_&_Devt_Directors_120616.pdf.

¹³ County of Santa Barbara LCP Amendment LCP-4-STB-17-0086 (among other policies) prohibited the operation of STRs when owner of the property was not present (known here as un-hosted) in residential districts (available at: <https://documents.coastal.ca.gov/reports/2018/5/th19a/th19a-5-2018-report.pdf>).

¹⁴ City of Santa Cruz LCP Amendment LCP 3-STC-17-0073-2-Part B (available at: <https://documents.coastal.ca.gov/reports/2018/4/w20a/w20a-4-2018-report.pdf>).

¹⁵ City of Dana Point CDP A-5-DPT-22-0038 (available at: <https://documents.coastal.ca.gov/reports/2022/11/W13b/W13b-11-2022-report.pdf>).

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

expected to exceed the caps;¹⁶ and the City of Trinidad's ordinance approved in 2022 that capped unhosted (called "full time") STRs citywide at around 15% of the city's housing stock in order to protect housing.¹⁷ The Commission also rejected a City of Malibu STR LCP amendment in 2022 because its proposed ban on non-hosted STRs in single-family residences would eliminate existing, lower-cost overnight accommodations in the City and because different alternative approaches existed in that case that would serve to protect public visitor-serving opportunities and affordable housing stock¹⁸. These examples reflect that the Commission evaluates each STR LCP amendment on a case-by-case basis and in light of specific evidence of local context presented concerning the STR market in a particular jurisdiction.

The proposed STR provisions in the City of Half Moon Bay's case would establish several requirements that, if adopted, would make this one of the more restrictive LCP's in terms of STRs along the California coast. While the City's ordinance does not include a general cap on the absolute number of STRs (or even just unhosted STRs), as is commonly proposed in other areas, this amendment would establish a primary residence requirement for all STRs in residential areas, including those in areas near prime visitor destinations along the coast, a 60 rental night limit for unhosted operations, limits on the total number of people and cars allowed per STR, and a prohibition on STRs for lots smaller than 4,125 square feet. While the other proposed provisions are generally appropriate under the LUP, these more restrictive provisions, both together and independent of one another, have the potential to substantially restrict the number, capacity, and usability of short-term rentals in the City, the entirety of which is in the Coastal Zone. These adverse impacts on the STR market would not adequately implement the LUP's required balancing of coastal access, visitor-serving uses, and housing preservation objectives.

Primary Residence Requirement

For residential areas, such as the bulk of the area seaward of Highway 1 that is popular with visitors, the City's proposed STR provisions provide that "No dwelling unit shall be operated for short-term vacation rental uses unless the dwelling is the **primary residence** of the operator.,"¹⁹ where "primary residence" is defined as follows:

"Primary residence" means residential property at which a person resides a majority of the time, carries on basic living activities, and the place he or she usually returns to, in the event of travel. Evidence, such as motor vehicle registration, voter registration, a homeowner's exemption on the property tax bill, long-term lease of the residential property, or other similar documentation, may

¹⁶ City of San Diego LCP-6-SAN-21-0046-2 (available at: <https://documents.coastal.ca.gov/reports/2022/3/W14f/W14f-3-2022-report.pdf>).

¹⁷ City of Trinidad LCP-1-TRN-22-0034-1 (available at: <https://documents.coastal.ca.gov/reports/2022/12/F11a/F11a-12-2022-report.pdf>).

¹⁸ City of Malibu LCP-4-MAL-20-0083-2 (available at: <https://documents.coastal.ca.gov/reports/2022/8/F10a/F10a-8-2022-report.pdf>).

¹⁹ As indicated above, the primary residence requirement would not apply in the City's commercial and commercial mixed-use areas in and around the downtown area inland of Highway 1.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

be required by the City to determine whether the property is the primary residence. For a renter-occupied property, a long-term tenant must have resided for a majority of time on the property for at least two years prior to initiating short-term vacation rental use.

The City's rationale for the primary residence requirement is essentially twofold. First, the City concluded that such a requirement would safeguard existing housing stock, and affordable housing stock, so that residences are primarily used as full-time housing, and commercial operators or investors would be prevented from buying up property for the express purpose of operating an STR. In essence, the City asserts that the primary residency requirement is needed to preserve current and future affordable housing in Half Moon Bay. To that point, it is important to note that STR operations and the provision of affordable housing are not mutually exclusive, nor are they necessarily even causally linked, especially when viewed in the local context of Half Moon Bay. Put another way, given the small number of STRs currently operating within the City, STRs are not the reason the City lacks housing, or affordable housing. The City has many tools available to it to encourage housing and affordable housing, such as prioritizing multi-family housing, that would not unduly and adversely impact this unique form of visitor-serving accommodation. It is unlikely that the primary residency requirement would return a significant or meaningful amount of housing, especially affordable housing (see also below), back to the housing stock of the City, including when there are only 9 STRs currently operating that are not primary residences.

As to the City's assertion that without the primary residency requirement there is the potential for individuals and/or companies to buy up housing units to use solely for STRs, two things are noted. First, beyond anecdotal observations, the City has not provided any data to support such assertions.²⁰ The fact that there is not more than roughly 46 registered STRs in the City (and an estimated additional 20 or so that are not registered), and only a handful of those do not currently meet the primary residency requirement (see Correspondence, page 30), also belies the notion that such a phenomenon is occurring. It also suggests that there would be negligible potential housing stock gains (e.g., if using the October 2022 numbers, the 9 STRs that weren't primary residences only represent about 0.2% of City housing units) if it were implemented. Second, the proposed amendment includes a provision that would allow only one STR per STR operator in the City. In other words, a single entity would not be allowed to purchase and operate multiple units and use them solely for STRs, independent of the primary residence requirement.

The second point offered by the City in support of the primary residency requirement the City asserts that existing non-primary residence STR operations are the most problematic in terms of maintaining residential community character, and lead to complaints regarding excess noise, trash generation, and water usage. In terms of

²⁰ The City has stated that they have received calls from realtors asking about purchasing property for the express use of operating the properties as STRs, and describe having performed an informal survey, calling the three major real estate companies in Half Moon Bay to determine how many inquiries these companies were receiving about purchasing properties for STR use. Of the three companies, the City indicated that two stated that at least 50% of their calls had been related to STRs.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

housing stock, the City did not provide data on how the primary residence requirement would preserve housing stock other than describing the existing STRs that do not currently meet the proposed primary resident requirement (estimated by the City in October 2022 to be about 9 STRs in the City) and describing that there could be more non-primary resident STRs in the future absent adoption of the proposed restriction. In theory, such a restriction could mean that STRs that do not comply with the primary resident requirement would eventually be used for long-term housing, but that is dependent on several factors, many of which are unrelated to the proposed amendment.²¹

As to the City's assertion that STRs with no primary resident are the most "problematic," the City did not provide any specific evidence to this effect beyond anecdotal observations.²² Likewise, it is not clear from the City's materials how the primary residence requirement would solve such a problem were it clearly identified in the first place. As stated previously, the proposed STR provisions include a series of 'good neighbor' performance standards that – irrespective of the primary residence requirement – are intended to ensure that STR operations do not lead to disturbances or nuisances and do not adversely affect adjacent residential uses. Ultimately, and consistent with other LCP's STR approaches, it is these good neighbor provisions that will prevent STR operations from creating disturbances or harming the character of the surrounding areas.

Thus, while it does not appear that the primary residence requirement will have much effect, if at all, on the City's available housing stock, especially affordable housing stock,²³ what is clear is that the primary residence requirement would mandate that future STRs would have to be occupied by the operator "a majority of the time," limiting STRs, and as a result, limiting unhosted STRs.²⁴ In particular, owners of second homes

²¹ For example, owners of such units might just leave them empty when they are not personally using them, and some STR operators who have commented to the Commission on the City's proposal have indicated that they would do just that.

²² It has not been uncommon in the Commission's experience that proposed LCP STR provisions relying on 'problematic STRs' as part of the problem definition are often based on individual and anecdotal observations, and not on data reflecting STR problems (such as documented and investigated complaints, police calls, etc.). It is no different in this case.

²³ STRs would actually be prohibited in a variety of lower-cost housing types, as detailed above, and thus STRs would have no effect on these affordable options. In contrast, homes that are operating as STRs are market rate homes that are located in desirable coastal areas and would not be considered affordable if they were to be used mostly or exclusively for longer-term housing stock. For reference, the current average rental cost for a one-bedroom unit in San Mateo County (where Half Moon Bay is located) is the highest in the state (at nearly \$3,000 per month), and some two and a half times the state average (per RentData.org based on Department of Housing and Urban Development (HUD) data). Even other estimates specific to Half Moon Bay (as opposed to the broader County) show rents in the City to be some two times the state average. In addition, the median home price is roughly \$1.7 million. In other words, here in Half Moon Bay, like the rest of the greater Bay Area, the market rate is quite high, and any homes that might 'convert' from STRs into market rate should be understood in this context and should not be understood as facilitating any type of affordable housing options.

²⁴ The City has not provided information on the number of hosted versus unhosted rentals operating legally in the City, but it has generally been the Commission's experience that unhosted rentals are the predominant and most popular form of STR in most coastal communities. For reference, although a

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

would unlikely be able to satisfy the primary residence requirement, because they would not be able to provide evidence (such as motor vehicle registration or voter registration) establishing that the home is where the owner “resides a majority of the time.” In other words, the proposed primary residency requirement would inform the STR market in a variety of potential ways that are difficult to predict.²⁵ However, given the City’s proposed restrictions, it seems likely that there would be even fewer STRs and unhosted STRs in Half Moon Bay going forward, including in areas near the shoreline, to the detriment of coastal visitors not fortunate enough to live in Half Moon Bay.

Maximum 60-Rental Nights Per Year Requirement

As to the 60-rental night limit for unhosted STRs, the City indicates that 60 nights was chosen based on estimated current and future STR demand, as well as the desire to ensure that STR operations were subordinate to the primary residential use. On the latter, the City believes that hosted rentals better protect the residential character of neighborhoods, such as provided for in LUP Policy 2-72. “Residential Land Use Compatibility” and lead to fewer problems because the host is present to protect against unruly or other such behaviors (e.g., big parties). Regarding this point, first, as indicated above, the City did not provide any sort of detailed information showing that any STRs (much less unhosted STRs) were causing the types of problems suggested as the purpose of the rental night restriction. Given the limited STR market, it would seem that the City would have concrete evidence of STR-related disturbances as there are so few STRs to monitor currently; however, no such evidence has been provided to the Commission. Second, as stated previously the City’s ordinance adequately provides for protecting residential compatibility through a series of ‘good neighbor’ provisions where there currently are no such regulations of STRs in the City. The result should provide an effective regulatory buttress against inappropriate STR behaviors that may exist currently and do so for any new STRs moving forward as well. In other words, the proposed ‘good neighbor’ STR provisions already address this issue without the City’s stated need for a rental night limitation to address any such issues.

In terms of the City’s assertion that a 60 rental night cap is tied to estimated current and future STR demand, the City did not present any information regarding existing or prospective STR demand with its amendment request. Rather, the City suggested that 60 nights was equivalent to 30, two-night weekend stays or 20, three-night weekend stays, and that such a limit would mean that STRs would be subordinate to residential uses for purposes of LUP Policy 2-76 (i.e., per the City’s analysis, 30 weekends out of 52 weekends per year is more than half the weekends). First, it is unclear why 50% unhosted STR use as a general concept would be the correct standard for determining that STR uses are ‘subordinate’ to residential uses under LUP Policy 2-76. For example, another standard for determining that STR uses are subordinate to residential uses could be that STRs are regulated and operated to essentially function and appear as a

different community and different context, in the recent City of San Diego LCP amendment regarding STRs that was approved by the Commission last year, it was estimated that 84% of STRs were unhosted (see LCP amendment LCP-6-SAN-21-0046-2 approved on March 9, 2022).

²⁵ For example, under the City’s ordinance, second homes could be left vacant when not actively used by the owner, providing no housing opportunities, as opposed to providing some short-term housing opportunities through the short-term rental market that also benefits coastal access.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

residential use, and do not outwardly present as anything other than that and that STR activities do not adversely affect adjacent residential uses, both requirements of the City's ordinance. In addition, it is noted that the LUP suggests that STRs "should" be subordinate to residential uses (LUP Policy 2-76), but the LUP does not mandate it, and LUP Policy 2-76 does not specify how STR operations would satisfy the policy's objective.²⁶ The LUP also requires the provision of maximum coastal access and recreational opportunities, which reasonably encompasses overnight accommodations sufficient to accommodate coastal visitors (LUP Policy 5-1). In other words, the LUP does not mandate that in all cases STRs shall be subordinate to residential uses, a perspective that perhaps presents a false choice between STRs and longer-term housing. The more accurate LUP framing of all of the LUP's policies taken together is that the LUP objective is to strike an appropriate balance that protects housing and also maximizes public access to the coast.

In terms of matching rental night limits to demand, while anecdotally it makes sense that there may be more STR demand on weekends,²⁷ STRs can also provide a place to stay during the week, and it is not clear that weekends are the proper metric for this type of analysis in the first place. Using the City's hotel data as a proxy, it appears that the City has fairly high occupancy year-round (almost 70%), which could suggest the same applies to STRs.²⁸ Even using weekends, with a 50% threshold at 26 weekends, applying two-night stays would mean that 52 rental nights would be more on point, and applying three-night stays would equate to 78 rental nights. Second, if weekends are not used, but rather a 50% threshold over a whole year (365 days), that would equate to 182 rental nights to be just under 50% over the year.²⁹ It appears that the City considered several different rental night limitations as the amendment was developed locally, including ultimately debating between allowing 90 versus 60 unhosted rental

²⁶ Residential use also does not necessarily mean that the house is lived in by a full-time occupant. For example, in *Keen v. City of Manhattan Beach* (2022) 77 Cal.App.5th 142, 149, the Court of Appeals explained that "[i]t is possible to reside somewhere for a night, a week, or a lifetime." See, for example, *Keen v. City of Manhattan Beach*, 77 Cal.App.5th 142, 149 (Cal. Ct. App. 2022). In *Keen*, the court stated:

Use of the word "residence" does not imply some minimum length of occupancy. (Cf. People v. Venice Suites, LLC (2021) 71 Cal.App.5th 715, 726, 286 Cal.Rptr.3d 598 (Venice Suites) ["A 'residential building' is used for human habitation without regard to length of occupancy"]; Greenfield, supra, 21 Cal.App.5th at p. 899, 230 Cal.Rptr.3d 827 [the city in question historically treated short term rentals as a "residential" activity].)

It is possible to reside somewhere for a night, a week, or a lifetime. The City points to no legally precedented way to draw a line between the number of days that makes some place a "residence" and the number that shows it is not. (Cf. Venice Suites, supra, 71 Cal.App.5th at p. 732, 286 Cal.Rptr.3d 598 ["the dictionary definitions for apartment house do not indicate a required length of occupancy"].) (emphasis added)

²⁷ The City cites to Half Moon Bay Chamber of Commerce data showing that hotel occupancy was 68% on average for the past 8 years, with higher occupancy on weekends.

²⁸ While obviously different places, again, the City of San Diego's recently approved STR LCP provisions help provide some context. In that case, the City's submittal documented STR occupancy at 78% with a peak of 86% in the summer.

²⁹ In the same City of San Diego LCP amendment case, the average STR stay was estimated to be 4.2 nights.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

nights per year, but the 60-night restriction does not appear to be a number that is tied to the existing or expected STR market, as the City asserts.³⁰ In short, it is probably best to understand the proposed 60-rental night limitation for unhosted rentals for what it is; namely, a somewhat randomly developed number and a fairly restrictive restriction as LCP STR provisions go. Further, it is a restriction that limits unhosted STR use in any particular STR to about 16% of the nights each year. Such restrictions have the potential to severely affect current and future STR operators, making it less economically desirable to operate an STR, as well as limiting overall capacity and creating the potential for adverse impacts on visitor-serving accommodation availability in the City.

