



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

TUESDAY, DECEMBER 20, 2022

REMOTE PARTICIPATION (SEE NEXT PAGE)

**Debbie Ruddock, Mayor
Deborah Penrose, Vice Mayor
Robert Brownstone, Councilmember
Joaquin Jimenez, Councilmember
Harvey Rarback, 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. Those wishing to speak on a Public Hearing matter will be called forward at the appropriate time during the Public Hearing 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 and the Half Moon Bay Library 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/>

SPECIAL REMOTE PARTICIPATION PROTOCOLS

This meeting will be held entirely by teleconference. All Councilmembers and staff will only participate via the Zoom platform using the process described below. The meeting is being conducted pursuant to recent amendments to the teleconference rules required by the Ralph M. Brown Act allowing teleconferencing during a proclaimed state of emergency when local officials have recommended social distancing (AB 361). The purpose of AB 361 is to provide the safest environment for the public, elected officials, and staff while allowing for continued operation of the government and public participation during the COVID-19 pandemic.

*This meeting will be conducted via Zoom Webinar and live Spanish interpretation will be available within the Zoom platform. Members of the public are welcome to login into the webinar as Attendees. 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/95535614263> or join by phone at 669-900-9128, using Webinar ID 955-3561-4263. If joining by phone, use *9 to raise your hand, *6 to mute and unmute.*

CALL TO ORDER / ROLL CALL

APPROVAL OF AGENDA

PUBLIC FORUM

2022 STATE OF THE CITY ADDRESS

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B FINAL RESULTS OF THE NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION

Staff Recommendation: Adopt a resolution declaring the final results of the November 8, 2022 General Municipal Election.

[STAFF REPORT](#)

[RESOLUTION](#)

ADMINISTRATION OF OATH OF OFFICE TO NEWLY-ELECTED COUNCILMEMBERS

REMARKS BY OUTGOING MAYOR

SELECTION OF MAYOR AND VICE MAYOR FOR 2023

REMARKS BY INCOMING MAYOR

2. CONSENT CALENDAR

2.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

2.B 2023 RESIDENTIAL DWELLING UNIT ALLOCATION PURSUANT TO HALF MOON BAY MUNICIPAL CODE CHAPTER 17.06 (MEASURE D)

Staff Recommendation: Adopt a resolution setting the 2023 Residential Dwelling Unit Allocation and Administration System pursuant to Half Moon Bay Municipal Code Chapter 17.06 for 67 residential dwelling units, 45 units for the Downtown (23 base units, and 22 bonus units) and 22 units outside of the Downtown.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

2.C ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Staff Recommendation: Adopt a resolution receiving the City of Half Moon Bay Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

2.D RE-RATIFICATION OF RESOLUTION TO CONTINUE HOLDING PUBLIC MEETINGS REMOTELY (AB 361)

Staff Recommendation: By motion, in accordance with Assembly Bill 361, re-ratify the findings in Resolution No. 2021-80 to continue conducting the City's Council, Commission, and Committee meetings remotely due to health and safety concerns to the public due to COVID-19.

[STAFF REPORT](#)

2.E 2023 CALENDAR OF CITY COUNCIL MEETINGS

Staff Recommendation: By motion, adopt the City Council Calendar for 2023.

[STAFF REPORT](#)

[ATTACHMENT](#)

2.F AB1600 REPORT ON DEVELOPMENT IMPACT FEES FOR FISCAL YEAR ENDED JUNE 30, 2022

Staff Recommendation: Accept the AB 1600 Report on Development Impact Fees for fiscal year ended June 30, 2022.

[STAFF REPORT](#)

2.G WARRANTS FOR THE MONTH OF NOVEMBER 2022

Staff Recommendation: Accept the warrants list for the month of November 2022

[STAFF REPORT](#)

[ATTACHMENT 1](#)

2.H CONSOLIDATED COASTAL DEVELOPMENT PERMIT--CALIFORNIA BROADBAND MIDDLE MILE NETWORK PROJECT

Staff Recommendation: Adopt a resolution authorizing the City Manager to submit a letter to the California Coastal Commission in support of a consolidated Coastal Development Permit (CDP) application for the Broadband Middle Mile Network (BMMN) project and further authorizing the California Coastal Commission assume the lead agency role.

[STAFF REPORT](#)

[RESOLUTION](#)

2.I ORDINANCE ADOPTING THE 2022 EDITIONS OF THE CALIFORNIA BUILDING STANDARDS CODE - SECOND READING

Staff Recommendation: Waive second reading and adopt an ordinance amending Chapter 14.04 of the Half Moon Bay Municipal Code, adopting by reference the 2022 Edition of the California Building Standards Code, with local amendments, and finding the amendments to be exempt from environmental review under the California Environmental Quality Act (CEQA).

[STAFF REPORT](#)

[ORDINANCE](#)

[RESOLUTION](#)

2.J DISPOSABLE FOODWARE ORDINANCE UPDATE - SECOND READING

Staff Recommendation: Waive second reading and adopt an ordinance amending Chapter 7.30 of the Half Moon Bay Municipal Code entitled “Disposable Foodware” regarding food facilities’ provision of single-use foodware accessories, the removal of language surrounding fluorinated chemicals, the removal of language surrounding BPI certified compostable plastics, and, beginning on June 1, 2023, requiring reusable foodware for On-premises dining, and finding the amendments to be exempt under the California Environmental Quality Act (CEQA).

[STAFF REPORT](#)

[ORDINANCE](#)

2.K RENEWAL OF SURF SCHOOL LICENSE AGREEMENTS

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute one-year license agreements with up to two one-year mutual extensions, with Pillar Point Surf School, Blue Swell Surf School, Sea, Surf & Fun, and Tommy Tsunami.

[STAFF REPORT](#)

[RESOLUTION](#)

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **FINAL RESULTS OF THE NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION**

RECOMMENDATION:

Adopt a resolution declaring the final results of the November 8, 2022 General Municipal Election.

FISCAL IMPACT:

None associated with this action.

STRATEGIC ELEMENT:

This recommendation supports the Inclusive Governance Element.

BACKGROUND:

A General Municipal Election was held in Half Moon Bay on November 8, 2022 for the purpose of electing one councilmember for District 4 to a four-year term.

Councilmembers for Districts 1 and 5 were appointed at the August 19, 2022 City Council meeting due to lack of sufficient candidates resulting in only one candidate per district.

The County of San Mateo Elections Department has canvassed the votes and certified the elections results. The City is also required to certify the election results.

ATTACHMENT:

Resolution Declaring the Final Results of the November 8, 2022 General Municipal Election

RESOLUTION NO. C-2022-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY RECITING THE FACT
OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 8, 2022
DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

WHEREAS, a Municipal Election was held and conducted in the city of Half Moon Bay on Tuesday, November 8, 2022, as required by law; and

WHEREAS, notice of the election was given in time, form, and manner as provided by law; voting precincts were properly established; election officers were appointed; and in all respects the election was held and conducted and the votes were cast, received, and canvassed, and the returns made and declared in time, form, and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in General Law Cities; and

WHEREAS, the County Elections Department canvassed the returns of the Election and has certified the results, the results are received, and made a part hereof as Exhibit A.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HALF MOON BAY, CALIFORNIA
DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. That the whole number of ballots cast in District 4 was 1,385.

Section 2. That the names of persons voted for at the election for Members of the City Council are as follows:

Bill Balson, District 4
Debbie Ruddock, District 4
David C. Eblovi, District 4

Section 3. That the number of votes given at each precinct and the number of votes given in the city to each of the persons above named for the respective offices for which the persons were candidates were as listed in Exhibit A.

Section 4. That the City Council does declare and determine that:

Debbie Ruddock was elected as District 4 Member of the City Council for the full term of four years.

Section 5. That the City Clerk shall enter on the records of the City Council of the City a statement of the result of the election showing: (1) the whole number of votes (ballots) cast in the city; (2) the names of the persons voted for; (3) the measure voted upon; (4) for what office each person was voted for; and (5) the total number of votes given to each person and for and against each measure.

Section 6. That the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City

Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

Section 7. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 20th day of December, 2022 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

Debbie Ruddock, Mayor



OFFICE OF
**ASSESSOR-COUNTY CLERK-
RECORDER & ELECTIONS**
COUNTY OF SAN MATEO

MARK CHURCH
CHIEF ELECTIONS OFFICER &
ASSESSOR-COUNTY CLERK-RECORDER

December 8, 2022

Jessica Blair
City Clerk
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019

Subject: Certificate of the Chief Elections Officer for the Statewide General
Election held on Tuesday, November 8, 2022

Dear City Clerk Blair:

This is to advise you that we have completed the Official Canvass of the vote and I have certified the election results.

Attached hereto is the official Chief Elections Officer's Certification of the November 8, 2022 Statewide General Election.

It has been a pleasure to work with you in conducting this election and I look forward to serving you again in future elections.

Sincerely,

Mark Church

Enclosures

CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

State of California

SS.

County of San Mateo

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo, State of California, do hereby certify that:

WHEREAS, the number of nominees for the Office of Member, City Council, does not exceed the number of offices required by law to be filled at the Statewide General Election within the CITY OF HALF MOON BAY DISTRICTS 1 and 5 held on November 8, 2022; the time within which nominations may be made has expired; the CITY OF HALF MOON BAY has duly-appointed to the Office of Member, City Council, the qualified persons listed below.

NOW, THEREFORE, the following qualified persons, as listed below, are each hereby confirmed as appointed to the Office of Member, City Council, for a term of four (4) years pursuant to Elections Code §10229:

District 1: Robert Brownstone
District 5: Deborah Penrose

IN WITNESS WHEREOF, I hereunto affix my hand and seal this 8th day of December, 2022, and file this date with the City Clerk of the CITY OF HALF MOON BAY.



MARK CHURCH
Chief Elections Officer &
Assessor-County Clerk-Recorder

CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

In the matter of the CANVASS OF VOTES CAST)
at the STATEWIDE GENERAL ELECTION)
held on November 8, 2022)

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo,
State of California, hereby certify:

THAT an election was held within the boundaries of the CITY OF HALF
MOON BAY DISTRICT 4 on Tuesday, November 8, 2022, for the purpose of
electing one (1) Council Member for a four (4) year term; and I caused to have
processed and recorded the votes from the canvass of all ballots cast at said
election within the boundaries of the CITY OF HALF MOON BAY DISTRICT 4.

I HEREBY FURTHER CERTIFY that the record of votes cast at said
election is set forth in Exhibit "A" attached hereto and incorporated herein by
reference as though fully set forth at length.

IN WITNESS WHEREOF, I hereunto affix my hand and seal this 8th day of
December, 2022, and file this date with the City Clerk of the CITY OF HALF
MOON BAY.



MARK CHURCH
Chief Elections Officer &
Assessor-County Clerk-Recorder

EXHIBIT A

SECTION A

Cast by Precinct

1 City of Half Moon Bay Member, City Council, District 4							
		Registered Voters	Voters Cast	Turnout (%)	1 BILL BALSON	1 DEBBIE RUDDOCK	1 DAVID C. EBLOVI
33025	Total	1872	1385	73.99 %	504	637	162
Total - Vote Centers		1872	76	4.06 %	42	19	9
Total - Vote by Mail		1872	1309	69.93 %	462	618	153
Contest Total		1872	1385	73.99 %	504	637	162

*** Indicates vote data was suppressed due to voter privacy settings.

SECTION B

Cast by District

1 City of Half Moon Bay Member, City Council, District 4							
					1	1	1
		Registered Voters	Voters Cast	Turnout (%)	BILL BALSON	DEBBIE RUDDOCK	DAVID C. EBLOVI
Electionwide	Total	1872	1385	73.99 %	504	637	162
Board Of Equalization - District 2	Total	1872	1385	73.99 %	504	637	162
16th Congressional District	Total	1872	1385	73.99 %	504	637	162
13th Senatorial District	Total	1872	1385	73.99 %	504	637	162
23rd Assembly District	Total	1872	1385	73.99 %	504	637	162
County of San Mateo	Total	1872	1385	73.99 %	504	637	162
3rd Supervisorial District	Total	1872	1385	73.99 %	504	637	162
City of Half Moon Bay	Total	1872	1385	73.99 %	504	637	162

BUSINESS OF THE CITY OF HALF MOON BAY CITY COUNCIL

AGENDA REPORT

For the Meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Mathew Chidester, City Manager

FROM: Jill Ekas, Community Development Director
Scott Phillips, Senior Planner

TITLE: 2023 RESIDENTIAL DWELLING UNIT ALLOCATION PURSUANT TO HALF MOON BAY MUNICIPAL CODE CHAPTER 17.06 (MEASURE D)

RECOMMENDATION:

Adopt a resolution setting the 2023 Residential Dwelling Unit Allocation and Administration System pursuant to Half Moon Bay Municipal Code Chapter 17.06 for 67 residential dwelling units, 45 units for the Downtown (23 base units, and 22 bonus units) and 22 units outside of the Downtown.

FISCAL IMPACT:

There is limited fiscal impact associated with setting the annual residential dwelling unit allocations as the Measure D allocation application fees cover some of the costs of administering the program. A fiscal impact analysis is also required as part of this process, which is described further in this report. It concludes that the development associated with these allocations will also have a limited fiscal impact.

STRATEGIC ELEMENT:

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

BACKGROUND:

In 1991, Measure A was adopted by City voters establishing a 3 percent annual growth limit. In 1999, Measure D amended the Residential Growth Limitation Ordinance reducing the allowable percentage increase of residential population from 3 percent to 1 percent, with an additional 0.5 percent allowed at the discretion of City Council for residential development in the "Downtown Area." On December 1, 2010, the City Council adopted an ordinance amending Chapter 17.06 of the Half Moon Bay Municipal Code entitled "Residential Dwelling Unit Allocation System." Measure D mandates that "the City shall allocate permissible dwelling units among applications on the basis of the existing allocation system or a subsequently modified

system.” Measure D allocations are reviewed and authorized annually by the City Council per the Municipal Code.

This report provides an update on the annual Measure D allocations and recommends 67 total allowable residential unit allocations for 2023.

DISCUSSION:

Chapter 17.06 of the Municipal Code establishes the methodology for determining the annual maximum number of residential dwelling unit allocations, or “Measure D Certificates.” The ordinance specifies that the most recent U.S. Census data must be used for determining the average number of persons per household.

The 2020 U.S. Census provides the most recent Census data for a baseline to add the additional population to annually. Table 1 presents the methodology and calculations for determining the annual allocation from the 2020 Census baseline.

Table 1 – Allocation Calculations

Year	Base Population ¹	New Units ²	Persons Per Household	Calculated Additional Population ³	New Projected Population ¹	Base Allocation ⁴	Allocation Distribution		Total Annual Allocation
							Downtown ⁵	Outside Downtown	
2021	11,795	35	2.58	90	11,885	46	46	23	69
2022	11,885	23	2.67	61	11,946	45	45	22	67

¹2020 U.S. Census Population was utilized for the 2021 baseline from which the calculated additional population is added to each year.

²Number of new units that were issued building permits during the prior calendar year.

³Most current US Census PPH data (2.67) multiplied by the number of new units that were issued building permits during the calendar year

⁴1% of New Projected Population divided by average PPH.

⁵Includes an additional 0.5% in the downtown area per Section 17.06.020(B).

The “new projected population” estimate is used to calculate the total number of units within the City at year-end. The equation for establishing the “new projected population” involves multiplying the number of new units issued building permits during the calendar year by the average PPH (2.67 from the 2021 Census data, used for the 2022 baseline), then adding the result to the projected population from the previous year.

With the estimated population count and occupied households count from the 2021 Census data, an updated persons per household count was calculated at 2.67 as compared to 2.58 from last year’s allocation, which was based on 2020 Census data. The increase in persons per households

results in a modest decrease in the number of new dwelling units allowed for 2023 compared to the number of new dwelling units allowed in 2022.

The base allocation of 1% is split evenly between Downtown and outside of the Downtown. As discussed earlier in “Background,” Measure D allows for a 0.5% increase in residential allocations for Downtown, which consists of the City’s former Redevelopment Area. As summarized in Table 2, this provides for a maximum of 67 new dwelling unit allocations for 2023, reserving 45 dwelling unit allocations for the Downtown Area, and 22 dwelling unit allocations outside Downtown.

Table 2: Dwelling Unit Allocations – 2023

Total Allocations	Downtown Allocations	Outside Downtown Allocations
67	45 (1.0%)	22 (0.5%)

Municipal Code Section 17.06.020 – “Establishment of number of residential dwelling unit allocations to be authorized annually” sets forth the procedures for establishing the residential allocations. In particular, Section 17.06.020.G specifies that the City Council shall consider the following when establishing the number of Dwelling Unit Allocations in the upcoming year:

1. The number of residential dwelling units allocated in the current year;
2. The number of residential dwelling units allocated in the preceding year, but not necessarily issued building permits;
3. The number of future residential dwelling unit allocations awarded in accordance with a development phasing plan and agreement as provided for in Section 17.06.055;
4. The information and data contained in the annual fiscal impact analysis as provided for in Section 17.06.045 Fiscal Impact Analysis Required.

The following discussion presents information pertinent to the above four considerations.

Residential Dwelling Units Allocated in Current and Proceeding Year and Building Permits

Issued: Table 3 presents the number of Measure D certificates and building permits issued each year from 2017 through 2021. Since amending the Measure D allocation system in 2010, new residential development from 2010 through 2013 was especially slow as the City recovered from the great recession. Starting in 2014, growth increased modestly, but remained low due to a lack of larger-scale developments other than phase one of Pacific Ridge. Recent years (2019 and on) have seen a distinct increase in applications for both Measure D allocations and building permits. Accessory dwelling units (ADUs) account for much of this increase due to the series of State law amendments that further relaxed ADU development requirements and amplified local interest in ADU construction. In 2021 and 2022, all allocations were issued, including within and outside Downtown.

Building permit issuance lags Measure D allocation. Some developments, such as the Hilltop Mobile Home Park proposal which received 32 allocations over a two-year period, take up a significant number of Measure D allocations, but are just starting the CDP review process. Others

move through quickly, such as ADUs for which the CDP process is expedited. Staff anticipates that building permit issuance will increase within the next few years reflecting the higher number of allocations issued in recent years.

Table 3: Residential Building Permits Issued

Year	Available Allocations	Measure D Allocations Issued	Residential Building Permits Issued
2017	66	22	28
2018	66	25	16
2019	71	34	24
2020	69	48	26
2021	66	66	35
2022	69	69	23
Average	68	44	25

Development Phasing Plans and Unit Prioritization: The City has not received applications for development phasing plans for Measure D allocations for several years. Before applying for a Coastal Development Permit (CDP) for new residential development, an applicant is required to obtain one Measure D allocation for each unit (per Section 17.06.010.B – Applicability). Measure D certificates are valid for one year (per Section 17.06.050.A. - Timing of building permits issued pursuant to this chapter), but may be extended if other approvals such as a CDP are required (per Section 17.06.050.F). There is a more detailed comparative process for evaluating and ranking subdivisions (Section 17.06.215 – Evaluation procedures for subdivisions for residential development based upon design and amenity criteria and contribution to public facilities), but that process has not been triggered for phased development or subdivisions.

In the case that there is an increase in residential development activity beyond available allocations, Sections 17.06.120 and 17.06.275 – “Review of Points awarded and residential units allocated” establishes the criteria to evaluate applications and distribute residential dwelling unit allocations. The Measure D Allocation System is structured to prioritize projects in January of each year to evaluate and prioritize applications based upon competitive rating criteria (Sections 17.06.120 and 17.06.275). A detailed staff report to the Planning Commission in March 2020 outlined this process and presented that certain aspects of the rating system, as codified in 2010, are no longer especially relevant. Staff prepared an interpretation document for Planning Commission concurrence that has guided rating when there are more applications received during the annual January application window than available allocations, as occurred in 2021 and 2022.

Fiscal Impact Analysis: Section 17.06.045 requires the City to prepare an annual report identifying the effects of new residential development on City finances and the City’s ability to provide services to the residents. The fiscal impact analysis for 2023 was prepared by Applied Development Economics and the summary of the analysis is included as Attachment 2. The fiscal impact analysis indicates the new units and residents would generate approximately \$35,752 per year in General Fund revenues and require about \$45,246 in General Fund expenditures, for an annual estimated deficit of \$9,494 in 2023. This is similar to the 2022 estimated deficit of \$7,458.

Notably, the 2021 fiscal impact analysis indicated an estimated net surplus of \$21,118. All of these amounts are close to breaking even for this type of fiscal impact analysis.

ATTACHMENTS:

1. Resolution Establishing the Residential Dwelling Unit Allocation for 2023
2. Fiscal Impact Analysis Spreadsheet of New Residential Development, prepared by Applied Development Economics, November 2022

RESOLUTION NO. C-22-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ESTABLISHING THE RESIDENTIAL DWELLING UNIT ALLOCATIONS FOR 2023

WHEREAS, in November of 1999, the electorate of the City of Half Moon Bay adopted a new Residential Growth Initiative (Measure D) establishing that the number of residential dwelling units for which the City may authorize allocations each calendar year shall not exceed the number of units that would result in a growth of 1% of the City's population, plus an additional 0.5% for additional dwelling units in the area defined by Measure D as the "Downtown Area;" and

WHEREAS, Measure D has been adopted into the Local Coastal Program and certified by the California Coastal Commission; and

WHEREAS, in December of 2010, to implement Measure D, the City Council adopted the Residential Dwelling Unit Permit Allocation System Ordinance, Chapter 17.06 of the Half Moon Bay Municipal Code; and

WHEREAS, Section 17.06.020 of the Municipal Code requires the City Council to adopt the annual residential dwelling unit allocation for the upcoming year by December 31st of each year; and

WHEREAS, Section 17.06.020.G of the Municipal Code describes factors the Council may take into account in establishing the annual allocation, including the number of Residential Dwelling Units allocated in the current year; the number of Residential Dwelling Units allocated in the preceding year but not necessarily issued, the number of future Residential Dwelling Unit allocations awarded in accordance with a Development Phasing Plan and Agreement, and the information and data contained in the Annual Fiscal Impact analysis as provided for in Section 17.06.045.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby finds and determines as follows:

Section 1: Findings

In accordance with HMBMC Section 17.06.020.G:

- A. **Current Year Allocations:** In the current year (2022), a total of 69 Measure D allocations were issued; while 23 new residential Building Permits were issued.
- B. **Preceding Year Allocations:** In the preceding year (2021), a total of 66 Measure D allocations were issued; while 35 new residential Building Permit units were issued.

- C. **Future Residential Dwelling Unit Allocations:** There are no future residential unit allocations awarded in previous years from this year's allocation as the result of a Development Phasing Plan and Agreement provided for in Section 17.06.055.
- D. **Annual Fiscal Impact Analysis:** Costs for administering the Measure D program are substantially covered by Measure D application fees. Development Impact Fees, Residential Impact Fees for Affordable Housing, and Measure D application fees have been evaluated in an updated Fiscal Impact Analysis prepared by Applied Development Economics.

Section 2: Total Allocation for Calendar Year 2023

Based on the methodology established in Chapter 17.06 of the Half Moon Bay Municipal Code and the findings set forth in Section 1 above, and in order to ensure that the annual population growth in the City does not exceed 1%, plus an additional 0.5% in the Downtown Area, the total allocations for residential dwelling units for the 2023 calendar year shall be 67 units.

- A. **Assignment of Allocation to "Downtown" and "Outside Downtown" Areas:** The total allocation of 6 residential units shall be distributed as follows: twenty-two (22) units to the projects outside the Downtown area, and forty-five (45) units to projects within the Downtown area.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of December, 2022 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSTAIN, Councilmembers:

ABSENT, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor

ATTACHMENT 2

Fiscal Impact of New Residential Units (2022)	
GENERAL FUND REVENUES	2022 Project Residents
Property Tax (City Share)	\$10,960
VLF Prop Tax Swap	\$8,412
Real Prop Transfer tax	\$0
Sales & Use Tax	\$5,605
Transient Occupancy Tax	\$0
Franchise Taxes	\$1,911
Other Taxes	\$0
Permits	\$0
Intergovernmental Subventions	\$3,566
Planning and Engineering Fees	\$0
Fines and Police Services	\$189
Recreations Services Fees	\$429
Other Revenues	\$4,679
SUBTOTAL	\$35,752
GENERAL FUND EXPENDITURES	
General Government	\$7,823
Police	\$11,009
Public Works	\$7,932
Recreation	\$3,528
Community Development	\$3,064
Subtotal Direct General Fund Expenditures	\$33,357
Capital Improvements	\$11,803
TOTAL	\$45,246
Net Surplus/(Deficit)	(\$9,494)
Source: ADE, Inc., based on City of Half Moon Bay, Fiscal year 2022-23 Budget	

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez, Administrative Services Director
Kenneth Stiles, Finance Manager

TITLE: **ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

RECOMMENDATION:

Adopt a resolution receiving the City of Half Moon Bay Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of these resolutions.

STRATEGIC ELEMENT:

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

BACKGROUND:

The City of Half Moon Bay annually conducts an independent audit of financial transactions and issues the Annual Comprehensive Financial Report (ACFR). The ACFR Report has been prepared in conformity with the Governmental Accounting and Financial Reporting Standards.

An independent audit was conducted by the auditing firm Maze & Associates (Maze) in conformity with General Accepted Auditing Standards. The City received a clean audit opinion on the financial statements.

The City's ACFR presents an easily readable and organized report of the City's financial transactions and provides users of government financial statements with a wide variety of information needed to help them evaluate the financial condition of the City. The final step in preparing these financial statements is to present them to the City Council for its acceptance.

The ACFR document (Attachment 2) is composed of the following parts:

- Introductory Section including letter of transmittal
- Independent Auditors' Report

- Management Discussion and Analysis
- Basic City-wide and fund-level financial statements
- Explanatory notes to financial statements and supplemental schedules
- Supplementary information
- Statistical section

The transmittal letter included in the ACFR provides information on the City's profile, financial planning and budgeting, and the local economy.

DISCUSSION:

The General Fund is the City's primary operating fund. It receives unrestricted revenues and provides general administrative services, law enforcement and animal control services, and land development-related activities such as planning, building, and engineering. The City's General Fund balance on June 30, 2022, was \$15.5 million, of which \$8.9 million was committed for reserves and the balance of \$6.5 million was unassigned. The fund balance on June 30, 2022 shows an increase of \$4.4 million, or 40%, from the prior year.

The Management Discussion & Analysis (MD&A) section of the ACFR summarizes the financial results for the fiscal year ended June 30, 2022 and provides additional explanations for changes from the prior fiscal year.

The City of Half Moon Bay was the honored recipient of the "Certificate of Achievement for Excellence in Financial Reporting" award presented by the Government Finance Officers Association (GFOA) of the United States and Canada in recognition for the City's FY 2020-21 ACFR. The City believes that this year's ACFR document continues to conform to the highest standards in government accounting and financial reporting requirements and will qualify for another Certificate of Achievement. Following acceptance by the Council, the document will be submitted to the GFOA for consideration for the award this year.

Looking Forward

During the budget development for Fiscal Year 2022-23, the City estimated that the fund balance on June 30, 2022 would be \$12.2 million. With the audit complete, an updated fund balance summary is detailed below:

General Fund Balance Summary		
	<u>FY 2022-23</u> Adopted with Estimated Beg. Balance	<u>FY 2022-23</u> Adopted with Audited Beg. Balance
Beginning Fund Balance ⁽¹⁾	12,258,600	15,585,153
Revenues	21,297,021	21,297,021
Expenditures	(23,465,844)	(23,465,844)
Net Change to Fund Balance	(2,168,823)	(2,168,823)
Ending Fund Balance	10,089,777	13,416,330
Operating Contingency	(5,835,127)	(5,835,127)
Economic Uncertainty	(3,890,085)	(3,890,085)
Unassigned	364,565	3,691,118

⁽¹⁾ At time of budget adoption, the beginning fund balance was unavailable. With the completion of the audit that number has been finalized

The City initially planned for unassigned balances through FY 2022-23 to be \$364K. With the audited beginning fund balance of \$15.1 million, the City anticipates unassigned balances to be \$3.6 million on June 30, 2023. This gain in unassigned balances is primarily due to the City receiving more tax revenues than budgeted for fiscal year 2021-22, specifically transient occupancy and vehicle in lieu taxes. More information on the budget to actual performance of the General Fund can be found on pages 18 and 81 of the ACFR.

Unassigned balances represent funds that have not yet been programmed for a particular purpose. Although much higher than anticipated, staff recommends deployment of such funds to be discussed during the mid-year process, where all options available are presented to Council in March of 2023.

ATTACHMENTS:

1. Resolution accepting the City of Half Moon Bay Annual Comprehensive Financial Report
2. Draft Annual Comprehensive Financial Report (ACFR) Fiscal Year Ended June 30, 2022

Resolution No. C-2022-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
TO ACCEPT THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL
YEAR ENDING JUNE 30, 2022**

WHEREAS, the City of Half Moon Bay contracted with the audit firm of Maze & Associates to conduct an audit of the City's financial records in accordance with Governmental Accounting Standards Board (GASB) Statement 34; and

WHEREAS, the financial statements for the Fiscal Year ending June 30, 2022 as prepared by said firm have been completed; and

WHEREAS, it is recommended that the City Council accept the financial statements, known as the Annual Comprehensive Financial Report (ACFR);

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby adopts a resolution to accept the City's Annual Comprehensive Financial Report (ACFR) as prepared by Maze & Associates for the Fiscal Year ending June 30, 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of December, 2022 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

Debbie Ruddock, Mayor



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022



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CITY OF HALF MOON BAY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal year ended June 30, 2022

Prepared by
Finance Department



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CITY OF HALF MOON BAY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION



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CITY OF HALF MOON BAY

507-B Purissima Street
Half Moon Bay, CA 94019

December 20, 2022

Honorable Mayor,
Members of the City Council,
And Citizens of Half Moon Bay

It is a pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Half Moon Bay (the City) for the fiscal year ended June 30, 2022. The intent of this report is to provide a full and transparent understanding of the City's financial activities. The report is prepared in compliance with California Government Sections 25250 and 25253, in accordance with Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), and continuing disclosure requirements of the Securities and Exchange Commission (SEC) related to the City's debt.

This report consists of management's representations concerning the finances of the City of Half Moon Bay. Consequently, responsibility for both the accuracy of the data and the fairness of this presentation, including all disclosures, rests with the City's management. To present a reasonable basis for making these representations, management personnel of the City have established and maintained a comprehensive internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgment by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to represent fairly the financial position and results of operation of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The City's financial statements have been audited by Maze & Associates, a firm of licensed certified public accountants in Pleasant Hill, California. The independent auditor has issued an unmodified (or "clean") opinion on the City's financial statements for the year ended June 30, 2022.

GAAP requires that management provide a narrative of introductions, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the independent auditors in the financial section. This letter complements the MD&A and should be read in conjunction with it.

PROFILE OF THE CITY

Named San Benito in the 1840's and later Spanishtown, Half Moon Bay received its current name in 1874 and is the oldest settlement in San Mateo County. Considered a rural coastal community, the City is home to approximately 12,000 people. There is a rich culture of different traditions and multi-generational families who have lived in Half Moon Bay for well over 100 years. In any given neighborhood you will find farmers, high tech entrepreneurs, and artists living together. At the crossroads of Highway 1 and Highway 92, Half Moon Bay is approximately 25 miles south of San Francisco and a 45-minute drive from almost anywhere in the Bay Area.

The City and Coastside are a thriving agricultural, fishing and tourism destination. The local and growing organic agricultural community hosts a Saturday farmers' market and many rural roadside stands sell the bounty of the local farms and nurseries. About 3,000 tons of pumpkins are grown on the Coastside every year and the ripening pumpkins are featured in the Art and Pumpkin Festival held each October on the downtown historic Main Street. The annual festival draws more than 200,000 visitors for the two-day event.

As a popular tourist destination, Half Moon Bay offers a wide variety of public and private attractions. Main Street is home to shops, art galleries, and fine dining. The Coastal Trail provides recreation for biking, pedestrian, and equestrian users. Golf can be enjoyed at two acclaimed golf courses. Half Moon Bay boasts truly unique lodging with breathtaking ocean views, world-class hotels, and quaint cottages. And the enduring natural beauty of the beaches is enjoyed by all.

The City of Half Moon Bay was incorporated in 1959 and operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing City Council, which consists of five Councilmembers. Councilmembers are elected to overlapping four-year terms and, from amongst themselves, select a Mayor and Vice Mayor each December. The Council is responsible for passing ordinances, adopting the budget, appointing Planning Commission and Volunteer Committee members, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, providing leadership to the City's programs, overseeing the day-to-day operations of the City, and appointing City staff.

By means of its own employees and through other shared or contract services, the City provides a variety of municipal services including law enforcement; library; disaster preparedness; recreation programs; maintenance of streets, parks and buildings; sanitary sewer utility collection and maintenance; planning, zoning and building inspection; storm drain maintenance; code and parking enforcement; engineering; and general administrative services. Fire protection services are provided by a special district that is not a part of the City's reporting entity.

FINANCIAL OPERATIONS

BUDGET PROCESS

The annual budget serves as the foundation for the City's financial planning and control of expenditures. The City's budget document also reflects the One-Year and Five-Year Capital Improvement Program and the Five-Year Forecast.

The City prepares and adopts its budget in accordance with California Government Sections 29000 and 29143. The Council holds a public hearing on the proposed budget and adopts a final budget by the end of June, the close of the City's fiscal year.

A program budget is used to plan, prioritize, and guide municipal operations. The City uses the modified accrual basis of accounting for all Governmental Funds and the accrual basis of accounting for Propriety Funds and Fiduciary Funds. Budgetary controls ensure compliance with the annual appropriated budget approved by the City Council. The City Council may amend the annual budget by resolution. Transfers of appropriations between departments or programs within the same fund can be approved administratively by the City Manager and Finance Director. Transfers between funds require the approval of the City Council. Accordingly, the lowest level of budgetary control established by the City Council is at the department level.

Budget-to-actual comparisons are presented in the supplementary section of the accompanying financial statements for each individual governmental fund for which an appropriated annual budget has been adopted.

FINANCIAL CONTROL

The Finance Department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the City's systems of internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The City's Reserve Policy per Resolution C-2020-60 states that a reserve equal to 50% of General Fund annual operating expenditures is to be set aside to reduce the risk of financial impacts from catastrophic disasters; respond to the challenges of changing economic environment, including prolonged downturns in the local, state, and national economy; and demonstrate continued prudent fiscal management and creditworthiness.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Several important initiatives were delivered in the past fiscal year. These projects included increased engagement with the community, continued work on affordable housing, and improvement of infrastructure. Accomplishments include:

1. City Operations:

- Accepted a proposal from Mercy Housing and ALAS to develop 40 very affordable housing units at property owned by the City at 555 Kelly Avenue.
- Completed the Accessory Dwelling Unit Ordinance and the Short-Term Rental Ordinance.
- Continued work on the Public Safety Community Engagement project, including a community survey, mental health workgroups, and several council study sessions, resulting in a Public Safety Workplan.
- Completed the update of the Local Hazard Mitigation Plan.
- Negotiated a five-year Memorandum Of Understanding with City's labor groups that establishes employee compensation, benefits, and work conditions.
- Completed construction of the Ocean Colony Pump station (\$2.5 million)
- Completed the Highway 1 South Gateway Project (\$4.4 million)
- Adopted an Electrification Ordinance which requires all-electric new construction and the phasing out of natural gas use in buildings by 2045.
- Completed a classification and compensation study for all non-executive positions.
- In collaboration with the County of San Mateo and a local non-profit service provider, launched the Crisis Assistance Response & Evaluation Services (CARES) program that is an alternative response approach to individuals experiencing a mental health crisis.
- Adopted the Coastside Recovery Initiative final report: "Building a more Equitable, Vibrant, and Resilient Coastside Economy", and began implementation of several recommendations.
- Continued preparations for construction of the Carter Park Amphitheater Project (\$6.4 million projected)
- Completed acquisition of 9 properties west of Railroad Avenue as a part of the City's Lot Retirement Program.
- Completed the 2021 Redistricting Process and adopted District Map 503B, including creation and management of a seven-member advisory committee, numerous public workshops, multiple public outreach campaigns and materials, and management of the demographer consultant contract.
- Adopted a Public Art Policy and deaccessioning process.
- Commissioned a "50th Annual Pumpkin Festival Commemorative Mural" to be painted in downtown prior to the festival in October 2022.

2. Major Capital Projects Completed or in Progress:
 - Carter Park Redevelopment Project
 - Highway 1 North Safety Project
 - Poplar Beach Gateways Plan
 - Main Street Safety Improvements
 - Poplar Street Traffic Calming and Safety Project
 - Corporate Yard Improvements
 - Sheriff Substation Renovation Project
 - New Magnolia Park Development Project
 - Ocean View Park Accessibility Improvements Projects

Much of the work focuses on enhancing and improving infrastructure, as well as creating processes and organizational improvements which allow Staff to better carry out their core functions in serving the public. The 2021-22 through 2025-26 Five-Year Capital Improvement Program (CIP) provides in depth project-by-project information and how it aligns with the City's Strategic Plan.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the perspective of the environment in which the City operates. During Fiscal Year 2021-22, the City experienced the recovery of Transient Occupancy Tax revenues and the return of programmatic services previously limited due to the pandemic. Although the City ended the year in a surplus, economic uncertainty remains with excessive inflation.

Local Economy

Employment in Half Moon Bay is concentrated in three major sectors: professional services; farm and agriculture; and retail/food services. The 2021 average unemployment rate for California was 7.3%, San Mateo County was 4.6%, and Half Moon Bay was 1.5%. Due to the COVID-19 pandemic, the unemployment rate peaked as high as 11.4% for San Mateo County during the month of April 2020. Since then, the unemployment rate has decreased below pre-pandemic levels of 1.6% for Half Moon Bay.

A significant driver of the economy has continued to be the local real estate market, which saw another year-over-year increase in assessed value. Half Moon Bay's total assessed value for 2021-22 is \$3.5 billion, which is a 3.3% increase over 2020-21. Housing prices continue to remain strong, though future performance appears uncertain as the country is experiencing historically high inflation and rising interest rates. Additional challenges for the City include a volatile equities market and uncertainty related to this monetary environment.

Two of the most pressing concerns of the City includes the over reliance on Transient Occupancy Tax (TOT) revenues and rising existing costs due to excessive inflation. During the fiscal year ending June 30, 2022, TOT revenues made up 41% of all General Fund revenues. In addition to being the

City's largest revenue source, these revenues can be vulnerable in certain types of economic downturn.

Additionally, for the one-year period ending on May 2022, the Consumer Price Index (CPI) was recorded at a high of 8.6%, the largest 12-month increase since 1981. This index is the most widely used measure of inflation and tracks changes in the prices of consumer goods and services. The City has experienced rising costs of existing obligations and anticipates further increases as inflation continues.

Existing obligations that are likely to increase in future years include public safety, sewer treatment, and pension costs. These costs coupled with increased demand for essential City services and enhanced infrastructure investment, to maintain and enhance City assets, may strain City finances. Staff will continue to monitor these conditions moving forward, and make budgetary adjustments as necessary, to ensure the City can sustain long-term financial health.

Long-Term Financial Planning

The long-term financial plan of the City continues to include cost containment strategies and a comprehensive cost recovery program, both designed to ensure the long-term financial health of the City. Although the City's long-term financial outlook shows stability, this is achieved through the use of one-time funds and general fund reserves while economic uncertainty remains. Through the City sponsored Coastside Recovery Initiative, the community is pursuing additional industries to help diversify the economy of the City, which would help bring in new revenues and mitigate the City's current dependance on tourist driven TOT and sales taxes.

In response to the COVID-19 pandemic, the federal government signed the American Rescue Plan Act (ARPA) which provided funding for cities to replace lost revenue resulting from the pandemic. The City was allocated \$3 million in funding to be paid in two installments, in fiscal year 2021-22 and fiscal year 2022-23. The city has opted to use these funds to reinstate various City services originally lost during the pandemic, such as recreation programs and economic recovery efforts.

To combat against rising costs and using reserves in future years, in November 2020 voters passed Measure U effectively raising the Transient Occupancy Tax rate to 14% effective July 1, 2021, and 15% effective July 1, 2022. The City anticipates this measure to generate more revenues to maintain existing City services after the sunset of ARPA funds.

Additionally in FY 2019-20, the City Council created a new reserve, an Economic Uncertainty Reserve, to smooth the effects of dramatic downturn in the economy that may negatively impact revenues. The goal of this new reserve is to retain 20% of budgeted annual operating expenditures. While the use of this reserve is anticipated in future fiscal years, the City's long-term goals include fully funding both the economic uncertainty and the operating reserve to be a total of 50% of annual operating expenditures. As of June 30, 2022, both reserves are fully funded.

The City's long term strategic plan, adopted on March 15, 2018, addresses the following four Strategic Elements:

- Fiscal Sustainability
- Healthy Communities and Public Safety
- Inclusive Governance
- Infrastructure and Environment

Based on these Strategic Elements, the City Council annually adopts strategic priorities to help guide the City's actions, work plans, and efforts on addressing the community's needs. The Council addresses the City's long-term fiscal sustainability by retiring debt early, improving reserves, investing in infrastructure, and marketing the City to visitors to improve key revenue sources, such as Transient Occupancy and Sales Tax.

Risk Management

Comprehensive general liability coverage is provided through the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). The plan consists of a self-insurance pool involving a number of cities in the San Francisco Bay Area. The cities contract with the Plan through a liability coverage agreement that is very similar to a comprehensive general liability, commercial auto, and public officials' errors and omissions policy. The City's limit in the pool is \$5,000,000 with a \$50,000 per occurrence deductible for which it self-insures.

For Workers' Compensation coverage, the City participates in the Cities Group, created by a joint powers agreement to provide workers compensation coverage of up to \$10,000,000 per occurrence in excess of \$1,000,000 for miscellaneous employees. The Group acts as administrator and claim adjuster, and provides other risk management services as required by State law. Each member of the Group pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the Group. Additional information concerning the City's participation in risk pools for liability and workers' compensation is provided in Note 10 to the financial statements.

The City focuses on identification of hazards and dangerous conditions and provides on-going training in an effort to reduce exposure and ensure public safety and welfare.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Half Moon Bay for its annual comprehensive financial report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are pleased to submit it to the GFOA to determine its eligibility.

We would like to take an opportunity to thank the Administrative Services Department staff. Special thanks to Kenneth Stiles, Finance Manager; Bryan Lopez, Senior Management Analyst; Ernest Azevedo, Management Analyst; Raymond Cruz, Payroll Technician; Carol Kim, Accounting Technician and Mary Huerta, Administrative Assistant for their efforts during the annual audit process and contribution to this report. We also would like to express deep appreciation to the audit team from Maze and Associates for their professional work and assistance during the audit process and throughout the year.

Finally, we would like to express our appreciation to the City Council, the operating departments, and the Council Finance Committee for their interest and support toward conducting the financial operations of the City in a responsible manner with emphasis on transparency, ethics, and fiscal responsibility.

Respectfully submitted,

Signed:  _____

Matthew Chidester
City Manager

 _____

Lisa Lopez Rossi
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Half Moon Bay
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

Half Moon Bay City Limits



Unincorporated
San Mateo County

Unincorporated
San Mateo County

City of
Half Moon Bay



 Map not to Scale

X

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City of Half Moon Bay

City Council



Mayor Debbie Ruddock



Vice Mayor
Deborah Penrose



Council member
Joaquin Jimenez



Council member
Robert Brownstone



Council member
Harvey Rarback



City of Half Moon Bay

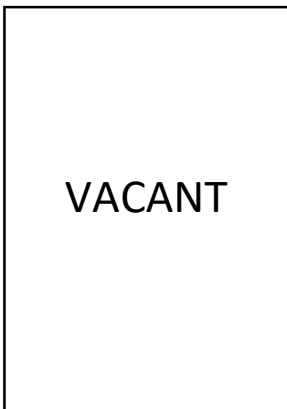
Executive Team



City Manager
Matthew Chidester



City Attorney
Catherine Engberg



Assistant City Manager
Vacant



Communications Director/
City Clerk Jessica Blair



Public Works Director
John Doughty



Community Development
Director Jill Ekas



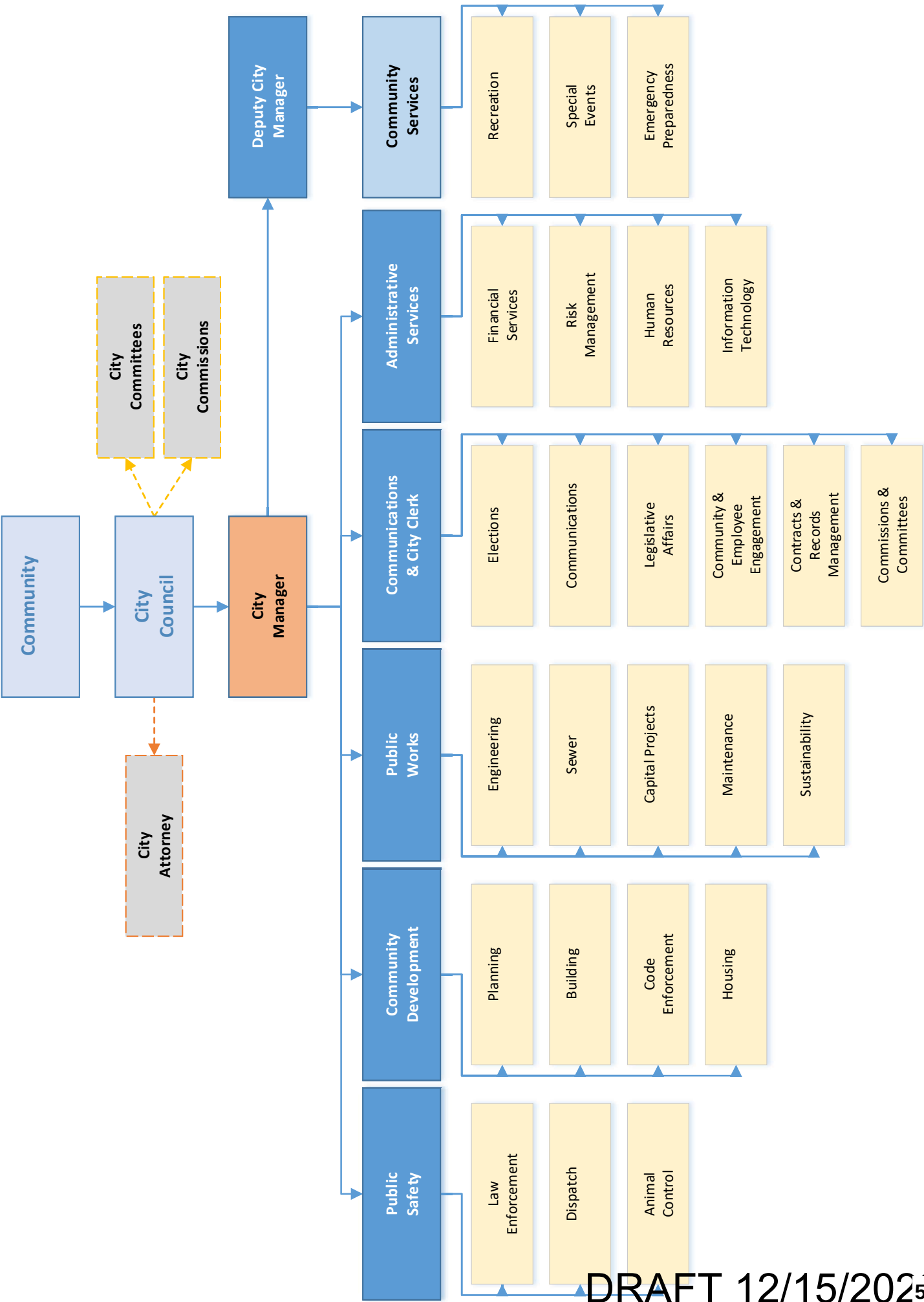
San Mateo County Sheriff
Captain Rebecca Albin



Administrative Services
Director Lisa Lopez

DRAFT 12/15/2025

City of Half Moon Bay Organizational Chart





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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Half Moon Bay, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Half Moon Bay, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 87 – Leases, which became effective during the year ended June 30, 2022.

The implementation of GASB 87 does not have material effects on the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Half Moon Bay (the City), we offer readers of the City of Half Moon Bay's financial statements this overview of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal and the City's basic financial statements.

Financial Highlights

- The City's government-wide assets exceed its liabilities at June 30, 2022, by \$150 million, which is a 3.4% or \$4.9 million increase from the prior year. Of this amount, \$43.9 million may be used to meet the City's ongoing obligations to citizens and creditors, which is a 3% increase over the prior year's unrestricted net position of \$42.5 million.
- The City's cash and investments at June 30, 2022 totaled \$47.9 million, of which \$41.9 million is classified as government activities and \$6 million as Business-type activity. The City's cash and investments increased by \$3.2 million, or 7% compared to the prior year.
- At June 30, 2022, the City had outstanding long-term obligations of \$15.5 million, of which \$15.2 million is classified as governmental activities and \$283 thousand as business activities. Obligations have decreased by \$5.4 million or 26% compared to the prior year. This decrease is primarily due to a decrease in net pension liability.
- During the 2014-15 fiscal year, the City implemented the Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pension Plans, an amendment of GASB Statement No. 27, which resulted in adjustments to pension expenses and reporting the City's long-term net pension liability of \$7.6 million on the FY 2021-22 Statement of Net Position. GASB No. 68 is intended to improve accounting and financial reporting by state and local governments that provide pension benefits. The Net Pension Liability decreased by \$4.6 million from the \$12.3 million recorded last year.
- City-wide revenues were \$30.3 million, of which \$25.3 million was generated by governmental activities and \$5 million by Business-type activities. Revenues increased by 7% from the prior year primarily due to an increase in transient occupancy taxes.
- City-wide expenditures were \$25.4 million, of which \$19.4 million was incurred by governmental activities and \$6 million by Business-type activities. Expenditures increased by 10% from the prior year mostly due to increases in recreation services, general government, and sewer utility expenditures.
- The City's General Fund balance as of June 30, 2022, was \$15.6 million, an increase of roughly \$4.4 million as compared to the prior year's amount of \$11 million. This increase is primarily due to increases in tax revenue and the receipt of federal funding from the American Rescue Plan Act.
- For the fiscal year ended June 30, 2022, Governmental Funds revenues exceeded expenditures and net transfers by \$5.1 million, primarily attributed to an overperformance of taxes revenue overperformance. The governmental funds' combined ending fund balance as of June 30, 2022, is \$66 million, an 8% increase from the prior year.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis section is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains a transmittal letter, other required supplementary information, optional section that presents combining statements for non-major governmental funds and internal service funds, and statistical section.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Both are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial condition.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

These two statements that comprise the government-wide financial statements both distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type activities). The governmental activities of the City include its general government, public safety, public works and building regulation, parks and recreation, and planning programs. The sole Business-type activity of the City is the City's sewer utility.

The government-wide financial statements normally include, not only the City of Half Moon Bay itself (known as the primary government), but also a legally separate Community Development Agency of the City of Half Moon Bay for which the City of Half Moon Bay is financially accountable. Although the Agency is an integral part of the primary government, no financial information has been included for this component unit since it has been inactive for over ten years.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Half Moon Bay uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Half Moon Bay maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Streets and Roads Fund, and the Judgment Obligation Bond Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the Combining Balance Sheet and Individual Fund Statements of Revenues, Expenditures and Changes in Fund Balances sections of the report.

