



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

TUESDAY, SEPTEMBER 3, 2024

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

**Joaquin Jimenez, Mayor
Harvey Rarback, Vice Mayor
Robert Brownstone, Councilmember
Deborah Penrose, 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 City Manager Updates and 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/>

**Wi-Fi: HMB Public
Password: Recreation1**

HYBRID MEETING PARTICIPATION PROTOCOLS

*This meeting will be held in-person and via Zoom for public participation. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full 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

SUICIDE PREVENTION MONTH RECOGNITION AND PROCLAMATION
SETON COASTSIDE PRESENTATION

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

COMMUNITY EDUCATION ANNOUNCEMENT
CLIMATE ACTION AND ADAPTATION PLAN PROJECT
SUMMERS END MUSIC FESTIVAL ANNOUNCEMENT
FUTURE LEADERS CIVICS ACADEMY ANNOUNCEMENT

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B APPROVAL OF MINUTES

Staff Recommendation: Approve the minutes of the July 16, 2024 through August 7, 2024 City Council Meetings.

[ATTACHMENT](#)

1.C CONFLICT OF INTEREST CODE UPDATE

Staff Recommendation: Adopt a resolution amending the Conflict of Interest Code.

[STAFF REPORT](#)

[RESOLUTION](#)

1.D RESPONSE TO SAN MATEO COUNTY CIVIL GRAND JURY REPORT: ASSESSING AND REPORTING INTERNAL CONTROLS IN SAN MATEO COUNTY AGENCIES AND SCHOOL DISTRICTS

Staff Recommendation: Adopt a resolution authorizing the Mayor to sign a letter in response to the San Mateo County Civil Grand Jury’s Report, entitled “Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts,” dated June 27, 2024.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

1.E PROFESSIONAL SERVICES AGREEMENT WITH CLOUDPERMIT INC. FOR A CLOUD-BASED PERMIT SOFTWARE SOLUTION

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional services agreement with CloudPermit Inc. for the purchase and implementation of a new cloud-based permit software solution to replace existing Caselle Connect Community Development and Public Works permitting modules.

[STAFF REPORT](#)

[ATTACHMENT](#)

2. ORDINANCES AND PUBLIC HEARINGS

2.A APPEAL OF THE PLANNING COMMISSION’S DECISION TO DENY THE COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, AND SETBACK VARIANCE FOR A NEW RESIDENCE AND ACCESSORY DWELLING UNIT AT 595 CREEKSIDE COURT (LOT 10), FILE NO. PDP-22-065

Staff Recommendation: Either: 1) deny the appeal and affirm the Planning Commission’s decision, based upon the Findings and Evidence contained in Exhibit A of the draft resolution; OR 2) grant the appeal and reverse the Planning Commission’s decision, based upon the Findings and Evidence contained in Exhibit A of the draft resolution, and approve the proposed residence subject to the Conditions of Approval in Exhibit B.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

[ATTACHMENT 6](#)

3. RESOLUTIONS AND STAFF REPORTS

3.A PROFESSIONAL SERVICES AGREEMENT WITH MIG INC. FOR PREPARATION OF MULTI-FAMILY RESIDENTIAL OBJECTIVE DESIGN STANDARDS

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional services agreement with MIG Inc. for professional planning, zoning, and design consulting services to prepare Multi-Family Objective Design Standards at a cost of \$148,180, with a contingency of 15%, for a total budget of \$170,407.

[STAFF REPORT](#)

[ATTACHMENT](#)

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

COMMISSION / COMMITTEE UPDATES

CITY COUNCIL REPORTS

ADJOURNMENT



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
TUESDAY, JULY 16, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CALL TO ORDER / ROLL CALL

Mayor Jimenez called the meeting to order at 7:13 p.m. and led the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose and Ruddock, Vice Mayor Rarback, and Mayor Jimenez

APPROVAL OF AGENDA

MOTION

Vice Mayor Rarback moved and Councilmember Ruddock seconded a motion to approve the Agenda. The question was called and the motion carried unanimously.

PROCLAMATIONS AND PRESENTATIONS

MIDCOAST COMMUNITY COUNCIL UPDATE

Scott Bollinger provided an update on the Midcoast Community Council.

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

Mayor Jimenez discussed the recent horse incident on Main Street; and announced upcoming community events.

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

City Attorney Engberg announced that the Council met in Closed Session to discuss two items and no reportable action was taken.

CITY MANAGER UPDATES TO COUNCIL

City Manager Chidester announced National Night Out on August 6.

PUBLIC FORUM

The following individuals addressed the Council:

- Alicia Akell
- Paul Nagengast
- Tony Serrano
- Krystlyn Giedt
- Rocio Avila

1. CONSENT CALENDAR

Item 1.G was pulled from the Consent Calendar.

The Consent Calendar consisted of followings items:

- 1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES**
- 1.B APPROVAL OF MINUTES**
- 1.C RECEIPT OF LEGISLATIVE POSITION LETTER**
- 1.D STATE AND FEDERAL ADVOCACY SERVICES AGREEMENT WITH TOWNSEND PUBLIC AFFAIRS, INC.**
- 1.E AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BAY AREA GEOTECHNICAL GROUP (BAGG) FOR ADDITIONAL MATERIAL TESTING AND SPECIAL INSPECTION SERVICES FOR THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP NO. 0611)**
- 1.F CASELLE, INC. PROFESSIONAL SERVICES AGREEMENT**

MOTION

Councilmember Penrose moved and Vice Mayor Rarback seconded a motion to approve the Consent Calendar, with the exception of Item 1.G. The question was called and the motion carried unanimously.

The following item was pulled from the Consent Calendar for individual consideration:

1.G AGREEMENT WITH ABUNDANT GRACE FOR THE FY 2024-25 COASTAL CLEANUP PROGRAM

City Manager Chidester presented the staff report.

The Council discussed the item.

MOTION

Councilmember Ruddock moved and Vice Mayor Rarback seconded a motion to adopt a resolution authorizing the City Manager to execute a new program services agreement with

Abundant Grace for coastal cleanup services for FY 2024- 25. The question was called and the motion carried unanimously.

2. ORDINANCES AND PUBLIC HEARINGS

2.A RESOLUTION TO APPROVE AND INCREASE THE LEVY FOR THE HALF MOON BAY HOTEL BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25

Administrative Analyst Acosta presented the staff report.

Mayor Jimenez opened the public hearing. There being no speakers, Mayor Jimenez closed the public hearing.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a resolution assessing the levy for the Half Moon Bay Hotel Business Improvement District for Fiscal Year 2024-25. The question was called and the motion carried unanimously.

2.B FISCAL YEAR 2024-25 SEWER SERVICE CHARGES AND ASSESSMENTS

Finance Manager Stiles and Public Works Director Bozorginia presented the staff report.

The following individuals addressed the Council:

- Hazel Joanes

The Council asked questions of staff and discussed the item.

MOTION

Councilmember Brownstone moved and Vice Mayor seconded a motion to adopt a resolution approving the Fiscal Year 2024-25 Sewer Service Assessments and charges, direct staff to file the assessment roll, and authorize the County Controller to place the assessment charges on the County of San Mateo Property Tax Roll and direct staff to bill assessments directly that are not on the tax roll. The question was called and the motion carried unanimously.

2.C BALLOT MEASURE AMENDING MEASURE D, THE CITY'S VOTER-APPROVED RESIDENTIAL GROWTH LIMITATIONS PROGRAM (PDP-24-035)

City Manager Chidester and Assistant Planner Wilson presented the staff report.

The following individuals addressed the Council:

- Evelyn de Souza

The Council asked questions of staff and discussed the item.

RECESS

Mayor Jimenez called a recess at 8:54 p.m. The meeting reconvened at 9:15 p.m. with all Councilmembers present.

MOTION

Vice Mayor Rarback moved and Councilmember Penrose seconded a motion to not move forward with any Measure D amendments on the November ballot. The question was called and the motion carried 3-2, Councilmember Brownstone and Mayor Jimenez dissenting.

3. RESOLUTIONS AND STAFF REPORTS

3.A RESOLUTION SETTING THE CITY OF HALF MOON BAY TRANSACTIONS AND USE (SALES) TAX MEASURE ON THE NOVEMBER 5, 2024, GENERAL ELECTION BALLOT

Communications Director / City Clerk Blair presented the staff report.

The Council asked questions of staff and discussed the item.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a Resolution setting the City of Half Moon Bay Transactions and Use (Sales) Tax Funding Measure on the November 5, 2024, General Election Ballot to seek voter approval of a proposed half-cent sales tax. The question was called and the motion carried unanimously.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to establish an ad hoc committee of Councilmember Brownstone and Councilmember Penrose to draft the argument in favor of the measure. The question was called and the motion carried unanimously.

3.B ADOPTION OF THE DOWNTOWN STREETScape MASTER PLAN

Economic and Community Vitality Manager Decker presented the staff report.

The following individuals addressed the Council:

- Amber Stow
- Irma Mitton
- Jenny Walter
- Colleen Henney
- Sandy Winter

- Aisha Baro

The Council asked questions of staff and discussed the item.

MOTION

Vice Mayor Rarback moved and Councilmember Brownstone seconded a motion to, by resolution, adopt the Downtown Streetscape Master Plan. The question was called and the motion carried unanimously.

3.C RESIDENTIAL RENTAL REGISTRY - EXTENSION OF FREE REGISTRATION

Housing Coordinator Noce presented the staff report.

The Council asked questions of staff and discussed the item.

MOTION

Councilmember Brownstone moved and Councilmember Penrose seconded a motion to: 1) adopt a resolution the “no fee” registration period for the Residential Rental Registration Program from June 30, 2024, to July 31, 2024, with the \$75 per unit fee commencing on August 1, 2024; and 2) affirm, based upon the definition of a “Residential Rental Unit” and “Tenant” included in Chapter 6.02 of the Municipal Code, that landlords are required to register any rental unit regardless of whether rent is charged or not (Chapter 6.04 of the Municipal Code). The question was called and the motion carried unanimously.

3.D PROFESSIONAL SERVICES AGREEMENT WITH LORAL LANDSCAPING, INC.

Public Works Superintendent Seeley presented the staff report.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a resolution authorizing the City Manager to execute a professional service agreement with Loral Landscaping, Inc., to provide city-wide landscape maintenance services for Fiscal Year 2024-25 in an amount not to exceed \$51,564. The question was called and the motion carried unanimously.

3.E PROFESSIONAL SERVICES AGREEMENT WITH WEST COAST ARBORISTS, INC.

Public Works Superintendent Seeley presented the staff report.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a resolution authorizing the City Manager to execute a professional service agreement with West Coast Arborists, Inc., to provide Urban Forest Management services for Fiscal Year 2024-

25 in an amount not to exceed \$100,000. The question was called and the motion carried unanimously.

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

Mayor Jimenez requested consideration of a community park on the Beachwood property. Councilmember Penrose seconded the request.

COMMISSION / COMMITTEE REPORTS

None.

CITY COUNCIL REPORTS

None.

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 10:46 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
TUESDAY, JULY 31, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CONVENE SPECIAL MEETING

Mayor Jimenez called the special meeting to order at 6:00 p.m.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose, and Ruddock, Vice Mayor Rarback and Mayor Jimenez

OPEN SESSION IDENTIFICATION OF CLOSED SESSION ITEMS

PUBLIC COMMENT ON CLOSED SESSION ITEMS

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code section 54956.8)

Property: 555 Kelly Avenue, City of Half Moon Bay

City Negotiators: Matthew Chidester (City Manager) and Catherine Engberg (City Attorney)

Negotiating Parties: Kelly Hollywood, Mercy Housing

Under negotiation: Price and terms of potential lease agreement

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 6:40 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
WEDNESDAY, JULY 31, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE

CONVENE SPECIAL MEETING

Mayor Jimenez called the meeting to order at 7:09 p.m.

ROLL CALL / PLEDGE OF ALLEGIANCE

Mayor Jimenez led the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose and Ruddock, Vice Mayor Rarback and Mayor Jimenez

APPROVAL OF AGENDA

MOTION

Councilmember Ruddock moved and Vice Mayor Rarback seconded a motion to approve the agenda. The motion carried unanimously.

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

City Attorney Engberg announced that the Council met in Closed Session and no reportable action was taken.

1. RESOLUTIONS AND STAFF REPORTS

1.A. COUNTY PROPOSED BALLOT MEASURE PURSUANT TO ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

Assistant City Manager Doughty presented the staff report.

The Council asked questions of staff.

The following individuals addressed the Council:

- Sandy Vella

- Joe Kulda
- Albert Yam
- Paul Nagengast
- Dan Stegic
- Tim Lyons
- Paulette Eisen
- Hal Bogner
- Rocio Avila
- Juliette Kulda
- Carlyle Anne Young
- Joann Rokosky
- Gregg Dieguez
- Jeremy Levine
- Laura Smith
- Stephen Ronaldi

The Council discussed the matter.

MOTION

Councilmember Penrose moved and Councilmember Ruddock seconded a motion to send a letter in opposition to the County of San Mateo’s proposed ballot measure for the November 5, 2024 General Election Ballot, pursuant to Article XXXIV of the California Constitution authorizing public agencies in San Mateo County to annually develop, construct, or acquire housing units for low-income persons. The question was called and the motion carried 4-1, Vice Mayor Rarback dissenting.

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 8:31 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
TUESDAY, AUGUST 7, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CONVENE SPECIAL MEETING

Mayor Jimenez called the special meeting to order at 5:00 p.m.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose, and Ruddock, Vice Mayor Rarback and Mayor Jimenez

OPEN SESSION IDENTIFICATION OF CLOSED SESSION ITEMS

PUBLIC COMMENT ON CLOSED SESSION ITEMS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Govt. Code section 54956.9(d)(1))
Name of case: Casa Mira Homeowners Assn. et al. v. California Coastal Commission et al. (City of Half Moon Bay, Real Party in Interest) – San Mateo Superior Court Civil No. 19-CIV-04677; California Court of Appeal, First Appellate District, Case No. 168645

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Govt. Code section 54956.9(d)(1))
Name of case: Casa Mira Homeowners Assn. et al. v. California Coastal Commission et al. (City of Half Moon Bay, Real Party in Interest) – San Mateo Superior Court Civil No. 21-CIV-03202

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Govt. Code section 54956.9(d)(1))
Name of case: City of Half Moon Bay v. Thomas J. Gearing, et al., - San Mateo Superior Court Civil No. 21-CIV-01560

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 6:00 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
WEDNESDAY, AUGUST 7, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CONVENE SPECIAL MEETING

Mayor Jimenez called the meeting to order at 6:09 p.m.

ROLL CALL / PLEDGE OF ALLEGIANCE

Mayor Jimenez led the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Brownstone (remote), Penrose (left at 7:05 p.m.) and Ruddock, Vice Mayor Rarback, and Mayor Jimenez

Pursuant to AB 2449, Councilmember Brownstone confirmed that no one over the age of 18 was in the room.

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

City Attorney Engberg announced that the Council met in Closed Session and no reportable action was taken.

APPROVAL OF AGENDA

Vice Mayor Rarback moved and Councilmember Ruddock seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

1. CONSENT CALENDAR

1.A. AMENDMENT 8 TO PROFESSIONAL SERVICES AGREEMENT WITH CIRCLEPOINT FOR PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT

MOTION

Councilmember Ruddock moved and Vice Mayor Rarback seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

2. RESOLUTIONS AND STAFF REPORTS

Mayor Jimenez recused himself and left the dais.

2.A. UPDATE ON A PETITION FOR REFERENDUM RELATED TO THE 555 KELLY SENIOR FARMWORKER AFFORDABLE HOUSING PROJECT

City Attorney Engberg and Communications Director / City Clerk Blair presented the staff report.

The following individuals addressed the Council:

- Richard Simmons
- Bill Heavlin
- Noreen Heavlin
- Steve Hyman
- Nancy Fontana
- Lili Rey
- Kique Bazan
- Hal Bogner
- Vaughn Harrison
- Corie Schwabenland
- Dan Haggerty
- Lucas Giese
- Joann Rokosky
- Ellen Hage
- Rocio Avila
- Ramie Dare
- Doreen Gerritty
- Frank Gerritty
- April Vargas
- Patricia Stevenson

The Council discussed the item and asked questions.

MOTION

Councilmember Ruddock moved to schedule a special meeting prior to the ballot deadline. The motion died due to lack of a second.

RECESS

Vice Mayor Rarback called a recess at 7:05 p.m. The meeting reconvened at 7:24 p.m. with all Councilmembers present except Councilmember Penrose.

2.B. SECOND HCD DRAFT HOUSING ELEMENT

Housing Coordinator Noce presented the staff report.

The Council asked questions of staff.

The following individuals addressed the Council:

- Mary Gothem
- Christopher Devchich
- Tom Clarkin
- Nancy Clarkin
- Armondo Garcia
- Fr. Jose Corral
- Genevieve
- Spencer S
- Adeline S
- Anne Martin
- Constance Nazzetti
- Martin Botham
- Bertha Sencion
- Carlos Rivera
- Gabriel Kulda
- Carolyn Valonia
- Marc Andreini
- Consuelo Gomez
- Jesus Gomez
- Tim Lyons
- Dave Memmer
- Steve Wilson
- Ary Bordi
- Paul Kulda
- Juliette Kulda
- Nancy Fontana
- Derek Kulda
- Margaret Mattel
- Virginia Supnet
- Sam Lippert
- Marlene Gomez
- Gerald Dobbs
- Betty Hollans
- Helene Bergez

- Teresita Siviloria
- Kai Islander
- Bill Softky
- Kimberly Nguyen
- Nicholas Jareso
- Joseph Kulda
- Maude Shumaker
- Stephanie Armstrong
- Jeremiah Armstrong
- David Kulda
- Liesi Taner
- Canaan Taner
- Julian Kulda
- Lynde Meyers
- Peter Kulda
- Angelo Kulda
- Carolina Carbajal
- Lupe Zavala
- Annelise Dobbs
- Mary Ellen Kulda
- Colleen True
- Patricia Stevenson
- Joy Moore
- Cathy Catelano
- Joann Rokosky
- Carlyle Anne Young
- Frank Gerritty
- Jim Sutro

RECESS

Mayor Jimenez called a recess at 9:32 p.m. The meeting reconvened at 9:44 p.m. with all Councilmembers present except Councilmember Penrose.

The Council discussed the item.

MOTION

Vice Mayor Rarback moved and Mayor Jimenez seconded a motion to: 1) acknowledge receipt of recommendations from the Planning Commission included in this staff report; and 2) direct staff, by resolution, to submit the “2023-2031 Housing Element, Second HCD Draft, July 30, 2024” (Second Draft) to the California Department of Housing and Community Development (HCD). The question was called and the motion carried 4-0-1, Councilmember Penrose absent.

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 10:26 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For the meeting of: **September 3, 2024**

TO: Honorable Mayor and City Council
VIA: Matthew Chidester, City Manager
FROM: Jessica Blair, Communications Director/City Clerk
TITLE: **CONFLICT OF INTEREST CODE UPDATE**

RECOMMENDATION:

Adopt a resolution amending the Conflict of Interest Code.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

STRATEGIC ELEMENT:

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

BACKGROUND:

The Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially to determine its accuracy or, alternatively, that the code must be amended. Positions that make or participate in making governmental decisions that could affect their private financial interests need to be designated in the City's Code.

Positions that have been added, eliminated, or modified since the last review:

Positions Added:

Assistant City Clerk
Finance Manager

Positions Eliminated:

Deputy City Manager
Senior Accountant

The City Manager, City Attorney, City Council, Planning Commission, and the Finance Director / City Treasurer are designated in Government Code Section 87200, and as such, are not included

in the City's list of designated positions. The Fair Political Practices Commission retains the original forms for these positions.

ATTACHMENT:

Resolution Amending the City of Half Moon Bay Conflict of Interest Code

RESOLUTION NO. C-2024-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AMENDING THE
CONFLICT OF INTEREST CODE APPLICABLE TO CERTAIN DESIGNATED OFFICIALS AND
EMPLOYEES**

WHEREAS, the City Council is the code reviewing board for processing the City’s Conflict of Interest Code (“the Code”) and Government Code Sections 87306 and 87307 provide that the City Council may amend the Code when there are changed circumstances, including the recognition of new positions; and

WHEREAS, the title of certain positions and employees must be designated as such in a Conflict of Interest disclosure list; and

WHEREAS, the Political Reform Act of 1974 (“the Act”) requires every local government agency to review its Conflict of Interest Code biennially to determine if it is accurate or alternatively, if it must be amended.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby amends the Conflict of Interest Code (Exhibit A) applicable to certain designated officials and employees.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 3rd day of September 2024, 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

Joaquin Jimenez, Mayor

EXHIBIT A

**CITY OF HALF MOON BAY CONFLICT OF INTEREST CODE
CATEGORIES OF DISCLOSURE FOR DESIGNATED PERSONS**

Designated Position:	Reportable Economic Interest Category Numbers¹
Administrative Services Director	1
Assistant City Attorney	1
Assistant City Clerk	1
Assistant City Manager	1
Associate Engineer	1
Associate Planner	1
Communications Director/City Clerk	1
City Engineer	1
Community Development Director	1
Communications Program Manager	1
Community & Economic Vitality Manager	1
Consultants	1 ²
Deputy City Attorney	1
Finance Manager	1
Housing Coordinator	1
Management Analyst	1
Public Works Director	1
Public Works Superintendent	1
Parks and Recreation Commission Members	1
Senior Planner	1

¹Disclosure categories are set forth in the Conflict of Interest Code.

²Subject to determination by the City Manager.

Designated Persons must complete a Form 700 Statement of Economic Interests for Designated Officials and Employees. For the categories of disclosure, the following Form 700 schedule should be completed, as applicable:

Category 1: Schedules A-1, A-2, B, C, D, E & F

Category 2: Schedules A-1, A-2, C, D, E & F

Note: The City Manager, City Attorney, City Treasurer, City Council, and Planning Commission are required to file disclosure statements based on Government Code Section 87200. These persons are not Designated Employees.

CITY OF HALF MOON BAY
CONFLICT OF INTEREST CODE

DISCLOSURE CATEGORIES

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the foreseeable income or source of income may be affected materially by a decision made or participated in by the designated employee by virtue of the employee's position.

Designated Employees in Group "1" must report:

- a. Interest in real property which is located in whole or part either within the boundaries of the City, or within two miles of the boundaries of the City, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is greater than \$1,000.00. (interests in real property of an individual include the share of interest in real property of a business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten percent interest or greater.)
- b. Investments in or income from persons or business entities engaged in the business of acquisition or disposal of real property within the City.

Designated Employees in Group "2" must report:

- a. Investments in any business entity, which, within the last two years, has contracted, or in the foreseeable future may contract, with the City of Half Moon Bay to provide services, supplies, materials, machinery or equipment to the City of Half Moon Bay.
- b. Income from any source, which, within the last two years, has contracted, or in the foreseeable future may contract with the City of Half Moon Bay to provide services, supplies, materials, machinery or equipment to the City of Half Moon Bay.
- c. Status as a director, officer, sole owner, partner, trustee, employee.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 3, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Rossi, Administrative Services Director

TITLE: **RESPONSE TO SAN MATEO COUNTY CIVIL GRAND JURY REPORT: ASSESSING AND REPORTING INTERNAL CONTROLS IN SAN MATEO COUNTY AGENCIES AND SCHOOL DISTRICTS**

RECOMMENDATION:

Adopt a resolution authorizing the Mayor to sign a letter in response to the San Mateo County Civil Grand Jury’s Report, entitled “Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts,” dated June 27, 2024.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

STRATEGIC ELEMENT:

This recommendation supports the *Infrastructure and Environment, Inclusive Governance, and Fiscal Sustainability* Elements of the Strategic Plan.

