



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

TUESDAY, FEBRUARY 21, 2023

REMOTE PARTICIPATION (SEE NEXT PAGE)

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

7:00 PM

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the Agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the Agenda and will have a maximum of three minutes to discuss their item. 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

PROCLAMATIONS AND PRESENTATIONS

HIP HOUSING UPDATE

MIDCOAST COMMUNITY COUNCIL UPDATE

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

STORM RESPONSE UPDATE

LISTENING SESSION / PRIORITY SETTING WORKSHOP REMINDER

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B TERMINATION OF LOCAL EMERGENCY RELATED TO THE DECEMBER/EARLY JANUARY WINTER STORMS/FLOODING EVENT

Staff Recommendation: Adopt a resolution terminating the declared Local Emergencies related to the December/Early January Winter Storms/Flooding Event.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

1.C WARRANTS FOR THE MONTH OF JANUARY 2023

Staff Recommendation: Accept the warrants list for the month of January 2023.

[STAFF REPORT](#)

[ATTACHMENT](#)

1.D RESOLUTION APPOINTING PRIMARY AND ALTERNATE MEMBERS TO REPRESENT THE CITY OF HALF MOON BAY ON THE PLAN JPA BOARD OF DIRECTORS

Staff Recommendation: Adopt a resolution appointing the Administrative Services Director (I. Lopez Rossi) and Finance Manager (K. Stiles) to represent the City of Half Moon Bay on the Plan JPA Board of Directors.

[STAFF REPORT](#)

[RESOLUTION](#)

1.E PROFESSIONAL SERVICES AGREEMENT WITH NBS FOR COST ALLOCATION PLAN, USER FEE STUDY AND DEVELOPMENT IMPACT FEE STUDY

Staff Recommendation: Authorize the City Manager to execute an agreement for a cost allocation plan, user fee study and development impact fee study with NBS.

[STAFF REPORT](#)

[RESOLUTION](#)

1.F MAIN STREET AND KELLY AVENUE PARCEL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (433 - 447 MAIN STREET)

Staff Recommendation: Adopt a resolution:

1. Approving the Parcel Map for the Main Street and Kelly Avenue Subdivision; and
2. Approving the Subdivision Improvement Agreement for the Main Street and Kelly Avenue Subdivision; and
3. Accepting, on behalf of the Public, the dedicated Public Utility Easement for dry utilities (electric and communication services); and
4. Authorizing the Interim Public Works Director/City Engineer, City Clerk, and Acting City Surveyor, to execute and record the Parcel Map with the office of the San Mateo County Recorder; and
5. Authorizing the City Manager to execute the Subdivision Improvement Agreement between the Developer and the City of Half Moon Bay, along with recording the Agreement with the office of the San Mateo County Recorder.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2 - MAP](#)

[ATTACHMENT 3 - SIA](#)

2. ORDINANCES AND PUBLIC HEARINGS

3. RESOLUTIONS AND STAFF REPORTS

3.A FORMATION OF A TEMPORARY AD HOC HOUSING COMMITTEE

Staff Recommendation: Adopt a resolution authorizing creation of a temporary Ad Hoc Housing Committee and confirming Mayor Penrose and Vice Mayor Jimenez as members.

[STAFF REPORT](#)

[RESOLUTION](#)

3.B 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT - PREDEVELOPMENT LOAN AGREEMENT WITH MERCY HOUSING

Staff Recommendation: Adopt a Resolution authorizing the City Manager to execute a predevelopment loan agreement between the City and Mercy Housing California 110, L.P., a California limited partnership, in an amount not to exceed \$1,000,000 from the Affordable Housing Fund, to support predevelopment activities for an affordable housing development project on City-owned land at 535 and 555 Kelly Avenue.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

3.C REVIEW OF HALF MOON BAY MUNICIPAL CODE CHAPTER 1.30 - CONTRIBUTIONS AND LOANS TO CITY CANDIDATE CAMPAIGNS

Staff Recommendation: Review local ordinance provisions and receive update on SB 1439 (Glazer) and provide direction to staff on whether the City's campaign contribution limits should be amended.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

3.D FINANCIAL AND TREASURER'S REPORT FOR THE QUARTER ENDED ON DECEMBER 31, 2022

Staff Recommendation: Accept the Financial Report and the Treasurer's Report for the quarter ended on December 31, 2022.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

CITY COUNCIL REPORTS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Catherine Engberg, City Attorney

TITLE: TERMINATION OF LOCAL EMERGENCY RELATED TO THE DECEMBER/EARLY JANUARY WINTER STORMS/FLOODING EVENT

RECOMMENDATION:

Adopt a resolution terminating the declared Local Emergencies related to the December/Early January Winter Storms/Flooding Event.

FISCAL IMPACT:

To be determined. The Declaration of Local Emergency qualifies the City of Half Moon Bay for state and federal assistance. The City has submitted required information to the County Department of Emergency Management (DEM) seeking assistance for public and private related repairs.

BACKGROUND:

On December 31, 2022, the City of Half Moon Bay experienced severe flooding consistent with localized flooding events experienced throughout San Mateo County and the San Francisco Bay Area. That same day, the National Weather Service issued a Flood Warning. Portions of Highways 1, 35, and 92 were closed on December 31, 2022, due to landslides, mudslides, and fallen trees. A sinkhole subsequently developed on Highway 92 resulting in closure of the critical easterly link to the greater San Mateo County area.

Pilarcitos Creek reached unprecedented levels at the Highway 1 Bridge gauge. As reported by the Coastside Fire Protection District, due to dangerous conditions, people were assisted from flooded homes and roads at on Oak Avenue near Pilarcitos Avenue. The flood warning and subsequent flooding from Pilarcitos Creek required relocation of unhoused individuals from the Pilarcitos Creek watershed.

The SAM plant experienced flooding which required extensive work and monitoring. Runoff from stormwater and wastewater spills impacted ocean waters along the Half Moon Bay coast. Beaches were closed to swimmers due to high surf conditions and water quality. Wave action,

bluff erosion combined with inland runoff resulted in significant damage to the California Coastal Trail and required the closing of portions of the Trail to the public.

In an attempt to prevent overtopping of the dam, the San Francisco Public Utilities Commission began releasing water from Pilarcitos Reservoir into Pilarcitos Creek on January 1, 2023, with releases timed with rain forecasts and predicted tides to minimize impacts. Eventually, there was minor overtopping of the dam which sent unplanned water releases into the Pilarcitos Creek.

On January 1, 2022, the Director of Emergency Services (Half Moon Bay City Manager) proclaimed a Local Emergency related to the Severe Storm Events / Local Flooding. The City Council adopted a resolution ratifying the proclamation on January 4, 2023.