The City of Half Moon Bay adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison schedule has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-32 of this report. The budgetary comparison schedule for the General Fund can be found on page 85.

Proprietary Funds

The City of Half Moon Bay maintains two types of proprietary funds: Internal Service funds and Enterprise (Proprietary) funds.

Internal Service Funds

Internal Service funds are used to accumulate resources and allocate costs internally among the City's various functions. The City uses internal service funds to account and reserve for the purchase and maintenance of City vehicles and equipment, to account and reserve for risk management activities, and to stabilize for fluctuations in pension costs. Because these services exclusively benefit the governmental functions, they have been included within governmental activities in the government-wide financial statements.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily by user charges. The City uses an enterprise fund to account for the financial activity of the City's sewer operation.

CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The enterprise funds are also combined into a single, aggregated presentation in the proprietary fund financial statements that can be found on pages 33-35 of this report.

Notes to the Basic Financial Statements

The notes provide additional information essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-74 of this report.

Other Information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including schedule of proportionate share of the net pension liability, contributions, funding progress for the City's obligation to provide other post-employment benefits to its employees and budgetary comparison schedules for the General Fund and the other funds. Required supplementary information can be found on pages 77-87 of this report.

The combining statements for non-major governmental funds and internal service funds are presented on pages 94-108, and the Statistical Section follows on page 115.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table provides a condensed statement of net position as of June 30, 2022 and 2021:

CITY OF HALF MOON BAY
Comparative Statement
Statement of Net Position
Year Ended on June 30, 2022

	Governmental Activities		Business Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	46,736,879	42,031,973	15,586,270	18,745,924	62,323,149	60,777,897
Land held for resale	26,823,920	26,823,920	-	-	26,823,920	26,823,920
Capital Assets	74,694,444	72,919,857	6,948,434	6,199,508	81,642,878	79,119,365
Total assets	148,255,243	141,775,750	22,534,704	24,945,432	170,789,947	166,721,182
Related to OPEB	83,400	31,584	-	-	83,400	31,584
Related to pension	2,531,578	2,540,337	120,224	126,059	2,651,802	2,666,396
Total deferred outflows of resources	2,614,978	2,571,921	120,224	126,059	2,735,202	2,697,980
Long-term liabilities outstanding	13,683,818	18,290,476	283,237	500,223	13,967,055	18,790,699
Other liabilities	3,097,292	4,261,666	63,680	510,827	3,160,972	4,772,493
Total liabilities	16,781,110	22,552,142	346,917	1,011,050	17,128,027	23,563,192
Related to OPEB	127,266	71,024	9,969	5,459	137,235	76,483
Related to pension	5,874,487	598,424	292,668	16,253	6,167,155	614,677
Total deferred inflows of resources	6,001,753	669,448	302,637	21,712	6,304,390	691,160
Net Position:						
Net investment in capital assets	68,275,626	67,193,002	6,948,434	6,199,508	75,224,060	73,392,510
Restricted	21,340,221	19,871,245	9,554,843	9,377,687	30,895,064	29,248,932
Unrestricted	38,471,511	34,061,834	5,502,097	8,461,534	43,973,608	42,523,368
Total Net Position	128,087,358	121,126,081	22,005,374	24,038,729	150,092,732	145,164,810

Note: Total assets + deferred outflows – total liabilities – deferred inflows = total net position

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Position reflects the difference between assets and liabilities. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Half Moon Bay, assets exceeded liabilities by \$150 million on June 30, 2022, with invested capital assets of \$75.2 million, \$30.9 million restricted and an unrestricted net position of \$43.9 million. Portions of the unrestricted net position may by law or contract be used only for specified purposes and may not necessarily be used for any general governmental purpose.

The net investment in capital assets reflecting the investment in capital assets (e.g. land, buildings, facilities, vehicles, equipment, and infrastructure) is \$75.2 million and represents 50% percent of the City's net position. This portion has increased by \$1.8 million or 2.5%. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the net investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position accounts for \$30.9 million, or 21% percent, of the City's total net position. The restricted net position increased by \$1.6 million or 6% percent in fiscal year 2021-22. This portion of the net position can only be spent for specific purposes stipulated by external resource providers or legislation. This increase is from restricted revenues exceeding allowed expenditures in the governmental funds. Restricted revenues generally include grants, project specific capital contributions and other intergovernmental funding.

The unrestricted net position of \$43.9 million, or 29% percent of the City's total net position, increased by \$1.4 million or 3% percent. The increase is primarily from unrestricted revenues such as transient occupancy taxes exceeding expenditures. This portion of the net position may be used to meet the government's ongoing obligations to residents and creditors, although portions of the unrestricted net position may by law or contract be only used for specified purposes and may not necessarily be used for any general governmental purpose.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities

The following table provides a condensed statement of activities for the fiscal year ended June 30, 2022, as compared to June 30, 2021:

CITY OF HALF MOON BAY Comparative Statement Statement of Activities Year Ended on June 30, 2022							
	Governmental Activities		Business-type Activities		Total		Variance
	2022	2021	2022	2021	2022	2021	
Program revenues:							
Charges for services	2,809,193	1,841,161	5,005,399	4,477,159	7,814,592	6,318,320	24%
Operating grants and contributions	2,544,520	4,123,613	-	-	2,544,520	4,123,613	-38%
Capital grants and contributions	1,647,350	3,145,690	-	-	1,647,350	3,145,690	-48%
Subtotal	7,001,063	9,110,464	5,005,399	4,477,159	12,006,462	13,587,623	-12%
General revenues:							
Property taxes	4,592,317	3,582,161	-	-	4,592,317	3,582,161	28%
Sales and use taxes	3,358,759	2,929,586	-	-	3,358,759	2,929,586	15%
Transient occupancy taxes	9,442,518	4,817,532	-	-	9,442,518	4,817,532	96%
Other taxes	1,341,327	1,304,943	-	-	1,341,327	1,304,943	3%
Other general revenues	(398,433)	1,489,353	21,492	635,402	(376,941)	2,124,755	-118%
Subtotal	18,336,488	14,123,575	21,492	635,402	18,357,980	14,758,977	24%
Total revenues	25,337,551	23,234,039	5,026,891	5,112,561	30,364,442	28,346,600	7%
Expenses							
General government	6,008,499	5,175,257	-	-	6,008,499	5,175,257	16%
Public safety	5,017,087	4,743,620	-	-	5,017,087	4,743,620	6%
Public works	2,765,717	2,817,305	-	-	2,765,717	2,817,305	-2%
Recreation Services	2,823,410	1,942,872	-	-	2,823,410	1,942,872	45%
Planning	2,779,608	2,764,254	-	-	2,779,608	2,764,254	1%
Interest and fiscal charges	-	-	-	-	-	-	0%
Sewer Utility	-	-	6,042,199	5,670,214	6,042,199	5,670,214	7%
Total expenses	19,394,321	17,443,308	6,042,199	5,670,214	25,436,520	23,113,522	10%
Increase (Decrease) in net position before transfers	5,943,230	5,790,731	(1,015,308)	(557,653)	4,927,922	5,233,078	-6%
Transfers	1,018,047	621,266	(1,018,047)	(621,266)	-	-	0%
Increase (Decrease) in net position	6,961,277	6,411,997	(2,033,355)	(1,178,919)	4,927,922	5,233,078	-6%
Net position - As of July 1	121,126,081	114,714,084	24,038,729	25,217,648	145,164,810	139,931,732	4%
Prior Period Adjustment	-	-	-	-	-	-	-
Net position - As of July 1, as restated	121,126,081	114,714,084	24,038,729	25,217,648	145,164,810	139,931,732	4%
Net position - As of June 30	128,087,358	121,126,081	22,005,374	24,038,729	150,092,732	145,164,810	3%

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The City's Governmental net position increased by \$6.9 million or 6% in fiscal year 2022, primarily due to revenues exceeding expenditures.

Revenues Highlights:

- Total general revenues increased by \$4.2 million or 30% from the prior year, primarily due to increases in transient occupancy taxes and property taxes.
 - Program revenues decreased by \$2.1 million or 23%. This decrease is primarily from decreases in operating and capital grants. These receipts are generally project specific and/or one-time funds. In the prior year, the City received a one-time \$2 million in-lieu fee and \$2.8 million for the Highway 1 Project.
 - Transient Occupancy Tax (TOT), the City's largest source of general revenue increased by \$4.6 million or 96% from prior year. This is primarily due to the return of tourism to the Coast and a recently adopted tax rate increase to 14%.
 - Sales Tax, the second largest source of general revenue increased by of \$429K or 15% from prior year.
 - Property Tax, the third largest source of general revenue, increased by \$1 million or 28% from prior year. This increase is primarily due to the receipt of vehicle in-lieu (VLF) taxes.
 - Other General Revenues include investment income and other miscellaneous revenues. The amount from government activities decreased by \$1.8 million or 27% from prior year. This is primarily due to a 700 thousand unrealized loss on investments and the receipt of a one-time \$1.1 million from the Sheriff balancing account from the prior year.

Expenses for Government Activities increased by \$1.9 million from the prior year, mostly due to increases in recreation services and general government.

Business-type Activities

The City's sole Business-type activity is the sewer fund. The City's total Business-type net position decreased by \$2.0 million, primarily due to the following factors:

- Total revenues decreased by \$85 thousand or 2% from the prior year. However, charges for services increased by 528 thousand or 12%. In the prior year, the City recognized a gain in the Sewer Authority Mid-Coastside (SAM) investment in the amount of \$635 thousand. In fiscal year 2021-22, the City did not recognize a gain of such size.
- The City is a member of the SAM joint power authority and exercises significant influence over SAM's operations; therefore, the share of the City's investment in SAM's net position is reflected in the City's financial statements. In 2021-22 the City recognized a gain on this investment of \$21 thousand.
- Expenses from Business-type Activities increased by \$371 thousand as compared to fiscal year 2021-22. This is primarily due to increases in sewer treatment and utility.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL ANALYSIS

As noted above, the City uses fund accounting to ensure and demonstrate compliance with governmental finance-related legal requirements.

Governmental Funds

The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balance of resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The following is a schedule of revenues, expenditures, and changes in fund balances for each of the major governmental and aggregate non-major governmental funds recorded on the modified accrual basis of accounting:

CITY OF HALF MOON BAY
Comparative Statement
Governmental Funds Statement of Revenues, Expenditures and Fund Balance
 Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Revenues	\$ 25,457,670	\$ 23,259,520	9%
Expenditures	(19,374,704)	(19,776,033)	-2%
Transfers (net)	(951,154)	741,863	-228%
Net Change in Fund Balances	5,131,812	4,225,350	21%
Fund balances at beginning of year	60,905,657	56,680,307	7%
Fund balances at end of year	66,037,469	60,905,657	8%
Non-spendable	26,823,920	26,823,920	
Restricted	21,340,221	19,871,245	7%
Committed	8,999,117	7,271,604	24%
Assigned	2,288,175	3,069,792	-25%
Unassigned	6,586,036	3,869,096	70%
Total fund balances	66,037,469	60,905,657	8%

As of June 30, 2022, the City's governmental funds reported combined fund balances of \$66 million, an increase of \$5.1 million in comparison with June 30, 2021, which is primarily attributed to an increase in revenues. The governmental funds expenditures were \$19.3 million in fiscal year 2021-22, a \$401 thousand decrease from the prior year.

CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

The governmental funds' fund balance is comprised of the following:

- Non-spendable is \$26.8 million (40.6% of total balance) which represents the value of land held by the City. There has been no change in this amount from the prior year.
- Restricted is \$21.3 million (32.2% of the total balance), which can only be spent for specific purposes, set by external resource providers, or enabling legislation. The balance is primarily for restricted street funds, development fees, and reserves required by debt covenants.
- Committed balance is \$8.9 million (13.6% of the total balance), which can only be spent for specific purposes as determined by formal action of the City Council. This amount is to satisfy the City's general fund reserve policy, which states that 50 percent of budgeted operating expenditures for the year to be committed for contingencies and economic uncertainty.
- Assigned balance is \$2.2 million (3.5% of the total balance), which indicates City Council's intent to use these funds toward capital improvements in the future. This balance represents funds remaining in the capital project funds for future capital expenditures.
- Unassigned is \$6.5 million (10% of the total balance), which is available for any use.

FINANCIAL ANALYSIS OF CITY'S FUNDS

General Fund

The General Fund is the primary operating fund of the City of Half Moon Bay. All unrestricted revenues such as general taxes, fees and other revenues that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. The General Fund provides for the cost of operating City government and includes the services of the City Attorney, City Clerk, City Council, City Manager, City-wide costs (such as debt service), Finance and Risk Management, Human Resources and Information Technology, Recreation, Building and Planning, Public Works, and Public Safety. In addition, the General Fund expenditures include transfers to fund capital projects and reserve funding.

As of June 30, 2022, the total General Fund balance was \$15.5 million, which includes an unassigned portion of 6.5 million. The General Fund fund balances increased by \$4.4 million for the fiscal year ended June 30, 2022.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table compares General Fund revenues and expenditures by category:

CITY OF HALF MOON BAY
Comparative Statement
General Fund Statement of Revenues, Expenditures and Fund Balance
Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Revenues			
Taxes	18,670,447	12,223,462	53%
License and permits	365,491	405,491	-10%
Fines and forfeitures	70,383	108,937	-35%
Charges for services	1,544,174	1,302,597	19%
Rents and Leases	-	-	
Investment Income	(197,019)	2,054	-9692%
Intergovernmental revenues	1,574,015	169,487	829%
Miscellaneous	1,085,110	1,860,851	-42%
Total	23,112,601	16,072,879	44%
Expenditures			
General government	1,949,450	2,190,316	-11%
General administration	1,584,239	1,251,447	27%
Public safety	4,527,692	4,308,681	5%
Public works	1,780,363	1,650,155	8%
Recreation Services	1,040,867	864,764	20%
Planning	2,628,557	2,462,112	7%
Capital Outlay	-	-	
Debt Service	1,260,001	-	
Total	14,771,169	12,727,475	16%
Net Transfers	(3,896,979)	(2,838,856)	37%
Net Change in Fund Balances	4,444,453	506,548	65%
Fund Balances at beginning of year	11,140,700	10,634,152	5%
Fund Balances at end of year	<u>15,585,153</u>	<u>\$ 11,140,700</u>	<u>40%</u>

General Fund Revenues

General Fund revenues for the year ended June 30, 2022, increased by \$7 million or 44%, over the prior year. The preceding chart summarizes revenues into major categories for comparative purposes across two fiscal years.

Total tax revenues increased by \$6.4 million or 53% from the prior year primarily from an increase in transient occupancy taxes, sales taxes and vehicle in-lieu taxes. Net transfers increased by \$1 million primarily due to an increase in capital projects being funded directly.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Expenditures

General Fund expenditures for the 2021-22 fiscal year increased by \$2 million or 16%. This increase is primarily due to the City resuming debt service payments after one year of deferral and general increases in public safety and general administration expenditures.

CITY OF HALF MOON BAY
Budget to Actual Statement
General Fund Statement of Revenues, Expenditures and Fund Balance
 Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 19,045,189	\$ 23,112,601	\$ 4,067,412
Expenditures	(16,126,696)	(14,771,169)	1,355,527
Transfers (net)	(3,896,979)	(3,896,979)	-
Net Change in Fund Balance	<u>(978,486)</u>	<u>4,444,453</u>	<u>5,422,939</u>
Fund balances at beginning of year	11,140,700	11,140,700	-
Fund balances at end of year	<u><u>10,162,214</u></u>	<u><u>15,585,153</u></u>	<u><u>5,422,939</u></u>

General Fund Budgetary Highlights

The final budget for the General Fund planned for a net decrease of fund balance by \$978 thousand, however the ending fund balance increased by \$4.4 million. This is primarily due to revenues exceeding initial projections by \$4 million with most of the overperformance coming from transient occupancy taxes and vehicle in-lieu revenues. The City also finished the fiscal year under budget by \$1.3 million, this is primarily due to decreased operational spending then initially anticipated. A portion of these excess funds have been appropriated in the following budget for fiscal year 2022-23.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Major Governmental Funds

The following table compares governmental fund balances:

CITY OF HALF MOON BAY			
Comparative Statement			
<i>Governmental Funds Statement of Revenues, Expenditures and Fund Balance</i>			
Year Ended June 30, 2022			
	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Major Governmental Funds:			
General Fund	15,585,153	11,140,700	40%
Streets and Road	6,257,602	4,683,338	34%
Lot Acquisition / Retirement	1,848,079	2,586,094	-29%
Judgement Obligation Bonds	6,132	6,311	-3%
Library Capital	416,574	1,332,744	-69%
Land Asset	26,823,920	26,823,920	0%
Capital Project Fund	1,871,601	1,737,048	8%
Non-Major Governmental Fund	13,228,408	12,595,502	5%
Total Fund Balances	<u><u>\$ 66,037,469</u></u>	<u><u>\$ 60,905,657</u></u>	<u><u>8%</u></u>

Streets and Roads Funds

The Streets and Roads Special Revenue funds provide for all proceeds of Gas Tax funds, Measure A/W Local Transportation Ordinance Tax funds and other grants. These funds are restricted for the purpose of these taxes and mainly used for streets and road maintenance and improvements. As of June 30, 2022, the Street and Road Funds had a fund balance of \$6.2 million, a \$1.5 million increase from the prior year, primarily due revenues exceeding expenditures.

Lot Acquisition / Retirement Fund

The Lot Acquisition and Retirement fund is a fund used to account for in-lieu fees and expenses within the purpose of acquiring and retiring development rights on existing legal parcels. As of June 30, 2022, the fund had a fund balance of \$1.8 million, a 738 thousand decrease from the prior year. This is primarily due to the City acquiring nine parcels during the fiscal year.

Judgment Obligation Bond (JOB) Fund

The JOB funds account for debt service on the judgment obligation bonds. As of June 30, 2022, the fund balance was \$6 thousand, which is small decrease from the prior year. This is due to an unrealized loss on investments.

Library Fund

The Library Capital Projects fund is used to account for the design, development, and construction of the new library and the maintenance thereafter. This fund decreased by \$916 thousand, primarily through a transfer out to reimburse the General Fund for debt service payments on the library loan.

CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Project Funds

Capital Projects Funds include the Public Facilities Fund that accounts for expenditures related to public facilities improvements and the Storm Drain Improvements Fund that accounts for all proceeds from storm drainage improvement fees assessed against new and remodeled construction and used for drainage improvements. As of June 30, 2022, the fund balance was \$1.8 million, a 134 thousand increase from the prior year, primarily due to a transfer in from the General Fund to fund future capital expenditures.

Land Asset Fund

This is a restricted fund which was created in Fiscal Year 2014-15 for the purposes of recording land assets held for resale. The fund balance as of June 30, 2022 is \$26.8 million, which consists of transfers of land assets for Glencreed and Beechwood properties from the General Fund and the Judgment Obligation Bond Funds. The Glencreed property was donated to the City. The Beechwood property was acquired by the City as part of the settlement of the Yamagiwa litigation in 2007. With the receipt of the insurance settlement payments, the Beechwood properties are no longer required for the Judgment Obligation Bonds. There was no activity in this fund in fiscal year 2021-22.

Non-Major Funds

Non-Major funds are comprised of Special Revenue and Capital Project funds.

Special Revenue funds include:

- Police Grants Fund that accounts for revenues received and expenditures made for police services,
- Storm Drain Operating Fund that accounts for the maintenance of the existing storm drain system,
- Traffic Mitigation Fund that provides for all proceeds from traffic mitigation fees imposed on new development and restricted to defray the cost of constructing improvements to mitigate traffic,
- Affordable Housing Fund that accounts for proceeds of construction and development fees, including in lieu fees with the restricted purpose of the development of affordable housing,
- Parks Development Fund, which accounts for development impact fees, Federal, State and County grants, and is restricted for acquisition, development and capital improvements of the City's parks and trails.

As of June 30, 2022, the Non-Major Funds had a fund balance of \$13.2 million, a \$632 thousand increase over the prior year. This increase is primarily due to transfers in to fund future capital expenditures.

Proprietary Fund Financial Statement Analysis

As of June 30, 2022, the City's Proprietary Fund net position was \$27.2 million (\$7.3 million invested in capital assets; \$9.5 million restricted for investment in Sewer Authority; \$10.3 million in unrestricted net position). Additional information on this investment can be found in Note 6 of the financial statements. Unrestricted net position of \$4.8 million in the Internal Service Funds is primarily reserved for vehicle and equipment replacement, risk management and general liability claims, and pension cost stabilization.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's total net investment in capital assets for its Governmental and Business-type activities (net of accumulated depreciation) as of June 30, 2022, was \$81.6 million, an increase of \$2.5 million as compared to June 30, 2021.

Capital assets include land, buildings, equipment, vehicles and infrastructure. The following table presents summarized information on capital assets net of depreciation for fiscal years 2022 and 2021:

CITY OF HALF MOON BAY Comparative Statement <i>Capital Assets (net of depreciation)</i> Year Ended June 30, 2022							
	Governmental Activities		Business Type Activities		Total		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Land	\$ 5,022,855	4,756,385	\$ -	\$ -	\$ 5,022,855	\$ 4,756,385	6%
Rights of Way	6,723,926	6,723,926	-	-	6,723,926	6,723,926	0%
Construction in progress	5,556,654	7,838,052	43,832	1,584,587	5,600,486	9,422,639	-41%
Buildings and improvements	30,682,040	31,225,826	6,869,331	4,567,572	37,551,371	35,793,398	5%
Machinery and equipment	434,248	355,898	35,271	47,349	469,519	403,247	16%
Infrastructure	26,274,721	22,019,770	-	-	26,274,721	22,019,770	19%
Total	<u>\$ 74,694,444</u>	<u>\$ 72,919,857</u>	<u>\$ 6,948,434</u>	<u>\$ 6,199,508</u>	<u>\$ 81,642,878</u>	<u>\$ 79,119,365</u>	<u>3%</u>

Construction in progress decreased by \$3.8 million and Infrastructure has increased by \$4.2 million primarily due to completion of the Ocean Colony Pump Station and other projects. Additional information regarding the City's capital assets can be found in Note 4 in Notes to the Basic Financial Statements.

Long-term Obligations

As of June 30, 2022, the City's long-term obligations totaled \$15.5 million, primarily comprised of net pension liability and a loan from the County of San Mateo for the library.

CITY OF HALF MOON BAY Comparative Statement <i>Long Term Obligations</i> Year Ended June 30, 2022							
	Governmental Activities		Business-type Activities		Total		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Library Loan	4,008,798	5,154,169			4,008,798	5,154,169	-22%
880 Stone Pine Loan	2,410,020	2,035,000			2,410,020	2,035,000	18%
Claims liability	919,647	947,234			919,647	947,234	-3%
Employee compensated absences	535,967	539,463			535,967	539,463	-1%
Net Pension Liability	7,376,028	11,780,541	283,237	500,223	7,659,265	12,280,764	-38%
Total	<u>\$ 15,250,460</u>	<u>\$ 20,456,407</u>	<u>\$ 283,237</u>	<u>\$ 500,223</u>	<u>\$ 15,533,697</u>	<u>\$ 20,956,630</u>	<u>-26%</u>

CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Library Loan: During the fiscal year ending June 30, 2017, the City entered into a \$6 million interest-free loan agreement with the County of San Mateo to ensure completion of the Library Project. The City began repayment in fiscal year 2020. In fiscal year 2021, due to budgetary constraints caused by the Covid-19 pandemic, the loan was amended so the City would not be required to make the two loans payments due in that fiscal year. The City resumed loan repayments in fiscal year 2021-2022, including the additional amount that was deferred.

880 Stone Pine Loan: Since 2009, the City has leased a 21-acre property for its corporation yard facility. During fiscal year 2020-21, the City entered into a \$3.2 million financing agreement for purchase of the property and land. The City plans to upgrade and restore the Corporation yard to store vehicles, equipment and supplies. The City began repayments during the fiscal year and continues to draw down on the loan as needed to secure and improve the site.

Pension Liability: The City participates in one retirement plan through the California Public Employees' Retirement System (CalPERS). The measured net pension liability is measured as a proportionate share of the total net pension liability as reported by the CalPERS Financial Office. As of June 30, 2022, the City's share of the pension liability was measured to be \$7.3 million. This is a decrease of \$4.6 million or 38%. This decrease in net pension liability is from an increase in the market value of plan assets held at CalPERS. Additional information about the City's pension liability can be found in Note 8 to the Notes to the Basic Financial Statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is approximately \$132 million. At June 30, 2022 the City had no debt applicable to this limit. Additional information about the City's long-term obligations can be found in Note 5 to the Notes to the Basic Financial Statements.

Currently Known Facts, Conditions, and Decisions

Outlined below is key information that is expected to have a significant effect on financial position or results of operations at the time of this report.

In December 2019, the world saw the appearance of a new novel coronavirus, COVID-19, that quickly developed into a global pandemic. On March 16, 2020, San Mateo County along with five other Bay Area counties announced a "shelter-in-place" orders for all residents, directing everyone to stay inside their homes except for essential activities. With Transient Occupancy Tax and Sales Tax revenues being the most vulnerable, the shelter in place orders immediately impacted the financial outlook of the City. In response, the City defunded various capital projects, halted many expenditures, and went into a temporary furlough. Although initially impacted, fiscal year 2020-21 saw the initial recovery of tourism to the Coast and during fiscal year 2021-22, revenues returned to pre-pandemic levels. However, the impact of the pandemic remains in the result of excessive inflation and concerns of another economic downturn.

Fiscal sustainability remains a high priority for Half Moon Bay. To that end, staff will continue to monitor these conditions and seek the most efficient ways to provide services to the public. Staff looks forward to continuing to work with the City Council and the community to address any potential financial challenges that may lay ahead. In addition, staff will continue to identify operational efficiencies, appropriate economic development opportunities and alternative revenue options available to the community to continue delivering services that provide a high quality of life for the residents and visitors of Half Moon Bay.

CITY OF HALF MOON BAY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide all those with an interest in the government's finances with a general overview of the City of Half Moon Bay financial position and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Half Moon Bay
Finance Department
507-B Purissima Street
Half Moon Bay, CA 94019.

An electronic version of this report is available at the City's website, found at www.hmbcity.com



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CITY OF HALF MOON BAY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments (Note 2)	\$41,977,276	\$6,000,495	\$47,977,771
Accounts receivable, net	4,154,728	4,541	4,159,269
Interest receivable	104,496	15,777	120,273
Prepays	272,306		272,306
Land held for resale (Note 1i)	26,823,920		26,823,920
Investment in Sewer Authority			
Mid-Coastside (Note 6)		9,554,843	9,554,843
Net OPEB Asset (Note 9)	228,073	10,614	238,687
Capital assets, not depreciated (Note 4)	17,303,435	43,832	17,347,267
Capital assets, depreciated, net (Note 4)	57,391,009	6,904,602	64,295,611
Total assets	<u>148,255,243</u>	<u>22,534,704</u>	<u>170,789,947</u>
Deferred outflows of resources			
Related to OPEB (Note 9)	83,400		83,400
Related to pensions (Note 8)	2,531,578	120,224	2,651,802
Total deferred outflows of resources	<u>2,614,978</u>	<u>120,224</u>	<u>2,735,202</u>
Liabilities			
Accounts payable	34,841	63,680	98,521
Accrued liabilities	953,152		953,152
Deposits payable	467,657		467,657
Unearned revenue	75,000		75,000
Claims liability, due within one year (Note 10)	919,647		919,647
Compensated absences (Note 1j):			
Due within one year	26,798		26,798
Due in more than one year	509,169		509,169
Long-term debt (Note 5):			
Due within one year	620,197		620,197
Due in more than one year	5,798,621		5,798,621
Net pension liability, due in more than one year (Note 8)	7,376,028	283,237	7,659,265
Total liabilities	<u>16,781,110</u>	<u>346,917</u>	<u>17,128,027</u>
Deferred inflows of resources			
Related to OPEB (Note 9)	127,266	9,969	137,235
Related to pensions (Note 8)	5,874,487	292,668	6,167,155
Total deferred inflows of resources	<u>6,001,753</u>	<u>302,637</u>	<u>6,304,390</u>
Net position (Note 7)			
Net investment in capital assets	68,275,626	6,948,434	75,224,060
Restricted for:			
Investment in Sewer Authority		9,554,843	9,554,843
Debt Service	6,132		6,132
Streets and roads	9,562,941		9,562,941
Affordable housing	2,117,586		2,117,586
Capital projects	2,596,200		2,596,200
Other City projects	7,057,362		7,057,362
Total restricted net position	<u>21,340,221</u>	<u>9,554,843</u>	<u>30,895,064</u>
Unrestricted	<u>38,471,511</u>	<u>5,502,097</u>	<u>43,973,608</u>
Total net position	<u>\$128,087,358</u>	<u>\$22,005,374</u>	<u>\$150,092,732</u>

See accompanying notes to financial statements

CITY OF HALF MOON BAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$6,008,499	\$646,363	\$1,574,015	\$15,000	(\$3,773,121)		(\$3,773,121)
Public safety	5,017,087	105,983	161,285		(4,749,819)		(4,749,819)
Public works	2,765,717	360,649	809,220	1,632,350	36,502		36,502
Recreation	2,823,410	1,176,088			(1,647,322)		(1,647,322)
Planning	2,779,608	520,110			(2,259,498)		(2,259,498)
Total governmental activities	19,394,321	2,809,193	2,544,520	1,647,350	(12,393,258)		(12,393,258)
Business-type Activities:							
Sewer	6,042,199	5,005,399				(\$1,036,800)	(1,036,800)
Total	\$25,436,520	\$7,814,592	\$2,544,520	\$1,647,350	(12,393,258)	(1,036,800)	(13,430,058)
General revenues:							
Taxes:							
Property					4,592,317		\$4,592,317
Sales and Use					3,358,759		3,358,759
Transient occupancy					9,442,518		9,442,518
Franchise					1,028,719		1,028,719
Business License Tax					312,608		312,608
Investment income					(702,830)	(155,664)	(858,494)
Miscellaneous					304,397		304,397
Gain on investment in Sewer Authority Mid-Coastside (Note 6)						177,156	177,156
Transfers (Note 3)					1,018,047	(1,018,047)	
Total general revenues and transfers					19,354,535	(996,555)	18,357,980
Change in Net Position					6,961,277	(2,033,355)	4,927,922
Net Position at beginning of year					121,126,081	24,038,729	145,164,810
Net Position at end of year					\$128,087,358	\$22,005,374	\$150,092,732

See accompanying notes to financial statements



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CITY OF HALF MOON BAY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	General Fund	Special Revenue Funds Streets and Road	Lot Acquisition and Retirement	Judgment Obligation Bonds
Assets				
Cash and investments (Note 2)	\$12,892,851	\$6,137,208	\$1,926,816	\$6,116
Receivables:				
Accounts, net	3,717,080	218,330	25	
Interest	29,220	16,474	5,263	16
Land held for resale (Note 1i)				
Prepays				
Total assets	<u>\$16,639,151</u>	<u>\$6,372,012</u>	<u>\$1,932,104</u>	<u>\$6,132</u>
Liabilities and Fund Balances				
Liabilities:				
Accrued liabilities	\$586,341	\$39,410	\$84,025	
Deposits payable	467,657			
Unearned revenue		75,000		
Total Liabilities	<u>1,053,998</u>	<u>114,410</u>	<u>84,025</u>	
Fund balances (Note 7):				
Nonspendable				
Restricted		6,257,602	1,848,079	\$6,132
Committed	8,999,117			
Assigned				
Unassigned	6,586,036			
Total fund balances	<u>15,585,153</u>	<u>6,257,602</u>	<u>1,848,079</u>	<u>6,132</u>
Total liabilities and fund balances	<u>\$16,639,151</u>	<u>\$6,372,012</u>	<u>\$1,932,104</u>	<u>\$6,132</u>

See accompanying notes to financial statements

Capital Projects Funds			Non-major Governmental Funds	Total
Library	Land Asset	Capital Projects Fund		
\$413,791		\$1,630,203	\$13,184,601	\$36,191,586
			219,293	4,154,728
2,783		4,013	32,969	90,738
	\$26,823,920			26,823,920
		272,306		272,306
<u>\$416,574</u>	<u>\$26,823,920</u>	<u>\$1,906,522</u>	<u>\$13,436,863</u>	<u>\$67,533,278</u>
		\$34,921	\$208,455	\$953,152
				467,657
				75,000
		34,921	208,455	1,495,809
	\$26,823,920			26,823,920
			13,228,408	21,340,221
				8,999,117
\$416,574		1,871,601		2,288,175
				6,586,036
<u>416,574</u>	<u>26,823,920</u>	<u>1,871,601</u>	<u>13,228,408</u>	<u>66,037,469</u>
<u>\$416,574</u>	<u>\$26,823,920</u>	<u>\$1,906,522</u>	<u>\$13,436,863</u>	<u>\$67,533,278</u>

CITY OF HALF MOON BAY
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances of governmental funds	\$66,037,469
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets have not been included as financial resources in governmental fund activity:

Capital assets, non depreciable	17,303,435
Capital assets, depreciated, net	56,956,761

Deferred outflows below are not current assets of financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows of resources	2,613,892
Deferred inflows of resources	(6,000,710)

Long-term asset and liabilities that have not been included in governmental fund activity

Long-Term Notes Payable	(6,418,818)
Compensated absences	(535,967)
Net pension liability	(7,376,028)
Net OPEB asset	225,132

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.

5,282,192

Net position of governmental activities

\$128,087,358

See accompanying notes to financial statements



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CITY OF HALF MOON BAY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Funds Streets and Road	Lot Acquisition and Retirement	Judgment Obligation Bonds Debt Service Fund
REVENUES				
Taxes	\$18,670,447			
License and Permits	365,491	\$178,474		
Fines and forfeitures	70,383			
Charges for services	1,544,174			
Impact fees/recreation fees				
Investment income	(197,019)	(128,057)	(\$50,840)	(\$179)
Intergovernmental revenues	1,574,015	2,132,222		
Miscellaneous	1,085,110	60,893		
Total Revenues	23,112,601	2,243,532	(50,840)	(179)
EXPENDITURES				
Current:				
General government	1,949,450		420,791	
General administration	1,584,239			
Public Safety	4,527,692			
Public works	1,780,363	209,629		
Recreation services	1,040,867			
Planning	2,628,557			
Capital outlay		1,619,718	266,384	
Debt service:				
Principal	1,191,724			
Interest & fees	68,277			
Total Expenditures	14,771,169	1,829,347	687,175	
Excess (deficiency) of revenues over (under) expenditures	8,341,432	414,185	(738,015)	(179)
Other financing sources (uses):				
Transfers in (Note 3)	1,422,140	1,434,077		
Transfers (out) (Note 3)	(5,319,119)	(273,998)		
Proceeds from the issuance of debt				
Total other financing sources (uses)	(3,896,979)	1,160,079		
Net change in fund balances	4,444,453	1,574,264	(738,015)	(179)
Fund balances at beginning of year	11,140,700	4,683,338	2,586,094	6,311
Fund balances at end of year	\$15,585,153	\$6,257,602	\$1,848,079	\$6,132

See accompanying notes to financial statements

Capital Projects Funds			Non-Major Governmental Funds	Total
Library	Land Asset	Capital Projects Fund		
				\$18,670,447
				543,965
				70,383
			\$8,077	1,552,251
			188,114	188,114
(\$20,425)		(\$38,263)	(287,466)	(722,249)
15,000		8,000	279,519	4,008,756
				1,146,003
(5,425)		(30,263)	188,244	25,457,670
				2,370,241
				1,584,239
			11,707	4,539,399
			87,246	2,077,238
			835,226	1,876,093
				2,628,557
		388,684	764,150	3,038,936
				1,191,724
				68,277
		388,684	1,698,329	19,374,704
(5,425)		(418,947)	(1,510,085)	6,082,966
		553,500	1,925,000	5,334,717
(910,745)			(203,382)	(6,707,244)
			421,373	421,373
(910,745)		553,500	2,142,991	(951,154)
(916,170)		134,553	632,906	5,131,812
1,332,744	\$26,823,920	1,737,048	12,595,502	60,905,657
\$416,574	\$26,823,920	\$1,871,601	\$13,228,408	\$66,037,469

CITY OF HALF MOON BAY
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Changes in fund balances of governmental funds	\$5,131,812
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Amounts reported for governmental activities in the statement of activities are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expenses, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital outlay	3,038,936
Transfer of capital asset to internal service fund (Note 4)	0
Uncapitalized capital outlay	511,069
Depreciation expense	(1,853,768)

The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue of expenditures in governmental funds (net change).

OPEB expenses	13,852
Compensated absences	3,496
Pension expense	(880,309)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.

	225,838
Changes in net position of governmental activities	\$6,961,277

See accompanying notes to financial statements

CITY OF HALF MOON BAY
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022

	Sewer Enterprise Fund	Internal Service Funds
Assets:		
Current Assets:		
Cash and investments (Note 2)	\$6,000,495	\$5,785,690
Accounts receivable	4,541	
Interest receivable	15,777	13,758
Total Current Assets	6,020,813	5,799,448
Noncurrent Assets:		
Investment in Sewer Authority Mid-Coastside (Note 6)	9,554,843	
Net OPEB Asset (Note 9)	10,614	2,941
Non-depreciable capital assets (Note 4)	43,832	
Depreciable capital assets, net of accumulated depreciation (Note 4)	6,904,602	434,248
Total non-current assets	16,513,891	437,189
Total Assets	22,534,704	6,236,637
Deferred Outflows of Resources		
Related to OPEB (Note 9)		1,086
Related to pensions (Note 8)	120,224	
Total deferred outflows of resources	120,224	1,086
Liabilities:		
Current Liabilities:		
Accounts payable	63,680	34,841
Claims liability (Note 10)		919,647
Total current liabilities	63,680	954,488
Noncurrent liabilities:		
Net pension liability (Note 8)	283,237	
Total Liabilities	346,917	954,488
Deferred Inflows of Resources		
Related to OPEB (Note 9)	9,969	1,043
Related to pensions (Note 8)	292,668	
Total deferred inflows of resources	302,637	1,043
Net Position:		
Net investment in capital assets	6,948,434	434,248
Restricted for investment in Sewer Authority	9,554,843	
Unrestricted	5,502,097	4,847,944
Total Net Position	\$22,005,374	\$5,282,192

See accompanying notes to financial statements

CITY OF HALF MOON BAY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022

	Sewer Enterprise Fund	Internal Service Funds
Operating revenues:		
Charges for services	\$5,005,399	
Impact fees		\$12,075
Total operating revenues	<u>5,005,399</u>	<u>12,075</u>
Operating expenses:		
Salaries and wages	549,910	658,974
Contract services	5,095,186	30,180
Supplies	31,850	352,730
Repairs and maintenance	207,163	17,526
Insurance		308,042
Pensions		612,617
Depreciation	158,090	76,623
Total operating expenses	<u>6,042,199</u>	<u>2,056,692</u>
Total operation income	<u>(1,036,800)</u>	<u>(2,044,617)</u>
Non-operating revenues:		
Gain on investment in Sewer Authority Mid-Coastside (Note 6)	177,156	
Investment income	(155,664)	(120,119)
Total non-operating revenues	<u>21,492</u>	<u>(120,119)</u>
Income before transfers	<u>(1,015,308)</u>	<u>(2,164,736)</u>
Transfers:		
Transfers in (Note 3)		2,390,574
Transfers (out) (Note 3)	(1,018,047)	
Total transfers	<u>(1,018,047)</u>	<u>2,390,574</u>
Change in net position	(2,033,355)	225,838
Net position at beginning of year	<u>24,038,729</u>	<u>5,056,354</u>
Net position at end of year	<u><u>\$22,005,374</u></u>	<u><u>\$5,282,192</u></u>

See accompanying notes to financial statements

CITY OF HALF MOON BAY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022

	Sewer Enterprise Fund	Internal Service Funds
Cash flows from operating activities:		
Cash received from department users	\$5,127,166	\$12,075
Cash payments to suppliers for goods and services	(5,781,346)	(1,310,170)
Cash payments to employee services	(481,609)	(686,640)
Net cash provided by operating activities	(1,135,789)	(1,984,735)
Cash flows from non-capital and related financing activities:		
Cash collected from other funds		2,390,574
Cash paid to other funds	(1,018,047)	
Net cash (used for) non capital and related financing activities	(1,018,047)	2,390,574
Cash flows form capital and related financing activities:		
Acquisition of capital assets	(907,016)	(154,973)
Net cash provided by (used for) capital and related financing activities	(907,016)	(154,973)
Cash flows from investing activities:		
Interest received on investments	(155,664)	(120,119)
Net cash provided by investing activities	(155,664)	(120,119)
Net increase in cash and cash equivalents	(3,216,516)	130,747
Cash and cash equivalents at beginning of year	9,217,011	5,654,943
Cash and cash equivalents at end of year	\$6,000,495	\$5,785,690
Reconciliation of operating income (loss) to net cash provided by (used for)		
Provided by (used for) operating activities:		
Operating income (loss)	(\$1,036,800)	(\$2,044,617)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	158,090	76,623
Change in assets and liabilities:		
Interest receivable, net	2,864	(3,548)
Accounts receivable	118,903	
Accounts payable	(447,147)	14,473
Deferred outflows of resources	5,835	
Deferred inflows of resources	280,925	(79)
Claims liability		(27,587)
Net OPEB asset	(1,473)	
Net pension liability	(216,986)	
Net cash provided by operating activities	(\$1,135,789)	(\$1,984,735)
Non-cash transactions:		
Gain on investment in Sewer Authority Mid-Coastside	\$177,156	

See accompanying notes to financial statements



CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies

The City of Half Moon Bay (the City) is located next to the Pacific Ocean in San Mateo County, approximately twenty-five miles south of San Francisco. The City and coast side area is a thriving agricultural, fishing and tourism destination. In addition, about 3,000 tons of pumpkins are grown on the coast side each year and the ripening pumpkin heralds the Annual Arts and Pumpkin Festival held in October on the downtown historic Main Street. The annual festival draws more than 200,000 visitors for the two-day event.

The City is a general law city operating under the Council-Manager form of government, with a five-member City Council elected for four-year overlapping terms. The City Manager is appointed by the City Council to serve as administrator of the staff and to carry out the Council's policies.

Fire, water, library and certain sewer services are provided by separate districts or authorities which are not controlled by the City.

a) Blended Component Unit

The financial statements of the City include the financial activities of the City, as well as the Community Development Agency of the City of Half Moon Bay, which is controlled by and dependent on the City.

b) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity has been eliminated from these statements to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in aggregate for governmental and proprietary funds.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

b) Government-wide and Fund Financial Statements, continued

The City reports the following major governmental funds:

The *General Fund* (Fund 101) is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. The major revenue sources for this fund are transient occupancy tax, property taxes, sales taxes, unrestricted revenues from the State, and interest income. Expenditures are made for public safety, planning, building, engineering, and other general government services.

The *Streets and Roads Special Revenue Fund* was established to account for all proceeds of Gas Tax funds (Fund 122), Measure A Local Transportation Ordinance Tax funds (Fund 124), Main Street Bridge fund (Fund 121) and other grants (Fund 123) that are restricted to purposes of these taxes.

The *Judgment Obligation Bonds – Debt Service Fund* (Fund 77 Series A; Fund 78 Series B) was established to account for the Judgment Obligation Bond Series 2009A and the Judgment Obligation Bond Series 2009B issued on July 14, 2009.

The *Library Capital Projects Fund* (Fund 153) is used to account for the construction and facilities maintenance of the library.

The *Land Asset Capital Projects Fund* (Fund 154) was established to account for the two land parcels held for resale.

The *Lot Acquisition and Retirement Fund* (Fund 133) is used to account for in-lieu fees and expenses within the purpose of acquiring and retiring development rights on existing legal parcels.

The *Capital Projects Fund* (Fund 151) is used to fund Capital Improvement Program projects, including construction, technology, and other infrastructure improvements.

The City reports the following major enterprise fund:

The *Sewer Enterprise Fund* is used to account for the financial activity of the City's sewer utility. The costs of providing these services to the general public are financed or recovered primarily through user charges (Fund 201 is Sewer Operating Fund; Fund 202 is Sewer Capital Fund.)

The City also reports the following fund types:

Internal Service Funds:

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City operates an *Equipment Replacement Fund* (Fund 302), *Vehicle Replacement Fund* (Fund 301), a *Risk Management Fund* (Fund 303), and *Pension Stabilization Fund* (Fund 304).

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

c) Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are not recognized until due. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Property taxes, sales taxes, transient occupancy taxes, and charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include: 1) charges to members, customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Sewer Fund and of the government's Internal Service Funds are charges to customers for services. Operating expenses for the Sewer Fund and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

d) Cash and Investments

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash invested in the City's investment pools is also considered to be cash equivalents.

e) Cash and Investments with Fiscal Agents

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

f) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

g) Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to "due to/from other funds" (i.e., the current portion of interfund loans).

h) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement is reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In addition, the City does not capitalize the allocation of capital costs related segments of projects maintained by other entities. The City utilizes a capitalization threshold of \$5,000.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Building and Improvements	40 years
Sewer Mains and Laterals	60 years
Infrastructure	20 to 50 years
Vehicles	5 to 10 years
Equipment	5 to 20 years

i) Land Held for Resale

Lands held for resale are recorded in the Land Asset Capital Projects Fund at the lower of acquisition cost or estimated resale value. Fund balances are reserved in amounts equal to the carrying value of land held for resale since such assets are not available to finance the City's current operations.

Land held for resale of \$26,823,920 at June 30, 2022 is stated at the lower of historical cost or net realizable value.

j) Compensated Absences

Depending upon length of employment, City employees earn 12 to 27 vacation days a year. Sick leave is accrued at the rate of 12 days per year. Employees can carry forward two to three years-worth of earned but unused vacation leave benefits to subsequent years depending on employee group. Upon termination, the City is obligated to compensate employees for all earned but unused vacation days. The earned but unused sick leave benefits are payable for some employees, when vested, in the event of employee termination.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

j) Compensated Absences, continued

In the government-wide financial statements, a liability is accrued for all earned but unused vacation leave benefits, as well as vested amounts of sick leave relating to the operations of the funds. General Fund is typically used to liquidate the liability for compensated absences. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements, governmental funds report compensated absences only if they have matured, i.e. unused reimbursable leave still outstanding at fiscal year-end following an employee's resignation or retirement. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

The changes in compensated absences for the year ended June 30, 2022 is as follows:

Beginning Balance	\$539,463
Additions	471,777
Payments	<u>(475,273)</u>
Ending Balance	<u><u>\$535,967</u></u>
Current Portion	\$26,798
Non-current Portion	\$509,169

k) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as service expenditures.

l) Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Funds, which account for the City's risk management activities.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

1. Significant Accounting Policies, continued

m) Property Taxes

State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value (\$1 per \$100 of assessed value) plus an additional amount for general obligation debt approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than 2% per year unless the property is sold or transferred. The state legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the counties, cities, school districts and other districts.

The County of San Mateo assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	On or before November 1	July 1
Due dates (delinquent after)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

The term "unsecured" refers to taxes on personal property other than land and buildings. These "unsecured" taxes are secured by liens on the personal property being taxed. The County of San Mateo distributes to the City the entire amount of each year's levy and in return receives all penalties and interest on delinquent payments.

n) Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

o) Pensions and OPEB (Other Post-Employment Benefits)

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported in the OPEB Trust Fund. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

1. Significant Accounting Policies, continued

p) Leases

As clarified by the Government Accounting Standards Board (GASB) Statement No. 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$200,000 or more, based on the future lease payments remaining at the start of the lease.

The City has no leases subject to GASB#87 for the fiscal year 2022.

q) New GASB Pronouncements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2022.

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

GASB 87 – Leases

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City has no leases subject to GASB#87 for the fiscal year 2022.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

2. Cash, Cash Equivalents, and Investments

Cash and investments as of June 30, 2022 consist of the following:

Cash on hand	\$832
Deposits with financial institutions	1,798,652
Investments	46,178,287
Total City cash and investments	<u>\$47,977,771</u>

a) Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy for custodial credit risk on deposits. As of June 30, 2022, the carrying amount of the City's deposits was \$1,798,644 and the bank balance was \$2,065,658. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is considered to be held in the name of the City.

b) Investments Authorized by the City's Investment Policy

The City maintains a cash and investment pool that is available for use by all funds. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Agency Securities	5 Years	None	None	None
Bankers' Acceptances	180 Days	None	20%	5%
Commercial Paper	180 Days	A2/A	15%	2%
Negotiable Certificates of Deposit	2 Years	None	30%	None
Repurchase Agreements	1 year	None	10%	5%
California Local Agency Investment Fund	None	None	None	\$75 million
San Mateo County Investment Pool	None	None	None	None
Time Deposits	2 years	None	10%	None
Medium-Term Notes	5 Years	Aa2/AA	10%	10%
Money Market Mutual Funds	None	Aaa/AAA	20%	5%

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

2. Cash, Cash Equivalents, and Investments, continued

c) Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One
U.S. Treasury Obligations	None	None	No Limit	No Limit
U.S. Agency Securities	None	None	No Limit	No Limit
State Obligations	None	AAA	No Limit	No Limit
Municipal Obligations	None	AAA	No Limit	No Limit
Bankers' Acceptances	360 Days	A1	No Limit	No Limit
Commercial Paper	270 Days	A1+	No Limit	No Limit
Money Market Mutual Funds	None	Aam	No Limit	No Limit
California Local Agency Investment Fund	None	None	No Limit	No Limit
Repurchase Agreements	None	None	No Limit	No Limit

d) Fair Value Hierarchy

The City adopted GASB Statement No. 72, Fair Value Measurement and Applications, which required governmental entities to measure investments at fair value in fiscal year 2022. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Total
Investments exempt from Fair Value Hierarchy:	
San Mateo County Investment Pool	\$38,512,882
California Local Agency Investment Fund	<u>7,665,405</u>
Total Investments	<u>46,178,287</u>
Cash in Bank and on hand	<u>1,799,484</u>
Total Cash and Investments	<u><u>\$47,977,771</u></u>

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

2. Cash, Cash Equivalents, and Investments, continued

e) Interest Rate Risk

Interest Rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

Investment Type	Remaining Maturity (in Months)	
	12 Months Or Less	Total
<i>Available for Operations</i>		
California Local Agency Investment Fund	\$7,665,405	\$7,665,405
San Mateo County Investment Pool	38,512,882	38,512,882
Total Investments	<u>\$46,178,287</u>	46,178,287
<i>Demand Deposits and Cash on Hand</i>		<u>1,799,484</u>
		<u><u>\$47,977,771</u></u>

f) Custodial Credit Risk - Investment

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. All of the City's investments in securities are held in the name of the City. The City's custody agreement policy prohibits counterparties holding securities not in the City's name.

g) Credit Risk – Investments

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of ratings by nationally recognized statistical rating organization.