Finally, regarding hosted and unhosted rentals, the City asserts that the proposed provisions contain no limits on rental nights for hosted rentals, and the City makes the argument that unhosted (or “whole house”) rentals are often quite expensive when compared to hosted STRs. The City argues that restricting hosted nights while encouraging the unhosted will allow for more hosted STRs in Half Moon Bay, and therefore allow for more lower-cost visitor-serving accommodations. To this point it is noted that as a general rule a hosted rental of part of a house is going to be generally less expensive than a whole house rental of that same house, including as it is less space and it is not exclusive, and thus economically does not command the same rates. In other words, the comparison is apples to oranges. Further, although rental rates for whole house STRs can be quite high, there is no current standard for estimating what constitutes a “low-cost” STR. For context, there is simply a dearth of any lower cost overnight accommodations in the City, other than camping.³¹ What’s more, whole house STRs provide a unique form of coastal accommodation containing amenities that a hotel or campground cannot provide, and while they may be “high cost” for a single person to rent, they may be considered more affordable when rented by a group of people or by two or more families, especially when compared to the alternative, such as renting out multiple hotel rooms. The fact is that there is no ready equivalent accommodation to “whole house” or unhosted STRs on the coast, and restricting the operation of this

³⁰ On this point it is noted that the City also suggests that the 60-rental night limitation and the primary residency requirement are common approaches certified by the Commission in LCPs and should be supported for that reason. However, that is not correct. In fact, these types of approaches are atypical, and the Commission appears to have only approved one other LCP amendment that included a primary residency requirement (in the City of Santa Cruz), and even there, existing STRs were preauthorized and were not required to meet the rental night limitation requirement in that case. Further, the Commission appears to have only approved three LCP amendments with rental night limitations (i.e., a 90-night limit for a very limited tier of STRs in San Diego (where most STRs were unlimited), a 100-night limit in the City of Del Mar, and a 180-night limit in San Mateo County), where such limits were in the context of jurisdictions with much larger STR markets. This differs significantly from the 46 registered STRs in the Half Moon Bay market. Thus, it is probably better to characterize the City’s proposed LCP planning approach here as fairly novel, and very restrictive in relative terms, in the Coastal Zone.

³¹ The City presented data showing that more than half of the hotel/motel rooms (315 rooms out of 613 total) in the City are qualified as “luxury” hotels, with 261 of these rooms coming from the Ritz Carlton. For reference, a two-night stay for two adults at the Ritz Carlton in that hotel’s least expensive room comes out to roughly \$2,200. Similarly, a two-night stay at the Half Moon Bay Lodge, which is classified by the City as an upper-midscale accommodation is roughly \$600 dollars for a two-night stay, again only for two people. A two-night stay for two people at the Miramar Inn and Suites, classified as “economy” by the City, is \$340.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

unique form of accommodation may actually increase the price of other types of accommodations, which could actually operate to reduce the total supply in the Coastal Zone. A hosted STR cannot provide the same service as an unhosted one, and one cannot be substituted for the other.

Maximum 8-person and 3-car Requirements

The proposed restrictions on the number of people allowed per STR (2 per bedroom, with a total maximum of 8), and the number of cars in which they can arrive (no more than one car for one-bedroom units, two cars for two- or three-bedroom units, and three cars for four- or more bedroom units), may not adequately account for residences that have the capacity for larger groups of people or parking. The City indicates that these proposed maximum use levels are designed to help the STR use function more like a residential use, and to limit the impacts on water use, circulation, and parking from larger groups. The City also points to the need to protect on-street parking for day-use coastal visitors, particularly in the City's western neighborhoods that are closer to the beach, and where most STRs operate. Further, the City indicates that while some houses may be able to fit more users and cars, the majority of housing in Half Moon Bay consists of homes with less than 8 occupants and with two-car garages/driveways. While this may be the case, there does not appear to be a logical reason for capping or restricting larger groups of people or additional cars should the residence have the capacity for visitors (additional bedrooms) or larger off-street private parking areas. In addition, if the desire for capping the total number of visitors to 8 is to avoid "party" or "problem" STRs, there is likewise no data to suggest that such user groups lead to those specific problems. In fact, larger groups of people could just as well include an extended family with children looking for affordable accommodation on the coast as it could a so-called "party" group. Further, such concerns about impacts from "party" or "problem" STRs are addressed by the proposed "good neighbor" provisions.

There is likely a fairly small number of units in the City that are large enough to handle more than 8 people at 2 persons per bedroom (i.e., 5- or more bedroom units), and an even smaller subset of those that might provide STR use, and thus any effect from STR users of that size party would be expected to be negligible overall. Therefore, it appears to be a proposed restriction that is not narrowly tailored to a problem, and also would only serve to further restrict the STR market.

Minimum Lot Size

The City's explanation for prohibiting STRs in residential lots that are smaller than 4,125 square feet is that STR usage would exceed the use capacity of the lot. However, these sites that are developed with homes would only be able to accommodate the number of users that could normally use such a house in the first place. In fact, given that STRs would be limited to two people per bedroom, the site capacity to accommodate use is unlikely to be exceeded, including as smaller lots typically have smaller houses with fewer rooms. Therefore, this provision is unnecessary to control for the City's stated concerns regarding capacity issues on these smaller lots and this provision is not necessary. Further, this restriction must be weighed against the potential impact, which although relatively small, still is significant for lots in residential areas (i.e., the City estimates that there are currently 110 lots in the City that are smaller than 4,125 square feet).

STR conclusion

The LCP's LUP provides the standard of review for this proposed IP amendment, and it calls for a balance between facilitating short-term rentals in the City while also preserving housing stock and maintaining residential community character. As detailed above, the City's proposal applies a number of measures designed to curtail STRs, and it would significantly limit STRs in the City. The City indicates its ordinance is intended to restrict STRs in order to protect as many housing units in the City as possible. While the Commission is sympathetic to the City's goal in that regard, the Commission does not believe that the ordinance as proposed strikes the necessary LUP balance, especially when visitor-serving uses and activities are a higher priority than residential under both the Coastal Act and the LCP. The City's STR market is fairly modest, with a total of some forty or so STRs currently registered and operating in the City (less than 1% of housing stock in a City with some 4,700 housing units), where most of these STR operations are primarily used for long-term residential purposes and not STRs in any case. There is simply a lack of evidence to suggest that STR operations in this small subset of units are leading to any type of significant issues, including as it relates to inappropriate user behaviors, and even less data to suggest that the City's proposed STR restrictions will move the needle on increasing housing options and/or affordable housing options in any meaningful way. In other words, the 'problem' that the City's 'solution' purports to address is unclear, and the solution appears to be a poor fit for this context.

In particular, while much of the proposed amendment provides rational standards designed to ensure STRs are appropriately operated and regulated (including through 'good neighbor' provisions and a process for City STR permitting and monitoring), the primary residency requirement, the rental night limitation, the person/vehicle limits, and the lot size limitations together would likely significantly limit STRs even further than the existing limited STR market. These provisions would simultaneously limit both the capacity and number of STRs near prime visitor destinations (particularly near the immediate shoreline and popular beaches) in the City and would significantly limit the ability of STRs to provide an important and unique overnight accommodation option to those not fortunate enough to live in Half Moon Bay, including larger groups and families for which STRs sometimes make overnight access possible at all.

At the same time, the Commission respects that the City feels strongly that these provisions are an important means to safeguard housing, and given that the STR market is so limited, Commission staff worked with City staff to accommodate a compromise that can meet the City's primary objectives while still accommodating a modest STR market, particularly in light of its importance to the mix of accommodation types available in the City. There are a handful of approaches the Commission has approved to achieving this balance of maintaining housing stock, while assuring a range of overnight accommodations remain as discussed earlier, including but not limited to restricting STRs to only certain types of homes (similar to the proposed primary residency here), caps at a percentage of housing stock or at a set number, both within and/or outside of the specific popular areas, allowing currently complying STRs to continue to operate under a new ordinance that would otherwise restrict their operation, lottery systems to control for entry into the market, as well as others (including as previously described).

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

A number of alternatives were discussed with the City, and one option considered in depth was the idea of applying a cap that would limit the number of unhosted STRs in the City (or possibly just seaward of Highway 1) while eliminating the primary residency requirement. STR caps are perhaps the most common type of STR restriction that the Commission has applied in other cases where warranted and could serve to ensure that the STR market would be allowed to essentially provide the amount of STR options as are available currently. Given there are 46 registered STRs in the City, which equates to about 1% of housing stock, the cap could be placed at or near that number, such as at 50. Then, if there were to be a user night limit as requested by the City, that number would need to be multiplied in order to at least maintain a similar amount of STR availability (e.g., if the allowed nights were to be limited to half the year (e.g., roughly 180 days), then the cap would need to be doubled to make up for the loss of the other half the year of the STR market). Thus, one option considered was exactly that, a roughly 50 unit unhosted STR cap west of Highway 1 with no primary residency requirement, doubled to 100 if combined with a 180-night limit. The City indicated that they did not prefer this approach, including due to the complexity of oversight such an approach might require.³² But really, the City indicated that the primary residency requirement was their primary objective.

Toward that end, a different option at compromise was considered that would keep intact the City's proposed primary residency requirement, provided the number of allowed rental nights for unhosted rentals was increased from 60 as proposed to 180. In staff's view, this makes sense as the primary residency requirement means that a house operating as an unhosted STR could only operate in that way for half the year regardless (where 180 days is just less than that half a year time period). Such an outcome would help to reach multiple goals, including the City's to ensure that housing units are used for longer-term housing at least half the year, while also maintaining a range of visitor-serving accommodations by ensuring that the unhosted STR market is not simply eliminated over time in the City, as staff believes could be the case with the proposed amendment. As of the date of this report, City staff indicates that they appreciate the primary residency portion of this alternative but are still considering the manner in which the change in the maximum allowed number of user nights might be acceptable to the City. In any case, it is a judgement call, and it is staff's judgment that the suggested modifications should accommodate this latter option, and not the cap option above, including as it appears to be the most acceptable to the City.

In any case, Commission and City staff were able to reach agreement on other aspects of the proposed amendment, including ensuring that use limitations are dictated by the house/lot's ability to accommodate STR use, thus providing a direct and clear correlation between size and potential use intensity; applying such use limitations to all potential sites, including those on smaller lots (which would have lower use intensity allowances as a general rule); allowing existing STRs in good standing to continue to operate even if they do not meet the primary residence standard, including as a matter of fairness to these existing operators (estimated by the City to be less than 10 homes) until such homes change hands and/or they no longer operate an STR; and ensuring

³² To be fair, all such restrictions require oversight, and it is not clear to staff how enforcing the primary residency requirement will be any more straightforward.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

that STR enforcement is through the LCP, and not other non-LCP standards otherwise applicable in the City.³³ See suggested modifications.

Ultimately, the Commission adopted all of staff's recommendation except for the 180 rental night maximum, changing that to a 60 rental night maximum at the March 8, 2023 hearing. In doing so, the Commission found a slightly different balance than had staff, determining that 60 rental nights more appropriately responded to the LUP in this case than did 180. Overall, the Commission finds that the approved compromise can provide for the LUP-required balancing of sometimes competing visitor-serving uses versus residential objectives and needs and is the most appropriate outcome when measured against the LUP and based on the evidence currently before the Commission, including the very limited STR market in the City. Even if that market were to appreciably increase (which seems unlikely since the current market exists in the absence of LCP regulation, and introducing more regulation seems likely to be a deterrent in comparison), the City's regulation and monitoring of STRs through the new provisions would put the City in a position to better understand the nature of potential issues, if any, and could form the basis for future LCP amendments to refine the program as needed. Such an outcome helps preserve at least some modicum of STRs for overnight visitors to the City, however small that market is, and strikes a more appropriate balance, as required by the LUP. This approach also helps to ensure better access for all to prime Coastal Zone visitor destinations in Half Moon Bay by adding to the mix of overnight accommodation options, particularly for families and larger groups not fortunate enough to be able to live in Half Moon Bay for whom STRs may provide a form of lodging that better serves their needs.

In conclusion, with the suggested modifications outlined above, the Commission finds that the IP amendment regarding home occupations and STRs conforms with, and is adequate to carry out, the certified LUP.

C. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are *not* required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the City exempted the proposed amendment from environmental review (citing CEQA Sections 15301 (existing facilities), 15305 (minor alterations to land use limitations), and 15301(b)(3) (common sense exemption)).

The Coastal Commission is *not* exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review

³³ This is especially important because non-LCP Municipal Codes are not vetted and approved by the Commission and should not be allowed to impact implementation of the LCP.

LCP-2-HMB-21-0078-2 (Short-Term Rentals and Home Occupations)

required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, has addressed all comments received, and has concluded that the proposed LCP amendment is expected to result in significant environmental effects, including as those terms are understood in CEQA, if it is not modified to address the coastal resource issues identified herein. Accordingly, it is necessary for the Commission to suggest modifications to the proposed LCP amendment to ensure that it does not result in significant adverse environmental effects. Thus, the proposed LCP amendment as modified will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

4. APPENDICES

A. Substantive File Documents

- LCP Amendment File for LCP-2-HMB-21-0078-2

B. Staff Contact with Agencies and Groups

- City of Half Moon Bay Community Development Department

From: [M Stark Gallery](#)
To: [Joe Butcher](#)
Cc: [Jill Ekas](#)
Subject: Comment in favor of updated STR ordinance for 5/13/23 City Council meeting
Date: Friday, May 12, 2023 8:00:34 AM

[CAUTION]: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

TO: Joe Butcher, Community Preservation Specialist
(650)-726-8270
jbutcher@hmbcity.com
City of Half Moon Bay 501 Main Street
Half Moon Bay, CA

RE: Short-Term Vacation Rental and Home Occupation Zoning Ordinance

Dear Joe,

I am in support of the new Short-Term Vacation Rental and Home Occupation Zoning Ordinance provisions published in the *Half Moon Bay Review* on May 3, 2023. These new provisions align requirements for STR units in the Commercial-Downtown, Commercial-General, and Commercial Visitor Serving districts with similar businesses: hotels, motels, and bed & breakfasts. STRs are a valuable lodging option because they offer additional privacy and conveniences that hotels, motels, and bed & breakfasts do not.

It is appropriate to allow STRs unlimited rental nights in the Downtown Commercial District because this area is zoned for hotels, motels, and bed & breakfasts. My building is surrounded by an open-air bar/restaurant, a retail bank, a hair salon, doctors offices, and I.D.E.S. Portuguese Society Hall.

Guests interested in staying in 729B Main Street, the ground floor 2 bedroom, 1 bathroom STR unit in my mixed-use building, tell me they want to be located in the Commercial Downtown of Half Moon Bay: within walking distance of shops, cafés, restaurants, and the Half Moon Bay Public Library. My guests want the increased privacy and convenience (especially for families) of an STR.

Guests interested in our commercial district STR include people seeking to relocate to the Coastsides who are using the unit as a home base for a few weeks while looking for a permanent home: They want the ease of walking to do errands while they get to know the town while they consider where to put down roots. The proximity of the public library is attractive to these guests who find the attractive interiors and reliable wifi appealing. Our next guest is a winemaker who will be pouring at the Wine & Jazz Festival and wanted to be within close walking distance to the event.

Unique to my all one level/step-free unit, there is one ADA parking space. This is appealing to guests with accessibility needs who want to be in the urban center.

All one level/step-free is also desirable for parents of infants who don't want to carry gear and the baby up and down stairs. This combination of accessibility features is a rare offering on the Coastsides, and unique in the Downtown Commercial District.

When I invested in 727/729 Main Street in January 2021, I did so because it's a mixed-use building in the Downtown Commercial District, capable of generating revenue, including via STR. I decided to convert half of the commercial office space to STR space at a time (that continues) when there is waning demand for commercial office space and retail space. The other half of the ground floor houses my art gallery, which attracts locals and visitors alike to the Downtown core. My peak foot traffic is about 2pm after visitors have enjoyed lunch at a restaurant in Downtown.

The business model for my building depends on 12-month STR income, which was not in question when I contemplated the investment and developed my business plan for the STR + art gallery. Lacking the ability to generate year-round STR income will likely force me to sell the building.

Guests who stay in STRs in the C-D, C-G, and CVS districts are contributing to the local economy above and beyond the 14% Transit Occupancy Tax by spending money in our small businesses and activating our Downtown center. STRs in these districts offer a unique experience not provided by traditional lodging options like hotels, motels, and bed & breakfasts.

Thank you for your consideration,

Marianna Stark
Owner
M Stark Gallery & Artists Retreat
727/729 Main Street
Half Moon Bay, CA 94019

Sign up for our [mailing list here](#)

Marianna Stark

[M Stark Gallery](#)

[CURRENT EXHIBITION](#)

[Artists Retreat & Residency](#)

Business hours: Sat 11-5, Sun 11-4, Fri 4-6 (join our mailing list for special event schedule)

727 Main Street, Half Moon Bay, CA 94019

Direct: 1-415-407-8743

mstarkgallery@gmail.com

mstarkgallery.com

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez, Administrative Services Director
Carol Kim, Accounting Technician

TITLE: ADJUSTMENTS TO COST OF SERVICES SCHEDULE (USER FEES) FOR FISCAL YEAR 2023-24

RECOMMENDATION:

Conduct a public hearing and adopt a resolution authorizing adjustments to the Cost of Services Schedule (User Fees) for Fiscal Year 2023-24.

FISCAL IMPACT:

Pursuant to State law, the fee schedule allows the City to receive fees for specific services provided. Additionally, the Schedule includes development impact fees that address the “fair share” cost of public facilities, infrastructure, and utilities. Except as otherwise noted, fees collected by the City help fund the City General Fund.