The Emergency Operations Center was activated, and open for extended hours (in some cases overnight) to protect community members and property. Efforts involved mobilization of CERT Program volunteers and coordination with the American Red Cross for the opening of a temporary evacuation center at the Ted Adcock Community Center.

DISCUSSION:

Pursuant to California Government Code section 8630(c), the City Council and City Manager must review the need for continuing the local emergency at least once every 60 days until the governing body terminates the local emergency. The City Council and City Manager are obligated to proclaim the termination of the local emergency at the earliest possible date that conditions warrant. (Gov. Code 8630(d).)

The City declared the Local Emergency based on several factors that have now been resolved. The extreme peril resulting from the flooding has been addressed. As described in the attached letter from the County of San Mateo Department of Emergency Management (DEM), both FEMA and the State have defined the storm emergency period as concluding on January 31, 2023. There is still significant work to do to rehabilitate public property damaged by the storm.

San Mateo County DEM continues to work with FEMA and CalOES on long-term recovery so that they may proceed with assisting cities and special districts in recovering some of the extraordinary costs associated with the storm. We have just recently received confirmation that San Mateo County has been designated for across-the-board Public Assistance. This Public Assistance now extends to repair or replacement of disaster damaged private and public structures and facilities. The City is also eligible for reimbursement for expenses incurred during the storm events including overtime, materials and outside contractor expenses.

The circumstances necessitating the local emergency have since ceased, making the meeting of the City Council on February 21, 2023 the “earliest possible date that conditions warrant” to terminate the local emergency.

ATTACHMENTS:

1. Resolution proclaiming the termination of local emergency related to winter storms/flooding
2. Letter from San Mateo County Department of Emergency Management (Feb. 15, 2023)

RESOLUTION NO. C-2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY PROCLAIMING THE
TERMINATION OF LOCAL EMERGENCY RELATED TO WINTER STORMS/FLOODING**

WHEREAS, on January 1, 2022, the Director of Emergency Services (Half Moon Bay City Manager) proclaimed a Local Emergency, which was ratified by the City Council on January 4, 2023, as a result of conditions of extreme peril to the safety of persons and property with the City of Half Moon Bay related to the Severe Storm Events / Local Flooding; and

WHEREAS, the situation resulting from said conditions of extreme peril is now deemed to be within control of the normal protective services, personnel, equipment, and facilities of and within the City of Half Moon Bay; and

WHEREAS, the City Council must proclaim the termination of the local emergency at the earliest possible date that conditions warrant under Government Code 8630(d); and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Half Moon Bay hereby proclaims the termination of the local emergency related to the Severe Storm Events / Local Flooding.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 21st day of February 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor



COUNTY OF SAN MATEO
DEPARTMENT OF EMERGENCY MANAGEMENT

Donald J. Mattei
Interim Director

County Government Center
501 Winslow St.
Redwood City, CA 94063
dmattei@smcgov.org

February 15, 2023

Dear Colleagues,

Please see below information and important dates related to the late December/Early January Winter Storms Event. This information is the most pertinent and contains supporting information.

Important dates

Both FEMA and the State have defined the storm emergency period from December 27th, 2022 to January 31st, 2023. Any damage that occurred February 1st or later, even if it can be correlated as having a root cause in the storm period, will not be considered for any disaster cost recovery related to this storm system. San Mateo County has not yet been included in the Public Assistance Program from FEMA. DEM is monitoring the status of our request for inclusion daily. Once included in the Public Assistance Program under DR-4683-CA, we will hold an Applicant's Briefing and the 30-day clock for submissions will start. We can request an additional 30 days if our cities/towns and special districts are not finished submitting during the first 30 days.

The Disaster Recovery Center for residents and businesses located in San Mateo County opened on Thursday, February 9th. County services at the DRC will be concluded on February 16th. State services will conclude on February 22nd. FEMA intends to extend service at the DRC through March 16th.

See below for the important disaster relief actions that occurred during the event along with supporting references.

San Mateo County Proclamation Information

January 2nd, 2023 - County Executive and Director of Emergency Services, Mike Callagy proclaims a local state of emergency under Governments Code Section 8558 and County ordinance Chapter 2.46. The proclamation is written to be inclusive of all jurisdictions and special districts as well as the county and unincorporated areas.

January 3rd, 2023 - The Board of Supervisors ratifies the proclamation of Local Emergency. The proclamation is to be reviewed for continuation at 60-day intervals and will remain in effect until rescinded.



State Proclamation Information

January 4th, 2023 - Governor Newsom proclaims under the California Emergency Services Act, and in particular, Government Code section 8625, that a state of emergency exists throughout California.

January 16th, 2023 - Governor Newsom issues State Executive Order N-1-23 bolstering the state's abilities to deal with the consequences of the storm.

Federal Declaration information

California Severe Winter Storms, Flooding, and Mudslides (EM-3591-CA)

Incident Period: January 8, 2023 - January 31, 2023

The Secretary of FEMA determines that the damages in California are significant and approves an emergency declaration on January 9, 2023

California Severe Winter Storms, Flooding, Landslides, and Mudslides (DR-4683-CA) Incident
Period: December 27, 2022 - January 31, 2023

Major Disaster Declaration was declared by President Biden on January 14, 2023; at that time the Stafford Act (42 U.S.C. 5121) was enacted for Individual assistance and public assistance in debris removal and emergency protective measures (category A and B claims).

Amendment 5 of the declaration dated January 26th added San Mateo County for Individual Assistance

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

From: Lisa Lopez, Administrative Services Director

TITLE: **WARRANTS FOR THE MONTH OF JANUARY 2023**

RECOMMENDATION:

Accept the warrants list for the month of January 2023.

STRATEGIC ELEMENT:

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

DISCUSSION:

During this month, we processed 4 check runs. The first was on January 4, totaling \$78,378. The second was on January 11, totaling \$227,482.66. The third was on January 18, totaling \$547,204. The fourth was on January 25, totaling \$172,463. The total for the month was \$1,025,529.

The City processed payments related to 16 capital improvement projects, in a total amount of \$165,902.26. These projects include Main Street Bridge, Highway 1 North and South, Poplar Complete Street, Carter Park, Poplar Beach Gateways, Eastside Parallel Trail, Emergency Response Program, Corporate Yard Improvements, Town Center Master Plan, Climate Action and Adaptation, Smith Field Site Assessment, Kehoe/Pilarcitos Outfall Repair, Pump Station and Force Main, Frenchman's Creek Park Improvements, and Wavecrest Water Main.