Investment Type	AA	Not Rated	Total
<i>Held by City</i>			
California Local Agency Investment Fund		\$7,665,405	\$7,665,405
San Mateo County Investment Pool	\$38,512,882		38,512,882
Cash in banks and on hand		1,799,484	1,799,484
Total Cash & Investments	<u>\$38,512,882</u>	<u>\$9,464,889</u>	<u><u>\$47,977,771</u></u>

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

2. Cash, Cash Equivalents, and Investments, continued

h) Investments in San Mateo County Investment Pool

The City is also a voluntary participant in the San Mateo County Investment Fund (County Pool) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the County of San Mateo. The City reports its investment in the County Pool at the fair value amount provided by the County. The balance available for withdrawal is based on the accounting records maintained by the County Pool which are recorded on an amortized cost basis. Included in the County Pool's investment portfolio are U.S. Treasury Notes, Obligations issued by agencies of the United States Government, LAIF, Corporate Notes, Commercial Paper, collateralized mortgage obligations, mortgage-backed securities, repurchase agreements, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2022, these investments matured in an average of 1.45 years.

i) Investments in State Treasurer's Local Agency Investment Pool

The City is also a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2022 these investments matured in an average of 311 days.

3. Interfund Transactions

a) Transfers

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

Transfer To	Transfer From	Amount	
General Fund	Library Fund	\$910,745	(e)
	Sewer Enterprise Fund	511,395	(a)
Streets and Road Special Revenue Fund	General Fund	1,434,077	(d)
Capital Projects Capital Project Fund	General Fund	88,500	(d)
	Streets and Roads Special Revenue Fund	265,000	(d)
	Parks Development Fund	200,000	(d)
Non-Major Governmental Funds	General Fund	1,925,000	(d)
Internal Service Funds	General Fund	1,871,542	(e)
	Streets and Roads Special Revenue Fund	8,998	(e)
	Non-Major Governmental Funds	3,382	(e)
	Sewer Enterprise Fund	506,652	(e)
		\$7,725,291	

Interfund transfers were principally used for the following purposes:

- (a) Sewer Management expenditures
- (b) Streets and Roads expenditures
- (c) Debt Service expenditures
- (d) Capital Program expenditures
- (e) Program Expenditures

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

4. Capital Assets

a) Capital Assets Activity

A Summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance June 30, 2021	Additions	Transfers	Retirements	Balance June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$4,756,385	\$266,470			\$5,022,855
Rights of way	6,723,926				6,723,926
Construction in progress	7,838,052	3,497,733	(\$5,564,933)	(\$214,198)	5,556,654
Total capital assets not being depreciated	19,318,363	3,764,203	(5,564,933)	(214,198)	17,303,435
Capital assets being depreciated:					
Buildings & improvements	38,074,817		381,547		38,456,364
Machinery & equipment	1,258,613	154,973			1,413,586
Infrastructure	38,630,898		5,183,386		43,814,284
Total capital assets being depreciated	77,964,328	154,973	5,564,933		83,684,234
Less accumulated depreciation for:					
Buildings & improvements	6,848,991	925,333			7,774,324
Machinery & equipment	902,715	76,623			979,338
Infrastructure	16,611,128	928,435			17,539,563
Total accumulated depreciation	24,362,834	1,930,391			26,293,225
Net depreciable assets	53,601,494	(1,775,418)	5,564,933		57,391,009
Governmental activity capital assets, net	\$72,919,857	\$1,988,785		(\$214,198)	\$74,694,444

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

4. Capital Assets, continued

a) Capital Assets Activity, continued

	Balance June 30, 2021	Additions	Transfers	Balance June 30, 2022
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$1,584,587	\$907,016	(\$2,447,771)	\$43,832
Total capital assets not being depreciated	<u>1,584,587</u>	<u>907,016</u>	<u>(2,447,771)</u>	<u>43,832</u>
Capital assets being depreciated:				
Buildings & improvements	6,438,319		2,447,771	8,886,090
Machinery & equipment	<u>763,646</u>			<u>763,646</u>
Total capital assets being depreciated	<u>7,201,965</u>		<u>2,447,771</u>	<u>9,649,736</u>
Less accumulated depreciation for:				
Buildings & improvements	1,870,747	146,012		2,016,759
Machinery & equipment	<u>716,297</u>	<u>12,078</u>		<u>728,375</u>
Total accumulated depreciation	<u>2,587,044</u>	<u>158,090</u>		<u>2,745,134</u>
Net depreciable assets	<u>4,614,921</u>	<u>(158,090)</u>	<u>2,447,771</u>	<u>6,904,602</u>
Business-type activity capital assets, net	<u><u>\$6,199,508</u></u>	<u><u>\$748,926</u></u>		<u><u>\$6,948,434</u></u>

b) Depreciation

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	\$94,528
Recreation	823,660
Public safety	15,878
Public works	919,702
Depreciation on capital assets held by the City's Internal Service Funds is charged to the various functions based on their usage of the assets	<u>76,623</u>
Total Governmental Activities	<u><u>\$1,930,391</u></u>
Business-Type Activities:	
Sewer Fund	<u><u>\$158,090</u></u>

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

5. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2022.

	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Current Portion
<i>Governmental Activity Debt</i>						
Direct borrowings:						
San Mateo County advancement	\$5,726,855	\$5,154,169		\$1,145,371	\$4,008,798	\$572,686
Capital Lease:						
iBank Financing Lease A & B	3,200,000	2,035,000	\$421,373	46,353	2,410,020	47,511
Total Governmental Activity		\$7,189,169	\$421,373	\$1,191,724	\$6,418,818	\$620,197

a) Library Loan – Advance Agreement with the County of San Mateo

During the fiscal year ended June 30, 2017, the City entered into a \$6 million Interest-free loan agreement with the County of San Mateo to ensure completion of the Library Project. The Project includes design, environmental review, demolition of existing library, construction, and construction management. The terms of repayment are directly from the property tax apportionments in two installments on December 15 and April 15 per fiscal year for a ten-year period beginning no later than December 15, 2019 and final payment would be made no later than April 15, 2030. As of June 30, 2022, the City had drawn down \$5,726,855. Repayments began in fiscal year 2020.

b) Financing Lease – Financing Agreement with the California Infrastructure and Economic Development Bank

During fiscal year ended June 30, 2021, the City entered into a \$3.2 million lease agreement with the California Infrastructure and Economic Development Bank (iBank) for the 880 Stone Pine Road property purchase and related construction costs. The City plans to upgrade and restore the Corporation yard. This will then be used to store the City's vehicles, equipment, and supplies. The terms of repayment are directly from the rental income with two interest payments due on August 1 and February 1 every fiscal year with one annual principal payment due on August 1 of each year. The first principal payment is due on August 2022. As of June 30, 2022, the City had drawn down a total of \$2,456,373.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

5. Long-Term Debt, continued

c) Debt Service

As of June 30, 2022, annual debt service to maturity for the private placements is as follows:

Year ending June 30	Governmental Activities		
	Direct Borrowings		
	Principal	Interest	Total
2023	\$620,197	\$1,015,952	\$1,636,149
2024	650,612	1,014,384	1,664,996
2025	652,561	1,012,412	1,664,973
2026	654,558	1,010,390	1,664,948
2027	656,605	985,473	1,642,078
2028-2032	1,597,499	4,136,394	5,733,893
2033-2037	450,109	2,513,380	2,963,489
2038-2042	361,691	531,984	893,675
2043-2047	409,220	71,801	481,021
2048-2052	365,766	18,570	384,336
Total	<u>\$6,418,818</u>	<u>\$12,310,740</u>	<u>\$18,729,558</u>

6. Investment in Sewer Authority Mid-Coast side

The City, along with the Montara Water and Sanitary District and El Granada Sanitary District, established the Sewer Authority Mid-Coastside (SAM) in 1976 to build and operate a sewage treatment facility for its members. SAM is controlled by a six-member board consisting of two representatives from each member. The board appoints management and employees of SAM and is responsible for SAM's budget, operations and finances. As one of SAM's member agencies, the City makes contributions to SAM in the form of collections assessments and operations and maintenance assessments. The City exercises significant influence over SAM's operations; therefore, the City's share of SAM's net position has been recorded as an investment in the City's financial statements. The City's share of SAM's net position is calculated annually, based on the proportion of SAM's total assessed valuation within the City limits. Complete financial statements for SAM can be obtained from the SAM at 1000 North Cabrillo Highway, Half Moon Bay, California 94019-1466. Based on SAM's audited financial statements for June 30, 2021, the City recorded its investment in SAM in the amount of \$9,554,843 at June 30, 2022.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

7. Net Position/Fund Balances

a) Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications: non-spendable, restricted, committed, assigned, and unassigned. The City Council, as the highest level of decision-making authority for the City, has the ability to commit fund balances through the adoption of a formal resolution. The same action must be taken to modify or rescind the commitment. The City Council has approved a policy (Resolution No. C-44-11) authorizing the City Manager to assign fund balances for specific purposes up to \$8,000,000. Assignments of amounts over \$8,000,000 require the approval of City Council.

b) Stabilization Arrangement

City Council adopted a resolution (No. C-44-11) to establish a contingency reserve in the amount of 30% of the following fiscal year's budgeted operating expenditures. Changes to the reserve amount require City Council approval. Appropriations from the General Fund reserve commitment can only be made for the following specific circumstances:

- 1) Budgeted revenue taken by another government entity;
- 2) Drop in projected/actual revenue of more than 3% of the General Fund adopted revenue budget;
- 3) One-time costs exceeding \$250,000 used to secure long-term cost savings;
- 4) In the event of actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, earthquake, nuclear disaster, tornado, tsunami, or terrorism.

c) Classifications

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for government funds are made up of the following:

- *Non-spendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable and land.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

7. Net Position/Fund Balances, continued

c) Classifications, continued

- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action (resolution) of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the City Council or (b) the City Manager. The City Council has delegated the authority for the City Manager to assign amounts of up to \$8 million to be used for specific purposes (Resolution C-44-11).
- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. General Fund is the only fund that reports a positive unassigned fund balance.

d) Policies

The standard also requires governments to disclose the accounting policies that indicate the order in which restricted, committed, assigned and unassigned amounts are spent.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes of which committed, assigned, and unassigned fund balance is available.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

7. Net Position/Fund Balances, continued

d) Policies, continued

Fund balances for all the major and non-major governmental funds as of June 30, 2022 were distributed as follows:

	General Fund	Streets and Roads	Judgment Obligation Bonds	Library	Land Asset	Lot Acquisition and Retirement	Capital Projects	Non-major Governmental Funds	Total
Nonspendable:									
Land held for resale					\$26,823,920				\$26,823,920
Total nonspendable					26,823,920				26,823,920
Restricted:									
Streets & roads		\$6,257,602							6,257,602
Community development						\$1,848,079			1,848,079
Park development improvements								\$3,305,339	3,305,339
Debt service			\$6,132						6,132
Police grants								695,033	695,033
Storm drain maintenance improvements								1,328,961	1,328,961
Traffic mitigation								4,170,411	4,170,411
Affordable housing								2,117,586	2,117,586
Public facilities								1,611,078	1,611,078
Total restricted		6,257,602	6,132			1,848,079		13,228,408	21,340,221
Committed:									
Contingency reserve	\$8,999,117								8,999,117
Total committed	8,999,117								8,999,117
Assigned:									
San Mateo County Library				\$416,574					416,574
Capital projects							\$1,871,601		1,871,601
Total assigned				416,574			1,871,601		2,288,175
Unassigned:	6,586,036								6,586,036
Total Fund Balances	\$15,585,153	\$6,257,602	\$6,132	\$416,574	\$26,823,920	\$1,848,079	\$1,871,601	\$13,228,408	\$66,037,469

e) Net Position

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three categories. These categories apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and successor agency assets.

Unrestricted describes the portion of Net Position which is not restricted as to use.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

7. Net Position/Fund Balances, continued

f) Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
Capital Asset, net of accumulated depreciation:	\$74,694,444	\$6,948,434	\$81,642,878
Less: Capital debt:	(6,418,818)	(6,418,818)	(6,418,818)
	<u>\$68,275,626</u>	<u>\$6,948,434</u>	<u>\$75,224,060</u>

8. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

a) General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety and Miscellaneous Employee Pension Rate Plans. Benefit provisions under the Plan are established by State statute and Board resolution. The City's Safety and Miscellaneous Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

a) General Information about the Pension Plans, continued

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	7.25%
Required employer contribution rates	11.60%	7.73%
	Safety	
	<u>Prior to January 1, 2013</u>	
Hire date		
Benefit formula	3% @ 50	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50	
Monthly benefits, as a % of eligible compensation	3%	
Required employee contribution rates	0%	
Required employer contribution rates	0%	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability and side fund was \$429,131 in fiscal year 2022.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

b) General Information about the Pension Plans

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$819,301	\$612,617

c) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The long-term portion of governmental activities of pension liabilities are liquidated primarily by the General Fund.

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$3,445,863
Safety	4,213,402
Total Net Pension Liability	<u>\$7,659,265</u>

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

c) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, continued

The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2020	0.13584%	0.09833%
Proportion - June 30, 2021	0.18148%	0.12006%
Change - Increase (Decrease)	<u>0.04564%</u>	<u>0.02173%</u>

For the year ended June 30, 2022, the City recognized pension expense of \$1,379,955 for Miscellaneous Plan and \$830,730 for Safety Plan, with a total pension expense of \$2,210,685. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$819,301		\$612,617		\$1,431,918	
Changes in assumptions						
Differences between actual and expected experience	386,417		719,856		1,106,273	
Net change in Proportion DIDO and Net Pension Liability	113,611	(\$4,016)		(\$203,903)	113,611	(\$207,919)
Net difference in actual contribution and proportion contributions		(83,718)		(359,678)		(443,396)
Net differences between projected and actual earnings on plan investments		(3,008,056)		(2,507,784)		(5,515,840)
Total	<u>\$1,319,329</u>	<u>(\$3,095,790)</u>	<u>\$1,332,473</u>	<u>(\$3,071,365)</u>	<u>\$2,651,802</u>	<u>(\$6,167,155)</u>

\$1,431,918 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended			
June 30	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2022	(\$520,247)	(\$524,920)	(\$1,045,167)
2023	(572,276)	(545,581)	(1,117,857)
2024	(671,969)	(590,900)	(1,262,869)
2025	(831,270)	(690,108)	(1,521,378)
Total	<u>(\$2,595,762)</u>	<u>(\$2,351,509)</u>	<u>(\$4,947,271)</u>

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

c) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, continued

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous & Safety
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pensions Plan Investment Expenses, includes Inflation
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Lessor of the contract COLA up to 2.50% until Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report available on the CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

c) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns and forecasted information for all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class(a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the System's Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

8. Pension Plans, continued

c) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$6,466,391	\$7,130,114	\$13,596,505
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$3,445,863	\$4,213,402	\$7,659,265
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$948,836	\$1,817,683	\$2,766,519

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

9. Other Post Employment Healthcare Benefits

a) Post-Employment Benefits Plan

Plan Description: The City administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The City pays the minimum amount provided under Government Code Section 22892 of the Public Employees Medical and Hospital Care Act. The City currently pays \$115 to \$119 per month for any health coverage. the City joined the Public Agencies Post- Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). The City established an irrevocable trust with PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.

City's Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements. The City has previously setup an irrevocable retiree benefit trust with the Public Agency Retirement Services (PARS). The City continued with the same funding policy payment to a full ARC contribution. The long-term portion of governmental activities of OPEB liabilities are liquidated primarily by the General Fund.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

9. Other Post Employment Healthcare Benefits, continued

b) Employees covered by benefit terms

Plan membership varies based on different employee bargaining groups. As of June 30, 2022, membership in the plan consisted of the following:

	Number of Covered Employees
Active employees	41
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	28
Total	80

c) Net OPEB Liability

The components of the net OPEB liability of the City at June 30, 2022, were as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at Fiscal Year Ending 6/30/2021:	\$582,723	\$801,580	(\$218,857)
Changes Recognized for the Measurement Period:			
Service Cost	31,671	-	31,671
Interest	32,877	-	32,877
Expected investment income	-	-	-
Contributions:			
Employer - City's contribution	-	33,410	(33,410)
Employer - Implicit subsidy	-	-	-
Net investment income	-	(91,716)	91,716
Benefit payments	(33,272)	(33,272)	-
Actual vs. expected experience	(122,083)	-	(122,083)
Changes of assumptions	(22,718)	-	(22,718)
Administrative expenses*	-	(2,117)	2,117
Net Changes during Fiscal Year 2022	(113,525)	(93,695)	(19,830)
Balance at Fiscal Year Ending 6/30/2022:	\$469,198	\$707,885	(\$238,687)

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

9. Other Post Employment Healthcare Benefits, continued

d) Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

In accordance with GASB 74, regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table presents the net OPEB liability of the Plan as of June 30, 2022, calculated using the discount rate of 5.50%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(4.50%)	(5.50%)	(6.50%)
(\$181,717)	(\$238,687)	(\$286,049)

Net OPEB Liability/(Asset)		
1% Decrease	Healthcare Cost Trend Rates	1% Increase
(\$297,480)	(\$238,687)	(\$164,823)

e) Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	6/30/2022
Contribution Policy	City contributes full ADC
Actuarial Cost Method	Entry Age Normal. Level percentage of payroll
Actuarial Assumptions:	
Discount Rate	5.50%
Long Term Expected Rate	5.50%
Rate of Return on Assets	6.00%
Inflation	2.50%
Payroll Growth	3.00%
Mortality Rate	CalPERS 2000-2019 Experience Study
Healthcare participation for future retirees	50% covered; 30% if waived coverage
PEMHCA Minimum Increases	4.25% annually

f) Change in Assumptions

During fiscal year 2022, the discount rate was changed from 6.00% in fiscal year 2021 to 5.50%.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

9. Other Post Employment Healthcare Benefits, continued

g) OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$147,783. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$4,030	\$110,673
Changes in assumptions	23,672	26,562
Differences between actual and expected experience	55,698	
Total	<u>\$83,400</u>	<u>\$137,235</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Annual Amortization
2022	(\$846)
2023	(67)
2024	(2,332)
2025	16,551
2026	(10,598)
Thereafter	<u>(56,543)</u>
Total	<u>(\$53,835)</u>

Plan Administration

The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City's retiree healthcare benefit plan – a single-employer defined benefit OPEB plan that provides healthcare benefits for eligible general and public safety employees of the City.

	Fiscal Year ended June 30, 2022
Plan Type	Single Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

9. Other Post Employment Healthcare Benefits, continued

Contribution Information

PARS established rates for each employer based on an actuarially determined rate for each employer. Plan members are not required to contribute to the plan. The City did not make any contribution to the Trust in fiscal year 2022.

Investment Policy

PARS offers different investment portfolios as part of the investment vehicle. The City invests in “Capital Appreciation” portfolio; the primary goal of the Capital Appreciation objective is growth of principal. The major portions of the assets are invested in the equity securities and market fluctuations are expected. The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selections and monitoring helps to drive return potential while reducing portfolio risk.

The following is the City adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	48.00%	4.56%
Fixed Income	45.00%	0.78%
REITs	2.00%	4.06%
Cash	5.00%	-0.50%
Total	<u>100.00%</u>	

10. LEASES

a) Policies

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivable or liabilities with an initial, individual value of \$300,000 or more for all funds, based on the future lease payments remaining at the start of the lease.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

10. LEASES, continued

Lessor

The City is a lessor for noncancellable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The City is a lessee for miscellaneous leases. If the lease is over the threshold, the City will recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, City generally uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

10. LEASES, continued

- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

As of June 30, 2022, the City has no leases over the threshold subject to GASB 87 as a lessee.

b) Leases Receivable (City as Lessor)

The provisions of GASB Statement 87 were implemented during fiscal year 2022.

As of June 30, 2022, the City has no leases over the threshold subject to GASB 87 as a lessor.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The Pooled Liability Assurance Network Joint Powers Authority covers general liability claims in an amount up to \$5,000,000. The City has a deductible or uninsured liability of up to \$50,000 per claim. Once the City's deductible is met The Plan becomes responsible for payment of all claims up to the limit. The Cities Group covers workers compensation claims up to \$2,500,000 in primary payment (\$1,000,000 for miscellaneous employees and \$1,500,000 for safety employees) and has coverage above that limit to a maximum of \$10,000,000 per incident in excess. The City has no deductible for these claims. The City also belongs to the California Sanitation Risk Management Authority, which insures the City up to \$500,000 per property against sewer backup damages. The City is liable for only one claim per property and is not liable for any future damages, as the property owner is then required to install a back flow valve on their line, with the exception of properties in certain low lying areas.

The City provides for the uninsured portion of claims and judgments in the General Fund and Risk Management Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

Settled claims have not exceeded the City's excess coverage in any of the past three fiscal years. Claims expenses and liabilities are reported for self-insured deductibles when it is probable that a loss has occurred, the amount of that loss can be reasonably estimated and includes incremental claim expenses. Allocated and unallocated claims adjustment expenses are included in the claims liability balance. These losses include an estimate of claims that have been incurred but not reported. The liability for general liability self-insurance claims is the City's best estimate based on available information.

CITY OF HALF MOON BAY, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

11. Risk Management, continued

a) *The Cities Group*

The City, along with five other governments located within San Mateo County, is a member of The Cities Group, a public entity risk pool and a provider of workers' compensation insurance coverage, claims management, risk management services and legal defense to each participating member. The Cities Group is governed by a Board of Directors, which comprises officials appointed by each participating member. Premiums paid to The Cities Group may be modified by Board decision according to the loss experience of each member. This loss experience mechanism will operate to ensure that each member returns over a period of time to The Cities Group the funds paid out on its behalf as paid losses. In the opinion of City management, premiums paid represent the best available estimate of the ultimate cost of the City's participation in The Cities Group and, accordingly, the accompanying basic financial statements of the City includes no provisions for possible refunds or additional assessments. For the year ended June 30, 2022, the City paid premiums of \$35,991 to The Cities Group. Financial statements may be obtained from The Cities Group at P.O. Box 111, Burlingame, CA 94011-0111.

b) *Plan JPA*

Prior to January 2018 the City participated in ABAG Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a self-funded pooled insurance corporation established by a joint powers authority in which the City is one of 28 members. The rights and responsibilities of the member agencies are governed by the bylaws of the PLAN JPA, the risk coverage agreement, and a related memorandum of coverage. Each member chooses its self-insured liability retention at a level between \$25,000 and \$250,000. Each member has a vote in approving the pool's self-insured retention level, in setting the coverage limit, in establishing the level of pool reserves, approving the premium allocation methodology for setting premiums for each member, and in approving the methodology for returning disburseable equity to members. PLAN JPA is responsible for administering the insurance program. PLAN JPA provides claims administration and risk management services to the members. Audited financial information may be obtained from PLAN JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

For the year ended June 30, 2022, the City paid premiums of \$293,622. Financial statements may be obtained from Plan JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The City's liability for uninsured claims was estimated by management based on prior year claims experience as follows:

	June 30, 2022	June 30, 2021
Beginning balance of claims payable	\$947,234	\$938,250
Increase in estimated liability	370,710	391,310
Claims paid	(398,297)	(382,326)
Ending balance of claims payable	<u>\$919,647</u>	<u>\$947,234</u>



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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

COST-SHARING EMPLOYER DEFINED PENSION PLAN:

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

SCHEDULE OF CONTRIBUTIONS

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered employee payroll.

SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS PLAN

This schedule presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Plan
Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years*
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND RELATED RATIOS AS OF
THE MEASUREMENT DATE**

Measurement date:	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
Plan's proportion of the Net Pension Liability (Asset)	0.04792%	0.10917%	0.11869%	0.12281%	0.12663%	0.13120%	0.13584%	0.18148%
Plan's proportionate share of the Net Pension Liability (Asset)	\$2,981,768	\$2,994,972	\$4,123,054	\$4,841,079	\$4,772,172	\$5,254,057	\$5,729,928	\$3,445,863
Covered Payroll	\$1,412,295	\$1,986,876	\$2,014,025	\$2,423,106	\$3,177,604	\$3,415,448	\$3,945,078	\$3,974,973
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	211.13%	150.74%	204.72%	199.79%	150.18%	153.83%	145.24%	86.69%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.22%	83.28%	77.87%	76.18%	77.02%	75.07%	278.58%	84.94%

* Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Safety Plan
Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years*

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE

Measurement date:	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
Plan's proportion of the Net Pension Liability (Asset)	0.06033%	0.10493%	0.10385%	0.10143%	0.10417%	0.10123%	0.03615%	0.12006%
Plan's proportionate share of the Net Pension Liability (Asset)	\$3,754,036	\$4,323,582	\$5,378,768	\$6,060,745	\$6,112,200	\$6,319,361	\$6,550,836	\$4,213,402
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.10%	76.97%	71.33%	69.65%	69.70%	73.37%	223.00%	80.55%

* Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Plan
Cost-Sharing Multiple Employer Defined Pension Plan
As of fiscal year ending June 30, 2022
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal year ended June 30:	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$168,511	\$344,215	\$435,299	\$525,289	\$649,405	\$728,503	\$819,301
Contributions in relation to the actuarially determined contributions	(168,511)	(344,215)	(435,299)	(525,289)	(649,405)	(728,503)	(819,301)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$2,014,025	\$2,423,106	\$3,177,604	\$3,415,448	\$3,945,078	\$3,974,973	\$4,318,701
Contributions as a percentage of covered-employee payroll	8.4%	14.2%	13.7%	15.4%	16.5%	18.3%	19.0%
Notes to Schedule							
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amount
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	(1)
Investment rate of return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50%

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

* Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Safety Plan
Cost-Sharing Multiple Employer Defined Pension Plan
As of fiscal year ending June 30, 2022
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal year ended June 30:	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$414,500	\$249,322	\$445,240	\$551,942	\$555,649	\$594,797	\$612,617
Contributions in relation to the actuarially determined contributions	(414,500)	(249,322)	(445,240)	(551,942)	(555,649)	(594,797)	(612,617)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	(1)
Investment rate of return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50%

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

* Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS A Single Employer OPEB Plan Last 10 fiscal years*

Measurement Date	6/30/2017	6/30/18	6/30/2019	6/30/20	6/30/21	6/30/22
Total OPEB Liability (1)						
Service Cost	\$25,533	\$27,065	\$27,877	\$28,713	\$30,749	\$31,671
Interest	24,624	26,373	28,268	30,256	32,113	32,877
Differences between expected and actual experience	-	-	-	-	-	-
Benefit payments	(22,522)	(22,553)	(22,788)	(24,885)	(29,523)	(33,272)
Actual vs. expected experience	-	-	-	5,947	-	(122,083)
Changes of assumptions	-	-	-	(8,808)	30,158	(22,718)
Net change in total OPEB liability	<u>27,635</u>	<u>30,885</u>	<u>33,357</u>	<u>31,223</u>	<u>63,497</u>	<u>(113,525)</u>
Total OPEB liability - beginning	<u>396,126</u>	<u>423,761</u>	<u>454,646</u>	<u>488,003</u>	<u>519,226</u>	<u>582,723</u>
Total OPEB liability - ending (a)	<u>\$423,761</u>	<u>\$454,646</u>	<u>\$488,003</u>	<u>\$519,226</u>	<u>\$582,723</u>	<u>\$469,198</u>
OPEB fiduciary net position						
Net investment income	\$48,425	\$32,087	\$41,937	\$29,170	\$136,486	(\$91,716)
Contributions:						
Employer - City's contribution	22,522	39,261	22,928	26,083	(5,366)	33,410
Employer - Implicit subsidy	-	-	-	-	-	-
Administrative expense	(2,071)	(1,552)	(1,745)	(2,911)	(2,934)	(2,117)
Actual vs. expected experience	-	-	-	-	-	-
Benefit payments	(22,522)	(22,553)	(22,788)	(24,885)	(29,523)	(33,272)
Net change in plan fiduciary net position	<u>46,354</u>	<u>47,243</u>	<u>40,332</u>	<u>27,457</u>	<u>98,663</u>	<u>(93,695)</u>
Plan fiduciary net position - beginning	<u>541,531</u>	<u>587,885</u>	<u>635,128</u>	<u>675,460</u>	<u>702,917</u>	<u>801,580</u>
Plan fiduciary net position - ending (b)	<u>\$587,885</u>	<u>\$635,128</u>	<u>\$675,460</u>	<u>\$702,917</u>	<u>\$801,580</u>	<u>\$707,885</u>
Net OPEB liability - ending (a)-(b)	<u>(\$164,124)</u>	<u>(\$180,482)</u>	<u>(\$187,457)</u>	<u>(\$183,691)</u>	<u>(\$218,857)</u>	<u>(\$238,687)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	138.73%	139.70%	138.41%	135.38%	137.56%	150.87%
Covered-employee payroll (A)	N/A **	\$3,009,829	\$4,157,271	\$4,976,211	\$4,806,006	\$5,072,966
Total OPEB liability as a percentage of covered-employee payroll	N/A **	-6.00%	-4.51%	-3.69%	-4.55%	-4.71%

* Fiscal year 2018 was the first year of implementation of GASB 75

Administrative expenses are included in investment expenses.

**Fiscal year 2017 was the first year of GASB 74 implementation.

(A) City's contributions to OPEB plan are not based on a measure of pay

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

A Single Employer OPEB Plan

Last 10 fiscal years*

Fiscal Year Ended June 30,	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution (ADC)	\$16,708	\$17,251	\$15,539	\$16,054	\$15,992	\$16,392
Less: Contributions in Relation to the ADC	(22,522)	(39,261)	(22,928)	(26,083)	(5,366)	33,410
Contribution deficiency (excess)	(\$5,814)	(\$22,010)	(\$7,389)	(\$10,029)	\$10,626	\$49,802
Covered-employee payroll	N/A **	\$3,009,829	\$ 4,157,271	\$ 4,976,211	\$4,806,006	\$4,806,006
Contributions as a percentage of Covered-employee payroll	N/A **	1.30%	0.55%	0.52%	0.11%	-0.70%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, level percentage of payroll
Amortization Period	13.2-year fixed period for 2020/21
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.75%
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
PEMHCA Minimum	4.25% annual increases
Mortality	CalPERS 1997-2015 experience study Mortality projected fully generational with Society of Actuaries Scale MP-2019
Mortality Improvement	

* Fiscal year 2018 was the first year of implementation of GASB 75.

**Fiscal year 2017 was the first year of GASB 74 implementation.

CITY OF HALF MOON BAY
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$13,996,217	\$14,757,514	\$18,670,447	\$3,912,933
Licenses and permits	227,000	212,000	365,491	153,491
Fines and forfeitures	133,644	100,000	70,383	(29,617)
Charges for services	1,067,546	1,242,485	1,544,174	301,689
Investment income	180,499	148,183	(197,019)	(345,202)
Intergovernmental revenues	1,209,000	1,571,805	1,574,015	2,210
Miscellaneous	1,013,202	1,013,202	1,085,110	71,908
Total revenues	<u>17,827,108</u>	<u>19,045,189</u>	<u>23,112,601</u>	<u>4,067,412</u>
Expenditures:				
Current Operations:				
General Government	2,080,473	2,121,684	1,949,450	172,234
General administration	1,470,189	1,658,071	1,584,239	73,832
Public Safety	4,662,617	4,667,476	4,527,692	139,784
Public Works	1,923,738	2,007,687	1,780,363	227,324
Recreation services	1,033,697	1,096,419	1,040,867	55,552
Planning	2,870,742	3,203,673	2,628,557	575,116
Debt service:				
Principal	1,371,686	1,329,276	1,191,724	137,552
Interest and fiscal charges		42,410	68,277	(25,867)
Total expenditures	<u>15,413,142</u>	<u>16,126,696</u>	<u>14,771,169</u>	<u>1,355,527</u>
Excess of revenues over expenditures	<u>2,413,966</u>	<u>2,918,493</u>	<u>8,341,432</u>	<u>5,422,939</u>
Other financing sources (uses):				
Transfers in	511,395	1,422,140	1,422,140	
Transfers out	(3,474,742)	(5,319,119)	(5,319,119)	
Total Other Financing Sources (Uses)	<u>(2,963,347)</u>	<u>(3,896,979)</u>	<u>(3,896,979)</u>	
Net change in fund balance	<u>(\$549,381)</u>	<u>(\$978,486)</u>	4,444,453	<u>\$5,422,939</u>
Fund balance at beginning of year			<u>11,140,700</u>	
Fund balance at end of year			<u>\$15,585,153</u>	

CITY OF HALF MOON BAY
STREETS AND ROADS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes				
Licenses and permits	\$125,000	\$125,000	\$178,474	\$53,474
Investment income	46,825	46,825	(128,057)	(174,882)
Intergovernmental revenue	3,060,000	1,945,000	2,132,222	187,222
Miscellaneous			60,893	60,893
Total revenues	<u>3,231,825</u>	<u>2,116,825</u>	<u>2,243,532</u>	<u>126,707</u>
Expenditures:				
Current:				
Public works	255,964	262,541	209,629	52,912
Capital Outlay	<u>3,298,612</u>	<u>3,394,489</u>	<u>1,619,718</u>	<u>1,774,771</u>
Total expenditures	<u>3,554,576</u>	<u>3,657,030</u>	<u>1,829,347</u>	<u>1,827,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(322,751)</u>	<u>(1,540,205)</u>	<u>414,185</u>	<u>1,954,390</u>
Other financing sources (uses):				
Transfer in	1,363,200	1,732,545	1,434,077	(298,468)
Transfer out	<u>(288,998)</u>	<u>(572,466)</u>	<u>(273,998)</u>	<u>298,468</u>
Total other financing sources (uses)	<u>1,074,202</u>	<u>1,160,079</u>	<u>1,160,079</u>	
Net change in fund balance	<u><u>\$751,451</u></u>	<u><u>(\$380,126)</u></u>	<u>1,574,264</u>	<u><u>\$1,954,390</u></u>
Fund balance at beginning of year			<u>4,683,338</u>	
Fund balance at end of year			<u><u>\$6,257,602</u></u>	

CITY OF HALF MOON BAY
 LOT ACQUISITION AND RETIREMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income		\$19,700	(\$50,840)	(\$70,540)
Total revenues		19,700	(50,840)	(70,540)
Expenditures:				
Current:				
General government		270,000	420,791	(150,791)
Capital Projects			266,384	(266,384)
Total expenditures		270,000	687,175	(417,175)
Excess (deficiency) of revenues over (under) expenditures		(250,300)	(738,015)	(487,715)
Net change in fund balance		(\$250,300)	(738,015)	(\$487,715)
Fund balance at beginning of year			2,586,094	
Fund balance at end of year			\$1,848,079	

REQUIRED SUPPLEMENTARY INFORMATION

Budget and Budgetary Accounting

The City Council adopts an Annual Budget no later than the second meeting of June of each year for the fiscal year commencing the following July 1. The Annual Budget is adopted on a basis consistent with generally accepted accounting principles. The Capital Projects Funds are budgeted annually, with major capital improvement projects details in a separate Five Year Capital Improvement Program budget document.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The City Manager submits to the City Council a proposed operating budget for the following fiscal year. The operating budget includes proposed revenues and expenditures.
2. After a review by the City Council, a public hearing is conducted and further comment is received from the City Council and the general public.
3. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted by the City Council through passage of an appropriate resolution.
4. Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review.
5. The City Manager is authorized to transfer from time to time budget amounts of operational expenditure categories within divisions as deemed necessary in order to meet the City's needs.
6. City Council approval is required for all fund to fund transfers, fund reserve to appropriations transfers, for new revenue sources with offsetting appropriations, and for transfers to/from the capital expenditure category. The legal level of budgetary control of the City Council is at the fund level. This is the level that management cannot overspend the budget without approval of the City Council.

SUPPLEMENTARY INFORMATION

CITY OF HALF MOON BAY
JUDGMENT OBLIGATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income		(\$179)	(\$179)
Total revenues		(179)	(179)
Other financing sources:			
Transfers (out)			
Total other financing sources			
Net change in fund balance		(179)	(\$179)
Fund balance at beginning of year		6,311	
Fund balance at end of year		\$6,132	

CITY OF HALF MOON BAY
LIBRARY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$29,771	(\$20,425)	(\$50,196)
Intergovernmental revenues		15,000	15,000
	<u>29,771</u>	<u>(5,425)</u>	<u>(35,196)</u>
Total Revenues			
Other financing sources:			
Transfers (out)	(910,745)	(910,745)	
	<u>(910,745)</u>	<u>(910,745)</u>	
Total expenditures			
	<u>(880,974)</u>	<u>(916,170)</u>	<u>(35,196)</u>
Excess of revenues over expenditures			
	<u>(\$880,974)</u>	<u>(916,170)</u>	<u>(\$35,196)</u>
Net change in fund balance			
	<u>(\$880,974)</u>	<u>(916,170)</u>	<u>(\$35,196)</u>
Fund balance at beginning of year		<u>1,332,744</u>	
Fund balance at end of year		<u>\$416,574</u>	

CITY OF HALF MOON BAY
CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Investment income	\$14,396	\$14,396	(\$38,263)	(\$52,659)
Intergovernmental revenues			8,000	8,000
Total revenues	<u>14,396</u>	<u>14,396</u>	<u>(30,263)</u>	<u>(44,659)</u>
Expenditures:				
Current Operations:				
Capital Outlay	<u>738,686</u>	<u>1,320,686</u>	<u>388,684</u>	<u>932,002</u>
Total expenditures	<u>738,686</u>	<u>1,320,686</u>	<u>388,684</u>	<u>932,002</u>
Excess of revenues over expenditures	<u>(724,290)</u>	<u>(1,306,290)</u>	<u>(418,947)</u>	<u>887,343</u>
Other financing sources (uses):				
Transfers in		<u>553,500</u>	<u>553,500</u>	
Total Other Financing Sources (Uses)		<u>553,500</u>	<u>553,500</u>	
Net change in fund balance	<u>(\$724,290)</u>	<u>(\$752,790)</u>	134,553	<u>\$887,343</u>
Fund balance at beginning of year			<u>1,737,048</u>	
Fund balance at end of year			<u>\$1,871,601</u>	

CITY OF HALF MOON BAY, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

Special Revenue Funds

Special Revenue Funds are established to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects that are restricted by law or administrative action to expenditures for specified purposes).

The *Police Grants Fund* (Fund 128) was established to account for revenues received and expenditures made for police services. The City receives funds for police services from Federal, State, County and local governmental agencies. These funds are designated for specific police services, activities, and capital equipment.

The *Storm Drain Operating Fund* (Fund 111) accounts for the maintenance of the existing storm drain system.

The *Traffic Mitigation Fund* (Fund 112) was established to account for all proceeds from traffic mitigation fees, whose purpose is to defray the actual costs of constructing improvements to mitigate traffic and circulation impacts resulting from proposed new development.

The *Affordable Housing Fund* (Fund 126) was established to account for proceeds of construction and development fees, including in lieu fees, whose purpose is for the development of affordable housing for very low, low, and moderate income households to rent or buy.

The *Parks Development Fund* (Fund 125) was established to account for proceeds of construction and development fees, whose purpose is for the acquisition, development, improvement, and expansion of parks and recreational areas, including equipment for recreation purposes and for capital expenditures such as infrastructure construction projects. In addition, this fund also includes the Library Fund (Fund 113) which accounts for the operations of the public library and is funded by contributions from the City and the San Mateo County Library Joint Powers Authority.

Capital Projects Funds

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities and infrastructure by the City, with the exception of those assets financed by proprietary funds.

The *Public Facilities Fund* (Fund 127) accounts for expenditures related to public facilities improvements that are needed - police facilities, the library, the public works yard, etc. The funds are received from various contractual agreements that are one-time in nature and which are not specifically dedicated, as well as grants.

The *Storm Drain Improvements Fund* (Fund 152) is used to account for all proceeds from storm drainage improvement fees which are assessed against new or remodeled construction and are used for drainage improvements.

CITY OF HALF MOON BAY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	SPECIAL REVENUE FUNDS				
	Police Grants	Storm Drain Operating	Traffic Mitigation	Affordable Housing	Parks Development
Assets					
Cash and investments	\$704,959	\$342,966	\$4,159,832	\$2,112,207	\$3,348,785
Accounts receivable					94,070
Interest receivable	1,782	873	10,579	5,379	8,048
Total assets	<u>\$706,741</u>	<u>\$343,839</u>	<u>\$4,170,411</u>	<u>\$2,117,586</u>	<u>\$3,450,903</u>
Liabilities:					
Accrued expenses	\$11,708				
Accrued liabilities					\$145,564
Total liabilities	<u>11,708</u>				<u>145,564</u>
Fund Balances:					
Restricted	<u>695,033</u>	<u>\$343,839</u>	<u>\$4,170,411</u>	<u>\$2,117,586</u>	<u>3,305,339</u>
Total fund balances	<u>695,033</u>	<u>343,839</u>	<u>4,170,411</u>	<u>2,117,586</u>	<u>3,305,339</u>
Total liabilities and fund balances	<u>\$706,741</u>	<u>\$343,839</u>	<u>\$4,170,411</u>	<u>\$2,117,586</u>	<u>\$3,450,903</u>

CAPITAL PROJECTS FUNDS

<u>Public Facilities</u>	<u>Storm Drain Improvements</u>	<u>Total</u>
\$1,506,140	\$1,009,712	\$13,184,601
125,223		219,293
3,714	2,594	32,969
<u>\$1,635,077</u>	<u>\$1,012,306</u>	<u>\$13,436,863</u>
	\$27,184	\$38,892
\$23,999		169,563
<u>23,999</u>	<u>27,184</u>	<u>208,455</u>
<u>1,611,078</u>	<u>985,122</u>	<u>13,228,408</u>
<u>1,611,078</u>	<u>985,122</u>	<u>13,228,408</u>
<u>\$1,635,077</u>	<u>\$1,012,306</u>	<u>\$13,436,863</u>

CITY OF HALF MOON BAY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS				
	Police Grants	Storm Drain Operating	Traffic Mitigation	Affordable Housing	Parks Development
Revenues:					
Charges for services					
Impact fees/recreation fees			\$86,784		\$101,330
Investment income	(\$15,257)	(\$7,862)	(94,814)	(\$48,691)	(66,026)
Intergovernmental revenues	161,285				98,234
Total Revenues	146,028	(7,862)	(8,030)	(48,691)	133,538
Expenditures:					
Current:					
Public Safety	11,707				
Public Works			46,945		
Recreation Services					835,226
Capital outlay					
Total Expenditures	11,707		46,945		835,226
Excess (deficiency) of revenues over (under) expenditures	134,321	(7,862)	(54,975)	(48,691)	(701,688)
Other financing sources:					
Transfers in					1,385,000
Transfer (out)					(200,000)
Proceeds from long-term debt					
Total Other Financing Sources					1,185,000
Net change in fund balances	134,321	(7,862)	(54,975)	(48,691)	483,312
Fund balances at beginning of year	560,712	351,701	4,225,386	2,166,277	2,822,027
Fund balances at end of year	\$695,033	\$343,839	\$4,170,411	\$2,117,586	\$3,305,339

CAPITAL PROJECTS FUNDS

Public Facilities	Storm Drain Improvements	Total
	\$8,077	\$8,077
		188,114
(\$31,608)	(23,208)	(287,466)
20,000		279,519
(11,608)	(15,131)	188,244
		11,707
	40,301	87,246
		835,226
723,854	40,296	764,150
723,854	80,597	1,698,329
(735,462)	(95,728)	(1,510,085)
520,000	20,000	1,925,000
	(3,382)	(203,382)
421,373		421,373
941,373	16,618	2,142,991
205,911	(79,110)	632,906
1,405,167	1,064,232	12,595,502
\$1,611,078	\$985,122	\$13,228,408

CITY OF HALF MOON BAY
POLICE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$6,094	(\$15,257)	(\$21,351)
Intergovernmental	156,000	161,285	5,285
Total Revenues	162,094	146,028	(16,066)
Expenditures:			
Current:			
Public Safety	200,000	11,707	188,293
Total expenditures	200,000	11,707	172,227
Excess (deficiency) of revenues over (under) expenditures	(37,906)	134,321	172,227
Net change in fund balance	(37,906)	134,321	\$172,227
Fund Balance at beginning of year		560,712	
Fund balance at end of year		\$695,033	

CITY OF HALF MOON BAY
STORM DRAIN OPERATING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$3,962	(\$7,862)	(\$11,824)
Total revenues	3,962	(7,862)	(11,824)
Net change in fund balance	<u>\$3,962</u>	<u>(7,862)</u>	<u>(\$11,824)</u>
Fund balance at beginning of year		<u>351,701</u>	
Fund balance at end of year		<u>\$343,839</u>	

CITY OF HALF MOON BAY
TRAFFIC MITIGATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Impact fees/recreation fees	\$55,426	\$86,784	\$31,358
Investment income	31,300	(94,814)	(126,114)
	<u>86,726</u>	<u>(8,030)</u>	<u>(94,756)</u>
Total revenues			
Expenditures:			
Current:			
Public works	46,944	46,945	(1)
	<u>46,944</u>	<u>46,945</u>	<u>(1)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	39,782	(54,975)	(94,757)
	<u>\$39,782</u>	<u>(54,975)</u>	<u>(\$94,757)</u>
Net change in fund balance			
Fund balance at beginning of year		<u>4,225,386</u>	
Fund balance at end of year		<u>\$4,170,411</u>	

CITY OF HALF MOON BAY
 AFFORDABLE HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Recreation fees/impact fees			
Investment income	\$25,385	(\$48,691)	(\$74,076)
Total revenues	25,385	(48,691)	(74,076)
Net change in fund balance	\$25,385	(48,691)	(\$74,076)
Fund balance at beginning of year		2,166,277	
Fund balance at end of year		\$2,117,586	

CITY OF HALF MOON BAY
PARKS DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Impact fees/recreation fees	\$60,000	\$101,330	\$41,330
Investment income	28,256	(66,026)	(94,282)
Intergovernmental revenues	4,775,000	98,234	(4,676,766)
Total Revenues	4,863,256	133,538	(4,729,718)
Expenditures:			
Current:			
Recreation services	7,975,496	835,226	7,140,270
Total expenditures	7,975,496	835,226	7,140,270
Excess of revenues over expenditures	(3,112,240)	(701,688)	2,410,552
Other financing sources:			
Transfers in	1,385,000	1,385,000	
Transfers out	(200,000)	(200,000)	
Total other financing sources	1,185,000	1,185,000	
Net change in fund balance	(\$1,927,240)	483,312	\$2,410,552
Fund balance at beginning of year		2,822,027	
Fund balance at end of year		\$3,305,339	

CITY OF HALF MOON BAY
PUBLIC FACILITIES CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$14,169	(\$31,608)	(\$45,777)
Intergovernmental revenue	20,000	20,000	
Total revenues	34,169	(11,608)	(45,777)
Expenditures:			
Capital Outlay	1,912,035	723,854	1,188,181
Total expenditures	1,912,035	723,854	1,188,181
Excess (deficiency) of revenues over (under) expenditures	(1,877,866)	(735,462)	1,142,404
Other financing sources (uses):			
Transfers in	520,000	520,000	
	1,000,000	421,373	(578,627)
Total Other Financing Sources (uses)	1,520,000	941,373	(578,627)
Net change in fund balance	(\$357,866)	205,911	\$563,777
Fund balance at beginning of year		1,405,167	
Fund balance at end of year		\$1,611,078	

CITY OF HALF MOON BAY
STORM DRAIN IMPROVEMENTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$9,879	\$8,077	(\$1,802)
Investment income	10,816	(23,208)	(34,024)
Total Revenues	20,695	(15,131)	(35,826)
Expenditures:			
Public works	40,846	40,301	545
Capital outlay	575,000	40,296	534,704
Total expenditures	615,846	80,597	535,249
Excess of revenues over expenditures	(595,151)	(95,728)	499,423
Other financing sources:			
Transfers in	20,000	20,000	
Transfers out	(3,382)	(3,382)	
Total other financing sources	16,618	16,618	
Net change in fund balance	(\$578,533)	(79,110)	\$499,423
Fund balance at beginning of year		1,064,232	
Fund balance at end of year		\$985,122	

CITY OF HALF MOON BAY, CALIFORNIA
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost- reimbursement basis (including depreciation).

The *Equipment* (Fund 302) and *Vehicle Replacement* (Fund 301) *Fund* is used to account for replacement of furniture, fixtures, equipment, and vehicles. These funds cover the cost of repair, maintenance and replacement of City vehicles and provide for the service, maintenance of the management information systems, leased copiers and leased postage meter. Revenues are derived from charges to user departments (all funds) based on usage.

The *Risk Management Fund* (Fund 303) administers the City's general insurance and workers compensation programs with the goals of reducing insurance-related costs, maintain appropriate levels of coverage and to build for contingent legal reserves.

The *Pension Stabilization Fund* (Fund 304) stabilizes major fluctuations in annual pension costs driven by market factors and actuarial changes.

CITY OF HALF MOON BAY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Equipment and Vehicle Replacement	Risk Management	Pension Stabilization	Total
Assets				
Current Assets:				
Cash and investments	\$884,464	\$3,464,646	\$1,436,580	\$5,785,690
Interest receivable	1,242	8,886	3,630	13,758
Total Current Assets	885,706	3,473,532	1,440,210	5,799,448
Non-current assets:				
Net OPEB asset		2,941		2,941
Capital assets, net of Accumulated depreciation	434,248			434,248
Total Assets	1,319,954	3,476,473	1,440,210	6,236,637
Deferred outflow of resources Related to OPEB		1,086		1,086
Total deferred outflows of resources		1,086		1,086
Liabilities				
Current Liabilities:				
Accounts payable	24,744	10,097		34,841
Claims liability		919,647		919,647
Total Liabilities	24,744	929,744		954,488
Deferred inflow of resources Related to OPEB		1,043		1,043
Total deferred inflows of resources		1,043		1,043
Net Position				
Net position:				
Invested in capital assets	434,248			434,248
Unrestricted	860,962	2,546,772	1,440,210	4,847,944
Total net position	\$1,295,210	\$2,546,772	\$1,440,210	\$5,282,192

CITY OF HALF MOON BAY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Equipment and Vehicle Replacement	Risk Management	Pension Stabilization	Total
Operating revenues:				
Impact fees	\$12,075			\$12,075
Total operating revenues	12,075			12,075
Operating expenses:				
Salaries and wages	93,517	\$136,326	\$429,131	658,974
Contract services	19,182	10,998		30,180
Services and supplies	352,730			352,730
Repairs and maintenance	17,526			17,526
Insurance expense		308,042		308,042
Pension			612,617	612,617
Depreciation	76,623			76,623
Total operating expenses	559,578	455,366	1,041,748	2,056,692
Operating income (loss)	(547,503)	(455,366)	(1,041,748)	(2,044,617)
Non-operating revenues (expenses):				
Investment income	(18,537)	(75,737)	(25,845)	(120,119)
Total non-operating revenues	(18,537)	(75,737)	(25,845)	(120,119)
Transfers in	720,296	628,530	1,041,748	2,390,574
Change in net position	154,256	97,427	(25,845)	225,838
Net position at beginning of year	1,140,954	2,449,345	1,466,055	5,056,354
Net position at end of year	\$1,295,210	\$2,546,772	\$1,440,210	\$5,282,192

CITY OF HALF MOON BAY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Equipment and Vehicle Replacement	Risk Management	Pension Stabilization	Total
Cash flows from operating activities:				
Cash received from department users	\$12,075			\$12,075
Cash payments to suppliers of goods and services	(374,008)	(\$322,777)	(\$613,385)	(1,310,170)
Cash payments to employees for services	(93,517)	(163,992)	(429,131)	(686,640)
Net cash provided by (used for) operating activities	(455,450)	(486,769)	(1,042,516)	(1,984,735)
Cash flows from non-capital financing activities:				
Transfer in	720,296	628,530	1,041,748	2,390,574
Net cash provided by (used for) non-capital financing activities	720,296	628,530	1,041,748	2,390,574
Cash flows from investing activities:				
Interest received on investments	(18,537)	(75,737)	(25,845)	(120,119)
Net cash provided by investing activities	(18,537)	(75,737)	(25,845)	(120,119)
Net increase (decreased) in cash and cash equivalents	91,336	66,024	(26,613)	130,747
Cash and cash equivalents at beginning of year	793,128	3,398,622	1,463,193	5,654,943
Cash and cash equivalents at end of year	\$884,464	\$3,464,646	\$1,436,580	\$5,785,690
Reconciliation of operating income to net cash flows provided by operating activities:				
Operating income (loss)	(\$547,503)	(\$455,366)	(\$1,041,748)	(\$2,044,617)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	76,623			76,623
(Increase) in interest receivable	(730)	(2,050)	(768)	(3,548)
Increase (Decreased) in accounts payable	16,160	(1,687)		14,473
Increase (Decreased) in employees benefits		(79)		(79)
Increase (Decreased) in claims liability		(27,587)		(27,587)
Net cash provided by (used for) operating activities	(455,450)	(486,769)	(1,042,516)	(1,984,735)

STATISTICAL SECTION



CITY OF HALF MOON BAY, CALIFORNIA

STATISTICAL SECTION

FISCAL YEAR ENDED JUNE 30, 2022

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Property Tax Information

These schedules contain information to help the reader assess the City's property tax sources and changes.