BACKGROUND:

On June 27, 2024, the San Mateo County Civil Grand Jury issued a report titled, “Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts” (Attachment 3). The report contains data focused on an entity’s assessment of its internal controls, reporting, training, and risk evaluation. To gather information, the Civil Grand Jury sent the survey to 75 entities and reviewed and analyzed the response which informed the report. Overall, the report provides a general overview of internal controls, including regulatory history, and includes recommendations on how to strengthen internal controls.

DISCUSSION:

The Civil grand jury report “Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts” contains findings and recommendations. The City’s draft response letter, included as Exhibit A to the resolution, includes responses to those findings.

Pursuant to Penal Code Section 933.05, the City is obligated to respond to the Grand Jury report's findings and recommendations no later than September 25, 2024.

ATTACHMENTS:

1. Resolution Accepting City Response to Grand Jury – Internal Controls
2. Grand Jury Report – Internal Controls

Resolution No. C-2024-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ACCEPTING THE FINDINGS AND RECOMMENDATIONS FROM THE SAN MATEO COUNTY GRAND JURY REPORT, ENTITLED, "ASSESSING AND REPORTING INTERNAL CONTROLS IN SAN MATEO COUNTY AGENCIES AND SCHOOL DISTRICTS"

WHEREAS, on June 27, 2024, the San Mateo County Civil Grand Jury issued a report entitled, "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts"; and

WHEREAS, the Grand Jury Report included a request to the City of Half Moon Bay to respond to the report's findings and recommendations by September 25, 2024; and

WHEREAS, at the regular City Council meeting on September 3, 2024, the City Council reviewed this report, its findings and recommendations, and authorized the Mayor to sign the response letter as required under Penal Code § 933.05(b).

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby accepts the findings and recommendations from the San Mateo County Grand Jury Report entitled, "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts" and authorizes the Mayor to sign and submit the response (Exhibit A).

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 3rd day of September 2024, 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

Joaquin Jimenez, Mayor

September 4, 2024

Honorable Amarra A. Lee
Judge of Superior Court
c/o Bianca Fasuescu
Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

RE: San Mateo County Civil Grand Jury Report: Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts

Honorable Judge Lee:

The City of Half Moon Bay hereby submits this letter in reply to your request for responses to the San Mateo Grand Jury Report, "San Mateo County Civil Grand Jury Report: Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts". Pursuant to Penal Code Section 933.05 and the Brown Act, this response was approved by the City Council at the September 3, 2024 public meeting.

Response to Findings

The City of Half Moon Bay reviewed the three (3) Findings in the Grand Jury report. Since the findings are based on information collected by the Grand Jury from specific agencies who responded to a survey in San Mateo County, the City does agree in principle with the statements made in the findings. However, while the findings are theoretically correct, they do not accurately reflect the City's protocols. These protocols will be detailed in our response to the recommendations.

Responses to Recommendations

City staff offers the following responses to the Grand Jury's three recommendations:

R1: Beginning by no later than December 31, 2024, and at least annually thereafter, each entity will document its organizational risks and address those risks in its annual Assessment of Internal Controls.

Response: The City of Half Moon Bay has not recently formally assessed and documented its organizational risks, also known as an Enterprise Risk Assessment. The City agrees that regular Enterprise Risk Assessments are a best practice.

While the City does not have a formal internal controls assessment process, it does conduct an annual audit that includes a high-level review of internal controls by an outside auditing firm. The City agrees that a formal internal controls assessment, separate from the external audit, would help prevent fraud and waste.

The City is currently evaluating firms to provide both services in an effort to comply with this recommendation. Due to the City's small size and current cost constraints, it is considering performing an Enterprise Risk Assessment every three years and conducting an internal controls assessment annually.

R2. Beginning by no later than March 31, 2025, and at least annually thereafter, each governing board will require its management to complete its annual assessments of internal controls.

Response: *The City Council will work with Staff to adopt a schedule of assessments of internal controls.*

R3. Beginning by no later than June 30, 2025, and annually thereafter, each governing board will require management to report the results of its annual assessment of the entity's internal controls.

Response: *The City Council will work with Staff to schedule annual reporting of assesment of internal controls.*

While the City does not have a formal interal control assessment process, the City does have procedures to help prevent fraud and waste,including separation of duties, public reporting of all warrants, and rountine reconcilations. In addition, the City prepares an Annual Comprehensive Financial Report (ACFR) that is audited by an independent auditor using generally accepted government auditing standards.

In closing, the City of Half Moon Bay thanks the Civil Grand Jury for its efforts to address one of the biggest challenges that face local governments throughout the state and we appreciate the opportunity to share our perspective.

Sincerely,

Joaquin Jimenez
Mayor
City of Half Moon Bay



Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts

“FAILURE OF ANY CONTRIBUTES TO PUBLIC DISTRUST OF ALL”

ISSUE

San Mateo County, Cities, Special Districts, Joint Power Authorities, or Schools are not assessing internal controls and are not reporting the results of assessments to governing boards and the public.

SUMMARY

Our government faces risks, including fraud and waste.

Internal controls are put in place by an entity's oversight body, management, and other personnel to provide reasonable assurance that the entity will achieve its objectives. Internal controls in our government are key to ensuring that goals are met without fraud and waste and are critical to the public trust. An example of an internal control is having separate people approve a transaction before paying the bill for that transaction.

Internal controls hit the public eye back in the 1990s, after the scandals at Enron, WorldCom and other organizations, all of which served as examples of fraud and waste. The United States Congress reacted in 2002 by enacting the laws known as Sarbanes–Oxley that impact publicly-traded companies. In 2015, the State of California issued “Internal Control Guidelines - California Local Agencies” covering the need for internal controls in government entities.

Given the enormity of the challenge of reviewing individual controls at any one agency, the Civil Grand Jury looked into the way government entities in San Mateo County assess their internal controls and how the results of those assessments are reported to governing boards and to the public. Assessments and reporting should follow the State of California guidelines and the underlying referenced guidelines from the Green Book and the Committee of Sponsoring Corporations. Management’s assessment of internal controls and communication, both internally within an entity and externally to the entity’s constituents, are key principles of internal controls.

Too many examples of lack of or failed internal controls exist, including recent news stories about taxpayer money used for constructing personal residences in train stations in Burlingame and San Mateo that are referenced in the attached Appendix.

The Civil Grand Jury learned from survey respondents that all of them do have established internal controls and publish external audit reports. Most of them, however, do not assess internal controls and do not communicate with governing boards or the public regarding management of internal controls. Of the few entities that do assess internal controls, they do not report those results.

The Civil Grand Jury recommends timely and documented assessments of internal controls with clear, appropriate reports from management to governing-boards and to the public to reduce the risk of failed internal controls, to enhance public confidence in our government and to improve the efficiency of external audits.

By rule of the Civil Grand Jury, the recommendations included in this report can only be sent to entities that participated in interviews with the Civil Grand Jury. While the Civil Grand Jury could not efficiently interview all entities that participated in surveys, common sense suggests that these recommendations are applicable to all entities within San Mateo County. The current Civil Grand Jury encourages future civil grand juries to investigate the recommendations in this report as appropriate, to help optimize trust in the integrity of internal controls in San Mateo County government.

GLOSSARY

Assessment and Evaluation

Assessment for the purpose of this report is defined in the Green Book as follows: “To determine if an internal control system is effective, management assesses the design, implementation, and operating effectiveness of the five components and 17 principles.” Examples in an internal control assessment include to confirm and document that all requisitions are properly approved and that payments for goods or services are made by authorized individuals. This process helps management and stakeholders have confidence in the reliability of financial reporting, compliance with laws and regulations, and the overall integrity of the organization's operations. In general, Assessment and evaluation can be used interchangeably.

Committee of Sponsoring Organizations of the Treadway Commission (COSO)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is an organization that develops guidelines for businesses to evaluate internal controls, risk management, and fraud deterrence.

Enterprise Risk Management (ERM)

Enterprise risk management is an entity-wide strategy to identify and prepare for hazards with the entity's finances, operations, and objectives.

Entity

An Entity for this report is San Mateo County, Cities, Special Districts, Joint Power Authorities, or Schools.

External Auditor

An external auditor is a public accountant who conducts audits, reviews, and other work for its clients. An external auditor is independent, and so is in a good position to make an impartial evaluation of the financial statements and systems of internal controls of those clients.

Green Book

Standards for internal control in the Federal Government issued by the General Accounting Office of the U.S. Government.

Internal Auditor

An internal auditor is responsible for reviewing a company's processes, identifying anomalies, and reporting any issues found to management. An internal auditor is an employee of a company, so is not independent of the company.

Internal Controls

A process effected by those charged with governance, management, and other personnel that is designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use or disposition may include controls relating to financial reporting and operations objectives.

Management

Management consists of those individuals directly responsible for all activities of an entity, including design, implementation and operation of an internal control system.

Oversight Body

The oversight body is the group responsible for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including management's design, implementation and operation of an internal control system. The oversight body may include elected or appointed officials and employees of the Entity.

BACKGROUND

Internal controls help an entity's management achieve its objectives. Also, internal controls help an entity run its operations efficiently and effectively, report reliable information about its operations and comply with applicable laws and regulations.

The need for internal controls applies to all entities, regardless of size. Large complex entities have different risk profiles than small, less-complex entities. All entities seek to control risk appropriate for its operations, designing and implementing internal controls for its own particular risk profile. Even small, less-complex entities face risks that demand related internal controls.

Whether an internal control is followed or not is not a matter of materiality. A failure in what might seem to someone to be a trivial control is the same as a failure in what everyone might consider to be a very important control. There are no big or small controls, just controls. Failure in any contributes to public distrust of all.

The Green Book, which sets the standards for an effective internal control system for federal agencies, identifies five components of an internal control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Each of these components applies to different levels of an organizational structure, such as a Parks and Recreation Department within a City Government.

The Green Book summarizes 17 Principles of Internal Control for these five components as:

Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

Risk Assessment

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

Source: GAO. | GAO-14-704G

Control Activities

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

Information and Communication

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

Monitoring

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

Each entity's oversight body is specifically responsible for oversight of internal control. Each entity's management is responsible for the design, implementation and maintenance of internal controls.

Each entity's internal controls are its own – no one would expect all entities to have the same internal controls, because all entities are different.

The Civil Grand Jury found examples of fraud and waste in government listed in the appendix. Each of these examples likely reflects a failure of internal controls to prevent or detect fraud and waste. In other words, you ordinarily can't have a problem with fraud and waste without a failure in internal controls.

Focus on the Control Environment, Information and Communication and Monitoring principles

The Civil Grand Jury focused on the control environment, information and communication and monitoring principles of internal control, seeking information about:

- *Control Environment Principle* - how governing boards oversee internal controls, such as a review of management's report on its assessment of internal controls.
- *Information and Communication Principle* - how management reports to the governing board regarding its assessment of internal control and how management's assessment of internal controls is communicated to the public, such as through an agenda item in a public meeting of the governing board.
- *Monitoring Principle* - information about how management monitors its internal control systems, such as management's assessment of internal controls.

It is of note that this investigation did not evaluate the quality of any entity's internal control or the effectiveness of an entity's internal controls.

The Civil Grand Jury sent a survey, received responses and confirmed survey responses via interviews with the 28 entities from whom it requests responses. However, common sense suggests each of the recommendations included in this report apply to all entities in the County.

The Civil Grand Jury recognizes that for a variety of reasons, management may not want to publicly report its controls and results of investigations. For example, an internal report might include details of needs for improving controls that might be considered a roadmap for fraud until the improvements are in place. Management reports available to the public through public release or materials for a public meeting could exclude such details, while the report available to the public could include an appropriate summary of information from an assessment.

METHODOLOGY

Preliminary Research

The Civil Grand Jury reviewed the websites of San Mateo County public entities and public media related to fraud and waste in government.

Preliminary Interview

To better understand, as a baseline, how the County Controller's Office oversees its internal controls, the Civil Grand Jury interviewed the Controller's Office of the County of San Mateo.

Survey and Survey Response Analysis

The Civil Grand Jury designed a survey focused on an entity's assessment of its internal controls, reporting, training and risk evaluation. See Appendix A for the survey. The Civil Grand Jury sent the survey to 75 entities.

The Civil Grand Jury reviewed and analyzed the responses.

Interviews with Entities

By rule, the Civil Grand Jury must interview an entity to use that entity's responses to a survey as a matter of fact. The Civil Grand Jury interviewed 28 entities, mostly focusing on entities that did not conduct an assessment of its internal controls in the last 18 months.

The Civil Grand Jury also interviewed a Certified Public Accountant with experience serving as external auditor of entities within San Mateo County.

DISCUSSION

Regulatory History

In 2013, our California Assembly approved Bill No. 1248, to require the state controller to establish internal controls for California local agencies. Bill No. 1248 applies to the County of San Mateo and the cities, special districts and other local government entities, except school districts. Bill No.1248 appears in the California Government Code section 12422.5.

In 2014, The General Accounting Office (GAO) of the U.S. Government issued the Green Book. The U.S. Comptroller General prescribes internal control standards in the Green Book for the federal government. The Green Book says that state, local and quasi-governmental agencies and not-for-profit organizations may adopt the Green Book as a framework for an internal control system.

In 2015, the California State Controller's Office issued "Internal Control Guidelines - California Local Agencies" to comply with California Government Code section 12422.5. The State Guidelines refer to the Green Book, among other resources.

The State Guidelines refer to the same structure of internal controls in the Green Book as well as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) publications, both of which refer to the Governing Board's responsibility to ensure completion of periodic risk assessments and to oversee internal controls.

Schools in San Mateo County are governed by the California Education Code (EDC). The county superintendent of schools may review or audit internal controls of any school district in its county per the California Education Code section 1241.5. The guidance in the Green Book and the State Guidelines naturally apply.

Tone at the Top

The oversight body and management set the tone at the top and throughout the organization by its example. Tone at the top is fundamental to effective internal controls. The tone at the top helps ensure:

- the entity's risk identification is complete
- risk responses are appropriate
- control activities are appropriately designed or implemented
- information and communication are effective
- results of monitoring are understood and acted upon.

Accountability for Performance

The State Guidelines include a section on Accountability for Performance, including:

- establishing mechanisms for holding individuals accountable for internal control responsibilities, which naturally include the oversight body and management
- establishing performance measures for all levels of the organization
- performing timely evaluations and aligning incentives with the fulfillment of internal control responsibilities.

All governing bodies and its management have basic responsibilities regarding internal controls, even if the State Guidelines do not specifically refer to those basic responsibilities. Those responsibilities naturally include:

- Oversight boards must demonstrate its oversight of management's internal controls, such as clear and timely reporting on its review of internal controls
- Management's reports on internal controls should be clearly and readily available to the public
- Management must be evaluated for its assessments of internal controls and its external reporting.

Role of the External Auditor

External auditors are not considered a part of an entity's internal controls. While management may look into and use recommendations by external auditors, management owns the entity's internal controls. Management may communicate with and get quality information from its external auditors as it monitors and maintains internal controls.

Management may hire an external service provider to conduct assessments of internal controls. Data from these assessments can aid management ensuring that the entity's internal controls are appropriate for that entity. In conducting an audit, external auditors may rely on these assessments, which could result in a more efficient and less expensive external audit.

The Civil Grand Jury found through its research **that audits uncover only about 4% of fraud.**

Several entities we interviewed stated that they rely on or interact with its external auditors as part of its internal controls. Comments from respondents included:

- We have been using the external auditors and have been reviewing the internal controls with them annually.
- This is done with the regular annual audit. We do not have reasons to justify an additional assessment.
- Annually, the internal controls are updated as part of our external audit, not separately from the external audit process.

The reports from external auditors include limitations on the results of its review of internal controls they conduct in connection with an audit. These limitations include statements like “we did not identify any deficiencies in internal control that we consider to be material weaknesses” and “material weaknesses may exist that have not been identified.” The external auditor reports are clear that they do not express an opinion on the effectiveness of internal controls.

The Civil Grand Jury interviewed a Certified Public Accountant who audits local governments and agencies and confirmed that management should assess its internal controls independently of the external auditor’s work, noting management can separately refer to the independent auditor’s work in its report to its governing board regarding internal controls.

Furthermore, the Certified Public Accountant and interviewees generally agreed that if management performed its own assessment of its internal controls, the results of that assessment can be shared with the external auditor and the auditor may use those results in designing audit work, increasing efficiency. Increases in efficiency in external audits likely at least partially offset any incremental staff work in conducting management’s assessment.

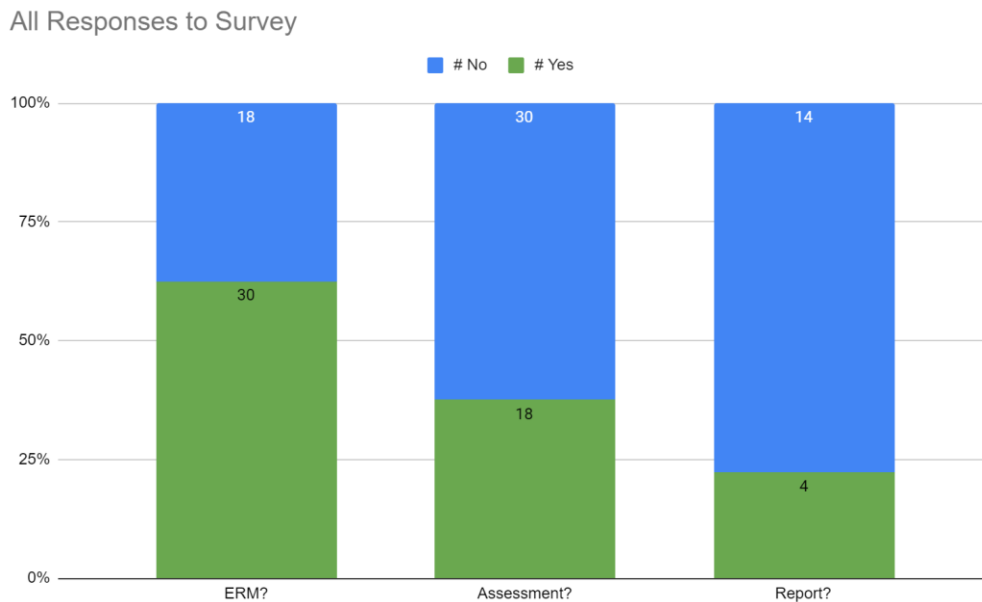
Survey Responses

Survey requests were sent to 75 entities, including municipalities, school districts, independent special districts and joint power authorities. Responses were received from 54 entities.

Given the enormity of the challenge of reviewing individual controls at any one agency, the Civil Grand Jury looked into the way government entities in San Mateo County assess its internal controls and how the results of those assessments are reported to governing boards and to the public. This assessment and reporting should follow the State of California guidelines and the underlying referenced guidelines from the Green Book and the Committee of Sponsoring Corporations. Management’s assessment of its internal controls and communication, both internally within an entity and externally to the entity’s constituents, are key principles of internal controls.

The Civil Grand Jury focused on responses to three questions from the survey:

1. Do you have an established process in place to identify organizational risks (also known as Enterprise Risk Management, or ERM)? The tables below refer to this question as ‘ERM?’.
2. Other than outside audits of your organization's financial statements, have you or your organization performed an assessment of your organization's "internal controls" within the last 18 months? The tables below refer to this as ‘Assessment?’.
3. Was a written report of the assessment produced? The tables below refer to this as ‘Report?’.



Identifying risks to an entity is a critical part of effective internal controls. See Principle 7 in the Green Book Principles of Internal Controls Table above.

Eighteen entities responded that they had performed an assessment of internal controls in the prior 18 months. Each entity must assess its internal controls. State guidelines require established mechanisms to hold management responsible for internal control responsibilities and to align incentives with the fulfillment of internal control responsibilities.

Four entities responded that they prepared a report regarding assessments of internal controls. Each governing board must oversee its entity’s internal controls. State guidelines require established mechanisms to hold management responsible for internal control responsibilities and to align incentives with goals and objectives. Management should both internally and externally communicate the results of its assessments of internal controls. If management does not communicate the results of its assessments of internal controls, others may see this as an opportunity to commit fraud or waste government assets. Management should communicate the results of its assessments of internal controls in writing to its governing board.

These data led the Civil Grand Jury to conduct interviews with selected entities that responded to the survey.

Interviews with Selected Entities

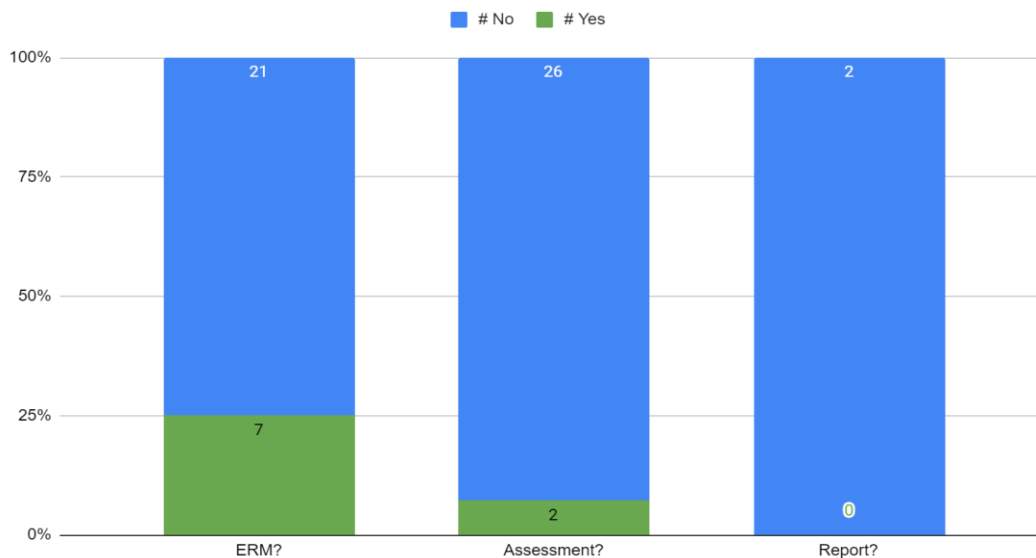
By rule of the Civil Grand Jury, the findings and recommendations included in this report can only be sent to entities that responded to the survey and participated in interviews with the Civil Grand Jury. In other words, the survey responses do not suffice to be considered a matter of fact and be used to come to a conclusion or make a recommendation.

The 28 Entities we interviewed are listed below in the section titled “Request for Responses.”

Of the Entities interviewed to confirm survey responses:

- Seven Entities reported that they did not have an established process in place to identify organizational risks.
- Twenty-six entities reported that, other than outside audits, its organization had not performed an assessment of its internal controls in the last 18 months.
- Two entities that did perform an assessment of its internal controls did not produce a written report of its assessment.