Staff is also including a list of all payments above \$30,000 processed during this reporting period, as listed in the table below.

Over \$30,000				
Check #	Payee	Check Date	Payment Amount	Description
52170	EL CENTRO DE LIBERTAD	1/18/2023	30,207.86	CARES PROGRAM
52118	AMS SYSTEMS INC	1/11/2023	30,726.04	PRINTING SERVICES [MULTIPLE INVOICES]
52202	HALF MOON BAY GRADING & PAVING	1/25/2023	32,995.05	CORPORATION YARD IMPROVEMENTS
52189	4LEAF INC	1/25/2023	39,576.35	PUBLIC WORKS INSPECTION SERVICES
52185	SEWER AUTHORITY MID-COASTSIDE	1/18/2023	405,956.67	SAM OPERATIONS AND MAINTENANCE

ATTACHMENTS:

Check Disbursement List by Check Date

Report Criteria:

Report type: Summary

Check Type = "Calculated"

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52091	2407	ARAMARK	01/04/2023	521.38	DEC 22, MAINT SUPPLIES
52092	444	ASSOCIATION OF BAY AREA GOVERNMENTS	01/04/2023	696.54	TRUE-UP ALLOCATION
52093	4300	AT&T MOBILITY	01/04/2023	1,515.66	PHONE SERVICE
52094	3526	BIGGS CARDOSA ASSOCIATES INC	01/04/2023	2,306.96	NOV'22, PREPERATION OF PS&E AND ENVIRONMENTAL CLEAR
52095	364	COASTSIDE TECHNICAL SERVICE	01/04/2023	1,026.88	MAINT SERVICE
52096	4484	CSW/STUBER-STROEH ENGINEERING GROUP INC	01/04/2023	1,750.00	NOV'22, POPLAR STREET TRAFFIC CALMING AND SAFETY PRO
52097	1545	GOVERNMENT FINANCE OFFICERS ASSOCIATION	01/04/2023	460.00	CERTIFICATE OF ACHIEVEMENT REVIEW FEE
52098	70	GRAINGER	01/04/2023	135.65	MAINT SUPPLIES
52099	76	HALF MOON BAY BUILDING & GARDEN	01/04/2023	245.53	MAINT SUPPLIES
52100	1853	HDL SOFTWARE LLC	01/04/2023	2,653.00	TOT AND BUSINESS LICENSE MANAGEMENT
52101	5509	JESSICA CARLSON	01/04/2023	161.00	INSTRUCTOR PAYMENT 12/22/22 YOGA DROP-INS
52102	3083	JOINT VENTURE SILICON VALLEY	01/04/2023	1,800.00	FY 22-23 MEMBERSHIP DUES
52103	5444	JOYA CUNHA	01/04/2023	2,000.00	JAN'23, TEMPORARY CONSTRUCTION EASEMENT
52104	5517	LAURA CAMODECA	01/04/2023	1,204.00	Payment for Dog Training classes
52105	291	LAURIE BECKER	01/04/2023	718.20	INSTRUCTOR PAYMENT- ZUMBA PUNCH CARD
52106	1206	MARK THOMAS & CO. INC.	01/04/2023	6,934.88	NOV'22, FY22/23 SEWER SYSTEM MAINTENANCE SERVICES
52107	4566	PACIFIC COAST SALES & SERVICE INC	01/04/2023	10,391.00	DEC 22, AERMEC HEAT PUMP ELECTRICAL METERING RETRO
52108	3479	PARKEON INC	01/04/2023	51.10	MAINT SERVICE
52109	3956	PENINSULA MUNICIPAL ENGINEERING INC.	01/04/2023	22,310.00	AUG'22, PROJECT MANAGEMENT SERVICES FOR EASTSIDE P
52110	3951	PUBLIC PARKING ASSOCIATES INC.	01/04/2023	220.00	MAINT SERVICE
52111	1665	SAN MATEO CO. DEPT OF PUBLIC WORKS	01/04/2023	90.00	RECORD OF SURVEY
52112	5301	SUBURBAN PROPANE LP	01/04/2023	1,715.39	PROPANE
52113	3519	SWCA INCORPORATED	01/04/2023	136.50	FRENCHMAN'S RIPARIAN MAPPING
52114	5190	Wood Consulting Services	01/04/2023	2,252.50	DEC 22, ECONOMIC RECOVERY
52115	4270	4LEAF INC.	01/11/2023	10,043.38	ON-CALL SERVICES
52116	2022	ACC BUSINESS	01/11/2023	1,561.82	INTERNET SERVICE
52117	3332	AMERICAN DEBRIS BOX SERVICE INC.	01/11/2023	2,978.12	FY22/23 PORTABLE RESTROOMS
52118	3793	AMS SYSTEMS INC	01/11/2023	30,726.04	PRINTING SERVICE
52119	2407	ARAMARK	01/11/2023	260.69	MAINT SERVICE
52120	481	BIG CREEK LUMBER	01/11/2023	416.30	MAINT SUPPLIES
52121	5168	BLEYLE ELEVATOR, INC	01/11/2023	190.00	MAINT SERVICE
52122	5222	BOUCHER LAW	01/11/2023	952.00	DEC'22, EMPLOYEMENT MATTERS
52123	866	BOYS & GIRLS CLUB OF THE COASTSIDE	01/11/2023	1,500.00	EVENT CENTER USAGE
52124	4300	CALNET3	01/11/2023	2,196.19	PHONE SERVICE
52125	5223	CAPITAL ONE TRADE CREDIT	01/11/2023	2,469.85	MAINT SUPPLIES
52126	4193	CASELLE INC.	01/11/2023	3,695.00	ERP CONTRACT SUPPORT & MAINTENANCE