Note: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.



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CITY OF HALF MOON BAY
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Invested in capital assets, net of related debt	\$ 34,516,084	\$ 36,067,826	\$ 37,550,877	\$ 40,513,950	\$ 46,399,149	\$ 63,168,981	\$ 60,800,162	\$ 62,744,013	\$ 67,193,002	\$ 68,275,626
Restricted	-	38,078,982	18,540,842	19,779,956	22,157,470	25,844,530	27,738,822	16,416,110	19,871,245	21,340,221
Unrestricted	43,069,044	7,998,768	26,042,003	34,369,708	28,173,022	17,010,742	25,475,062	35,553,961	34,061,834	38,471,511
Total governmental activities net position	\$ 77,585,128	\$ 82,145,576	\$ 82,133,722	\$ 94,663,614	\$ 96,729,641	\$ 106,024,253	\$ 114,014,046	\$ 114,714,084	\$ 121,126,081	\$ 128,087,358
Business-type activities:										
Invested in capital assets, net of related debt	\$ 4,089,787	\$ 4,024,768	\$ 3,970,876	\$ 3,871,356	\$ 3,816,994	\$ 4,490,973	\$ 4,566,718	\$ 4,587,090	\$ 6,199,508	\$ 6,948,434
Restricted	-	-	-	-	-	5,946,230	6,385,095	8,692,609	9,377,687	9,554,843
Unrestricted	15,881,577	18,347,207	19,063,158	20,635,855	21,900,766	14,129,580	13,683,606	11,937,949	8,461,534	5,502,097
Total business-type activities net position	\$ 19,971,364	\$ 22,371,975	\$ 23,034,034	\$ 24,507,211	\$ 25,717,760	\$ 24,566,783	\$ 24,635,419	\$ 25,217,648	\$ 24,038,729	\$ 22,005,374
Primary government:										
Invested in capital assets, net of related debt	\$ 38,605,871	\$ 40,092,594	\$ 41,521,753	\$ 44,385,306	\$ 50,216,143	\$ 67,659,954	\$ 65,366,880	\$ 67,331,103	\$ 73,392,510	\$ 75,224,060
Restricted	-	38,078,982	18,540,842	19,779,956	22,157,470	31,790,760	34,123,917	25,108,719	29,248,932	30,895,064
Unrestricted	58,950,621	26,345,975	45,105,161	55,005,563	50,073,788	31,140,322	39,158,668	47,491,910	42,523,368	43,973,608
Total primary government net position ⁽¹⁾	\$ 97,556,492	\$ 104,517,551	\$ 105,167,756	\$ 119,170,825	\$ 122,447,401	\$ 130,591,036	\$ 138,649,465	\$ 139,931,732	\$ 145,164,810	\$ 150,092,732

⁽¹⁾ The \$19.7 million increase in primary government net position in FY 2012-13 is primarily attributable to higher tax revenues, receipt of insurance proceeds, increase in sewer usage rates, and timing of program and capital spending. Of the \$19.7 million, \$13.2 million is attributable to the one-time insurance proceeds received in the current year.

The \$7.0 million increase in primary government net position in FY 2013-14 is primarily attributable to higher tax revenues and timing of sewer-related capital spending.

The \$12.5 million increase in primary government net position in FY 2015-16 is primarily attributable to higher tax revenues and a contribution of \$6.0 million from the County of San Mateo for the library construction capital project that is scheduled to commence during fiscal year 2016-17.

The \$3.5 million increase in primary government net position in FY 2016-17 is primarily attributable to investment in infrastructure and capital projects.

The \$8.4 million increase in primary government net position in FY 2017-18 is primarily attributable to investment in capital projects.

The \$8.0 million increase in primary government net position in FY 2018-19 is primarily attributable to higher tax and general revenues

The \$700 thousand increase in primary government net position in FY 2019-20 is primarily attributable to increased investments in capital assets

The \$5.2 million increase in primary government net position in FY 2020-21 is primarily attributable to a higher than expected revenues and lower expenditures budgeted

The \$4.9 million increase in primary government net position in FY 2021-22 is primarily attributable to a higher than expected tax revenues

CITY OF HALF MOON BAY

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government	\$ 2,410,384	\$ 4,845,145	\$ 2,190,464	\$ 3,725,642	\$ 3,940,242	\$ 5,030,648	\$ 4,722,479	\$ 4,981,025	\$ 5,175,257	\$ 6,008,499
Public safety	4,020,875	3,209,351	3,901,511	3,449,122	5,183,033	3,878,176	3,975,865	4,631,203	4,743,620	5,017,087
Public works	2,122,350	2,316,147	2,605,015	2,670,228	3,314,879	3,814,624	3,506,195	3,754,258	2,817,305	2,765,717
Recreation services	208,152	221,703	282,251	337,331	348,604	926,730	1,167,467	1,808,657	1,942,872	2,823,410
Planning	687,847	1,213,621	1,081,255	1,952,892	2,427,687	2,603,389	2,784,468	3,286,029	2,764,254	2,779,608
Interest and fiscal charges	1,172,672	1,155,865	1,053,237	937,704	937,704	937,704	937,704	468,852	-	-
Total governmental activities expenses	10,622,280	12,961,832	11,113,733	13,072,919	16,152,149	17,178,271	17,094,178	18,930,024	17,443,308	19,394,321
Business-type activities:										
Sewer	3,224,026	2,881,315	4,078,003	2,943,013	2,966,613	4,757,056	4,562,513	5,950,383	5,670,214	6,042,199
Total business-type activities expenses	3,224,026	2,881,315	4,078,003	2,943,013	2,966,613	4,757,056	4,562,513	5,950,383	5,670,214	6,042,199
Total primary government expenses	13,846,306	15,843,147	15,191,736	16,015,932	19,118,762	21,935,327	21,656,691	24,880,407	23,113,522	25,436,520
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 29,752	\$ 211,108	\$ 105,737	\$ 98,171	\$ 20,738	\$ 29,879	\$ 97,755	\$ 94,986	\$ 17,962	\$ 646,363
Public safety	153,154	117,737	107,738	118,204	95,883	961,407	64,011	159,631	138,299	105,983
Public works	549,671	632,607	423,449	407,342	452,260	672,979	392,876	332,903	383,211	360,649
Recreation services	457,531	534,225	550,144	588,890	624,771	841,581	630,725	494,433	987,511	1,176,088
Planning	292,340	558,424	457,237	560,073	505,373	213,701	293,316	165,686	314,178	520,110
Operating grants and contributions	1,182,936	1,512,220	1,903,151	390,970	1,166,559	932,873	1,390,373	786,552	4,123,613	2,544,520
Capital grants and contributions	571,140	775,559	596,856	7,915,220	607,526	6,940,211	5,090,594	627,168	3,145,690	1,647,350
Total governmental activities program revenues	3,236,524	4,341,880	4,144,312	10,078,870	3,473,110	10,592,631	7,959,650	2,661,359	9,110,464	7,001,063
Business-type activities:										
Charges for services:										
Sewer	5,279,838	5,502,406	5,105,502	4,715,919	4,524,358	4,261,126	4,533,846	4,540,020	4,477,159	5,005,399
Operating grants and contributions	1,540	4,074	45,628	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	5,281,378	5,506,480	5,151,130	4,715,919	4,524,358	4,261,126	4,533,846	4,540,020	4,477,159	5,005,399
Total primary government program revenues	8,517,902	9,848,360	9,295,442	14,794,789	7,997,468	14,853,757	12,493,496	7,201,379	13,587,623	12,006,462
Net revenues (expenses):										
Governmental activities	\$ (7,385,756)	\$ (8,619,952)	\$ (6,969,421)	\$ (2,994,049)	\$ (12,679,039)	\$ (6,585,640)	\$ (9,134,528)	\$ (16,268,665)	\$ (8,332,844)	\$ (12,393,258)
Business-type activities	2,057,352	2,625,165	1,073,127	1,772,906	1,557,745	(495,930)	(28,667)	(1,410,363)	(1,193,055)	(1,036,800)
Total net revenues (expenses) ⁽³⁾	(5,328,404)	(5,994,787)	(5,896,294)	(1,221,143)	(11,121,294)	(7,081,570)	(9,163,195)	(17,679,028)	(9,525,899)	(13,430,058)

CITY OF HALF MOON BAY

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,829,102	\$ 2,613,407	\$ 2,871,413	\$ 3,116,710	\$ 3,126,884	\$ 3,379,657	\$ 3,613,782	\$ 3,667,867	\$ 3,582,161	\$ 4,592,317
Sales and use taxes	2,584,599	3,556,753	3,862,041	4,068,786	2,514,852	2,836,614	2,804,748	3,042,265	2,929,586	3,358,759
Transient occupancy taxes	4,524,646	4,974,614	5,433,394	5,935,558	6,024,855	6,434,808	6,828,108	5,291,821	4,817,532	9,442,518
Other taxes	787,952	814,840	832,390	808,224	919,666	1,038,546	1,242,286	1,346,187	1,304,943	1,341,327
Investment income	385,353	291,224	798,406	811,191	583,497	703,351	1,188,804	2,257,971	(96,482)	(702,830)
Other general revenues	962,353	929,562	779,392	783,472	1,575,312	1,386,752	1,446,593	1,362,594	2,207,101	1,322,444
Special Item: Insurance proceeds ⁽²⁾	13,150,000	-	-	-	-	-	-	-	-	-
Total governmental activities	25,224,005	13,180,400	14,577,036	15,523,941	14,745,066	15,779,728	17,124,321	16,968,705	14,744,841	19,354,535
Business-type activities:										
Investment income	48,182	25,446	63,696	93,088	135,003	195,743	332,868	382,491	(49,678)	(155,664)
Miscellaneous	(250,000)	(250,000)	(250,000)	(392,817)	(482,199)	(857,213)	(235,565)	1,610,101	63,814	(840,891)
Total business-type activities	(201,818)	(224,554)	(186,304)	(299,729)	(347,196)	(661,470)	97,303	1,992,592	14,136	(996,555)
Total primary government	25,022,187	12,955,846	14,390,732	15,224,212	14,397,870	15,118,258	17,221,624	18,961,297	14,758,977	18,357,980
Changes in net position:										
Governmental activities	\$ 17,838,249	\$ 4,560,448	\$ 7,607,615	\$ 12,529,892	\$ 2,066,027	\$ 9,194,088	\$ 7,989,793	\$ 700,040	\$ 6,411,997	\$ 6,961,277
Business-type activities	1,855,534	2,400,611	886,823	1,473,177	1,210,549	(1,157,400)	68,636	582,229	(1,178,919)	(2,033,355)
Total primary government ⁽¹⁾	\$ 19,693,783	\$ 6,961,059	\$ 8,494,438	\$ 14,003,069	\$ 3,276,576	\$ 8,036,688	\$ 8,058,429	\$ 1,282,269	\$ 5,233,078	\$ 4,927,922

⁽¹⁾ Change in Net Assets in Primary Government:

FY 2012-13 increase in net position of \$19.7 million is primarily due to receipt of insurance recovery associated with the Yamagiwa claim.

FY 2013-14 increase in net position of \$7.0 million is primarily due to higher tax revenues and timing of sewer-related capital spending.

FY 2014-15 increase in net position of \$8.5 million is primarily due to higher tax revenues and timing of sewer-related capital spending.

FY 2015-16 increase in net position of \$14 million is primarily due to higher tax revenues and timing of sewer-related capital spending.

FY 2016-17 increase in net position of \$3.2 million is primarily due to investment in infrastructure and capital projects.

FY 2017-18 increase in net position of \$8 million is primarily due to investment in capital projects.

The \$8.0 million increase in primary government net position in FY 2018-19 is primarily attributable to higher tax and general revenues

FY 2020-21 increase in net position of \$5.2 million is primarily due to higher revenues from capital and operating grants/contributions

FY 2021-22 increase in net position of \$4.9 million is primarily due to higher revenues from transient occupancy taxes

⁽²⁾ Special Items:

FY 2012-13 is the receipt of insurance proceeds received for coverage on the Yamagiwa case.

⁽³⁾ Total net expenses in FY 2019-20 increased by \$8.5 million primarily for the final \$10.9 million payment of the judgement obligation bond

CITY OF HALF MOON BAY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ 8,917,500	\$ 8,917,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	3,800,352	4,255,283	3,012,735	2,909,550	5,070,257	5,070,257	5,146,354	7,300,642	7,271,604	8,999,117
Assigned	1,825,000	2,609,294	-	-	-	-	-	-	-	-
Unassigned	3,143,252	3,978,376	6,529,822	7,829,894	5,986,903	4,892,195	5,809,910	3,333,510	3,869,096	6,586,036
Total general fund ⁽¹⁾	\$ 17,686,104	\$ 19,760,453	\$ 9,542,557	\$ 10,739,444	\$ 11,057,160	\$ 9,962,452	\$ 10,956,264	\$ 10,634,152	\$ 11,140,700	\$ 15,585,153
All other governmental funds:										
Nonspendable	\$ 17,906,420	\$ 17,906,420	\$ 26,823,920	\$ -	\$ -	\$ -	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920
Restricted	7,431,343	21,169,241	23,288,017	31,602,450	23,288,663	25,844,530	27,738,822	16,416,110	19,871,245	21,340,221
Committed	13,150,000	-	-	26,823,920	26,823,920	26,823,920	-	-	-	-
Assigned	-	-	-	-	5,611,038	2,161,189	1,244,495	2,806,125	3,069,792	2,288,175
Unassigned	-	-	-	-	-	-	2,364,020	-	-	-
Total all other governmental funds ⁽²⁾	\$ 38,487,763	\$ 39,075,661	\$ 50,111,937	\$ 58,426,370	\$ 55,723,621	\$ 54,829,639	\$ 58,171,257	\$ 46,046,155	\$ 49,764,957	\$ 50,452,316

⁽¹⁾ General Fund:

FY 2011-12 and FY 2012-13 Assigned General fund balance is planned for future years' capital expenditures; Committed General fund balance reflects the 30% General fund reserve policy. The Nonspendable fund balance is primarily land held for resale.
FY 2014-15 Nonspendable fund balance decrease is due to the land held for resale transfer from the General Fund to the newly created Land Asset Fund.
FY 2015-16 Unassigned fund balance increase is primarily due to increase in tax revenue.
FY 2016-17 Unassigned fund balance decrease is primarily due to increased investment in capital projects.
FY 2017-18 Unassigned fund balance decrease is primarily due to investment in capital projects.
FY 2018-19 Unassigned fund balance increase is primarily due to in tax and general revenues
FY 2019-20 Unassigned fund balance decrease is primarily due to lower revenues from TOT
FY 2020-21 Unassigned fund balance increased primarily due to unexcepted revenue overperformance in TOT
FY 2021-22 Unassigned fund balance increased primarily due to unexcepted revenue overperformance in TOT and vehicle in-lieu fees

⁽²⁾ Other Governmental Funds:

FY 2012-13 Nonspendable fund balance is land held for resale. The increase in the Committed balance is for the monies to be used for the debt reduction program on the Judgment Obligation Bonds.
FY 2013-14 Restricted fund balance increase is due to the reclass of the Committed balance in the Judgement Obligation Bond fund.
FY 2014-15 Nonspendable fund balance increase is due to the land held for resale transfer from the General Fund to the newly created Land Asset Fund.
FY 2015-16 Restricted fund balance increase is primarily due to a contribution of \$6.0 million from the County of San Mateo for the library construction project.
FY 2016-17 \$2.7 million decrease is primarily due to progress on the Library Capital project.
FY 2017-18 \$890,000 decrease is primarily due to progress on the Library Capital project.
FY 2018-19 \$3.0 M increase is primarily due to progress in capital projects
FY 2019-20 \$12.1 M decrease is primarily due to the final \$10.9 million payment of the Judgement Obligation Bond
FY 2020-21 \$3.7 M increase is primarily due to the receipt of an one-time \$2.6 million in-lieu fee
FY 2021-22 \$1 million increase is primarily due to capital contributions and funding for future capital expenditures

⁽³⁾ GASB 54 was implemented in FY 2010-11. See Notes to Financial Statements for definitions of fund balance. The Nonspendable balance primarily represents Cabrillo Highway and Glencree land.

CITY OF HALF MOON BAY
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 10,726,299	\$ 12,060,866	\$ 12,999,238	\$ 13,929,278	\$ 12,586,257	\$ 13,638,171	\$ 14,448,702	\$ 13,180,918	\$ 12,223,462	\$ 18,670,447
Licenses and permits	482,488	537,634	394,931	379,749	444,388	370,269	377,873	521,121	597,590	543,965
Fines and forfeitures	116,060	93,737	83,812	102,202	79,132	171,873	189,415	140,238	108,937	70,383
Charges for services	636,772	940,320	765,457	806,642	701,163	1,255,479	1,165,640	1,173,171	1,306,842	1,552,251
Recreation fees/ Impact fees	556,402	821,973	625,166	717,469	1,173,275	1,065,005	2,700,943	304,827	2,988,507	188,114
Investment income	385,353	291,227	798,408	772,575	549,489	703,354	1,225,128	1,164,650	(75,704)	(722,249)
Rents and leases	12,250	11,518	-	20,000	10,080	87,536	75,603	-	-	-
Intergovernmental revenues	1,312,202	1,925,058	2,260,890	8,058,785	1,069,157	1,910,615	2,074,855	1,506,209	4,232,648	4,008,756
Administrative fees	249	1,633	65	-	-	-	-	-	-	-
Miscellaneous	13,875,666	587,731	519,595	400,376	1,089,034	908,337	1,325,476	779,514	1,877,238	1,146,003
Total revenues	28,103,741	17,271,697	18,447,562	25,187,076	17,701,975	20,110,639	23,383,635	18,770,648	23,259,520	25,457,670
Expenditures										
Current:										
General government	3,295,081	3,316,520	2,727,404	3,582,831	3,143,214	3,968,569	3,445,355	3,281,719	3,543,362	3,954,480
Public safety	4,005,358	2,744,812	946,395	1,083,666	3,610,736	3,689,490	3,727,302	4,104,603	4,394,717	4,539,399
Public works	3,110,738	3,233,403	3,089,741	3,208,099	1,639,299	1,768,330	2,147,231	2,301,920	2,110,852	2,077,238
Recreation services	62,803	1,780,847	1,987,691	1,347,508	176,497	701,405	896,854	976,977	1,109,425	1,876,093
Planning services	687,726	77,155	142,020	183,328	2,353,980	2,505,066	2,686,651	3,156,081	2,662,112	2,628,557
Capital outlay	-	2,254,869	2,745,770	4,437,029	7,766,781	18,996,455	5,027,468	4,088,777	5,955,565	3,038,936
Debt service:										
Principal retirement ⁽¹⁾	395,000	290,000	4,655,000	-	-	-	-	11,487,686	-	1,191,724
Interest and fiscal charges	1,176,352	1,161,844	1,053,237	937,704	937,704	937,704	937,704	468,852	-	68,277
Total expenditures	12,733,058	14,839,450 ⁽²⁾	17,347,258	14,780,165	19,628,211	32,567,019	18,868,565	29,866,615	19,776,033	19,374,704
Excess (deficiency) of revenues over (under) expenditures	15,370,683	2,412,247	1,100,304	10,406,911	(1,926,236)	(12,456,380)	4,715,070	(11,095,967)	3,483,487	6,082,966
Other financing sources (uses):										
Advanced Proceeds from San Mateo County	-	-	-	-	-	5,726,855	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	2,035,000	421,373
Capital grants	-	-	-	-	-	5,726,855	726,000	-	-	-
Transfers in ⁽²⁾	3,279,711	3,368,987	35,780,529	5,285,654	5,059,687	5,024,534	3,216,998	7,026,829	2,107,524	5,334,717
Transfers out ⁽²⁾	(3,029,711)	(3,118,987)	(36,062,453)	(6,181,245)	(5,518,484)	(6,010,554)	(4,322,638)	(8,378,076)	(3,400,661)	(6,707,244)
Total other financing sources (uses)	250,000	250,000	(281,924)	(895,591)	(458,797)	10,467,690	(379,640)	(1,351,247)	741,863	(951,154)
Net change in fund balances ⁽³⁾	\$ 15,620,683	\$ 2,662,247	\$ 818,380	\$ 9,511,320	\$ (2,385,033)	\$ (1,988,690)	\$ 4,335,430	\$ (12,447,214)	\$ 4,225,350	\$ 5,131,812

Debt service as a percentage of noncapital expenditures 12.3% 11.5% 39.1% 9.1% 7.9% 6.9% 6.8% 46.4% 0.0% 7.7%

⁽¹⁾ In FY 2014-15 the City elected to completely pay off the 2009A Judgement Obligation Bonds. In FY 2019-20 the city paid off the 2009B Judgement Obligation Bond

⁽²⁾ The increase in transfers in FY 2014-15 is primarily due to the creation of and transfers to the Land Asset Capital Project Fund (\$26.8 million) and the Library Capital Fund (

⁽³⁾ The net change in fund balance of \$15.6 million in FY 2012-13 is primarily due to receipt of one time insurance payment (\$13.2 million), increase in general taxes, and revenue from the law enforcement services contract amendment that was negotiated in FY 2012-13.

The net change in fund balance of \$2.7 million in FY 2013-14 is higher tax revenues and

The net change in fund balance of \$9.5 million in FY 2015-16 is primarily due to higher tax revenues and a contribution of \$6.0 million from the County of San Mateo for the library construction capital project that is scheduled to commence during fiscal year 2016-17.

The net decrease in fund balance of \$2.4 million in FY 2016-17 is primarily due to progress on the Library Capital project.

The net decrease in fund balance of \$1.9 million in FY 2017-18 is primarily due to progress on the Library Capital project.

The net increase in fund balance of \$4.3 million in FY 2018-19 is primarily due to increase in revenues and decrease in library project expenditures

The net decrease in fund balance of \$12.4 million in FY 2019-20 is primarily due to the final \$10.9 million payoff of the judgement obligation bond

The net increase in fund balance of \$4.2 million in FY 2020-21 is primarily due to higher revenues than anticipated

The net increase in fund balance of \$5.1 million in FY 2021-22 is primarily due to higher tax revenues

CITY OF HALF MOON BAY
Transient Occupancy Tax (TOT) Rate
Last Ten Fiscal Years

Fiscal Year Ended June 30	TOT Tax Rate
2013	12%
2014	12%
2015	12%
2016	12%
2017	12%
2018	12%
2019	12%
2020	12%
2021	12%
2022	14%

Source: City of Half Moon Bay Finance Department

CITY OF HALF MOON BAY

Transient Occupancy Tax (TOT) by Lodging Type (BASE)⁽¹⁾

Last Ten Fiscal Years

As of June 30th

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
LODGING TYPE										
Hotels/Motels	\$ 4,302,932	\$ 4,583,970	\$ 5,002,165	\$ 5,643,075	\$ 5,785,989	\$ 6,078,131	\$ 6,409,533	\$ 4,852,270	\$ 4,161,340	\$ 8,309,989
B&Bs/ Inns / Cottages	104,057	114,610	101,393	99,062	60,671	68,729	66,079	104,715	\$105,823	\$441,900
RV Parks/Camps	96,187	243,467	281,880	148,191	150,019	170,855	159,065	164,658	\$241,705	\$233,898
Vacation Rentals	21,470	35,392	45,105	44,230	43,790	115,398	218,561	170,178	\$308,664	\$456,731
Totals	\$ 4,524,646	\$ 4,977,439	\$ 5,430,543	\$ 5,934,558	\$ 6,040,468	\$ 6,433,114	\$ 6,853,237	\$ 5,291,821	\$ 4,817,532	\$ 9,442,518

⁽¹⁾ TOT information by individual establishment is confidential and therefore is not available to the public. TOT is the City's largest "own-source" revenue, as defined by GASB Statement No. 44.

Source: City of Half Moon Bay Finance Department

CITY OF HALF MOON BAY

Transient Occupancy Taxpayers by Type of Establishment

Current Year and Ten Years Prior

TOT Taxpayer Type	2021-22			2011-12	
	TOT Collected	Percent of Total TOT Revenues		TOT Collected	Percent of Total TOT Revenues
Hotels/Motels/Lodges	\$ 8,309,989	88.01%		\$ 4,032,596	95.31%
Bed & Breakfasts and Inns	441,900	4.68%		95,678	2.26%
RV Parks & Campgrounds	233,898	2.48%		97,244	2.30%
Vacation Rentals	456,731	4.84%		5,401	0.13%
	\$ 9,442,518	100.00%		\$ 4,230,920	100.00%

Source: City of Half Moon Bay Finance Department

CITY OF HALF MOON BAY

Ratios of Outstanding Debt by Type ⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities							Debt Per Capita ⁽³⁾
	Lease Revenue Bonds	Long-Term Notes	Leases	Judgment Obligation Bonds	Total Governmental Activities ⁽²⁾	Total Primary Government	Percentage of Personal Income ⁽⁴⁾	
2013	\$ -	\$ -	\$ -	\$ 15,860,000	\$ 15,860,000	\$ 15,860,000	36.55%	\$ 1,382
2014	-	-	-	15,570,000	15,570,000	15,570,000	33.52%	1,344
2015	-	-	-	10,915,000	10,915,000	10,915,000	22.46%	931
2016	-	-	-	10,915,000	10,915,000	10,915,000	21.33%	931
2017	-	-	-	10,915,000	10,915,000	10,915,000	21.35%	871
2018	-	-	-	10,915,000	10,915,000	10,915,000	20.29%	867
2019	-	-	-	10,915,000	10,915,000	10,915,000	17.32%	864
2020	-	5,154,170	-	-	5,154,170	5,154,170	8.03%	408
2021	-	7,189,170	-	-	7,189,170	7,189,170	11.35%	556
2022	-	6,418,818	-	-	6,418,818	6,418,818	9.17%	521

⁽¹⁾ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽²⁾ The City has no outstanding debt from Business-Type Activities.

⁽³⁾ Census data changed in 2010 and Half Moon Bay population decreased, thereby resulting in an increase in debt per capita.

⁽⁴⁾ Population information was obtained from California State Department of Finance; Per Capita income from the United States Census Bureau

CITY OF HALF MOON BAY
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Outstanding General Bonded Debt							
Fiscal Year	Lease		Judgment		Percent of		Debt
Ended	Revenue		Obligation		Assessed		Per
June 30	Bonds		Bonds		Total	Value ⁽¹⁾	Capita
2013	\$	-	\$	15,860	\$ 15,860	0.0007%	\$ 1,186
2014		-		15,570	15,570	0.0007%	1,357
2015		-		10,915	10,915	0.0005%	942
2016		-		10,915	10,915	0.0004%	931
2017		-		10,915	10,915	0.0004%	931
2018		-		10,915	10,915	0.0004%	871
2019		-		10,915	10,915	0.0004%	867
2020		-		-	-	0.0000%	-
2021		-		-	-	0.0000%	-
2022		-		-	-	0.0000%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

⁽¹⁾ Assessed value has been used because the actual value of taxable property is not readily available in the State of California. Percentages less than 0.0000% are not shown.

CITY OF HALF MOON BAY

Direct and Overlapping Debt

June 30, 2022

2021-22 Assessed Value		\$	3,541,390,900	
	Percentage Applicable ⁽¹⁾	Total Debt 6/30/2022	City's Share of Debt 06/30/22	
Overlapping Tax and Assessment Debt:				
San Mateo Community College District	1.338%	\$ 733,897,184	\$ 9,760,833	
Cabrillo Unified School District	46.239%	115,675,000	53,183,895	
Midpeninsula Regional Open Space District	1.018%	84,575,000	847,442	
Granada Sanitary District 1915 Act Bonds	18.015%	490,000	90,341	
Total Overlapping Tax and Assessment Debt		\$ 934,637,184	\$ 63,882,511	
<u>Ratio to Assessed Valuation:</u>				
Total Overlapping Tax and Assessment Debt			1.80%	
Direct and Overlapping General Fund Debt:				
San Mateo County General Fund Obligations	1.338%	\$ 612,605,687	\$ 8,147,656	
San Mateo County Board of Education Certificates of Participation	1.338%	6,490,000	86,317	
Midpeninsula Regional Open Space District General Fund Obligations	1.018%	99,705,600	999,050	
Direct: City of Half Moon Bay Loan Agreement	100%	4,008,798	4,008,798	
Direct: iBank Financing Lease A & B	100%	2,410,020	2,410,020	
Total Direct Debt			\$ 6,418,818	
Total Overlapping Debt			73,115,534	
Combined Total Debt			\$ 79,534,352 ⁽²⁾	

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.80%
Total Direct Debt (\$6,418,818)	0.18%
Combined Total Debt	2.25%

Source: California Municipal Statistics, Inc. (Austin Busch - Austin@calmuni.com)

CITY OF HALF MOON BAY
Legal Debt Margin Information
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation	\$ 2,347,639,088	\$ 2,361,010,857	\$ 2,553,357,622	\$ 2,733,242,180	\$ 2,755,768,400	\$ 2,893,093,932	\$ 3,123,075,037	\$ 3,303,922,465	\$ 3,426,640,450	\$ 3,541,390,900
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	586,909,772	590,252,714	638,339,406	683,310,545	688,942,100	723,273,483	780,768,759	825,980,616	856,660,113	885,347,725
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	88,036,466	88,537,907	95,750,911	102,496,582	103,341,315	108,491,022	117,115,314	123,897,092	128,499,017	132,802,159
Total net debt applicable to limit: General obligation bonds	15,860,000	15,570,000	10,915,000	10,915,000	10,915,000	10,915,000	10,915,000	-	-	-
Legal debt margin	\$ 72,176,466	\$ 72,967,907	\$ 84,835,911	\$ 91,581,582	\$ 92,426,315	\$ 97,576,022	\$ 106,200,314	\$ 123,897,092	\$ 128,499,017	\$ 132,802,159
Total debt applicable to the limit as a percentage of debt limit	18.0%	17.6%	11.4%	10.6%	10.6%	10.1%	9.3%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for the parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 % level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Sources: City Finance Department
San Mateo County Tax Assessor Combined Tax Roll 650-363-4777

CITY OF HALF MOON BAY

Principal Employers

6/30/2022 and Ten Years Prior

Employer	2022		2012	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
New Leaf Community Market	117	4.14%	80	0.74%
Safeway Store	102	3.61%	111	1.02%
Ritz Carlton Hotel	100	3.54%	100	0.92%
Sam's Chowder House	98	3.47%	165	1.52%
Rocket Farms Inc.	72	2.55%		
Hassett Hardware	45	1.59%		
Beach House LLC	45	1.59%		
McMahon Floral	43	1.52%		
Sea Crest School	40	1.42%		
Verdura Construction, LLC	33	1.17%		
San Benito House	32	1.13%		
Nursery Exchange			140	1.29%
CVS Pharmacy			57	0.53%
Woodman Labs			83	0.77%
MV Transportation			68	0.63%
Half Moon Bay Golf Links			79	0.73%
Subtotal Top Ten Employers	727	25.75%	944	8.71%
Total Employment	2,823	100.00%	10,844	100.00%

"Total Employment" as used above represents the total employment of all employers with business licenses located within City limits.

Source for 2021: Employer information from City of Half Moon Bay HdL Business License System.

CITY OF HALF MOON BAY
Full-time and Part-time City Employees By Function
Last Ten Fiscal Years

Function	June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	16	20	23	20	26	31	24	30	27	29
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works/Maintenance	3	4	4	4	3	4	6	6	8	7
Recreation Services	-	-	-	-	-	5	5	2	5	6
Planning	3	1	1	2	2	6	9	7	7	6
Total	22	25	28	26	31	46	44	45	47	48

Note: General government includes five City Council members as well as Administration and Finance staff.

Source: City of Half Moon Bay Finance Department
Payroll

CITY OF HALF MOON BAY

Operating Indicators By Function

Last Ten Fiscal Years

	June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police: ⁽¹⁾										
Arrests - Part 1 crimes	41	50	30	44	38	48	54	71	56	78
Traffic citations	1,175	1,067	436	527	489	921	2,128	2,517	1,664	1,819
Parking citations	1,222	1,152	1,065	1,598	1,212	3,994	3,465	2,444	1,698	872
Parks and Recreation: ⁽²⁾										
Number of recreation classes	60	155	87	88	75	159	105	123	41	112
Number of facility rentals ⁽³⁾	101	24	42	110	88	324	397	389	200	459
Building and Code Enforcement: ⁽⁴⁾										
Number of permits issued (est.)	457	500	487	413	460	413	473	450	352	456
Number of plan checks (est.)	104	100	110	105	220	166	205	237	185	157
Number of inspections (est.)	2,009	2,000	2,355	2,820	2,216	2,520	2,442	2,057	1,839	1,654
Planning: ⁽³⁾										
Planning Commission Meetings	20	22	20	15	12	20	23	20	23	22
Number of permits processed	80	75	70	111	47	43	102	145	89	94

⁽¹⁾ The City started contracting with the San Mateo County Sheriff Office in June 2011. Traffic and parking citation counts for FY 2011-12 are from June 2011 to April 2012.

⁽²⁾ In FY 2011-12, the City contracted out Recreation services to the City of San Carlos. In FY 2014-15, it changed to the Boys & Girls Club. All programs are provided directly to the public by the contractors.

⁽³⁾ In FY 2016-17, the City re-assumed responsibility for the Parks and Recreation program. The facility rentals count for FY 2016-17 is estimated based on rental revenue received.

⁽⁴⁾ Information will continue to be added as made available.

Sources: City of Half Moon Bay Departments

CITY OF HALF MOON BAY
Capital Asset Statistics By Function
Last Ten Fiscal Years

	June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Sheriff Substation/EOC	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	35	35	35	35	29	29	29	28	28	28
Parks	9	9	9	9	9	9	9	9	9	9
Community Centers	1	1	1	1	1	1	1	1	1	1
Sewer lines (miles)	37	37	37	37	37	37	37	38	38	38
Library	-	-	-	-	-	-	1	1	1	1
Facilities/Buildings	6	6	6	6	6	6	6	6	6	6
Bike Trails (miles)	3	6	6	7	7	7	7	7	7	7
Land (acres)	100	100	176	176	176	176	176	176	197	199
Administration:										
Facilities/Buildings	1	1	1	1	1	1	1	1	1	1

Source: City of Half Moon Bay Finance Department

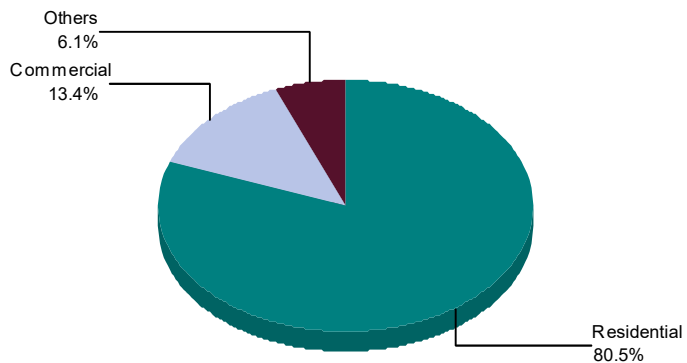
THE CITY OF HALF MOON BAY

2021/22 USE CATEGORY SUMMARY

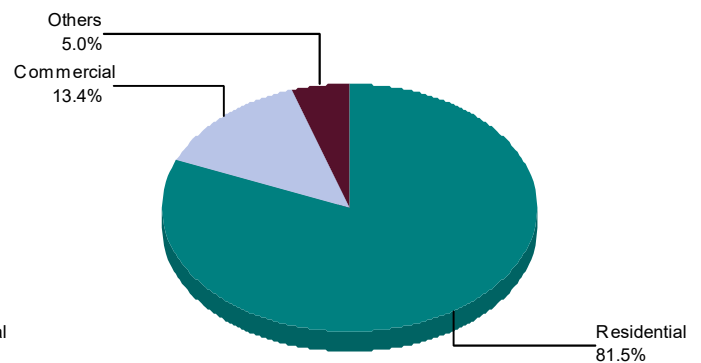
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,830	\$2,940,648,613 (80.5%)	\$2,887,213,237 (81.5%)
Commercial	215	\$489,098,679 (13.4%)	\$476,165,638 (13.4%)
Industrial	15	\$9,740,069 (0.3%)	\$9,740,069 (0.3%)
Agricultural	41	\$31,217,002 (0.9%)	\$15,866,702 (0.4%)
Govt. Owned	98	\$80,826 (0.0%)	\$0 (0.0%)
Institutional	21	\$19,774,225 (0.5%)	\$1,938,117 (0.1%)
Miscellaneous	12	\$13,822,133 (0.4%)	\$13,822,133 (0.4%)
Recreational	24	\$32,224,993 (0.9%)	\$31,885,243 (0.9%)
Vacant	1,914	\$70,780,433 (1.9%)	\$58,863,627 (1.7%)
Unsecured	[244]	\$46,672,335 (1.3%)	\$45,896,134 (1.3%)
TOTALS	6,170	\$3,654,059,308	\$3,541,390,900

ASSESSED VALUE

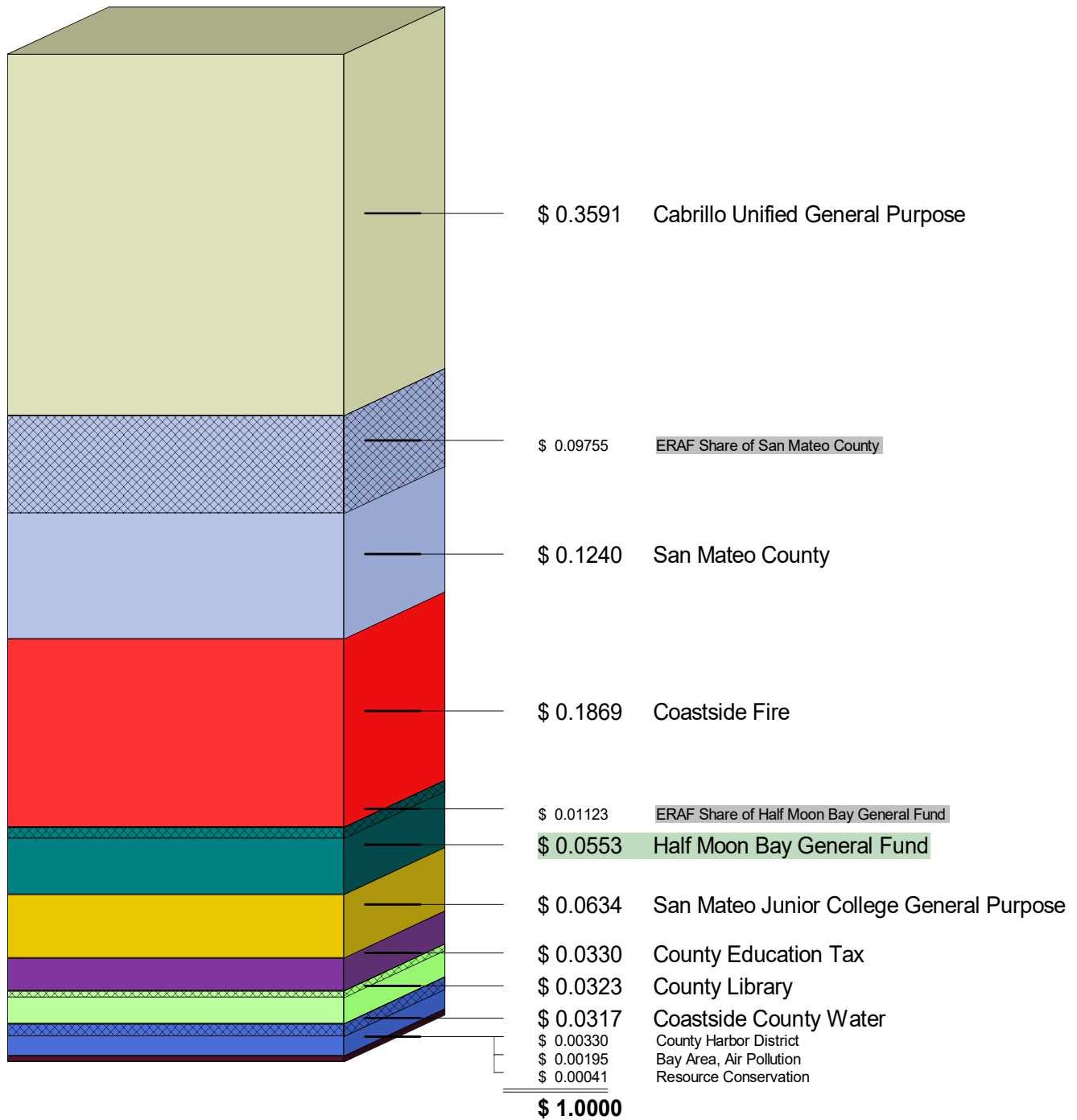


NET TAXABLE VALUE



THE CITY OF HALF MOON BAY

PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 017-005, Excluding Redevelopment Factors & Additional Debt Service

Data Source: San Mateo County Assessor 2021/22 Annual Tax Increment Tables

Prepared On 8/19/2022 By MV

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THE CITY OF HALF MOON BAY

2021/22 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	6,170	0	244
TRAs	8	0	7
Values			
Land	1,714,849,135	0	112,535
Improvements	1,874,486,911	0	3,695,582
Personal Property	15,940,407	0	32,766,832
Fixtures	2,110,520	0	10,097,386
Aircraft	0	0	0
Total Value	\$3,607,386,973	\$0	\$46,672,335
Exemptions			
Real Estate	111,174,492	0	310,302
Personal Property	694,655	0	312,960
Fixtures	23,060	0	152,939
Aircraft	0	0	0
Homeowners*	15,794,800	0	7,000
Total Exemptions*	\$111,892,207	\$0	\$776,201
Total Net Value	\$3,495,494,766	\$0	\$45,896,134

Combined Values	Total
Total Values	\$3,654,059,308
Total Exemptions	\$112,668,408
Net Total Values	\$3,541,390,900
Net Aircraft Values	\$0

* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

Data Source: San Mateo County Assessor 2021/22 Combined Tax Rolls

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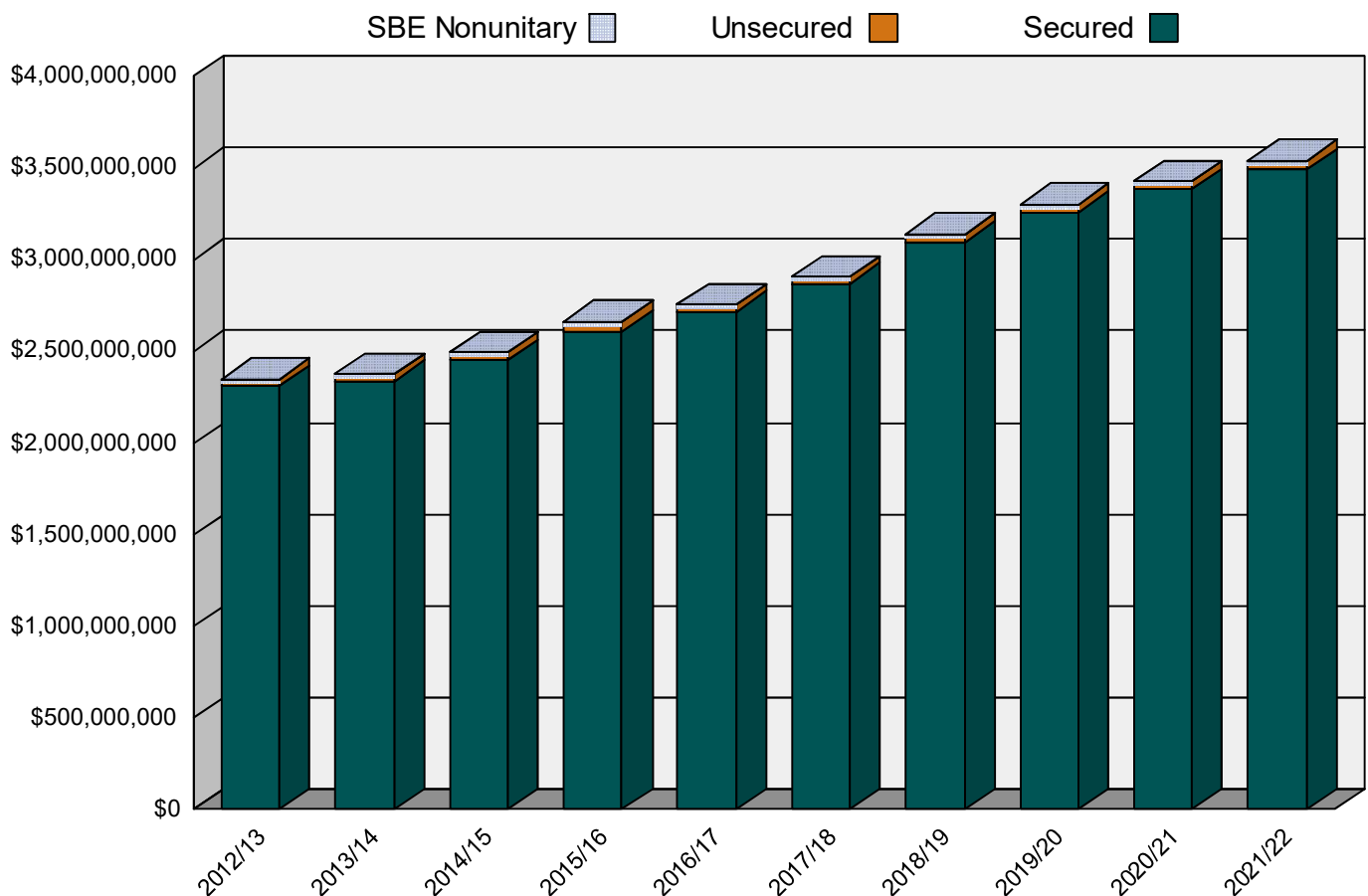
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THE CITY OF HALF MOON BAY

NET TAXABLE ASSESSED VALUE HISTORY

2012/13 - 2021/22 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2012/13	\$2,310,590,314	\$37,048,774	\$0	2,347,639,088	
2013/14	\$2,336,930,963	\$40,818,124	\$0	2,377,749,087	1.28%
2014/15	\$2,454,848,902	\$42,658,908	\$0	2,497,507,810	5.04%
2015/16	\$2,609,284,214	\$53,103,728	\$0	2,662,387,942	6.60%
2016/17	\$2,716,280,909	\$39,462,822	\$0	2,755,743,731	3.51%
2017/18	\$2,868,900,977	\$40,418,385	\$0	2,909,319,362	5.57%
2018/19	\$3,095,123,190	\$44,156,277	\$0	3,139,279,467	7.90%
2019/20	\$3,261,227,148	\$40,695,317	\$0	3,301,922,465	5.18%
2020/21	\$3,386,815,056	\$39,825,394	\$0	3,426,640,450	3.78%
2021/22	\$3,495,494,766	\$45,896,134	\$0	3,541,390,900	3.35%
				Average % Change	5.06%



* Net AV changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Data Source: San Mateo County Assessor 0/ - 2021/22 Combined Tax Rolls

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Prepared On 8/19/2022 By M.A. 182

THE CITY OF HALF MOON BAY

ASSESSED VALUE OF TAXABLE PROPERTY

2012/13 - 2021/22 Taxable Property Values

Category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Residential	1,847,817,296	1,871,838,949	1,986,554,631	2,128,750,156	2,238,878,627	2,365,335,848	2,496,961,916	2,652,141,529	2,769,600,677	2,887,213,237
Commercial	333,127,837	344,198,890	346,707,418	356,041,843	363,813,823	372,002,147	457,418,903	467,790,599	476,253,451	476,165,638
Industrial	6,016,889	6,133,649	6,172,772	6,292,015	6,801,114	7,185,938	8,419,613	9,374,259	9,561,139	9,740,069
Agricultural							17,322,251	16,208,520	15,605,023	15,866,702
Dry Farm	11,427,110	3,720,127	3,496,499	3,786,377	4,241,537	4,368,514				
Govt. Owned							0	0	0	0
Institutional	265,484	293,694	272,021	277,456	281,685	309,882	315,819	298,922	1,689,318	1,938,117
Irrigated	4,368,007	3,423,600	4,862,761	5,333,856	4,324,786	4,411,271				
Miscellaneous	20,894,204	12,075,286	22,681,808	23,460,537	14,211,644	17,677,501	16,786,985	15,398,633	16,274,069	13,822,133
Recreational	38,043,156	38,699,751	38,874,879	39,568,823	40,290,547	41,062,725	42,118,338	43,356,325	35,379,201	31,885,243
Vacant	48,630,331	50,679,666	45,226,113	45,773,151	43,437,146	56,557,151	55,779,365	56,658,361	62,452,178	58,863,627
Unsecured	37,048,774	40,818,124	42,658,908	53,103,728	39,462,822	40,418,385	44,156,277	40,695,317	39,825,394	45,896,134
Unknown		5,867,351							0	
TOTALS	2,347,639,088	2,377,749,087	2,497,507,810	2,662,387,942	2,755,743,731	2,909,319,362	3,139,279,467	3,301,922,465	3,426,640,450	3,541,390,900
Local Direct Rate	0.05453	0.05452	0.05818	0.05818	0.05819	0.05819	0.05821	0.05821	0.05821	0.05819

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Notes: Empty values are not included in Total.

1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the market value of taxable property and is subject to the limitations described above.