Survey Responses Confirmed by Interview



Identifying risks

Identifying risks in an organization is a critical part of effective internal controls - see Principle 7 in the Green Book Principles of Internal Controls (Table above).

When an entity does not have a process to identify organizational risks, the entity does not demonstrate how its internal controls address identified risks, and the likelihood of a failure in internal controls that results in fraud or waste increases.

Assessing Internal Controls

Entities must assess its internal controls. State guidelines require established mechanisms to hold management responsible for internal control responsibilities and to align incentives with the fulfillment of internal control responsibilities.

When an entity does not periodically assess its internal controls, the entity cannot demonstrate that they are monitoring its internal controls, and the likelihood of a failure in internal controls that results in fraud or waste increases.

Reporting Results of Assessments

Each governing board must oversee its entity's internal controls. State guidelines require established mechanisms to hold management responsible for internal control responsibilities and to align incentives with goals and objectives.

Management should both internally and externally communicate the results of its assessments of internal controls. If management does not communicate the results of its assessments of internal controls, others may see this as an opportunity to commit fraud or waste government assets.

Management should communicate the results of its assessments of internal controls in writing to its governing board.

When management does not report the results of its assessments of internal controls to its governing board and the entity has not communicated externally, the likelihood that others may see this as an opportunity to commit fraud or avoid waste increases.

FINDINGS

- F1. When an entity does not have a process to identify organizational risks, and the entity does not demonstrate how its internal controls address identified risks, the likelihood of a failure in internal controls that results in fraud or waste increases.
- F2. When an entity does not periodically assess its internal controls and the entity cannot demonstrate that it is monitoring its internal controls, the likelihood of a failure in internal controls that results in fraud or waste increases.
- F3. When management does not report the results of its assessments of internal controls to its governing board and the entity has not communicated externally, the likelihood that others see this as an opportunity to commit fraud or waste increases.

RECOMMENDATIONS

- R1. Beginning by no later than December 31, 2024 and at least annually thereafter, each entity will document its organizational risks and address those risks in its annual Assessment of Internal Controls.
- R2. Beginning by no later than March 31, 2025 and at least annually thereafter, each governing board will require its management to complete its annual assessments of internal controls.
- R3. Beginning by no later than June 30, 2025 and annually thereafter, each governing board will require management to report the results of its annual assessment of the entity’s internal controls.

REQUEST FOR RESPONSES

The following responses from governing bodies are required pursuant to Penal Code sections 933 and 933.05:

<u>Entity</u>	<u>Findings</u>	<u>Recommendations</u>
Belmont-Redwood Shores SD	F1, F2, F3	R1, R2, R3
Brisbane School District	F1, F2, F3	R1, R2, R3
City of Burlingame	F1, F2, F3	R1, R2, R3
City of East Palo Alto	F1, F2	R1, R2
City of Half Moon Bay	F1, F2, F3	R1, R2, R3
City of Menlo Park	F1, F2, F3	R1, R2, R3
City of Redwood City	F2, F3	R2, R3
Coastside Fire Protection District	F1, F2, F3	R1, R2, R3
Colma Fire Protection District	F1, F2, F3	R1, R2, R3
Jefferson Union High School District	F1, F2, F3	R1, R2, R3
La Honda-Pescadero USD	F1, F2, F3	R1, R2, R3
Menlo Park City School District	F2, F3	R2, R3
Menlo Park Fire Protection District	F1, F2, F3	R1, R2, R3
Mid-Peninsula Water District	F2, F3	R2, R3
North Coast County Water District	F1, F2, F3	R1, R2, R3
Pacifica School District	F1, F2, F3	R1, R2, R3
Portola Valley School District	F1, F2, F3	R1, R2, R3
Ravenswood City School District	F1, F2, F3	R1, R2, R3
Redwood City School District	F1, F2, F3	R1, R2, R3

San Mateo County Libraries	F1, F2, F3	R1, R2, R3
San Mateo Foster City School District	F1, F2, F3	R1, R2, R3
San Mateo Union High School District	F1, F2, F3	R1, R2, R3
Sequoia Healthcare District	F2	R2
Silicon Valley Clean Water	F2, F3	R2, R3
South Bayside Waste Management Authority	F1, F2, F3	R1, R2, R3
Town of Atherton	F2, F3	R2, R3
West Bay Sanitary District	F1, F2, F3	R1, R2, R3
Woodside School District	F1, F2, F3	R1, R2, R3

RESPONSE REQUIREMENTS

California Penal Code Section 933.05 provides: For purposes of subdivision of Section 933, as to each Civil Grand Jury finding, the responding person or entity shall report one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the disputed finding and shall include an explanation of the reasons.

For purposes of subdivision of Section 933, as to each Civil Grand Jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has yet to be implemented but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall be at most six months from the Civil Grand Jury report's publication date.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

APPENDIXES

Appendix A - Form of Survey

Appendix B - Examples of Fraud and Waste

Form of Survey

1. Please list your name, title and organization
2. Other than outside audits of your organization's financial statements, have you or your organization performed an assessment of your organization's "internal controls" within the last 18 months? (Yes/No)
3. If your organization has not performed an assessment of its internal controls or has not completed one in the last 18 months, why?
4. What was the date of your internal controls assessment?
5. What type of tool was used to assess your internal controls? If "Other", please provide a brief description of the tool. (Checklist/Guided questions/Other)
6. Was a written report of the assessment produced? (Yes/No)
7. Was this assessment report shared with your governing board? (Shared/Not shared/Written assessment report was not produced)
8. Does your governing board require or suggest that your organization periodically review its internal controls?
9. Have the personnel in your organization received training specific to building effective internal controls?
10. If your organization has received training in building effective internal controls, who provided the training?
11. Do you have an established process in place to identify organizational risks (also known as Enterprise Risk Management or "ERM")?
12. When substantial risks are identified, does your process require changes or improvements to the applicable internal controls?
13. Have you shared the organizational risk assessment findings with your governing board?
14. Internal controls assessment tool:
15. Internal controls assessment report:
16. Risk assessment report:
17. Other links, please describe and include link(s):

Examples of Alleged Fraud and Waste

Broadmoor Police Protection District Fraud

<https://www.chronline.com/stories/outrageous-pension-double-dipping-triggers-criminal-investigation-into-california-cops,281359>

San Mateo County Pay to Play Prosecution

<https://www.almanacnews.com/news/2023/02/10/community-college-district-lawsuit-alleges-pay-to-play-in-construction-projects-under-former-chancellor/>

Reporting of Personal Residences paid for with government funds.

<https://www.nbcbayarea.com/news/local/former-caltrain-manager-secret-apartments-bay-area-train-stations/3496068/>

Release Date: June 27, 2024
2023-2024 San Mateo County Civil Grand Jury

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 3, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Rossi, Administrative Services Director
Bryan Lopez, Senior Management Analyst

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH CLOUDPERMIT INC. FOR A CLOUD-BASED PERMIT SOFTWARE SOLUTION

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional services agreement with CloudPermit Inc. for the purchase and implementation of a new cloud-based permit software solution to replace existing Caselle Connect Community Development and Public Works permitting modules.

FISCAL IMPACT:

The fiscal impact of this agreement will be \$21,818 per year for a three-year term with an implementation cost of \$17,000 for a total of \$82,454. This year's costs were included in the FY 24-25 budget and will be partially offset by cancellation of existing inferior software.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability and Infrastructure and Environment* elements of the Strategic Plan.

BACKGROUND:

In 2017, the City of Half Moon Bay selected Caselle Connect as its Enterprise Resource Planning (ERP) tool which included Community Development modules for permitting and code enforcement. At the time of implementation, the City believed the solution provided by Caselle would be sufficient to support the needs of the Community Development Department. Unfortunately, since deployment of the Community Development modules, staff have experienced continuous issues, software bugs, incompatibilities, connectivity issues, missing features, and other issues that were not apparent during the interview period. Many of the promised capabilities were also determined to be only available in the on-premises solution and not fully available in their hosted platform.

City staff has worked with Caselle for the past four years in an attempt to resolve many of the issues with little progress. Slow updates, incompatibilities between Caselle Connect and their

own Caselle Connect Online, as well as other inherent limitations of the hosted platform, have ultimately made the software unusable and unsustainable for the Community Development and Public Works Departments, hindering productivity. The City received a refund for a portion of the fees paid for the Community Development modules; however, Caselle is unwilling to extend any further discounts or credits.

A staff review committee comprised of the City Manager's Office, Community Development (Planning, Building, Code Compliance), Public Works, and Administrative Services (Information Technology) have conducted several meetings with CloudPermit representatives and conducted detailed background checks from other public agency staff actively utilizing the CloudPermit system. This process continued over the past three months to be certain CloudPermit would provide all permit services and on-going customer support needed.

DISCUSSION:

When preparing to select new technology and software, City staff developed key criteria to ensure the best possible outcome. With a focus on criteria such as interconnectedness with other systems, security, scalability, user interface, and transparency, staff ensured that any system meeting those criteria would meet City needs for the foreseeable future. Over the past year, staff researched permit and code enforcement software solutions, ultimately focusing on CloudPermit, which provides an innovative cloud-based solution. CloudPermit offers an online first platform using a cloud hosted web browser-based interface, and a modern all-in-one approach to licensing. This new pricing approach would allow the City to scale as needed without fear of increased costs down the road.

Key benefits of CloudPermit are:

- Highly customizable and resilient (scales with the City);
- Unlimited Licenses with all features included;
- Online Payments (City will now be compliant with modern credit card processing requirements);
- Online permit and code enforcement tracking and inspection scheduling;
- Integration with arcGIS, Symbium (Residential PV Solar online permitting application), Laserfiche & SharePoint, and more systems that the City actively uses;
- Faster permit processing and Improved code enforcement;
- Visibility between divisions as it relates to unpaid fees, violations, and other required information increasing fee revenue; and
- Improved staff time tracking and billing with enhanced financial reporting.

Upon approval, implementation will commence immediately and is anticipated to be completed within three months. Staff anticipates the new system to go live as early as October as the older Caselle system is phased out.

ATTACHMENTS:

Resolution authorizing the City Manager to execute a professional services agreement with CloudPermit Inc. for the purchase and implementation of a new Permit and Code Enforcement system (Exhibit A- Scope of Services and Exhibit B – Fee Schedule)

Resolution No. C-2024-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CLOUDPERMIT INC. FOR THE PURCHASE AND IMPLEMENTATION OF A NEW CLOUD-BASED PERMIT SOLUTION TO REPLACE EXISTING CASELLE CONNECT COMMUNITY DEVELOPMENT AND PUBLIC WORKS PERMITTING MODULES

WHEREAS, the City is committed to using technology for maximum efficiency and productivity, and enhancing transparency and accountability; and

WHEREAS, the City seeks to improve compatibility of its systems, increase staff bandwidth and reduce bottlenecks; and

WHEREAS, a staff review committee reviewed all available solutions and determined that CloudPermit is the best overall product that meets the needs of the City; and

WHEREAS, in collaboration with the Administrative Services and Public Works Departments, the budget allocates funding to complete the evaluation, purchase, and implementation of a permit management system to be completed by mid 2024.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a three-year agreement with CloudPermit Inc. for a permitting and code enforcement software system subscription based on the Scope of Work in Exhibit A and Fee Schedule in Exhibit B.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 3rd day of September 2024, 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

Joaquin Jimenez, Mayor



**CLOUDPERMIT
IMPLEMENTATION MODEL**



TABLE OF CONTENTS

CLOUDPERMIT IMPLEMENTATION DESCRIPTION..... 2
 IMPLEMENTATION TIMELINE..... 2
 IMPLEMENTATION MODEL 3
 Kickoff..... 3
 Workshop 3
 Configuration 3
 Training & Testing..... 3
 Go Live..... 3
 MILESTONES & ACCEPTANCE CRITERIA 4
 CHANGE MANAGEMENT 4
 ADDITIONAL SERVICES COST..... 4

CLOUDPERMIT IMPLEMENTATION DESCRIPTION

The implementation model, described herein, details the proven model used to implement the various products offered by Cloudpermit for a new public-facing solution for the Customer. This is accomplished through a five-stage implementation process: Stage 1 – Kickoff, Stage 2 – Workshop, Stage 3 – Configuration, Stage 4 - Training & Testing and Stage 5 - Go Live.

The product(s) to be implemented is identified on the approved order form and is inclusive of the functionality that is identified in the product specific documentation.

Any services not listed on the Order Form are considered out of scope and can only be added through an agreed upon change order.

IMPLEMENTATION TIMELINE

The implementation schedule for Cloudpermit is mutually agreed upon prior to the Kickoff meeting and documented with a project plan. Any modifications or extensions to the project plan will be requested through the customer’s authorized representative and evaluated by Cloudpermit Head of Professional Services for review and discussion. If this modification or extension is granted, Cloudpermit will provide a change order to be signed by the Customer. Cloudpermit standard implementation timeline is detailed below.

Cloudpermit Estimated Project Timeline	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	
Building Department	5-6 weeks																			
By-Law or Code Enforcement						4-5 Weeks														
Planning Department										8-10 weeks										

To manage this timeline, Cloudpermit Implementation Specialist will establish a weekly meeting checkpoint to ensure the implementation is on track and weekly action items are achieved.

IMPLEMENTATION MODEL

As part of the Implementation Model, Cloudpermit and the Customer will be responsible for performing tasks throughout the various stages of the implementation process. The following is a description of tasks needed to successfully complete the implementation of the Cloudpermit Product. For a more detailed description please refer to the Cloudpermit Implementation Methodology documentation.

Kickoff

A meeting between Cloudpermit and the Customers staff and key stakeholders to provide an overview of the product, discuss the goals and objectives and the agreed upon project schedule to establish a plan for a successful implementation.

Workshop

Cloudpermit solution is built on standard, out of the box, functionality. The workshop will ensure that the Implementation Specialist has a full understanding of the business processes, the details the municipality needs to collect from the applicant, fee schedules and any templates which needs to be generated. Cloudpermit standard out of the box solution integrates with ESRI ArcGIS through a REST(API) to establish the property location and also integrates with certain Payment Providers to allow for online payments. Cloudpermit encourages the use of 3rd party payment providers which are already integrated with Cloudpermit. The Implementation Specialist can provide a full list of the 3rd party payment providers, however, if the municipality uses another 3rd party vendor, then a custom integration is needed and could impact the schedule. This should be identified as soon as possible to minimize the impact to the schedule.

Note: Any Non-Standard Integrations are subject to additional Scope and costs.

Configuration

Configuration of Cloudpermit with the features and functionalities needed to allow the customer the ability to process applications using the online Cloudpermit solution.

Training & Testing

Cloudpermit Implementation Specialist will provide two (2) standard training sessions to key users of the system to ensure the customer can successfully test the product.

Additional Training: Cloudpermit's training is built to ensure the customer is ready to utilize the software to its full extent. In some cases, additional training is necessary during implementation or Post Go Live. The customer can order additional training according to Cloudpermit's price list.

Go Live

Go Live includes a Go/No Go decision prior to a scheduled Go Live meeting where the training environment configuration will be promoted to the production. At the Go Live meeting the customer will



submit their first Customer permit/application and/or create their first case in Cloudpermit to satisfy the Customers go live.

MILESTONES & ACCEPTANCE CRITERIA

Milestones are used for acceptance of various steps within the Implementation process. At the completion of each milestone the client will receive a Milestone Acceptance Document to be signed accepting that the tasks provided within each milestone have been completed. It is agreed that the Customer will accept each Milestone, unless such Milestone contains a “go live blocker” defect and Customer so notifies Cloudpermit, in writing, within 5 business days of the Milestone Acceptance Request. Milestones that do not receive notification of non-acceptance within 5 business days will be deemed accepted.

Milestone Number	Milestone Description	Billable Amount
M1	Project Plan Acceptance	50%
M2	The kickoff, configuration, and 1 st training sessions has been completed	50%
	Go Live tasks have been completed and the first permit/application is entered in Cloudpermit production Environment.	

Once Cloudpermit has provided corrections, Customer will have Seven (7) business days to verify that the corrections are sufficient and to provide written notice of any failure to correct a Go Live Blocker. If no written notification is provided, the corrections and the Milestone will be deemed accepted.

Cloudpermit will correct all Go Live Blockers as described above and handle Post Go Live issues within a reasonable Post Go Live window. All other Defects will be tracked for potential future releases. Notice of any Go Live Blocker defect must be provided to Cloudpermit in writing.

CHANGE MANAGEMENT

Cloudpermit Implementation Model provides a comprehensive, fully inclusive approach to implement the Cloudpermit solution. During the implementation process, additional needs may be identified for the Customer, that are outside of the project scope. These items once identified will be managed through a Change Request. The Change Order will identify the request, detail the requirements and justification and any scheduling or cost implications resulting from the change Request.

ADDITIONAL SERVICES COST

Additional Services are available from the Professional Services team that may not be included in the previously agreed upon scope. Cloudpermit can provide additional services as per the price list and through a change order

For on-site meetings, travel and per diem expenses will be invoiced to the Customer in accordance with Cloudpermit Travel Policy which will include airfare, mileage, hotel accommodations and daily per diem.

Cloudpermit

11911 Freedom Drive, Ste. 720
 Reston, Virginia 20190
 United States

Order Form

Order #: Q-01408-2
Customer #: CUST-0022874
Date: 10/4/2023
Sales Person: Jake Wolff
Sales Person Email: jake.wolff@cloudpermit.com
Delivery Method: E-Mail

Ship To

John Doughty
 Half Moon Bay
 501 Main Street
 Half Moon Bay, California 94019
 United States
 650-726-8252
 jdoughty@hmbcity.com

Bill To

Half Moon Bay
 501 Main Street
 Half Moon Bay, California 94019
 United States

Subscription

Product		Year 1	Year 2	Year 3
Building	Annual Total	USD 10,909	USD 10,909	USD 10,909
Code Enforcement	Annual Total	USD 3,273	USD 3,273	USD 3,273
Planning	Annual Total	USD 7,636	USD 7,636	USD 7,636
Subscription Total:		USD 21,818	USD 21,818	USD 21,818

Subscription start date will be the contract signature date unless otherwise stated in the Terms & Condition section.

Service

Description	Annual Total
Data Import	USD 7,000
Implementation Fee	USD 10,000
Service Total:	USD 17,000

Customer Total First Year: **USD 38,818**

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 3, 2024**

TO: Honorable Mayor and City Council

VIA: Mathew Chidester, City Manager

FROM: Steve McHarris, Interim Community Development Director
Scott Phillips, Senior Planner

TITLE: APPEAL OF THE PLANNING COMMISSION’S DECISION TO DENY THE COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, AND SETBACK VARIANCE FOR A NEW RESIDENCE AND ACCESSORY DWELLING UNIT AT 595 CREEKSIDE COURT (LOT 10), FILE NO. PDP-22-065

RECOMMENDATION:

Either: 1) deny the appeal and affirm the Planning Commission’s decision, based upon the Findings and Evidence contained in Exhibit A of the draft resolution; OR 2) grant the appeal and reverse the Planning Commission’s decision, based upon the Findings and Evidence contained in Exhibit A of the draft resolution, and approve the proposed residence subject to the Conditions of Approval in Exhibit B.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

STRATEGIC ELEMENT:

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

BACKGROUND:

On November 7, 2022, Gabriel Gonzalez filed an application for a Coastal Development Permit, Architectural Review, and Street Side Setback Variance (Lot 10) to allow for the construction of 11 new single-family residences, three of which included accessory dwelling units (ADUs), including the new residence on Lot 10, and one fourplex. The designs of the proposed residences were reviewed by the Architectural Advisory Committee (AAC) on January 26, 2023, and received support of the residential designs on July 13, 2023.

On February 13, 2024, the Planning Commission reviewed and conditionally approved the residences on Lots 1 to 9, 11, and 12. The Planning Commission added a condition of approval disapproving the new residence and ADU on Lot 10 due to not meeting the code-required 15-

foot street side setback, encroaching 10 feet into the required setback. The staff report for that meeting is available [here](#) and the minutes [here](#).

In May 2024, the applicant submitted a revised application for a single-family residence and ADU for Lot 10, reducing the encroachment into the street side setback by 5 feet along Church Street from the original 5-foot setback to a proposed 10-foot setback. The footprint of the new building was also extended on the Creekside Court frontage 6 feet which continued to meet the front yard setback. The revised design is included as Attachment 3. The applicant explored options of reducing the size of the home and ADU but determined that the massing would be incompatible with the previously approved homes along Creekside Court.

On June 25, 2024, the Planning Commission considered the revised application. The Commission's review was limited to the new residence and ADU at 595 Creekside Court on Lot 10 and the requested street side setback variance.

The Planning Commission denied the proposal on a 3-2 vote primarily due to their inability to make the findings for the requested street side setback variance, when a narrower home could be constructed. Attachment 4 includes the signed Planning Commission resolution for denial. The staff report from June 25 is available [here](#).

On June 28, 2024, the Planning Commission's decision was appealed by the property owner of 595 Creekside Court. A copy of the submitted appeal application and letter is included as Attachment 5.

DISCUSSION:

The appellant's grounds for appeal are paraphrased below, followed by staff responses. The appellant's complete statement is provided on the second page of Attachment 5.

1. Statement of Appeal

The variance request was denied by a split decision with two commissioners in support and three commissioners in opposition: Two of the Commissioners were supportive of the proposal and three were opposed.

Response

Two of the Planning Commissioners were supportive of the Variance request, and referenced similar previous Variances approved by the Planning Commission. Due to the unique site characteristics associated with the property, the two Planning Commissioners were able to make the findings for the requested Variance. The two Commissioners in support also emphasized the high-quality design of the home that is integral with the rest of the residential homes approved along Creekside Court. Three of the Planning Commissioners were not supportive of the proposal, primarily because the Planning Commissioners did not see necessity for granting the Variance. Examples exist on similar lots in other neighborhoods where a residence and attached ADU were constructed that meet the required development standards. The three

Commissioners were not able to make the findings for the requested Variance because the existence of the creek and bulb out of the cul-de-sac were not deemed unique characteristics justifying the granting of the requested Variance.

2. Statement of Appeal

The Planning Commission approved the subdivision with the Building Envelopes for all 12 lots during the review of the subdivision.

- *Immediately upon acquiring the property, the applicant applied for Measure D allocations and started designs of the residences with the Building Envelopes provided.*
- *Home designs were presented to the Architectural Advisory Committee (AAC) on two separate occasions. The AAC was supportive of the site and architectural design of the homes.*
- *All 12 designs (including 595 Creekside Court) were in compliance and adhered to all design criteria and Planning staff recommendations.*
- *After 20 months of continuously working on our designs, the applicant was advised that the street facing side setback (15 feet) was larger than the building envelope street side setback (5 feet) that was previously provided by staff.*

Response

During the reviews of the subdivision by the Planning Commission and City Council, the concept of developable or buildable area ([buildable area exhibit](#)) was prepared as an informational exhibit, netting out the riparian buffer area, the roadway, building setbacks, utilities, and other infrastructure provisions. Although not included in Planning Commission staff reports, plans, or approvals, a civil sheet was prepared and submitted to the City identifying the general locations of the buildable areas. Lot 10 erroneously shows the street-facing side yard setback along the Church Street frontage as less than the code-required 15-foot setback requirement. Statement 2 of the appeal is correct in that the Buildable Area Exhibit was utilized as a guide when designing the new residences on Creekside Court (including Lot 10) prior to application submittal on November 7, 2022. Following the submittal, the inconsistency between the required 15-foot street-side setback on Lot 10 and the lesser setback that was shown on the buildable area exhibit was discovered.