STRATEGIC ELEMENT:

This action supports the Infrastructure and Environment and Fiscal Sustainability Elements of the Strategic Plan.

BACKGROUND/DISCUSSION:

The City’s current user fees and deposit amounts were established through a fee study in 2017, prepared in accordance with State law, that was approved and accepted by City Council. The purpose of this item is to affirm and update certain Administrative, Building, Public Works, Planning, and Public Safety fees.

Most of the fees were set at or about 100-percent cost recovery. With respect to entitlement review and permits, this update does not propose a change to the City Council cost recovery goal set in 2017. The intent of this item is to ensure that fee and deposit levels remain consistent with the fee study, as well as with the actual City cost to conduct review and inspections of the various types of permits. This update also brings forth new fees or amended fees to implement new City ordinances.

The City is currently undergoing another fee/nexus study started in FY 2022-23 to determine that City fees and deposit amounts are aligned with the current economy in San Mateo County and throughout the State.

New Short-Term Vacation Rental Registration Fees: The FY 2023-24 Master Fee Schedule includes new fees for short-term vacation rental (STR) registration. The STR Ordinance was conditionally certified by the Coastal Commission in March. Council will consider readoption of the STR Ordinance at a first reading on June 6, with an assumed second reading on June 20, 2023. If the Ordinance moves forward as anticipated, it will be in effect later in July. Once in place, STR operators have six months to register their businesses under the Ordinance; and thus, applicable fees need to be established.

The proposed registration fees align with similar permit and review efforts as presented below:

- **Initial Registration Fee - \$792.37:** This fee is equivalent to the cost of processing a Coastal Development Permit Exemption (\$505) plus 1.5 hours of inspection time (\$287.37 based on \$191.58 hourly rate). If additional inspections are needed, the applicant would be charged the hourly inspection rate.
- **Annual Renewal - \$264.71:** This fee is equivalent to preparing a zoning confirmation letter. For operators in good standing, staff oversight is anticipated to be minimal: a property drive-by (no inspection); review of complaints; and confirmation of compliance with Business License and TOT payments; etc. For operations not in good standing, enforcement may be required, and the renewal process may revert to that required for initial registration.

The City's standard Business License Fee, which is a tax, would continue to be required on top of the registration fees.

Public Works and Community Development: In 2020, numerous updates were made to user fees for public permits and inspections. These changes have been working well and are updated each year according to the applicable indexes:

- **Hourly Billing Rates:** Hourly billing rates for Public Works, Building and Planning staff services were increased by 3%, consistent with the City's annual cost of living increase which applies to all staff positions that charge time for entitlement review.
- **Permit Fees and Deposits:** The Consumer Price Index for Urban and Clerical Workers (CPI-W) is 4.6%, as described later in this report. However, staff have elected to increase by 3%, consistent with the City's annual cost of living. Deposits do not need to be updated this year.
- **Development Impact Fees:** Each fiscal year Development Impact Fees (DIF) are increased based on the Average Annual California Construction Cost Index. However,

this year, due to unusually high inflation, this index was approximately 26% (April to April) as compared to less than 3% the prior year. Staff believes that this increase was anomalous and should not be reflected in FY 2022-23 fees. This adjustment would be an excessive burden on the local development community and could also be a constraint to housing development to increase development impact fees so significantly. Instead, for this fiscal year, staff is recommending a one-time use of the CPI-W increase for development impact fees. As previously noted above in this report, updating the City's fee/nexus study is planned for this year. This study will provide a new baseline for development impact fees, fully loaded staff billing rates, and other costs related to development review.

Public Safety: Most Cities adopt similar codes that are complimentary to the penal code and vehicle code in order to specify certain acts. This creates a safer environment for the community and addresses local safety concerns. Parking, traffic, and general safety ordinances follow San Mateo County Sheriff guidelines.

Other Considerations:

CPI Adjustment: The annual adjustment based on the Consumer Price Index for Urban and Clerical Workers (CPI-W) is 4.6%, which was the annual average for the most recent period. Staff is recommending lowering the annual adjustment so that vendors and the public are not impacted by exorbitant fees. As such, a CPI-W adjustment of 3% is incorporated into the updated fee schedule broadly, and for permit fees as previously discussed.

Conclusion:

If the Council approves this update, new fees will be in effect sixty days from approval, which would occur on August 5, 2023. Fee increases for Administration, Building, Public Works, Development Impact and Planning Fees solely due to annual index adjustments take effect July 1, 2023.

ATTACHMENT:

Resolution including Exhibit A - FY 2023-24 Fee Schedule

RESOLUTION NO. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING ADJUSTMENTS TO COST OF SERVICES SCHEDULE (USER FEES) FOR FY 2022-23**

WHEREAS, the City conducted a user fee study in 2017; and

WHEREAS, based on the fee study, the City Council adopted new user fees for succeeding fiscal years; and

WHEREAS, City staff is to affirm and update certain Administrative, Building, Public Works, and Planning fees associated with staff review and inspection of development entitlements and permits and adjustments for consumer price index; and

WHEREAS, the City Council held a public hearing on June 6, 2023 to consider user fee schedule amendments for Administration, Building, Public Works and Planning Review and Permits.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council of the City of Half Moon Bay approves the updated user fee schedule as presented in Exhibit A; and
2. New fees will be in effect sixty days from approval, which would occur on August 5, 2023. Fee increases for Administration, Building, Public Works, Development Impact and Planning Fees solely due to annual index adjustments take effect July 1, 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 6th day of June 2023 by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services					
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
I. ADMINISTRATION					
1 Administrative Fees					
1 First Returned Item	101-101-4901	\$25.00	\$25.00	\$25.00	Each
2 Each Additional Item	101-101-4901	\$39.00	\$39.00	\$39.00	Each
3 Credit Card Convenience Fee	101-101-4901	2%	2%	2%	2.4% on charges \$30.00 and more
2 Duplication					
1 Photocopies	101-101-4901	\$0.25	\$0.25	\$0.25	Per page
2 Municipal Code Book	101-101-4901	Available online	Available online	Available online	Per book
3 Bound Reports	101-101-4901	Actual Cost	Actual Cost	Actual Cost	Per report
4 Budget	101-101-4901	Available online	Available online	Available online	Each
5 Comprehensive Financial Report (ACFR)	101-101-4901	Available online	Available online	Available online	Each
3 City Clerk					
Election Filing Fee	101-110-4901	\$25.00	\$25.00	\$25.00	Each
Candidate Printing Fee	101-110-4901	Determined per election	Determined per election	Determined per election	Deposit
4 Staff Research					
1 City Manager's Office	101-120-4443	\$62.00	\$66.00	\$67.00	Per 0.25 hour
2 Finance Department	101-210-4443	\$52.00	\$55.00	\$56.00	Per 0.25 hour
3 City Clerk's Office	101-140-4443	\$49.00	\$52.00	\$53.00	Per 0.25 hour
4 Planning Department	101-710-4443	\$60.00	\$63.00	\$64.00	Per 0.25 hour
5 Building Department	101-720-4443	\$44.00	\$46.00	\$47.00	Per 0.25 hour
6 Public Works Department - Engineering	101-420-4443	\$53.00	\$56.00	\$57.00	Per 0.25 hour
7 Public Works Department - Maintenance	101-430-4443	\$46.00	\$48.00	\$49.00	Per 0.25 hour
8 Police - Sworn	101-310-4203	\$61.00	\$61.00	\$61.00	Per 0.25 hour
9 Police - Non Sworn	101-310-4203	\$21.00	\$21.00	\$21.00	Per 0.25 hour
5 Private Alarm Permits (Chapter 9.10)					
1 Alarm Permit	101-310-4202	\$54.00	\$57.00	\$58.00	Each
2 False Alarm Response with Permit					
1st & 2nd Alarms	101-310-4202	\$0.00	\$0.00	\$0.00	No fee
3rd Alarm	101-310-4202	\$54.00	\$57.00	\$58.00	Each
4th Alarm	101-310-4202	\$111.00	\$118.00	\$121.00	Each
5th Alarm	101-310-4202	\$168.00	\$178.00	\$183.00	Each
6th Alarm and responses thereafter	101-310-4202	\$224.00	\$238.00	\$245.00	Each
3 False Alarm without Permit					
1st & 2nd Alarms	101-310-4202	\$54.00	\$57.00	\$58.00	Each
3rd Alarm	101-310-4202	\$111.00	\$118.00	\$121.00	Each
4th Alarm	101-310-4202	\$139.00	\$148.00	\$152.00	Each
5th Alarm	101-310-4202	\$195.00	\$207.00	\$213.00	Each
6th Alarm and responses thereafter	101-310-4202	\$280.00	\$298.00	\$306.00	Each
6 Film Permit (Chapter 9.74)	101-101-4201	\$576.00	\$576.00	\$576.00	Per day
7 Special Event Permits ^[1]					
1 Block Parties	101-101-4201	\$224.00	\$224.00	\$224.00	Per event
2 Fund Raisers	101-101-4201	\$224.00	\$224.00	\$224.00	Per event
3 Miscellaneous Events	101-101-4201	\$448.00	\$448.00	\$448.00	Per event
4 Carnival/Circus/Parade/Race/Rodeo, etc.	101-101-4201	\$448.00	\$448.00	\$448.00	Each
5 Amusement Concession	101-101-4201	\$448.00	\$448.00	\$448.00	Each
8 Poplar Beach Parking ^[1]					
Vehicles less than 20 feet	101-430-4720	\$10.00	\$10.00	\$10.00	Per 12 hours
Horse trailers and vehicles longer than 20 feet	101-430-4720	\$15.00	\$15.00	\$15.00	Per 12 hours
Annual Permit	101-430-4720	\$165.00	\$165.00	\$165.00	12 month permit
Nine-month Permit	101-430-4720	\$90.00	\$90.00	\$90.00	9-month (September through May)
Replacement Parking permit			\$30.00	\$30.00	
9 BID Administration for City Hotels	101-210-4443	\$165.00	\$165.00	\$165.00	Per month
10 Street Closure	Expense Code	Actual cost	Actual cost	Actual cost	
11 Professional Dog Walker permit		\$200.00	\$200.00	\$200.00	Annual (January 1 - December 31)
12 Personal Dog Walker permit (3-6 dogs)		TBD	\$75.00	\$75.00	Annual (January 1 - December 31)
13 Annual License Agreement					
Parklet Activities Space			\$800.00	\$800.00	

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
Sidewalk Activities Space			\$225.00	\$225.00	
Other			Per City Council approval	Per City Council approval	Per City Council approval
[1] Fees may be waived by the City Manager for NPDES related volunteer events					
II. BUILDING ^{(2) (3) (4)}					
0 Building Hourly Rates		\$181.00	\$186.00	\$191.00	Per hour
Inspections outside of normal business hours, per hour	101-720-4422	1.5 x hourly rate	1.5 x hourly rate	1.5 x hourly rate	Per hour
Inspection on Sundays and Holidays, per hour	101-720-4422	2 x hourly rate	2 x hourly rate	2 x hourly rate	Per hour
Reinspection fees, per hour	101-720-4422	Hourly rate	Hourly rate	Hourly rate	Per hour
Inspection for which no fee is specifically indicated, per hour	101-720-4422	Hourly rate	Hourly rate	Hourly rate	Per hour
1 Building Permit Fee for Alterations, Additions, and New Construction (based on valuation of improvement)					
Valuation (\$)					
0 - 500 (Includes basic water heater, furnace replacements and re-roofing with two or fewer inspections)	101-720-4422	\$181.00	\$186.00	\$191.00	Per hour
501 - 2,000					
First 500	101-720-4422	\$236.00	\$251.00	\$258.00	Valuation
Each Additional 100 or fraction thereof	101-720-4422	\$11.00	\$12.00	\$12.00	
2,001 - 25,000					
First 2,000	101-720-4422	\$438.00	\$466.00	\$479.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$1.00	\$1.00	\$1.00	
25,001 - 50,000					
First 25,000	101-720-4422	\$493.00	\$525.00	\$540.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$5.00	\$5.00	\$5.00	
50,001 - 100,000					
First 50,000	101-720-4422	\$658.00	\$701.00	\$722.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$3.00	\$3.00	\$3.00	
100,000 - 500,000					
First 100,000	101-720-4422	\$823.00	\$876.00	\$902.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$3.00	\$3.00	\$3.00	
500,001 - 1,000,000					
First 500,000	101-720-4422	\$2,200.00	\$2,343.00	\$2,413.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$5.00	\$5.00	\$5.00	
1,000,001 and above					
First 1,000,000	101-720-4422	\$5,281.00	\$5,624.00	\$5,792.00	Valuation
Each Additional 1,000 or fraction thereof	101-720-4422	\$6.00	\$6.00	\$6.00	
2 Building Plan Check Fee		65% of Building Permit Fee	65% of Building Permit Fee	65% of Building Permit Fee	
Miscellaneous Plan Review		\$181.00	\$186.00	\$191.00	Per hour
Plan Revision	101-720-4422	\$181.00	\$186.00	\$191.00	Per hour
Fee for 4th review onwards-charged on hourly basis	101-720-4422	\$181.00	\$186.00	\$191.00	Per hour
Electronic submittal fee	101-720-4422	\$2/drawing sheet and \$5.59 flat fee for supporting documents	\$2/drawing sheet and \$5.59 flat fee for supporting documents	\$2/drawing sheet and \$5.59 flat fee for supporting documents	Each
Fire Plan Check Administrative Fee			\$93.00	\$95.00	1/2 hour
Solar	101-720-4422	\$181.00	\$186.00	\$191.00	Per hour
3 Miscellaneous Permit					
1 Demolition	101-720-4422	\$362.00	\$373.00	\$384.00	Up To 2 hours
2 Permit Fees for Work Without Valid Permit (Bldg, Elec, Mech, Plmb, Encroach, Gradng)	101-720-4422	2 X Permit Fee	2 X Permit Fee	2 X Permit Fee	Fine / Penalty
3 Business License Inspection	101-720-4422	\$91.00	\$93.00	\$95.00	Per 0.5 hour
4 Address Assignment		\$181.00	\$186.00	\$191.00	Per hour
4 Other Inspections and Fees					
Pre-Site Inspection	101-720-4422	Per building hourly rate	\$186.00	\$191.00	Per hour
Re-Inspections	101-720-4422	Per building hourly rate	\$186.00	\$191.00	Per hour
Reinspection fees	101-720-4422	Per building hourly rate	\$186.00	\$191.00	Per hour
Inspection for which no fee is specifically indicated, per hour	101-720-4422	Per building hourly rate	\$186.00	\$191.00	Per hour
Inspections outside of normal business hours, per hour	101-720-4422	Per building hourly rate	\$186.00	\$191.00	Per hour
General Plan Fee	101-710-4444	0.25%	0.25%	0.25%	Valuation
5 Refund (Update Refund Policy)		\$91.00	\$93.00	\$95.00	Per 0.5 hour

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
6 Special Structural Inspection Fee	101-720-4422	\$273.00	\$227.00	\$233.00	Deposit to be determined by Public Works Director at time of application. Per Public Works hourly rate
7 Electrical Permit					
Permit Issuance					
For issuing each permit	101-720-4422	\$43.00	\$46.00	\$47.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	101-720-4422	\$43.00	\$46.00	\$47.00	Each
New Residential Buildings					
For new multifamily residential buildings (apartments and condominiums) having three or more living units, including the area of garages, carports, and other non-commercial automobile storage areas constructed at the same time, per square foot	101-720-4422	\$15.00	\$16.00	\$16.00	Per 100 square foot