Source: San Mateo County Assessor 2012/13 - 2021/22 Combined Tax Rolls

Report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 8/19/2022 By MV

THE CITY OF HALF MOON BAY

2021/22 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	
1) SHC HALF MOON BAY LLC	2	\$213,221,569	6.10%	1	\$6,000	0.01%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS LP	18	\$30,702,183	0.88%				Recreational Half Moon Bay General Fund
3) HMB MUSICH LLC	3	\$30,484,175	0.87%				Commercial Half Moon Bay General Fund
4) KEET NERHAN	29	\$20,807,038	0.60%	1	\$18,246	0.04%	Commercial Half Moon Bay General Fund
5) PROFESSIONAL PENINSULA PROPERTIES LLC	8	\$12,511,578	0.36%				Commercial Half Moon Bay General Fund
6) ROCKET FARMS INC				1	\$12,277,099	26.75%	Unsecured Half Moon Bay General Fund
7) HALF MOON BAY LODGE LLC	1	\$10,953,942	0.31%				Commercial Half Moon Bay General Fund
8) LONGS DRUG STORE INC	1	\$9,110,699	0.26%				Commercial Half Moon Bay General Fund
9) CASTRO PARTNERS LLC	3	\$8,133,110	0.23%				Commercial Half Moon Bay General Fund
10) ABOLMOLUKI BAHARAM TRUST	1	\$7,021,549	0.20%				Commercial Half Moon Bay General Fund
Top Ten Total	66	\$342,945,843	9.81%	3	\$12,301,345	26.80%	
City Total		\$3,495,494,766			\$45,896,134		

Top Owners last edited on 8/19/22 by MaheaV using sales through 06/30/22 (Version r.1)

Data Source: San Mateo County Assessor 2021/22 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 8/19/2022 By MV

THE CITY OF HALF MOON BAY

2012/13 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	
1) SHC HALF MOON BAY LLC	2	\$137,258,214	5.94%	1	\$4,000	0.01%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS L P	41	\$42,989,036	1.86%				Recreational Half Moon Bay General Fund
3) NERHAN KEET	34	\$22,781,631	0.99%	2	\$71,835	0.19%	Commercial Half Moon Bay General Fund
4) REGENCY CENTERS LP	3	\$14,251,244	0.62%				Commercial Half Moon Bay General Fund
5) FRANCESCO CARRUBBA	4	\$11,545,378	0.50%				Commercial Half Moon Bay General Fund
6) IWF HALF MOON BAY LLC	1	\$9,397,374	0.41%				Commercial Half Moon Bay General Fund
7) COMCAST OF CALIFORNIA COMPANY WA				1	\$9,173,185	24.76%	Unsecured Half Moon Bay General Fund
8) 2651 NORTH CABRILLO HWY LLC	6	\$9,056,617	0.39%				Dry Farm Half Moon Bay General Fund
9) LONGS DRUG STORE INC	1	\$8,143,014	0.35%				Commercial Half Moon Bay General Fund
10) PENINSULA OPEN SPACE TRUST	101	\$5,678,690	0.25%				Half Moon Bay General Fund
Top Ten Total	193	\$261,101,198	11.30%	4	\$9,249,020	24.96%	
City Total		\$2,310,590,314			\$37,048,774		

THE CITY OF HALF MOON BAY

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cabrillo Unified Bond	0.07220	0.07190	0.07040	0.07260	0.08320	0.07510	0.07110	0.11510	0.08950	0.07670
Mid-Penninsula Regional Open Space	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00160	0.00150	0.00150
San Mateo Community College 2005 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00350	0.00370	0.00000
San Mateo Junior College	0.01940	0.01940	0.01900	0.02500	0.02470	0.02350	0.01750	0.02310	0.01760	0.00000
San Mateo Junior Comm College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02270
Total Direct & Overlapping² Tax Rates	1.09160	1.09130	1.08940	1.09760	1.10790	1.09860	1.08860	1.14330	1.11230	1.10090
 City's Share of 1% Levy Per Prop 13³	0.05465	0.05463	0.05525	0.05525	0.05525	0.05525	0.05526	0.05526	0.05526	0.05525
Voter Approved City Debt Rate										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.05453	0.05452	0.05818	0.05818	0.05819	0.05819	0.05821	0.05821	0.05821	0.05819

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Data Source: San Mateo County Assessor 2012/13 - 2021/22 Tax Rate Table

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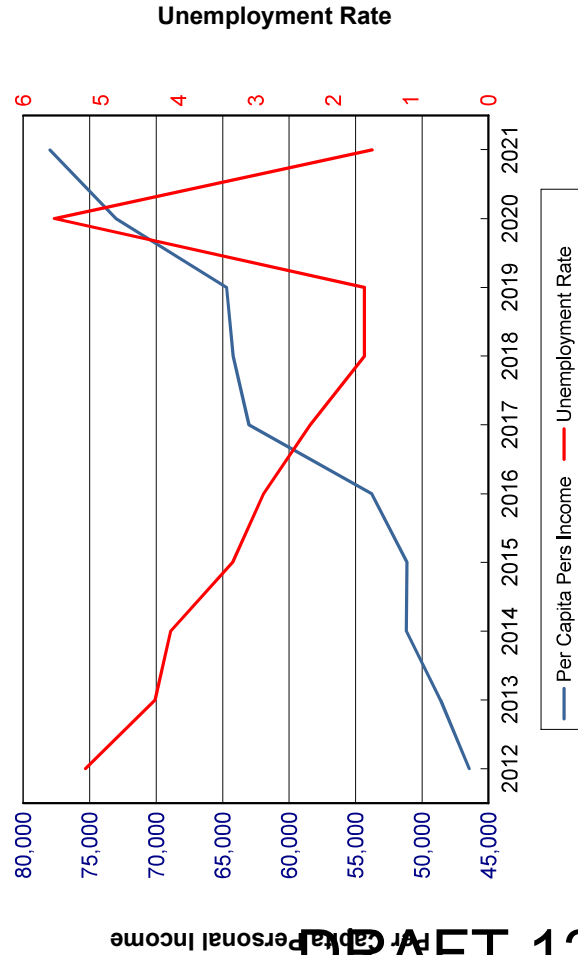
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THE CITY OF HALF MOON BAY

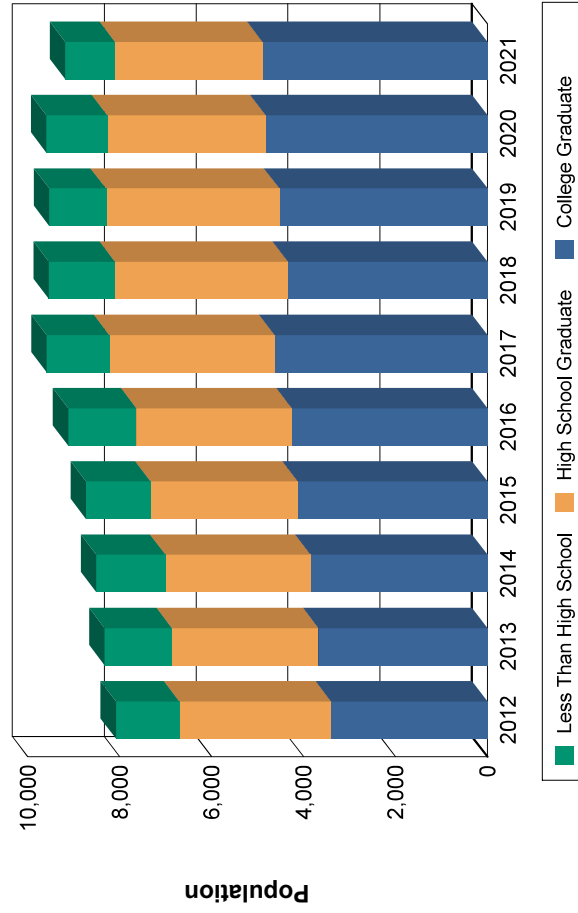
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2012	11,581	\$537,926	\$46,449	5.2%	42.9	83.0%	42.2%
2013	11,721	\$569,699	\$48,605	4.3%	43.2	82.5%	44.2%
2014	11,727	\$600,059	\$51,169	4.1%	44.8	82.4%	45.3%
2015	12,528	\$640,547	\$51,129	3.3%	44.7	84.0%	47.3%
2016	12,591	\$677,251	\$53,788	2.9%	45.8	83.8%	46.7%
2017	12,639	\$796,455	\$63,015	2.3%	47.1	85.8%	48.3%
2018	12,631	\$810,881	\$64,197	1.6%	47.3	84.9%	45.5%
2019	12,431	\$804,495	\$64,716	1.6%	45.3	87.1%	47.5%
2020	12,309	\$898,800	\$73,019	5.6%	46.8	86.2%	50.3%
2021	11,308	\$881,941	\$77,992	1.5%	47.8	88.3%	53.3%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries
 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

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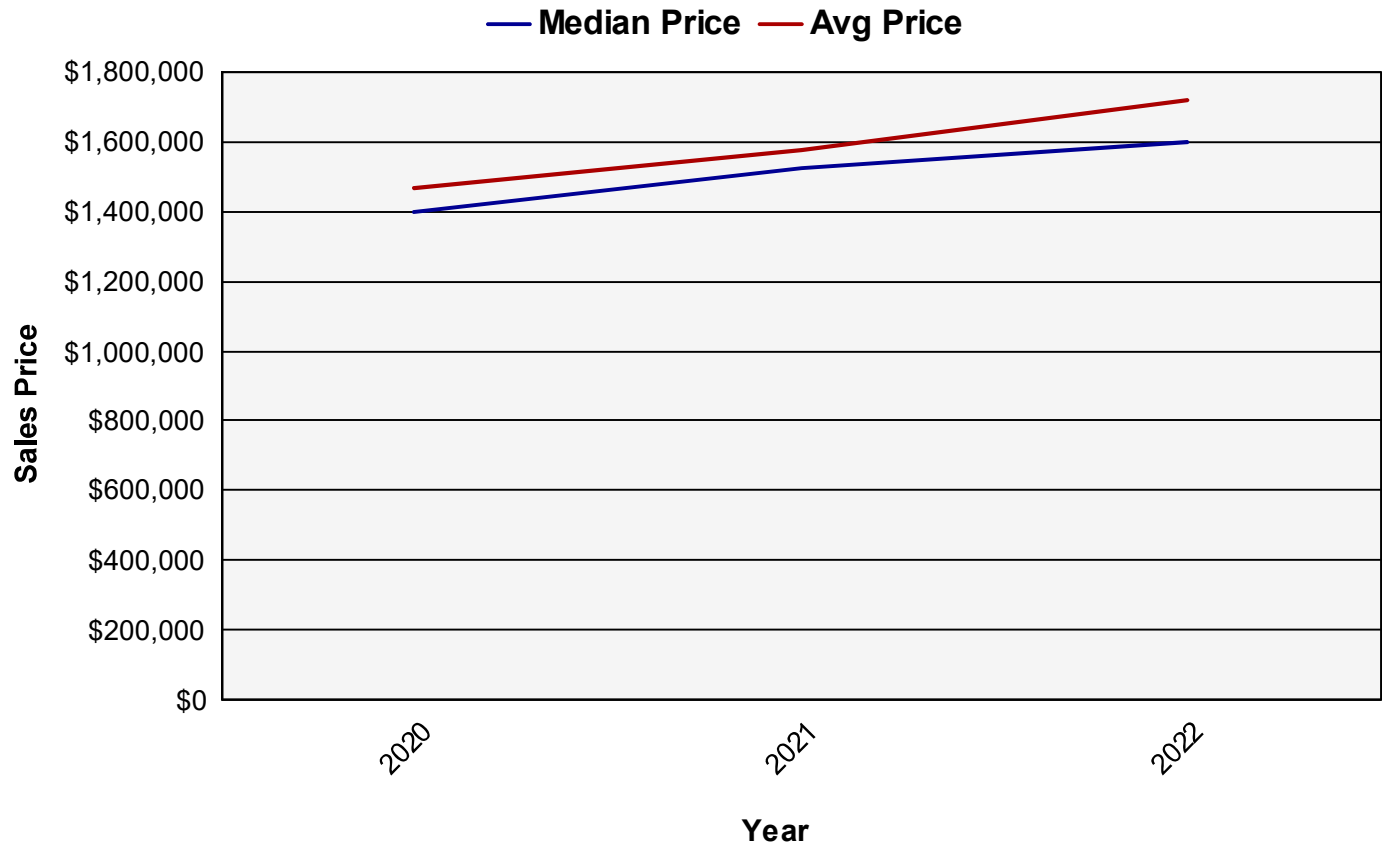
Prepared On 8/19/2022 By MV

THE CITY OF HALF MOON BAY

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2020 - 7/31/2022)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2020	166	\$1,466,910	\$1,400,000	
2021	146	\$1,576,154	\$1,526,000	9.00%
2022	71	\$1,721,930	\$1,600,000	4.85%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: San Mateo County Recorder

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Prepared On 8/19/2022 By MV

DRAFT 12/15/2021

**INDEPENDENT AUDITOR REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City of Council
City of Half Moon Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Example, California, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 28, 2022. Our report included an paragraph disclosing the implementation of new accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 28, 2022 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California

November 28, 2022

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **RE-RATIFICATION OF RESOLUTION TO CONTINUE HOLDING PUBLIC MEETINGS REMOTELY (AB 361)**

RECOMMENDATION:

By motion, in accordance with Assembly Bill 361, re-ratify the findings in Resolution No. 2021-80 to continue conducting the City's Council, Commission, and Committee meetings remotely due to health and safety concerns to the public due to COVID-19.

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 March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for a broader spread of COVID-19.

Thereafter, on March 17, 2020, the City Council adopted Resolution 2020-16 declaring a local emergency due to COVID-19. The same day, Governor Newsom issued Executive Order N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow local legislative bodies to conduct meetings telephonically or by other means. Additionally, the State implemented a shelter-in-place order, requiring all non-essential personnel to work from home.

Staff quickly worked to set up remote meetings via Zoom for all City Council and Planning Commission meetings. The Zoom meetings have allowed the Council, Commissions, and Committees to continue to conduct City business from the safety of members' homes. The City has been utilizing Zoom for the past 18 months to conduct nearly all public meetings. The usage of Zoom for public meetings has allowed the City to ensure the public's continued access to government meetings while also ensuring the public's safety.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which extended the ability of agencies to hold remote meetings through September 30, 2021, after which agencies anticipated transitioning back to public meetings held in full compliance with the Brown Act. In preparation for the return to in-person meetings, staff has been working on acquiring audio and visual upgrades for City facilities to conduct hybrid meetings. Although hybrid meetings would help to keep the public safe by allowing them to continue accessing the meetings from their own home, Councilmembers, Commissioners, Committee members, and staff would need to meet in person.

Since the Governor issued Executive Order N-08-21, the Delta variant has emerged, causing a spike in cases throughout the state. As a result, the San Mateo County Health Department issued a Health Order requiring masks indoors in public places, regardless of vaccination status, starting August 3, 2021.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the previous Executive Orders.

AB 361 authorizes local agencies to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act during a declared state of emergency, when state or local health officials have imposed or recommended measures to promote social distancing during the proclaimed state of emergency, or when there is an imminent risk to the health or safety of attendees.

On October 5, 2021, the City Council adopted Resolution No. 2021-80 under the requirements of AB 361 to continue conducting meetings remotely. AB 361 requires the City Council to make the findings every 30 days, necessitating the need for this item.

On December 15, 2021, a statewide mask mandate went into effect due to a rise in cases across the state.

On January 10, 2022, in response to the surge of COVID-19 cases, Omicron variant, City Hall closed to the public moving services to remote services.

On March 1, 2022, the statewide requirement that unvaccinated individuals mask in indoor public settings moved to a strong recommendation that all persons, regardless of vaccine status, continue indoor masking. The San Mateo Chief Health Officer has likewise recommended the CDC's masking guidance.

It has been announced by the Governor's Office that the State of Emergency will expire on February 28, 2023. Therefore, the City Council will be required to return to in-person meetings starting on March 1, 2023.

DISCUSSION:

AB 361 will allow local legislative bodies to continue to meet remotely after the September 30, 2021 expiration of the Governor's executive orders. A local agency will be allowed to continue to meet remotely when:

- The local agency holds a meeting during a declared state of emergency
- State or local health officials have imposed or recommended measures to promote social distancing
- Legislative bodies declare the need to meet remotely due to present imminent risks to the health or safety of attendees

The City meets the requirements to continue holding meetings remotely to ensure the health and safety of the public due to the following:

- The City is still under a local state of emergency
- County health orders require that all individuals in public spaces maintain social distancing and wear masks
- The City can't maintain social distancing requirements for the public, staff, Councilmembers, Commissioners, and Committee Members in their meeting spaces

The City cannot ensure social distancing requirements are met inside City facilities where the City Council, Planning Commission, Parks and Recreation Commission, Redistricting Advisory Committee, Bicycle and Pedestrian Advisory Committee, and Main Street Bridge Advisory Committee meet.

Councilmembers, Commissioners, Committee Members, and staff sit well within six feet of each other. Moreover, the County's indoor mask order is still in effect, making it difficult to hear what Councilmembers, Commissioners, Committee Members, staff, and public speakers are saying. Furthermore, while speaking through masks may be understandable in person, picking up speech on microphones for those attending remotely and those watching any livestreams would be difficult.

Per AB 361, the City Council would need to declare every 30 days that the City's legislative bodies must continue to meet remotely to ensure the health and safety of the public. Staff recommends that the City Council declare these findings are true so these bodies can continue to meet remotely. Staff will return with this resolution for re-ratification at the Council's 1st Tuesday meeting each month, at which time the Council can reassess as various health orders and COVID-19 parameters change.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **2023 CALENDAR OF CITY COUNCIL MEETINGS**

RECOMMENDATION:

By motion, adopt the City Council Calendar for 2023.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

STRATEGIC ELEMENT:

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

DISCUSSION:

The following parameters should be considered when determining meeting dates:

- Hold at least one meeting every month (i.e. do not cancel two meetings in a row)
- Continue to hold two meetings in June due to the budget adoption process
- Continue to hold two meetings in December due to the customarily high volume of agenda items in December, including the Council reorganization

Staff suggests holding the meetings on the first and third Tuesdays of each month with the following exceptions:

Meeting Date	Consideration
January 3, 2023	City Holiday Closure affects packet production.
July 4, 2023	This is a City holiday, and the first meeting of July has been cancelled each of the past 11 years.
August 1, 2023	Traditional time many city and civic groups go “dark” and a frequent time for family travel; however, this schedule allows for one meeting to be held in August. Additionally, National Night Out is held the first Tuesday of August, an event which the City participates in and supports.

In addition, please note that Special City Council meetings may be called, and often are during budget preparation.

ATTACHMENT: 2023 Calendar of City Council Meetings



CITY OF HALF MOON BAY

2023 CALENDAR OF CITY COUNCIL MEETINGS

January 2023		July 2023	
January 3, 2023	<i>Cancelled</i>	July 4, 2023	<i>Cancelled</i>
January 17, 2023	Regular Meeting	July 18, 2023	Regular Meeting
February 2023		August 2023	
February 7, 2023	Regular Meeting	August 1, 2023	<i>Cancelled</i>
February 21, 2023	Regular Meeting	August 15, 2023	Regular Meeting
March 2023		September 2023	
March 7, 2023	Regular Meeting	September 5, 2023	Regular Meeting
March 21, 2023	Regular Meeting	September 19, 2023	Regular Meeting
April 2023		October 2023	
April 4, 2023	Regular Meeting	October 3, 2023	Regular Meeting
April 18, 2023	Regular Meeting	October 17, 2023	Regular Meeting
May 2023		November 2023	
May 2, 2023	Regular Meeting	November 7, 2023	Regular Meeting
May 16, 2023	Regular Meeting	November 21, 2023	Regular Meeting
June 2023		December 2023	
June 6, 2023	Regular Meeting	December 5, 2023	Regular Meeting
June 20, 2023	Regular Meeting	December 19, 2023	Regular Meeting

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Administrative Services Director
Kenneth Stiles, Finance Manager

**TITLE: AB1600 REPORT ON DEVELOPMENT IMPACT FEES FOR FISCAL YEAR ENDED
JUNE 30, 2022**

RECOMMENDATION:

Accept the AB 1600 Report on Development Impact Fees for fiscal year ended June 30, 2022.

FISCAL IMPACT:

There is no fiscal impact associated with this item. All development impact fees collected to date were committed or expended within five years as of June 30, 2022 and are not subject to refund.

STRATEGIC ELEMENT:

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

BACKGROUND:

Every year the City prepares an annual report for each fund established to account for public facilities fees, in accordance with the provisions of the State of California and Government Code Section 66006, which requires the City to make available to the public certain information regarding development impact fees for each fund within 180 days after the end of each fiscal year. The report must include the beginning and ending balances by public facility type for the fiscal year and the amount of fees, interest, other income, and expenditures for each fund.

Cities and counties often charge fees on new development to mitigate their impacts on public facilities. For example, traffic mitigation fees are used to mitigate traffic impacts by improving streets, bike lanes, and sidewalks. These fees are commonly known as development impact fees. Assembly Bill (AB) 1600, enacted in 1987, applies to development fees established, increased, or imposed on or after January 1, 1989. AB 1600 enacts Government Code Sections 66000-66003 that generally contain four requirements:

1. A local jurisdiction must follow the process set forth in the bill and make certain determinations regarding the purpose and use of the fees and to establish a “nexus” or

connection between a development project or class of projects and the public improvement being financed with the fee.

2. The fee revenue must be segregated from the general fund in order to avoid commingling of public improvement fees and the general fund.
3. If a local jurisdiction has had possession of a development fee for five years or more and has not committed that money to a project or actually spent that money, then it must make findings describing the continuing need for that money each fiscal year after the five years has expired.
4. If a local jurisdiction cannot make the findings required under paragraph 3, then the City must go through a refund procedure.

DISCUSSION:

The storm drainage fees, traffic mitigation fees, park facility fees, sewer connection fees, and capital outlay fees that the City of Half Moon Bay collects qualify as development impact fees, and therefore, must comply with the above referenced Government Code Sections. As required by law, these fees are segregated and accounted for in funds separate from the General Fund. The sections below provide detailed project discussion, analysis, and financial data tables by fund.

Traffic Mitigation Fees (Accounted for in Fund 112 - Traffic Mitigation Fund)

Traffic mitigation fees are used to construct improvements to mitigate the City's traffic and transportation impacts resulting from new developments occurring in Half Moon Bay. These funds are used by the City to reduce traffic congestion and to provide for traffic safety and street improvements such as signals, lighting, and signage within the city.

	2017-18	2018-19	2019-20	2020-21	2021-22
FUND 112 Beginning Fund Balance	850,093	1,655,380	4,073,334	4,211,723	4,225,385
Revenue					
Citywide Impact Fees	854,344	2,411,632	118,386	40,644	86,784
Interest & Unrealized Gains	15,197	49,125	131,541	(11,262)	(94,814)
Transfers In from Other Funds					
Total Revenues	869,541	2,460,757	249,927	29,381	(8,030)
Expense					
Other Expenditures	31,481	31,475	32,055	15,720	46,944
Projects					
Hwy 1/Kelly Avenue Intersection Improvements (0571)	32,773	11,328	79,483	-	-
Transfers Out to Other Funds	-	-			
Total Expenditures	64,254	42,803	111,538	15,720	46,944
FUND 112 Ending Fund Balance	1,655,380	4,073,334	4,211,723	4,225,385	4,170,410

Analysis:

The funds generated by the traffic mitigation fees have averaged \$702K annually over the last five years. These fees are highly variable from year to year ranging from a low 40K to a high 2.4M. They will be used in connection with the Five-Year Capital Improvement (CIP) Plan. In FY 2021-

22, the funds were only used for the annual gas tax assessment. These funds remain available for future applicable expenditures.

Storm Drain Fees (Accounted for in Fund 152 – Storm Drain Improvements)

Storm Drain Improvement fees are assessed against new or remodeled construction projects and are used for drainage improvements.

	2017-18	2018-19	2019-20	2020-21	2021-22
FUND 152 Beginning Fund Balance	836,220	1,292,064	1,534,533	953,705	1,064,233
Revenue					
Citywide Impact Fees	6,643	5,134	11,175	4,245	8,077
Grants					
Interest & Unrealized Gains	5,472	33,098	35,124	(3,599)	(23,209)
Transfers In from Other Funds	535,000	292,495	150,000	155,000	20,000
Total Revenues	547,115	330,727	196,299	155,646	4,869
Expense					
Other Expenditures	20,617	76,736	37,980	41,203	40,300
Projects					
Storm Drain Master Plan - Phase 2 (0563)	42,495	9,230			3,827
Seymour Ditch Erosion Project (0592)	25,000		3,527		
Kehoe Water Course Enhancement (534)			5,622		
Kelly / Hwy 1 Drainage (9003)			577,587		
Kehoe/Pilarcitos Outfall Repair (1005)				3,614	36,471
Transfers Out to Other Funds	3,161	2,292	152,412	301	3,382
Total Expenditures	91,273	88,258	777,127	45,117	83,980
FUND 152 Ending Fund Balance	1,292,064	1,534,533	953,705	1,064,233	985,121

Analysis:

The funds generated from the storm drain fees have averaged \$7K annually over the last five years. They are used to fund various capital improvement projects for drainage improvements as outlined in the Five-Year Capital Improvement Plan. Impact fees were utilized to implement annual stormwater management and rehabilitate the existing stormwater outfall at the end of Pilarcitos Avenue just south of Kehoe Avenue (Capital Improvement Plan # 1005).

Park Fees (Accounted for in Fund 125 - Park Development Fund)

The City uses new development fees to fund the acquisition, development, and capital improvement of the City's parks, recreation areas, and bicycle trails. Every subdivider is required to dedicate a portion of land, or pay a fee in lieu, for the purpose of providing park and/or recreational space/facilities.

	2017-18	2018-19	2019-20	2020-21	2021-22
FUND 125 Beginning Fund Balance	1,014,840	1,514,105	2,775,042	2,481,290	2,711,012
Revenue					
Citywide Impact Fees	122,282	289,261	186,441	263,654	101,330
Grants			5,000	8,415	98,234
Miscellaneous	5,000	5,000	-		
Interest & Unrealized Gains	12,886	48,949	100,978	(13,934)	(65,655)
Reimbursement - Non Govt		479,055			
Transfers In from Other Funds	541,324	804,000	1,433,078	222,000	1,385,000
Total Revenues	681,493	1,626,265	1,725,497	480,135	1,518,910
Expense					
Other Expenditures	18,181	24,767	26,830	17,019	
Projects					
Seymour Bridge Replacement (0542)	3,032				
Carter Park Access Study (0551)	1,286				
Pilarcitos Trail Bridge Replacement (0561)	5,802	2,157			
Coastal Trail Erosion (0574)	1,988				
Bike and Ped Trail Master Plan (0580)	75,911	38,317	10,392		
Parks Master Plan (0583)	66,764	74,295			
Rehab of Poplar Pedbike Path (0596)	8,647	138,837	23,217		
Vertical Access at Poplar Beach (0597)		4,943	152,000	1,230	
Parks Master Plan Implementation Program (0609)		456	1,691	43,072	243,038
Ocean View Park - Restrooms and Site Improvements (0610)		29,778	619,745	1,703	
Carter Park Improvements (0611)		31,597	382,687	73,684	116,874
Poplar Beach Gateways Plan (0617)		882	41,508	39,338	138,168
Coastal Bluff Preservation (0618)		18,782	14,865		
Bike and Ped Master Plan (0615)			2,405		
Bikeway Connectivity Project - North (619)			80,716	21,766	107,624
Stair Repair At Cañada Verde Creek (9007)			32,400		
Poplar Street Parallel Path (1003)				36,177	215,551
Equestrian Beach Access (1004)				16,424	
Magnolia/Seymour Park (1007)					13,135
Transfers Out (790)	617	517	630,794		200,000
Total Expenditures	182,228	365,328	2,019,249	250,413	1,034,390
FUND 125 Ending Fund Balance	1,514,105	2,775,042	2,481,290	2,711,012	3,195,532

Analysis:

The park in-lieu funds generated by development impact fees have averaged \$192.5K annually over the last five years. These funds are used for parks, trails and recreational improvements, as outlined in the Five-Year Capital Improvement Plan. These funds were expended for various capital projects such as Carter Park, Parks Master Plan, Poplar Beach Gateways and Poplar Street Parallel Path.

Sewer Connection Fees (Accounted for in Fund 202 - Sewer Capital Fund)

The sewer connection fees are used to fund the future sewer system capital improvements of the City's sanitary sewer capacity network that include testing, evaluation, maintenance, and repairs.

	2017-18	2018-19	2019-20	2020-21	2021-22
FUND 202 Beginning Cash Balance	13,534,684	14,298,032	14,044,656	11,865,820	9,109,806
Revenue					
Citywide Impact Fees	116,068	39,223	114,957	45,324	159,888
Grants					
Other Revenue		3,915			
Interest	181,730	324,993	364,576	(46,311)	63,072
Sewer Usage Fees	1,700,000	51,259	35,759	-	
Total Revenues	<u>1,997,798</u>	<u>419,390</u>	<u>515,293</u>	<u>(987)</u>	<u>222,960</u>
Expense					
Other Expenses	(686)	(130)	3,590	3,769	
Projects					
Routine Sewer Maintenance (0506)	36,521	22,484	368,132	27,334	
Ocean Colony Pump Station (0507)	78,661	149,550	51,493	11,136	143,630
Sewer Service Rate Study (0515)	35,138	440	1,394		
Seymour Ditch Erosion Assessment (0592)	595,317	14,039			
Sewer System Modeling/Mapping (0557)		169,997	139,050	16,475	
Sewer Master Plan and Management (0557 / 9024)	168,135			17,342	26,489
Ocean Colony Pump Station (9025)			4,430	1,056,973	1,307,707
Manhole Rehabilitation Program (9026)			40,445	85,953	7,345
Inflow and Infiltration Program (9028)			62,799	90,652	66,475
Transfers Out to Other Funds	321,365	316,386	2,022,796	1,445,394	1,839,948
Total Expenditures	<u>1,234,451</u>	<u>672,766</u>	<u>2,694,129</u>	<u>2,755,027</u>	<u>3,391,594</u>
FUND 202 Ending Cash Balance ¹	<u>14,298,032</u>	<u>14,044,656</u>	<u>11,865,819</u>	<u>9,109,806</u>	<u>5,941,171</u>

⁽¹⁾ Beginning in FY 2020-21, the ending cash balance represents the cash balances without unrealized gains and losses, as these amounts are not readily accessible

Analysis:

The development impact revenues received from the sewer connection fees have averaged \$95K annually over the last five years. These funds are used in connection with the Five-Year Capital Improvement (CIP) Plan. These funds were primarily used for the Ocean Colony Pump Station project.

Capital Outlay Fees (Accounted for in Fund 301 - Vehicle Fund)

Capital outlay fees provide funds to meet an increased need for capital items (such as buildings, land, vehicles and equipment) to serve the increasing population of the city.

	2017-18	2018-19	2019-20	2020-21	2021-22
FUND 301 Beginning Net Position	696,505	666,749	467,190	338,770	262,082
Revenue					
Capital Impact/Development Fees	16,503	5,410	17,091	8,483	12,075
Interest	6,000	9,744	6,993	(706)	(4,512)
Sale of Property					
Transfers In from Other Funds	11,015	-	-	-	204,568
Total Revenues	33,518	15,154	24,084	7,777	212,131
Expense					
Other Expenditures	36,038	31,256	125,937	31,921	25,273
Capitalize Equipment Operating					
Vehicle Replacement		122,635		29,186	17,526
Depreciation	27,236	60,822	26,567	23,357	27,288
Transfers Out to Other Funds					
Total Expenditures	63,274	214,713	152,504	84,465	70,087
FUND 301 Ending Net Position	666,749	467,190	338,770	262,082	404,126

Analysis:

Over the last five years, the capital outlay development impact fees have generated revenues averaging \$12K annually. Historically these funds have been used towards the purchase of vehicles to support the City's maintenance department staff.

NOTICING REQUIREMENTS:

Government Code Section 66006(b)(2) requires the report to be included on the City Council meeting agenda at a public meeting not less than 15 days after the information was made available. Staff posted a Notice at the established City posting location at City Hall on December 5, 2022, indicating that the draft report was available at the City Hall Annex. In addition, the Government Code requires that the notice of the meeting, at least 15 days prior to the meeting, to any interested party who files a written request with the City for mailed notice of the meeting. No such requests have been made to the City.

SUMMARY:

Annual tracking of the fund activities and preparation of the compliance report are required per the California Government Code. Failure to report on activity and account balances per the applicable regulations could warrant challenges to the collection of the related fees in the future or repayment of previously collected fees. By bringing this report forward today, staff fulfills the legal obligations and compliance requirements, and provides the community with information on the status and use of fees collected under the Mitigation Fee Act (Government Code Sections 66000 et seq.), commonly called Impact Fees. Final numbers may vary slightly pending the completion of the Annual Comprehensive Financial Report.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

From: Lisa Lopez, Administrative Services Director

TITLE: **WARRANTS FOR THE MONTH OF NOVEMBER 2022**

RECOMMENDATION:

Accept the warrants list for the month of November 2022.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Element.

DISCUSSION:

During this month, we processed 6 check runs. The first was on November 3, totaling \$581,301.18. The second was on November 4, totaling \$31,444.92. The third was on November 9, totaling \$71,254.86. The fourth was on November 17, totaling \$545,009.18. The fifth was on November 22, totaling \$567,940.26. The sixth was on November 30, totaling \$193,204.83. The total for the month was \$1,990,155.23.

The City processed payments related to 14 capital improvement projects, in a total amount of \$1,073,577.97. These projects include: Infiltration & Inflow Reduction, Street Resurfacing, HWY1 Safety/Congestion, Citywide Sidewalk Assessment, Drainage Master Plan, Poplar Complete Street Project, Carter Park Improvement, Climate Action and Adaption, Kehoe/Pilarcitos Outfall Repair, Roosevelt Ditch Repairs, Main Street Safety Improvement, Frenchman's Creek Park Improvements, Coastal Trail Overall, Corp Yard Improvements.

Staff is also including a list of all payments above \$30,000 processed during this reporting period, as listed in the table below.

ATTACHMENTS:

Check Disbursement List by Check Date

Over \$30,000					
Check#	Vendor Number	Payee	Check Date	Check Amount	Description
51971	3923	WELLS FARGO	11/4/2022	31,444.92	VISA PAYMENT
51833	3673	EL CENTRO DE LIBERTAD	11/3/2022	34,720.58	SEP'22, CARES PROGRAM
51837	2564	HALF MOON BAY GRADING & PAVING INC.	11/3/2022	443,674.12	SEP'22, CORP YARD MANHOLES
51864	3085	SHUTE MIHALY & WEINBERGER LLP	11/9/2022	57,385.55	LEGAL SERVICES
51898	159	SEWER AUTHORITY MID-COASTSIDE	11/17/2022	427,146.00	NOV'22, FY22/23 SEWER COLLECTIONS
51918	2564	HALF MOON BAY GRADING & PAVING INC.	11/22/2022	463,296.97	CORP YARD IMPROVEMENTS PROJECT
51938	4211	ABUNDANT GRACE COASTSIDE WORKER	11/30/2022	38,146.48	09/01/22-10/31/22 COASTAL CLEAN UP
51946	3673	EL CENTRO DE LIBERTAD	11/30/2022	35,471.37	OCT'22, CARES PROGRAM
51961	352	OCEAN COLONY PARTNERS LLC	11/30/2022	30,833.33	COASTAL TRAIL PATH MAINTENANCE

Report Criteria:

Report type: Summary

Check.Type = "Calculated","Manual"

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
51821	4270	4LEAF INC.	11/03/2022	28,029.62	AUG'22, PUBLIC WORKS INSPECTION SERVICES
51822	1244	AAA FIRE PROTECTION SERVICES	11/03/2022	1,133.44	MAINT SERVICE
51823	5493	ALENA JEAN	11/03/2022	982.03	FLOWERS
51824	3332	AMERICAN PORTABLES	11/03/2022	2,771.93	OCT'22, FY22/23 PORTABLE RESTROOMS
51825	2407	ARAMARK	11/03/2022	521.38	MAINT SERVICE
51826	444	ASSOCIATION OF BAY AREA GOVERNMENTS	11/03/2022	3,912.00	FY22/23 ABAG MEMBERSHIP DUES
51827	5195	BARTERRA WINERY	11/03/2022	4,000.00	TFCA PARKLET REIMBURSEMENT
51828	4098	BIG WAVE GROUP	11/03/2022	100.00	DEPOSIT REFUND 04/02/22 OAK ROOM
51829	5223	CAPITAL ONE TRADE CREDIT	11/03/2022	3,027.80	MAINT SUPPLIES
51830	483	CITY OF BRISBANE	11/03/2022	575.00	SMCO TRAINING CONSORTIUM, FY22/23 MEMBERSHIP DUES
51831	197	COASTSIDE PRINTERS	11/03/2022	2,143.75	NO PARKING SIGNS
51832	2861	CODE PUBLISHING COMPANY	11/03/2022	341.00	MUNICIPAL CODE WEB UPDATE
51833	3673	EL CENTRO DE LIBERTAD	11/03/2022	34,720.58	SEP'22, CARES PROGRAM
51834	4398	ELS ARCHITECTURE & URBAN DESIGN	11/03/2022	1,564.84	SEP'22, CARTER PARK IMPROVEMENTS
51835	5377	FATTORIA E MARE	11/03/2022	4,000.00	TFCA PARKLET REIMBURSEMENT
51836	76	HALF MOON BAY BUILDING & GARDEN	11/03/2022	188.13	MAINT SUPPLIES
51837	2564	HALF MOON BAY GRADING & PAVING INC.	11/03/2022	443,674.12	SEP'22, CORP YARD MANHOLES
51838	1853	HDL SOFTWARE LLC	11/03/2022	7,086.53	TOT AND BUSINESS LICENSE MANAGEMENT
51839	2444	HOME DEPOT CREDIT SERVICES	11/03/2022	6.88	MAINT SUPPLIES
51840	5492	JUAN ENRIQUE MORENO RUIZ	11/03/2022	733.50	RESERVATION REFUND 11/12/22 DEPOT ROOM
51841	4207	KAREN DECKER	11/03/2022	111.60	MILEAGE REIMBURSEMENT
51842	291	LAURIE BECKER	11/03/2022	684.60	INSTRUCTOR PAYMENT ZUMBA 10 PUNCH PASS
51843	3746	MALCOLM C SMITH	11/03/2022	742.50	OCT'22, COMMUNICATION CONSULTANT
51844	1206	MARK THOMAS & CO. INC.	11/03/2022	24,253.37	SEP'22, HWY1 NORTH SAFETY & OPERATIONAL IMPROVEMEN
51845	3250	M-GROUP	11/03/2022	10,340.00	JUL'22, FY21/22 GIS/GRAPHIC SUPPORT
51846	457	OFFICE DEPOT INC.	11/03/2022	180.96	FINANCE OFFICE SUPPLIES
51847	3479	PARKEON INC	11/03/2022	192.50	MAINT SERVICE
51848	5020	QUADIENT FINANCE USA, INC	11/03/2022	389.00	POSTAGE
51849	5020	QUADIENT LEASING USA, INC.	11/03/2022	75.38	LEASE PAYMENT
51850	252	RICE TRUCKING-SOIL FARM INC.	11/03/2022	218.75	MAINT SUPPLIES
51851	1760	STEPFORD	11/03/2022	3,635.00	880 STONE PINE
51852	5494	TAREK ELSADANY	11/03/2022	500.00	DEPOSIT REFUND 04/08/22 TRAIN DEPOT
51853	1497	TURBO DATA SYSTEMS	11/03/2022	464.99	CITATION PROCESSING
51854	3538	ATLANTIC RADIO TELEPHONE INC	11/09/2022	710.74	IRIDIUM ANNUAL SUBSCRIPTION
51855	4464	AVENU	11/09/2022	500.00	STARS Q2 2022
51856	4193	CASELLE INC.	11/09/2022	3,620.00	ERP CONTRACT SUPPORT & MAINTENANCE

M = Manual Check, V = Void Check

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
51857	3643	CORODATA RECORDS MANAGEMENT INC	11/09/2022	326.87	RECORDS MANAGEMENT
51858	5496	EMILIA L. CASSERLY	11/09/2022	1,000.00	SATURDAY WITH SANTA
51859	5491	MARGARET GOSSETT	11/09/2022	329.32	10/07/22 GAS MILEAGE/86 MILES CEQA TRAINING
51860	5495	MARIA MATEO	11/09/2022	500.00	DEPOSIT REFUND 06/10/23 DEPOT ROOM
51861	457	OFFICE DEPOT INC.	11/09/2022	106.43	OFFICE SUPPLIES
51862	4472	ON POINT LANGUAGE SOLUTIONS LLC	11/09/2022	1,525.00	TRANSLATION SERVICES
51863	5497	SEMPER SOLARIS	11/09/2022	179.90	BUILDING PERMIT REFUND/B2022-00246
51864	3085	SHUTE MIHALY & WEINBERGER LLP	11/09/2022	57,385.55	GENERAL MATTERS
51865	1423	THE GRAPHIC WORKS	11/09/2022	71.05	PRINTING SERVICE
51866	3955	TOWNSEND PUBLIC AFFAIRS	11/09/2022	5,000.00	TOWNSEND PUBLIC AFFAIRS
51868	4270	4LEAF INC.	11/17/2022	8,804.76	OCT'22, ON-CALL SERVICES
51869	2407	ARAMARK	11/17/2022	521.38	MAINT SERVICE
51870	444	ASSOCIATION OF BAY AREA GOVERNMENTS	11/17/2022	696.54	TRUE-UP ALLOCATION
51871	4300	AT&T	11/17/2022	2,197.33	PHONE SERVICE
51872	266	BAGG ENGINEERS	11/17/2022	6,620.00	OCT'22, GEOTECHNICAL INSPECTION SERVICES FOR CORP Y
51873	5168	BLEYLE ELEVATOR, INC	11/17/2022	190.00	MAINT SERVICE
51874	5229	CAPITOL ENQUIRY	11/17/2022	379.47	CITY CLERK SUPPLIES
51875	3976	CIRCLEPOINT	11/17/2022	1,875.00	OCT'22, COMPLETE HYATT HOTEL ENVIRONMENTAL IMPACT R
51876	1925	CITY OF BURLINGAME	11/17/2022	4,920.67	AUG'22 SMCO BID
51877	51	COASTSIDE COUNTY WATER DISTRICT	11/17/2022	8,351.82	LIFT STATION FAIRWAY
51878	217	COUNTY OF SAN MATEO INFORMATION SVCS DE	11/17/2022	82.25	MICROWAVE SERVICE
51879	3446	FLYERS ENERGY, LLC	11/17/2022	2,720.80	VEHICLE FUEL
51880	3127	FREYER & LAURETA INC.	11/17/2022	4,312.50	OCT'22, FRENCHMAN'S CREEK PARK PHASE 2
51881	2668	GAYTON ARRIGOTTI	11/17/2022	462.00	INSTRUCTOR PAYMENT 11/05/22 JEWELRY WORKSHOP
51882	4633	GRANICUS	11/17/2022	1,490.33	GRANICUS SERVICE
51883	3782	GRIFFIN STRUCTURES INC.	11/17/2022	423.36	OCT'22, CARTER PARK RENOVATION PROJECT
51884	76	HALF MOON BAY BUILDING & GARDEN	11/17/2022	20.76	MAINT SUPPLIES
51885	89	HALF MOON BAY COASTSIDE CHAMBER OF COM	11/17/2022	21,191.00	AUG'22 OOC BID
51886	3429	HUE & CRY	11/17/2022	741.62	SECURITY SERVICE
51887	4267	IMPEC GROUP INC.	11/17/2022	17,356.00	OCT'22, FY22/23 JANITORIAL SERVICES
51888	96	JAMES FORD INC.	11/17/2022	3,685.72	VEHICLE SERVICE
51889	4642	MARIK ENTERPRISES, LLC	11/17/2022	260.00	PRE-EMPLOYMENT REPORT
51890	1206	MARK THOMAS & CO. INC.	11/17/2022	7,304.13	SEP'22, FY22/23 SEWER SYSTEM MAINTENANCE SERVICES
51891	5371	MOQUIN PRESS, INC	11/17/2022	1,128.50	COASTSIDE RECOVERY BOOKLET
51892	3479	PARKEON INC	11/17/2022	42.00	MAINT SERVICE
51893	3951	PUBLIC PARKING ASSOCIATES INC	11/17/2022	317.00	MAINT SERVICE
51894	5020	QUADIENT FINANCE USA, INC	11/17/2022	12.18	POSTAGE
51895	5403	ROBERT HALF	11/17/2022	538.89	TEMP EMPLOYEE LABATE/WEEK ENDING 11/11/22
51896	1484	SANDIE ARNOTT	11/17/2022	5,001.88	FY22/23 SAN MATEO COUNTY PROPERTY TAX
51897	129	SERVICE PRESS INC.	11/17/2022	129.48	BUSINESS CARDS

M = Manual Check, V = Void Check

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
51898	159	SEWER AUTHORITY MID-COASTSIDE	11/17/2022	427,146.00	NOV'22, FY22/23 SEWER COLLECTIONS
51899	5498	SKYKIT LLC	11/17/2022	384.00	SKYKIT BEAM
51900	3101	STERICYCLE, INC	11/17/2022	196.92	RECORDS MANAGEMENT
51901	5301	SUBURBAN PROPANE LP	11/17/2022	616.26	PROPANE
51902	3519	SWCA INCORPORATED	11/17/2022	4,679.01	OCT'22, ANNUAL DITCH MAINTENANCE
51903	5499	TANIA REYES	11/17/2022	500.00	DEPOSIT REFUND 11/06/22 DEPOT ROOM
51904	4487	THE HOME DEPOT PRO	11/17/2022	1,086.40	MAINT SUPPLIES
51905	4429	WESTERN EXTERMINATOR COMPANY	11/17/2022	1,207.42	OCT'22, FY22/23 EXTERMINATOR SERVICES
51906	5190	Wood Consulting Services	11/17/2022	7,415.80	OCT'22, ECONOMIC RECOVERY
51907	2407	ARAMARK	11/22/2022	260.69	MAINT SERVICE
51908	4464	AVENU	11/22/2022	375.01	SUTA Q2 2022
51909	4115	BIG BELLY SOLAR INC	11/22/2022	1,271.01	NOV'22, SMART TRASH RECEPTACLES
51910	481	BIG CREEK LUMBER	11/22/2022	284.19	MAINT SUPPLIES
51911	3975	COLANTUONO HIGHSMITH WHATLEY PC	11/22/2022	371.50	LEGAL SERVICES -SAM
51912	5318	COLUMN SOFTWARE, PBC	11/22/2022	412.50	PUBLIC NOTICE
51913	2941	CSG CONSULTANTS INC.	11/22/2022	5,662.50	OCT'22, NPDES STORMWATER SERVICES
51914	5500	ELIZABETH ZACHRY	11/22/2022	200.00	DEPOSIT REFUND 11/20/22 MANZANITA ROOM
51915	3127	FREYER & LAURETA INC.	11/22/2022	6,008.75	JUL'22, MAIN STREET TRAFFIC SAFETY
51916	70	GRAINGER	11/22/2022	681.08	MAINT SUPPLIES
51917	76	HALF MOON BAY BUILDING & GARDEN	11/22/2022	167.76	MAINT SUPPLIES
51918	2564	HALF MOON BAY GRADING & PAVING INC.	11/22/2022	463,296.97	RETENTION, CORP YARD IMPROVEMENTS PROJECT
51919	82	HALF MOON BAY REVIEW	11/22/2022	640.00	SANTA HMB LIBRARY
51920	5444	JOYA CUNHA	11/22/2022	2,000.00	DEC'22, TEMPORARY CONSTRUCTION EASEMENT
51921	1283	KATHY OLER	11/22/2022	2,161.82	DEC'22, TEMPORARY CITY PARKING LOT RENTAL
51922	4028	LORAL LANDSCAPING INC.	11/22/2022	12,000.00	NOV'22, FY22/23 MEDIAN MAINTENANCE
51923	2014	MOORE IACOFANO GOLTSMAN INC.	11/22/2022	1,520.00	SEP'22, SUSTAINABILITY-CAAP
51924	137	PG&E	11/22/2022	8,531.60	NW HWY1 & MAIN ST
51925	141	PHIL'S TIRE & AUTO CARE	11/22/2022	177.39	VEHICLE REPAIR
51926	3370	PRESIDIO SYSTEMS INC.	11/22/2022	13,500.00	MAINT SERVICE
51927	252	RICE TRUCKING-SOIL FARM INC.	11/22/2022	32.81	MAINT SUPPLIES
51928	3131	ROBERT W. SMITH	11/22/2022	340.90	INSTRUCTOR PAYMENT- CCO 10/19/22-11/16/22
51929	2797	SAN MATEO DAILY JOURNAL	11/22/2022	900.00	ADVERTISING SERVICE
51930	3757	SCHAAF & WHEELER	11/22/2022	20,300.28	OCT'22, PILARCITOS AVENUE/KEHOE WATERCOURSE OUTFAL
51931	3922	SCOTT MCVICKER	11/22/2022	3,360.00	DEC'22 ANNEX RENT
51932	5501	SEAN HANDEL	11/22/2022	100.00	DEPOSIT REFUND 11/15/22 LIBRARY COMMUNITY ROOM
51933	159	SEWER AUTHORITY MID-COASTSIDE	11/22/2022	150.00	SEWER AUTHORITY MID-COASTSIDE OPERATIONS AND MAINT
51934	1760	STEPFORD	11/22/2022	8,123.72	SOPHOS FIREWALL SG230
51935	3519	SWCA INCORPORATED	11/22/2022	12,667.14	ROOSEVELT DITCH BRE PROJECT
51936	81	U.S. POSTMASTER	11/22/2022	1,694.80	REC GUIDE POSTAGE
51937	407	UNITED RENTALS NORTHWEST INC.	11/22/2022	747.84	MAINT SERVICE

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description	
51938	4211	ABUNDANT GRACE COASTSIDE WORKER	11/30/2022	38,146.48	09/01/22-10/31/22 COASTAL CLEAN UP	
51939	3926	ALTA LANGUAGE SERVICES INC.	11/30/2022	121.00	BILINGUAL TESTING	
51940	3332	AMERICAN PORTABLES	11/30/2022	2,771.93	NOV'22, FY22/23 PORTABLE RESTROOMS	
51941	2912	BARTEL ASSOCIATES LLC	11/30/2022	2,588.00	SEP'22-OCT'22, OPEB ACTUARIAL VALUATION	
51942	481	BIG CREEK LUMBER	11/30/2022	52.93	MAINT SUPPLIES	
51943	5223	CAPITAL ONE TRADE CREDIT	11/30/2022	3,406.61	MAINT SUPPLIES	
51944	5318	COLUMN SOFTWARE, PBC	11/30/2022	808.50	PDP-22-042	
51945	4484	CSW/STUBER-STROEH ENGINEERING GROUP INC	11/30/2022	1,422.50	OCT'22, POPLAR STREET TRAFFIC CALMING AND SAFETY PRO	
51946	3673	EL CENTRO DE LIBERTAD	11/30/2022	35,471.37	OCT'22, CARES PROGRAM	
51947	4398	ELS ARCHITECTURE & URBAN DESIGN	11/30/2022	11,493.00	OCT'22, CITY HALL RELOCATION STUDY	
51948	4363	HADRONEX INC.	11/30/2022	18,369.00	11/01/22-10/31/24 SANITARY SEWER MONITORING SERVICES	
51949	76	HALF MOON BAY BUILDING & GARDEN	11/30/2022	28.11	MAINT SUPPLIES	
51950	1853	HDL SOFTWARE LLC	11/30/2022	4,355.34	TOT AND BUSINESS LICENSE MANAGEMENT	
51951	3429	HUE & CRY	11/30/2022	24.00	SECURITY SERVICE	
51952	4619	JULISSA ACOSTA	11/30/2022	241.21	MMANC/CREDENTIAL FEE	
51953	4293	LOCKWORKS UNLIMITED INC	11/30/2022	188.34	MAINT SERVICE	
51954	5331	MAKE IT MAIN STREET	11/30/2022	7,450.00	2022 MAKE IT MAIN STREET EVENT	
51955	3069	MANAGED HEALTH NETWORK	11/30/2022	304.00	EAP	
51956	5503	MIKE GERONIMO	11/30/2022	598.50	RESERVATION REFUND 11/26/22 DEPOT ROOM	
51957	3934	MITEL	11/30/2022	2,905.15	SHERIFF SUBSTATION PHONE SERVICE	
51958	4489	MTA PARTS INC.	11/30/2022	261.25	VEHICLE PARTS	
51959	3641	NEIGHBORHOOD RADIO	11/30/2022	165.00	ADVERTISING SERVICE	
51960	3726	NICHOLAS TRANSLATIONS & INTERPRETATIONS	11/30/2022	998.00	TRANSLATION SERVICES	
51961	352	OCEAN COLONY PARTNERS LLC	11/30/2022	30,833.33	COASTAL TRAIL PATH MAINTENANCE	
51962	3479	PARKEON INC	11/30/2022	56.00	MAINT SERVICE	
51963	4612	PHILS TIRE & AUTO CARE INC	11/30/2022	45.00	VEHICLE SERVICE	
51964	5403	ROBERT HALF	11/30/2022	12,367.42	TEMP EMPLOYEE J. RAMIREZ/WEEK ENDING 11/18/22	
51965	5504	ROBERT SWEETOW	11/30/2022	50.00	ALARM PERMIT APPLICATION REFUND	
51966	1392	SAN MATEO RESOURCE CONSERVATION DISTRICT	11/30/2022	63.57	CONSERVATION PROJECT MANAGER	
51967	1760	STEPFORD	11/30/2022	15,115.00	FY22/23 IT SERVICES	
51968	3519	SWCA INCORPORATED	11/30/2022	1,259.50	FRENCHMAN'S RIPARIAN MAPPING	
51969	4487	THE HOME DEPOT PRO	11/30/2022	939.91	MAINT SUPPLIES	
51970	3004	VERIZON WIRELESS	11/30/2022	304.88	MOBILE SERVICES	
51971	3923	WELLS FARGO	11/04/2022	31,444.92	11/04/22 RECONCILING CREDITS FROM NEXT STATEMENT	M
Grand Totals:				150	1,990,155.23	

Report Criteria:

Report type: Summary

Check.Type = "Calculated","Manual"

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: John Doughty, Interim Assistant City Manager
Jill Ekas, Community Development Director

TITLE: **CONSOLIDATED COASTAL DEVELOPMENT PERMIT--CALIFORNIA BROADBAND
MIDDLE MILE NETWORK PROJECT**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to submit a letter to the California Coastal Commission in support of a consolidated Coastal Development Permit (CDP) application for the Broadband Middle Mile Network (BMMN) project and further authorizing the California Coastal Commission assume the lead agency role.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

STRATEGIC ELEMENT:

The requested action supports the *Infrastructure and Environment* and *Healthy Communities and Public Safety* Elements of the Strategic Plan.