The statement by the appellant noting the that the Planning Commission approved the subdivision with the Building Envelopes for all 12 lots during the review of the subdivision is incorrect. The Planning Commission did not approve the building envelopes as shown on the informational Buildable Area Exhibit for the lots during the review of the subdivision. The site is within the Commercial Downtown (C-D) Zoning District which has remained the same throughout the development review process. A 15-foot street side setback is required for single family residential per the C-D Zoning District requirements.

3. Statement of Appeal

Staff supported Lot 10's return to the Planning Commission proposing a street side setback variance to encroach 5 feet into the required 15-foot street side setback. The variance request was denied with a heavily debated split decision.

Response

Due to the unique site characteristics, staff recommended approval of the Variance at both the February 13 and June 25, 2024, Planning Commission meetings. Pilarcitos Creek runs along the northern portion of the property, which is a side yard cul-de-sac facing lot. The existence of the creek and the atypical shape of the cul-de-sac are unique circumstances that apply to the subject property and do not apply to most other properties within the surrounding area. The required street side setback further constrains the development potential of Lot 10 compared to the other properties within the Creekside neighborhood because Lot 10 is the only lot within the subdivision that contains a double street frontage, including the non-linear cul-de-sac configuration. Additionally, the property line for Lot 10 does not extend into the street, as is typically the case. Instead, there is landscaped right-of-way between the side property line and Church Street back-of-sidewalk. This extended landscape and sidewalk space along the Church Street frontage provides roughly the same visual distance (19 feet) from the edge of the curb to the building footprint. This is an unusual circumstance that does not typically exist on other corner lots. Staff presented an approval recommendation based on the aforementioned special circumstances applicable to the site which allow for meeting the findings associated with the Variance.

Per Section 18.23.010 of the Municipal Code, Variances may be granted when such Variances will not be contrary to the intent of the Municipal Code, nor to the public interest, safety, health and welfare, where due to special considerations or exceptional characteristics of the property or its location or surrounding, a literal enforcement of this title would result in practical difficulties or unnecessary hardship. Furthermore, Section 18.23.040 (B) contains the findings that are required for the granting of Variances.

The project also conforms to the recommendations of the Residential Design Guidelines. These Guidelines were adopted to ensure compatible design within existing neighborhood context as well as to encourage flexibility in architectural design. Thus, various types of projects may conform to the Design Guidelines.

4. Statement of Appeal

If the home is reduced from a 40-foot width to a 30-foot width, it loses compatibility with the other homes. Without the variance, the width of the home would be reduced to 30 feet which would be substantially slenderer than the other homes approved on the north side of Creekside Court.

Response

Staff confirmed that the narrowest building width approved in the subdivision is 40 feet. Additionally, none of the existing homes across the street from Creekside Court are less than 40 feet in width. Limiting the subject house to 30 feet in width would be inconsistent with the width of the other homes approved within the Creekside Subdivision.

5. Statement of Appeal

Including an attached accessory dwelling unit would not be possible with a 30-foot-wide building area. Not allowing the setback variance would reduce the buildable width of the lot to 30 feet

Response

Numerous new residences with an attached ADU have been designed and constructed on narrower lots compared to 595 Creekside Court without the need for a Variance. However, the appellant may no longer wish to construct an attached ADU if only allowed to build a house that is 30 feet wide. Beyond staff's response to Statement of Appeal #4, loss of the proposed ADU would be the most significant difference between Lot 10 and the other subdivision lots with proposed ADUs. ADUs in the downtown area represent a component of the City's strategy to meet the Regional Housing Needs Allocation contained in draft Cycle 6 Housing Element.

6. Statement of Appeal

There is a unique circumstance specific to the site that requires special consideration.

- *The streetside property line is 9 feet from the curb along the corner of Church Street and Creekside Court.*
- *Land at the end of the cul-de-sac and behind the proposed residence will not be developed with residences.*
- *Allowing the variance will not create a vehicular line of site issue along the corner of Creekside Court and Church Street.*

Response

This has been addressed under the response to Statement of Appeal #3. In addition, review of the proposal by the City Engineer confirmed that granting the setback Variance would not create a line of site safety concern along the corner of Creekside Court and Church Street because of the additional landscaped right of way between the side property line and the curb.

NOTICING AND PUBLIC INPUT:

Prior to the City Council meeting, a legal notice was published in the San Mateo County Daily Journal, notices were mailed to residents within 300 feet of the subject property, and the site was posted notifying the community of this item. Staff received one letter from a resident on August 27, 2024 (Attachment 6).

CONCLUSION:

Each of the appellant's statements have been responded to in this report. The Planning Commission voted 3-2 to deny the requested setback Variance, based on the ability to design a residence that meets the code-required street side setback. According to the applicant, this would result in the proposed residence being the narrowest in the neighborhood and without an ADU. Conversely, granting the appeal and reversing the Planning Commission's decision would result in a residence with ADU of similar design and size of other future homes in the subdivision with little, if any, visual impact on the Church Street-facing side of the property.

ATTACHMENTS:

1. Draft Resolution for Denial with Findings and Evidence, Exhibit A
2. Draft Resolution for Approval with Findings and Evidence, Exhibit A and Conditions of Approval, Exhibit B
3. 595 Creekside Court (Lot 10) Architectural Plans
4. Planning Commission Signed Resolution for Denial
5. Application for Appeal and Grounds for Appeal, dated February 28, 2018
6. Comment Letter, received August 27, 2024

Resolution No. C-2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY DENYING THE APPEAL AND AFFIRMING THE DECISION OF THE PLANNING COMMISSION DENYING A COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, AND SETBACK VARIANCE TO ALLOW THE CONSTRUCTION OF A NEW TWO-STORY SINGLE-FAMILY RESIDENCE AND ATTACHED ACCESSORY DWELLING UNITS, AT 595 CREEKSIDE COURT IN THE COMMERCIAL DOWNTOWN (C-D) ZONING DISTRICT AND THE COMMERCIAL GENERAL LAND USE DESIGNATION

WHEREAS, an application was submitted requesting approval of a Coastal Development Permit, Architectural Review, and Setback Variance to allow the construction of a fifteen new residential units on twelve lots, including a two-story single-family residence and attached accessory dwelling unit (ADU) at 595 Creekside Court (Lot 10) in the Commercial Downtown (C-D) Zoning District and the Commercial General Land Use designation; and

WHEREAS, the procedures for processing the application have been followed as required by law; and

WHEREAS, on October 10, 2017 the Planning Commission adopted a Mitigated Negative Declaration, Addendum, and Mitigation, Monitoring, and Reporting Program in compliance with the California Environmental Quality Act (CEQA) pursuant to California Administrative Code Section 15074, which included new residences as part of the project; and

WHEREAS, the Architectural Advisory Committee (AAC) reviewed the project on January 26 and July 13, 2023 and was supportive of the residential design; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on February 13, 2024 at which time all those desiring to be heard on the matter were given an opportunity to be heard; and

WHEREAS, the Planning Commission approved the CDP for all of the proposed residential units except for the proposed single-family residence and attached ADU on Lot 10, noting that it was not able to make the findings of fact related to the requested setback variance for this residence, at the February 13 meeting. The Commission provided direction to the applicant to redesign the residence and ADU, and continued the item to a date uncertain; and

WHEREAS, the proposed residence on Lot 10 was redesigned to reduce the setback encroachment from 10 feet to 5 feet and resubmitted; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on June 25, 2024, at which time all those desiring to be heard on the matter were given an opportunity to be heard; and

WHEREAS, the Planning Commission considered all written and oral testimony presented for consideration; and

WHEREAS, on June 25, 2024, the Planning Commission was not able to make the required findings for the street-side setback variance requested for the redesigned home and ADU on Lot 10 and therefore did not approve the requested permits and project, and denied the requested permits by a vote of 3-2;

WHEREAS, an application for appeal was filed on June 28, 2024, appealing the Planning Commission's decision to the City Council; and

WHEREAS, the City Council has made the required findings for denying the appeal and upholding the Planning Commission’s decision to deny the project, set forth in Exhibit A to this resolution;

NOW, THEREFORE, BE IT RESOLVED that, based upon the Findings in Exhibit A, the City Council denies the appeal and affirms the Planning Commission’s decision to deny the residence and ADU at 595 Creekside Court.

PASSED AND ADOPTED by the City of Half Moon Bay City Council at a duly noticed public hearing held September 3, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 3rd day of September 3, 2024 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

Joaquin Jimenez, Mayor

EXHIBIT A
FINDINGS AND EVIDENCE
City Council Resolution C-2024-__
PDP-22-065

Coastal Development Permit – Findings for Denial

The required Coastal Development Permit for this project may be approved or conditionally approved only after the approving authority has made the following findings per Municipal Code Section 18.20.070:

1. **Local Coastal Program** – *The development as proposed or as modified by conditions, conforms to the Local Coastal Program.*

Non-Compliance: The project consists of the construction of one new single-family residence with an attached accessory dwelling unit (ADU). The new residence and ADU does not meet the required street side setback along the Church Street frontage. Title 18 (Zoning) of the City's Municipal Code is also the Implementation Plan for the City's Local Coastal Program. Since this proposed project is out of compliance with the City's Zoning requirements, the project does not conform to the City's Local Coastal Program.

2. **Growth Management System** – *The development is consistent with the annual population limitation system established in the Land Use Plan and Zoning Ordinance.*

Evidence: The City's Growth Management System is not applicable to a denied project.

3. **Zoning Provisions** – *The development is consistent with the use limitations and property development standards of the base district as well as the other requirements of the Zoning Ordinance.*

Non-compliance: The proposed residence and attached ADU encroaches into the required 15 foot street side setback along the Church Street frontage by 5 feet. Therefore, the project does not conform to the zoning requirements of the CD Zoning District as well as all other relevant provisions of the Zoning Code.

4. **California Coastal Act** – *Any development to be located between the sea and the first public road parallel to the sea conforms to the public access and public recreation policies of Chapter 3 of the California Coastal Act.*

Evidence: The proposed project is located within the Appeals Jurisdiction of the California Coastal Commission. An approval of the project by the City final City decision is appealable to the California Coastal Commission. Denial by the City is not appealable to the California Coastal Commission.

Street Facing Side Yard Variance – Findings

A variance to allow the new residence at 595 Creekside Court (Lot 10) to encroach 5 feet into the required 15-foot street-facing side yard setback along Church Street has been requested. Pursuant to Section 18.23.010 and Section 18.23.040(B) of the Zoning Code, a variance may be granted to allow for a building to encroach into a required setback if the following findings of fact are made:

1. That there are exceptional or extraordinary circumstances or conditions applying to the land, building or use referred to in the application which circumstances or conditions do not apply generally to the land, buildings and/or uses in the same district;

Non-compliance: The subject property is substantially similar to other lots within the Creekside subdivision. An exceptional or extraordinary circumstances or conditions applying to Lot 10 does not exist.

2. That the granting of the application is necessary for the preservation and enjoyment of substantial property rights of the petitioner; and

Non-compliance: Designing a functional home and attached ADU that meets the all setback requirements and other applicable requirements of the Zoning Code is possible on the developable land available. Many other single family residences with attached ADU's on similarly sized lots have been developed within the City.

3. That the granting of such application will not, under the circumstances of the particular case, materially affect adversely the health or safety of persons residing or working in the neighborhood of the property of the applicant, and will not, under the circumstances of the particular case, be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood.

Non-compliance: The subject property is within a developed portion of downtown where all public services and infrastructure are available and being extended to the site. The development of the single-family residence and attached ADU on the subject property (Lot 10) is identified as an allowed use within the CD Zoning District. The granting of the requested Variance would be seen as a precedent-setting action since other properties with similar size and shape lot configurations have been successfully built and occupied without the need for a setback Variance.

Environmental Review – Finding

CEQA – The project will not have a significant effect on the environment.

Evidence: Pursuant to CEQA Guideline 15270, CEQA does not apply to projects which a public agency rejects or disapproves. Denied projects are statutorily exempt from CEQA.

Resolution No. C-2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY GRANTING THE APPEAL, REVERSING THE DECISION OF THE PLANNING COMMISSION, AND APPROVING THE COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, AND SETBACK VARIANCE SUBJECT TO THE CONDITIONS OF APPROVAL TO ALLOW THE CONSTRUCTION OF A NEW TWO-STORY SINGLE-FAMILY RESIDENCE AND ATTACHED ACCESSORY DWELLING UNITS, AT 595 CREEKSIDE COURT IN THE COMMERCIAL DOWNTOWN (C-D) ZONING DISTRICT AND THE COMMERCIAL GENERAL LAND USE DESIGNATION

WHEREAS, an application was submitted requesting approval of a Coastal Development Permit, Architectural Review, and Setback Variance to allow the construction of a two-story single-family residences and attached accessory dwelling units at 595 Creekside Court in the Commercial Downtown (C-D) Zoning District and the Commercial General Land Use designation; and

WHEREAS, the procedures for processing the application have been followed as required by law; and

WHEREAS, on October 10, 2017 the Planning Commission adopted a Mitigated Negative Declaration, Addendum, and Mitigation, Monitoring, and Reporting Program in compliance with the California Environmental Quality Act (CEQA) pursuant to California Administrative Code Section 15074, which included new residences as part of the project; and

WHEREAS, the Architectural Advisory Committee (AAC) reviewed the project on January 26 and July 13, 2023 and was supportive of the residential designs; and

WHEREAS, the conditions of approval ensure that the development will comply with the previously adopted mitigation measures and City Council approved affordable housing agreement; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on June 25, 2024 at which time all those desiring to be heard on the matter were given an opportunity to be heard and approved the project; and

WHEREAS, the Planning Commission considered all written and oral testimony presented for consideration; and

WHEREAS, the Planning Commission was not able to make the required findings for the street-side setback variance requested for the redesigned home and ADU on Lot 10 and therefore did not approve the requested permits and project, as set forth in Exhibit A to this resolution;

WHEREAS, on June 25, 2024, the Planning Commission denied the requested permits by a split vote of 3-2; and

WHEREAS, an application for appeal was filed on June 28, 2024, appealing the Planning Commission's decision to the City Council; and

WHEREAS, the City Council has made the required findings for granting the appeal and reversing the Planning Commission's decision to deny the project;

NOW, THEREFORE, BE IT RESOLVED that, based upon the Findings in Exhibit A, the City Council grants the appeal and reverses the Planning Commission's decision and approves PDP-22-065, subject to the conditions set forth in Exhibit B.

PASSED AND ADOPTED by the City of Half Moon Bay City Council at a duly noticed public hearing held September 3, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 3rd day of September, 2024 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

Joaquin Jimenez, Mayor

EXHIBIT A
FINDINGS AND EVIDENCE
City Council Resolution C-24-__
PDP-22-065

Coastal Development Permit – Findings for Approval

The required Coastal Development Permit for this project may be approved or conditionally approved only after the approving authority has made the following findings per Municipal Code Section 18.20.070:

1. **Local Coastal Program** – *The development as proposed or as modified by conditions, conforms to the Local Coastal Program.*

Compliance: The project consists of the construction of one new single-family residence with an attached ADU within an existing subdivision where public services and infrastructure are generally available or can be easily extended to the site as previously determined in the approval of the subdivision, including sewer, water, gas and electric utilities. With the implementation of the required conditions of approval, the project conforms to City requirements, will not impact coastal resources, and is consistent with the policies of the City’s Land Use Plan (LUP).

LUP Policy 2-71. Residential Siting and Design Standards: Require development of new and remodeled structures within established neighborhoods to be sited and designed to be: a. Compatible within each unique neighborhood area, including infrastructure and streetscape provisions such as walkways, street trees, and parking. b. Scaled and appropriate for the limitations of non-conforming sites, such as smaller residences on substandard sized parcels and those that must accommodate natural resources, hazards, watercourses, coastal access, and visual resource requirements.

Compliance: The proposed development is compatible with its neighborhood area, is appropriately scaled for the lot size and surrounding neighborhood and has been designed to avoid impacts on any natural or visual resources.

LUP Policy 2-78. Residential Right-of-Way Improvements. Require new or significantly remodeled residences to provide frontage improvements including but not limited to walkway, sidewalk, curb, and gutter improvements where they do not yet exist or are in need of repair or replacement, or to provide an in-lieu fee to the City to construct such improvements in the future.

Compliance: Creekside Court is a private street. Roadway, curb, gutter, and sidewalks are under construction as part of the subdivision improvements. A new sidewalk would be constructed along the Church Street frontage for Lot 10 and will connect to the existing sidewalks further along Church Street.

LUP Policy 3-6. New Development Requirements and Findings. Require that all new development have 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.

Compliance: The site is an infill site with a previously approved subdivision within an established neighborhood and is anticipated for residential development in the Land Use Plan and Housing Element. The project will be served with water, sewer, and road facilities.

Coastal Act 30240(b) and LUP Policy 6-12: Development shall be sited and designed to avoid impacts to terrestrial ESHA, wetlands, and watercourses.

Compliance: The new residence, ADU, and associated improvements have been sited and designed to conform to the riparian buffer requirements. Mitigation measures adopted with the previous environmental document ensure avoidance of habitat areas associated with Pilarcitos Creek. The proposed project includes a deed restricted open space easement for conservation purposes to protect this ESHA, including a 50-foot buffer from the edge of riparian vegetation. The site has been studied several times since 2011 and most recently in 2017 for confirmation of the mapped edge of riparian vegetation to ensure that the buffer is correctly located and that the deed restriction adequately applies to the entire area to be protected. The 2017 study established the buffer as recorded. Biological surveys and monitoring have taken place throughout the construction of the subdivision improvements.

LUP Policy 6-76: Green Infrastructure: Promote and prioritize the use of Low Impact Development (LID) strategies, Best Management Practices (BMPs), and on-site infiltration to create green infrastructure for treating and reducing stormwater runoff. In and adjacent to ESHA, use resource-dependent green infrastructure projects for natural restoration purposes and provision of buffer areas to allow for natural erosion, evolution of natural drainage flows, and sediment transport balance.

Compliance: Several LID strategies have been integrated into the project as a whole primarily through the design of the subdivision. Because Creekside Court is a private street, stormwater will be directed to the detention basin located on the westernmost lot. Best Management Practices would be implemented throughout construction. Policy compliance is demonstrated through limited grading, in combination with the best management practices and stormwater detention.

LUP Policy 9-1. Scenic and Visual Resource Areas: Identify and protect scenic and visual resource areas in Half Moon Bay, including, but not limited to the scenic corridors, natural resource areas, and built environment resources as defined in this chapter and designated on Figure 9-1.

LUP Policy 9-2. Scenic Resource Protection: New development shall be sited and designed to protect views to and along the ocean, to minimize the alteration of natural landform, to be visually compatible with the character of its setting, and, where feasible, to restore and enhance visual quality in visually degraded areas.

LUP Policy 9-5. Visual Impact Evaluation: Where any development is proposed within a scenic and visual resource area, including as designated on Figure 9-1, a site-specific visual impact evaluation shall be required and may include visual simulations, story poles, and/or other means of visual assessment as appropriate based on the type and location of development.

LUP Policy 9-10. *Fences, Walls, and Landscaping:* Ensure that fences, walls, and landscaping shall not block public views of or from scenic and visual resource areas including along scenic corridors, at parks and beaches, and other scenic public viewing areas through height restrictions and required landscape maintenance.

LUP Policy 9-12. *Town Boulevard Scenic Corridor [in applicable part]:* Require that new development in close proximity to or easily visible from the Town Boulevard scenic corridor, including Highways 1 and 92:

- a. Protects views of visual resource areas as seen from the Town Boulevard, including views to the ocean, upland slopes (i.e. minimizes intrusions into the ridgeline), and the historic Johnston House;
- b. Incorporates design standards such as screening of commercial parking areas and landscaping provisions; an
- c. Is visually compatible with the surrounding land and development. [...]

Compliance: The site is visible from Highway 1 and borders a riparian corridor (Pilarcitos Creek) as shown in Figure 9-1. The proposed residential development would positively contribute to the surrounding development due to the high-quality design of the new homes as concluded by the City's Architectural Advisory Committee (AAC), while also maintaining a significant view of the Pilarcitos Creek riparian area as a result of the recorded conservation easement. The applicant has installed story poles and provided project renderings to support visual impact evaluation. The home designs are in substantial conformance with the Single-Family Residential Design Guidelines. Through design review with the AAC, the aesthetics and articulation of the proposed residences were improved for visual compatibility with the Highway 1 scenic corridor. The new residences would not block scenic or visual resources from Highway 1 or Church Street.

Coastal Act 30244: *Where development would adversely impact archaeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.*

Compliance: The proposed homes are not located at or near identified archaeological or paleontological resources. If cultural resources or paleontological resources are unexpectedly encountered during subsurface excavation, the permit has been conditioned to require that

construction halt until the find can be evaluated and appropriate actions identified.

2. **Growth Management System** – *The development is consistent with the annual population limitation system established in the Land Use Plan and Zoning Ordinance.*

Evidence: The proposed site has been granted eighteen valid Measure D Certificates for the construction of 1 single-family residence and one accessory dwelling unit; therefore, the project conforms to the requirements of the City’s growth management system. The Measure D allocations were not issued with the requirement of no variances or exceptions, as noted in Criteria 1g on the Measure D Checklist.

3. **Zoning Provisions** – *The development is consistent with the use limitations and property development standards of the base district as well as the other requirements of the Zoning Ordinance.*

Evidence: A setback variance has been requested to allow the new residence and ADU to encroach 5 feet into the required street side setback. With the exception of the requested variance, the proposed residence conforms to the zoning requirements of the CD Zoning District as well as all other relevant provisions of the Zoning Code. The previously approved Use Permit allowed for residential land use to occur on the subject property. Since that time, the Zoning Code was modified to allow residential by right in the CD Zoning District.

4. **Adequate Services** – *The proposed development will be provided with adequate services and infrastructure in a manner that is consistent with the Local Coastal Program.*

Evidence: The site is located in an existing developed neighborhood where utilities and services are available and are in the process of being extended to individual lots through the construction of the subdivision improvements.

5. **California Coastal Act** – *Any development to be located between the sea and the first public road parallel to the sea conforms to the public access and public recreation policies of Chapter 3 of the California Coastal Act.*

Evidence: The proposed project is located within the Appeals Jurisdiction of the California Coastal Commission. The proposal is to construct a new single-family home and attached ADU, within an existing subdivision. Therefore, the proposal would not restrict public access or recreation opportunities. Adequate public access and recreation opportunities are available to the west along Kelly Avenue to the Coastal Trail and beaches.