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
For new single and two-family residential buildings, including the area of garages, carports and other minor accessory buildings constructed at the same time, per square foot	101-720-4422	\$15.00	\$16.00	\$16.00	Per 100 square foot
For other types of residential occupancies and alteration, and modifications to existing residential buildings, use the UNIT FEE SCHEDULE	101-720-4422	See Unit Fee Schedule Below	See Unit Fee Schedule Below	See Unit Fee Schedule Below	
Private Swimming Pools For new private, residential, in-ground swimming pools for single family/multi-family occupancies, including a complete system of necessary branch circuit wiring, bonding, grounding, underwater lighting, water pumping, and other similar electrical equipment directly related to the operation of a swimming pool, each pool	101-720-4422	\$21.00	\$22.00	\$22.00	Each
Carnivals and Circuses Carnivals, circuses, or other traveling shows or exhibitions utilizing transportable-type rides, booths, displays and attractions:					
For electrical generators and electrically driven rides, each	101-720-4422	\$38.00	\$40.00	\$41.00	Each
For mechanically driven rides and walk-through attractions or displays having electric lighting, each	101-720-4422	\$7.00	\$7.00	\$7.00	Each
For a system of area and booth lighting, each	101-720-4422	\$7.00	\$7.00	\$7.00	Each
For permanently installed rides, booths, displays and attractions, use the UNIT FEE SCHEDULE	101-720-4422	See Unit Fee Schedule Below	See Unit Fee Schedule Below	See Unit Fee Schedule Below	
Temporary Power Services For a temporary service power pole or pedestal including all pole or pedestal-mounted receptacle outlets and appurtenances, each	101-720-4422	\$21.00	\$22.00	\$22.00	Each
For a temporary distribution system and temporary lighting and receptacle outlets for construction sites, decorative light, Christmas tree sales lots, fireworks stands, etc., each	101-720-4422	\$21.00	\$22.00	\$22.00	Each
Receptable, Switch and Lighting Outlets For receptacle, switch, lighting, or other outlets at which current is used or controlled (except services, feeders, and meters):					
First 20 fixtures, each	101-720-4422	\$1.48	\$2.00	\$2.00	Each
Additional fixtures, each	101-720-4422	\$0.30	\$0.32	\$0.33	Each
For lighting fixtures, sockets, or other lamp-holding devices:					
First 20 fixtures, each	101-720-4422	\$1.48	\$2.00	\$2.00	Each
Additional fixtures, each	101-720-4422	\$1.48	\$2.00	\$2.00	Each
For pole or platform-mounted lighting fixtures	101-720-4422	\$28.00	\$30.00	\$30.00	Each
For theatrical-type lighting fixtures or assemblies	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Residential Appliances For fixed residential appliances or receptacle outlets for same, including wall-mounted electrical ovens; counter-mounted cooking tops; electric ranges; self-contained room, console, or through wall air conditioners; space heaters; food waste grinders; dishwashers; washing machines; water heaters; clothes dryers; or other motor-operated appliance not exceeding one horsepower (HP) in rating	101-720-4422	\$3.00	\$3.00	\$3.00	Each
Non-Residential Appliances For residential appliances and self-contained factory-wired non-residential appliances not exceeding one horsepower (HP), kilowatt (KW), or kilovolt ampere (KVA) in rating, including medical or dental devices; food, beverage, and ice cream cabinets; illuminated show cases; drinking fountains; vending machines; laundry machines; or other similar types of equipment	101-720-4422	\$3.00	\$3.00	\$3.00	Each
Busways For trolley and plug-in-type busways, each 100 feet or fraction thereof Note: An additional fee is required for lighting fixtures, motors and other appliances that are connected to trolley and plug-in-type busways. A fee is not required for portable tools.	101-720-4422	\$28.00	\$30.00	\$30.00	Each 100 ft or fraction thereof
Power Apparatus					

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services					
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
For motors, generators, transformers, rectifiers, synchronous converters, capacitors, industrial heating, air conditioners and heat pumps, cooking or baking equipment and other apparatus, as follows (Rating in Horsepower (HP), kilowatts (KW), kilovolt-amperes (KVA), or kilo-volt-amperes-reactive (KVAR): Up to and including 1 Over 1 and not over 10 Over 10 and not over 50 Over 50 and not over 100 Over 100	101-720-4422 101-720-4422 101-720-4422 101-720-4422 101-720-4422	\$15.00 \$15.00 \$28.00 \$28.00 \$57.00	\$16.00 \$16.00 \$30.00 \$30.00 \$61.00	\$16.00 \$16.00 \$30.00 \$30.00 \$62.00	Each Each Each Each Each
Signs, Outline Lighting and Marquees					
For signs, outline lighting systems or marquees supplied from one branch circuit	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For additional branch circuits within the same sign, outline lighting system or marquee	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Services					
For services of 600 volts or less and no over 200 amperes in rating	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For services of 600 volts or less and not over 200 amperes to 1,000 amperes in rating	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For services over 600 volts or over 1,000 amperes in rating	101-720-4422	\$21.00	\$22.00	\$22.00	Each
Miscellaneous Apparatus, Conduits and Conductors					
For electrical apparatus, conduits and conductors for which a permit is required but for which no fee is herein set forth	101-720-4422	\$27.97	\$30.00	\$30.00	Each
Other Inspection and Fees		Per building hourly rate	\$186.00	\$191.00	Per hour
8 Mechanical Permit					
Permit Issuance					
For issuing each permit	101-720-4422	\$43.00	\$46.00	\$47.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	101-720-4422	\$43.00	\$46.00	\$47.00	Each
Furnaces					
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts, and vents attached to such appliances, up to and including 100,000 Btu/h	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts, and vents attached to such appliances over 100,000 Btu/h	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For the installation or relocation of each floor furnace, including vent	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted heater	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Appliance Vents					
For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Repairs or Additions					
For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls regulated by the Code	101-720-4422	\$21.00	\$22.00	\$22.00	Each
Boilers, Compressors and Absorption Systems					
For the installation or relocation of each boiler or compressor up to and including three horsepower, or each absorption system up to and including 100,000 Btu/h	101-720-4422	\$45.00	\$48.00	\$49.00	Each
For the installation or relocation of each boiler or compressor over three horsepower, up to and including 15 horsepower, or each absorption system over 100,000 Btu/h to and including 500,000 Btu/h	101-720-4422	\$45.00	\$48.00	\$49.00	Each
For the installation or relocation of each boiler or compressor over 15 horsepower, up to and including 30 horsepower, or each absorption system over 500,000 Btu/h to and including 1,000,000 Btu/h	101-720-4422	\$45.00	\$48.00	\$49.00	Each

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
For the installation or relocation of each boiler or compressor over 30 horsepower to and including 50 horsepower, or for each absorption system over 1,000,000 Btu/h to and including 1,750,000 Btu/h	101-720-4422	\$91.00	\$97.00	\$99.00	Each
Air Handlers					
For each air-handling unit to and including 10,000 cubic feet per minute, including ducts attached thereto	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each air-handling unit over 10,000 cfm	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Evaporative Coolers					
For each evaporative cooler other than portable type	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Ventilation and Exhaust					
For each ventilation fan connected to a single duct	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Incinerators					
For the installation or relocation of each domestic-type incinerator	101-720-4422	\$28.00	\$30.00	\$30.00	Each
For the installation or relocation of each commercial or industrial-type incinerator	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Miscellaneous					
For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	101-720-4422	\$15.00	\$16.00	\$16.00	Each
9 Plumbing Permit					
Permit Issuance					
For issuing each permit	101-720-4422	\$45.00	\$48.00	\$49.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	101-720-4422	\$45.00	\$48.00	\$49.00	Each
Fixtures and Vents					
For each plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping and backflow protection therefore)	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each repair or alteration of drainage or vent piping, each fixture	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Sewers, Disposal Systems and Interceptors					
For each building sewer and each trailer park sewer	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Rainwater systems-per drain (inside building)	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each cesspool (where permitted)	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each private sewage disposal system	101-720-4422	\$21.00	\$22.00	\$22.00	Each
For each industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture traps	101-720-4422	\$21.00	\$22.00	\$22.00	Each
Gas Piping Systems					
For each gas-piping system of one to five outlets	101-720-4422	\$25.00	\$27.00	\$27.00	Each
For each additional gas piping system outlet, per outlet	101-720-4422	\$2.00	\$2.00	\$2.00	Each
Water Piping and Water Heaters					
For installation, alteration, or repair of water piping or water-treating equipment, or both, each	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For each water heater and/or vent	101-720-4422	\$3.00	\$3.00	\$3.00	Each
Lawn Sprinklers, Vacuum Breakers & Backflow Protection Devices					
For each lawn sprinkler system or any one meter, including backflow protection devices thereof	101-720-4422	\$15.00	\$16.00	\$16.00	Each
For atmospheric-type vacuum breakers or backflow protection devices not included above:					
1 to 5	101-720-4422	\$3.00	\$3.00	\$3.00	Each
Over 5, each	101-720-4422	\$2.00	\$2.00	\$2.00	Each
For each backflow protective device other than atmospheric type vacuum breakers:					
2 inch diameter and smaller	101-720-4422	\$7.00	\$7.00	\$7.00	Each
over 2 inch diameter	101-720-4422	\$14.00	\$15.00	\$15.00	Each
Swimming Pools					

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
Public Pool	101-720-4422	\$45.00	\$48.00	\$49.00	Each
Public Spa	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Private Pool	101-720-4422	\$45.00	\$48.00	\$49.00	Each
Private Spa (pre-manufactured)	101-720-4422	\$7.00	\$7.00	\$7.00	Per valuation
Private Spa (custom built)	101-720-4422	\$28.00	\$30.00	\$30.00	Each
Miscellaneous					
For each appliance or piece of equipment regulated by the Plumbing Code but not classed in other appliance categories, or for which no other fee is listed in this code	101-720-4422	\$15.00	\$16.00	\$16.00	Each
Other Inspection and Fees		Per building hourly rate	\$186.00	\$191.00	Per hour
^[2] The General Plan fee will be applied to all residential/commercial/industrial new construction and/or addition permits. The fee will be 0.25% (\$2.50/\$1000) of the valuation of the construction/addition. ^[3] Permit fees for work done without a valid permit are 2x the applicable permit fee ^[4] Solar permit fees shall be established based on valuation with a 70% discount of the total of the building permit fee, plan check fee and electrical permit fee.					
III. PUBLIC WORKS ^{[5] [6]}					
0 Public Works Hourly Rate	101-420-4443	\$220.00	\$227.00	\$233.00	Hourly rate
1 Public Improvement Plan Check Fee (including grading)					
Valuation (\$)					
\$10,000	101-420-4421	\$890.00	\$948.00	\$976.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$43.00	\$46.00	\$47.00	Flat fee
\$100,000	101-420-4421	\$4,895.00	\$5,213.00	\$5,369.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$36.00	\$38.00	\$39.00	Flat fee
\$500,000	101-420-4421	\$19,807.00	\$21,094.00	\$21,726.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$38.00	\$40.00	\$41.00	Flat fee
2 Construction Inspection					
Valuation (\$)					
\$10,000	101-420-4421	\$890.00	\$948.00	\$976.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$72.00	\$77.00	\$79.00	Flat fee
\$100,000	101-420-4421	\$7,566.00	\$8,058.00	\$8,299.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$57.00	\$61.00	\$62.00	Flat fee
\$500,000	101-420-4421	\$31,381.00	\$33,421.00	\$34,423.00	Flat fee
Each additional \$1,000 or fraction thereof	101-420-4421	\$61.00	\$65.00	\$66.00	Flat fee
3 Final Map Review					
Parcel Map (Up to 4)	101-000-2302	\$6,854.00	\$6,854.00	\$6,854.00	Deposit
Tract Map (Up to 5)	101-000-2302	\$8,568.00	\$8,568.00	\$8,568.00	Deposit
4 Subdivision Improvement Agreement Review	101-000-2302	\$3,410.00	\$3,410.00	\$3,410.00	Deposit
5 Encroachment Permits Plan Review & Inspection					
Spot Repair (I.e. water leaks, pothole patches)	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Excavation/Restoration less than 100 LF	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
Excavation/Restoration 100 LF or greater	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
each additional 100 LF	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Curb, gutter, sidewalk, or driveway less than 100 LF	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
Curb, gutter, sidewalk, or driveway 100 LF or greater	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
each additional 100 LF	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Sewer connections, repair or extension 100 LF or less	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
Storm Drain connection, repair or extension 100 LF or Greater	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
each additional 100 LF	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Storm Drain connection, repair or extension <100 LF	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
each additional 100 LF	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Storm Drain connection, repair or extension >100 LF	101-420-4421	\$890.00	\$948.00	\$976.00	Flat Fee
each additional 100 LF	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Unpermitted encroachments	101-420-4421	1.5 x fee	2 x Permit fee	2 x Permit fee	Fine / Penalty
Monitoring Wells	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Permit Time Extension	101-420-4421	\$109.00	\$116.00	\$119.00	Flat Fee
6 Public Right-of-Way/Easement Encroachment (Temporary)	101-420-4421	\$220.00	\$234.00	\$241.00	Flat fee
7 Deferred Improvement Agreement Review	101-420-4421	\$443.00	\$472.00	\$486.00	Flat fee
8 Grading Permits Plan Review and Inspection ^[3]					

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
Grading changes 50-1,000 CY	101-140-5231		\$948.00	\$976.00	Flat fee
Grading changes >1,000 CY	101-140-5231	\$890.00	\$948.00	\$976.00	Flat fee
Additional 100 CY over 1000	101-140-5231	\$890.00	\$234.00	\$241.00	Flat fee
9 Sewer					
FOG Certification	202-520-4506	\$51.00	\$54.00	\$55.00	Flat fee
Transfer of Uninstalled Capacity Fee	202-520-4506	\$443.00	\$472.00	\$486.00	Flat fee
10 Supporting to Planning					
1 Pre-Entitlement Processing					
Pre-Application Review	101-000-2302	\$220.00	\$220.00	\$220.00	Deposit
Pre-Application: Commercial Cannabis Business Review	101-000-2302	\$220.00	\$220.00	\$220.00	Deposit
2 Coastal Development Permit Processing					
Coastal Development Permit Exemption	101-420-4421	\$220.00	\$234.00	\$241.00	Flat Fee
Single Family Residential	101-000-2302	\$890.00	\$890.00	\$890.00	Deposit
Accessory Dwelling Unit - New Development	101-420-4421	\$443.00	\$472.00	\$486.00	Flat Fee
Multiple Family Residential	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
Commercial / Mixed Use	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
Industrial / Institutional	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
Other Development					
Community Development Director	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Planning Commission	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
Amendments					
Minor Amendments	101-420-4421	\$220.00	\$234.00	\$241.00	Flat fee
Major Amendments	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
3 Environmental Clearance Processing					
CEQA/NEPA Environmental Clearance					
Negative Declaration	101-000-2302	\$856.00	\$856.00	\$856.00	Deposit
EIR	101-000-2302	\$1,713.00	\$1,713.00	\$1,713.00	Deposit
4 Entitlement Processing					
Commercial Cannabis Business License	101-000-2302	\$1,672.00	\$1,672.00	\$1,672.00	Deposit
Use Permit	101-000-2302	\$836.00	\$836.00	\$836.00	Deposit
Variance / Exception Planning Commission	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Exception/Community Development Director	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Zoning, LCP, and GP Amendments					
LCP/GP	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
IP/Rezoning	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Planned Unit Development Specific Plan	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Planned Unit Development Specific Plan Amendment	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Planned Unit Development Precise Plan	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Planned Unit Development Precise Plan Amendment	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Annexation/Prezoning	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Land Division and Merger					
Certificate of Compliance	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Lot Merger	101-000-2302	\$459.00	\$459.00	\$459.00	Deposit
Lot Line Adjustment	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Parcel Map (four or fewer lots)	101-000-2302	\$1,837.00	\$1,837.00	\$1,837.00	Deposit
Tentative Subdivision Map	101-000-2302	\$3,675.00	\$3,675.00	\$3,675.00	Deposit
Subdivision Agreement					No Fee
Time Extension	101-000-2302	\$919.00	\$919.00	\$919.00	Deposit
Community Development Director Review	101-000-2302	\$228.00	\$228.00	\$228.00	Deposit
11 Building Plan Review / Support					
1 Minor Residential improvement	101-420-4421	\$220.00	\$234.00	\$241.00	Flat fee
2 TI or Addition of s.f	101-420-4421	\$443.00	\$472.00	\$486.00	Flat fee
3 New SFD	101-420-4421	\$443.00	\$472.00	\$486.00	Flat fee
4 New Multifamily or Commercial	101-420-4421	\$1,110.00	\$1,182.00	\$1,217.00	Flat fee

^[3] Permit fees for work done without a valid permit are 2x the applicable permit fee