BACKGROUND:

The Broadband Middle Mile Network (BMMN) project is an effort involving the installation of 10,000 miles of broadband infrastructure throughout the State of California to make high-speed internet service more broadly available in California, particularly in unserved and underserved areas. All broadband infrastructure will be placed within the State Highway System right-of-way owned and operated by Caltrans. This project is proposed to be located within a portion of Highway 1 (City limit southerly to Highway 92) and then extend easterly on Highway 92 to the City limit.

The project is supported by Senate Bill 156, which provides a \$7 billion investment to implement the project over the next few years. Funding parameters require the issuance of permits by the end of 2024 and the completion of construction by the end of 2026.

Approximately 900 miles of the network will occur within the coastal zone, and approximately 6.3 miles are proposed to be installed within the City limits. The infrastructure will include fiber optic conduit and cable, hub shelters, vaults, and markers. Caltrans is responsible for the planning, permitting, and construction of the project, including each Caltrans District obtaining CDPs for the portions of the project within the coastal zone pursuant to the Coastal Act and Local Coastal Programs (LCPs). Caltrans District 4 intends to organize the CDP applications such that one permit could cover all the coastal zone geographic area within District 4.

DISCUSSION:

Coastal Commission staff have reached out on behalf of California Department of Transportation (Caltrans) to request the City's support and authorization of a consolidated coastal development permit (CDP) for the Broadband Middle Mile Network (BMMN) project. Section 30601.3 of the Coastal Act allows for a consolidated CDP process in cases where projects cross the Commission's permitting jurisdiction and the jurisdiction of a local government with a certified LCP, such as is the case here since the Commission retains permitting jurisdiction in multiple areas within Caltrans District 4. A consolidated CDP will assist Caltrans in meeting their highly compressed project timeline while reducing the burden on local governments and ensuring a smoother, more consistent approach to reviewing this project for compliance with the Coastal Act. Each local jurisdiction's certified LCP would also serve as guidance during such a consolidated CDP review, and Commission staff have informed us that they are committed to ensuring that this project is consistent with both Coastal Act and the City's certified LCP policies.

Caltrans has provided a map (link: [BMMN Web Map Link](#)) that shows the coastal zone boundary in blue, the coastal zone portions of the BMMN project alignment in red, and LCP jurisdictions in purple. The map does not show where hub shelters are proposed as Caltrans is still finalizing their locations, but in general, hub shelters will be placed approximately every 50 miles along the BMMN alignment. Coastal Commission staff have committed to continue to work with City staff to clarify the project details within City limits.

It is the Commission's intent to combine the consolidated CDPs for all local jurisdictions intersected by the BMMN project within District 4's coastal zone into one master CDP. To meet the project's ambitious schedule, the Commission is requesting a response from local jurisdictions regarding permit consolidation no later than December 23, 2022. Note that the City was notified about the intent for permit consolidation on November 28, 2022.

Staff is recommending authorization of the Consolidated Coastal Development Permit. Staff will continue to monitor work and to ensure the interests of the Half Moon Bay community and LCP conformance are considered moving forward. During the permitting process, staff will provide the community and City Council periodic updates and clarify how this broadband infrastructure will support the community.

ATTACHMENT:

Resolution

RESOLUTION NO. C-2022-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
SUPPORTING A CONSOLIDATED COASTAL DEVELOPMENT PERMIT AND AUTHORIZING THE
CALIFORNIA COASTAL COMMISSION TO BE THE LEAD AGENCY FOR THE CONSOLIDATED
COASTAL DEVELOPMENT PERMIT APPLICATION FOR THE CALIFORNIA BROADBAND MIDDLE
MILE NETWORK PROJECT PROPOSED BY CALTRANS DISTRICT 4**

WHEREAS, the Broadband Middle Mile Network (BMMN) project involves installation of 10,000 miles of broadband infrastructure throughout the entire state to make high-speed internet service broadly available throughout California, particularly in unserved and underserved areas.

WHEREAS, the project is supported through funding by Senate Bill 156, which provides a \$7 billion investment to implement the project over the next few years. Funding parameters require the issuance of permits by the end of 2024 and the completion of construction by the end of 2026.

WHEREAS, the project will be located with Caltrans right-of-way of which 6.3 miles is located within City limits; and

WHEREAS, the Caltrans District 4 and the California Coastal Commission have determined that the most expeditious means of permitting in the Coastal Zone of District 4 would be through a consolidated coastal development process; and

WHEREAS, the California Coastal Commission is requesting authority from the City, and all other local coastal agencies within District 4, to support a consolidated permit process and to delegate review authority to the Commission; and

WHEREAS, the California Coastal Commission has the experience and expertise necessary to review the proposed activities and has committed to ensuring the project is consistent with the City's certified Local Coastal Program.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to submit a letter requesting and supporting a consolidated Coastal Development Permit for the California Middle Mile Network Project and further affirming that the California Coastal Commission assume lead agency status.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of December 2022 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

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **ORDINANCE ADOPTING THE 2022 EDITIONS OF THE CALIFORNIA BUILDING STANDARDS CODE – SECOND READING**

RECOMMENDATION:

1. Waive second reading and adopt an ordinance repealing and replacing Chapter 14.04 of the Half Moon Bay Municipal Code, adopting by reference the 2022 Edition of the California Building Standards Code, with local amendments, and finding the amendments to be exempt from environmental review under the California Environmental Quality Act (CEQA); and
2. Adopt a resolution establishing the “Need for Local Modifications to the California Building Standards Code” and ratifying the Coastside Fire Protection District’s Ordinance No. 2022-03.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of this ordinance.

STRATEGIC ELEMENT:

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

DISCUSSION:

On December 6, 2022, the City Council introduced the ordinance following the conduct of a duly-noticed public hearing. As required by law, the ordinance appears for second reading and adoption at a regular meeting more than five days past introduction.

ATTACHMENTS:

1. Ordinance repealing and replacing Chapter 14.04
2. Resolution establishing the “Need for Local Modifications to the California Building Standards Code”

ORDINANCE NO. C-2022-XX

AN ORDINANCE OF THE CITY OF HALF MOON BAY REPEALING AND REPLACING THE EXISTING CHAPTER 14.04, BUILDING STANDARDS, OF THE HALF MOON BAY MUNICIPAL CODE, TO ADOPT BY REFERENCE: 2022 CALIFORNIA BUILDING CODE, VOLUMES 1 AND 2, TITLE 24 PART 2; 2022 CALIFORNIA RESIDENTIAL CODE, TITLE 24 PART 2.5; 2022 CALIFORNIA GREEN BUILDING STANDARDS CODE, TITLE 24 PART 11; 2019 2022 CALIFORNIA FIRE CODE TITLE 24 PART 9; 2022 CALIFORNIA PLUMBING CODE, TITLE 24 PART 5; 2022 CALIFORNIA MECHANICAL CODE, TITLE 24 PART 4; 2022 CALIFORNIA ELECTRICAL CODE, TITLE 24 PART 3; 2022 CALIFORNIA ENERGY CODE, TITLE 24 PART 6; 2022 CALIFORNIA ADMINISTRATIVE CODE, TITLE 24 PART 1; 2022 CALIFORNIA REFERENCED STANDARDS CODE TITLE 24 PART 12; AND THE 1997 UNIFORM ABATEMENT OF DANGEROUS BUILDINGS CODE, WITH MODIFICATIONS FOR LOCAL CONDITIONS.

The City Council of the City of Half Moon Bay does ordain as follows:

Section 1: Findings. The City Council of the City of Half Moon Bay finds and declares as follows:

(a) Health and Safety Code Section 18941.5, with reference to Section 17958.7, allows for more restrictive local amendments to the current California Building Standards Code (“Building Codes”) that are reasonably necessary because of local climatic, geological, or topographical conditions.

(b) The Half Moon Bay City Council expressly declares that these proposed amendments to the Building Codes are reasonably necessary because of local climatic, topographical, and geological conditions pursuant to Government Code Sections 18941.5 and 17958.5, and the City Council hereby adopts the findings of reasonable necessity as set forth in the Resolution accompanying this ordinance.

(c) Express findings that these modifications to the Building Codes are reasonably necessary are hereby made and will be filed with the California Building Standards Commission in accordance with California Health and Safety Code Section 17958.7 before this ordinance takes effect.

Section 2: Municipal Code Amendments. Chapter 14.04, Building Standards, of the Half Moon Bay Municipal Code is hereby repealed and replaced with a new Chapter 14.04 entitled “Building Standards,” as shown in Attachment A.

Section 3: Severability. If any words, phrases, provisions or sections of this Chapter are either determined by a Court of competent jurisdiction to be void, invalid, unenforceable,

or preempted by state or federal law, then such words, phrases, provisions, or sections shall be severed from this Chapter, and all the remaining words, phrases, provisions, and sections of this Chapter shall remain in full force and effect; provided however, that the severing of such words, phrases, provisions, and sections does not frustrate the purposes of any of the remaining sections of the chapter.

Section 4: California Environmental Quality Act. The City Council finds that this Ordinance is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action would have no or only a de minimis effect on the environment. The Ordinance is also exempt from CEQA under CEQA Guidelines section 15308, because it is a regulatory action for the protection of the environment. The foregoing determination is made by the City Council in its independent judgment.

Section 5: Effective Date. Pursuant to Section 36937 of the Government Code of the State of California, this ordinance shall take effect and be in force on the thirtieth (30th) day from and after its final passage.

Section 6: Publication. The City Clerk shall cause this ordinance to be published and posted in accordance with the requirements of Section 36933 of the Government Code of the State of California.

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 6th day of December 2022.

ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 20th day of December, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor

ATTACHMENT A

14.04 Building Standards

14.04.010 Intent and Purpose

It is the intent of the City to adopt by reference the 2022 California Building Standards Code for the purpose of establishing minimum standards to safeguard and protect the health, safety and welfare of the public by regulating the design, construction, quality of materials, use, occupancy, and location of all builds and structures within the City.

14.04.020 Building Code

Those certain Codes and Standards known as the 2022 California Building Code, Part 2 of Title 24 of the California Code of Regulations, Volumes 1 and 2, published by the California Building Standards Commission, and by reference the 2021 International Building Code published by the International Code Council, and Appendix Chapters C (Group U Agricultural Buildings), G (Flood Resistant Construction), H (Signs), I (Patio Covers), and J (Grading) are hereby adopted by reference with the following amendments:

Appendix J Grading, is amended as follows:

- a. Section J103.1, Permits Required, is amended to read as follows:

Except as exempted in Section J103.2, grading shall not be performed without first having obtained a permit therefor from the building official. A grading permit does not include the construction of retaining walls or other structures.

Notwithstanding the provisions of Section J103.2 Exemptions, a grading permit shall be required for all excavation and grading involving more than 50 cubic yards of material; grading and excavating will exceed an area greater than 5000 square feet; or grading or excavating has a potential to obstruct a natural or manmade drainage course.

- b. Section J103.1.2, Engineered Grading Requirements, is added to read as follows:
 - A. If more than 50 yards of material are to be removed from the site, the following information must be included in the application materials submitted to the City:
 - 1. The names, addresses and telephone numbers of all persons owning property where the materials is to be deposited

2. The specific locations of the deposit site
3. The haul route or routes to be followed
4. The estimated times and dates the materials are to be transported.

B. If more than 50 yards of material are to be transported to the site, the following information must be included in the application submitted to the City:

1. A statement as to the source and type of materials to be transported to the site
2. The haul route or routes to be followed
3. The estimated times and dates the materials are to be transported
4. The name, address and phone number of the person to have effective control of the work, including a telephone number for contact in the event of an emergency.

c. Section J104.1 Submittal Requirements, is amended to read as follows:

In addition to the provisions of Sections 105.3 *and 1.8.4, as applicable*, the applicant shall state the estimated quantities of excavation and fill.

A. If more than 50 yards of material are to be removed from the site, the following information must be included in the application materials submitted to the City:

1. The names, addresses and telephone numbers of all persons owning property where the material is to be deposited
2. The specific locations of the deposit site
3. The haul route or routes to be followed
4. The estimated times and dates the materials are to be transported.

B. If more than 50 yards of material are to be transported to the site, the following information must be included in the application submitted to the City:

1. A statement as to the source and type of materials to be transported to the site
2. The haul route or routes to be followed
3. The estimated times and dates the materials are to be transported
4. The name, address and phone number of the person to have effective control of the work, including a telephone number for contact in the event of an emergency.

d. Section J107.6, Grading and Filling of Flood Plain Areas, is added to read as follows:

No grading shall occur and no fill material shall be placed within 100 feet of the edge of the low flow channel in a flood plain area. Minor grading or filling may be allowed in a flood plain area for agricultural purposes if in the opinion of the City Engineer the grading or fill material will not adversely affect the drainage in the flood plain area.

14.04.030 Mechanical Code

Those certain Codes and Standards known as the 2022 California Mechanical Code, Part 4 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, and by reference the 2021 Uniform Mechanical Code published by the International Code Council, and all appendices thereto, are hereby adopted by reference without amendment.

14.04.040 Energy Code

Those certain Codes and Standards known as the 2022 California Energy Code, Part 6 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, is hereby adopted by reference without amendment.

14.04.050 Referenced Standards Code

Those certain Codes and Standards known as the 2022 California Referenced Standards Code, Part 12 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, is hereby adopted by reference without amendment.

14.04.060 Plumbing Code

Those certain Codes and Standards known as the 2022 California Plumbing Code, Part 5 of Title 24 of the California Code of Regulations, published by the California Building Standards

Commission, and by reference the 2012 Uniform Plumbing Code published by the International Association of Plumbing and Mechanical Officials, and all appendices thereto, are hereby adopted by reference without amendment.

14.04.070 Electrical Code

Those certain Codes and Standards known as the 2022 California Electrical Code, Part 3 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, is hereby adopted by reference with the following amendments:

Article 100, Definitions, is amended to add the following definition:

Electrical Service. Underground electrical service shall be provided in all new construction, additions of more than 25 percent of the existing floor area, and remodels where the estimated cost of construction is 50 percent or more of the assessed valuation of the building. Underground service shall be installed in accordance with the most recent addition of the Pacific Gas and Electric Company Electric and Gas Service Requirement Section 5 Electric Service Underground.

14.04.080 Administrative Code

Those certain Codes and Standards known as the 2022 California Administrative Code, Part 1 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission is hereby adopted without amendment.

14.04.090 Existing Buildings Code

Those certain Codes and Standards known as the 2022 California Existing Building Code, Part 10 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, and by reference the 2021 International Existing Building Code published by the International Code Council, is hereby adopted without amendment.

14.04.100 Historical Building Code

Those certain Codes and Standards known as the 2022 California Historical Building Code, Part 8 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission is hereby adopted without amendment.

14.04.110 Fire Code

Those certain Codes and Standards known as the 2022 California Fire Code, Part 9, and by reference the 2021 International Fire Code published by the International Code Council, and all appendices thereto, are hereby adopted by reference with the following amendments:

A. Establishment of the Bureau of Fire Prevention. The Bureau of Fire Prevention is hereby established and shall operate under the supervision of the Chief of the Coastside Fire Protection District, or the person or persons authorized by the Chief of the Coastside Fire Protection District.

B. Definitions.

1. Wherever the words “authority having jurisdiction or jurisdiction” are used, it shall be held to mean the Coastside Fire Protection District.
2. Wherever the words “fire department” are used, it shall be held to mean the Coastside Fire Protection District.
3. Wherever the words “Chief or Chief of the Bureau of Fire Prevention” are used, they shall be held to mean the Chief of the Coastside Fire Protection District, or the person or persons authorized by the Chief of the Coastside Fire Protection District.
4. Wherever the word “Administrator” is used, it shall be held to mean the Board of Directors of the Coastside Fire Protection District.
5. Wherever the term “District Counsel” is used in the Fire Code, it shall be held to mean the Attorney for the Coastside Fire Protection District.

C. Establishment of Limits within the Coastside Fire Protection District in Which Storage and Use of Explosives and Blasting Agents is to Be Prohibited. The storage and use of explosives and blasting agents are prohibited within the boundaries of the Coastside Fire Protection District.

Exception: The Chief of the Coastside Fire Protection District or the person or persons authorized by the Chief of the Coastside Fire Protection District, may issue a permit to store or use explosives and blasting agents after due consideration has been given to the potential hazards to life, and property and compliance to the requirements established by the California State Fire Marshal for the Storage and Use of Explosives.

D. Establishment of Limits within the Coastside Fire Protection District in Which Storage of Flammable/Combustible Liquids in Outside Above-Ground Tanks is to Be Prohibited. The Chief shall have the authority to permit or deny each site-specific design and/or installation of above

ground flammable/combustible liquids tanks within the established boundaries of the Coastsides Fire Protection District.

E. Establishment of Limits within the Coastsides Fire Protection District in which Storage of Liquefied Petroleum Gases is to Be Prohibited. The Chief shall have the authority to permit or deny each site-specific design and/or installation for the storage of Liquefied Petroleum Gases within the established boundaries of the Coastsides Fire Protection District.

F. Establishment of Limits within the Coastsides Fire Protection District in Which the Storage of Compressed Natural Gas Is to Be Prohibited. The Chief shall have the authority to permit or deny each site-specific design and/or installation for the storage of Compressed Natural Gas within the established boundaries of the Coastsides Fire Protection District.

G. Establishment of minimum roofing classification for all new buildings constructed or re-roofed within the Coastsides Fire Protection District. All roof installations regulated by California Building Code Chapter 15 and Appendix Chapter 15 shall comply with CBC Section 1505, but in no case shall be listed as less than a minimum of a Class B roofing assembly.

The Chief shall have the authority to inspect all such roofing systems during construction and/or require certification from the installer that the roof system does meet these requirements.

H. Amendments and Deletions to the California Fire Code as Published by and Printed by the International Code Council. The California Fire Code is amended and changed as follows:

Section 101 [adopted in its entirety]

Section 101.1 Title. [amended] These regulations shall be known as the Fire Code of the Coastsides Fire Protection District, hereafter referred to as “this code”

Section 101.2.1 Appendix Chapters. [amended] Appendix chapters, which are not specifically adopted, may be used in whole or in part by the Coastsides Fire Protection District as guides toward enforcement of the provisions of this ordinance.

Section 104.1 [adopted in its entirety]

Section 104.1.1 Fire Department Personnel and Peace Officer. [amended] Chief and members of the fire prevention bureau and other designated representatives as designated by the Chief shall have the powers of a public officer in performing their duties under this code and shall have the power to issue notices of violation or citations for violation of this code and any other ordinances of the Coastside Fire Protection District. Individuals designated as “peace officers” shall assume those duties upon successful completion of a PC 832 course of instruction.

Division II, Section 104.3 [adopted in its entirety]

Division II, Section 104.3.1 [adopted in its entirety]

Division II, Section 104.5 [adopted in its entirety]

Division II, Section 104.9 [adopted in its entirety]

Division II, Section 104.10.1 [adopted in its entirety]

Division II, Section 104.10.2 [adopted in its entirety]

Division II, Section 104.10.11 [adopted in its entirety]

Division II, Section 104.11.1 [adopted in its entirety]

Division II, Section 104.12 [adopted in its entirety]

Division II, Section 104.12.1 [adopted in its entirety]

Division II, Section 104.12.2 [adopted in its entirety]

Division II, Section 104.12.3 [adopted in its entirety]

Section 105.6.2.1 Special Events. [added] An operational permit is required to conduct a special event either inside or outside of a structure. Special events include but are not limited to the following types of activity: crafts faire, festivals, historical celebrations, etc.

Section 108.1 Authority to Inspect. [added] The Chief or other designated representatives shall inspect, as often as necessary, buildings and premises, including such other hazards or appliances designated by the Chief for the purpose of ascertaining and causing to be corrected any conditions which would reasonably tend to cause fire or contribute to its spread, or any violation of the purpose or provisions of this code and of any other law or standard affecting fire safety.

Section 111 Board of Appeals Established. [added and amended] In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the

application and interpretation of this code, there shall be and is hereby created a Board of Appeals.

Any person who is aggrieved within the meaning of this paragraph by an action of an authorized representative of the District may appeal the action to the Fire District's Board of Directors. The appeal must be in writing, must fully describe the action sought to be appealed and must be filed with the Clerk of the District Board within 30 days of the date of the action appealed. The Board of Directors shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official. The decision rendered by the Board of Directors of the Coastsides Fire District is final.

Section 111.2 Limitations on Authority. [amended] A person shall be deemed to be aggrieved within the meaning of this Section if the person is the applicant or the permittee or is otherwise directly affected by the action in question. An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The action in question may also involve the approval or disapproval of a permit application submitted to the District, the grant or denial of a permit, or a decision concerning the interpretation, construction, operation, or enforcement of the District's Fire Prevention Code. The Board shall have no authority to waive requirements of this code.

Section 111.3 Qualifications. [amended] The Board of Appeals shall consist of the Fire District Board of Directors. The Fire Chief shall be an ex officio member of said Board but shall have no vote on any matter before the Board.

Section 112.4 Violation Penalties [amended] Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the Fire Code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor, punishable by a fine of not less than \$250 dollars or more than \$2,500 or imprisonment for not less than 180 days or both in accordance with Section 19 of the California Penal Code. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

Notwithstanding any other provision of this code, whenever violation of any section contained in this code is punishable as a misdemeanor, the prosecuting attorney having jurisdiction to prosecute said misdemeanor, may specify that the offense is an infraction and proceed with prosecution as an infraction, unless the defendant, at the time of his arraignment or plea, objects to the offense being made an infraction, in which event the complaint shall be amended to charge a misdemeanor and the case shall proceed on a misdemeanor complaint.

The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects; and when not otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense.

(1) The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

(2) Due to the potential danger of the hazardous materials regulated under the International/California Fire Code, any person, firm, or corporation who violates any of the provisions of the International/California Fire Code, shall be liable for civil penalties not exceeding \$250 dollars per day for the first ten days; and \$2,500 dollars per day for the next 20 days; and \$5,000 dollars for each day after twenty. This shall apply to each violation.

(3) In addition to the penalties set out in this Code, any condition caused or permitted to exist in violation of any of the provisions of this Code shall be deemed a public nuisance and may be summarily abated as such, and each day such condition continues shall be regarded as a new separate offense. The Coastside Fire Protection District shall also be permitted the right of recovering those funds, used to mitigate continuous, unabated hazards, which present a clear and present danger. The cost recovery fee shall be the based on the actual hourly rate for the Coastside Fire Protection District staff and the cost of using a private contractor and equipment, used in gaining compliance for those in violation.

(4) Fines and cost recovery fees will be accessed to the property owners tax rolls after thirty (30) days of the violations notice, or after completion of the appeal process.

Section 113.4 Failure to Comply. [amended] Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$250 dollars or more than \$2,500.

Section 200 [added]

Air Reactive is any liquid, solid or gas, which, when combined with air, a reaction occurs that forms a hazardous condition. (See also, "pyrophoric")

ALL WEATHER SURFACE shall be a minimum of 6 inches of compacted Class II base rock and 2 inches of asphalt or concrete for grades up to 15%. From 15% to 20% an engineered

surface such as rough grooved concrete is required. In no circumstances shall the grade exceed 20%.

AUTHORIZED REPRESENTATIVES shall be those persons determined by the Chief of the Coastside Fire Protection District to act as the Chiefs' agent.

BRIDGE A bridge shall be defined as a structure designed to carry a roadway over a depression or obstacle

BUILDING CODE is the California Building Code, 2022 edition

ELECTRICAL CODE is California Electrical Code, 2022 edition.

EXECUTIVE BODY is the Board of Directors for the Coastside Fire Protection District.

FIRE DEPARTMENT is the Coastside Fire Protection District.

JURISDICTION is the Coastside Fire Protection District.

JURISDICTIONAL AREA is the boundaries established for the Coastside Fire Protection District including the City of Half Moon Bay and unincorporated areas of San Mateo County including Miramar, El Granada, Princeton, Moss Beach and Montara.

LIQUID TIGHT is the ability of a material to retain a liquid being contained and prevent the passage of such liquid.

MECHANICAL CODE is the California Mechanical Code, 2022 edition.

PLUMBING CODE is the California Plumbing Code, 2022 edition.

STAGE A space within a building utilized for entertainment or presentations, which includes overhead hanging curtains, drops, scenery or stage effects other than lighting and sound.

STREET is any thoroughfare or public way not less than 20 feet in width which has been dedicated or deeded to the public for public use and required as a means of fire department access.

TRAFFIC CALMING DEVICES are design elements of fire apparatus access roads such as street alignment, installation of barriers, and other physical measures intended to reduce traffic and cut-through volumes, and slow vehicle speeds.

WASTE OIL is a Class III-B waste liquid resulting from the use of Class III-B combustible liquids such as motor oil, hydraulic oil, lubricating oil, brake fluids and transmission fluids.

Section 303 [adopted in its entirety]

Section 303.3.1 Fuel Cylinders for Asphalt Roofing Kettles. [added] All fuel cylinders, used in conjunction with asphalt roofing kettles or related equipment, shall be adequately secured to prevent overturning.

Section 304.1.2.1 Clearance of Brush, Vegetative Growth and Combustible Material from Lots. [added] All lots shall be cleared of brush, vegetative growth, and combustible material upon written notification by the Coastside Fire Protection District.

Section 304.1.2.2 Clearance of Brush, Vegetative Growth from Structure Area. [added] Any person owning, leasing, controlling, operating, or maintaining any building or structure in, upon or adjoining any hazardous fire area or any such area within the jurisdictional boundary of the Coastside Fire Protection District, shall upon written notification remove and clear such brush, vegetative growth from the area of the building or structure, as prescribed within the written notice.

Section 304.1.2.3 Fire Breaks. [added] The Coastside Fire Protection District may require the installation of “fire breaks” around or within parcels of property where combustible weeds, crops, brush, or other combustible materials are present. The specific width and length of the “fire breaks” will be determined by the Coastside Fire Protection District. The following conditions will be included as part of the determining factors regarding the width and length of the “fire breaks”:

1. Height and width of combustible material present
2. Prevailing weather conditions
3. Topography of site
4. Available fire apparatus access
5. Fire protection systems available on-site
6. Relationship of structures within the given parcel to the combustible material or adjacent parcels where structures would become exposed to the presence of the combustible material

Specifications and guidelines for compliance with applicable sections of the ordinance shall be found in the Coastside Fire District “Fire Prevention Bureau Standards” titled “Weed and Rubbish Abatement Program”.

Section 304.1.2.4 Weed Abatement. [added] Due to heavy growth of fuels, unmaintained lots are a hazard to the surrounding properties. Coastside Fire Protection District staff shall carry out weed abatement program activities throughout the Coastside Fire Protection District.

Section 304.1.2.5 Declaration of Hazardous Fire Areas. [added] The State of California through the California Department of Forestry and Fire Protection has identified and released for action VERY HIGH FIRE HAZARD SEVERITY ZONES in Local Response Areas. The Board of Directors of the Coastside Fire Protection District hereby declares these zones as HAZARDOUS FIRE AREAS which shall require compliance with Section 4291 of the California Public Resources Code as updated by Section 4251 of the California Public Resources Code and Sections 304.1.2.1, 304.1.2.2, 304.1.2.3 and 304.1.2.4 of the Coastside Fire Protection District Ordinance No. 2022-03.

Chapter 3, Section 305 [adopted in its entirety]

Chapter 3, Section 307 [adopted in its entirety]

Chapter 3, Section 308 [adopted in its entirety]

Chapter 3, Section 310 [adopted in its entirety]

Chapter 3, Section 311 [adopted in its entirety]

Chapter 5, Section 503 [adopted in its entirety]

Section 503.1.2.1. Fire Department Access. [added]

1. Fire Department Access shall be required when one or more additions, alterations, or repairs, or combination thereof, in a two-year period, exceed more than 50% of the valuation of the facility or building.

Exceptions:

1. Any exemption otherwise allowable under the Fire Code as determined by the Fire Code Official
2. Exterior improvements and work not requiring permits as provided in the Building Code
3. Detached Group U occupancies or detached carports less than 1000 square feet.
4. Work requiring only a mechanical, electrical, plumbing, and/or demolition permit.

Section 503.2.3.1 All Weather Surface. [added] Shall be a minimum of 6 inches of compacted Class II base rock and 2 inches of asphalt or concrete for grades up to 15%. From 15% to 20% an

engineered surface such as a rough grooved concrete is required. In no circumstances shall the grade exceed 20%.

Section 503.2.4.1 Turning Radius. [added] Inside and outside turning radius for fire access roads will be based upon the capability of the fire apparatus used by the Coastside Fire Protection District. Turning radius design approval must be obtained from the Coastside Fire Protection District.

Section 503.2.6 Bridges and elevated surfaces. [amended] Where a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HS-20. Bridges and elevated surfaces shall be designed for a live load sufficient to carry the imposed loads of fire apparatus. Vehicle load limits shall be posted at both entrances to bridges. Where elevated surfaces designed for emergency vehicle use are adjacent to surfaces which are not designed for such use, approved barriers, approved signs, or both shall be installed and maintained.

Section 503.3.1 Fire Access Lane Markings. [added] The designation shall be indicated (1) by a sign posted immediately adjacent to, and visible from, the designated place clearly stating in letters not less than one inch in height that the place is a fire lane, (2) by outlining or painting the place in red and, in contrasting color, marking the place with the words "FIRE LANE", which are clearly visible from a vehicle, or (3) by a red curb or red paint on the edge of the roadway upon which is clearly marked the words "FIRE LANE".

Section 503.4.1 Traffic Calming Devices. [amended] Traffic calming devices are prohibited unless approved by the fire code official. Traffic calming devices shall not be installed on designated fire apparatus response routes. When approved, traffic calming devices shall be installed in accordance with the Coastside Fire District's "Traffic Calming Devices" Standard Detail and Specification.

Section 503.4.2 Prohibited Parking. [added] If in the judgment of the Coastside Fire Protection District it is necessary to prohibit vehicular parking, or other materials or articles, along private fire access lanes in order to prevent obstruction of the required width of the fire access lane, signs shall be posted, as appropriate or as indicated in Section D103.6 with the addition of the following lettering near the bottom of the sign: (C.V.C.22500.1)

Section 503.4.3 Roadway Spikes. [added] The installation of roadway traffic control spikes is prohibited within fire access lanes unless prior approval is given by the Coastside Fire Protection District.

Section 505.1.1 Premises Identification. [added] New residential buildings shall have internally illuminated address numbers contrasting with the background so as to be seen from the public

way fronting the building. Residential address numbers shall be at least six feet above the finished surface of the driveway. Where buildings are located remotely to the public roadway, additional signage at the driveway/roadway entrance leading to the building and/or on each individual building shall be required by the Coastsides Fire Protection District. This remote signage shall consist of a 6 inch by 18-inch green reflective metal sign with 3-inch reflective Numbers/ Letters similar to Hy-Ko 911 or equivalent.

Section 505.1.2 Multiple Tenant Structures. [added] Multiple tenant buildings, using the same street address numbers, shall have suite or unit identification posted as required by the Coastsides Fire Protection District.

Section 505.1.3 Commercial/Industrial Size and Stroke of Numbers. [added] Building address numbers shall be either internally or externally illuminated and contrasting with the background so as to be seen from the public way fronting the building.

Building address number heights shall be sized in accordance with the table noted below. The number stroke shall be 1/2-inch or larger.

<u>Distance from Road</u>	<u>Address No. Size</u>
0-50 feet	6-inch
50-100 feet	8-inch
100-150 feet	10-inch
150 + feet	12-inch

with a corresponding increase in stroke width.

Section 505.1.4 Rear Addressing. [added] When required by the Chief, approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the fire apparatus road at the back of the property. Number stroke and size will comply with Section 505.1 for residential buildings and 505.1.3 for commercial buildings.

Section 505.1.5 Suite/Unit Identification. [added] Buildings containing separate suite and/or unit identification shall have the suite or unit identification clearly posted with assigned letters or numbers having a minimum height of four inches and a minimum stroke of 1/2 inch. Assigned letters or numbers shall be of contrasting color to the background and located between 5 feet and 6 feet off the finished floor. Directional address numbers or letters shall be provided.

Section 505.1.6 Directories. [added] Complexes with multiple buildings may be required by the Coastsides Fire Protection District to provide one or more of the following: a directory, a premise map or directional signage. Location, size, and color of such elements will be determined by the Coastsides Fire Protection District on a site-specific basis.

Section 505.2.1 Construction Site. [added] Approved street or road signs and address numbers of the construction site shall be installed prior to combustible construction materials being placed on the site.

Section 506 [adopted in its entirety]

Section 506.1.3 Key Box. [added] When required by the Coastside Fire Protection District, a Knox Box of the size and type designated shall be mounted on the building near the main entrance and shall be located a minimum of 60 inches and not higher than 72 inches above the finished floor, in a location approved by the fire code official. Additional Knox Boxes may be required at rear entrances to buildings. Knox padlocks or Knox Gate Switches may be required at any access as specified by the fire code official.

Section 507.1.1 Fire Department Water Supply. [added]

1. Fire Department Water Supply shall be required when one or more additions, alterations, or repairs, or combination thereof, in a two-year period, exceed more than 50% of the valuation of the facility or building.

Exceptions:

1. Any exemption otherwise allowable under the Fire Code as determined by the Fire Code Official
2. Exterior improvements and work not requiring permits as provided in the Building Code
3. Detached Group U occupancies or detached carports less than 1000 square feet.
4. Work requiring only a mechanical, electrical, plumbing, and/or demolition permit.

Section 507.2.2.1 Suburban and Rural Water Supplies. [added] In areas where public and/or private fire mains are not available for the provision of the required fire flow, the Chief may develop a standard which requires a water supply for firefighting be provided. In developing this standard, the Chief may be guided by NFPA Standards and Appendix B and C - California Fire Code 2022 edition.

Section 507.2.2.2 Storage of Suburban and Rural Water Supplies. [added] In calculating the water supply available to meet the minimum fire flow required in Section 507.1, swimming pools, ponds and underground cisterns shall not be considered as a primary water source.

Section 903.1.2 All Occupancies and Facilities. [amended] The following requirements shall apply to all new buildings or structures which require a building permit issued by the City of Half Moon Bay or the County of San Mateo:

1. Except as otherwise provided by this Section, or as provided under Section 903.3 of the latest adopted edition of the California Fire Code, automatic fire sprinkler systems shall be installed and maintained in every new building or structure of any type, use, occupancy, or size which requires a building permit issued by the City of Half Moon Bay or the County of San Mateo.
2. The term “ automatic fire sprinkler system” as used in this Section means an integrated system of underground and overhead piping, including a water supply such as a gravity tank, fire pump, reservoir, pressure tank or connection by underground piping to a fire main, which system complies in all respects with the requirements for such systems contained in standards issued by the National Fire Protection Association based upon the occupancy classification or other standards approved by the California State Fire Marshals’ office and approved by the Chief on a case-by-case basis.

The following structures are exempt from the requirements of this Section:

1. Agricultural Buildings. For the purposes of this Section, an “Agricultural building” is defined as a non-residential structure designed and constructed to house farm implements, hay, grain, poultry, livestock or other horticultural products. “Agricultural building” includes a place of employment where agricultural products are processed, treated, or packaged. Office uses within “agricultural buildings” shall not exceed ten percent (10%) of the total floor area of the building unless such buildings are provided with an automatic fire sprinkler system throughout. “Agricultural buildings” shall include greenhouses.
2. Non-Residential Structures not exceeding 1,000 square feet in area.
3. Mausoleums of Type 1 construction, as defined by the California Building Code, which do not contain offices, chapels, or other places where the public assembles on a regular basis.
4. Car wash structures where no offices or waiting rooms are attached.

The requirements of this Section are intended to represent minimum standards for new construction. Further, any requirements of the California Building Code, the California Fire Code or the State Building Standards Code, which is more restrictive, specifies higher standards or mandate’s specific locations within a structure for automatic sprinkler systems shall be applicable.

Section 903.2.1 Existing buildings or structures. [added] An Automatic sprinkler system shall be provided in existing buildings and structures where required in Chapter 11 of the California Fire Code or when improvements are conducted in accordance with this section.

Section 903.6.1 Where required. [added] All existing buildings and structures, except for Group R-3 One and Two-Family Dwellings, shall be provided with an automatic fire sprinkler system when any of the following conditions occur:

- (A) The renovation of any structure and/or when combined with any additions to the structure, affects a gross floor area which exceeds fifty percent (50%) of the existing floor area of the structure. For the purpose of this Section, when determining the affected gross floor area of an existing structure, whenever more than 50% of the wall or ceiling coverings (e.g., wallboard, plaster, etc.) have been removed from within a room or space bounded by three or more walls within the structure, the entire gross floor area of the room or space shall be counted towards the total affected gross floor area of the existing structure.

Exception:

- 1. When in the opinion of the Chief, the change of occupancy classification did not result in a significant increase in the level of life safety or fire safety of the occupancy, the Chief may waive the requirement for automatic fire sprinkler system installation.

- (B) When a change in occupancy classification, as defined within the Building Code, results in an increased fire hazard or risk due to business operation and/or number of occupants permitted in the building.

Section 903.6.2 [added] All existing one- and two-family dwellings, buildings and/or structures shall be provided with an automatic fire sprinkler system when any of the following conditions occur

- 1. Automatic sprinklers shall be installed in any one and two-family garage, carport or breezeway attached to any structure for which an automatic sprinkler system is required. A detached one and two-family garage, not containing any habitable space, 1,000 square feet or more shall require the installation of an NFPA-13D automatic fire sprinkler system.
- 2. Additions, alterations, or modifications to any existing structure containing automatic fire sprinklers shall require the extension or modification of the fire sprinkler system throughout the added, altered, or modified, areas. Plans for the installation, extension or modification of an automatic fire sprinkler system shall be submitted to the Planning and Building

Department of San Mateo County or the City of Half Moon Bay for review and approval by the appropriate fire agency. Additions, alterations, and/or remodels to an existing dwelling previously equipped with automatic fire sprinklers shall be submitted to the planning and building department of San Mateo County or the City of Half Moon Bay Components of the existing system shall be Submitted for review in order to determine compliance with the applicable standards.

3. All automatic fire sprinkler systems shall comply with the currently enforced edition of NFPA-13, NFPA-13D, NFPA-13R and any additional County specifications, or modifications imposed by supplemental rules and regulations adopted by the County of San Mateo or the City of Half Moon Bay.
4. The installation of an automatic fire sprinkler system may be required by the Building Official when an alteration, addition or change in use or occupancy of a building or portion of a building thereof increases the hazard of fire or threat to life and safety.
5. Where required by the local Fire District.

The following sections are [amended] by changing California Fire Code requirements to 1,000 square feet for fire sprinkler installation, as follows:

- 903.2.1.1 Group A-1. Change 12,000 square feet to 1,000 square feet.
- 903.2.1.2 Group A-2. Change 5,000 square feet to 1,000 square feet.
- 903.2.1.3 Group A-3. Change 12,000 square feet to 1,000 square feet.
- 903.2.1.4 Group A-4. Change 12,000 square feet to 1,000 square feet.
- 903.2.3 Group E. Change 12,000 square feet to 1,000 square feet.
- 903.2.4 Group F Change all Group F-1 occupancies to 1,000 square feet
- 903.2.7 Group M. Change all Group M occupancies to 1,000 square feet.
- 903.2.9 Group S-1. Change all Group S-1 occupancies to 1,000 square feet.
- 903.2.10 Change all Group S-2 occupancies to 1,000 square feet.

Section 903.2.8.1.1 Automatic sprinkler systems installed in Group R-3, occupancies [added] shall conform to the following standards in addition to NFPA Standard 13D, currently adopted edition:

1. Automatic sprinkler system coverage shall be provided throughout the residence to include all bathrooms, attached garages, and any interior rooms used for storage.
2. An exterior bell shall be mounted in a location to be audible from the street upon activation of the required flow switch.
3. An interior horn shall be mounted in a central location audible from the master bedroom upon activation of the required flow switch.
4. A sprinkler head shall be mounted on a metal sprig above any attic access openings and where required by the AHJ.
5. An inspector's test valve shall be mounted to flow from the most remote area of the system in an accessible location.
6. All group R, Division 3 occupancies shall require an automatic sprinkler system regardless of square footage, -0- Square feet.
7. Accessory Dwelling Units shall conform to the most recent California State Fire Marshal's Information Bulletin

Section 903.3.3.8.6 Partial Systems. [added] Unless approved in writing by the fire code official, automatic fire sprinkler systems that only protect a portion of the building shall not be allowed.

Section 905.5.3 Class II System 1 1/2-inch hose. [amended] A minimum 1 ½ inch (37.5 mm) hose shall be allowed to be used for hose stations in light-hazard occupancies where investigated and listed for this service and where approved by the fire code official.

Section 907.8.5.2 Making False Report. [added] It shall be unlawful for a person to give, signal or transmit a false alarm. A false report may include signals from a fire alarm system, including signals caused during fire alarm maintenance without prior Fire District notification. Making a false report shall be liable to a fine as set forth in the Fire District Fee Schedule.

Section 907.10.1 Alarm Panel Clearance. [added] A working space of not less than 30 inches (762 mm) in width, 36 inches (914 mm) in depth and 78 inches (1981 mm) in height shall be provided in front of fire protection equipment including, but not limited to: fire sprinkler control valves, fire department connections, hose connections, risers, hood system manual pull stations, fire alarm control panels, fire pumps and specialized fire protection storage tanks (dry chemical, foam, CO2, clean agent). Where the fire protection equipment is wider than 30 inches, (762 mm), the working space shall not be less than the width of the equipment. No storage of any materials shall be located within the designated working space. Direct access to the working space shall be

provided from aisles or access roadways. Modifications to working space dimensions shall be approved by the fire code official.

Section 907.2.11.2.4-5. Smoke Detection for Existing Group R Division 3 Occupancies. [added] All existing Group R Division 3 Occupancies shall be provided with an approved smoke detection system meeting the requirements of 907.2.11.2 throughout the structure when any of the following occurs:

1. When property is occupied by other than the property owner and rental or lease income is derived.
2. When existing property is sold an inspection of the installed smoke detection system for compliance with the Fire Code shall be completed by the Coastside Fire Protection District prior to close of escrow.

Section 907.8.5.1 Fire Department Response to False Alarms. [added] Any building owner or owner's agent who fails to properly maintain and service any smoke detector or fire alarm system, water flow detection alarm or fire sprinkler tamper alarm, after being notified that service or maintenance is required, will be subject to the payment of costs related to any false alarm response by the fire department.

Section 912.2.1.1 Painting of Fire Protection Equipment and Hydrants. [added] When required by the Chief, fire-protection equipment and fire hydrants shall be painted a color specified by the Coastside Fire Protection District.

Section 912.5.1 Identification. [added] Fire department connections to sprinkler systems and/or standpipe systems shall clearly identify the building served as required by the Coastside Fire Protection District.

Section 1003.3.4.1 Seismic Restraint for Storage Shelving. [added] All storage shelving shall be provided with adequate seismic restraint as required by Chapter 16 of the California Building Code. Storage shelving not required to have seismic restraint by the Building Code may be required to be secured to prevent obstruction of the means of egress as determined by the Coastside Fire Protection District.

Section 5601.1.6 Fireworks. [added] All fireworks, including but not limited to, those listed by the California State Fire Marshal as "Safe and Sane", are prohibited within the jurisdictional boundaries of the San Mateo County Fire Department on a year around basis. An exception is allowed for professional fireworks displays and theatrical use as permitted by the Fire Code Official.

Section 5608.1.2 Permits. [added] Permits shall be required as set forth in the California Fire Code.

Section 6101.3 Construction Documents. [amended] Where a single LP-gas container is 500 gallons (1893 L) or more in water capacity or the aggregate water capacity of LP-gas containers are more than 2,000 gallons (7570 L), the installer shall submit construction documents for such installation.

Appendix D [adopted as amended]

Section D102.2 Fire Apparatus Roads. [added] Fire Apparatus Roads shall comply with Sections D102.2.1 through D102.2.2.

D102.2.1 Parking

Roads 32 feet or greater in width shall allow parking on both sides

D102.2.2 Turnouts

Roads exceeding 800 feet in length shall provide turnouts no more than 400 feet apart

Section D103.4.1 [added] The fire department reserves the right to use all or portions of City/County right of way for access and or turnarounds.

Section D103.6.4 Maintenance and Installation of Fire Access Signs. [added] It shall be unlawful for the owner, lessee, or person in charge of private property to fail to install and maintain required fire access lane signs and/or markings after having been given notice by the Coastside Fire Protection District.

Section D103.7 Traffic Signal Control Devices. [added] When a government agency requires an Encroachment Permit at any intersection and new or existing traffic signals are involved, the traffic signals shall be provided with a traffic signal control device that is operated from the fire apparatus.

Appendix I [adopted in its entirety]

Appendix N [adopted in its entirety]

Appendix O [adopted and amended] Temporary and/or permanent Haunted Houses, Ghost Walks and similar amusement uses

Coastside Fire Protection District Fire Prevention Bureau Standards are adopted as listed below:

Number / Title

CFR-001 Traffic Calming Devices

CFR-002 Street Signs Addressing
CFR-003 Bollard Guard Post
CFR-004 Fire Watch Requirements
CFR-005 False Alarm Response Policy

14.04.120 Green Building Standards Code

Those certain Codes and Standards known as the 2022 California Green Building Standards Code, Part 11 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, is hereby adopted with the following amendments:

(a) Chapter 2, “Definitions,” is amended to add or change the following definitions:

AFFORDABLE HOUSING. Residential buildings that entirely consist of units below market rate and whose rents or sales prices are governed by local agencies to be affordable based on area median income.

AUTOMATIC LOAD MANAGEMENT SYSTEM (ALMS). A control system designed to manage load across one or more electric vehicle supply equipment (EVSE), circuits, panels and to share electrical capacity and/or automatically manage power at each connection point. ALMS systems shall be designed to deliver no less than 3.3 kVa (208/240 volt, 16-ampere) to each EV Capable, EV Ready or EVCS space served by the ALMS, and meet the requirements of California Electrical Code Article 625. The connected amperage to the building site for the EV charging infrastructure shall not be lower than the required connected amperage per California Green Building Standards Code, Title 24 Part 11.

DIRECT CURRENT FAST CHARGING (DCFC). A parking space provided with electrical infrastructure that meets the following conditions:

- i. A minimum of 48 kVa (480 volt, 100-ampere) capacity wiring.
- ii. Electric vehicle supply equipment (EVSE) located within three (3) feet of the parking space providing a minimum capacity of 80-ampere.

ELECTRIC VEHICLE CHARGING STATION (EVCS). ~~One or more electric vehicle charging spaces served by electric vehicle charger(s) or other charging equipment allowing charging of electric vehicles. Electric vehicle charging stations are not considered parking spaces.~~ A parking space that includes installation of electric vehicle supply equipment (EVSE) at an EV Ready space. An EVCS space may be used to satisfy EV Ready space requirements. EVSE shall be installed in accordance with the California Electrical Code, Article 625.

ELECTRIC VEHICLE (EV) READY SPACE. [HCD] ~~A vehicle space which is provided with a branch circuit; any necessary raceways, both underground and/or surface mounted; to accommodate EV charging, terminating in a receptacle or a charger.~~

ELECTRIC VEHICLE (EV) CAPABLE SPACE. ~~A vehicle space with electrical panel space and load capacity to support a branch circuit and necessary raceways, both underground and/or surface mounted, to support EV charging.~~

LEVEL 2 ELECTRIC VEHICLE SUPPLY EQUIPMENT (EVSE). [HCD] ~~The 208/240 Volt 40-ampere branch circuit, and the electric vehicle charging connectors, attachment plugs, and all other fittings, devices, power outlets, or apparatus installed specifically for the purpose of transferring energy between the premises wiring and the electric vehicle.~~

LEVEL 2 EV CAPABLE. A parking space provided with electrical infrastructure that meets the following requirements:

- i. Conduit that links a listed electrical panel with sufficient capacity to a junction box or receptacle located within three (3) feet of the parking space.
- ii. The conduit shall be designed to accommodate at least 8.3 kVa (208/240 volt, 40-ampere) per parking space. Conduit shall have a minimum nominal trade size of 1 inch inside diameter and may be sized for multiple circuits as allowed by the California Electrical Code. Conduit shall be installed at a minimum in spaces that will be inaccessible after construction, either trenched underground or where penetrations to walls, floors, or other partitions would otherwise be required for future installation of branch circuits, and such additional elements deemed necessary by the Building Official. Construction documents shall indicate future completion of conduit from the panel to the parking space, via the installed inaccessible conduit.
- iii. The electrical panel shall reserve a space for a 40-ampere overcurrent protective device space(s) for EV charging, labeled in the panel directory as “EV CAPABLE.”
- iv. Electrical load calculations shall demonstrate that the electrical panel service capacity and electrical system, including any on-site distribution transformer(s), have sufficient capacity to simultaneously charge all EVs at all required EV spaces at a minimum of 40 amperes.
- v. The parking space shall contain signage with at least a 12” font adjacent to the parking space indicating the space is EV Capable.