6. **LUP Policy 2-6 Housing Diversity and Affordability** – *Encourage a diversity of housing types, including housing at a range of affordability levels, densities, sizes, and ownership types with equitable access to environmental benefits. Meet the needs of Half Moon Bay’s diverse population, including young families, multi-generational families, students, young professionals, and seniors.*

Evidence: In addition to the single-family residence and ADU, one multifamily residence

comprising 4 units was previously approved as part of the subdivision and would be constructed prior to the construction of the residence and ADU included with this approval. Per the recorded affordable housing agreement, these four affordable residential units are required to be rented at affordable rates for 55 years. The proposed unit on Lot 10 is part of a larger project that is providing for a wider range of affordability levels since more than market rate housing is included.

General Plan Housing Element – Findings

The site is included in the Cycle 5 adopted and certified Housing Element as an opportunity site which was of consequence for the subdivision's entitlements. The site is in the draft Cycle 6 Housing Element as a pipeline project.

Evidence: The proposed project includes 1 new residential unit with an attached ADU. Construction is required to take place after the four units on Lot 1 are constructed. Therefore, the project complies with the City's previous Certified Housing Element and the pending Cycle 6 Housing Element.

Architectural Site and Design Review – Findings

The required Architectural and/or Site and Design Review for this project may be approved or conditionally approved only after the approving authority has made the findings per Municipal Code Section 14.37.040. In making these findings, the Planning Commission has considered the design approval criteria set forth in Municipal Code Section 14.37.035.

1. *That such buildings, structures, planting, paving and other improvements shall be so designed and constructed that they will not be of unsightly or obnoxious appearance to the extent that they will hinder the orderly and harmonious development of the city.*

Evidence: Zoning Code Section 18.06.010 states that the intent of the residential chapter is to establish residential districts and guide the orderly development within each district. It further states that the residential district regulations are intended to ensure provision of adequate light, air, privacy, and open space for each dwelling by establishing reasonable development standards for the mass, scale, and location on a building site for all new residential construction and to achieve a high standard of site and building design and design compatibility with surrounding neighborhoods. The proposed improvements have been designed to meet the requirements of the CD Zoning District. The project is also in substantial conformance with the Single-Family Residential Design Guidelines, the objectives of which include ensuring compatible design within existing neighborhood contexts.

2. *That such buildings, structures, planting, paving and other improvements will not impair the desirability or opportunity to attain the optimum use and the value of the land and the improvements, or otherwise impair the desirability of living or working conditions in the same or adjacent areas; and*

Evidence: The proposed project is in substantial conformance with the Single-Family Residential Design Guidelines, the objectives of which include maintaining strong property values, compatible neighborhoods, and a healthy environment. The project is compatible with the scale

and character of development in the surrounding area and will contribute to the economic value of the land and surrounding area.

3. *The project has been designed in conformance and consistency with the Single-Family Residential Design Guidelines (where applicable).*

Evidence: The Single-Family Residential Design Guidelines encourage flexibility in architectural design to reflect the community's eclectic character and seek to achieve compatible design within existing neighborhoods. The project proposes a two-story contemporary style design in a neighborhood predominately composed of two-story homes with both traditional and contemporary architectural styles. The proposed design utilizes techniques identified in the Guidelines to achieve compatibility with surrounding development. The project was also reviewed and modified by the Architectural Advisory Committee to improve conformance with the RDG. The proposed project respects the neighborhood pattern along Church Street by similar or better residential designs, consistent with the existing development pattern while creating visual interest. All residences are articulated consistently throughout each side of the buildings. Building materials and colors are consistent with the architectural style, compatible with existing materials and colors in the surrounding area, and suitable to the coastal setting. Furthermore, the proposed building follows multiple other design guidelines of the RDG by incorporating downcast exterior lighting, varied landscaping elements with low-water plants, and gravel permeable hardscaping.

Street Facing Side Yard Variance – Findings

A variance to allow the new residence at 595 Creekside Court (Lot 10) to encroach 5 feet into the required 15-foot street-facing side yard setback along Church Street has been requested. Pursuant to Section 18.23.040(B) of the Zoning Code, a variance may be granted to allow for a building to encroach into a required setback if the following findings of fact are made:

1. That there are exceptional or extraordinary circumstances or conditions applying to the land, building or use referred to in the application which circumstances or conditions do not apply generally to the land, buildings and/or uses in the same district;

Evidence: The existence of Pilarcitos Creek along the northern portion of the property coupled with a side yard cul-de-sac facing lot creates a unique circumstance that applies to the subject property, that does not affect most other properties within the surrounding area. The required street-facing side setback further constrains the development potential of Lot 10 compared to the other properties within the Creekside neighborhood because Lot 10 is the only lot within the subdivision that contains a double frontage including the non-lineal cul-de-sac configuration. Additionally, landscaped right-of-way exists between the side property line and Church Street back-of-sidewalk, creating an unusual circumstance that does not typically exist on other corner lots. This extended landscape and sidewalk space along the Church Street frontage provides roughly the same visual distance (19 feet) from the edge of the curb to the building footprint as a 15-foot setback would create.

2. That the granting of the application is necessary for the preservation and enjoyment of substantial property rights of the petitioner; and

Evidence: Granting a variance preserves the Lot 10 owner's property rights by proposing a consistent and compatible architectural design and appearance as well as side yard landscape appearance with the previously approved single-family residential building designs within the Creekside Court subdivision. Although similar to the previous house design that was not approved by the Planning Commission, the currently proposed project design reduces the Variance request from 10 to 5 feet, resulting in a 10-foot street-side yard setback. Additionally, a landscape and sidewalk area exists between the side property line and Church Street resulting in a visual appearance similar to what would result with a typical through-street corner lot with 15-foot setback. The extended space along the Church Street frontage provides roughly the same distance (19 feet) from the edge of the curb to the building footprint.

3. That the granting of such application will not, under the circumstances of the particular case, materially affect adversely the health or safety of persons residing or working in the neighborhood of the property of the applicant, and will not, under the circumstances of the particular case, be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood.

Evidence: The proposed project will not adversely affect the health or safety of persons residing or working in the neighborhood of the property, and will not be detrimental to the public welfare or injurious to property or improvements in the neighborhood. The City Engineer verified that no line-of-sight safety concern exists with the layout of Lot 10, primarily due to the additional landscape space within the right-of-way and the fact that the street ends in a cul-de-sac near the access point to the new development.

Environmental Review – Finding

CEQA – The project will not have a significant effect on the environment.

Evidence: An Initial Study / Mitigated Negative Declaration (IS/MND) evaluated potential impacts associated with the project at the subdivision map stage (PDP-005-11 and PDP-17-031). The IS/MND was adopted on October 10, 2017. Potentially significant impacts to biological resources were limited to the lots immediately adjacent to Pilarcitos Creek. The project site is located more than 1,000 feet away from the edge of the riparian buffer. Archeological resources were also of concern, primarily along the Pilarcitos Creek. City standard conditions of approval include nesting bird surveys and requirements to protect historic or archeological resources discovered during construction. Notably, the current City standard conditions of approval exceed mitigation requirements for the IS/MND. An addendum was prepared in 2017 to consider whether any new significant impacts related to biology or traffic had arisen. The Addendum concluded that none had. Because the project is consistent with the project analyzed in the IS/MND, and there is no new evidence of potentially significant impacts, no further environmental review is required.

EXHIBIT B
CONDITIONS OF APPROVAL
City Council Resolution C-24-__
PDP-22-065

A. The following Conditions shall apply to the subject site:

1. CONFORMANCE WITH APPROVED PLANS. Development of the site shall conform to the approved plans entitled "595 Creekside Court" received by the City on June 6, 2024, except for any revisions required by this permit. The Community Development Director and City Engineer shall review any change in imperious surface area; and the Director shall review and may approve any deviation from the approved plans that is determined minor in nature. Any other change shall require the submittal of a major modification application and fees and shall be subject to a public hearing as required by Title 18. (Planning)
2. CONFORMANCE WITH CONDITIONS OF APPROVAL. The Community Development Director shall review and may approve any deviation from the Conditions of Approval that is determined minor in nature. Any other change shall require approval of a major modification per Title 18. (Planning)
3. CONFORMANCE WITH THE MUNICIPAL CODE. No part of this approval shall be construed to permit a violation of any part of the Half Moon Bay Municipal Code. (Planning)
4. PREVIOUS CONDITIONS OF APPROVAL. This project shall comply with the previous conditions of approval related to PDP-17-031, Resolution C-2017-92. (Planning)
5. AFFORDABLE HOUSING AGREEMENT. The Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenant, agreed upon July 21, 2021 and recorded at the County Recorder's Office on November 4, 2021 shall be implemented, including but not limited to the construction of the affordable units prior to the construction of the market rate units on Lot 10. (Planning)
6. LIGHTING. All exterior lighting shall be fully shielded so that no light source is visible from outside the property, except as otherwise expressly approved. (Planning)
7. FRONTAGE MAINTENANCE AND LIABILITY. It shall be the duty of the Property Owner(s) whose property is adjacent to any portion of a public street or place to maintain any frontage improvements in a safe and non-dangerous condition, including but not limited to the landscaped area between the street side property line and the new sidewalk along the Church Street frontage. Maintenance shall include removal and replacement of concrete to eliminate tripping hazards; and pruning and trimming of trees, shrubs, ground cover, and other landscaping within the public right-of-way. The Property Owner has the primary and exclusive duty to fund and perform such maintenance and repair, whether or not the City has notified the property owner of the need for such maintenance or repairs or has performed similar maintenance or repairs in the past, pursuant to §12.18.020 and §12.18.030 of the Half Moon Bay Municipal Code. (Engineering)
8. LANDSCAPE MAINTENANCE. The applicant/owner shall ensure that all landscaped areas and/or fences are continuously maintained, and all plant material is maintained free of refuse and in a

healthy growing condition. (Planning)

B. The following Conditions shall be fulfilled prior to the issuance of building permits:

1. SIGNED CONDITIONS OF APPROVAL. The applicant/owner shall submit a signed copy of the conditions of approval to the Planning Division prior to issuance of a building permit. (Planning)
2. REQUIRED PLAN REVISIONS. Prior to issuance of building permits, the applicant shall submit revised plans to address landscape, grading and drainage plans for Lots 10. The landscape plan shall include new landscaping within the undeveloped right of way between the street side property line and the curb along the Church Street frontage. The plans shall conform to the architectural plans in relation to driveway, building footprints, and site improvements approved by the Planning Commission. (Planning and Engineering)
3. ELECTRIFICATION. The new residence and ADU shall comply with Chapter 14.06 (Electrification of Buildings) of the Half Moon Bay Municipal Code. (Planning and Building)
4. LOT DEVELOPMENT IMPACT FEES. The following impact fees shall be paid to the City prior to or concurrent with issuance of building permits in conformance with the City's adopted Master Fee Schedule:
 - a. Sewer Connection Fee
 - b. Storm Drainage Fee
 - c. Capital Outlay Facilities Fee
 - d. Traffic Mitigation Fee
 - e. Park Facilities Fee
(Building)
5. SCHOOL IMPACT FEES. The applicant shall provide proof of payment of required school Impact fees to Cabrillo Unified School District prior to issuance of building permits. (Building)
6. VALID MEASURE D CERTIFICATES. No building permit shall be issued unless the Measure D Certificates issued for the property have not expired and remain valid to the satisfaction of the Community Development Director. (Planning)
7. TREE PROTECTION REQUIREMENTS. Per the Planning Commission request, the following tree protection measures shall be implemented prior to building permit issuance:
 - a. An updated arborist report shall be prepared by a licensed arborist analyzing the Cypress trees along the southern edge of the subject property and submitted to the City for review by the City. The arborist report shall reassess possible damage to tree roots from previous grading activities. The arborist report shall include a maintenance plan for the Cypress trees, as well as tree protection measures to be implemented during construction.
 - b. A review of the grading plans by a licensed arborist is required prior to further grading within the vicinity of the Cypress trees along the southern edge of the property. The grading plan shall include applicable recommendations from the arborist. (Planning)

8. CONSTRUCTION PLANS. File Number PDP-22-065 and the Conditions of Approval for this project shall be provided on the cover page of the building permit application plan submittal. All plans, specifications, engineering calculations, diagrams, reports, and other data for construction of the building and required improvements shall be submitted with the appropriate permit application to the City's Building and Engineering Divisions for review and approval. Computations and back-up data will be considered a part of the required plans. Structural calculations and engineering calculations shall be prepared, wet-stamped and signed by an engineer or architect licensed by the State of California. The plans must show the location of the sewer connection, and a property line sewer cleanout must be installed prior to Building Permit approval. (Planning)
9. GEOTECHNICAL REPORT. Prior to issuance of building permits, the applicant shall submit a geotechnical recommendation produced by a licensed geotechnical engineer regarding the stabilization of the drainage bank during installation of the new driveway and barrier. (Engineering)
10. WATER CONSERVATION IN LANDSCAPING. If the project includes 500 square feet or more of irrigated landscaping (new) the permittee shall submit landscape and irrigation plans and an Outdoor Water Efficiency Checklist that demonstrate compliance with the City's Water Conservation in Landscaping Ordinance (Chapter 13.04 of the Municipal Code) prior to issuance of building permits to the satisfaction of the Community Development Director. (Planning)
11. SURVEY REQUIRED. Submit a detailed topographic/site boundary survey certified by a licensed surveyor with building application plans. The survey shall include a baseline elevation datum point on, or close to the construction site, indicating existing grade of the datum. This datum point shall be permanent, marked, shall remain fixed in the field, and shall not be disturbed throughout the building process. Examples of datum points include: fire hydrants, manhole covers, survey markers, and street curbs. This datum point shall be shown on all site plans including revised/resubmitted plans. The survey must show the footprint and roof plan of the proposed residence and identify the existing grade elevations at the corners and roof ridgeline of the residence. (Building)
12. EVIDENCE OF WATER CONNECTION CAPACITY. Prior to the issuance of building permits, the permittee shall submit a letter from Coastside County Water District certifying that the subject site has an adequately-sized water connection for this approved project. (Building)
13. EVIDENCE OF SEWER CONNECTION CAPACITY. Prior to the issuance of building permits, the permittee shall provide a "will-serve" letter from the City of Half Moon Bay indicating there is adequate treatment capacity and that there is adequate capacity in the sewer main serving the project. (Building)
14. SEWER CONNECTION FEE. The proposed development is subject to a sewer connection fee pursuant to Section 13.36.070 of the Half Moon Bay Municipal Code. The fee shall be paid to the City prior to issuance of building permits. (Engineering)
15. CONSTRUCTION PLANS. Construction plans submitted for building permit(s) shall include a plan

sheet showing utility connections, trench restoration details, driveway apron (driveway apron width, spacing between driveways, slopes, etc.), and other improvements in the public right-of-way meeting City standards. (Engineering)

16. SEWER CONNECTION PLANS. Prior to issuance of building permits, the permittee shall submit detailed utility plans for each of the new residential units showing the sewer laterals connecting to the nearest sewer line included in the subdivision improvements. The plan shall be reviewed and approved by the City Engineer and may require a new or revised public utility easement to be recorded against the property. In such case, the utility easement shall be reviewed and approved by the City Engineer and recorded at the County Recorder's Office prior to issuance of building permits. (Engineering)
17. LOT GRADING, MATERIALS, EQUIPMENT AND VEHICLE STORAGE. No lot site grading, preparation, storage, or placement of construction materials, equipment, or vehicles shall take place prior to issuance of a building permit. Any earth movement on or off the site in excess of 50 cubic yards shall require the submittal of a grading plan for review by the City Engineer and issuance of a grading permit. Lot grading includes, but is not limited to, any leveling, scraping, clearing, or removal of lot surface area. Materials, equipment, and vehicles include, but are not limited to:
 1. All masonry, wood, and steel construction materials;
 2. All construction-related equipment and storage containers; and
 3. All construction-related vehicles, including temporary trailers. (Engineering)
18. LOT DRAINAGE PLAN AND ON-SITE DETENTION. Construction plans submitted for building permits shall include a Lot Drainage Plan showing how the surface runoff is retained on the site and the remainder is drained to the public right-of-way. Plans shall include design details and supporting calculations for storm water detention on-site for the additional run-off from a ten year frequency storm of two hour duration, including but not limited to the sump pump basin that is included in the stormwater detention system. Plans shall show how the rear and side yards will properly drain to an approved BMP facility, and how the finished grades on the property relate to the existing grades on adjacent property. The Plan shall include pad elevation, finished floor elevation, site high and low points, drainage swales, area drains, and existing grade at adjacent property. The permittee shall provide appropriate measures to discharge the flood waters from any unfinished floor areas. (Engineering)
19. STORMWATER MANAGEMENT-TREATMENT (FOR NON-REGULATED PROJECTS). Non-regulated projects consist of single-family residences and other small projects that create and/or replace less than 5,000 square feet of impervious surface. Construction plans submitted for building permits shall include a storm water management-treatment plan showing implementation of at least one of the six Low Impact Development (LID) measures listed below:
 - a. Direct runoff into cisterns or rain barrels and use rainwater for irrigation or other non-potable use;
 - b. Direct roof runoff into vegetated areas;
 - c. Direct runoff from sidewalks, walkways, and/or patios into vegetated areas;
 - d. Direct runoff from driveways and /or uncovered parking lots into vegetated areas;
 - e. Construct sidewalks, walkways, and/or patios with permeable surfaces; or
 - f. Construct bike lanes, driveways, and/or uncovered parking lots with permeable surfaces.

Permittee shall also submit the 'stormwater checklist for small projects' with the building plan submittal. (Engineering)

20. COPPER BUILDING ELEMENTS. The building plans shall specify that all copper building elements will be pre-patinated at the factory, or if patination will occur on the site, the plans shall identify best management practices in conformance with the *San Mateo Countywide Water Pollution Prevention Program Requirements for Architectural Copper*, to the satisfaction of the City Engineer. (Engineering)
21. EROSION AND SEDIMENT CONTROL. An erosion and sediment control plan shall be submitted that shows effective BMP and erosion and sediment control measures for the site. Construction plans shall also include the "construction best management practices" plan sheet. (Engineering)
22. UNDERGROUND UTILITIES/SERVICES. Electric, telecommunication, and cable and utility service to the property shall be through underground service connections only. No overhead utilities are allowed. (Engineering)
23. STREET/PUBLIC RIGHT-OF-WAY CUTS FOR UTILITY CONNECTIONS. Street cuts for utility connections that are less than twenty (20) feet apart shall be repaired with a single patch. Asphalt repair and overlay shall be in accordance with the City Standard Details. Two or more street cuts in the frontage road for utility connections will require a single 2-inch thick asphalt concrete overlay patch on existing pavement across the property frontage. (Engineering)
24. FIRE CLEARANCE REQUIREMENTS. The permittee shall comply with all applicable fire and building codes and standards relating to fire and panic safety as identified by the Coastside Fire Protection District during the building permit process. (Fire)
25. FIRE SPRINKLERS AND FIRE DISTRICT REQUIREMENTS. Pursuant to Fire District ordinance, the permittee shall install an automatic fire sprinkler system **throughout** the proposed or improved dwelling. All areas that are accessible for storage purposes shall be equipped with fire sprinklers. The plans for this system must be submitted to the City of Half Moon Bay Building Division to the satisfaction of the Building Official prior to issuance of building permits. Upon submission of plans, the City will forward a complete set to the Coastside County Fire Protection District for review. Fees for automatic fire sprinkler systems shall be paid to the City prior to plan review. (Fire)
26. HARD-WIRED SMOKE DETECTORS/ALARMS. Pursuant to the City adopted California Building and Residential Code, State Fire Marshal regulations and Coastside Fire District adopted Ordinance, the permittee shall install smoke detectors which are hard-wired, interconnected and have battery backup in each new or reconditioned sleeping room and at a point centrally located in the corridor or area giving access to each separate sleeping area. A minimum of one detector per floor is required. For alterations: If there is an attic, basement, crawl space or removal of a wall or ceiling that provides access, then all smoke alarms shall be hardwired and interconnected. Building plan submittals shall demonstrate conformance with these requirements to the satisfaction of the Building Official prior to issuance of building permits. (Building/Fire)

27. COASTSIDE COUNTY WATER DISTRICT - REGULATIONS. The project shall comply with all applicable regulations and requirements of the Coastside County Water District. Water service shall not be in the same trench as other utilities. (Water District)

C. The following conditions shall be implemented prior to and during construction:

1. ARCHAEOLOGY-DISCOVERY OF HUMAN REMAINS. Pursuant to Section 7050.5 of the Health and Safety Code, and Section 5097.94 of the Public Resources Code of the State of California, in the event of the discovery of human remains during construction, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent remains. The County Coroner shall be notified and shall make a determination as to whether the remains are Native American. If the Coroner determines that the remains are not subject to his authority, he shall notify the California Native American Heritage Commission who shall attempt to identify descendants of the deceased Native American(s). If no satisfactory agreement can be reached as to the disposition of the remains pursuant to this State law, then the permittee shall re-inter the human remains and items associated with Native American burials on the property in a location not subject to further subsurface disturbance. (Planning)
2. ARCHAEOLOGY-DISCOVERY OF RESOURCES. If subsurface historic or archaeological resources are uncovered during construction, all work shall stop, the applicant shall notify the Community Development Director and retain a qualified archaeologist to perform an archaeological reconnaissance and identify any mitigation measures required to protect archaeological resources. Subsurface excavation shall not resume until expressly authorized by the Director. (Building)
3. NESTING BIRD SURVEY. If construction commences during the nesting season (February 1 to August 15), a qualified biologist shall conduct a breeding bird survey of the site. If nesting birds are discovered, construction may commence only if avoidance measures can be incorporated as advised by the qualified biologist, or would otherwise need to be postponed until young birds have fledged. (Planning)
4. TREE PROTECTION REQUIREMENTS. Per Planning Commission's request, the following tree protection measures shall be implemented during construction:
 - a. A licensed arborist shall monitor grading activity within the vicinity of the Cypress Trees along the southern boundary of the subject property.
 - b. During regular biological monitoring of the subject properties, the project biologist shall evaluate the trees and provide feedback to the arborist and City on the state and health of the trees.
 - c. In the event that tree removal(s) are necessary, submittal and issuance of a Heritage Tree Removal Permit is required. 3:1 replacement of the Heritage Trees is required. (Planning)
5. CONSTRUCTION TRAILERS. Temporary construction trailers are permitted as accessory uses in conjunction with the development of this site, subject to the following conditions:
 - a. The construction trailer shall be used as a temporary construction office only.
 - b. Neither sanitation facilities nor plumbed water is permitted within the trailer.