M = Manual Check, V = Void Check

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52127	3976	CIRCLEPOINT	01/11/2023	875.00	MAY'22, COMPLETE HYATT HOTEL ENVIRONMENTAL IMPACT R
52128	5502	CIVICWELL	01/11/2023	7,250.00	INTERN/FELLOW FOR PW SUPPORT
52129	3643	CORODATA RECORDS MANAGEMENT INC	01/11/2023	437.38	RECORDS MANAGEMENT
52130	3446	FLYERS ENERGY LLC	01/11/2023	890.90	VEHICLE FUEL
52131	4633	GRANICUS	01/11/2023	1,490.33	GRANICUS SERVICE
52132	76	HALF MOON BAY BUILDING & GARDEN	01/11/2023	572.33	MAINT SUPPLIES
52133	89	HALF MOON BAY COASTSIDE CHAMBER OF COM	01/11/2023	15,163.00	OCT'22 OOC BID
52134	1853	HDL SOFTWARE LLC	01/11/2023	633.63	BUSINESS LICENSE SOFTWARE
52135	1645	HUFFMAN-BROADWAY GROUP INC	01/11/2023	5,795.23	POPLAR BEACH GATEWAYS PLAN
52136	4267	IMPEC GROUP INC.	01/11/2023	17,356.00	FY22/23 JANITORIAL SERVICES
52137	5390	INTERWEST CONSULTING GROUP, INC.	01/11/2023	4,430.00	CONTRACT PLANNING SERVICES
52138	5519	JO FRY	01/11/2023	165.00	CLASS REFUND 01/07/23
52139	4293	LOCKWORKS UNLIMITED INC	01/11/2023	1,345.42	MAINT SERVICE
52140	1206	MARK THOMAS & CO. INC.	01/11/2023	16,709.49	CHANGE ORDER 1, HWY1 NORTH SAFETY & OPERATIONAL IM
52141	209	MAZE & ASSOCIATES	01/11/2023	5,570.00	DEC'22, AUDIT SERVICES AND CAFR PREPARATION
52142	5518	MITCHELL MADARISH	01/11/2023	165.00	CLASS REFUND 1/7/23
52143	2014	MOORE IAGOFANO GOLTSMAN INC.	01/11/2023	1,974.41	SUSTAINABILITY-CAAP
52144	3872	MUNICIPAL FINANCIAL SERVICES	01/11/2023	4,500.00	MID-POINT ASSESSMENT OF SEWER SERVICE RATES
52145	3641	NEIGHBORHOOD RADIO	01/11/2023	55.00	ADVERTISING SERVICE
52146	3726	NICOLAS LASZKIEWICZ	01/11/2023	475.00	TRANSLATION SERVICES
52147	4472	ON POINT LANGUAGE SOLUTIONS LLC	01/11/2023	975.00	TRANSLATION SERVICES
52148	3359	PACIFICA COMMUNITY TELEVISION	01/11/2023	15,400.00	Q2, FY22/23 RECORDING SERVICE
52149	5520	PAMELA GALLANT	01/11/2023	165.00	CLASS REFUND 1/7/23
52150	3799	PAUL MCGREGOR	01/11/2023	7,100.00	REFUND OVERPAYMENT
52151	5020	QUADIENT FINANCE USA, INC	01/11/2023	2,315.29	POSTAGE
52152	5403	ROBERT HALF	01/11/2023	560.00	TEMP EMPLOYEE W.Ngo/WEEK ENDING 01/09/23
52153	1064	SAN MATEO CO. PLANNING AND BUILDING DIV	01/11/2023	1,500.00	FY21/22 AIRPORT ROUNDTABLE MEMBERSHIP FEE
52154	5193	SAN MATEO COUNTY ELECTIONS	01/11/2023	766.57	CANDIDATE STATEMENT COST-ADAM EISEN
52155	3507	SHIRLEY MOORHOUSE	01/11/2023	165.00	CLASS REFUND 1/7/23
52156	1760	STEPFORD	01/11/2023	2,850.00	FY22/23 IT SERVICES UNTIL DECEMBER 2022
52157	3717	STERICYCLE SPECIALTY WASTE SOLUTIONS INC	01/11/2023	199.11	MAINT SERVICE
52158	3519	SWCA INCORPORATED	01/11/2023	26,690.75	SMITH FIELD & WAVECREST PROJECTS
52159	1497	TURBO DATA SYSTEMS	01/11/2023	481.80	CITATION PROCESSING
52160	1232	U.S. BANK	01/11/2023	24,264.21	FACITLIY LEASE #ISRF-21-139-A
52161	4429	WESTERN EXTERMINATOR COMPANY	01/11/2023	1,207.42	FY22/23 EXTERMINATOR SERVICES
52163	4270	4LEAF INC.	01/18/2023	21,784.87	PUBLIC WORKS INSPECTION SERVICES
52164	3954	ALTA PLANNING & DESIGN	01/18/2023	5,135.75	PACIFIC COAST BIKEWAY CONNECTIVITY NORTH PROJECT
52165	2407	ARAMARK	01/18/2023	260.69	MAINT SUPPLIES
52166	4300	AT&T MOBILITY	01/18/2023	10,935.92	PHONE SERVICE
52167	5523	AVERY ALLEN	01/18/2023	115.00	CLASS REFUND