LEVEL 1 EV READY. A parking space that is served by a complete electric circuit with the

following requirements:

- i. A minimum of 2.2 kVa (110/120 volt, 20-ampere) capacity wiring.
- ii. A receptacle labeled “Electric Vehicle Outlet” or electric vehicle supply equipment located within three (3) feet of the parking space. If EVSE is provided the minimum capacity of the EVSE shall be 16-ampere.
- iii. Conduit oversized to accommodate future Level 2 EV Ready (208/240 volt, 40-ampere) at each parking space.

LEVEL 2 EV READY. A parking space that is served by a complete electric circuit with the following requirements:

- i. A minimum of 8.3 kVa (208/240 volt, 40-ampere) capacity wiring.
- ii. A receptacle labeled “Electric Vehicle Outlet” or electric vehicle supply equipment located within three (3) feet of the parking space. If EVSE is provided the minimum capacity of the EVSE shall be 30-ampere.

LOW POWER LEVEL 2 EV READY. A parking space that is served by a complete electric circuit with the following requirements:

- i. A minimum of 4.1 kVA (208/240 Volt, 20-ampere) capacity wiring.
- ii. A receptacle labeled “Electric Vehicle Outlet” or electric vehicle supply equipment located within three (3) feet of the parking space. If EVSE is provided the minimum capacity of the EVSE shall be 16-ampere.
- iii. Conduit oversized to accommodate future Level 2 EV Ready (208/240 volt, 40-ampere) at each parking space.

~~**LOW POWER LEVEL 2 ELECTRIC VEHICLE (EV) CHARGING RECEPTACLE. [HCD]** A 208/240 Volt 20-ampere minimum branch circuit and a receptacle for use by an EV driver to charge their electric vehicle or hybrid electric vehicle.~~

(b) Chapter 3, “General,” is amended as follows:

301.1 Scope. ... (No change to existing California amendment.)

301.1.1 Additions and alterations.

[HCD] The mandatory provisions of Chapter 4 shall be applied to additions or alterations of existing residential buildings where the addition or alteration increases the building's conditioned area, volume, or size. The requirements shall apply only to and/or within the specific area of the addition or alteration. (No change to existing California amendment.)

The mandatory provisions of Section 4.106.4.2 may apply to additions or alterations of existing parking facilities or the addition of new parking facilities serving existing multifamily buildings. ~~See Section 4.106.4.3 for application.~~

NOTE: Repairs including, but not limited to, resurfacing, restriping, and repairing or maintaining existing lighting fixtures are not considered alterations for the purpose of this section

(c) Chapter 4, "Residential Mandatory Measures," is amended as follows:

Section 4.106.4 is amended to read:

4.106.4 Electric vehicle (EV) charging ~~for new construction~~. Residential construction shall comply with Section 4.106.4.1 or 4.106.4.2, and 4.106.4.3, to facilitate future installation and use of EV chargers. Electric vehicle supply equipment (EVSE) shall be installed in accordance with the *California Electrical Code*, Article 625. For EVCS signs, refer to Caltrans Traffic Operations Policy Directive 13-01 (Zero Emission Vehicle Signs and Pavement Markings) or its successor(s). Calculation for spaces shall be rounded up to the nearest whole number.

Exceptions:

1. On a case-by-case basis, where the local enforcing agency has determined EV charging and infrastructure are not feasible based upon one or more of the following conditions:
 - 1.1. Where there is no local utility power supply or the local utility is unable to supply adequate power.
 - 1.2. Where there is evidence suitable to the local enforcing agency substantiating that additional local utility infrastructure design requirements, directly related to the implementation of Section 4.106.4, may increase construction cost by an average of \$4,500 per parking space for market rate housing or \$400 per parking space for affordable housing. EV infrastructure shall be provided up to the level that would not exceed this cost for utility service. ~~adversely impact the construction cost of the project.~~

2. Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) without additional parking facilities and without electrical panel upgrade or new panel installation. Detached ADUs, attached ADUs, and JADUs without additional parking but with electrical panel upgrades or new panels must have reserved breakers and electrical capacity according to the requirements of 4.106.4.1.
3. Multifamily residential R-2 building projects that have approved entitlements before the code effective date.

4.106.4.1 ~~New~~ One- and two-family dwellings and town-houses with private garages.

4.106.4.1.1 New Construction. One parking space provided shall be a *Level 2 EV Ready* space. If a second parking space is provided, it shall be provided with a *Level 1 EV Ready space*. ~~For each dwelling unit, install a listed raceway to accommodate a dedicated 208-240-volt branch circuit. The raceway shall not be less than trade size 1 (nominal 1-inch inside diameter). The raceway shall originate at the main service or subpanel and shall terminate into a listed cabinet, box or other enclosure in close proximity to the proposed location of an EV charger. Raceways are required to be continuous at enclosed, inaccessible or concealed areas and spaces. The service panel and/or subpanel shall provide capacity to install a 40-ampere 208/240-volt minimum dedicated branch circuit and space(s) reserved to permit installation of a branch circuit overcurrent protective device.~~

~~——— **Exception:** A raceway is not required if a minimum 40-ampere 208/240-volt dedicated EV branch circuit is installed in close proximity to the proposed location of an EV charger at the time of original construction in accordance with the *California Electrical Code*.~~

4.106.4.1.1 Identification. ~~The service panel or subpanel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging as “EV CAPABLE”. The raceway termination location shall be permanently and visibly marked as “EV CAPABLE”.~~

4.106.4.1.2. Existing Building. Parking additions or electrical panel upgrades must have reserved breaker spaces and electrical capacity according to the requirements of 4.106.4.1.1.

4.106.4.2 ~~New m~~Multifamily dwellings, ~~hotels and motels and~~ with new residential parking facilities. Requirements apply to parking spaces that are assigned or leased to individual dwelling units, as well as unassigned residential parking. Visitor or common area parking is not included.

4.106.4.2.1 New Construction. Fifteen percent (15%) of dwelling units with parking spaces shall be EVCS with Level 2 EV Ready. ALMS shall be permitted to reduce load when multiple vehicles are charging. Eighty-five percent (85%) of dwelling units with parking spaces shall be provided with a Low Power Level 2 EV Ready space. EV ready spaces and EVCS in multifamily developments shall comply with California Building Code, Chapter 11A, Section 1109A. EVCS shall comply with the accessibility provisions for EV chargers in the California Building Code, Chapter 11B.

Note: The total number of EV spaces should be one-hundred percent (100%) of dwelling units or one-hundred percent (100%) of parking spaces, whichever is less.

~~When parking is provided, parking spaces for new multifamily dwellings, hotels and motels shall meet the requirements of Sections 4.106.4.2.1 and 4.106.4.2.2. Calculations for spaces shall be rounded up to the nearest whole number. A parking space served by electric vehicle supply equipment or designed as a future EV charging space shall count as at least one standard automobile parking space only for the purpose of complying with any applicable minimum parking space requirements established by a local jurisdiction. See Vehicle Code Section 22511.2 for further details.~~

~~4.106.4.2.1 Multifamily development projects with less than 20 dwelling units; and hotels and motels with less than 20 sleeping units or guest rooms.~~

~~The number of dwelling units, sleeping units or guest rooms shall be based on all buildings on a project site subject to this section.~~

1. EV Capable. ~~Ten (10) percent of the total number of parking spaces on a building site, provided for all types of parking facilities, shall be electric vehicle charging spaces (EV spaces) capable of supporting future Level 2 EVSE. Electrical load calculations shall demonstrate that the electrical panel service capacity and electrical system, including any on-site distribution transformer(s), have sufficient capacity to simultaneously charge all EVs at all required EV spaces at a minimum of 40 amperes.~~

~~The service panel or subpanel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging purposes as “EV CAPABLE” in accordance with the *California Electrical Code*.~~

Exceptions:

- ~~1. When EV chargers (Level 2 EVSE) are installed in a number equal to or greater than the required number of EV capable spaces.~~
- ~~2. When EV chargers (Level 2 EVSE) are installed in a number less than the required number of EV capable spaces, the number of EV capable spaces required may be reduced by a number equal to the number of EV chargers installed.~~

Notes:

- ~~a. Construction documents are intended to demonstrate the project’s capability and capacity for facilitating future EV charging.~~
- ~~b. There is no requirement for EV spaces to be constructed or available until receptacles for EV charging or EV chargers are installed for use.~~
- ~~2. **EV Ready.** Twenty five (25) percent of the total number of parking spaces shall be equipped with low power Level 2 EV charging receptacles. For multifamily parking facilities, no more than one receptacle is required per dwelling unit when more than one parking space is provided for use by a single dwelling unit.~~

~~**Exception:** Areas of parking facilities served by parking lifts.~~

4.106.4.2.2 Multifamily development projects with 20 or more dwelling units, hotels and motels with 20 or more sleeping units or guest rooms.

~~The number of dwelling units, sleeping units or guest rooms shall be based on all buildings on a project site subject to this section.~~

- ~~1. **EV Capable.** Ten (10) percent of the total number of parking spaces on a building site, provided for all types of parking facilities, shall be electric vehicle charging spaces (EV spaces) capable of supporting future Level 2 EVSE. Electrical load calculations shall demonstrate that the electrical panel service capacity and electrical system, including any on-site distribution transformer(s), have sufficient capacity to simultaneously charge all EVs at all required EV spaces at a minimum of 40 amperes.~~

~~The service panel or subpanel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging purposes as “EV CAPABLE” in accordance with the California Electrical Code.~~

Exception: When EV chargers (Level 2 EVSE) are installed in a number greater than five (5) percent of parking spaces required by Section 4.106.4.2.2, Item 3, the number of EV capable spaces required may be reduced by a number equal to the number of EV chargers installed over the five (5) percent required.

Notes:

~~a. Construction documents shall show locations of future EV spaces.~~

~~b. There is no requirement for EV spaces to be constructed or available until receptacles for EV charging or EV chargers are installed for use.~~

~~**2. EV Ready.** Twenty five (25) percent of the total number of parking spaces shall be equipped with low power Level 2 EV charging receptacles. For multifamily parking facilities, no more than one receptacle is required per dwelling unit when more than one parking space is provided for use by a single dwelling unit.~~

Exception: Areas of parking facilities served by parking lifts.

~~**3. EV Chargers.** Five (5) percent of the total number of parking spaces shall be equipped with Level 2 EVSE. Where common use parking is provided, at least one EV charger shall be located in the common use parking area and shall be available for use by all residents or guests.~~

~~When low power Level 2 EV charging receptacles or Level 2 EVSE are installed beyond the minimum required, an automatic load management system (ALMS) may be used to reduce the maximum required electrical capacity to each space served by the ALMS. The electrical system and any on-site distribution transformers shall have sufficient capacity to deliver at least 3.3 kW simultaneously to each EV charging station (EVCS) served by the ALMS. The branch circuit shall have a minimum capacity of 40 amperes and installed EVSE shall have a capacity of not less than 30 amperes. ALMS shall not be used to reduce the minimum required electrical capacity to the required EV capable spaces.~~

4.106.4.2.2 Existing Buildings.

1. When new parking facilities are added, or electrical systems or lighting of existing parking facilities are added or altered and the work requires a building permit, ten

percent (10%) of the total number of parking spaces added or altered shall be EVCS. Any existing EV Capable spaces on the building property required by the locally adopted codes at the time of building permit shall be upgraded to a minimum of Level 1 EV Ready. Upgrades shall be required at currently designated vehicle parking spaces. Upgrades shall be required for remaining parking spaces after meeting the accessibility requirements of California Building Code Chapters 11A and 11B.

2. When new parking facilities are added and ALMS is installed, the ALMS system must be designed to deliver no less than 2.2 kVa (110/120 volt, 20-ampere).

4.106.4.3.12.2.1 Electric vehicle charging stations (EVCS).

Electric vehicle charging stations required by Section 4.106.4.2.2, ~~Item 3~~, shall comply with Section 4.106.4.3.12.2.1.

Exception: Electric vehicle charging stations serving public accommodations, public housing, motels, and hotels shall not be required to comply with this section. See *California Building Code*, Chapter 11B, for applicable requirements.

4.106.4.3.12.2.1.1 Location.

EVCS shall comply with at least one of the following options:

1. The charging space shall be located adjacent to an accessible parking space meeting the requirements of the *California Building Code*, Chapter 11A, to allow use of the EV charger from the accessible parking space.
2. The charging space shall be located on an accessible route, as defined in the *California Building Code*, Chapter 2, to the building.

Exception: Electric vehicle charging stations designed and constructed in compliance with the *California Building Code*, Chapter 11B, are not required to comply with Section 4.106.4.3.12.2.1.1 and Section 4.106.4.3.12.2.1.2, Item 3.

4.106.4.3.12.2.1.2 Electric vehicle charging stations (EVCS) dDimensions.

The charging spaces shall be designed to comply with the following:

1. The minimum length of each EV space shall be 18 feet (5486 mm).

2. The minimum width of each EV space shall be 9 feet (2743 mm).
3. One in every 25 charging spaces, but not less than one, shall also have an 8-foot (2438 mm) wide minimum aisle. A 5-foot (1524 mm) wide minimum aisle shall be permitted provided the minimum width of the EV space is 12 feet (3658 mm).
 - a. Surface slope for this EV space and the aisle shall not exceed 1 unit vertical in 48 units horizontal (2.083 percent slope) in any direction.

Exception: Where the City's Municipal or Zoning Code permits parking space dimensions that are less than the minimum requirements stated in this section 4.106.4.3.2, and the compliance with which would be infeasible due to particular circumstances of a project, an exception may be granted while remaining in compliance with California Building Code Section Table 11B-228.3.2.1 and 11B-812, as applicable.

~~**4.106.4.2.2.1.3 Accessible EV spaces.** In addition to the requirements in Sections 4.106.4.2.2.1.1 and 4.106.4.2.2.1.2, all EVSE, when installed, shall comply with the accessibility provisions for EV chargers in the *California Building Code*, Chapter 11B. EV ready spaces and EVCS in multifamily developments shall comply with *California Building Code*, Chapter 11A, Section 1109A.~~

4.106.4.4 Direct current fast charging stations. One DCFC may be substituted for up to five (5) EVCS to meet the requirements of 4.106.4.1 and 4.106.4.2. Where ALMS serve DCFC stations, the power demand from the DCFC shall be prioritized above Level 1 and Level 2 spaces.

~~**4.106.4.2.3 EV space requirements.**~~

- ~~**1. Single EV space required.** Install a listed raceway capable of accommodating a 208/240-volt dedicated branch circuit. The raceway shall not be less than trade size 1 (nominal 1-inch inside diameter). The raceway shall originate at the main service or subpanel and shall terminate into a listed cabinet, box or enclosure in close proximity to the location or the proposed location of the EV space. Construction documents shall identify the raceway termination point, receptacle or charger location, as applicable. The service~~

panel and/or subpanel shall have a 40-ampere minimum dedicated branch circuit, including branch circuit overcurrent protective device installed, or space(s) reserved to permit installation of a branch circuit overcurrent protective device.

Exception: A raceway is not required if a minimum 40-ampere 208/240-volt dedicated EV branch circuit is installed in close proximity to the location or the proposed location of the EV space, at the time of original construction in accordance with the *California Electrical Code*.

~~**2. Multiple EV spaces required.** Construction documents shall indicate the raceway termination point and the location of installed or future EV spaces, receptacles, or EV chargers. Construction documents shall also provide information on amperage of installed or future receptacles or EVSE, raceway method(s), wiring schematics and electrical load calculations. Plan design shall be based upon a 40-ampere minimum branch circuit. Required raceways and related components that are planned to be installed underground, enclosed, inaccessible or in concealed areas and spaces shall be installed at the time of original construction.~~

Exception: A raceway is not required if a minimum 40-ampere 208/240-volt dedicated EV branch circuit is installed in close proximity to the location or the proposed location of the EV space at the time of original construction in accordance with the *California Electrical Code*.

~~**4.106.4.2.4 Identification.**~~

The service panel or subpanel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging purposes as “EV CAPABLE” in accordance with the *California Electrical Code*.

~~**4.106.4.2.5 Electric Vehicle Ready Space Signage.**~~

Electric vehicle ready spaces shall be identified by signage or pavement markings, in compliance with Caltrans Traffic Operations Policy Directive 13-01 (Zero Emission Vehicle Signs and Pavement Markings) or its successor(s).

~~**4.106.4.3 Electric vehicle charging for additions and alterations of parking facilities serving existing multifamily buildings.**~~

When new parking facilities are added, or electrical systems or lighting of existing parking facilities are added or altered and the work requires a building permit, ten (10) percent of the

~~total number of parking spaces added or altered, shall be electric vehicle charging spaces (EV spaces) capable of supporting future Level 2 EVSE.~~

Notes:

- ~~1. Construction documents are intended to demonstrate the project's capability and capacity for facilitating future EV charging.~~
- ~~2. There is no requirement for EV spaces to be constructed or available until EV chargers are installed for use.~~

14.04.130 Residential Code

Those certain Codes and Standards known as the 2022 California Residential Code, Part 2.5 of Title 24 of the California Code of Regulations, published by the California Building Standards Commission, and by reference the 2021 International Residential Code published by the International Code Council, and Appendix Chapters H (Patio Covers) and J (Existing Buildings), Appendix K (Sound Transmission) and V (Swimming Pool Safety Act) are hereby adopted by reference without amendment.

14.04.140 Abatement of Dangerous Buildings

Those certain Codes and Standards known as the 1997 Uniform Code for the Abatement of Dangerous Buildings are hereby adopted by reference without amendment.

14.04.150 Penalties

Any person who violates any of the provisions of this Chapter or the codes, standards and regulations adopted by reference and amended herein; or who fails to comply therewith; or who violates or fails to comply with any order made thereunder; or who builds in violation of any detailed statement of specifications or plans submitted and approved thereunder, or any certificate or permit issued thereunder; shall severally for each and every such violation and noncompliance, respectively, be guilty of a misdemeanor in accordance with Chapter 4.14 of the Municipal Code. The imposition of one penalty for any violation shall not excuse the violation or permit such violation to continue; and all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not otherwise specified, each ten days that prohibited conditions are maintained shall constitute a separate offense.

Resolution No. C-2022-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
DETERMINING THE NEED FOR LOCAL MODIFICATIONS TO THE CALIFORNIA BUILDING
STANDARDS CODE AND RATIFYING THE COASTSIDE FIRE PROTECTION DISTRICT'S ORDINANCE
NO. 2022-03**

WHEREAS, The State of California has adopted the 2022 edition of Title 24 of the California Code of Regulations, also known as the California Building Standards Code (CBSC), containing construction standards applicable to local jurisdictions throughout the State including the City of Half Moon Bay ("City"); and

WHEREAS, on December 6, 2022, the City Council of Half Moon Bay introduced an ordinance amending Chapter 14.04 of the Half Moon Bay Municipal Code, adopting by reference the 2022 Edition of the California Building Standards Code; and

WHEREAS, at least 15 days prior to the December 20, 2022 public hearing, at least one true copy of the CBSC was filed with the City Clerk for public inspection, pursuant to California Government Code Section 50022.6; and

WHEREAS, notice was published prior to the December 6, 2022 public hearing pursuant to California Government Code Sections 50022.3 and 6066; and

WHEREAS, the City is adopting the 2022 triennial CBSC code update to become effective on January 1, 2023; and

WHEREAS, when reasonably necessary due to local climatic, geological, or topographical conditions, Health and Safety Code Sections 17958.5 and 18941.5 authorize local jurisdictions to establish more restrictive building standards than those set forth in the CBSC; and

WHEREAS, before making local modifications to the CBSC, Health and Safety Code Sections 17958.5 and 18941.5 require the local jurisdiction to make express findings that such changes are reasonably necessary due to local climatic, geological or topographical conditions; and

WHEREAS, the City Council has determined that there is a need to establish building standards that are more restrictive than those adopted by the State of California in the 2022 CBSC to address the problems, concerns and future direction by which the City can establish and maintain an environment which will afford an appropriate level of fire and life safety to all who live and work within its boundary; and

WHEREAS, in making this determination, the City Council finds that modifications to the CBSC are reasonably necessary due to local climatic, geological, and topographical conditions as set forth below, and as summarized in the chart attached hereto as Exhibit A:

Climatic: The City is located on a coastal plain and as such is affected greatly by ocean changes. High winds are a factor in design considerations with expected three second gusts in excess of 90 miles per hour. Conditions are such as to require additional structural provisions for wind loading as well as provisions for electrical utility undergrounding. The City has an average annual rainfall of 27 inches and all storm water flows to the ocean. It is therefore necessary that the City provide special provisions to protect the environment and comply with the regional storm water permit.

The City is situated along the Pacific Coastline and the potential impacts of sea level rise are anticipated to increase the City's exposure to shoreline hazards. Human activities releasing greenhouse gas into the atmosphere cause increases in rising sea levels are likely to affect the amount of area in the City at risk of coastal flooding, the rate of erosion along the shoreline and bluffs, the area of the City's tsunami inundation zone, and potential seawater intrusion into riparian systems and groundwater supplies. Loss of shoreline due to rising waters may also threaten the stability of coastal habitats, recreation areas, public access, and infrastructure.

Vehicular traffic through Half Moon Bay is significant and continues to increase as Half Moon Bay is a tourism destination as well as the location of residential projects. The observed increase in plug-in electric vehicle adoption reduces the climate impact of vehicular greenhouse gas emissions.

Topographical: The City has many areas that are in the Tsunami Inundation Area, and it is also bordered by wildland areas. These conditions require the City to take the necessary precautions to protect the public from likely events of floods or wildland urban interface fires. In addition, the area has a highly expansive clay type soil that requires modifications to foundation and drainage design. Some areas of the City have a high water table and necessitate special drainage considerations to protect facilities from flooding and to provide for storm water runoff to the ocean.

Geological: The City is located in seismic zone D. The San Andreas Fault, as well as faults that are not fully charted, affect the seismicity risks of the City. In the event of a major earthquake, the City would in all likelihood be cut off from the rest of the Peninsula Cities. It is deemed reasonable that provisions be made to assure that the most conservative measures are designed into structures to protect the facilities, both residential and commercial, to provide time for emergency personnel and equipment to reach the coast and provide assistance.

AND WHEREAS, the City lies within the geographical boundaries of the Coastside Fire Protection District; and

WHEREAS, the Coastside Fire Protection District has responsibility for fire protection within said geographical boundaries; and

WHEREAS, on October 26, 2022, the Coastside Fire Protection District adopted Ordinance No. 2022-03, adopting the 2022 California Fire Code with certain amendments to reflect local conditions; and

WHEREAS, pursuant to Section 13869.7(c) of the California Health & Safety Code, such ordinances containing such modifications are not effective within the jurisdictional boundaries of the City until ratified by the City Council;

AND WHEREAS, the City Council finds that the changes to the provisions in the California Fire Code set forth in the Coastside Fire Protection District's Ordinance No. 2022-03, attached hereto as Exhibit B, are reasonably necessary because of the following local climatic, geological, or topographical conditions, consistent with findings made by the Coastside Fire Protection District on October 26, 2022 when the District adopted local modifications to the 2022 CBSC:

Climatic: The Coastside Fire Protection District is located within a coastal region. The District is subject to extensive periods of dense coastal fog as well as an average rainfall of twenty-five (25) inches per year. These adverse weather conditions create severe hazardous road conditions as well as mud and rockslides along the main access roads within as well as into the District from the surrounding area. Due to the periods of heavy fog and rainfall, along with repeated flooding conditions and road closures, the ability of the Fire Protection District to provide immediate emergency response is often delayed. These same adverse climatic conditions often result in a large number of vehicular accidents that place extreme restraints on the availability of emergency response to perform emergency rescue, first aid, hazardous materials control and firefighting. The climatic conditions often result in a substantial or total lack of ability of the Fire Protection District to respond immediately to the other types of emergency situations that occur. Examples of these emergency conditions may be a structure fire, brush fire, hazardous material incident or medical call. The mutual aid agreements established with adjoining fire protection agencies, might not be possible due to adverse climatic conditions having restricted or totally blocked access into the District.

Geological: The Coastside Fire Protection District is located within a high activity seismic Zone 4. The San Andreas Fault, as well as faults that are not fully charted, are within immediate boundaries of the District. The seismic geological conditions present a very severe potential for multiple fires, major breakage of water mains, major breakage of natural gas mains, multiple electrical power failures, multiple collapsed structures, large number of calls for emergency medical aid, all of which may occur simultaneously during a seismic event. Most of the structures within the hilly terrain have water pumping systems used for fire suppression water delivery as well as water storage tanks. Most of the pumping systems are dependent on electrical power for operation. Such electrical power may not be available during a seismic event. Water storage in the Point Montara zone of the District is deficient in volume. Water storage tanks used for the storage of required fire suppression water may also collapse in such an event forcing the additional needs to transport water via additional pieces of fire apparatus which will place a significant restraint on the ability of the District to provide the required emergency services.

Topographical: The District is composed of areas that are considered by the State Fire Hazard Severity Zone mapping system to be of High and Very High fire hazard. Much of the District is hilly terrain covered with highly combustible natural vegetation including the presence of many groves of eucalyptus trees. The structures within the areas of hilly terrain have very limited fire access due to narrow roadways with steep grades and poor road surface conditions such as gravel. The presence of many existing structures within the high and very high fire hazard and wildland areas provides for a severe potential of a structure fire spreading into a wildland fire condition.

AND WHEREAS, once adopted the City is required to file its local amendments and findings with the California Building Standards Commission in accordance with Health and Safety Code Section 17958.7.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay is adopting the 2022 CBSC to take effect on January 1, 2023, with local amendments; and

BE IT FURTHER RESOLVED that the City Council has directed that a copy of this Resolution and the Ordinance amending Chapter 14.04 of the Half Moon Bay Municipal Code, adopting by reference the 2022 Edition of the California Building Standards Code be filed with the California Building Standards Commission in accordance with Health and Safety Code Section 17958.7; and

BE IT FURTHER RESOLVED that the City Council does hereby ratify the Coastside Fire Protection District Ordinance No. 2022-03 to be effective in the City of Half Moon Bay; and

BE IT FURTHER RESOLVED that the City Council does hereby adopt Coastside Fire Protection Districts Findings of Fact supporting the modifications to the Fire Code in Coastside Fire Protection District Ordinance 22-03 as reasonably necessary because of local climatic, geological, or topographical conditions; and

BE IT FURTHER RESOLVED that a copy of this Resolution, including Coastside Fire Protection District Ordinance 22-03 and the Coastside Fire Protection District Findings of Fact, shall be filed with the California Building Standards Commission in accordance with Health & Safety Code Section 17958.7(a) and with the California Department of Housing and Community Development in accordance with Health & Safety Code Section 13869.7(c); and

BE IT FURTHER RESOLVED that this Resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Resolution is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that

the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action would have no or only a de minimis effect on the environment. The Resolution is also exempt from CEQA under CEQA Guidelines section 15308, because it is a regulatory action for the protection of the environment. The foregoing determination is made by the City Council in its independent judgment.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of December 2022 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Ruddock, Mayor

EXHIBIT A

Matrix of Justifications for Local Amendments to 2019 California Building Code (Title 24, Part 2)						
Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.020	Appendix J Grading, Section J103.1	Permits Required			x	ii, iii
14.04.020	Appendix J Grading, Section J103.1.2	Engineered Grading Requirements	x			ii, iii
14.04.020	Appendix J Grading, Section J104.1	Submittal Requirements			x	ii, iii
14.04.020	Appendix J Grading, Section J107.6	Grading and Filling of Flood Plain Areas	x			ii, iii

Matrix of Justifications for Local Amendments to 2019 California Electrical Code (Title 24, Part 3)						
Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.070	Article 100	Definitions			x	ii, iii

Matrix of Justifications for Local Amendments to 2019 California Fire Code (Title 24, Part 9)						
Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.110		A. Establishment of the Bureau of Fire Prevention	x			iv, v, vi
14.04.110		B. Definitions	x			iv, v, vi

Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.110		C. Establishment of Limits within the Coastsides Fire Protection District in Which Storage and Use of Explosives and Blasting Agents is to Be Prohibited.	x			iv, v, vi
14.04.110		D. Establishment of Limits within the Coastsides Fire Protection District in Which Storage of Flammable/ Combustible Liquids in Outside Above-Ground Tanks is to Be Prohibited.	x			iv, v, vi
14.04.110		E. Establishment of Limits within the Coastsides Fire Protection District in which Storage of Liquefied Petroleum Gases is to Be Prohibited.	x			iv, v, vi
14.04.110		F. Establishment of Limits within the Coastsides Fire Protection District in Which the Storage of Compressed Natural Gas Is to Be Prohibited.	x			iv, v, vi
14.04.110		G. Establishment of minimum roofing classification for all new buildings constructed or re-roofed within the Coastsides Fire Protection District.	x			iv, v, vi
14.04.110	101.1	Title			x	iv, v, vi
14.04.110	101.2.1	Appendix Chapters			x	iv, v, vi
14.04.110	104.1.1	Fire Department Personnel and Peace Officer			x	iv, v, vi
14.04.110	105.6.2.1	Special Events	x			iv, v, vi
14.04.110	108.1	Authority to Inspect	x			iv, v, vi

Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.110	111	Board of Appeals Established	x			iv, v, vi
14.04.110	111.2	Limitations on Authority			x	iv, v, vi
14.04.110	111.3	Qualifications			x	iv, v, vi
14.04.110	112.4	Violation Penalties			x	iv, v, vi
14.04.110	113.4	Failure to Comply			x	iv, v, vi
14.04.110	200		x			iv, v, vi
14.04.110	303.3.1	Fuel Cylinders for Asphalt Roofing Kettles	x			iv, v, vi
14.04.110	304.1.2.1	Clearance of Brush, Vegetative Growth and Combustible Material from Lots.	x			iv, v, vi
14.04.110	304.1.2.2	Clearance of Brush, Vegetative Growth from Structure Area.	x			iv, v, vi
14.04.110	304.1.2.3	Fire Breaks	x			iv, v, vi
14.04.110	304.1.2.4	Weed Abatement	x			iv, v, vi
14.04.110	304.1.2.5	Declaration of Hazardous Fire Areas	x			iv, v, vi
14.04.110	503.1.2.1	Fire Department Access	x			iv, v, vi
14.04.110	503.2.3.1	All Weather Surface	x			iv, v, vi
14.04.110	503.2.4.1	Turning Radius	x			iv, v, vi
14.04.110	503.2.6	Bridges and elevated surfaces			x	iv, v, vi
14.04.110	503.3.1	Fire Access Lane Markings	x			iv, v, vi
14.04.110	503.4.1	Traffic Calming Devices			x	iv, v, vi
14.04.110	503.4.2	Prohibited Parking	x			iv, v, vi
14.04.110	503.4.3	Roadway Spikes	x			iv, v, vi
14.04.110	505.1.1	Premises Identification	x			iv, v, vi
14.04.110	505.1.2	Multiple Tenant Structures	x			iv, v, vi
14.04.110	505.1.3	Commercial/Industrial Size and Stroke of Numbers	x			iv, v, vi
14.04.110	505.1.4	Rear Addressing	x			iv, v, vi

Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.110	505.1.5	Suite/Unit Identification	x			iv, v, vi
14.04.110	505.1.6	Directories	x			iv, v, vi
14.04.110	505.2.1	Construction Site	x			iv, v, vi
14.04.110	506.1.3	Key Box	x			iv, v, vi
14.04.110	507.1.1	Fire Department Water Supply	x			iv, v, vi
14.04.110	507.2.2.1	Suburban and Urban Rural Water Supplies	x			iv, v, vi
14.04.110	507.2.2.2	Storage of Suburban and Urban Rural Water Supplies	x			iv, v, vi
14.04.110	903.1.2	All Occupancies and Facilities			x	iv, v, vi
14.04.110	903.2.1	Existing buildings or structures	x			iv, v, vi
14.04.110	903.6.1	Where required	x			iv, v, vi
14.04.110	903.6.2	N/A	x			iv, v, vi
14.04.110	903.2.1.1	Group A-1			x	iv, v, vi
14.04.110	903.2.1.2	Group A-2			x	iv, v, vi
14.04.110	903.2.1.3	Group A-3			x	iv, v, vi
14.04.110	903.2.1.4	Group A-4			x	iv, v, vi
14.04.110	903.2.3	Group E			x	iv, v, vi
14.04.110	903.2.4	Group F			x	iv, v, vi
14.04.110	903.2.7	Group M			x	iv, v, vi
14.04.110	903.2.9	Group S-1			x	iv, v, vi
14.04.110	903.2.10	N/A			x	iv, v, vi
14.04.110	903.2.8.1.1	N/A				iv, v, vi
14.04.110	903.3.3.8.6	Partial Systems	x			iv, v, vi
14.04.110	905.5.3	Class II System 1 1/2-inch hose			x	iv, v, vi
14.04.110	907.8.5.2	Making False Report	x			iv, v, vi
14.04.110	907.10.1	Alarm Panel Clearance	x			iv, v, vi
14.04.110	907.2.11.2.4-5	Smoke Detection for Existing Group R Division 3 Occupancies	x			iv, v, vi

Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.110	907.8.5.1	Fire Department Response to False Alarms	x			iv, v, vi
14.04.110	912.2.1.1	Painting of Fire Protection Equipment and Hydrants	x			iv, v, vi
14.04.110	912.5.1	Identification	x			iv, v, vi
14.04.110	1003.4.1	Seismic Restraint for Storage Shelving	x			iv, v, vi
14.04.110	5601.1.6	Fireworks	x			iv, v, vi
14.04.110	5608.1.2	Permits	x			iv, v, vi
14.04.110	6101.3	Construction Documents			x	iv, v, vi
14.04.110	D102.2	Fire Apparatus Roads	x			iv, v, vi
14.04.110	D103.4.1	N/A	x			iv, v, vi
14.04.110	D103.6.4	Maintenance and Installation of Fire Access Sigs	x			iv, v, vi
14.04.110	D103.7	Traffic Signal Control Devices	x			iv, v, vi
14.04.110	Appendix O				x	iv, v, vi

Matrix of Justifications for Local Amendments to 2019 Green Building Standards Code (Title 24, Part 11)						
Half Moon Bay Municipal Code Section(s)	State Code Section(s)	Title	Add	Deleted	Amended	Justification (see below)
14.04.120	Chapter 2	Definitions			x	i
14.04.120	301.1.1	Additions and alterations			x	i
14.04.120	4.106.4	Electric vehicle (EV) charging			x	i
14.04.120	4.106.4.1	One- and two family dwellings, town- houses with private garages.			x	i
14.04.120	4.106.4.1.1	New Construction			x	i

14.04.120	4.106.4.1.2	Existing Building			x	i
14.04.120	4.106.4.2	Multifamily dwellings with residential parking			x	i
14.04.120	4.106.4.2.1	New Construction			x	i
14.04.120	4.106.4.2.2	Existing Buildings			x	i
14.04.120	4.106.4.3	Electric vehicle charging station (EVCS)			x	i
14.04.120	4.106.4.3.1	Location			x	i
14.04.120	4.106.4.3.2	Dimensions			x	i
14.04.120	4.106.4.4	Direct current fast charging stations			x	i

Half Moon Bay Local Conditions:

i. *Climatic:* The City is located on a coastal plain and as such is affected greatly by ocean changes. High winds are a factor in design considerations with expected three second gusts in excess of 90 miles per hour. Conditions are such as to require additional structural provisions for wind loading as well as provisions for electrical utility undergrounding. The City has an average annual rainfall of 27 inches and all storm water flows to the ocean. It is therefore necessary that the City provide special provisions to protect the environment and comply with the regional storm water permit.

The City is situated along the Pacific Coastline and the potential impacts of sea level rise are anticipated to increase the City's exposure to shoreline hazards. Human activities releasing greenhouse gas into the atmosphere cause increases in rising sea levels are likely to affect the amount of area in the City at risk of coastal flooding, the rate of erosion along the shoreline and bluffs, the area of the City's tsunami inundation zone, and potential seawater intrusion into riparian systems and groundwater supplies. Loss of shoreline due to rising waters may also threaten the stability of coastal habitats, recreation areas, public access, and infrastructure.

Vehicular traffic through Half Moon Bay is significant and continues to increase as Half Moon Bay is a tourism destination as well as the location of residential projects. The observed increase in plug-in electric vehicle adoption reduces the climate impact of vehicular greenhouse gas emissions.

ii. *Topographical:* The City has many areas that are in the Tsunami Inundation Area, and it is also bordered by wildland areas. These conditions require the City to take the necessary precautions to protect the public from likely events of floods or wildland urban interface fires. In addition, the area has a highly expansive clay type soil that requires modifications to foundation and drainage design.

Some areas of the City have a high water table and necessitate special drainage considerations to protect facilities from flooding and to provide for storm water runoff to the ocean.

iii. *Geological*: The City is located in seismic zone D. The San Andreas Fault, as well as faults that are not fully charted, affect the seismicity risks of the City. In the event of a major earthquake, the City would in all likelihood be cut off from the rest of the Peninsula Cities. It is deemed reasonable that provisions be made to assure that the most conservative measures are designed into structures to protect the facilities, both residential and commercial, to provide time for emergency personnel and equipment to reach the coast and provide assistance.

Coastside Fire Protection District Local Conditions:

iv. *Climatic*: The Coastside Fire Protection District is located within a coastal region. The District is subject to extensive periods of dense coastal fog as well as an average rainfall of twenty-five (25) inches per year. These adverse weather conditions create severe hazardous road conditions as well as mud and rockslides along the main access roads within as well as into the District from the surrounding area. Due to the periods of heavy fog and rainfall, along with repeated flooding conditions and road closures, the ability of the Fire Protection District to provide immediate emergency response is often delayed. These same adverse climatic conditions often result in a large number of vehicular accidents that place extreme restraints on the availability of emergency response to perform emergency rescue, first aid, hazardous materials control and firefighting. The climatic conditions often result in a substantial or total lack of ability of the Fire Protection District to respond immediately to the other types of emergency situations that occur. Examples of these emergency conditions may be a structure fire, brush fire, hazardous material incident or medical call. The mutual aid agreements established with adjoining fire protection agencies, might not be possible due to adverse climatic conditions having restricted or totally blocked access into the District.

v. *Geological*: The Coastside Fire Protection District is located within a high activity seismic Zone 4. The San Andreas Fault, as well as faults that are not fully charted, are within immediate boundaries of the District. The seismic geological conditions present a very severe potential for multiple fires, major breakage of water mains, major breakage of natural gas mains, multiple electrical power failures, multiple collapsed structures, large number of calls for emergency medical aid, all of which may occur simultaneously during a seismic event. Most of the structures within the hilly terrain have water pumping systems used for fire suppression water delivery as well as water storage tanks. Most of the pumping systems are dependent on electrical power for operation. Such electrical power may not be available during a seismic event. Water storage in the Point Montara zone of the District is deficient in volume. Water storage tanks used for the storage of required fire suppression water may also collapse in such an event forcing the additional needs to transport water via additional pieces of fire apparatus which will place a significant restraint on the ability of the District to provide the required emergency services.

vi. *Topographical*: The District is composed of areas that are considered by the State Fire Hazard Severity Zone mapping system to be of High and Very High fire hazard. Much of the District is hilly terrain covered with highly combustible natural vegetation including the presence of many groves of eucalyptus trees. The structures within the areas of hilly terrain have very limited fire access due to narrow roadways with steep grades and poor road surface conditions such as gravel. The presence of many existing structures within the high and very high fire hazard and wildland areas provides for a severe potential of a structure fire spreading into a wildland fire condition.



Coastside Fire Protection District

STAFF REPORT

TO: Honorable Board of Directors

FROM: Jonathan Cox, Deputy Fire Chief

DATE: October 26, 2022

SUBJECT: 2022 FIRE CODE ADOPTION

Staff Recommendation

Introduce an Ordinance adopting the 2022 California Fire Code with local amendments.

Background

Every 3 years, the California Building Standards Commission updates and adopts the newest California Building Standards Code. This code automatically becomes effective on January 1, 2023. As part of that State level adoption, State law automatically rescinds local amendments, so local jurisdictions need to adopt new modifications to their codes.

The Coastside Fire Board of Directors last adopted the 2019 California Fire Codes with local amendments on October 23, 2019. On July 1, 2022, the State Building Standards Commission adopted the 2022 California Building Standards Code, which becomes effective on January 1, 2023, making it necessary for the Coastside Fire District to adopt a new ordinance.

Research and Findings

Staff is providing the Board with the proposed changes to the code to stay in line with State law and maintain the amendments currently in place from the last adopted ordinances.

Fiscal Impact

None

Attachment

1. Ordinance

ORDINANCE NO. 2022-03

COASTSIDE FIRE PROTECTION DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

AN ORDINANCE ADOPTING THE CALIFORNIA FIRE CODE
EDITION AND PRESCRIBING REGULATIONS GOVERNING CONDITIONS HAZARDOUS TO LIFE,
PROPERTY AND THE ENVIRONMENT FROM FIRE, PANIC, EXPLOSION, HAZARDOUS
MATERIALS AND HAZARDOUS USES AND ESTABLISHING A BUREAU OF FIRE PREVENTION
AND PROVIDING OFFICERS THEREFOR

The Board of Directors of the Coastside Fire Protection District does hereby ordain as follows:

Section I. Findings of Fact.

A. **General.** After due consideration, the Board of Directors of the Coastside Fire Protection District, hereby finds that the unique local climate, geological and topographical conditions existing within the boundaries of the District make it reasonably necessary for the District to impose more stringent requirements than set forth in the California Fire Code and pursuant to California Health and Safety Code sections 13869.7 and 17958.7, the District desires to make express findings to that effect and to adopt the modifications and changes contained in this adoptive Ordinance of the 2022 California Fire Code. Such changes are deemed to be reasonably necessary to provide adequate and effective protection of life, property, and the environment.

The District is within the air path approach to the San Francisco and San Jose International airports. The commercial air traffic as well as the presence of a large amount of private small aircraft presents a high potential for rescue and firefighting demands on the District.

The District has numerous festival events that occur yearly as well as a significant amount of tourism due to the presence of several miles of Pacific coastline and beaches. Such events and tourism can present significant increases of vehicular traffic and population within the District. The District covers areas of the “Devils Slide” portion of Hwy #1, the Pillar Point Harbor and many miles of isolated coastline. These increased conditions result in a high demand for providing emergency services.

The Coastside Fire Protection District provides the fire protection services for the City of Half Moon Bay and the Communities of Montara, Moss Beach, Princeton, El Granada and Miramar in addition to the surrounding unincorporated areas with a total District size of 50 square miles. The District has established three fire stations to provide the emergency services. Fire Station 40 is located within the downtown area of the City of Half Moon Bay and Fire Station 41 is located within the unincorporated area of El Granada. El Granada is located four miles to the north of the City of Half Moon Bay. Fire Station 44 is located within the Moss Beach Area of the District. The District has thirty-five paid and twenty volunteer fire fighter positions, along with four management and two administrative support positions.

- B. **Climatic.** The Coastside Fire Protection District is located within a coastal region. The District is subject to extensive periods of dense coastal fog as well as an average rainfall of twenty-five (25) inches per year. These adverse weather conditions create severe hazardous road conditions as well as mud and rockslides along the main access roads within as well as into the District from the surrounding area. Due to the periods of heavy fog and rainfall, along with repeated flooding conditions and road closures, the ability of the Fire Protection District to provide immediate emergency response is often delayed. These same adverse climatic conditions often result in a large number of vehicular accidents that place extreme restraints on the availability of emergency response to perform emergency rescue, first aid, hazardous materials control and firefighting. The climatic conditions often result in a substantial or total lack of ability of the Fire Protection District to respond immediately to the other types of emergency situations that occur. Examples of these emergency conditions may be a structure fire, brush fire, hazardous material incident or medical call. The mutual aid agreements established with adjoining fire protection agencies, might not be possible due to adverse climatic conditions having restricted or totally blocked access into the District.
- C. **Geological.** The Coastside Fire Protection District is located within a high activity seismic Zone 4. The San Andreas Fault, as well as faults that are not fully charted, are within immediate boundaries of the District. The seismic geological conditions present a very severe potential for multiple fires, major breakage of water mains, major breakage of natural gas mains, multiple electrical power failures, multiple collapsed structures, large number of calls for emergency medical aid, all of which may occur simultaneously during a seismic event. Most of the structures within the hilly terrain have water pumping systems used for fire suppression water delivery as well as water storage tanks. Most of the pumping systems are dependent on electrical power for operation. Such electrical power may not be available during a seismic event. Water storage in the Point Montara zone of the District is deficient in volume. Water storage tanks used for the storage of required fire suppression water may also collapse in such an event forcing the additional needs to transport water via additional pieces of fire apparatus which will place a significant restraint on the ability of the District to provide the required emergency services.
- D. **Topographical.** The District is composed of areas that are considered by the State Fire Hazard Severity Zone mapping system to be of High and Very High fire hazard. Much of the District is hilly terrain covered with highly combustible natural vegetation including the presence of many groves of eucalyptus trees. The structures within the areas of hilly terrain have very limited fire access due to narrow roadways with steep grades and poor road surface conditions such as gravel. The presence of many existing structures within the high and very high fire hazard and wildland areas provides for a severe potential of a structure fire spreading into a wildland fire condition.

Section II. Adoption of California Fire Code.

Ordinance Number **2019-03** related to providing a Fire Prevention Code for the Coastside Fire Protection District is hereby repealed. Furthermore there is hereby adopted by the Board of Directors of the Coastside Fire Protection District, for the purpose of prescribing regulations governing conditions hazardous to life, property and the environment from fire, or explosion, hazardous materials, and hazardous uses, that certain code known as the **2022** California Fire Code, California Code of Regulations, Title 24 Part 9, including Appendix Chapter 4, Appendix B, Appendix C,

Appendix D, Appendix I, Appendix N, and Appendix O which has been adopted in part by the California Building Standards Commission with necessary amendments. The **2022** California Fire Code utilizes the **2021** International Fire Code, published by International Code Council, as the base document. State Fire Marshal amendments that are considered Building Standards are included to form the California Fire Code. The California Fire Code is published and printed by the International Code Council, being particularly the **2022** edition thereof, and whole thereof, save and except such portions as are hereinafter deleted, modified or amended by Section IX of this ordinance, of which three (3) copies have been and now are filed in the Office of the Clerk of the Coastsides Fire Protection District, and the same are hereby adopted and incorporated as fully as if set out at length herein, and from the date on which this ordinance shall take effect the provisions thereof shall be controlling within the limits of the Coastsides Fire Protection District.

Section III. Establishment of the Bureau of Fire Prevention.

The Bureau of Fire Prevention is hereby established and shall operate under the supervision of the Chief of the Coastsides Fire Protection District, or the person or persons authorized by the Chief of the Coastsides Fire Protection District.

Section IV. Definitions.

1. Wherever the words "authority having jurisdiction or jurisdiction" are used, it shall be held to mean the Coastsides Fire Protection District.
2. Wherever the words "fire department" are used, it shall be held to mean the Coastsides Fire Protection District.
3. Wherever the words "Chief or Chief of the Bureau of Fire Prevention" are used, they shall be held to mean the Chief of the Coastsides Fire Protection District, or the person or persons authorized by the Chief of the Coastsides Fire Protection District.
4. Wherever the word "Administrator" is used, it shall be held to mean the Board of Directors of the Coastsides Fire Protection District.
5. Wherever the term "District Counsel" is used in the Fire Code, it shall be held to mean the Attorney for the Coastsides Fire Protection District.

Section V.

Establishment of Limits within the Coastsides Fire Protection District in Which Storage and Use of Explosives and Blasting Agents is to Be Prohibited. The storage and use of explosives and blasting agents are prohibited within the boundaries of the Coastsides Fire Protection District.

Exception: The Chief of the Coastsides Fire Protection District or the person or persons authorized by the Chief of the Coastsides Fire Protection District, may issue a permit to store or use explosives and blasting agents after due consideration has been given to the potential hazards to life, and property and compliance to the requirements established by the California State Fire Marshal for the Storage and Use of Explosives.

Section VI.

Establishment of Limits within the Coastside Fire Protection District in Which Storage of Flammable/Combustible Liquids in Outside Above-Ground Tanks is to Be Prohibited.

The Chief shall have the authority to permit or deny each site-specific design and/or installation of above ground flammable/combustible liquids tanks within the established boundaries of the Coastside Fire Protection District.

Section VII.

Establishment of Limits within the Coastside Fire Protection District in which Storage of Liquefied Petroleum Gases is to Be Prohibited.

The Chief shall have the authority to permit or deny each site-specific design and/or installation for the storage of Liquefied Petroleum Gases within the established boundaries of the Coastside Fire Protection District.

Section VIII.

Establishment of Limits within the Coastside Fire Protection District in Which the Storage of Compressed Natural Gas Is to Be Prohibited.

The Chief shall have the authority to permit or deny each site-specific design and/or installation for the storage of Compressed Natural Gas within the established boundaries of the Coastside Fire Protection District.

Section IX.

Establishment of minimum roofing classification for all new buildings constructed or re-roofed within the Coastside Fire Protection District.

All roof installations regulated by California Building Code Chapter 15 and Appendix Chapter 15 shall comply with CBC Section 1505, **but in no case shall be listed as less than a minimum of a Class B roofing assembly.**

The Chief shall have the authority to inspect all such roofing systems during construction and/or require certification from the installer that the roof system does meet these requirements.

Section X.

Amendments and Deletions to the California Fire Code as Published by and Printed by the International Code Council. The California Fire Code is amended and changed as follows:

Section 101 [adopted in its entirety]

Section 101.1 Title. [amended] These regulations shall be known as the Fire Code of the Coastside Fire Protection District, hereafter referred to as “this code”

Section 101.2.1 Appendix Chapters. [amended] Appendix chapters, which are not specifically adopted, may be used in whole or in part by the Coastside Fire Protection District as guides toward enforcement of the provisions of this ordinance.

Section 104.1 [adopted in its entirety]

Section 104.1.1 Fire Department Personnel and Peace Officer. [amended] Chief and members of the fire prevention bureau and other designated representatives as designated by the Chief shall have the powers of a public officer in performing their duties under this code and shall have the power to issue notices of violation or citations for violation of this code and any other ordinances of the Coastside Fire Protection District. Individuals designated as “peace officers” shall assume those duties upon successful completion of a PC 832 course of instruction.

Division II, Section 104.3 [adopted in its entirety]

Division II, Section 104.3.1 [adopted in its entirety]

Division II, Section 104.5 [adopted in its entirety]

Division II, Section 104.9 [adopted in its entirety]

Division II, Section-104.10.1 [adopted in its entirety]

Division II, Section 104.10.2 [adopted in its entirety]

Division II, Section 104.10.11 [adopted in its entirety]

Division II, Section 104.11.1 [adopted in its entirety]

Division II, Section 104.12 [adopted in its entirety]

Division II, Section 104.12.1 [adopted in its entirety]

Division II, Section 104.12.2 [adopted in its entirety]

Division II, Section 104.12.3 [adopted in its entirety]

Section 105.6.2.1 Special Events. [added] An operational permit is required to conduct a special event either inside or outside of a structure. Special events include but are not limited to the following types of activity: crafts faire, festivals, historical celebrations, etc.