- c. No overnight inhabitation of the construction trailer is permitted.
 - d. No construction trailers are permitted on site prior to building permit issuance.
 - e. The construction trailer shall be removed prior to issuance of a certificate of occupancy. (Planning)
6. AIR QUALITY BEST MANAGEMENT PRACTICES. The project shall implement the following standard BAAQMD dust control measures during all phases of construction on the project site:
- All active construction areas shall be watered twice daily or more often if necessary. Increased watering frequency shall be required whenever wind speeds exceed 15 miles-per-hour.
 - Pave, apply water three times daily, or apply non-toxic soil stabilizers on all unpaved access roads and parking and staging areas at construction sites.
 - Cover stockpiles of debris, soil, sand, and any other materials that can be windblown. Trucks transporting these materials shall be covered.
 - All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day or as often as necessary to keep them free of dust and debris associated with site construction. The use of dry power sweeping is prohibited.
 - Subsequent to clearing, grading, or excavating, exposed portions of the site shall be watered, landscaped, treated with soil stabilizers, or covered as soon as possible. Hydroseed or apply (non-toxic) soil stabilizers to inactive construction areas and previously graded areas inactive for 10 days or more.
 - Installation of sandbags or other erosion control measures to prevent silt runoff to public roadways.
 - Replanting of vegetation in disturbed areas as soon as possible after completion of construction.
 - Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five minutes. Clear signage shall be provided for construction workers at all access points.
 - All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
 - Post a publicly visible sign with the telephone number and person to contact at the City of Half Moon Bay regarding dust complaints. This person shall respond and take corrective action within 48 hours. The BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations. (Building)
7. HAZARDOUS MATERIALS. Any materials deemed hazardous by the San Mateo County Department of Health that are uncovered or discovered during the course of work under this permit shall be disposed in accordance with regulations of the San Mateo County of Health. (Building)
8. COMPLIANCE WITH CBC. All structures shall be constructed in compliance with the standards of the City adopted California Codes of Regulations Title 24, including Building Code, Residential Code, Administrative Code, Mechanical Code, Plumbing Code, Electrical Code, Energy Code, Fire Code and Green Building Code to the satisfaction of the Building Official. (Building)

9. FIRST FLOOR HEIGHT VERIFICATION. Prior to below floor framing or concrete slab steel reinforcement inspection, a stamped and signed building height verification letter shall be submitted to the City from a licensed land survey certifying that the first-floor height as constructed is at an elevation of at least 60 feet. (Building and Public Works Department)
10. OVERALL PROJECT HEIGHT. The maximum overall height of the project, including any grading, foundation, pad, and building elevations shall be calculated using the elevation points indicated on the topographic survey map submitted at the time of application. The approved height of all projects developed in the City will be measured from the existing grade as indicated on the submitted topographical survey. (Building)
11. COMPLETION OF UTILITIES. Any public utilities requiring relocation as a result of the construction of the building(s) or improvements under this permit shall be relocated at the owner's expense. (Building)
12. CONSTRUCTION HOURS. Construction work shall be limited to the hours of 7:00 a.m. to 6:00 p.m. Monday through Friday; 8:00 a.m. to 6:00 p.m. Saturdays; and 10:00 a.m. to 6:00 p.m. Sundays and holidays, except as expressly authorized by the City Engineer in conformance with Section 14.40.020 of the Half Moon Bay Municipal Code. (Engineering)
13. NOTICE OF DISRUPTION. The permittee shall provide written notice to affected property and business owners and a copy of such notice to the City Engineer a minimum of two business days prior to any planned disruption of pedestrian or vehicular traffic, parking, or public service facilities. (Engineering)
14. CONSTRUCTION MATERIAL STORAGE. Construction material shall not be stored in the street right-of-way without prior approval from the City Engineer. (Engineering)
15. ENCROACHMENT PERMIT. No construction activity shall occur and no pedestrian and vehicular traffic control shall be installed within the City right-of-way or affecting the City's improvements prior to obtaining an encroachment permit from the City. All improvements constructed within the City right-of-way shall conform to City standards to the satisfaction of the City Engineer. Traffic control shall conform to Caltrans/MUTCD Standard Plans for Traffic Control in Construction and Maintenance Zones (Engineering)

D. The following conditions shall be implemented prior to issuance of an occupancy permit:

1. EXTERIOR COLORS AND MATERIALS. Exterior building colors and materials shall be in substantial conformance with those shown on the approved color and materials board date-stamped April 6, 2023 to the satisfaction of the Director of Community Development. (Planning)
2. DISPLAY OF SINGLE-FAMILY STREET ADDRESS. Prior to issuance of an occupancy permit, the residential dwelling shall display an internally-illuminated street address number in a prominent location on the dwelling, visible from the street (a minimum of 6 feet above the surface of the

driveway), and with contrasting background and letters/numbers that are 4 inches in height with a minimum 3/4-inch stroke. Where a building is set back from the street or otherwise obscured, a street address with 3-inch reflective numbers/letters shall also be provided near the driveway entrance leading to the dwelling. (Fire/Building)

3. LANDSCAPE INSTALLATION. All landscaping shall be installed in conformance with the approved landscape plan prior to issuance of a certificate of occupancy. (Planning)

E. Validity and Expiration of Permits:

1. EFFECTIVE DATE. This site is located within the California Coastal Commission's Appeals Jurisdiction. This permit shall take effect after expiration of the Coastal Commission appeal period, or if the permit is appealed to the Coastal Commission during the appeal period, it shall take effect after final Coastal Commission action. (Planning)
2. ACCURACY OF APPLICATION MATERIALS. The permittee shall be responsible for the completeness and accuracy of all forms and material submitted for this application. Any errors or discrepancies found therein may be grounds for the revocation or modification of this permit and/or any other City approvals. (Planning)
3. PERMIT EXPIRATION. The Coastal Development Permit and Architectural Review shall expire one year from its date of final approval if development plans for a Building Permit have not been submitted. Once a Building Permit is issued, the CDP shall be deemed in effect. If plans for a Building Permit are submitted within the 1-year expiration period, and a Building Permit is not issued, the expiration of the CDP shall coincide and run concurrently with the Building Permit plan submittal/application as long as due diligence is pursued in the opinion of the Building Official in obtaining the Building Permit. (Planning)
4. PERMIT EXTENSION. The Community Development Director may, at their discretion, approve a single one-year extension of this permit based on a written request and fee submitted to the Director prior to expiration of the permit. Any other extension shall require approval of a Permit Amendment prior to expiration of the permit. Any Amendment Application to extend the permit shall be filed a minimum of ninety (90) days prior to permit expiration to ensure adequate processing time. (Planning)
5. PERMIT RUNS WITH THE LAND. The approval runs with the land and the rights and obligations thereunder, including the responsibility to comply with conditions of approval, shall be binding upon successors in interest in the real property unless or until such permits are expressly abandoned or revoked. (Planning)
6. HOLD HARMLESS. To the fullest extent allowed by law, the permittee agrees as a condition of approval of this application to indemnify, protect, defend with counsel selected by the City, and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees and agents, from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including without limitation reasonable attorneys' fees, experts'

fees and disbursements (collectively, "Claims") arising out of or in any way relating to the approval of this application; any actions taken by the City related to this entitlement; any review by the California Coastal Commission conducted under the California Coastal Act, Public Resources Code Section 30000 et seq.; or any environmental review conducted under the California Environmental Quality Act, Public Resources Code Section 21000 et seq. for this entitlement and related actions. This indemnification shall include any Claims that may be asserted by any person or entity, including the permittee, arising out of or in connection with the approval of this application, whether or not there is passive or active negligence on the part of the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees and agents. The permittee's duty to defend the City shall not apply in those instances when the permittee has asserted the Claims, although the permittee shall still have a duty to indemnify, protect and hold harmless the City. (City Attorney)

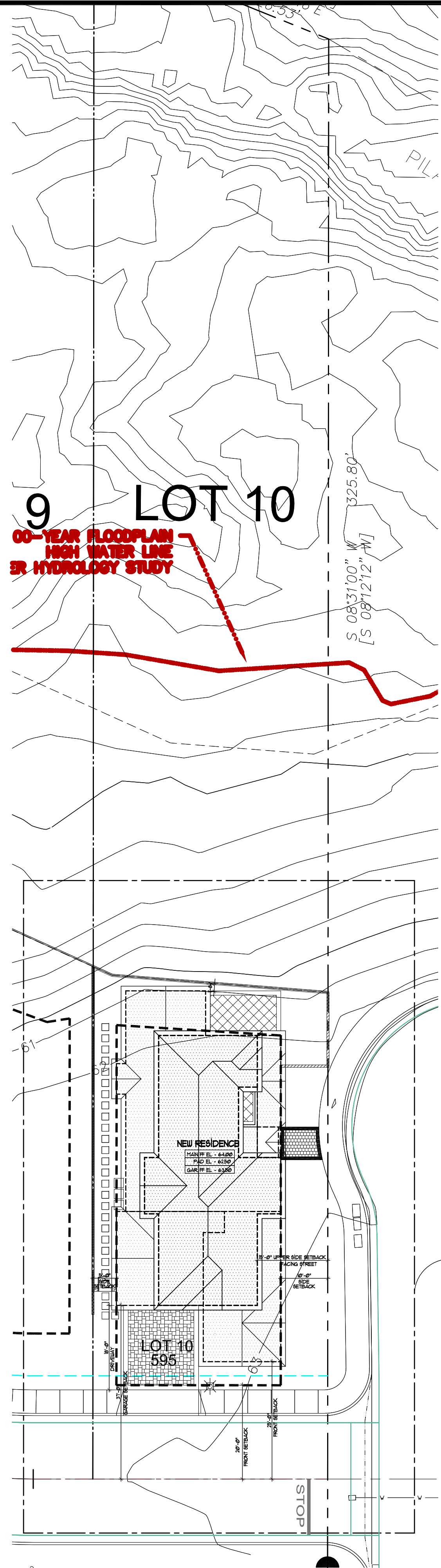
OWNER'S/PERMITTEE'S CERTIFICATION:

I have read and understand and hereby accept and agree to implement the foregoing conditions of approval of the Coastal Development Permit.

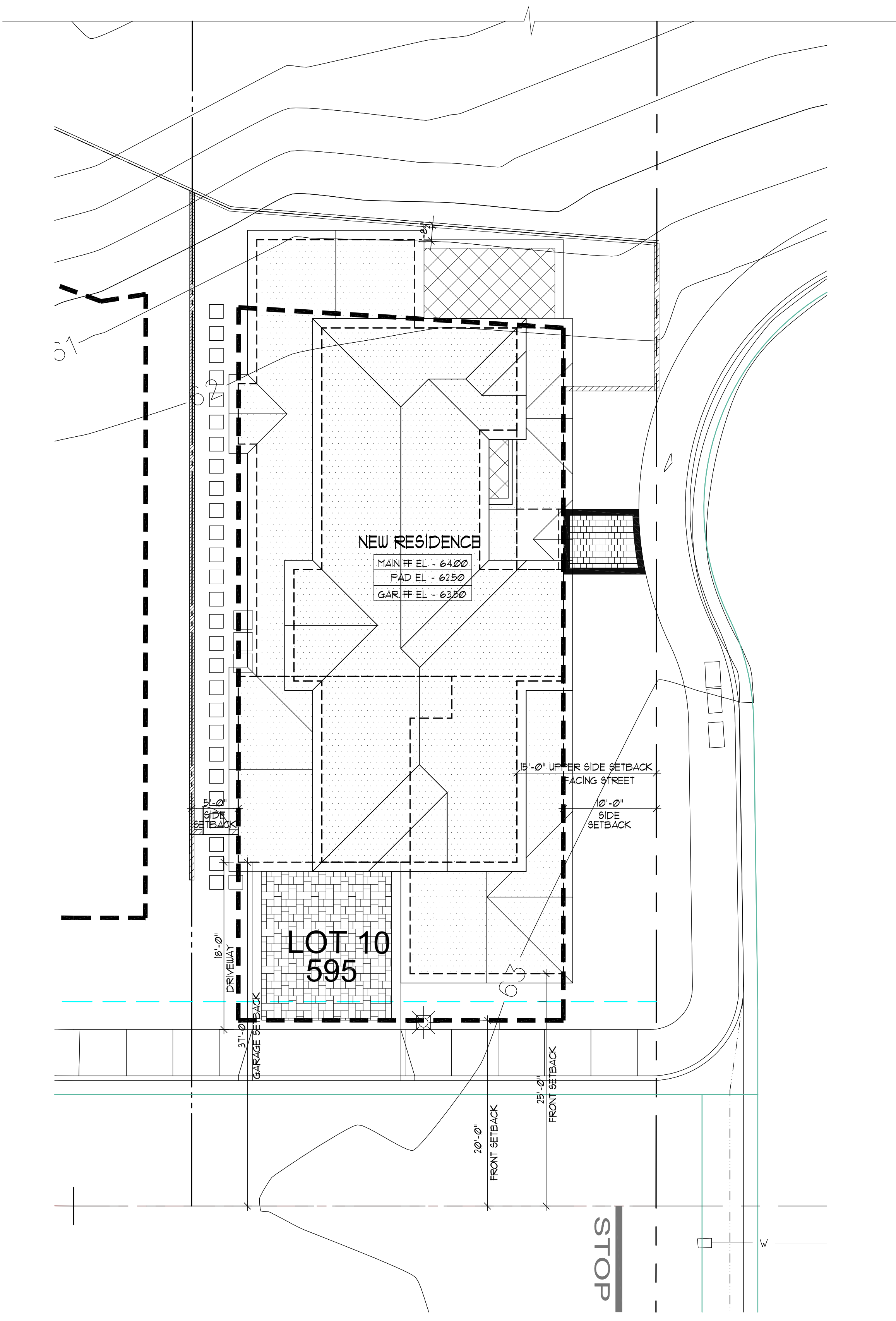
OWNER/PERMITTEE:

(Signature)

(Date)



N
SITE DEVELOPMENT PLAN
SCALE: 1/16"=1'-0"



N
PARTIAL SITE DEVELOPMENT PLAN LOT 10
SCALE: 1/8"=1'-0"

REVISIONS	BY
PLANNING 02/06/23	PU
PLANNING REV1 04/30/24	PU

CHU DESIGN ASSOCIATES INC.
 210 INDUSTRIAL RD., SUITE 205
 SAN CARLOS, CALIFORNIA 94070
 TEL: (650) 345-9286 EXT. 1001

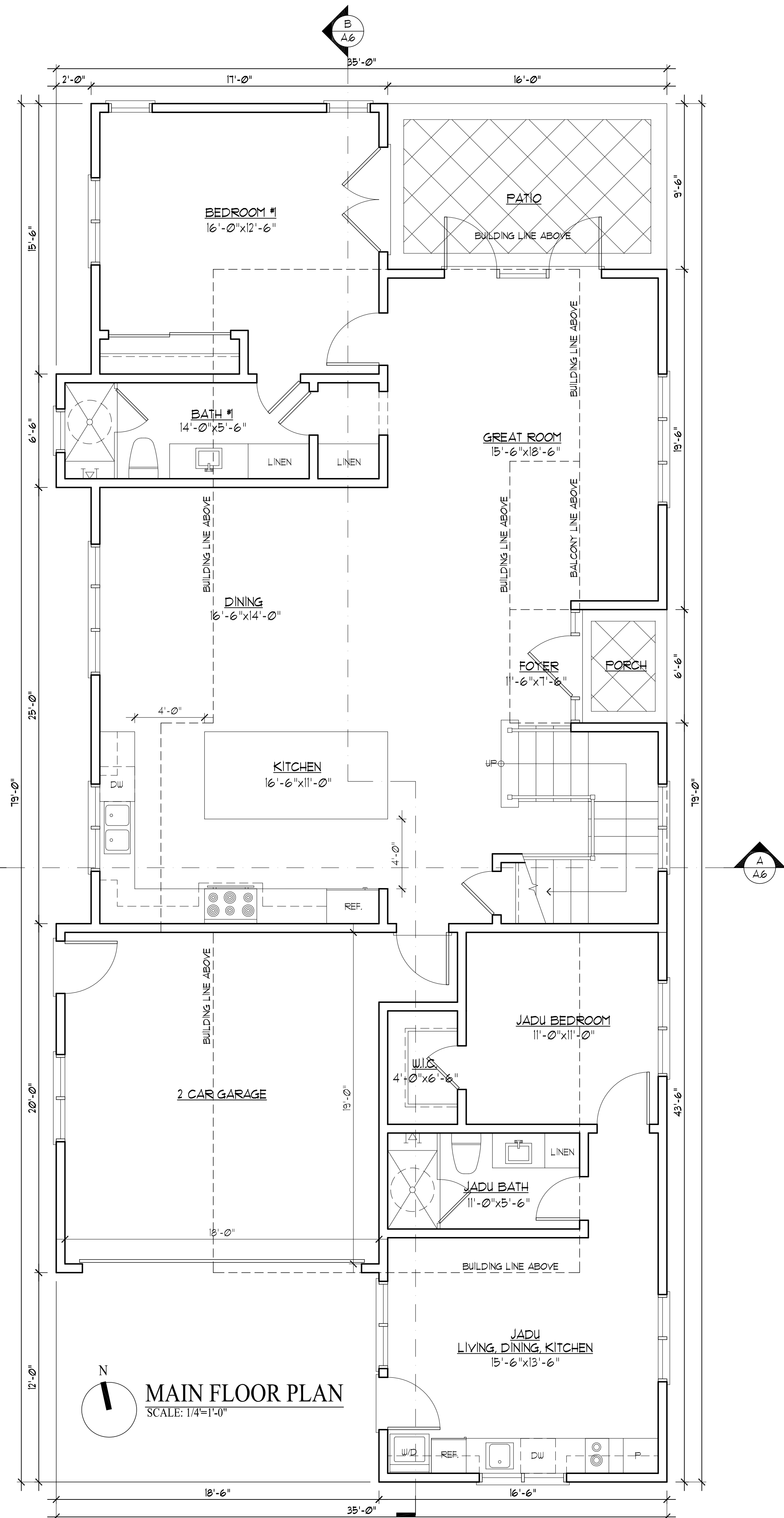
The drawing on this sheet, specification ideas, designs, and arrangements represented hereby are and shall remain the property of CHU DESIGN ASSOCIATES, INC., and in no part thereof shall be copied, disclosed to others or used in connection with any work or project other than the specified project for which they have been prepared and developed without the written consent of CHU DESIGN ASSOCIATES, INC. Visual contact with these plans or specifications shall constitute conclusive evidence of acceptance to these restrictions.

NEW RESIDENCE - LOT 10
595 CREEKSIDE CT.,
HALF MOON BAY, CA
 A.P.N.: 056-150-360

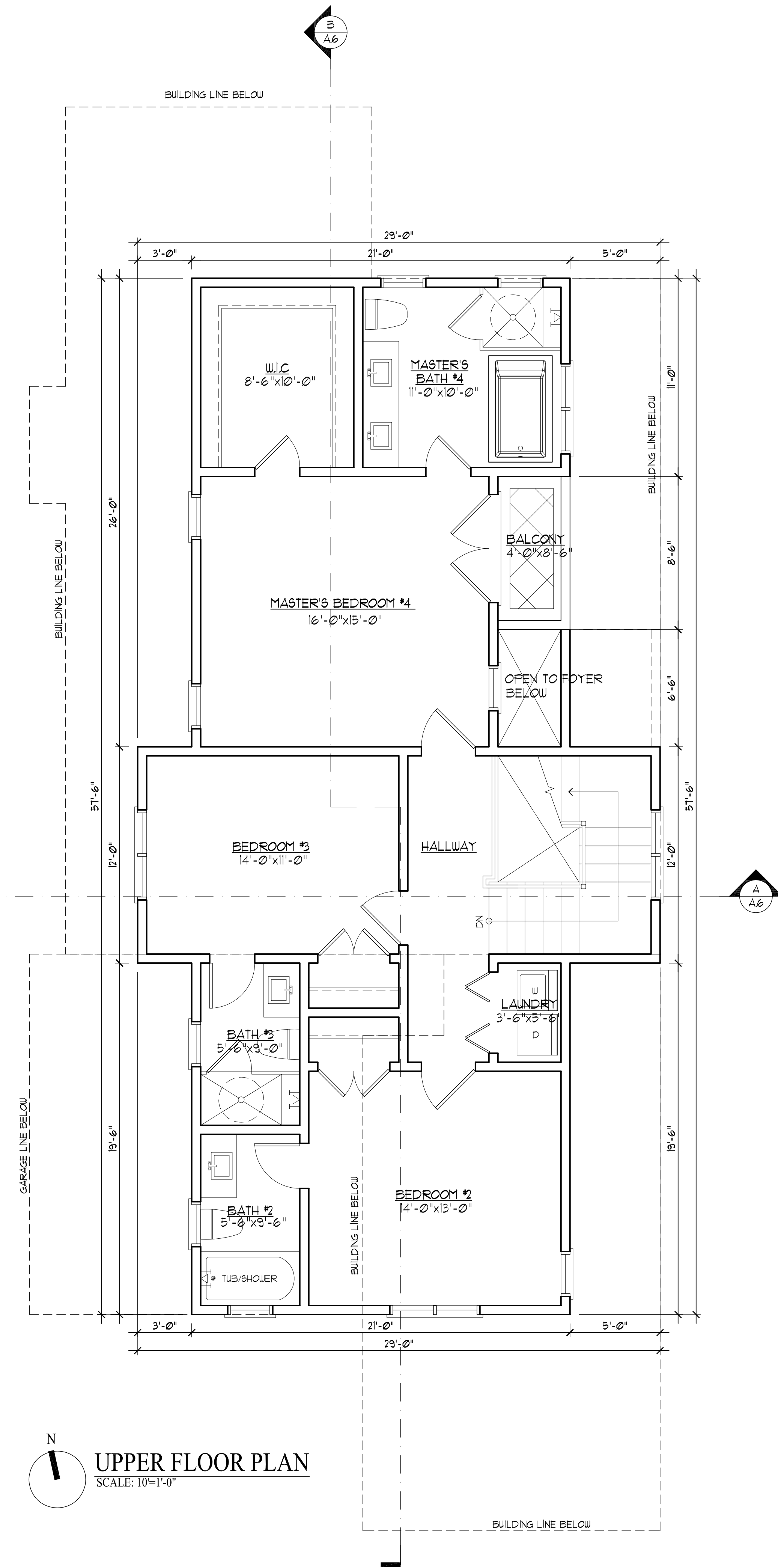
DATE:	1/6/22
SCALE:	AS NOTED
DRAWN:	MC
JOB:	
SHEET NO.:	

A.2

OF SHEETS



MAIN FLOOR PLAN
SCALE: 1/4"=1'-0"



UPPER FLOOR PLAN
SCALE: 1/8"=1'-0"

REVISIONS	BY
PLANNING 02/06/23	PU
PLNG REV1 04/30/24	PU

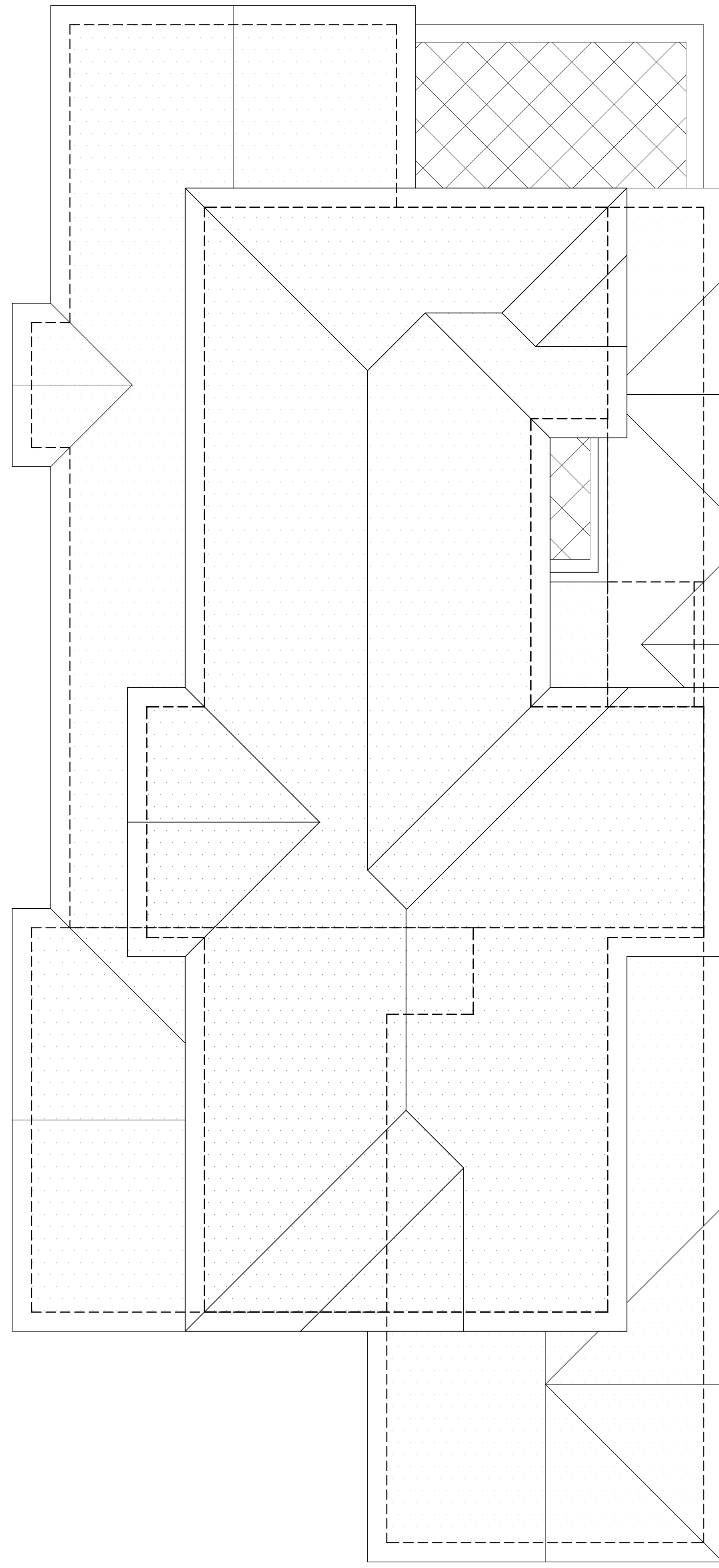
CHU DESIGN ASSOCIATES INC.
210 INDUSTRIAL RD, SUITE 205
SAN CARLOS, CALIFORNIA 94070
TEL: (650) 345-9286 EXT. 1001

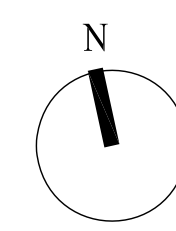
The drawing on this sheet, specification ideas, designs, and arrangements represented hereby are and shall remain the property of CHU DESIGN ASSOCIATES, INC., and in no part thereof shall be copied, disclosed or used in connection with any work or project other than the specified project for which they have been prepared and developed without the written consent of CHU DESIGN ASSOCIATES, INC. Visual contact with these plans or specifications shall constitute conclusive evidence of acceptance to these restrictions.