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52168	32	CA DEPT OF TRANSPORTION	01/18/2023	4,335.35	SIGNALS & LIGHTING
52169	51	COASTSIDE COUNTY WATER DISTRICT	01/18/2023	4,720.60	CORREAS/LIBRARY
52170	3673	EL CENTRO DE LIBERTAD	01/18/2023	30,207.86	CHANGER ORDER 1, CARES PROGRAM
52171	3127	FREYER & LAURETA INC.	01/18/2023	3,910.00	WAVECREST WATER MAIN PROJECT
52172	76	HALF MOON BAY BUILDING & GARDEN	01/18/2023	489.78	MAINT SUPPLIES
52173	3429	HUE & CRY SECURITY SYSTEMS INC.	01/18/2023	221.77	SECURITY SERVICE
52174	5441	INNOVATE CONCRETE INC.	01/18/2023	13,283.60	RETENTION, KELLY AVENUE CROSSWALK PROJECT
52175	3746	MALCOLM C SMITH	01/18/2023	550.00	DEC'22, COMMUNICATION CONSULTANT
52176	4489	MTA PARTS INC.	01/18/2023	17.02	VEHICLE PARTS
52177	457	OFFICE DEPOT INC.	01/18/2023	117.65	OFFICE SUPPLIES
52178	3956	PENINSULA MUNICIPAL ENGINEERING INC.	01/18/2023	7,552.00	CHANGE ORDER 1, ENGINEERING SERVICES, HWY 1 SOUTH S
52179	252	RICE TRUCKING-SOIL FARM INC.	01/18/2023	2,023.44	MAINT SUPPLIES
52180	5521	ROBIN TIERNEY	01/18/2023	90.00	CLASS REFUND
52181	751	SAN MATEO COUNTY ENVIRONMENTAL HEALTH	01/18/2023	954.00	HEALTH INSPECTION
52182	217	SAN MATEO COUNTY INFORMATION SVCS.	01/18/2023	164.50	MICROWAVE SERVICE
52183	5522	SARA DOWNALL	01/18/2023	115.00	CLASS REFUND
52184	159	SEWER AUTHORITY MID-COASTSIDE	01/18/2023	21,189.33	FY22/23 SEWER COLLECTIONS
52185	159	SEWER AUTHORITY MID-COASTSIDE	01/18/2023	405,956.67	SEWER AUTHORITY MID-COASTSIDE OPERATIONS AND MAINT
52186	5311	SHERI SAISI	01/18/2023	8.74	UPS STORE/COIL BIND 5 YEAR CIP
52187	1760	STEPFORD	01/18/2023	13,065.37	FY22/23 IT SERVICES
52189	4270	4LEAF INC.	01/25/2023	39,576.35	PUBLIC WORKS INSPECTION SERVICES
52190	3332	AMERICAN DEBRIS BOX SERVICE INC.	01/25/2023	2,580.12	JAN'23, FY22/23 PORTABLE RESTROOMS
52191	2407	ARAMARK	01/25/2023	521.38	MAINT SERVICE
52192	871	AUTOMATIC DOOR SYSTEMS INC.	01/25/2023	612.50	MAINT SERVICE
52193	374	BARKERBLUE DIGITAL IMAGING	01/25/2023	533.31	CARTER PARK IMPROVEMENTS PROJECTS
52194	4115	BIG BELLY SOLAR INC	01/25/2023	283.92	JAN '23, SMART TRASH RECEPTACLES
52195	5400	Candelario Lopez	01/25/2023	300.00	DEPOSIT REFUND REQUEST FOR OAK ROOM 5/28/22
52196	5525	CHARMAINE PINEDA-RONQUILLO	01/25/2023	500.00	DEPOST REFUND FOR TRAIN DEPOT 1/14/2023
52197	3908	CIVICPLUS	01/25/2023	4,500.00	WEBSITE DESIGN
52198	3975	COLANTUONO HIGHSMITH WHATLEY PC	01/25/2023	17,680.50	LEGAL SERVICES -SAM
52199	2941	CSG CONSULTANTS INC.	01/25/2023	6,871.25	NPDES STORMWATER SERVICES
52200	3127	FREYER & LAURETA INC.	01/25/2023	9,820.00	WAVECREST WATER MAIN PROJECT
52201	3836	GLADWELL GOVERNMENTAL SERVICES INC	01/25/2023	500.00	RECORDS RETENTION LEGAL REVIEW
52202	2564	HALF MOON BAY GRADING & PAVING INC.	01/25/2023	32,995.05	MAINT SERVICE
52203	4441	IGLESIA DEL MAR	01/25/2023	300.00	RESERVATION REFUND GRAND OAK 12/10/2022
52204	5444	JOYA CUNHA	01/25/2023	2,000.00	TEMPORARY CONSTRUCTION EASEMENT
52205	1283	KATHY OLER	01/25/2023	2,226.67	FEB' 23, TEMPORARY CITY PARKING LOT RENTAL
52206	2699	KONICA MINOLTA BUSINESS SOLUTIONS	01/25/2023	1,052.47	JAN 23, FY22/23 KONICA MINOLTA LEASE
52207	4028	LORAL LANDSCAPING INC.	01/25/2023	4,000.00	JAN 23, FY22/23 MEDIAN MAINTENANCE
52208	3069	MANAGED HEALTH NETWORK	01/25/2023	304.00	EAP

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52209	3934	MITEL	01/25/2023	2,935.71	ANNEX PHONE SERVICE
52210	5511	NOEMI RAMIREZ	01/25/2023	500.00	Deposit Refund Request for Grand Oak 12/17/2022
52211	3479	PARKEON INC	01/25/2023	77.35	MAINT SERVICE
52212	5020	QUADIENT LEASING USA, INC.	01/25/2023	437.80	POSTAGE
52213	252	RICE TRUCKING-SOIL FARM INC.	01/25/2023	492.18	MAINT SUPPLIES
52214	3930	RINCON CONSULTANTS INC.	01/25/2023	4,988.50	JAN '23 CLIMATE ACTION PLAN ASSISTANCE
52215	5403	ROBERT HALF	01/25/2023	4,422.78	TEMP EMPLOYEE S.Vivika /WEEK ENDING 12/09/22
52216	3757	SCHAAF & WHEELER	01/25/2023	2,145.00	DEC '22P ELICAN POINT GENERATOR REPLACEMENT
52217	3922	SCOTT MCVICKER	01/25/2023	3,360.00	FEB'23 ANNEX RENT
52218	3519	SWCA INCORPORATED	01/25/2023	12,629.31	SMITH FIELD & WAVECREST PROJECTS
52219	3955	TOWNSEND PUBLIC AFFAIRS	01/25/2023	5,000.00	TOWNSEND PUBLIC AFFAIRS
52220	3701	V. W. HOUSEN & ASSOCIATES INC.	01/25/2023	8,317.00	FY22/23 WASTEWATER COLLECTION SYSTEM ENGINEERING S
52292	3923	WELLS FARGO	01/04/2023	17,082.46	AMAZON/SUPPLIES
Grand Totals:				129	1,025,529.35

Report Criteria:

Report type: Summary

Check Type = "Calculated"

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Interim Assistant City Manager

TITLE: **RESOLUTION APPOINTING PRIMARY AND ALTERNATE MEMBERS TO REPRESENT THE CITY OF HALF MOON BAY ON THE PLAN JPA BOARD OF DIRECTORS**

RECOMMENDATION:

Adopt a resolution appointing the Administrative Services Director (L. Lopez Rossi) and Finance Manager (K. Stiles) to represent the City of Half Moon Bay on the Plan JPA Board of Directors.

FISCAL IMPACT:

There is no fiscal impact associated with adoption of this resolution.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability, Infrastructure and Environment, and Healthy Communities and Public Safety* elements of the Strategic Plan.

BACKGROUND:

Since 1986, the City of Half Moon Bay has participated in the Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN) Corporation as a risk pooling agency under the liability risk coverage agreement, to obtain coverage and risk management services related to liability, property, automobile physical damage and other ancillary lines of coverage with ABAG as a member agency Joint Powers Authority.

In 2017 the ABAG's operations were merged with the Metropolitan Transportation Commission (MTC). On June 23, 2017, ABAG PLAN voted to execute a contract with Bickmore and pursue and implement a transition to a new Joint Powers Authority with the identical purposes of ABAG PLAN Corporation. Since the new Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) replaced ABAG PLAN, all 28-member agencies had to execute the agreement and adopt a resolution to join the PLAN JPA before June 30, 2018, for the PLAN JPA to become fully operational and perform all functions effective July 1, 2018.

As of July 1, 2018, PLAN JPA has been in effect as the City's risk management service provider.

DISCUSSION:

PLAN JPA is currently administered by Sedgwick staff under the direction of a Board of Directors that consists of one staff representative and one alternate from each of the 28-member local government Bay Area agencies. According to the PLAN JPA bylaws, members of the Board of Directors are appointed by the legislative body from each of the member agencies and this representation must be established by a resolution of the City Council.