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services					
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
^[5] Construction activities during October through April shall require Storm Water Pollution Prevention plans, measures and fees.					
^[6] For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials					
IV. DEVELOPER IMPACT FEES ^[7]					
1 Single Family and Accessory Dwelling Units greater than 750 SQFT (Developer Impact Fees calculated for each Accessory Dwelling Unit per City Ordinance and State Law)					
1 Sewer Capacity - Assessment District Participant	202-520-4506	\$5,272.00	\$5,615.00	\$5,615.00	Per dwelling unit
Sewer Capacity - Assessment District Non-Participant	202-520-4506	\$18,743.00	\$19,961.00	\$19,961.00	Each SFRE***
2 SMIP Residential*	101-000-2181	\$0.00	\$0.00	\$0.00	\$100,000 Valuation
SMIP Commercial*	101-000-2181	\$0.00	\$0.00	\$0.00	\$100,000 Valuation
3 BSRF (Bldg. Stndrds Admin Spec Revolving Fnd)**					
\$1 - 25,000	101-000-2182	\$1.00	\$1.00	\$1.00	Valuation
\$25,001 - 50,000	101-000-2182	\$2.00	\$2.00	\$2.00	Valuation
\$50,001 - 75,000	101-000-2182	\$3.00	\$3.00	\$3.00	Valuation
\$75,001 - 100,000	101-000-2182	\$4.00	\$4.00	\$4.00	Valuation
Every \$25,000 or fraction above \$100,000	101-000-2182	\$1.00	\$1.00	\$1.00	Valuation
4 Storm Drainage	152-450-4501	\$803.00	\$855.00	\$855.00	Per dwelling unit
5 Capital Outlay Facilities	301-101-4503	\$1,138.00	\$1,212.00	\$1,212.00	Per dwelling unit
6 Traffic Mitigation	112-510-4502	\$7,417.00	\$7,899.00	\$7,899.00	Per dwelling unit
7 Park Facilities	125-530-4504	\$8,375.00	\$8,919.00	\$8,919.00	Per dwelling unit
2 Development Fees; Multi-Family / Commercial					
1 Sewer Capacity					
Multi-Family	202-520-4506	\$4,428.00	\$4,716.00	\$4,716.00	Per dwelling unit
Mobile Home	202-520-4506	\$3,320.00	\$3,536.00	\$3,536.00	Per dwelling unit
Office	202-520-4506	\$1,423.00	\$1,515.00	\$1,515.00	Per 1,000 square feet
Commercial/Retail	202-520-4506	\$2,054.00	\$2,188.00	\$2,188.00	Per 1,000 square feet
Lodging	202-520-4506	\$2,054.00	\$2,188.00	\$2,188.00	Per room
Industrial	202-520-4506	\$2,054.00	\$2,188.00	\$2,188.00	Per 1,000 square feet
Sewer Connection - Assessment District Non-Participant	202-520-4506	\$18,743.00	\$19,961.00	\$19,961.00	Each SFRE***
2 SMIP Residential*	101-000-2181	Per formula	Per formula	\$0.00	Valuation over \$3,850, the fee is \$13 per \$100,000 permit valuation
SMIP Commercial*	101-000-2181	Per formula	Per formula	\$0.00	Valuation over \$1,786, the fee is \$28 per \$100,000 permit valuation
SMIP Flat Fee*	101-000-2181	Per formula	Per formula	\$0.00	Residential permits under \$3,850 and Commerical permits under \$1,786, fee is \$.50
3 BSRF (Bldg. Stndrds Admin Spec Revolving Fnd)**		According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473)	According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473)	According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473)	
\$1 - 25,000	101-000-2182	\$1.00	\$1.00	\$1.00	Valuation
\$25,001 - 50,000	101-000-2182	\$2.00	\$2.00	\$2.00	Valuation
\$50,001 - 75,000	101-000-2182	\$3.00	\$3.00	\$3.00	Valuation
\$75,001 - 100,000	101-000-2182	\$4.00	\$4.00	\$4.00	Valuation
Every \$25,000 or fraction thereof above \$100,000	101-000-2182	\$1.00	\$1.00	\$1.00	Valuation
4 Storm Drainage					
Multi-Family	152-450-4501	\$317.00	\$338.00	\$338.00	Per dwelling unit
Mobile Home	152-450-4501	\$0.00	\$0.00	\$0.00	Per dwelling unit
Office	152-450-4501	\$677.00	\$721.00	\$721.00	Per 1,000 square feet
Commercial/Retail	152-450-4501	\$489.00	\$521.00	\$521.00	Per 1,000 square feet
Lodging	152-450-4501	\$0.00	\$0.00	\$0.00	Per room
Industrial	152-450-4501	\$338.00	\$360.00	\$360.00	Per 1,000 square feet
5 Capital Outlay					
Multi-Family	301-101-4503	\$949.00	\$1,011.00	\$1,011.00	Per dwelling unit
Mobile Home	301-101-4503	\$720.00	\$767.00	\$767.00	Per dwelling unit
Office	301-101-4503	\$363.00	\$387.00	\$387.00	Per 1,000 square feet
Commercial/Retail	301-101-4503	\$199.00	\$212.00	\$212.00	Per 1,000 square feet
Lodging	301-101-4503	\$25.00	\$27.00	\$27.00	Per room
Industrial	301-101-4503	\$181.00	\$193.00	\$193.00	Per 1,000 square feet

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
6 Traffic Mitigation					
Multi-Family	112-510-4502	\$4,045.00	\$4,308.00	\$4,308.00	Per dwelling unit
Mobile Home	112-510-4502	\$3,828.00	\$4,077.00	\$4,077.00	Per dwelling unit
Office	112-510-4502	\$4,650.00	\$4,952.00	\$4,952.00	Per 1,000 square feet
Commercial/Retail	112-510-4502	\$7,791.00	\$8,297.00	\$8,297.00	Per 1,000 square feet
Lodging	112-510-4502	\$2,486.00	\$2,648.00	\$2,648.00	Per room
Industrial	112-510-4502	\$3,780.00	\$4,026.00	\$4,026.00	Per 1,000 Square Feet
7 Park Facility Fee					
Multi-Family	125-530-4504	\$6,978.00	\$7,432.00	\$7,432.00	Per dwelling unit
Mobile Home	125-530-4504	\$5,303.00	\$5,648.00	\$5,648.00	Per dwelling unit
3 Development Fees - Residential Subdivision Fees Only					
Park Dedication	N/A	Per Chapter 17.48 of Municipal Code	Per Chapter 17.48 of Municipal Code	Per Chapter 17.48 of Municipal Code	
^[7] * Fees were increased by the CPR-W rate of 6.5% in FY 22-23 due to the anomalous cost increases in Engineering News Record - Construction Cost Index in 2021-22. * Strong Motion Instrumentation Program Fees Set According to State of CA Dept of Conservation Rates ** Fees Set According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473) *** Single Family Residential Equivalent. See Chapter 13.38.080 Section C. for Commercial, Professional and Institutional Calculation of Connection Charge.					
V. PLANNING ^{[8][9]}					
0 Planning Hourly Rate		\$241.00	\$248.00	\$255.00	Per hour
1 Pre-Entitlement Processing					
1 Pre-Application Review	101-000-2302	\$1,738.00	\$1,738.00	\$1,738.00	Deposit
2 Pre-Application Commercial Cannabis Business	101-000-2302	\$1,581.00	\$1,581.00	\$1,581.00	Deposit
3 Measure 'D'					
Accessory Dwelling Unit (consistent with City Ordinance and State Law)	101-710-4443 ACT456	\$610.00	\$650.00	\$669.00	Flat fee
Single Allocation	101-710-4443 ACT456	\$610.00	\$650.00	\$669.00	Flat fee
Phasing Agreement	101-000-2302	\$2,301.00	\$2,301.00	\$2,301.00	Deposit
2 Coastal Development Permit Processing					
1 Coastal Development Permit Exemption	101-000-2302	\$505.00	\$505.00	\$505.00	Deposit
2 Single Family Residential					
<= 3,000 square feet	101-000-2302	\$2,519.00	\$2,519.00	\$2,519.00	Deposit
> 3,000 square feet	101-000-2302	\$3,238.00	\$3,238.00	\$3,238.00	Deposit
3 Accessory Dwelling Unit - New Development	101-710-4443	\$605.00	\$644.00	\$663.00	Flat fee
4 Multiple Family Residential					
>= Four dwelling units	101-000-2302	\$3,718.00	\$3,718.00	\$3,718.00	Deposit
< Four dwelling units	101-000-2302	\$6,232.00	\$6,232.00	\$6,232.00	Deposit
5 Commercial / Mixed Use					
<= 10,000 square feet	101-000-2302	\$3,718.00	\$3,718.00	\$3,718.00	Deposit
> 10,000 square feet	101-000-2302	\$6,232.00	\$6,232.00	\$6,232.00	Deposit
6 Industrial / Institutional					
<= 20,000 square feet	101-000-2302	\$3,718.00	\$3,718.00	\$3,718.00	Deposit
> 20,000 square feet	101-000-2302	\$6,232.00	\$6,232.00	\$6,232.00	Deposit
7 Other Development					
Community Development Director	101-000-2302	\$2,758.00	\$2,758.00	\$2,758.00	Deposit
Planning Commission	101-000-2302	\$3,538.00	\$3,538.00	\$3,538.00	Deposit
8 Amendments					
Minor Amendment	101-710-4443	\$468.00	\$498.00	\$512.00	Flat fee
Major Amendments	101-000-2302	\$2,758.00	\$2,758.00	\$2,758.00	Deposit
3 Environmental Clearance Processing					
1 CEQA/NEPA Environmental Clearance					
Negative Declaration	101-000-2302	\$5,037.00	\$5,037.00	\$5,037.00	Deposit
EIR	101-000-2302	\$11,335.00	\$11,335.00	\$11,335.00	Deposit
2 Notice of Exemption	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
4 Design Review Processing					
1 Architectural, Landscape, and Site Plan Review	101-000-2302	\$749.00	\$749.00	\$749.00	Deposit
5 Entitlement Processing					
1 Home Occupation	101-710-4443	\$120.00	\$128.00	\$131.00	Flat fee
2 Commercial Cannabis Business License	101-000-2302	\$5,604.00	\$5,604.00	\$5,604.00	Deposit

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
3 Use Permit	101-000-2302	\$1,139.00	\$1,139.00	\$1,139.00	Deposit
4 Variance / Exception Planning Commission	101-000-2302	\$1,139.00	\$1,139.00	\$1,139.00	Deposit
5 Exception and Community Development Director	101-000-2302	\$502.00	\$502.00	\$502.00	Deposit
6 Zoning, LCP, and GP Amendments					
LCP/GP	101-000-2302	\$17,693.00	\$17,693.00	\$17,693.00	Deposit
IP/Rezoning	101-000-2302	\$17,693.00	\$17,693.00	\$17,693.00	Deposit
Planned Unit Development Specific Plan	101-000-2302	\$17,693.00	\$17,693.00	\$17,693.00	Deposit
Planned Unit Development Specific Plan Amendment	101-000-2302	\$8,816.00	\$8,816.00	\$8,816.00	Deposit
Planned Unit Development Precise Plan	101-000-2302	\$8,816.00	\$8,816.00	\$8,816.00	Deposit
Planned Unit Development Precise Plan Amendment	101-000-2302	\$4,558.00	\$4,558.00	\$4,558.00	Deposit
Annexation/Prezoning	101-000-2302	\$17,693.00	\$17,693.00	\$17,693.00	Deposit
6 Appeals		<i>Half the original fee if applicable. No appeal fee if the City is the applicant.</i>			
Filing Fee - Outside CCC Appeals Jurisdiction	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
Filing Fee - Within CCC Appeals Jurisdiction			\$0.00	\$0.00	No fee
Processing Fee - Paid by developer	101-000-2302	\$3,777.00	\$3,777.00	\$3,777.00	Deposit
7 Land Division and Merger					
Certificate of Compliance	101-000-2302	\$2,278.00	\$2,278.00	\$2,278.00	Deposit
Lot Merger	101-000-2302	\$1,006.00	\$1,006.00	\$1,006.00	Deposit
Lot Line Adjustment	101-000-2302	\$2,278.00	\$2,278.00	\$2,278.00	Deposit
Parcel Map (four or fewer lots)	101-000-2302	\$4,558.00	\$4,558.00	\$4,558.00	Deposit
Tentative Subdivision Map	101-000-2302	\$12,596.00	\$12,596.00	\$12,596.00	Deposit
Subdivision Agreement	101-000-2302	\$5,037.00	\$5,037.00	\$5,037.00	Deposit
Time Extension	101-000-2302	\$2,278.00	\$2,278.00	\$2,278.00	Deposit
8 Sign Permit					
Community Development Director Review	101-710-4443	\$184.00	\$196.00	\$201.00	Flat fee
Planning Commission Review	101-000-2302	\$1,139.00	\$1,139.00	\$1,139.00	Deposit
Exceptions Planning Commission Review	101-000-2302	\$1,139.00	\$1,139.00	\$1,139.00	Deposit
9 Other Services					
Zoning Compliance Letter	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
Public Convenience & Necessity Letter	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
Water Transfer Letter	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
Parklets			\$500.00	\$515.00	Flat fee
Sidewalks			\$500.00	\$515.00	Flat fee
Combination Projects			\$600.00	\$618.00	Flat fee
10 Tree Removal Review					
Up to 5 trees	101-710-4443	\$306.00	\$326.00	\$335.00	Flat Fee
More than 5 trees	101-000-2302	\$529.00	\$529.00	\$529.00	Deposit
11 Mobile Food Vendor Permit	101-710-4443	\$241.00	\$257.00	\$264.00	Flat fee
12 Sound Amplification Permit	101-710-4442	\$241.00	\$257.00	\$264.00	Flat fee
13 Fees Required by other Agencies ⁽⁹⁾					
1 California Department of Fish and Wildlife		Fee required to review various environmental documents	Fee required to review various environmental documents	Fee required to review various environmental documents	Per agency schedule
2 Local Agency Formation Commission (LAFCo)		Annexation fees vary by acreage	Annexation fees vary by acreage	Annexation fees vary by acreage	Per agency schedule
3 San Mateo County Recorder		Fee required to record and/or post various documents	Fee required to record and/or post various documents	Fee required to record and/or post various documents	Per agency schedule
14 Short-Term Vacation Rental (STR) Registration					
Initial Registration				\$792.00	Flat Fee (If more than 2 inspections are required, building hourly rate
Annual Registration Renewal				\$264.00	Flat Fee (Renewal available only for STRs in good standing.)
⁽⁸⁾ For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials					
⁽⁹⁾ Fees charged by these agencies are in addition to fees charged by the City					
VI. ADMINISTRATIVE CITATION PENALTIES					
1 Violations of Municipal Code other than building or safety provisions					

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)					
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
1 First Violation	101-101-4441	\$100.00	\$100.00	\$100.00	Each
2 Second Violation within one calendar year	101-101-4441	\$200.00	\$200.00	\$500.00	Each
3 Third or subsequent violations within one calendar year	101-101-4441	\$500.00	\$500.00	\$1,000.00	Each
2 Violations of building or safety provisions of the Municipal Code					
1 First Violation	101-101-4441	\$100.00	\$100.00	\$100.00	Each
2 Second Violation within one calendar year	101-101-4441	\$500.00	\$500.00	\$500.00	Each
3 Third or subsequent violations within one calendar year	101-101-4441	\$1,000.00	\$1,000.00	\$1,000.00	Each
VII. PARKS AND RECREATION					
1 Violations of Municipal Code other than building or safety provisions					
1 First Violation	101-101-4441	\$100.00	\$100.00	\$100.00	Each
2 Second Violation within one calendar year	101-101-4441	\$200.00	\$200.00	\$200.00	Each
3 Third or subsequent violations within one calendar year	101-101-4441	\$500.00	\$500.00	\$500.00	Each
2 Violations of building or safety provisions of the Municipal Code					
1 First Violation	101-101-4441	\$100.00	\$100.00	\$100.00	Each
2 Second Violation within one calendar year	101-101-4441	\$500.00	\$500.00	\$500.00	Each
3 Third or subsequent violations within one calendar year	101-101-4441	\$1,000.00	\$1,000.00	\$1,000.00	Each
3 Facility Rental fees					
1 General Public Fees					
Grand Oak Room					
Week Day Rate (9am - 5pm)		\$60.00	\$60.00	\$60.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$125.00	\$125.00	\$125.00	Per Hour
Security Deposit		\$500.00	\$500.00	\$500.00	Deposit
Oak Room					
Week Day Rate (9am - 5pm)		\$40.00	\$40.00	\$40.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$100.00	\$100.00	\$100.00	Per Hour
Security Deposit		\$300.00	\$300.00	\$300.00	Deposit
Manzanita Room					
Week Day Rate (9am - 5pm)		\$25.00	\$25.00	\$25.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$60.00	\$60.00	\$60.00	Per Hour
Security Deposit		\$200.00	\$200.00	\$200.00	Deposit
Tree Rooms					
Week Day Rate (9am - 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$35.00	\$35.00	\$35.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Day Rooms					
Week Day Rate (9am - 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$35.00	\$35.00	\$35.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Sun Room					
Week Day Rate (9am - 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$35.00	\$35.00	\$35.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Ted Adcock Kitchen (Kitchen Only)					
Week Day Rate (9am - 5pm)		\$30.00	\$30.00	\$30.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$60.00	\$60.00	\$60.00	Per Hour
Security Deposit		\$500.00	\$500.00	\$500.00	Deposit
Ted Adcock Kitchen (with Room Rental)					
Week Day Rate (9am - 5pm)		\$15.00	\$15.00	\$15.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$30.00	\$30.00	\$30.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Train Depot					
Week Day Rate (9am - 5pm)		\$30.00	\$30.00	\$30.00	Per hour
Weekend/WeekDay Rate (after 5pm)		\$35.00	\$35.00	\$35.00	Per hour
Security Deposit		\$100.00	\$500.00	\$500.00	Deposit
Smith Field #3					
No Lights		\$20.00	\$20.00	\$20.00	Per hour
W/ Lights		\$55.00	\$55.00	\$55.00	Per hour