Section 108.1 Authority to Inspect. [added] The Chief or other designated representatives shall inspect, as often as necessary, buildings and premises, including such other hazards or appliances designated by the Chief for the purpose of ascertaining and causing to be corrected any conditions which would reasonably tend to cause fire or contribute to its spread, or any

violation of the purpose or provisions of this code and of any other law or standard affecting fire safety.

Section 111 Board of Appeals Established. [added and amended] In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a Board of Appeals.

Any person who is aggrieved within the meaning of this paragraph by an action of an authorized representative of the District may appeal the action to the Fire District's Board of Directors. The appeal must be in writing, must fully describe the action sought to be appealed and must be filed with the Clerk of the District Board within 30 days of the date of the action appealed. The Board of Directors shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official. The decision rendered by the Board of Directors of the Coastsides Fire District is final.

Section 111.2 Limitations on Authority. [amended] A person shall be deemed to be aggrieved within the meaning of this Section if the person is the applicant or the permittee or is otherwise directly affected by the action in question. An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The action in question may also involve the approval or disapproval of a permit application submitted to the District, the grant or denial of a permit, or a decision concerning the interpretation, construction, operation, or enforcement of the District's Fire Prevention Code. The Board shall have no authority to waive requirements of this code.

Section 111.3 Qualifications. [amended] The Board of Appeals shall consist of the Fire District Board of Directors. The Fire Chief shall be an ex officio member of said Board but shall have no vote on any matter before the Board.

Section 112.4 Violation Penalties [amended] Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the Fire Code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor, punishable by a fine of not less than \$250 dollars or more than \$2,500 or imprisonment for not less than 180 days or both in accordance with Section 19 of the California Penal Code. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

Notwithstanding any other provision of this code, whenever violation of any section contained in this code is punishable as a misdemeanor, the prosecuting attorney having jurisdiction to prosecute said misdemeanor, may specify that the offense is an infraction and proceed with prosecution as an infraction, unless the defendant, at the time of his arraignment or plea, objects to the offense being made an infraction, in which event the complaint shall be amended to charge a misdemeanor and the case shall proceed on a misdemeanor complaint.

The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects; and when not otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense.

- (1) The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.
- (2) Due to the potential danger of the hazardous materials regulated under the International/California Fire Code, any person, firm, or corporation who violates any of the provisions of the International/California Fire Code, shall be liable for civil penalties not exceeding \$250 dollars per day for the first ten days; and \$2,500 dollars per day for the next 20 days; and \$5,000 dollars for each day after twenty. This shall apply to each violation.
- (3) In addition to the penalties set out in this Code, any condition caused or permitted to exist in violation of any of the provisions of this Code shall be deemed a public nuisance and may be summarily abated as such, and each day such condition continues shall be regarded as a new separate offense. The Coastside Fire Protection District shall also be permitted the right of recovering those funds, used to mitigate continuous, unabated hazards, which present a clear and present danger. The cost recovery fee shall be based on the actual hourly rate for the Coastside Fire Protection District staff and the cost of using a private contractor and equipment, used in gaining compliance for those in violation.
- (4) Fines and cost recovery fees will be accessed to the property owners tax rolls after thirty (30) days of the violations notice, or after completion of the appeal process.

Section 113.4 Failure to Comply. [amended] Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$250 dollars or more than \$2,500.

Section 200 [added]

Air Reactive is any liquid, solid or gas, which, when combined with air, a reaction occurs that forms a hazardous condition. (See also, "pyrophoric")

ALL WEATHER SURFACE shall be a minimum of 6 inches of compacted Class II base rock and 2 inches of asphalt or concrete for grades up to 15%. From 15% to 20% an engineered surface such as rough grooved concrete is required. In no circumstances shall the grade exceed 20%.

AUTHORIZED REPRESENTATIVES shall be those persons determined by the Chief of the Coastside Fire Protection District to act as the Chiefs' agent.

BRIDGE A bridge shall be defined as a structure designed to carry a roadway over a depression or obstacle

BUILDING CODE is the California Building Code, 2022 edition

ELECTRICAL CODE is California Electrical Code, 2022 edition.

EXECUTIVE BODY is the Board of Directors for the Coastsides Fire Protection District.

FIRE DEPARTMENT is the Coastsides Fire Protection District.

JURISDICTION is the Coastsides Fire Protection District.

JURISDICTIONAL AREA is the boundaries established for the Coastsides Fire Protection District including the City of Half Moon Bay and unincorporated areas of San Mateo County including Miramar, El Granada, Princeton, Moss Beach and Montara.

LIQUID TIGHT is the ability of a material to retain a liquid being contained and prevent the passage of such liquid.

MECHANICAL CODE is the California Mechanical Code, 2022 edition.

PLUMBING CODE is the California Plumbing Code, 2022 edition.

STAGE A space within a building utilized for entertainment or presentations, which includes overhead hanging curtains, drops, scenery or stage effects other than lighting and sound.

STREET is any thoroughfare or public way not less than 20 feet in width which has been dedicated or deeded to the public for public use and required as a means of fire department access.

TRAFFIC CALMING DEVICES are design elements of fire apparatus access roads such as street alignment, installation of barriers, and other physical measures intended to reduce traffic and cut-through volumes, and slow vehicle speeds.

WASTE OIL is a Class III-B waste liquid resulting from the use of Class III-B combustible liquids such as motor oil, hydraulic oil, lubricating oil, brake fluids and transmission fluids.

Section 303 [adopted in its entirety]

Section 303.3.1 Fuel Cylinders for Asphalt Roofing Kettles. [added] All fuel cylinders, used in conjunction with asphalt roofing kettles or related equipment, shall be adequately secured to prevent overturning.

Section 304.1.2.1 Clearance of Brush, Vegetative Growth and Combustible Material from Lots. [added] All lots shall be cleared of brush, vegetative growth, and combustible material upon written notification by the Coastside Fire Protection District.

Section 304.1.2.2 Clearance of Brush, Vegetative Growth from Structure Area. [added] Any person owning, leasing, controlling, operating, or maintaining any building or structure in, upon or adjoining any hazardous fire area or any such area within the jurisdictional boundary of the Coastside Fire Protection District, shall upon written notification remove and clear such brush, vegetative growth from the area of the building or structure, as prescribed within the written notice.

Section 304.1.2.3 Fire Breaks. [added] The Coastside Fire Protection District may require the installation of “fire breaks” around or within parcels of property where combustible weeds, crops, brush, or other combustible materials are present. The specific width and length of the “fire breaks” will be determined by the Coastside Fire Protection District. The following conditions will be included as part of the determining factors regarding the width and length of the “fire breaks”:

1. Height and width of combustible material present
2. Prevailing weather conditions
3. Topography of site
4. Available fire apparatus access
5. Fire protection systems available on-site
6. Relationship of structures within the given parcel to the combustible material or adjacent parcels where structures would become exposed to the presence of the combustible material

Specifications and guidelines for compliance with applicable sections of the ordinance shall be found in the Coastside Fire District **“Fire Prevention Bureau Standards” titled “Weed and Rubbish Abatement Program”**.

Section 304.1.2.4 Weed Abatement. [added] Due to heavy growth of fuels, unmaintained lots are a hazard to the surrounding properties. Coastside Fire Protection District staff shall carry out weed abatement program activities throughout the Coastside Fire Protection District.

Section 304.1.2.5 Declaration of Hazardous Fire Areas. [added] The State of California through the California Department of Forestry and Fire Protection has identified and released for action VERY HIGH FIRE HAZARD SEVERITY ZONES in Local Response Areas. The Board of Directors of the Coastside Fire Protection District hereby declares these zones as HAZARDOUS FIRE AREAS which shall require compliance with Section 4291 of the California Public Resources Code as updated by Section 4251 of the California Public Resources Code and Sections 304.1.2.1, 304.1.2.2, 304.1.2.3 and 304.1.2.4 of the Coastside Fire Protection District Ordinance No. 2022-03.

Chapter 3, Section 305 [adopted in its entirety]

Chapter 3, Section 307 [adopted in its entirety]

Chapter 3, Section 308 [adopted in its entirety]

Chapter 3, Section 310 [adopted in its entirety]

Chapter 3, Section 311 [adopted in its entirety]

Chapter 5, Section 503 [adopted in its entirety]

Section 503.1.2.1. Fire Department Access. [added]

1. Fire Department Access shall be required when one or more additions, alterations, or repairs, or combination thereof, in a two-year period, exceed more than 50% of the valuation of the facility or building.

Exceptions:

1. Any exemption otherwise allowable under the Fire Code as determined by the Fire Code Official
2. Exterior improvements and work not requiring permits as provided in the Building Code
3. Detached Group U occupancies or detached carports less than 1000 square feet.
4. Work requiring only a mechanical, electrical, plumbing, and/or demolition permit.

Section 503.2.3.1 All Weather Surface. [added] Shall be a minimum of 6 inches of compacted Class II base rock and 2 inches of asphalt or concrete for grades up to 15%. From 15% to 20% an engineered surface such as a rough grooved concrete is required. In no circumstances shall the grade exceed 20%.

Section 503.2.4.1 Turning Radius. [added] Inside and outside turning radius for fire access roads will be based upon the capability of the fire apparatus used by the Coastside Fire Protection District. Turning radius design approval must be obtained from the Coastside Fire Protection District.

Section 503.2.6 Bridges and elevated surfaces. [amended] Where a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO **HS-20**. Bridges and elevated surfaces shall be designed for a live load sufficient to carry the imposed loads of fire apparatus. Vehicle load limits shall be posted at both entrances to bridges. Where elevated surfaces designed for emergency vehicle use are adjacent to surfaces which are not designed for such use, approved barriers, approved signs, or both shall be installed and maintained.

Section 503.3.1 Fire Access Lane Markings. [added] The designation shall be indicated (1) by a sign posted immediately adjacent to, and visible from, the designated place clearly stating in letters not less than one inch in height that the place is a fire lane, (2) by outlining or painting the place in red and, in contrasting color, marking the place with the words "FIRE LANE",

which are clearly visible from a vehicle, or (3) by a red curb or red paint on the edge of the roadway upon which is clearly marked the words "FIRE LANE".

Section 503.4.1 Traffic Calming Devices. [amended] Traffic calming devices are prohibited unless approved by the fire code official. Traffic calming devices shall not be installed on designated fire apparatus response routes. When approved, traffic calming devices shall be installed in accordance with the Coastside Fire District's "Traffic Calming Devices" Standard Detail and Specification.

Section 503.4.2 Prohibited Parking. [added] If in the judgment of the Coastside Fire Protection District it is necessary to prohibit vehicular parking, or other materials or articles, along private fire access lanes in order to prevent obstruction of the required width of the fire access lane, signs shall be posted, as appropriate or as indicated in Section D103.6 with the addition of the following lettering near the bottom of the sign: (C.V.C.22500.1)

Section 503.4.3 Roadway Spikes. [added] The installation of roadway traffic control spikes is prohibited within fire access lanes unless prior approval is given by the Coastside Fire Protection District.

Section 505.1.1 Premises Identification. [added] New residential buildings shall have internally illuminated address numbers contrasting with the background so as to be seen from the public way fronting the building. Residential address numbers shall be at least six feet above the finished surface of the driveway. Where buildings are located remotely to the public roadway, additional signage at the driveway/roadway entrance leading to the building and/or on each individual building shall be required by the Coastside Fire Protection District. This remote signage shall consist of a 6 inch by 18-inch green reflective metal sign with 3-inch reflective Numbers/ Letters similar to Hy-Ko 911 or equivalent.

Section 505.1.2 Multiple Tenant Structures. [added] Multiple tenant buildings, using the same street address numbers, shall have suite or unit identification posted as required by the Coastside Fire Protection District.

Section 505.1.3 Commercial/Industrial Size and Stroke of Numbers. [added] Building address numbers shall be either internally or externally illuminated and contrasting with the background so as to be seen from the public way fronting the building.

Building address number heights shall be sized in accordance with the table noted below. The number stroke shall be 1/2-inch or larger.

<u>Distance from Road</u>	<u>Address No. Size</u>
0-50 feet	6-inch
50-100 feet	8-inch
100-150 feet	10-inch
150 + feet	12-inch
with a corresponding increase in stroke width.	

Section 505.1.4 Rear Addressing. [added] When required by the Chief, approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be

plainly visible and legible from the fire apparatus road at the back of the property. Number stroke and size will comply with Section 505.1 for residential buildings and 505.1.3 for commercial buildings.

Section 505.1.5 Suite/Unit Identification. [added] Buildings containing separate suite and/or unit identification shall have the suite or unit identification clearly posted with assigned letters or numbers having a minimum height of four inches and a minimum stroke of 1/2 inch. Assigned letters or numbers shall be of contrasting color to the background and located between 5 feet and 6 feet off the finished floor. Directional address numbers or letters shall be provided.

Section 505.1.6 Directories. [added] Complexes with multiple buildings may be required by the Coastside Fire Protection District to provide one or more of the following: a directory, a premise map or directional signage. Location, size, and color of such elements will be determined by the Coastside Fire Protection District on a site-specific basis.

Section 505.2.1 Construction Site. [added] Approved street or road signs and address numbers of the construction site shall be installed prior to combustible construction materials being placed on the site.

Section 506 [adopted in its entirety]

Section 506.1.3 Key Box. [added] When required by the Coastside Fire Protection District, a Knox Box of the size and type designated shall be mounted on the building near the main entrance and shall be located a minimum of 60 inches and not higher than 72 inches above the finished floor, in a location approved by the fire code official. Additional Knox Boxes may be required at rear entrances to buildings. Knox padlocks or Knox Gate Switches may be required at any access as specified by the fire code official.

Section 507.1.1 Fire Department Water Supply. [added]

1. Fire Department Water Supply shall be required when one or more additions, alterations, or repairs, or combination thereof, in a two-year period, exceed more than 50% of the valuation of the facility or building.

Exceptions:

1. Any exemption otherwise allowable under the Fire Code as determined by the Fire Code Official
2. Exterior improvements and work not requiring permits as provided in the Building Code
3. Detached Group U occupancies or detached carports less than 1000 square feet.
4. Work requiring only a mechanical, electrical, plumbing, and/or demolition permit.

Section 507.2.2.1 Suburban and Rural Water Supplies. [added] In areas where public and/or private fire mains are not available for the provision of the required fire flow, the Chief may develop a standard which requires a water supply for firefighting be provided. In

developing this standard, the Chief may be guided by NFPA Standards and Appendix B and C - California Fire Code 2022 edition.

Section 507.2.2.2 Storage of Suburban and Rural Water Supplies. [added] In calculating the water supply available to meet the minimum fire flow required in Section 507.1, swimming pools, ponds and underground cisterns shall not be considered as a primary water source.

Section 903.1.2 All Occupancies and Facilities. [amended] The following requirements shall apply to all new buildings or structures which require a building permit issued by the City of Half Moon Bay or the County of San Mateo:

1. Except as otherwise provided by this Section, or as provided under Section 903.3 of the latest adopted edition of the California Fire Code, automatic fire sprinkler systems shall be installed and maintained in every new building or structure of any type, use, occupancy, or size which requires a building permit issued by the City of Half Moon Bay or the County of San Mateo.
2. The term “automatic fire sprinkler system” as used in this Section means an integrated system of underground and overhead piping, including a water supply such as a gravity tank, fire pump, reservoir, pressure tank or connection by underground piping to a fire main, which system complies in all respects with the requirements for such systems contained in standards issued by the National Fire Protection Association based upon the occupancy classification or other standards approved by the California State Fire Marshals’ office and approved by the Chief on a case-by-case basis.

The following structures are exempt from the requirements of this Section:

1. Agricultural Buildings. For the purposes of this Section, an “Agricultural building” is defined as a non-residential structure designed and constructed to house farm implements, hay, grain, poultry, livestock or other horticultural products. “Agricultural building” includes a place of employment where agricultural products are processed, treated, or packaged. Office uses within “agricultural buildings” shall not exceed ten percent (10%) of the total floor area of the building unless such buildings are provided with an automatic fire sprinkler system throughout. “Agricultural buildings” shall include greenhouses.
2. Non-Residential Structures not exceeding 1,000 square feet in area.
3. Mausoleums of Type 1 construction, as defined by the California Building Code, which do not contain offices, chapels, or other places where the public assembles on a regular basis.
4. Car wash structures where no offices or waiting rooms are attached.

The requirements of this Section are intended to represent minimum standards for new construction. Further, any requirements of the California Building Code, the California Fire Code or the State Building Standards Code, which is more restrictive, specifies higher standards or mandate’s specific locations within a structure for automatic sprinkler systems shall be applicable.

Section 903.2.1 Existing buildings or structures. [added] An Automatic sprinkler system shall be provided in existing buildings and structures where required in Chapter 11 of the California Fire Code or when improvements are conducted in accordance with this section.

Section 903.6.1 Where required. [added] All existing buildings and structures, except for Group R-3 One and Two-Family Dwellings, shall be provided with an automatic fire sprinkler system when any of the following conditions occur:

- (A) The renovation of any structure and/or when combined with any additions to the structure, affects a *gross floor area* which exceeds fifty percent (50%) of the existing floor area of the structure. For the purpose of this Section, when determining the *affected gross floor area* of an existing structure, whenever more than 50% of the wall or ceiling coverings (e.g., wallboard, plaster, etc.) have been removed from within a room or space bounded by three or more walls within the structure, the entire *gross floor area* of the room or space shall be counted towards the total affected *gross floor area* of the existing structure.

Exception:

1. When in the opinion of the Chief, the change of occupancy classification did not result in a significant increase in the level of life safety or fire safety of the occupancy, the Chief may waive the requirement for automatic fire sprinkler system installation.

- (B) When a change in occupancy classification, as defined within the Building Code, results in an increased fire hazard or risk due to business operation and/or number of occupants permitted in the building.

Section 903.6.2 [added] All existing one- and two-family dwellings, buildings and/or structures shall be provided with an automatic fire sprinkler system when any of the following conditions occur

1. Automatic sprinklers shall be installed in any one and two-family garage, carport or breezeway attached to any structure for which an automatic sprinkler system is required. A detached one and two-family garage, not containing any habitable space, 1,000 square feet or more shall require the installation of an NFPA-13D automatic fire sprinkler system.
2. Additions, alterations, or modifications to any existing structure containing automatic fire sprinklers shall require the extension or modification of the fire sprinkler system throughout the added, altered, or modified, areas. Plans for the installation, extension or modification of an automatic fire sprinkler system shall be submitted to the Planning and Building Department of San Mateo County or the City of Half Moon Bay for review and approval by the appropriate fire agency. Additions, alterations, and/or remodels to an existing dwelling previously equipped with automatic fire sprinklers shall be submitted to the planning and building department of San Mateo County or the City of Half Moon Bay. Components of the existing system shall be Submitted for review in order to determine compliance with the applicable standards.
3. All automatic fire sprinkler systems shall comply with the currently enforced edition of NFPA-13, NFPA-13D, NFPA-13R and any additional County specifications, or modifications imposed by supplemental rules and regulations adopted by the County of San Mateo or the City of Half Moon Bay.
4. The installation of an automatic fire sprinkler system may be required by the Building Official when an alteration, addition or change in use or occupancy of a building or portion of a building thereof increases the hazard of fire or threat to life and safety.

5. Where required by the local Fire District.

The following sections are [amended] by changing California Fire Code requirements to 1,000 square feet for fire sprinkler installation, as follows:

- 903.2.1.1** Group A-1. Change 12,000 square feet to 1,000 square feet.
- 903.2.1.2** Group A-2. Change 5,000 square feet to 1,000 square feet.
- 903.2.1.3** Group A-3. Change 12,000 square feet to 1,000 square feet.
- 903.2.1.4** Group A-4. Change 12,000 square feet to 1,000 square feet.
- 903.2.3** Group E. Change 12,000 square feet to 1,000 square feet.
- 903.2.4** Group F. Change all Group F-1 occupancies to 1,000 square feet.
- 903.2.7** Group M. Change all Group M occupancies to 1,000 square feet.
- 903.2.9** Group S-1. Change all Group S-1 occupancies to 1,000 square feet.
- 903.2.10** Change all Group S-2 occupancies to 1,000 square feet.

Section–903.2.8.1.1 Automatic sprinkler systems installed in Group R-3, occupancies [added] shall conform to the following standards in addition to NFPA Standard 13D, currently adopted edition:

1. Automatic sprinkler system coverage shall be provided throughout the residence to include all bathrooms, attached garages, and any interior rooms used for storage.
2. An exterior bell shall be mounted in a location to be audible from the street upon activation of the required flow switch.
3. An interior horn shall be mounted in a central location audible from the master bedroom upon activation of the required flow switch.
4. A sprinkler head shall be mounted on a metal sprig above any attic access openings and where required by the AHJ.
5. An inspector's test valve shall be mounted to flow from the most remote area of the system in an accessible location.
6. All group R, Division 3 occupancies shall require an automatic sprinkler system regardless of square footage, -0- Square feet.
7. Accessory Dwelling Units shall conform to the most recent California State Fire Marshal's Information Bulletin

Section-903.3.3.8.6 Partial Systems. [added] Unless approved in writing by the fire code official, automatic fire sprinkler systems that only protect a portion of the building shall not be allowed.

Section 905.5.3 Class II System 1 1/2-inch hose. [amended] A minimum *1 ½ inch (37.5 mm)* hose shall be allowed to be used for hose stations in light-hazard occupancies where investigated and listed for this service and where approved by the fire code official.

Section 907.8.5.2 Making False Report. [added] It shall be unlawful for a person to give, signal or transmit a false alarm. A false report may include signals from a fire alarm system, including signals caused during fire alarm maintenance without prior Fire District notification. Making a false report shall be liable to a fine as set forth in the Fire District Fee Schedule.

Section 907.10.1 Alarm Panel Clearance. [added] A working space of not less than 30 inches (762 mm) in width, 36 inches (914 mm) in depth and 78 inches (1981 mm) in height shall be provided in front of fire protection equipment including, but not limited to: fire sprinkler control valves, fire department connections, hose connections, risers, hood system manual pull stations, fire alarm control panels, fire pumps and specialized fire protection storage tanks (dry chemical, foam, CO2, clean agent). Where the fire protection equipment is wider than 30 inches, (762 mm), the working space shall not be less than the width of the equipment. No storage of any materials shall be located within the designated working space. Direct access to the working space shall be provided from aisles or access roadways. Modifications to working space dimensions shall be approved by the fire code official.

Section-907.2.11.2.4-5. Smoke Detection for Existing Group R Division 3 Occupancies.

[added] All existing Group R Division 3 Occupancies shall be provided with an approved smoke detection system meeting the requirements of 907.2.11.2 throughout the structure when any of the following occurs:

1. When property is occupied by other than the property owner and rental or lease income is derived.
2. When existing property is sold an inspection of the installed smoke detection system for compliance with the Fire Code shall be completed by the Coastside Fire Protection District prior to close of escrow.

Section 907.8.5.1 Fire Department Response to False Alarms. [added] Any building owner or owner's agent who fails to properly maintain and service any smoke detector or fire alarm system, water flow detection alarm or fire sprinkler tamper alarm, after being notified that service or maintenance is required, will be subject to the payment of costs related to any false alarm response by the fire department.

Section 912.2.1.1 Painting of Fire Protection Equipment and Hydrants. [added] When required by the Chief, fire-protection equipment and fire hydrants shall be painted a color specified by the Coastside Fire Protection District.

Section 912.5.1 Identification. [added] Fire department connections to sprinkler systems and/or standpipe systems shall clearly identify the building served as required by the Coastside Fire Protection District.

Section 1003.3.4.1 Seismic Restraint for Storage Shelving. [added] All storage shelving shall be provided with adequate seismic restraint as required by Chapter 16 of the California Building Code. Storage shelving not required to have seismic restraint by the Building Code

may be required to be secured to prevent obstruction of the means of egress as determined by the Coastside Fire Protection District.

Section 5601.1.6 Fireworks. [added] All fireworks, including but not limited to, those listed by the California State Fire Marshal as “Safe and Sane”, are prohibited within the jurisdictional boundaries of the San Mateo County Fire Department on a year around basis. An exception is allowed for professional fireworks displays and theatrical use as permitted by the Fire Code Official.

Section 5608.1.2 Permits. [added] Permits shall be required as set forth in the California Fire Code.

Section 6101.3 Construction Documents. [amended] Where a single LP-gas container is 500 gallons (1893 L) or more in water capacity or the aggregate water capacity of LP-gas containers are more than 2,000 gallons (7570 L), the installer shall submit construction documents for such installation.

Appendix D [adopted as amended]

Section D102.2 Fire Apparatus Roads. [added]

Fire Apparatus Roads shall comply with Sections D102.2.1 through D102.2.2.

D102.2.1 Parking

Roads 32 feet or greater in width shall allow parking on both sides

D102.2.2 Turnouts

Roads exceeding 800 feet in length shall provide turnouts no more than 400 feet apart

Section D103.4.1 [added] The fire department reserves the right to use all or portions of City/County right of way for access and or turnarounds.

Section-D103.6.4 Maintenance and Installation of Fire Access Signs. [added] It shall be unlawful for the owner, lessee, or person in charge of private property to fail to install and maintain required fire access lane signs and/or markings after having been given notice by the Coastside Fire Protection District.

Section D103.7 Traffic Signal Control Devices. [added] When a government agency requires an Encroachment Permit at any intersection and new or existing traffic signals are involved, the traffic signals shall be provided with a traffic signal control device that is operated from the fire apparatus.

Appendix I [adopted in its entirety]

Appendix N [adopted in its entirety]

Appendix O [adopted and amended] Temporary and/or permanent Haunted Houses, Ghost Walks and similar amusement uses

Coastside Fire Protection District Fire Prevention Bureau Standards are adopted as listed below:

Number / Title

CFR-001 Traffic Calming Devices

CFR-002 Street Signs Addressing

CFR-003 Bollard Guard Post

CFR-004 Fire Watch Requirements

CFR-005 False Alarm Response Policy

Section XI. Severability:

If any Section, subsection, provision or other portion of this ordinance, or its application to any person or circumstance, is held invalid or unenforceable, all other parts of this ordinance shall remain in full force and effect, and the Board declares that it would have adopted each section, subsection and provision independently, and that each provision is severable.

Section XII. Effective Date

This ordinance shall be in full force and effect after it is ratified by the City of Half Moon Bay and The County of San Mateo, but in any event no sooner than thirty (30) days after its adoption by the District. Within fifteen (15) days after the ordinance is adopted, a summary of this ordinance and a tally of how each Board member voted shall be published once in a newspaper of general circulation, and posted at the District office.

INTRODUCED at a regular meeting of the Board of Directors of the Coastsid Fire Protection District on October 26, 2022.

AYES:

NOES:

ABSENT:

President, Board of Directors
Coastside Fire Protection District

ATTEST:

Secretary of the District

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **DISPOSABLE FOODWARE ORDINANCE UPDATE – SECOND READING**

RECOMMENDATION:

Waive second reading and adopt an ordinance amending Chapter 7.30 of the Half Moon Bay Municipal Code entitled “Disposable Foodware” regarding food facilities’ provision of single-use foodware accessories, the removal of language surrounding fluorinated chemicals, the removal of language surrounding BPI certified compostable plastics, and, beginning on June 1, 2023, requiring reusable foodware for On-premises dining, and finding the amendments to be exempt under the California Environmental Quality Act (CEQA).

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of this ordinance.

STRATEGIC ELEMENT:

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

DISCUSSION:

On December 6, 2022, the City Council introduced the ordinance following the conduct of a duly-noticed public hearing. As required by law, the ordinance appears for second reading and adoption at a regular meeting more than five days past introduction.

ATTACHMENTS:

Ordinance amending Chapter 7.30

ORDINANCE NO. 2022-XXXX

**ORDINANCE REPEALING CHAPTER 7.30 OF THE HALF MOON BAY MUNICIPAL CODE AND
ADOPTING A NEW CHAPTER 7.30 REGULATING THE USE OF DISPOSABLE FOODWARE BY FOOD
FACILITIES**

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

Section 1. Findings. The City Council (Council) finds and declares as follows:

- (a) This Council repealed and replaced chapter 7.30 of the Half Moon Bay municipal code with Ordinance no. 2020-06, also known as the Disposable Foodware Ordinance hereafter referred to as "Ordinance" on October 6, 2020. The Ordinance focuses on reducing single-use plastic and other Foodware waste, improving the health and safety of Half Moon Bay community members, and helping the City keep its waterways clean and safe.
- (b) The production, management, and consumption associated with disposable Foodware, typically used for only a few minutes before being discarded, have significant environmental impacts, including environmental contamination; consumption of precious resources such as energy and water; emissions of greenhouse gases; air and water pollution; litter on streets; and plastic pollution in waterways and oceans.
- (c) Disposable Foodware constitutes a substantial portion of the litter found within the City of Half Moon Bay (City), the Coastside, and the rest of the Bay Area. These types of Foodware are commonly littered or blown out of trash receptacles and migrate through the storm drain system where they eventually end up in the ocean and the City's beaches and creeks.
- (d) The most effective ways to reduce the negative environmental impacts of Disposable Foodware include, in order of priority, using reusable Foodware; using natural-fiber based compostable materials, many made from renewable resources such as bamboo, wheat stalk/stem, and sugarcane that do not contain toxic chemicals; and recycling Foodware. When products are reused, natural resources are spared, less energy is used for the production of new products, and premium landfill space is preserved.
- (e) Reduction of Disposable Foodware in the environment will advance compliance with federal, state, and county clean water mandates, including the City's Municipal Regional Stormwater Permit requirement, by helping to reduce trash and litter in stormwater discharges.
- (f) On October 5, 2021, AB 1276 was signed into law by Governor Gavin Newsom. AB 1276 restricts the distribution of single-use Foodware accessories (e.g., Utensils, straws, stirrers, condiment packets, etc.) by restaurants and other Food Facilities.
- (g) On October 5, 2021, AB 1200 was also signed into law by the Governor. AB 1200 mandates that no person shall distribute, sell, or offer for sale in the state any food

packaging (including single-use Foodware) that contains regulated Perfluoroalkyl and Polyfluoroalkyl substances (PFAS).

- (h) The Ordinance includes requirements that are well aligned with many of the requirements on Foodware in AB 1276 and AB 1200. However, some discrepancies exist. As such, the Ordinance must be amended to ensure alignment with requirements in both State bills.
- (i) This Council does, accordingly, find and declare that it should repeal and replace in its entirety Chapter 7.30 of the Half Moon Bay Municipal Code to ensure the City's requirements around single-use Foodware Accessories distribution and PFAS regulation in Disposable Foodware align with the State of California's requirements.

Section 2. Municipal Code Amendment "Disposable Foodware Ordinance." Half Moon Bay Municipal Code chapter 7.30 is hereby repealed and replaced in its entirety by a new chapter 7.30 "Disposable Foodware", which is adopted as set forth in Attachment A. Attachment A of this Ordinance is incorporated herein in its entirety.

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

Section 4. CEQA. The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines (Title 14 of the California Code of Regulations) Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in a physical change to the environment, directly or indirectly; and it prevents changes in the environment. Further, this action is exempt from CEQA under CEQA Guidelines section 15061(b)(3) (the amendments are exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment).

Section 5. Publication. The City Clerk shall publish a summary of this Ordinance in a newspaper of general circulation for the City of Half Moon Bay within fifteen days after its adoption.

Section 6. Effective date. This ordinance shall take effect 30 days after adoption. However, the mandatory provisions of this Ordinance, except for sections 7.30.030 shall only become operative and subject to enforcement beginning June 1, 2023.

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 6th of December 2022.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 20th day of December, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor

Attachment A

CHAPTER 7.30 DISPOSABLE FOODWARE

Sections:

7.30.010 – Title

7.30.020 – Definitions

7.30.030 – Reusable Foodware use for On-premises dining at Food Facilities

7.30.040 – Distribution of Disposable Foodware Accessories and Standard Condiments.

7.30.050 – Standards and Required Use of Disposable Foodware

7.30.060 – Recordkeeping and Inspection

7.30.070 – Automatic Exemptions

7.30.080 – Case-by-Case Consideration of Requests for Hardship Exemption

7.30.090 – Enforcement

7.30.010 – Title

This chapter shall be known as the "Disposable Foodware Ordinance"

7.30.020 – Definitions

The following words and phrases shall have the meanings set forth below when used in this Chapter. The singular shall include the plural, and the plural shall include the singular.

- a. "Aluminum Foil-based" means any Disposable Foodware composed entirely of aluminum, including but not limited to aluminum tray liners, aluminum foil, and aluminum foil baskets.
- b. "Compostable" means that an item or material:
 - a. Meets standards for compostability from a certified/approved independent third-party approved by the City Manager or designee, in collaboration with local waste processors, haulers, and/or other entities, as needed; and/or
 - b. Is any variation of acceptable materials that will break down or otherwise become part of usable compost in a safe and timely manner as determined by the City Manager or designee, in collaboration with local waste processors, haulers, and/or other entities, as needed; and

- c. Is Natural Fiber-based. Compostable items may include those that are made entirely of Natural Fiber or Natural Fiber-based items that are coated or lined with biologically based polymer, such as but not limited to corn or other plant sources (e.g., compostable plastics), if certified/approved by independent third parties approved by the County Manager or designee.

"Compostable" does not include items made entirely/primarily of biologically based polymer (e.g., PLA, PHA, or other compostable plastic), even if labeled or certified as compostable.

- c. "Disposable" means designed to be discarded after a single or limited number of uses and not designed or manufactured for long-term multiple reuses.
- d. "Foodware" means food contact products used for serving, distributing, holding, packaging, and/or transporting Prepared Food including, but not limited to plates, cups, bowls, trays, clamshell containers, boxes, Utensils, straws, lids, and food contact paper (e.g., wraps, bags, tray liners, etc.). The term "Foodware" includes Foodware Accessories and Standard Condiment in Disposable Packaging.
- e. "Foodware Accessories" include different types of Foodware such as straws, stirrers, cup spill plugs, cup sleeves, condiment cups and packets, Utensils, cocktail sticks/picks, toothpicks, napkins, and other similar accessory or accompanying Foodware used as part of food or beverage service or packaging. Detachable lids for beverage cups and food containers are not considered a Foodware Accessory.
- f. "Food Facility" means an operation that stores, prepares, packages, serves, vends, or otherwise provides food to the public for human consumption, as defined by the California Health and Safety Code Section 113789 or successor. It includes both permanent and temporary food facilities. Public schools are exempt from the provisions of this Chapter.
- g. "Food Scrap Composting Method" means (1) self-hauling of food scraps to a permitted composting facility or a transfer station that accepts food scraps that will be transferred to a permitted composting facility for on-site compost processing, (2) food scrap compost collection service provided by a curbside hauler, or (3) on-site food scrap composting.
- h. "Healthcare Facilities" mean places that provide healthcare to the public. Healthcare Facilities include, but are not limited to hospitals, clinics, outpatient care centers, nursing homes, psychiatric care centers, medical offices, hospice homes, mental health and addiction treatment centers, orthopedic and other rehabilitation centers, urgent care, birth centers, etc.

- i. "Natural Fiber/Natural Fiber-based" means a plant or animal-based, non-synthetic fiber, including but not limited to products made from paper, sugarcane, bamboo, wheat stems/stalk, hay, wood, etc.
- j. "Non-Compostable" means not meeting the definition of Compostable set forth in this Chapter.
- k. "On-premises dining" means food prepared for consumption on the premises of the food facility either indoors or outdoors.
- l. "Off-premises dining" means food prepared for consumption off of the premises of the food facility. "Off-premises dining" includes, but is not limited to, Takeout Food delivery service, drive-through and catering off-site
- m. "Polystyrene-based" means and includes expanded polystyrene, which is a thermoplastic petrochemical material utilizing a styrene monomer and processed by any number of techniques including, but not limited to fusion of polymer spheres (expandable bead polystyrene), injection molding, form molding, and extrusion-blow molding (extruded foam polystyrene). The term "polystyrene" also includes polystyrene that has been expanded or blown using a gaseous blowing agent into a solid foam (expanded polystyrene [EPS]) and clear or solid polystyrene known as oriented polystyrene.
- n. "Prepackaged Food" means any properly labeled processed food, prepackaged to prevent any direct human contact with the food product upon distribution from the manufacturer and prepared at an approved source.
- o. "Prepared Food" means food or beverages that undergo a cooking or food preparation technique on the Food Facility's premises for consumption by the public. Cooking or food preparation technique includes, but is not limited to the following:
 - 1. Cooking methods, utilizing the application of heat, such as steaming, microwaving, simmering, boiling, broiling, grilling, frying, or roasting.
 - 2. Beverage preparation, such as blending, brewing, steeping, juicing, diluting, or pouring.
 - 3. Food preparation techniques, such as defrosting, rinsing, washing, diluting, cutting, portioning, mixing, blending, assembling, coating, dipping, garnishing, decorating, or icing.

Prepared Food does not include raw eggs or raw, butchered meats, fish, and/or poultry sold from a butcher case, a refrigerator case, or similar retail appliance.

- p. "Reusable" means Foodware and Foodware Accessories that are manufactured of durable materials and specifically designed and manufactured to be washed and sanitized and to be used repeatedly over an extended period of time, and are safe for washing and sanitizing according to applicable regulations.
- q. "Standard Condiment" means relishes, spices, sauces, confections, or seasonings that require no additional preparation and that are usually used on a food item after preparation, and includes different types such as ketchup, mustard, mayonnaise, soy sauce, hot sauce, salsa, salt, pepper, and sugar/sugar substitutes.
- r. "Takeout Food" means Prepared Food, that is purchased to be consumed off a Food Facility's premises. Takeout Food includes Prepared Food delivered by a Food Facility or by a third-party Takeout Food Delivery Service.
- s. "Takeout Food Delivery Service" is a service for online food ordering and delivery of Prepared Food from a Food Facility to a customer. This service can be provided directly by the Food Facility or by a third-party.
- t. "Utensils" include different types of instruments used to assist the consumption of food, specifically, forks, knives, spoons, sporks, chopsticks, and tongs.

7.30.030. - Reusable Foodware use for On-premises dining at Food Facilities

Effective June 1, 2023:

- a. Food Facilities shall only serve Prepared Food for On-premises dining with Reusable Foodware except as otherwise provided in section (b).
- b. Food Facilities may provide the following non-Reusable Foodware Accessories: straws, stirrers, cocktail sticks/picks, toothpicks, napkins, wrappers, and liners so long as they are Compostable.
- c. Nothing in this section shall prohibit a Food Facility from offering, upon a customer's request, non-Reusable Foodware for Takeout Food or to take away leftover food after dining on the premises.

7.30.040 – Distribution of Disposable Foodware Accessories and Standard Condiments.

- a. No Food Facility for on premises dining and off-premises dining (e.g., Takeout Food Delivery Service, catering off-site, etc.), shall provide any Disposable Foodware Accessories and Standard Condiments unless the specific type of Disposable Foodware Accessory (including different types of Utensils) or specific type of Standard Condiment is requested by the consumer.

Exception: Food Facilities may ask a drive-through consumer if the consumer wants a specific type of Disposable Foodware Accessory (including different types of Utensils), if the item is necessary for the consumer to consume Prepared Food or to prevent spills of or safely transport Prepared Food.

- b. Food Facilities shall only distribute Disposable Foodware Accessories and Standard Condiments unbundled, as separate individual units.
- c. Takeout Food Delivery Services that utilize digital ordering/point of sale platforms, including but not limited to the internet and smart-phone applications, shall only offer Disposable Foodware Accessories by providing clear options for customers to affirmatively request these items separate from orders for food and beverages. The default option on the digital ordering/point of sale platforms shall be that no Disposable Foodware Accessories are requested. Each individual Disposable Foodware Accessory (e.g., each fork, knife, condiment packet, napkin, etc.) provided with Prepared Food must be specifically requested by the customer in order for a Food Facility to provide it.

7.30.050 – Standards and Required Use of Disposable Foodware.

- a. No Food Facility shall use Polystyrene-based Disposable Foodware when providing Prepared Food.
- b. Food Facilities shall only provide Disposable: straws, stirrers, Utensils, and cocktail/toothpicks (and the packaging that these individual items are wrapped in, if any) that are Compostable.
- c. Nothing in this Chapter shall conflict or be construed to conflict with the Americans with Disabilities Act or any other applicable law concerning the rights of individuals with disabilities. In particular, nothing in this Chapter shall restrict, or be construed to restrict, the provision by Food Facilities of Disposable Non-Compostable straws to individuals who may request the use of Disposable Non-Compostable straws to accommodate medical needs or disabilities. Healthcare Facilities may distribute Disposable Non-Compostable straws with or without request by a patient at the discretion of the Healthcare Facility staff based on the physical or medical needs of the patient.
- d. Food Facilities shall use Compostable items for the below Disposable Foodware:
 - 1. Plates
 - 2. Bowls (of all sizes including, but not limited to soup and salad bowls and accessory bowls for condiments)
 - 3. Cups (of all sizes including, but not limited to beverage and accessory cups for Standard Condiments)

4. Food trays
 5. Clamshells, boxes, deli containers, and other containers used for the sale and/or distribution of Prepared Food (e.g., Takeout Food, leftover "doggie containers", etc.)
- e. For all other Disposable Foodware not listed in Subsections (b) and (d), Food Facilities shall use only Disposable Foodware that can be composted by the Food Scrap Composting Method utilized by the Food Facility and/or accepted for recycling by the Food Facility's recycling collection service.
 - f. The City shall maintain a list of approved Disposable Foodware sources and/or references to organizations that maintain regularly updated lists of products that meet the requirements detailed in Subsections (a), (b), (d), and (e) of this Section. This information shall be made available on the City's website and in City Hall. If a product is not included on the approved lists, the Food Facility wishing to use a product as Disposable Foodware shall establish to the City Manager or designee's satisfaction that the product complies with the requirements detailed in Subsections (a), (b), (d), and (e).

7.30.060 – Recordkeeping and Inspection.

- a. Food Facilities shall keep complete and accurate record or documents of the purchase of the acceptable Disposable Foodware evidencing compliance with this Chapter for a minimum period of three years from the date of purchase.
- a. The record shall be made available for inspection at no cost to the City during regular business hours by City employee or City-designee authorized to enforce this Chapter. Unless an alternative location or method of review is mutually agreed upon, the records or documents shall be made available at the Food Facility address.
- b. The provision of false or incomplete information, records, or documents to the City shall be a violation of this Chapter.

7.30.070 – Automatic Exemptions.

- a. Prepackaged Food is exempt from the provisions of this Chapter.
- b. Polystyrene-based coolers and ice chests intended for reuse are exempt from the provisions of this Chapter.
- c. Disposable Foodware that is entirely Aluminum Foil-based is exempt from the provisions of this Chapter.
- d. If the City determines that a reasonably feasible Disposable Foodware that complies with Section 7.30.050 (a), (b), (d), and (e) of this Chapter does not exist, these items will be exempt from the abovementioned provisions of this Chapter until the City

determines that a reasonably feasible alternative is available on the market for purchase. The City will have a current list of these exempted Disposable Foodware posted on the City of Half Moon Bay website with hard copies available in the Office.

- e. Certain Disposable Foodware Accessories for beverage orders, specifically cup sleeves, shall be exempt from Section 7.30.040 (a) and may be distributed for safety reasons without the need for a request by the consumer or an offer by the Food Facility, specifically at drive-through areas of Food Facilities. Detachable lids are not considered a Disposable Foodware Accessory, so Section 7.30.040 (a) does not apply to detachable lids.
- f. Temporary exemptions due to an emergency are automatic without the submission of a request for an exemption. An emergency is defined as a sudden, unexpected occurrence posing a clear and imminent danger that requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Examples of an emergency include, but are not limited to natural disasters, emergencies due to the release of hazardous materials, emergencies associated with loss of power and/or water, or emergency medical response.

7.30.080 – Case-by-Case Consideration of Requests for Hardship Exemption.

- a. Grounds for an exemption.

An exemption from any of the provisions of this Chapter may be granted by the City Manager or designee upon demonstration by a Food Facility to the satisfaction of the City that strict application of the requirements would cause undue hardship. An "undue hardship" includes, but is not limited to the following:

1. A situation unique to the Food Facility where a suitable alternative that conforms with the requirements detailed in Section 7.30.050 (a), (b), (d), and (e) does not exist for a specific application.
2. Imposing the provisions of this Chapter would cause significant economic hardship. "Significant economic hardship" may be based on, but not limited to, demonstrating that suitable Disposable Foodware is not available at a commercially reasonable price and the additional cost associated with providing the Disposable Foodware is particularly burdensome to the Food Facility based on the type of operation(s) affected, the overall size of the business/operation, the number, type and location of its facilities, the impact on the overall financial resources of the Food Facility, and other factors. Reasonable added cost for a suitable item as compared to a similar item that the Food Facility can no longer use shall not by itself constitute adequate grounds to support an exemption for such item. In determining whether a significant economic hardship has been established, the City Manager or designee shall consider the following information: ability of the Food Facility to recover the additional expense by

increasing its prices; the availability of tax credits and deductions; outside funding; and other options.

- b. Request for an exemption. A request for an exemption from the requirements of this Chapter shall include all information deemed necessary by the City to render a decision, including but not limited to documentation showing the factual support for the requested exemption. A request for an exemption may be approved by the City Manager or designee, in whole or in part, with or without conditions. The duration of the exemption, if granted, shall also be determined by the City Manager or designee. Information about the application process for requesting an exemption will be available on the City Of Half Moon Bay's website and in the Office.

7.30.090 – Enforcement.

- a. The City Manager or designee may enforce this Chapter.
- b. The County Manager or designee is hereby authorized to and may enforce Chapter 7.30 within Half Moon Bay upon entry into a Memorandum of Understanding with the County of San Mateo. The County's enforcement authority includes, without limitation, the authority to hold hearings, issue citations, or assess administrative fines on behalf of the City of Half Moon Bay.
- c. A violation of this Chapter is an infraction and is subject to enforcement and administrative fines in accordance with Chapter 1.40 of the San Mateo County Ordinance Code and/or Chapter 4.16 of the Half Moon Bay Municipal Code.
- d. Violation of this Chapter is a public nuisance subject to all applicable civil, administrative, and criminal remedies and penalties according to the provisions and procedures contained in this ordinance code and state law including, but not limited to, an action for abatement or injunctive relief.
- e. This Section shall not be interpreted to limit any otherwise available civil or administrative remedies under law.

BUSINESS OF THE COUCNIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **December 20, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: John Doughty, Interim Assistant City Manager
Edward Behle, Recreation Supervisor

TITLE: **RENEWAL OF SURF SCHOOL LICENSE AGREEMENTS**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute one-year license agreements with up to two one-year mutual extensions, with Pillar Point Surf School, Blue Swell Surf School, Sea, Surf & Fun, and Tommy Tsunami.

STRATEGIC ELEMENT:

This recommendation supports the *Healthy Communities and Public Safety* and *Fiscal Sustainability* Elements of the Strategic Plan.

BACKGROUND:

On May 4, 2010, the City Council adopted Ordinance C-06-10 limiting the commercial use of City beaches, parks, and trails through a license agreement or permitting process that ensures commercial enterprises are managed in a way that protects public health and safety, access for residents and visitors is protected, and City resources are used in a financially sustainable manner. This ordinance was codified as Chapter 9.75 of the Municipal Code.

Prior to creation of Half Moon Bay Municipal Code Section Chapter 9.75, the commercial use of City beaches, parks and trails were uncompensated despite causing adverse impacts upon the public and park, beach, and trail capacities. The Chapter promotes a “Leave No Trace” ethic to licenses and activity participants. The Chapter and its implementation have focused on minimizing the impact of the approved activity on the safety and quality of visitor experiences. In addition, the Chapter minimizes the impact of the approved activity on natural, agricultural, and cultural resources.

Surf schools are one of the uses now regulated under Municipal Code Chapter 9.75. The City has licensed typically four to five surf schools which operate at Surfer’s Beach.

On October 28, 2022 staff sent letters to each of the current operating schools informing them that the City was soliciting letters of interest for surf school operations in calendar year 2023. In addition, the City posted this information on the City website and newsletter.

DISCUSSION:

The City received letters of interest and applications from the following surf schools:

- Sea, Surf & Fun, which has maintained a license with the City of Half Moon Bay since December 7, 2012;
- Pillar Point Surf School, which has maintained a license with the City of Half Moon Bay since October 22, 2014;
- Tommy Tsunami, which has maintained a license with the City of Half Moon Bay since 2018; and
- Blue Swell Surf School, which has maintained a license with the City of Half Moon Bay since July 2, 2021;

If approved, the four surf schools will be authorized to provide surf lessons at Surfer's Beach from January 1, 2023 to December 31, 2023, at which point the City and each surf school can, upon written request of licensee, mutually agree to extend the license agreement for up to two additional 12 month terms.

The license agreements with the surf schools require that each school maintain several measures to ensure safe instruction. These include hiring and retaining Red Cross certified instructors, each school wearing different colored vests for identification purposes, maintaining specified instructor to student ratios, having participants sign liability waivers, and maintaining a certificate of insurance providing liability coverage of \$2,000,000. Each school must also maintain a business license with the City, make an annual payment of \$1,462.96 to the City, which increases three percent annually, and maintain specified hours of operation. The licenses also allow for modified operations during the summer that allow for larger surf camps. There is an additional fee of \$1,462.96 per year associated with offering the camps, as well as additional measures to ensure the safety of staff, participants, and other beachgoers.

Each surf school has provided the required prerequisite materials and is recommended to be licensed for the calendar year 2023.

ATTACHMENT:

Resolution authorizing the City Manager to execute license agreements with:

1. Pillar Point Surf School
2. Blue Swell Surf School
3. Sea, Surf & Fun
4. Tommy Tsunami

Resolution No. C-2022-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE ONE-YEAR LICENSE AGREEMENTS BETWEEN THE CITY OF HALF MOON BAY AND PILLAR POINT SURF SCHOOL; BLUE SWELL SURF SCHOOL; SEA, SURF & FUN; AND TOMMY TSUNAMI, FOR THE NON-EXCLUSIVE USE OF SURFERS BEACH FOR COMMERCIAL SURF LESSONS

WHEREAS, the City of Half Moon Bay owns Assessor's Parcel Number 047-263-020, which is a public beach commonly known as Surfers Beach; and

WHEREAS, the Chapter 9.75 of the Half Moon Bay Municipal Code prohibits commercial use of City beaches except as licensed by the City; and

WHEREAS, Pillar Point Surf School; Blue Swell Surf School; Sea, Surf & Fun; and Tommy Tsunami operate instructional surf schools and seek to operate said schools on city-owned Surfer's Beach; and

WHEREAS, the City has developed a standard License Agreement for commercial surf schools, and all four surf schools meet the City's requirements to operate.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute License Agreements with Pillar Point Surf School; Blue Swell Surf School; Sea, Surf & Fun; and Tommy Tsunami for the non-exclusive use of Surfers Beach for commercial surf lessons.

I, the undersigned, hereby certify that the forgoing resolution was duly passed and adopted on this 20th day of December, 2022 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

Debbie Ruddock, Mayor