Staff recommends that the Administrative Services Director and Finance Manager serve as primary and alternate voting members for the PLAN JPA Board of Directors.

ATTACHMENTS:

Resolution appointing directors to PLAN JPA on behalf of the City of Half Moon Bay

Resolution No. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY APPOINTING
DIRECTORS TO PLAN JPA ON BEHALF OF THE CITY OF HALF MOON BAY**

WHEREAS, the City of Half Moon Bay has been a member of Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN) since 1986; and

WHEREAS, Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN) Corporation has been replaced by the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), effective July 1, 2018; and

WHEREAS, PLAN JPA is a self-funded insurance pool serving public agencies; and

WHEREAS, the operations of these programs are governed by a Board of Directors consisting of one representative from each member agency; and

WHEREAS, participation of the Board of Directors is carried out by City staff as part of its regular duties and does not result in any remuneration to the employee.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council does hereby designate the following positions as appointees to the PLAN JPA Board of Directors:

Title	Designation
Administrative Services Director	Director
Finance Manager	Voting Alternate Director

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 21st day of February, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21st, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Interim Assistant City Manager
Kenneth Stiles, Finance Manager

**TITLE: PROFESSIONAL SERVICES AGREEMENT WITH NBS FOR COST ALLOCATION PLAN,
USER FEE STUDY AND DEVELOPMENT IMPACT FEE STUDY**

RECOMMENDATION:

Authorize the City Manager to execute an agreement with NBS for a cost allocation plan, user fee study and development impact fee study.

FISCAL IMPACT:

The amount of the agreement totals \$86,700. This amount was not included in the FY 2022-23 Budget and staff requests a budget adjustment to cover the expenditure using General Fund as the source.

STRATEGIC ELEMENT:

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

BACKGROUND:

The Master Fee Schedule is a compilation of City Council approved fees for City services offered to members of the community. These fees assist in covering costs for offering City services that benefit individuals, families, and local non-profits. Local agencies are allowed to set fees at rates that obtain fair and reasonable recovery of costs incurred in providing these services, thereby minimizing or eliminating the use of limited general tax revenues. Historically, the City has sought to maximize cost recovery through the annual setting of fees at appropriate levels, which takes into account the escalating costs of doing business and market comparisons.

Periodically the fees contained in the Master Fee Schedule require a re-evaluation to ensure that they reflect a nexus to their costs and that these fees are still generating sufficient cost recovery. The last full cost allocation plan and study was performed in FY 2014-15. In FY 2017-18 the City contracted to do an update to the cost allocation plan.

Due to rising costs of existing services from inflation and changes in service delivery processes, staff believes it is an appropriate time to update the cost recovery structure of the City.

DISCUSSION:

Staff reached out to two established vendors in the industry for quotes: Revenue & Cost Specialists and NBS. Both firms contacted were reputable and recommended. However, NBS was the sole respondent that provided a quote.

The project timeline of the recovery study is estimated for eight months with fees updated for the Fiscal Year 2024-25 budget. With the goal of project completion by Fall 2023, NBS can meet the City's timeline and has provided references and work samples from peer organizations similar in size and revenue sources to Half Moon Bay. Due to the specialized nature of a fee study and cost allocation plan, as well as the City's particular need for these services, NBS was selected due to their expertise in this area and their familiarity with the City's current fee structure.

ATTACHMENT:

1. Resolution Authorizing the City Manager to execute a contract with NBS for a Cost Allocation Plan, User Fee Study and Development Impact Fee Study

Resolution No. C-2023-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR A COST ALLOCATION PLAN, USER FEE STUDY AND DEVELOPMENT IMPACT FEE STUDY WITH NBS.

WHEREAS, the City of Half Moon Bay desires to obtain the services of an independent consultant to prepare a user fee study/cost allocation plan review and development impact fee study; and

WHEREAS, the City of Half Moon Bay followed the recommended procurement policy to select a qualified firm that has agreed to perform the requested services; and

WHEREAS, NBS provided a scope of work, budget, and an hourly rate schedule.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby:

- 1) Authorizes the City Manager to enter into a contract with NBS to prepare a user fee study/cost allocation plan review and development impact fee study not to exceed \$87,600; and
- 2) Authorizes the Administrative Services Director to make an expenditure budget amendment in the amount of \$87,600 within the General Fund.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 21th day of February 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Interim Public Works Director/City Engineer
Jonathan Woo, Assistant Engineer

TITLE: **MAIN STREET AND KELLY AVENUE PARCEL MAP AND SUBDIVISION
IMPROVEMENT AGREEMENT (433 – 447 MAIN STREET)**

RECOMMENDATION:

Adopt a resolution:

1. Approving the Parcel Map for the Main Street and Kelly Avenue Subdivision; and
2. Approving the Subdivision Improvement Agreement for the Main Street and Kelly Avenue Subdivision; and
3. Accepting, on behalf of the Public, the dedicated Public Utility Easement for dry utilities (electric and communication services); and
4. Authorizing the Interim Public Works Director/City Engineer, City Clerk, and Acting City Surveyor, to execute and record the Parcel Map with the office of the San Mateo County Recorder; and
5. Authorizing the City Manager to execute the Subdivision Improvement Agreement between the Developer and the City of Half Moon Bay, along with recording the Agreement with the office of the San Mateo County Recorder.

FISCAL IMPACT:

There is no fiscal impact associated with this action. City staff and consultant charges related to this project are reimbursed by the developer.

STRATEGIC ELEMENT:

This recommendation supports the *Infrastructure and Environment*, and *Healthy Communities and Public Safety* Elements of the Strategic Plan.

BACKGROUND:

On March 8, 2022, the City of Half Moon Bay Planning Commission, by Resolution No. P-22-05, conditionally approved the requested Vesting Tentative Subdivision Map (the “Tentative Map”), Coastal Development Permit, and Architectural Review to divide one (1) existing parcel, totaling approximately 15,000 square feet, into three (3) separated parcels with associated

improvements, including utilities and sidewalk in the C-D (Commercial, Downtown) Zoning District. The three (3) proposed parcels consist of one (1) existing mixed-use lot, one (1) proposed mixed-use lot, and one (1) lot specific for private parking.

Tony Uccelli (developer) has submitted a Parcel Map (see Attachment 2 to Resolution) and required subdivision improvement plans. The developer will be constructing utility improvements following the Parcel Map recordation and a Subdivision Improvement Agreement (SIA) (see Attachment 3 to Resolution) is required. The SIA guarantees completion of any improvements in the Public ROW, such as utility improvements (sewer, storm drain, water, electric, and communications), sidewalk, curb and gutter, driveway improvements, tree wells, etc., required for the subdivision per plans approved by the Public Works Department, Coastside County Water District, Coastside Fire Protection District, and the Planning Department.