**City of Half Moon Bay
Master Fee Schedule**

Other Fees, Charges & Services

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)

SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23	FY 23-24	UNIT / TYPE
		AMOUNT	AMOUNT	AMOUNT	
Library Community Room (Full Room)					
Week Day Rate (9am - 5pm)		\$25.00	\$25.00	\$25.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$60.00	\$60.00	\$60.00	Per Hour
Security Deposit		\$200.00	\$500.00	\$500.00	Deposit
Library Community Room (Room A)					
Week Day Rate (9am - 5pm)		\$15.00	\$15.00	\$15.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$25.00	\$25.00	\$25.00	Per Hour
Security Deposit		\$200.00	\$200.00	\$200.00	Deposit
Library Community Room (Room B)					
Week Day Rate (9am - 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$35.00	\$35.00	\$35.00	Per hour
Security Deposit		\$200.00	\$300.00	\$300.00	Deposit
2 Non-Profit/Government Fees					
Grand Oak Room					
Week Day Rate (9am - 5pm)		\$25.00	\$25.00	\$25.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$50.00	\$50.00	\$50.00	Per Hour
Security Deposit		\$300.00	\$300.00	\$300.00	Deposit
Oak Room					
Week Day Rate (9am - 5pm)		\$15.00	\$15.00	\$15.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$30.00	\$30.00	\$30.00	Per Hour
Security Deposit		\$200.00	\$200.00	\$200.00	Deposit
Manzanita Room					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Tree Rooms					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Day Rooms					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Sun Room					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Ted Adcock Kitchen (Kitchen Only)					
Week Day Rate (9am - 5pm)		\$15.00	\$15.00	\$15.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$30.00	\$30.00	\$30.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Ted Adcock Kitchen (with Room Rental)					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Train Depot					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Smith Field #3					
No Lights		\$20.00	\$20.00	\$20.00	Per hour
W/ Lights		\$55.00	\$55.00	\$55.00	Per hour
Library Community Room (Full Room)					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour
Weekend/WeekDay Rate (after 5pm)		\$20.00	\$20.00	\$20.00	Per Hour
Security Deposit		\$100.00	\$100.00	\$100.00	Deposit
Library Community Room (Room A)					
Week Day Rate (9am - 5pm)		\$10.00	\$10.00	\$10.00	Per Hour

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services								
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)								
SERVICES	CODING	PREVIOUS FY 21-22	FY 22-23		FY 23-24		UNIT / TYPE	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT			
Weekend/WeekDay Rate (after 5pm)		\$20.00		\$20.00		\$20.00	Per Hour	
Security Deposit		\$100.00		\$100.00		\$100.00	Deposit	
Library Community Room (Room B)								
Week Day Rate (9am - 5pm)		\$10.00		\$10.00		\$10.00	Per Hour	
Weekend/WeekDay Rate (after 5pm)		\$20.00		\$20.00		\$20.00	Per hour	
Security Deposit		\$100.00		\$100.00		\$100.00	Deposit	
3 Staff Fees								
Building Attendant		\$25.00		\$25.00		\$25.00	Per Hour	
VIII. PUBLIC SAFETY								
1 Duplication								
1 Public Safety Reports	101-310-4411	\$10.00		\$10.00		\$10.00	Each	
2 Photo Reproduction	101-310-4411	\$20.00		\$20.00		\$20.00	Each	
3 Audio Tape/CD Reproduction	101-310-4411	\$20.00		\$20.00		\$20.00	Per tape / CD cisc	
4 Audio Tape Reproduction	101-310-4411	\$20.00		\$20.00		\$20.00	Per tape / CD cisc	
2 Licensing								
1 Bingo Establishment Processing (Chapter 3.94)								
Bingo Establishment	101-310-4203	\$134.00		\$134.00		\$134.00	Each	
Renewal	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
2 Fortune Telling (Chapter 3.95)								
New Business	101-310-4203	\$668.00		\$668.00		\$668.00	Each	
Renewal	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
New Tech.	101-310-4203	\$668.00		\$668.00		\$668.00	Each	
Renewal Tech	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
3 Massage Establishments (Chapter 3.88)								
New Business	101-310-4203	\$668.00		\$668.00		\$668.00	Each	
Renewal	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
Transfer	101-310-4203	\$668.00		\$668.00		\$668.00	Each	
Reinstatement - "grandfather" existing practitioners prior to Jan 1, 2015	101-310-4203	\$286.00		\$286.00		\$286.00	Each	
New Tech.	101-310-4203	\$0.00		\$0.00		\$0.00	No fee	
Renewal (Tech)	101-310-4203	\$0.00		\$0.00		\$0.00	No fee	
Reinstatement (Tech)	101-310-4203	\$0.00		\$0.00		\$0.00	No fee	
4 Secondhand Dealers								
New Dealers	101-310-4203	\$134.00		\$134.00		\$134.00	Each	
Renewal	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
5 Solicitor / Peddler								
New Applicant	101-310-4203	\$668.00		\$668.00		\$668.00	Each	
Annual Renewal	101-310-4203	\$134.00		\$134.00		\$134.00	Each per year	
3 Miscellaneous Fees								
1 Public Safety Service Fees								
2 Vehicle Release	101-310-4203	\$95.00		\$95.00		\$95.00	Per vehicle	
Repossession Release	101-310-4203	\$15.00		\$15.00		\$15.00	Per vehicle	
3 Clearance/Special Letters	101-310-4203	\$42.00		\$42.00		\$42.00	Each	
4 Illegal Sign Confiscation	101-310-4203	\$173.00		\$173.00		\$173.00	Per incidence	
5 Illegal Fireworks Confiscation	101-310-4203	\$173.00		\$173.00		\$173.00	Per citation	
4 Parking Fees								
1 Temporary Offstreet Parking	101-310-4203	\$21.00		\$21.00		\$21.00	Per vehicle per year	
5 Citation Fee Schedule^								
1. Municipal Code		FEE	DELINQUENT FEE	FEE	DELINQUENT FEE	FEE	DELINQUENT FEE	
3.92.030 Solicitors License Required	101-310-4301 ACT90	\$50.00	\$44.00	\$50.00	\$44.00	\$50.00	\$44.00	Each
9.11.010 Skateboard Park Use: Pads/Helment	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
9.12.040 Consume Alcohol In Public Right Of Way	101-310-4301 ACT90							Each
9.12.050 Alcoholic Beverages-Public Parks	101-310-4301 ACT90							Each
9.12.070 Prohibit Fires City Beaches	101-310-4301 ACT90							Each
9.12.080 Prohibit Fires City Parks	101-310-4301 ACT90							Each
9.12.090 Prohibit Glass Containers City Parks And Beaches	101-310-4301 ACT90							Each
9.13.030 Park Hours-Closed Sunset to Sunrise	101-310-4301 ACT90							Each
9.13.050 Unlawful Activities (Designated)	101-310-4301 ACT90							Each
9.14.010(b) Fireworks manf/sale/possession	101-310-4301 ACT90	\$107.00	\$47.00	\$107.00	\$47.00	\$107.00	\$47.00	Each

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services									
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)									
SERVICES		CODING	PREVIOUS FY 21-22		FY 22-23		FY 23-24		UNIT / TYPE
			AMOUNT		AMOUNT		AMOUNT		
9.24.020	Sleep in Vehicle 2200/0600	101-310-4301 ACT90	\$50.00	\$44.00	\$50.00	\$44.00	\$50.00	\$44.00	Each
9.48.020	Discharge Firearm (City)	101-310-4301 ACT90	\$100.00	\$47.00	\$100.00	\$47.00	\$100.00	\$47.00	Each
9.48.060	Sale To Minor/gas weapon	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
10.08.020	Direct Traffic Unauthorized Person	101-310-4301 ACT90	\$50.00	\$44.00	\$50.00	\$44.00	\$50.00	\$44.00	Each
10.08.030	Traffic Direction	101-310-4301 ACT90	\$50.00	\$44.00	\$50.00	\$44.00	\$50.00	\$44.00	Each
10.08.060	Removing Chalk Marks	101-310-4301 ACT90	\$74.00	\$44.00	\$74.00	\$44.00	\$74.00	\$44.00	Each
10.12.030	Obedience To Signs	101-310-4301 ACT90	\$74.00	\$44.00	\$74.00	\$44.00	\$74.00	\$44.00	Each
10.16.040	U-turns To Enter Parking Spaces	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
10.28.020	Clinging To Motor Vehicle	101-310-4301 ACT90	\$50.00	\$44.00	\$50.00	\$44.00	\$50.00	\$44.00	Each
10.28.040	Riding/Driving Sidewalk (Vehicle/Horse)	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
10.28.050	Drive On New Pavement/Markings	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
10.28.060	Limited Access	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.28.080	Obey Barriers And Signs	101-310-4301 ACT90	\$25.00	\$44.00	\$25.00	\$44.00	\$25.00	\$44.00	Each
10.36.110	Wheels Not Curbed	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.36.010	No Parking, Stopping, Standing	101-310-4301 ACT90	\$45.00	\$47.00	\$45.00	\$47.00	\$45.00	\$47.00	Each
10.36.010(B)	Poplar Beach/Time Limit Parking	101-310-4301 ACT90	\$40.00	\$44.00	\$40.00	\$44.00	\$40.00	\$44.00	Each
10.36.030	Parking Restricted	101-310-4301 ACT90	\$45.00	\$47.00	\$45.00	\$47.00	\$45.00	\$47.00	Each
10.36.040	No Parking Zone (Permits)	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.36.050	Parked Over 72 Hours	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.36.060	Advertising For Sale On Street	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$46.00	\$46.00	\$46.00	Each
10.36.070	Repair Vehicle On Street	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.36.080	Washing Vehicle On Street	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.36.090 (B)	School Zone	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.36.100 (A)	No Parking Posted	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.36.100 (B)	No Parking-Narrow Street	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.36.120	Peddler Vehicle-No Permit	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.36.130	Emergency Signs	101-310-4301 ACT90	\$80.00	\$47.00	\$80.00	\$46.00	\$80.00	\$46.00	Each
10.36.150	Electric Vehicle Parking Only	101-310-4301 ACT90	\$46.00	\$47.00	\$46.00	\$47.00	\$46.00	\$47.00	Each
10.36.160	Electric Over Two Hours	101-310-4301 ACT90	\$40.00	\$47.00	\$40.00	\$47.00	\$40.00	\$47.00	Each
10.37.020	Oversize Vehicle 0200-0500	101-310-4301 ACT90	\$80.00	\$47.00	\$80.00	\$47.00	\$80.00	\$47.00	Each
10.37.030	Non-Motorized Vehicle Unhook	101-310-4301 ACT90	\$80.00	\$47.00	\$80.00	\$47.00	\$80.00	\$47.00	Each
10.40.010	15 Min Zone (Green Curb)	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.020	2 Hour Zone	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.030	Parking On-One-Way Streets	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.040 (A)	Diagonal Parking Zone	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.040 (B)	Front Tire 6 Inches From Curb	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.050	Use More Than One Space	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.060	No Stopping Zone	101-310-4301 ACT90	\$49.00	\$47.00	\$49.00	\$47.00	\$49.00	\$47.00	Each
10.40.070	12 Hour Parking-When Posted	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.40.080	Move Vehicle - Avoid Time Limit	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.40.090	Store Vehicle On Street	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.40.100	Repeat Violations	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.40.110	Extended Parking Permits	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.44.020	Curb Marked (Red/White/Green)	101-310-4301 ACT90	\$74.00	\$44.00	\$74.00	\$44.00	\$74.00	\$44.00	Each
10.44.030	No Truck/Trailer	101-310-4301 ACT90	\$71.00	\$44.00	\$71.00	\$44.00	\$71.00	\$44.00	Each
10.44.040	Loading Zone	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.44.050	Passenger Loading Zone	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.44.060	No Parking In Alley	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.44.070	Bus Zone	101-310-4301 ACT90	\$46.00	\$44.00	\$46.00	\$44.00	\$46.00	\$44.00	Each
10.48.030	Vehicle Off Road	101-310-4301 ACT90	\$71.00	\$44.00	\$71.00	\$44.00	\$71.00	\$44.00	Each
10.50.010	No Parking After Dusk Mirada/Redondo/Poplar	101-310-4301 ACT90	\$74.00	\$44.00	\$74.00	\$44.00	\$74.00	\$44.00	Each
10.50.020	No Parking After Dusk Wavecrest	101-310-4301 ACT90	\$74.00	\$44.00	\$74.00	\$44.00	\$74.00	\$44.00	Each
12.08.040	Dumping On Street/Alley/Gutter	101-310-4301 ACT90	\$286.00	\$44.00	\$286.00	\$44.00	\$286.00	\$44.00	Each
12.12.030	Dumping	101-310-4301 ACT90	\$124.00	\$44.00	\$124.00	\$44.00	\$124.00	\$44.00	Each
2. California Vehicle Code ^{aa}			FEE	DELINQUENT FEE	FEE	DELINQUENT FEE	FEE	DELINQUENT FEE	
21113 (A)	Parked On Public Ground	101-310-4301 ACT90	\$43.00	\$42.00	\$43.00	\$42.00	\$43.00	\$42.00	Each
22500.1	Parking Prohibited	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (A)	Parking In Intersection	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services									
Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year - (excluding Development Impact Fees and Public Safety)									
SERVICES		CODING	PREVIOUS FY 21-22		FY 22-23		FY 23-24		UNIT / TYPE
			AMOUNT		AMOUNT		AMOUNT		
22500 (B)	Parking On Crosswalk	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (C)	Parking In Safety Zone	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (D)	Within 15' Fire Station Driveway	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (E)	Parking In Driveway	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (F)	Parking On Sidewalk	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (G)	Obstruct Traffic @ Excavation	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (H)	Double Parking	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (I)	Parking In Bus Zone	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (J)	Parking In Tunnel	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (K)	Parking On Bridge	101-310-4301 ACT90	\$38.00	\$42.00	\$38.00	\$42.00	\$38.00	\$42.00	Each
22500 (L)	Blocking Wheelchair Access	101-310-4301 ACT90	\$333.00	\$42.00	\$333.00	\$42.00	\$333.00	\$42.00	Each
22502 (A)	Over 18" From Curb	101-310-4301 ACT90	\$33.00	\$42.00	\$33.00	\$42.00	\$33.00	\$42.00	Each
22502 (E)	Curb Parking/One-Way Street	101-310-4301 ACT90	\$30.00	\$42.00	\$30.00	\$42.00	\$30.00	\$42.00	Each
22504 (A)	Unincorporated Area Parking	101-310-4301 ACT90	\$43.00	\$42.00	\$43.00	\$42.00	\$43.00	\$42.00	Each
22505 (B)	No Parking - State Hwy	101-310-4301 ACT90	\$48.00	\$42.00	\$48.00	\$42.00	\$48.00	\$42.00	Each
22507.8 (A)	Handicapped Space Without Placard	101-310-4301 ACT90	\$333.00	\$42.00	\$333.00	\$42.00	\$333.00	\$42.00	Each
22507.8 (B)	Blocking Handicapped Space	101-310-4301 ACT90	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	Each
22507.8 (C)	Hashmarks Handicap Zone	101-310-4301 ACT90	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	Each
22514	Fire Hydrants - Within 15 Feet	101-310-4301 ACT90	\$38.00	\$38.00	\$38.00	\$38.00	\$38.00	\$38.00	Each
22515	Unattended Vehicle - Engine Running	101-310-4301 ACT90	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	Each
22519	Posted For Patrons Only	101-310-4301 ACT90	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	Each
22522	Block Sidewalk Ramp	101-310-4301 ACT90	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	Each
22523 (A)	Abandon Vehicle On Highway	101-310-4301 ACT90	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	Each
22523 A/B	Abandoned Vehicle	101-310-4301 ACT90	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	Each
22523 (B)	Abandon Vehicle - Private Property	101-310-4301 ACT90	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	Each
22526 (A)	Blocking Intersection	101-310-4301 ACT90	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	Each
22951	Park Lot - Street & Alley	101-310-4301 ACT90	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Each
22952 (A)	Park Lot-Tow/Removal	101-310-4301 ACT90	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	Each
22952 (B)	Park Lot-Tow/Removal	101-310-4301 ACT90	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	Each
23333	Stop/Park On Bridge	101-310-4301 ACT90	\$43.00	\$43.00	\$43.00	\$43.00	\$43.00	\$43.00	Each
23336	Violate Posted Signs	101-310-4301 ACT90	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	Each
28071	Bumper Required-Fine Or P/C	101-310-4301 ACT90	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Each
4000 (A)	Unregistered Vehicle	101-310-4301 ACT90	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	Each
4462 (B)	Registration On Wrong Vehicle	101-310-4301 ACT90	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Each
4464	Altered License Plate	101-310-4301 ACT90	\$30.00	\$42.00	\$30.00	\$42.00	\$30.00	\$42.00	Each
5200	Lic Plate Missing - Fine Or P/C	101-310-4301 ACT90	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	Each
5201	Plate Positioning - Fine Or P/C	101-310-4301 ACT90	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Each
5202	Period Of Display - Fine Or P/C	101-310-4301 ACT90	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Each
5204 (A)	Tags Attach Wrong - Fine Or P/C	101-310-4301 ACT90	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Each
6 D.U.I. Cost Recovery									
Arrest with Traffic Collision & Transportation		101-310-4303	\$731.00		\$749.00		\$749.00		Each
* Citation fee amounts increase for two or more offenses. Applicable fees are stated on the violation notice.									
** California Vehicle Code Fees are established by the State of California and are not escalated by the CPI All Urban Consumers/San Francisco-Oakland-San Jose									
IX. REFUND POLICY									
Any request for Fee refunds shall be submitted in writing to the appropriate Department's Director within 90 days from the date of submittal. The grounds for requesting a refund shall be detailed in the written request. However, once the City has commenced work on an applicable service for which a fee is charged, no refunds are allowed. The Department's Director shall determine if a fee is refundable based on this criterion. Any refund will be net a processing fee equivalent to 0.5 hours of the Building Hourly Rate and any other incidentals that may be incurred. The party requesting the refund shall be informed in writing of the decision of the Department's Director within ten (10) working days of receiving the written refund request. The requesting party may appeal the determination of the Department's Director to the City Manager, within ten (10) days of mailing notice to the requesting party. The City Manager's decision of the appeal review will be the final action taken by the City.									