NEW RESIDENCE - LOT 10
595 CREEKSIDE CT.,
HALF MOON BAY, CA
A.P.N.: 056-150-360

DATE: 1/6/22
SCALE: AS NOTED
DRAWN: MC
JOB:
SHEET NO.

A.3
OF SHEETS





ROOF PLAN
 SCALE: 10"=1'-0"

REVISIONS	BY
PLANNING 02/06/23	PU
PLANNING REV1 04/30/24	PU

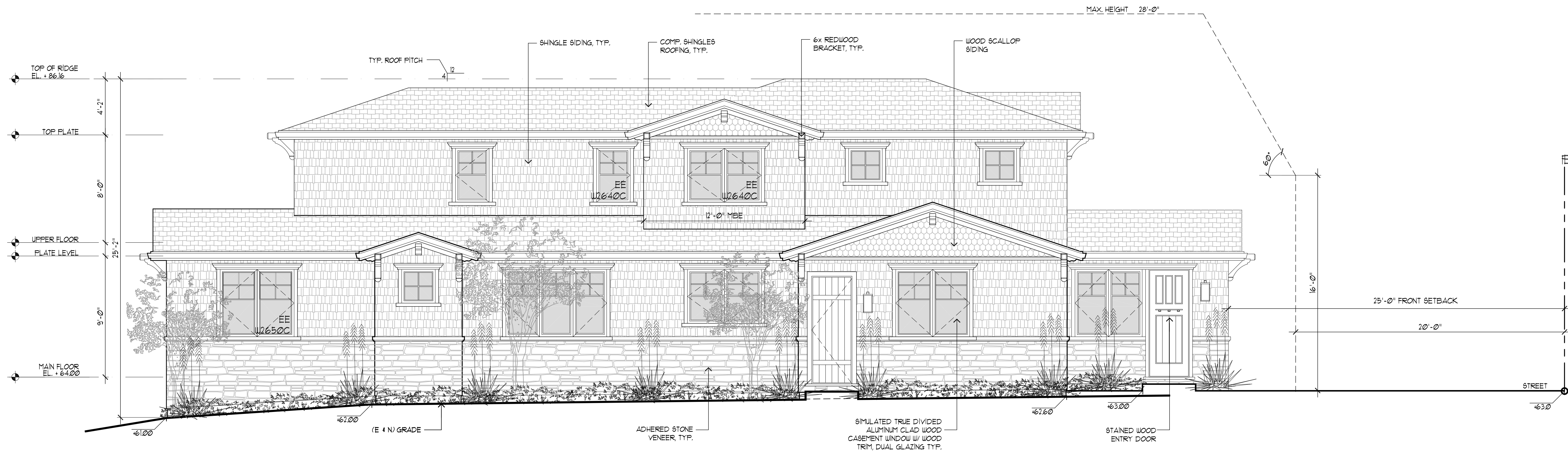
NEW RESIDENCE - LOT 10
 595 CREEKSIDE CT.,
 HALF MOON BAY, CA
 A.P.N.: 056-150-360

A.3.1
OF SHEETS

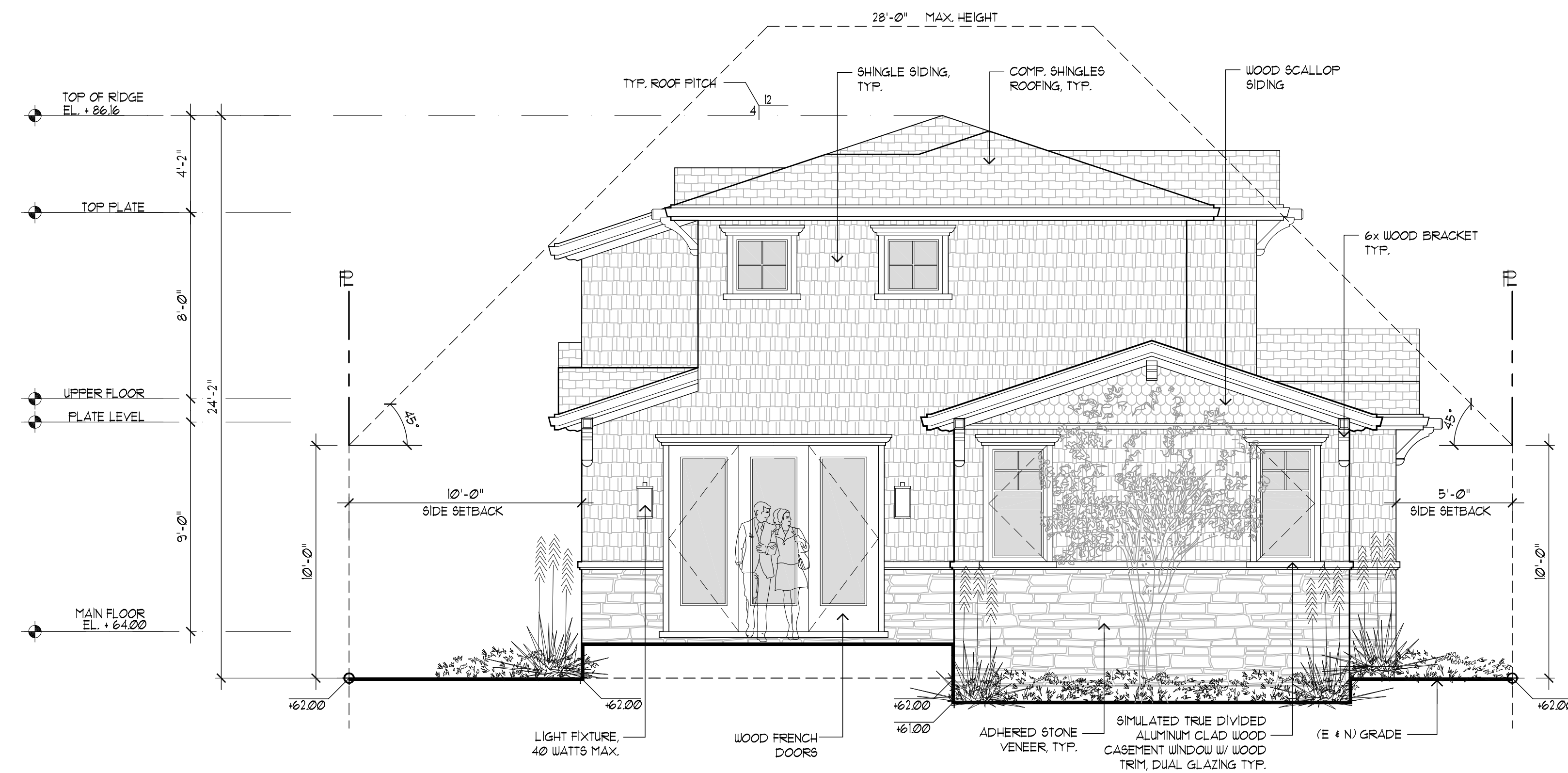
The drawing on this sheet, specification ideas, designs, and arrangements represented hereby are and shall remain the property of CHU DESIGN ASSOCIATES, INC.; and in no part thereof shall be copied, disclosed to others or used in connection with any work or project other than the specified project for which they have been prepared and developed without the written consent of CHU DESIGN ASSOCIATES, INC. Visual contact with these plans or specifications shall constitute conclusive evidence of acceptance to these restrictions.

CHU DESIGN ASSOCIATES INC.
 210 INDUSTRIAL RD., SUITE 205
 SAN CARLOS, CALIFORNIA 94070
 TEL: (650) 345-9286 EXT. 1001

REVISIONS	BY
PLANNING 02/06/23	PU
PLNG REV1 04/30/24	PU



PROPOSED REAR ELEVATION
SCALE: 1/4"=1'-0"



PROPOSED RIGHT ELEVATION
SCALE: 1/4"=1'-0"

CHU DESIGN ASSOCIATES INC.
210 INDUSTRIAL RD., SUITE 205
SAN CARLOS, CALIFORNIA 94070
TEL: (650) 345-9286 EXT. 1001

The drawings on this sheet, specification ideas, designs, and arrangements represented hereby are and shall remain the property of CHU DESIGN ASSOCIATES, INC., and in no part thereof shall be copied, disclosed to others or used in connection with any work or project other than the specified project for which they have been prepared and developed without the written consent of CHU DESIGN ASSOCIATES, INC. Visual contact with these plans or specifications shall constitute conclusive evidence of acceptance to these restrictions.

NEW RESIDENCE - LOT 10
595 CREEKSIDE CT.,
HALF MOON BAY, CA
A.P.N.: 056-150-360

DATE: 1/6/22
SCALE: AS NOTED
DRAWN: MC
JOB:
SHEET NO.

A.5

OF SHEETS



**PLANNING COMMISSION RESOLUTION P-24-07
RESOLUTION FOR DENIAL
PDP-22-065**

DENIAL OF A COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, AND SETBACK VARIANCE TO ALLOW THE CONSTRUCTION OF A NEW TWO-STORY SINGLE-FAMILY RESIDENCE AND ATTACHED ACCESSORY DWELLING UNITS, AT 595 CREEKSIDE COURT IN THE COMMERCIAL DOWNTOWN (C-D) ZONING DISTRICT AND THE COMMERCIAL GENERAL LAND USE DESIGNATION

WHEREAS, an application was submitted requesting approval of a Coastal Development Permit, Architectural Review, and Setback Variance to allow the construction of a two-story single-family residence and attached accessory dwelling unit (ADU) at 595 Creekside Court in the Commercial Downtown (C-D) Zoning District and the Commercial General Land Use designation; and

WHEREAS, the procedures for processing the application have been followed as required by law; and

WHEREAS, on October 10, 2017 the Planning Commission adopted a Mitigated Negative Declaration, Addendum, and Mitigation, Monitoring, and Reporting Program in compliance with the California Environmental Quality Act (CEQA) pursuant to California Administrative Code Section 15074, which included new residences as part of the project; and

WHEREAS, the Architectural Advisory Committee (AAC) reviewed the project on January 26 and July 13, 2023 and was supportive of the residential design; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on February 13, 2024 at which time all those desiring to be heard on the matter were given an opportunity to be heard; and

WHEREAS, the Planning Commission was not able to make the findings of fact related to the requested setback variance at the February 13 meeting, provided direction to the applicant to redesign the residence and ADU, and continued the item to a date uncertain; and

WHEREAS, the project was redesigned to reduce the setback encroachment from 10 feet to 5 feet and resubmitted; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on June 25, 2024 at which time all those desiring to be heard on the matter were given an opportunity to be heard; and

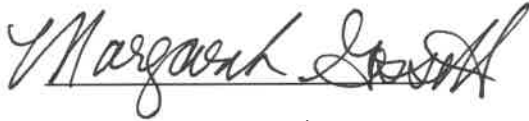
WHEREAS, the Planning Commission considered all written and oral testimony presented for consideration; and

WHEREAS, the Planning Commission was not able to make the required findings for the street-side setback variance requested for the redesigned home and ADU on Lot 10 and therefore did not approve the requested permits and project, as set forth in Exhibit A to this resolution;

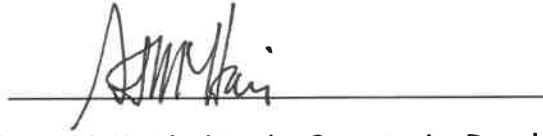
PASSED AND ADOPTED the resolution for denial by the City of Half Moon Bay Planning Commission at a duly noticed public hearing held June 25, 2024.

AYES, Gorn, Joanes, Gossett
NOES, Hernandez, Ruddock
ABSENT,
ABSTAIN,

APPROVED:



Margaret Gossett, Chair



Steve McHarris, Interim Community Development Director

EXHIBIT A
FINDINGS AND EVIDENCE
Planning Commission Resolution P-24-07
PDP-22-065

Coastal Development Permit – Findings for Denial

The required Coastal Development Permit for this project may be approved or conditionally approved only after the approving authority has made the following findings per Municipal Code Section 18.20.070:

1. **Local Coastal Program** – *The development as proposed or as modified by conditions, conforms to the Local Coastal Program.*

Non-Compliance: The project consists of the construction of one new single-family residence with an attached accessory dwelling unit (ADU). The new residence and ADU does not meet the required street side setback along the Church Street frontage. Title 18 (Zoning) of the City's Municipal Code is also the Implementation Plan for the City's Local Coastal Program. Since this proposed project is out of compliance with the City's Zoning requirements, the project does not conform to the City's Local Coastal Program.

2. **Growth Management System** – *The development is consistent with the annual population limitation system established in the Land Use Plan and Zoning Ordinance.*

Evidence: The proposed site has been granted eighteen valid Measure D Certificates for the construction of 1 single-family residence and one accessory dwelling unit; therefore, the project conforms to the requirements of the City's growth management system. The Measure D allocations were not issued with the requirement of no variances or exceptions, as noted in Criteria 1g on the Measure D Checklist.

3. **Zoning Provisions** – *The development is consistent with the use limitations and property development standards of the base district as well as the other requirements of the Zoning Ordinance.*

Non-compliance: The proposed residence and attached ADU encroaches into the required 15 foot street side setback along the Church Street frontage by 5 feet. Therefore, the project does not conform to the zoning requirements of the CD Zoning District as well as all other relevant provisions of the Zoning Code.

4. **California Coastal Act** – *Any development to be located between the sea and the first public road parallel to the sea conforms to the public access and public recreation policies of Chapter 3 of the California Coastal Act.*

Evidence: The proposed project is located within the Appeals Jurisdiction of the California Coastal Commission. An approval of the project by the City final City decision is appealable to

the California Coastal Commission. The proposal is to construct of one new single-family home with an attached ADU within an existing subdivision. Therefore, the proposal would not restrict public access or recreation opportunities. Adequate public access and recreation opportunities are available to the west along Kelly Avenue to the Coastal Trail and beaches.

Street Facing Side Yard Variance – Findings

A variance to allow the new residence at 595 Creekside Court (Lot 10) to encroach 5 feet into the required 15-foot street-facing side yard setback along Church Street has been requested. Pursuant to Section 18.23.040(B) of the Zoning Code, a variance may be granted to allow for a building to encroach into a required setback if the following findings of fact are made:

1. That there are exceptional or extraordinary circumstances or conditions applying to the land, building or use referred to in the application which circumstances or conditions do not apply generally to the land, buildings and/or uses in the same district;

Non-compliance: The subject property is substantially similar to other lots within the Creekside subdivision. An exceptional or extraordinary circumstances or conditions applying to Lot 10 does not exist.

2. That the granting of the application is necessary for the preservation and enjoyment of substantial property rights of the petitioner; and

Non-compliance: Designing a functional home and attached ADU that meets the all setback requirements and other applicable requirements of the Zoning Code is possible on the developable land available. Many other single family residences with attached ADU's on similarly sized lots have been developed within the City.

3. That the granting of such application will not, under the circumstances of the particular case, materially affect adversely the health or safety of persons residing or working in the neighborhood of the property of the applicant, and will not, under the circumstances of the particular case, be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood.

Non-compliance: The subject property is within a developed portion of downtown where all public services and infrastructure are available and being extended to the site. The development of the single-family residence and attached ADU on the subject property (Lot 10) is identified as an allowed use within the CD Zoning District. The granting of the requested Variance would be seen as a precedent-setting action since other properties with similar size and shape lot configurations have been successfully built and occupied without the need for a setback Variance.

Environmental Review – Finding

CEQA – The project will not have a significant effect on the environment.

Evidence: Pursuant to CEQA Guideline 15270, CEQA does not apply to projects which a public agency rejects or disapproves. Denied projects are statutorily exempt from CEQA.



City of Half Moon Bay

Planning Department
501 Main Street Half Moon Bay CA 94019
Phone: 650.726.8250 / Fax: 650.726.8261

CITY OF HALF MOON BAY

JUN 28 2024

RECEIVED

APPEAL FORM

ACTION OF CITY BEING APPEALED: Lot 10 Variance Request Denial

PROJECT OR REFERENCE NUMBER: PDP-22-065

LOCATION: RE: (LOT 10) 595 Creekside Court, HMB (APN: 056-150-360)

DATE OF ACTION: 06/25/24

DATE APPEAL PERIOD ENDS July 10th, 2024
(If Applicable)

NAME OF APPELLANT: HMB Coast LLC - Gabriel Gonzalez Jr.
(Please Print)

ADDRESS: 20 S. Linden Ave Ste 2B, South San Francisco, CA 94080

PHONE NUMBER AND EMAIL: (650) 333-4461 ggbc5757@gmail.com

SIGNATURE OF APPELLANT:

STAFF USE ONLY

Action Appealable to Coastal Commission Yes No

Subject to City Appeal Fee Per Master Fee Schedule Yes No

City Fee Collected: 0

Received by: SOP

Date: 6/28/24

Please Attach a Separate Statement of Appeal That Describes in Detail the Grounds for the Appeal and the Relief Being Sought

June 28th, 2024

RE: PDP-22-065

**Creekside Court Subdivision
320 Church St
Half Moon Bay, CA 94080**

Statement of Appeal for 5' Variance Request for Lot 10 Creekside Court Subdivision

Mayor Jimenez &

City of Council of Half Moon Bay,

The purpose of this letter is to request the Mayor and the distinguished members of the City Council of Half Moon Bay to review and accept the grounds of my appeal and reverse the Planning Commission's denial of my variance request. Please note that this is a unique circumstance that requires special consideration.

On June 25th, 2024, I met with the Planning Commission to request a 5' Side-Setback Variance for Lot 10 of my 12-lot subdivision at 320 Church Street in Half Moon Bay. After a lengthy review amongst myself, City Planner Scott Phillips, and the Planning Commissioners, the variance request was denied by a split decision with two commissioners in support and three commissioners in opposition. Despite my disappointment with the outcome, I remain positive in my position to pursue this variance request due to the passionate support and advocacy received by the two Commissioners, Rick Hernandez & Steve Ruddock, who supported the variance request.

In order to help you all understand my position, I must provide an explanation of how this perfectly designed project, that needed no exceptions, variances, or State credits, is now in dire need of this variance approval. On November 7th, 2017, the Planning Commission approved the subdivision with the Building Envelopes for all 12 lots, as shown in Exhibit A attached hereto. On April 15th, 2022, we purchased the project with all representations, including but not limited to the Building Envelopes (Exhibit A), which were confirmed on multiple occasions by the City of Half Moon Bay to myself and my design team. Immediately upon acquiring the project, our design team applied for our Measure D's and started designs on all 12 homes, including a Multifamily 4-Plex building that is dedicated, deemed, and recorded for low-income housing.

On January 26th, 2023, we attended our first Architectural Advisory Committee (AAC) meeting where we were met with overwhelming support and positive instrumental feedback about all 12 home designs. On July 13th, 2023, we returned to the AAC for a second time with all suggested revisions on the homes from the first AAC meeting and the Committee advised that the project was ready with their support for Planning Commission review and approval. On November 9th, 2023, during our final preparation of the plans for Planning Commission review, we were advised that Lot 10 needed to have a 15' corner lot Eastern-side setback versus the 5' Eastern-side setback that had been previously approved with the subdivision on November 7th, 2017. Up to this point, all 12 designs were compliant and adhered to all

design criteria and AAC & Planning Staff recommendations and after 20 months of continuously working on our designs, we were advised that Lot 10 guidelines were different than what was approved on November 7th 2017 (Exhibit A).

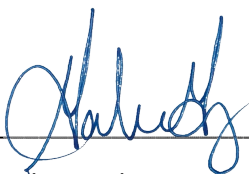
Upon careful review and in an effort to reach a resolution, Staff determined it would support a 10' Variance Request for Lot 10 during our first Planning Commission meeting held on February 13th, 2023. This 10' variance request placed the house 5' from the property line, and aligned with the Approved Building Envelope depicted on Exhibit A. Only four of the Commissioners were present at our initial meeting, where one commissioner was in support, two were in opposition, and one was questionable. We decided to retract Lot 10 from our application and only have the other 11 lots voted on by the Commission that night. Eleven lots were approved and Lot 10 was postponed for further review with a new strategy. On June 25th 2024, Staff supported Lot 10's return to the Planning Commission, proposing a compromised 5' variance that would position the house 10' from the Eastern-side property line as shown on Exhibit B. Our request was denied with the heavily debated split decision.