DISCUSSION:

The tentative map and related entitlements were conditionally approved by the Planning Commission on March 8, 2022. The Parcel Map and improvement plans have been reviewed by City staff, Coastside County Water District Staff, Coastside Fire Protection District, and a licensed surveyor to ensure the Parcel Map and related improvement plans comply with the Conditions of Approval and applicable Local and State laws. The Final Map and improvement plans are compliant.

As indicated earlier, the developer will be constructing improvements serving the subdivision's residents and the public after the recording of the Parcel Map. As such, a Subdivision Improvement Agreement has been prepared and is ready to be executed by the developer. The Subdivision Improvement Agreement will guarantee completion of these improvements by requiring the developer to post adequate security. To ensure the Improvements will be in place after the Parcel Map is signed, the developer has submitted a performance bond, a labor and materials bond, and a warranty bond. The performance and the labor and materials bonds each being \$286,505, which is 100% of the estimated cost to construct all Utility and Site Improvements within the Public ROW. The warranty bond being \$71,626.25, which is 25% of the estimated cost mentioned above.

The Agreement will also ensure that required improvements are satisfactory to the Interim Public Works Director/City Engineer and other agencies and require the correction of any defects discovered within a one-year period after completion, and submittal of certified "As-Built" records. This document is recorded to ensure full disclosure to any future landowners. The developer will pay for all costs related to the installation of public improvements which consists of design, construction, and inspections.

Chapter 17.48 of the Municipal Code, specific towards Land Dedication for Park and Recreation Purposes, requires the developer to dedicate a certain amount of land towards park and recreation purposes, or a fee in lieu thereof. However, due to California Government Code

66477, also known as The Quimby Act, this project is exempt from the above-mentioned Municipal Code due to provision number seven (7), being an apartment complex.

Other fees are established through the Master Fee Schedule. The following are estimated fees paid to date and fees pending prior to building permit issuance are as follows:

Main Street and Kelly Avenue Subdivision Fees		
Fee	Paid	Due
Public Improvement Plan Review	\$ 12,319.00	\$ -
Parcel Map Review	\$ 6,854.00	\$ -
Construction Inspection Fee	\$ 19,465.00	\$ -
Tentative Subdivision Map Review	\$ 12,933.00	\$ -
Subdivision Imp. Agreement	\$ 3,410.00	\$ -
Park Land Dedication/In-Lieu Fee	Exempt	Exempt
Sewer Connection*	\$ -	\$ 119,766.00
Storm Drainage*	\$ -	\$ 2,028.00
Traffic Mitigation*	\$ -	\$ 25,848.00
Park Facility*	\$ -	\$ 44,592.00
Capital Outlay*	\$ -	\$ 6,066.00
Subtotal Paid:	\$ 54,981.00	
Subtotal Due:		\$ 198,300.00
Total Fees:	\$	253,281.00

*Collect prior to issuance of Building Permit

The Parcel Map and the Developer offers in dedication that area shown as “Public Utility Easement” (PUE) for the benefit for dry utilities, such as electric and communications services to the property. The City is able to accept the PUE on behalf of the Public. All other easements, such as the private storm drain easements, the parking, access, and surface drainage easements, the 12” wide no build easement, and the trash storage easement are all reserved as private easements and shall be at the sole responsibility of the property owner(s) benefited. All private and reserved easements are not offered, nor they would be accepted, for dedication by the City of Half Moon Bay.

Staff recommends for the City Council to adopt a resolution:

1. Approving the Parcel Map for the Main Street and Kelly Avenue Subdivision; and
2. Approving the Subdivision Improvement Agreement for the Main Street and Kelly Avenue Subdivision; and
3. Accepting, on behalf of the Public, the dedicated Public Utility Easement for dry utilities (electric and communication services); and

4. Authorizing the Interim Public Works Director/City Engineer, City Clerk, and Acting City Surveyor, to execute and record the Parcel Map with the office of the San Mateo County Recorder; and
5. Authorizing the City Manager to execute the Subdivision Improvement Agreement between the Developer and the City of Half Moon Bay, along with recording the Agreement with the office of the San Mateo County Recorder.

ATTACHMENT:

1. Resolution approving the Parcel Map and the Subdivision Improvement Agreement for the Main Street and Kelly Avenue subdivision subject to approval as to form of the required securities and insurance
2. Attachment 2 – Parcel Map
3. Attachment 3 – Subdivision Improvement Agreement

Resolution No. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
APPROVING THE PARCEL MAP AND THE SUBDIVISION IMPROVEMENT AGREEMENT FOR THE
MAIN STREET AND KELLY AVENUE SUBDIVISION SUBJECT TO APPROVAL AS TO FORM OF THE
REQUIRED SECURITIES AND INSURANCE**

WHEREAS, on March 8, 2022, the Planning Commission approved, subject to certain conditions of approval, the Main Street and Kelly Avenue Subdivision project, consisting of a Coastal Development Permit, Architectural Review, and a Vesting Tentative Subdivision Map to allow the subdivision of one (1) existing parcel split into three (3) proposed parcels in the C-D Zoning District at the northeast corner of the intersection of Main Street and Kelly Avenue; and

WHEREAS, Tony Uccelli (Developer) has submitted a proposed Parcel Map for said subdivision consisting of three (3) proposed parcels, one (1) existing mixed use lot, one (1) proposed mixed use lot, and one (1) lot specific for private parking (Parcel Map), and has requested City Council approval before completion of the required improvements; and

WHEREAS, the Developer has also submitted improvement plans for the required improvements and is ready to execute a Subdivision Improvement Agreement for timely completion of the required improvements and has furnished the required security; and

WHEREAS, the Interim Public Works Director and City Engineer has determined that the Parcel Map and Improvement Plans meet the requirements of the Subdivision Map Act and the City Code; and

WHEREAS, on the Parcel Map and the Developer offers in dedication to the City the Public Utility Easement for dry utilities (electric and communication services); and

WHEREAS, the Developer has fulfilled all conditions of approval to the City's satisfaction.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby:

1. Approves the Parcel Map, included as Attachment 2, for the Main Street and Kelly Avenue Subdivision; and
2. Approves the Subdivision Improvement Agreement, included as Attachment 3, for the Main Street and Kelly Avenue Subdivision; and
3. Accept, on behalf of the Public, the dedicated Public Utility Easement for dry utilities (electric and communication services); and
4. Authorizes the Interim Public Works Director/City Engineer, City Clerk, and Acting City Surveyor, to execute and record the Parcel Map with the office of the San Mateo County Recorder; and

5. Authorizes the City Manager to execute the Subdivision Improvement Agreement between the Developer and the City of Half Moon Bay, along with recording the Agreement with the office of the San Mateo County Recorders.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 21st day of February 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THIS MAP; AND THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY, AND THAT WE HEREBY CONSENT TO THE MAKING AND RECORDATION OF THE SAID MAP AND SUBDIVISION AS SHOWN WITHIN THE DISTINCTIVE BOUNDARY LINES.