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Administrative Services Director

TITLE: **CITY COUNCIL PRIORITIES WORKPLAN FOR FISCAL YEARS 2023-2025**

RECOMMENDATION:

By motion receive and accept a report on the proposed staff workplan for the City Council Priorities for Fiscal Years 2023-2025.

FISCAL IMPACT:

There is no fiscal impact associated with this item. If accepted, appropriate funding for implementation of the workplan will be included in the Recommended Budgets for FY 2023-24 and FY 2024-25.

STRATEGIC ELEMENT:

This update supports all Elements of the Strategic Plan.

BACKGROUND:

The City's Strategic Plan consists of the City Council Strategic Elements, the City Council Priorities, and the Capital Improvement Program. The Strategic Elements are high level objectives, including Fiscal Sustainability, Healthy Communities & Public Safety, Inclusive Governance, and Infrastructure & Environment. These elements provide a long-range vision for the City's future and a consistent focus for all of the City's services and operations. The Council Priorities are a short list of key focus areas that may change periodically, as major projects and initiatives are completed, or in response to changes in the economy, regulatory environment, or major emergencies. The Capital Improvement Program is a list of planned construction projects that covers a window of five years.

In preparation for the FY 2023-24 budget, the City Council hosted three listening sessions during February and March 2023, which allowed the Council to hear directly from members of the community in an open format. The purpose of the sessions was to gain additional insight into the community's priorities, for consideration by the Council and staff as they identify how resources will be allocated over the next year and beyond.

After the completion of the listening sessions, the City Council held a priority setting workshop on April 19th, for the purpose of adopting priorities for the upcoming fiscal year. The workshop was attended by staff and the public, and the Council received updates on the prior year's priorities. At the conclusion of the workshop, the Council confirmed the five priority areas for FY 2023-25 and beyond:

- Affordable Housing
- Public Health, Safety and Emergency Preparation
- Community Climate Resilience and Sustainability
- Community Vitality and Economic Development
- Transportation, Circulation and Mobility

Based on the discussions of the Council at the workshop, staff has prepared a proposed workplan which supports each of the five priority areas, and includes ongoing projects which will carry over from the previous workplan. Staff has worked to define ambitious but realistic expectations for work to be completed in Fiscal Years 2023-2025.

DISCUSSION:

Attached are mid-level work plans for each of the priority areas, including anticipated completion dates.

If accepted, staff will include any staffing and other funding required to complete the proposed work in the FY 2022-23 and FY 2023-24 Recommended Budgets. Staff will organize the workplan into a simplified format, provide regular updates to the Council on the progress of the Priorities and provide updates to the community on the City's Strategic Plan webpage.

ATTACHMENTS:

1. FY 2022-24 Priorities Workplan

ATTACHMENT 1
FY 2023-25 City Council Priorities Workplan

Affordable Housing

1. Housing Element Completion
 - a. HCD Review (Q1 2023-24)
 - b. CEQA Coverage (Q2 2023-24)
 - c. Planning Commission and City Council hearings (Q2 2023-24)
2. LUP and Housing Element Implementation
 - a. Process LUP Post-Certification Clean-up (Q4 2023-24)
 - b. Prepare New Zoning Map (Q4 2023-24)
 - c. Draft New Zoning Districts (Q4 2023-24)
 - d. Update Zoning per LUP and Housing Element (Q4 2023-24)
 - e. Complete CEQA Review (Q4 2023-24)
 - f. Planning Commission and City Council hearings (future phase)
 - g. Submit to Coastal Commission (future phase)
3. Housing Development Projects
 - a. Public Properties
 - i. 555 Kelly Avenue - Initiate entitlement review, continue work on funding and affordability terms (Q4 2023-24 and ongoing)
 - ii. 880 Stone Pine Road - Finalize feasibility assessment; address constraints; initiate entitlement review; continue work to secure funding (Q4 2023-24 for phase 1; ongoing for future phases)
 - iii. CUSD School District Site – Initiate entitlement review; work out affordability terms (Q4 2023-24 and ongoing)
 - b. Private Properties
 - i. Hilltop Mobile Home Park - Process application for entitlements (pending submittal); prepare CEQA exemption (if feasible) (Q2 2023-24)
 - c. Other Opportunity Sites - Continue to engage with property owners (ongoing)
4. Support for Renters
 - a. Rent Stabilization
 - i. Research best practices and local application (Q1 2023-24)
 - ii. Hold public information session (Q2 2023-24)
 - iii. Prepare ordinance as directed by Council (Q3 2023-24)
 - b. Relocation Provisions
 - i. Research best practices, update Council, and proceed as directed (Q2 2023-24)
 - c. Renter's Rights Information and Referrals
 - i. Collaborate with partner agencies to assess needs and resources (e.g., County, Coastside Hope, ALAS, Abundant Grace, Senior Coastsiders, AFC) (Q1 2023-24)
 - ii. Host initial renter's rights information session; determine need for future sessions and/or other approaches to outreach (Q2 2023-24)

- iii. Provide updated multilingual resource and referral information (Q2 2023-24)

Public Health, Safety and Emergency Preparation

1. Age Friendly Initiative (*in collaboration with Senior Coastsiders and other Coastside agencies*)
 - a. Committees
 - i. Continue to develop stronger communication resources for older adult residents (ongoing)
 - ii. Facilitate Coastside Healthcare Access Advocacy Committee (ongoing)
 1. Explore Annexation: Health Care District
 - iii. Age Friendly Business training and recognition (Q3 2023-24)
 - b. Create an AFC Action Plan in accordance with the AARP Network of Age Friendly States and Communities (Q4 2023-24)
2. Mental Health Support
 - a. CARES mental health responder program
 - i. Continue to evolve program to best address needs and develop efficiencies (ongoing)
 - ii. Identify and secure ongoing funding sources (Q1 2023-24)
 - iii. Outreach and education to support regional expansion of services (ongoing)
 - b. Support community mental health initiatives through CSFA program, Mental Health Workgroup, Substance Abuse Workgroup, CUSD mental health fair, and Mental Health First Aid training (ongoing)
3. Emergency Preparedness
 - a. Evacuation Plans
 - i. Tsunami plan and routes (Q4 2023-24)
 - ii. Wildfire plan and routes (Q4 2023-24)
 - iii. Dam inundation plan and routes (Q4 2023-24)
 - iv. Shelter-in-place plan (Q4 2023-24)
 - b. Emergency Operations Plan Update (Q2 2023-24)
 - c. Emergency Public Information Plan (Q2 2023-24)
 - d. Tabletop and community exercises (ongoing)
 - e. Outreach and education
 - i. Community Prep Day (Q4 2023-24)
 - ii. CERT and Listos Outreach (ongoing)
 - f. Staff CPR training (Q3 2023-24)
4. Safety Element development and implementation (Q4 2024-25)
5. Safe Parking Program
 - a. Work with County and non-profit partners to establish a Coastside safe parking program (Q1 2023-24)
 - b. Explore legislative and programmatic changes to support vehicularly housed residents (Q2 2023-24)
6. Safe Storage Ordinance

- a. First Reading and Introduction of Ordinance (Q1 2023-24)
- b. Public Outreach following adoption (Q2 2023-24)

Community and Climate Resilience and Sustainability (“Environmental Sustainability”)

1. Climate Action and Adaptation Plan
 - a. Climate Action Plan
 - i. Finalize and Adopt Climate Action Plan (Q1 2023-24)
 - b. Climate Adaptation Plan
 - i. Draft adaptation element (Q1 2023-24)
 - ii. Public Outreach (Q2 2023-24)
 - iii. Finalize and Adopt Adaptation Plan (Q4 2023-24)
2. Senate Bill 1383: Short-Lived Climate Pollutants
 - a. Procurement of Recovered Organic Waste Materials
 - i. Adopt revised Sustainable Purchasing and Practices Policy (Q1 2023-24)
 - ii. Revise template construction contracts to require use of recovered organic waste materials (Q1 2023-24)
 - iii. Provide training to staff and contractors on new procurement regulations (Q2 2023-24)
 - iv. Explore other opportunities to meet the City's annual procurement target (Ongoing)
 - b. Universal Organics Collection
 - i. Conduct audits to ensure all generators have organics collection services (Ongoing)
 - ii. Create mini-grants program to help businesses comply with new indoor container requirements (Q1 2023-24)
 - c. Tracking and Enforcement
 - i. Assess, purchase, and implement solid waste tracking system (Q1 2023-24)
 - ii. Conduct route reviews for both commercial and residential customers (Ongoing)
 - iii. Cite and educate violators (Ongoing)
 - d. Outreach and Education
 - i. Provide community workshops on new organics recycling requirements (Ongoing)
 - ii. Execute agreement with OOS for countywide Compost Quality Education Campaign (Q1 2023-24)
 - e. Edible Food Recovery Program (provided by OOS) (Ongoing)
3. Explore recycled water options
 - a. Develop MOU with CCWD for study (Q4 2023-24)
4. Stormwater
 - a. Continue Venice Beach TMDL study and reporting
 - i. Pet waste education and outreach campaign (Ongoing)
 - ii. Continue CCTV sewer testing (Ongoing)
 - iii. Coordinate with other participating agencies (Ongoing)

- b. Implement Capital Improvement Program
 - i. Storm Water Master Plan Update (Ongoing)
 - ii. Kehoe Watershed Enhancement and Environmental Stewardship Project (Q2 2023-24)
- a. Seek grant funding to initiate work on permanent repair on Seymour Ditch (Ongoing)

Economic Recovery and Development

1. Recovery Initiative Implementation
 - a. Team ECO Projects
 - i. Coastside lands network development (Q1 2023-24)
 - ii. Regenerative Agriculture forum (Q2 2023-24)
 - iii. Farming and other new business exploration (Q3 2023-24)
 - b. Team Vibrant Projects
 - i. Main Street revitalization planning and outreach (Q1 2023-24)
 - c. Team Thrive Projects
 - i. Community Lending Strategy (Q3 2023-24)
 - d. Team Innovate Projects
 - i. College of San Mateo Coastside Initiative (Q1 2023-24)
 - ii. Business Incubator feasibility and needs assessment (Q3 2023-24)
 - e. General – marketing, outreach, networking, grants exploration (Ongoing)
2. Downtown Improvements
 - a. Downtown/Hwy 92 Wayfinding Signage Plan (Q3 2023-24)
 - b. Downtown Streetscape Master Plan (Q4 2023-24)
 - c. City Hall Parklet and Mural Plan (Q3 2023-24)
3. Annexation Exploration - *Miramar, 92 east of City limits, Moonridge*
 - a. Council presentation on process (Q2 2023-24)
 - b. Hire consultant to complete LAFCO analysis (Q3 2023-24)
4. Digital infrastructure
 - a. Coordinate with the Midcoast Community Council Telecommunications Work Group on the Improving Coastside Communication Resilience effort (Q1 2023-24)
 - b. Support, inform and advocate for Coastside projects within the State's Middle Mile Broadband Initiative (Ongoing)
 - c. Seek federal and state funding opportunities for Broadband and telecommunications access and infrastructure (Ongoing)
 - d. Work with telecom providers on 5G installations and standards (Ongoing)
5. Farmworker Memorial
 - a. Committee Discussions (Q1 2023-24)
 - b. Artist Selection (Q2 2023-24)
 - c. Installation / Memorial Anniversary Event / Unveiling (Q3 2023-24)

Transportation, Circulation and Mobility

1. Bike/Ped Transport

- a. Implement Capital Improvement Program
 - i. Highway 1 Safety – North (Q3 2023-24)
 - ii. Eastside Parallel Trail - North Segment 4 (Q2 2023-24)
 - iii. Eastside Parallel Trail - North Segment 2 (start design and environmental work)
 - iv. Coastal Trail and Naomi Patridge Trail Maintenance and Improvements (ongoing)
 - v. Poplar Street Traffic Calming and Safety Project (Q2 2023-24)
 - vi. Other improvements as defined in CIP programs (ongoing)
 - vii. Identify and pursue grant opportunities (ongoing)
- b. General maintenance and ADA compliance (ongoing)
- c. Implement improvements identified in Bike/Ped Master Plan
 - i. Work with BPAC, PRC, and community stakeholders (ongoing)
 - ii. Identify and pursue grant opportunities (ongoing)
- 2. Weekend and Holiday traffic control
 - a. Collaborate with law enforcement and Caltrans on feasibility of hired traffic control experts to manage traffic flow on high intensity weekends and holidays (ongoing)
 - b. Seek Federal grant for Highway 1/92 signal coordinator and ITS implementation (ongoing)
- 3. Transportation Demand Management
 - a. Continue to work with Commute.org on various strategies (ongoing)
 - b. Evaluate TDM options for integration into City municipal code (Q1 2023-24)
- 4. Coastside SkyTram (Gondola) Feasibility
 - a. Provide traffic data support to stakeholders (ongoing)
 - b. Assist in identifying potential grant sources for feasibility (ongoing)

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 6, 2023**

TO: Honorable Mayor and City Council

FROM: Matthew Chidester, City Manager

VIA: Lisa Lopez Rossi, Administrative Services Director
Kenneth Stiles, Finance Manager
Bryan Lopez, Senior Management Analyst

TITLE: **FISCAL YEAR 2023-2024 RECOMMENDED BUDGET**

RECOMMENDATION:

Receive a presentation on the FY 2023-24 Recommended Budget, and after accepting public comments and providing additional direction to staff, direct staff to return with the final proposed budget for adoption on June 20, 2023.

FISCAL IMPACT:

There is no fiscal impact associated with this staff report. Following the hearing, any changes directed by the Council will be incorporated into the FY 2023-24 Recommended Budget which will be presented to the Council for adoption on June 20, 2023.

STRATEGIC ELEMENT:

This recommendation supports all Elements of the Strategic Plan.

BACKGROUND:

The City's recommended budget is the culmination of a thorough, collaborative, and transparent process involving the City Council, City staff, and the community. The annual budget cycle begins each year with the creation of a budget schedule and is completed through a formal public hearing followed by approval of the recommended budget by the City Council in June.

The budget process includes public meetings intended to gather feedback, help inform priorities, and provide opportunities for the community to participate in the development of the City's annual budget. Public meetings associated with this year's budget process are shown in the table below:

PUBLIC MEETING	BUDGET STEP	TIME FRAME
1-2	<u>Community Listening Sessions</u>	February 15, 26; March 2
3	<u>Council Strategic Planning and Priority Setting Workshop</u>	April 19
4	<u>Finance Subcommittee:</u> Review of proposed budget for Fiscal Year 2023-2024	May 23
5-6	<u>Public Hearing / Adoption:</u> City Council Review and Approval of Recommended FY 23-24 Budget	June 6; June 20

On May 23, 2023, the City Council Finance Subcommittee met to review the proposed FY 2023-24 operating and capital budget and recommended presenting the budget to the full Council.