This brings me to the purpose of this request: I urge the Mayor and the City Council of Half Moon Bay to accept my appeal and approve my variance request for the following reasons. We are providing a significant amount of housing, including ADU units and a 4-Plex designated as affordable housing. We have never requested anything from the City until now. Lot 10 is the first house that stands as the gateway to the Creekside Court community and needs to best represent the elegance and character of the development. Yet, if the home is reduced from a 40' width to a 30' width, it loses compatibility with the other homes and becomes a very slender, awkward-looking structure that aesthetically contradicts the other homes. A 30' home becomes trashy in comparison with the rest. Without the Variance, not only will the houses be inconsistent, if the Eastern-side of the home was further constrained to 30' there would be no way to maintain the attached ADU and the ADU will need to be eliminated from the design. Because Lot 10 stands as an entry beacon of these homes, it must be designed with the upmost quality and architectural charm.

Furthermore, this 5' Variance Request puts the house 10' from the Eastern property line and 19' from the curb at Church Street. There is only one house across the street and there will never be any homes built at the end of the Cul de Sac or behind Lot 10 due to the protected natural boundary of the Pilarcitos Creek running behind the home. Under these conditions, with the house being 19' from the curb on Church Street, there will never be an interrupted line of site.

This is a unique circumstance that requires special consideration. I am respectfully requesting that the Mayor and the City Council of Half Moon Bay accept my appeal and approve 5' variance request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gabriel Gonzalez Jr.', is written over a horizontal line.

Gabriel Gonzalez Jr.

HMB Coast LLC

EXHIBIT A – Approved Buildable Area

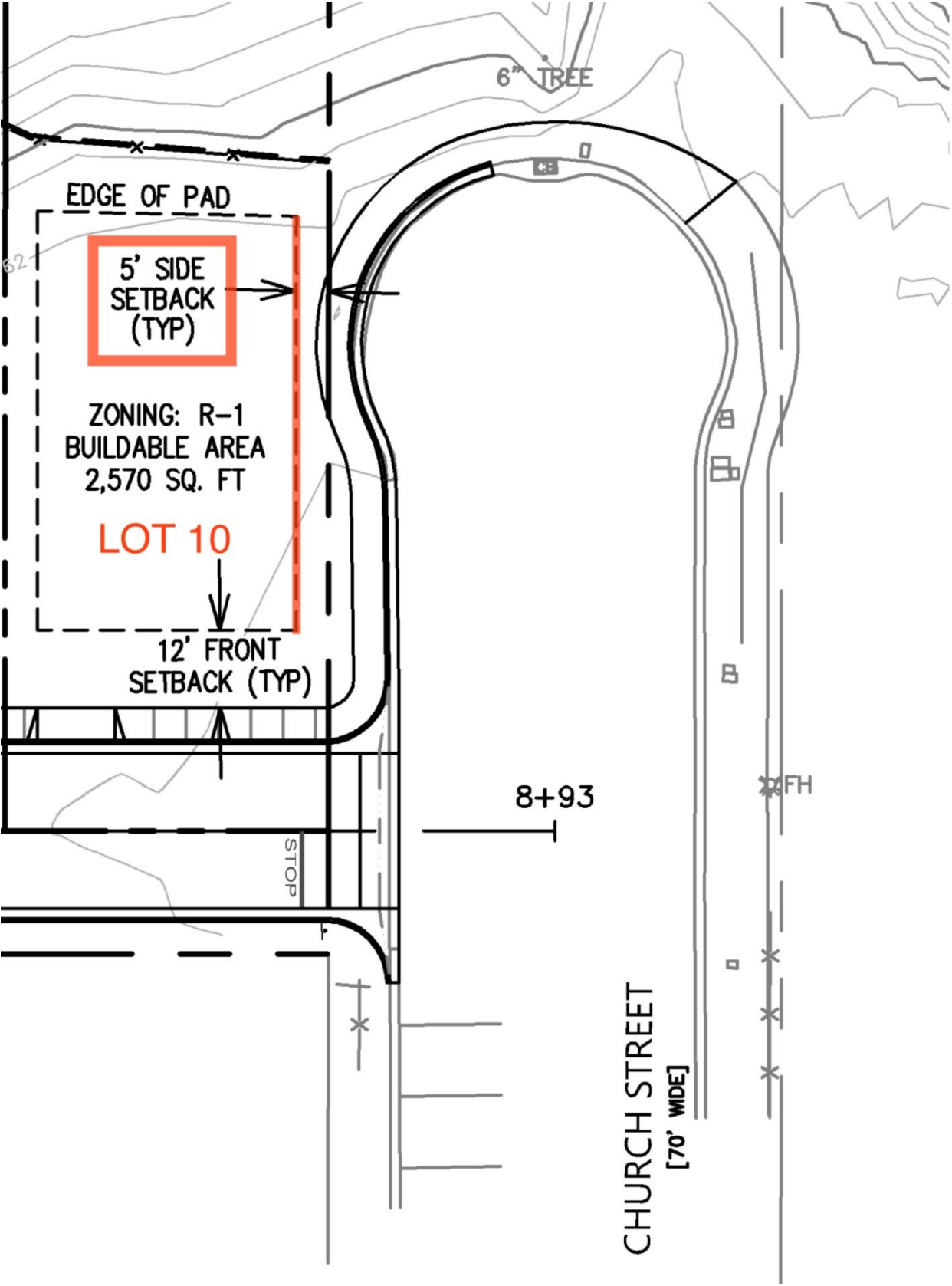
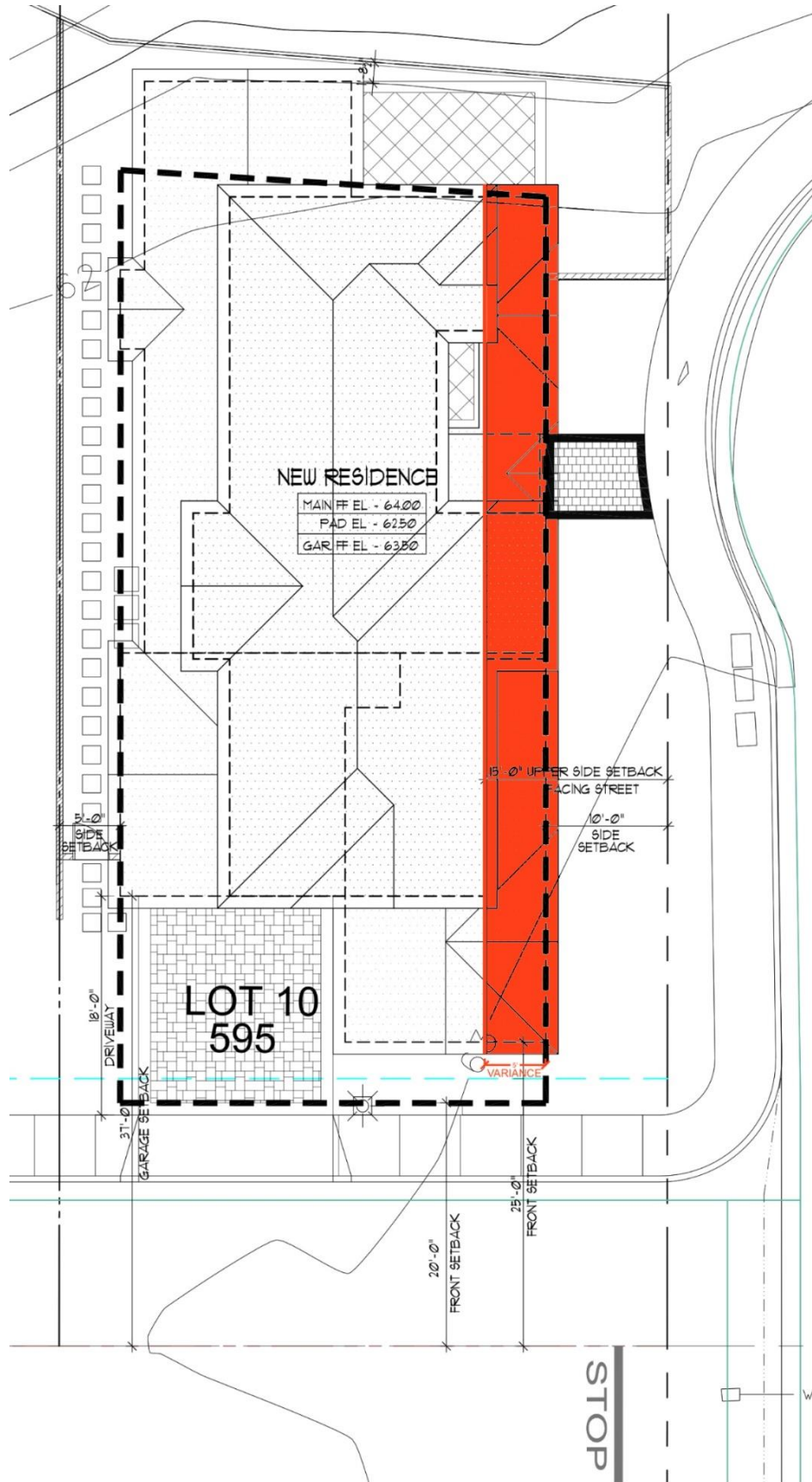


EXHIBIT B – Site Plan With Variance Request Highlighted in Red



A PARTIAL SITE DEVELOPMENT PLAN LOT 10
SCALE: 1/8"=1'-0"

ATTACHMENT 6

Chad Hooker
Half Moon Bay

August 27, 2024

City Council
Half Moon Bay
Cc: Scott Phillips

Ref: Creekside Court Lot 10 variance appeal

Honorable Major and Councilpersons:

I am writing in support of the variance request for the nicely designed home on lot 10 at Creekside. I did watch the video of the Planning Commission hearing and was disappointed that the argument seemed to turn on whether there was “hardship” rather than on whether the request is reasonable and not injurious to other parties.

In your review, I urge you to consider a few things:

- 1) This is the first home in the subdivision and should set the precedent for size and quality, which the current structure, favored by AAC, is wholly representative.
- 2) The 15’ side-yard setback requirement at corner lots was first proposed and passed as a safety measure to provide better visibility at intersections. That is certainly not a pertinent argument here. Further, since no additional homes will be built to the north, the setback line established by this house would not appear to be contrary to an adjacent “front yard” setback which will never exist.

- 3) The undeveloped 4' easement along the east property line makes the actual building setback from the street be 14' instead of the ordinance-required 15' (after granting of this proposed easement). This reality carries the most weight for me. Re-designing to meet the specified setback means, on the ground, a 19' street setback and a notably smaller and less attractive home.

- 4) Scott Phillips, staff planner on this project, described to the PC an "honest error" that was made in the initial approvals of the subdivision buildable lot specs. That error, undiscovered for several years, led the project team to this juncture. Is it fair, or reasonable, or necessary, to upend the in-place planning of this house for what is effectively not fully explainable as the owner's fault or oversight?

In this era of housing necessity and shortage, I urge you to approve this variance request to further the actual construction of new homes and ADU's as soon as feasible. Please do not delay this project over what is effectively one foot of setback. Please do not opt for "necessary findings" over practicality and aesthetics, both of which should trump the specific requirements of the corner lot setback ordinance.

Thank you for your attention to my comments.

Chad Hooker

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 3, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Steve McHarris, Interim Community Development Director
Ocoee Wilson, Associate Planner

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH MIG INC. FOR PREPARATION OF MULTI-FAMILY RESIDENTIAL OBJECTIVE DESIGN STANDARDS

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional services agreement with MIG Inc. for professional planning, zoning, and design consulting services to prepare Multi-Family Objective Design Standards at a cost of \$148,180, with a contingency of 15%, for a total budget of \$170,407.

FISCAL IMPACT:

The project is identified in the City's Annual Operating Budget under the Community Development Department budget and work plan for FY 2024-25.

STRATEGIC ELEMENT:

This recommendation supports the *Infrastructure and Environment* elements of the Strategic Plan.

BACKGROUND:

State Legislation – SB 35 and SB 423

SB 35, approved in 2017, is a statute streamlining housing construction in California counties and cities that fail to build enough housing to meet state mandated housing construction requirements. The original legislation exempted projects in the Coastal Zone from these requirements. Recently approved SB 423 expands the reach of SB 35 under specified circumstances to qualifying developments in the Coastal Zone effective January 1, 2025. Requirements for SB 35 eligibility in the Coastal Zone added by SB 423 include:

- The development must be located on a property in an area of the Coastal Zone that is subject to a certified land use plan (LUP) or a certified local coastal program (LCP).
- The development must not be located on a property that is either (a) between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any

beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance, or (b) on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff.

- The property must not be in an area of the Coastal Zone that is vulnerable to five feet of sea level rise, as determined by any of several listed federal, state, and local entities.
- The development cannot be located on or within a 100-foot radius of a wetland, or in a parcel on prime agricultural land, as those terms are defined in the Public Resources Code.
- The development must be located on a parcel zoned for multifamily housing.

The California Department of Housing and Community Development (HCD) has determined that the City of Half Moon Bay has made insufficient progress toward its Above Moderate Income RHNA and Lower Income RHNA based on the City's Housing Element Annual Progress Report (APR) data received as of June 1, 2023. The City will be subject to the streamlined ministerial approval process (SB 35 streamlining) for proposed developments with at least 10 percent low income or 20 percent moderate income housing.

Coastal Zone development eligible for SB 35 streamlining must obtain a Coastal Development Permit ("CDP") from the City of Half Moon Bay which has such permitting authority for all discretionary planning permits. The City is generally the local agency (unless the site is within the Commission's permitting jurisdiction, including tidelands, submerged lands, public trust lands, and lands west of the mean high tide line of the Pacific Ocean). Preliminary discussions with the City's liaison staff at the California Coastal Commission acknowledge that application of SB35 in a coastal city like Half Moon Bay is a new requirement. Coastal Commission staff will assist the City on any required LUP or Municipal Zoning Code amendments or resolutions to implement SB 423 and SB 35, including whether approval of all CDPs will continue to be required to be forwarded to the Coastal Commission for a Coastal Commission jurisdictional appeals determination.

SB 423 provides that receipt of any density bonus, concessions/incentives, waivers or reductions of development standards, and parking ratios cannot be used by the permitting agency as a basis to find the development inconsistent with the LCP.

Anticipated LUP land use designations that will be subject to this state legislation are:

- 1) High-Density Residential (16.1 - 30 un.ac); and
- 2) Workforce Housing Overlay as described in the LUP.

It is also possible that the Medium Density Residential (21 – 15 un/ac) LUP land use designation may apply, which will require research and confirmation.

In order to comply with this State legislation (SB 423 and SB 35), the City is required to adopt objective standards and to implement them in a streamlined review of qualifying housing projects, effective January 1, 2025.

On June 18, 2024, the City Council approved the City's annual operating budget which included professional service funding for objective design standards. Staff issued a Request for Proposal (RFP) on July 2, 2024. The City received six (6) responses for consideration.

A staff review committee comprised of the Interim Community Development Director, two Senior Planners, and an Associate Planner evaluated each proposal. The committee identified two firms that best responded to the criteria and tasks identified in the City's RFP for further consideration. After further review and interviews with each firm, the committee selected MIG Inc. (MIG) for providing the best proposal responding to the City's need to develop objective design standards in accordance with recent state legislation. The scope of work was further refined in preparation of this report.

DISCUSSION:

MIG has been selected as the consultant for this work effort, generally described as development of objective design standards, graphics used to illustrate concepts and standards, and drafting of a new implementing ordinance with modifications to Title 14 (Architectural Review), Title 17 (Subdivisions), and Title 18 (Zoning) of the Half Moon Bay Municipal Code, and any required update to the City's Local Coastal Land Use Plan (LUP) all of which will apply to:

- 1) Multifamily Residential (projects with two or more units);
- 2) Mixed-use development projects consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use; and
- 3) Transitional housing or supportive housing.

MIG demonstrated the best understanding of the requested work, the most relevant experience, and represents the best fit for Half Moon Bay. MIG has experience working with smaller jurisdictions on similar projects in the Bay Area and the proposal and team are especially well suited to complete the proposed scope of work in conformance with state law and in a timely manner.

City staff met with the two MIG lead team members to discuss the project, clarify and adjust the scope or work, and finalize the project budget. The Fee schedule is provided in Exhibit A to the resolution.

ATTACHMENTS:

Resolution authorizing the City Manager to execute a professional services agreement with MIG Inc. (Exhibit A - Fee Schedule)

RESOLUTION NO. C-2024-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MIG FOR PREPARATION OF MULTI-FAMILY RESIDENTIAL OBJECTIVE DESIGN STANDARDS

WHEREAS, recent state legislation included state bills applicable to coastal zone jurisdictions, including Half Moon Bay, effective January 1, 2025, which would require objective design standards for certain multi-family and mixed-use projects; and

WHEREAS, the Community Development Department identified the development of objective design standards as part of the FY 2024-25 workplan; and

WHEREAS, the City issued a request for proposals (RFP) for preparation of Multi-Family Objective Design Standards; and

WHEREAS, the City received six (6) proposals from planning, design, and zoning services consulting firms in response to the RFP; and

WHEREAS, the proposed scope of work submitted by MIG Inc, a Bay Area firm providing environmental consulting services, was determined to be the most responsive to the RFP.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay authorizes the City Manager to execute a professional services agreement with MIG Inc. for professional planning, zoning, and design consulting services to prepare Multi-Family Objective Design Standards at a cost of \$148,180, with a contingency of 15%, for a total budget of \$170,407, based on the Scope of Work in Exhibit A and Fee Schedule in Exhibit B.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 3rd day of September 2024 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

Joaquin Jimenez, Mayor



Half Moon Bay | Objective Design Standards
 e s t i m a t e d p r o j e c t c o s t

		MIG, Inc.												MIG Totals	Direct Costs (Travel)	Professional Fees Totals		
		M. Malhotra Principal-in-Charge		D. Ayers Project Manager		L. Stetson Consulting Principal		G. Sharrow ODS Specialist		E. Sanchez-Resendiz Project Associate		S. Vazquez-Mejia Project Associate						
		Hrs@	\$305	Hrs@	\$215	Hrs@	\$295	Hrs@	\$190	Hrs@	\$115	Hrs@	\$130					
Task 1: Project Kickoff, Coordination, Management & Communication																		
1.1	Project Kickoff Meeting and Tour	2	\$610	6	\$1,290	1	\$295	0	\$0	6	\$690	0	\$0	15	\$2,885	\$125	\$3,010	
1.2	Project Management, Project Team Meetings, and Phone Calls	4	\$1,220	24	\$5,160	4	\$1,180	4	\$760	28	\$3,220	0	\$0	64	\$11,540		\$11,540	
Subtotal		6	\$1,830	30	\$6,450	5	\$1,475	4	\$760	34	\$3,910	0	\$0	79	\$14,425	\$125	\$14,550	
Task 2: Initial Research																		
2.1	Existing Setting Analysis	4	\$1,220	16	\$3,440	2	\$590	8	\$1,520	24	\$2,760	8	\$1,040	62	\$10,570		\$10,570	
Subtotal		4	\$1,220	16	\$3,440	2	\$590	8	\$1,520	24	\$2,760	8	\$1,040	62	\$10,570	\$0	\$10,570	
Task 3: Community Engagement																		
3.1	Assessment of Development Review and Entitlement Process	1	\$305	12	\$2,580	1	\$295	2	\$380	16	\$1,840	0	\$0	32	\$5,400		\$5,400	
3.1	AAC / PC Study Session	4	\$1,220	24	\$5,160	2	\$590	8	\$1,520	24	\$2,760	24	\$3,120	86	\$14,370	\$125	\$14,495	
3.2	City Council Study Session	4	\$1,220	16	\$3,440	2	\$590	8	\$1,520	16	\$1,840	16	\$2,080	62	\$10,690	\$125	\$10,815	
Subtotal		9	\$2,745	52	\$11,180	5	\$1,475	18	\$3,420	56	\$6,440	40	\$5,200	180	\$30,460	\$250	\$30,710	
Task 4: Options and Concepts																		
4.1	Design Options Analysis	4	\$1,220	24	\$5,160	2	\$590	4	\$760	32	\$3,680	8	\$1,040	74	\$12,450		\$12,450	
Subtotal		4	\$1,220	24	\$5,160	2	\$590	4	\$760	32	\$3,680	8	\$1,040	74	\$12,450	\$0	\$12,450	
Task 5: Prepare ODS and Implementing Documents																		
5.1	Administrative Draft Code Amendments	4	\$1,220	24	\$5,160	4	\$1,180	4	\$760	32	\$3,680	0	\$0	68	\$12,000		\$12,000	
5.2	Administrative Draft ODS	4	\$1,220	24	\$5,160	4	\$1,180	24	\$4,560	56	\$6,440	64	\$8,320	176	\$26,880		\$26,880	
5.3	Public Draft Code Amendments	2	\$610	16	\$3,440	2	\$590	8	\$1,520	16	\$1,840	0	\$0	44	\$8,000		\$8,000	
5.4	Public Draft ODS	2	\$610	24	\$5,160	2	\$590	12	\$2,280	32	\$3,680	32	\$4,160	104	\$16,480		\$16,480	
Subtotal		12	\$3,660	88	\$18,920	12	\$3,540	48	\$9,120	136	\$15,640	96	\$12,480	392	\$63,360	\$0	\$63,360	
Task 6: Public Hearings																		
6.1	Planning Commission Hearing	2	\$610	12	\$2,580	2	\$590	4	\$760	8	\$920	8	\$1,040	36	\$6,500	\$65	\$6,565	
6.2	City Council Hearing	2	\$610	12	\$2,580	2	\$590	4	\$760	8	\$920	8	\$1,040	36	\$6,500	\$65	\$6,565	
Subtotal		4	\$1,220	24	\$5,160	4	\$1,180	8	\$1,520	16	\$1,840	16	\$2,080	72	\$13,000	\$130	\$13,130	
Task 7: Final Municipal Code Amendments																		
7.1	Final Municipal Code Amendments	2	\$610	6	\$1,290	2	\$590	0	\$0	8	\$920	0	\$0	18	\$3,410		\$3,410	
Subtotal		2	\$610	6	\$1,290	2	\$590	0	\$0	8	\$920	0	\$0	18	\$3,410	\$0	\$3,410	
SUBTOTAL		41	\$12,505	240	\$51,600	32	\$9,440	90	\$17,100	306	\$35,190	168	\$21,840	877	\$147,675	\$505	\$148,180	
Other Direct Costs																		
TOTAL PROJECT COSTS																		\$148,180

Optional Tasks		
O.1	Prepare staff reports for study sessions and public hearings	\$8,000
O.2	Prepare draft ordinance required for adoption	\$4,000
O.3	Prepare revisions to and reformat Applicant Checklist based on new ODS	\$3,000
Optional Tasks Subtotal		\$15,000

Rev. 8/27/2024