DISCUSSION:

Council Priorities:

During FY 2022-23, the City completed projects that are aligned with the Council's four Strategic Elements: 1) Infrastructure and Environment, 2) Healthy Communities and Public Safety, 3) Fiscal Sustainability, and 4) Inclusive Government.

In preparation for the upcoming budget, the City Council hosted online community listening sessions, which allowed the Council to hear directly from members of the community to gain additional insight into the community's priorities for budget allocation of resources over the next year and beyond.

The listening sessions culminated in a priority setting workshop on April 19, 2023. At this workshop, the City Council confirmed the following five broad priorities:

1. Affordable Housing (an ongoing multi-year priority)
2. Public Health, Safety and Emergency Preparation
3. Community and Climate Resilience and Sustainability
4. Economic Recovery and Development
5. Transportation, Circulation and Mobility

Staff has included additions to the fiscal year 2023-24 budget to address these priorities.

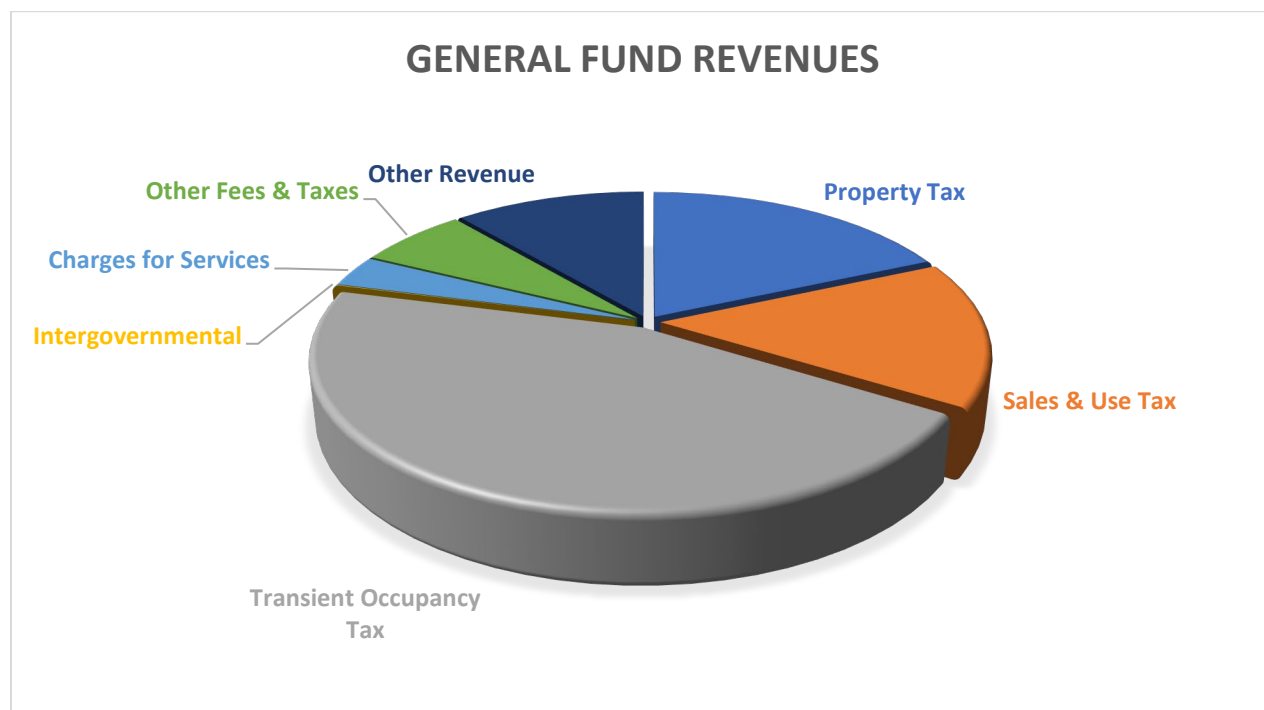
Budget at a Glance:

The City's total estimated revenue (all funds) for FY 2023-24 is \$50.9 million. This amount represents an 8.6% increase from FY 2022-23. This is primarily due to increased specific grant including federal funds for capital projects and county funds for the establishment of the Opportunity Center of the Coastsides. General Fund revenues are approximately 41.7% percent

of total revenues, and the primary three sources of General Fund revenues are Property Tax, Sales Tax, and Transient Occupancy Tax (TOT), as seen on the pie chart below.

As economic activity is expected to slow down, the primary three sources are expected to decrease by 1% from FY 2022-23. The total decrease of general fund revenues from the year prior is 7.9%, mostly due to the end of federal ARPA funding that had been received the last two years. These projections are based on staff analysis of local conditions and reflect information received from several sources, including the City's Sales and Transient Occupancy Tax consultants.

Revenues and Transfers All Funds				
Fund Name	Actual 2020-21	Actual 2021-22	Revised 2022-23	Proposed 2023-24
General Fund	16,601,802	24,534,744	23,075,847	21,259,541
Enterprise Funds	5,872,894	6,689,682	8,936,201	7,747,682
Special Revenue and Capital Projects	13,802,035	7,066,213	12,410,947	19,651,512
Internal Service Funds	1,933,311	2,282,530	2,459,447	2,284,008
Debt Service	337	(180)	-	100
Grand Totals	38,210,378	40,572,988	46,882,441	50,942,844

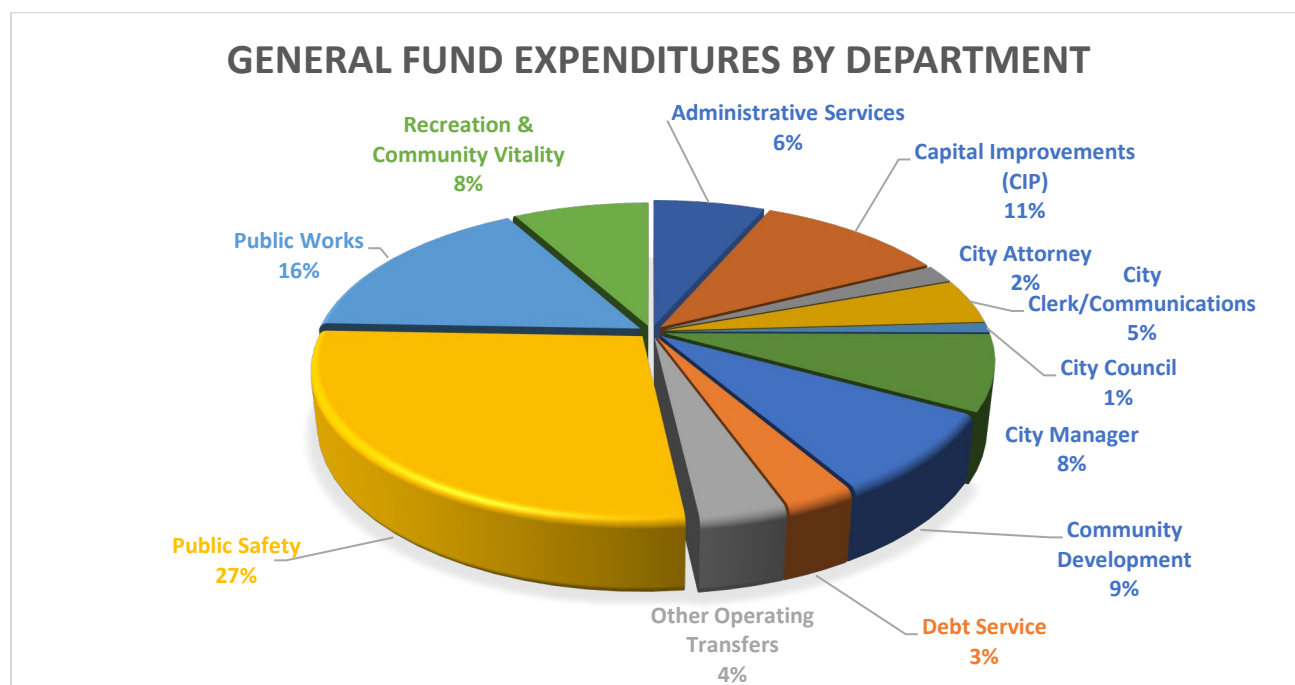


The City's total proposed budget expenditures for FY 2023-24 are \$63.7 million, 39% of which are from the General Fund. Total expenditures are 12% more than FY 2022-23. This increase is primarily due to increase spending in capital projects and launch of the Opportunity Center. Capital improvements are approximately 33% of total expenditures, or \$21.1 million.

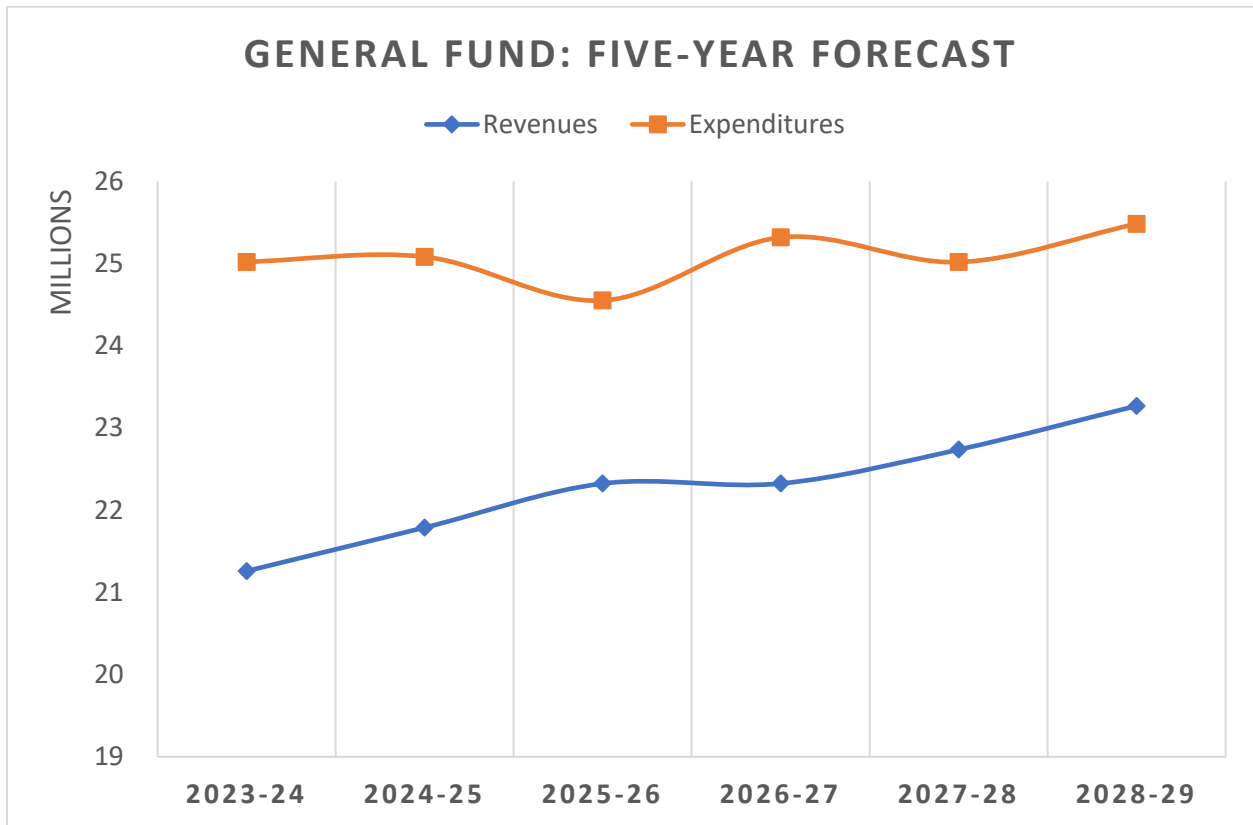
Of the General Fund expenditures, the largest departmental budget is for public safety as shown in the pie chart on the following page. The City provides much of its public safety support to the

community through contracts with outside agencies, including the San Mateo Sheriff's Office (law enforcement), the San Mateo County Office of Public Safety Communications (911 dispatch), El Centro de Libertad (CARES mental health responder program), and County animal control services. Although contracting remains the most financially prudent and effective approach to providing these important services, the costs for law enforcement and 911 dispatch are increasing significantly beginning in FY 2023-24. Currently staff are negotiating with the County to ensure the best value for the City while also ensuring high quality services to the community.

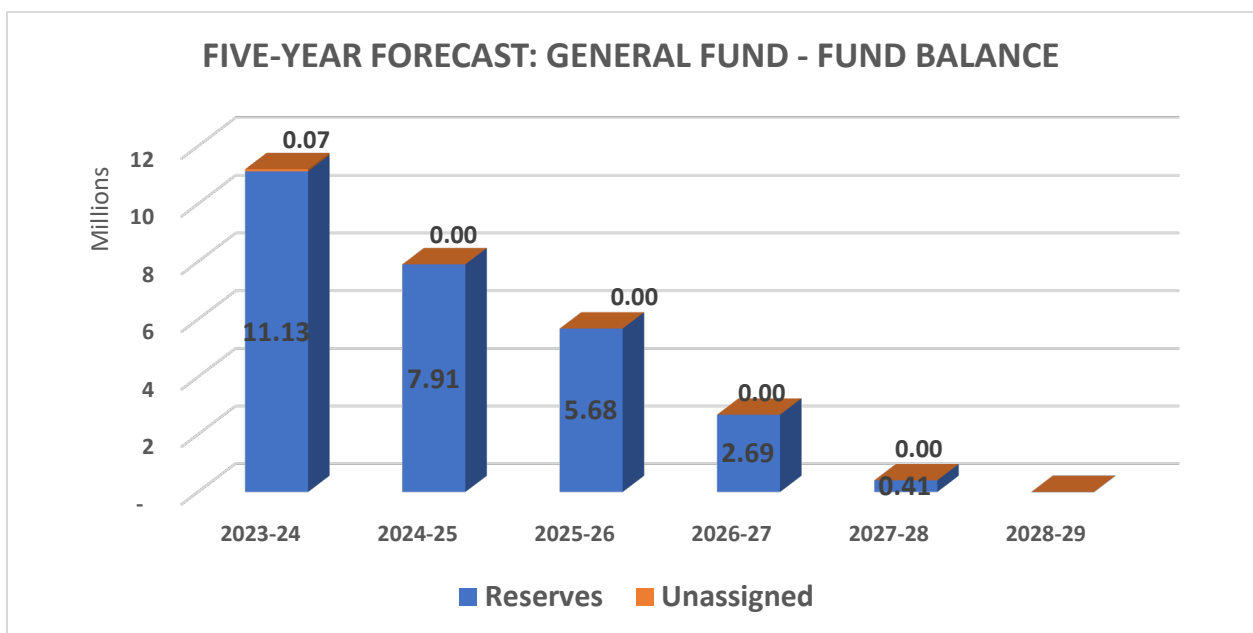
Expenditures and Transfers All Funds				
Fund Name	Actual 2020-21	Actual 2021-22	Revised 2022-23	Proposed 2023-24
General Fund	16,096,447	20,089,107	23,697,444	25,021,470
Enterprise Funds	7,051,945	8,722,888	11,061,171	9,756,868
Special Revenue and Capital Projects	10,053,726	6,378,523	19,548,427	26,326,865
Internal Service Funds	1,816,920	2,056,699	2,698,806	2,677,608
Debt Service	30,000	-	-	-
Grand Totals	35,049,038	37,247,216	57,005,848	63,782,810



Looking ahead. Based on assumptions, known future costs, and historical information, staff prepared a five-year forecast for general fund revenues and expenditures. Forecasts are generally used to spot any significant fiscal issues in future years. The chart below shows revenues and expenditures during this five-year period.



Based on the forecast, expenditures will exceed revenues in future years if there are no significant changes to revenues or expenditures. These deficits would need to be mitigated by either unassigned fund balances, using reserves, and/or making cuts to expenditures. The chart below details those balances during the same five-year period.



Based on reserve levels and opportunities to adjust future budgets, there appears to be no significant issue with fiscal stability at this time. However, deficits are projected in future years, which requires the City to increase focus in the coming fiscal year on exploring increased revenue opportunities, finding efficiencies to service delivery, and other cost savings. Otherwise, the City will likely need to explore decreasing service levels in the future to ensure a balanced budget and long-term fiscal sustainability. Fortunately, the City Council has been prudent in its use of funding in the past several years leading to healthy reserves, including an economic uncertainty fund representing 20% of the City's annual budget.

CONCLUSION

Staff has developed this recommended budget for Fiscal Year 2023-24 based on information mentioned previously and requests any comments or changes from the City Council. Following this hearing, the final proposed budget will be brought back on June 20, 2023, for formal adoption. Implementation of the FY 2023-24 budget will begin on July 1, 2023.

ATTACHMENT

[Draft FY 2023-24 Budget](#)