WE HEREBY DEDICATE AN EASEMENT FOR PUBLIC PURPOSES THAT AREA SHOWN AS "PUBLIC UTILITY EASEMENT" (SHOWN ON THE EASEMENT DETAIL AT THE RIGHT SIDE OF SHEET 2 OF 2) FOR ELECTRIC AND COMMUNICATION SERVICES.

WE HEREBY RESERVE THAT AREA SHOWN AS "10' WIDE PRIVATE STORM DRAIN EASEMENT OVER PARCEL A" ON SAID MAP FOR INSTALLATION AND MAINTENANCE OF STORM DRAINAGE UTILITIES FOR THE EXCLUSIVE BENEFIT OF PARCELS B AND C.

WE HEREBY RESERVE THAT AREA SHOWN AS "10' WIDE PRIVATE STORM DRAIN EASEMENT OVER PARCEL B" ON SAID MAP FOR INSTALLATION AND MAINTENANCE OF STORM DRAINAGE UTILITIES FOR THE EXCLUSIVE BENEFIT OF PARCELS A AND C.

WE ALSO RESERVE THAT AREA SHOWN AS "6.33' WIDE PRIVATE STORM DRAIN EASEMENT" ON SAID MAP FOR INSTALLATION AND MAINTENANCE OF A BIORETENTION AREA WITHIN PARCEL B FOR THE BENEFIT OF PARCELS A AND C

WE ALSO RESERVE THAT AREA SHOWN AS "PARKING, ACCESS, AND SURFACE DRAINAGE EASEMENT" FOR PARKING, ACCESS AND SURFACE DRAINAGE WITHIN PARCEL A AREA (OUTSIDE THE EXISTING BUILDING) FOR THE EXCLUSIVE BENEFIT OF PARCELS B AND C.

WE ALSO RESERVE THAT AREA SHOWN AS "PARKING, ACCESS, AND SURFACE DRAINAGE EASEMENT" FOR PARKING, ACCESS AND SURFACE DRAINAGE WITHIN PARCEL B FOR THE EXCLUSIVE BENEFIT OF PARCELS A AND C.

WE ALSO RESERVE THAT AREA SHOWN AS A "12' WIDE NO BUILD EASEMENT" ON SAID MAP, AN AREA TO BE FREE OF ABOVE-GROUND FIXED STRUCURES, WITHIN PARCEL A FOR THE BENEFIT OF PARCELS B AND C. MOVEABLE IMPROVEMENTS SUCH AS PLANTS, BENCHES AND OTHER MOVEABLE IMPROVEMENTS [BUT NOT LIMITED TO THOSE SPECIFIC ITEMS] ARE PERMITTED.

WE ALSO RESERVE THAT AREA SHOWN AS "TRASH STORAGE EASEMENT" WITHIN PARCEL B FOR THE EXCLUSIVE BENEFIT OF PARCEL A.

[ALL PRIVATE EASEMENTS REFERENCED ABOVE SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNER(S) BENEFITED AND SAID EASEMENTS ARE NOT OFFERED, NOR ARE THEY ACCEPTED, FOR DEDICATION BY THE CITY OF HALF MOON BAY]

OZELLA M. CARDONI, TRUSTEE OF THE CARDONI FAMILY TRUST DATED APRIL 17, 1996

BY: OZELLA M. CARDONI, TRUSTEE DATE

OWNER'S ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY. OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF
ON 2023, BEFORE ME,
PERSONALLY APPEARED

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL
COMMISSION EXPIRES:
SIGNATURE:
NAME:
COMMISSION # OF NOTARY:
PRINCIPAL COUNTY OF BUSINESS:

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF TONY UCCELLI IN APRIL, 2022. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY, AND THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED AND WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

BRYAN G. TAYLOR, L.S. #7551
LICENSE EXPIRES 12/31/2023
LICENSED LAND SURVEYOR
BRYAN G. TAYLOR
NO. 7551
STATE OF CALIFORNIA
DATE

CITY ENGINEER'S STATEMENT

I HAVE EXAMINED THIS MAP AND FOUND IT TO BE TECHNICALLY CORRECT, THE SUBDIVISION AS SHOWN WITHIN IS SUBSTANTIALLY THE SAME AS IT APPEARS ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEROF, THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL HAVE BEEN COMPILED WITH.

MAZIAR BOZORGINIA, R.C.E. 76723
LICENSE EXPIRES 12/31/2024
REGISTERED PROFESSIONAL ENGINEER
MAZIAR BOZORGINIA
NO. 76723
EXP. 12/31/24
CIVIL
STATE OF CALIFORNIA
DATE

CITY SURVEYOR'S STATEMENT

THIS PARCEL MAP HAS BEEN REVIEWED AND FOUND TO BE TECHNICALLY CORRECT AND IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES.

DAVID C. FREYER, R.C.E. 30060
CITY OF HALF MOON BAY
LICENSE EXPIRES 12/31/2023
REGISTERED PROFESSIONAL ENGINEER
DAVID C. FREYER
C-030060
CIVIL
STATE OF CALIFORNIA
DATE

COUNTY RECORDER'S STATEMENT

FILE NO. FEE
FILED FOR RECORD THIS DAY OF 2023, AT
A.M./P.M IN VOLUME OF PARCEL MAPS, AT PAGE(S)
RECORDS OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AT THE REQUEST OF TONY UCCELLI.

MARK CHURCH, SAN MATEO COUNTY RECORDER

BY: DEPUTY RECORDER

CITY CLERK'S STATEMENT

I, JESSICA BLAIR, CLERK OF THE CITY OF HALF MOON BAY, STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE CITY COUNCIL OF SAID CITY APPROVED THE WITHIN MAP ON THE

DAY OF 2023 AND THAT SAID COUNCIL DID THEREUPON, APPROVE SAID MAP AND DID ACCEPT, ON BEHALF OF THE PUBLIC ALL EASEMENTS SHOWN THEREON AS DEDICATED FOR PUBLIC USE.

JESSICA BLAIR, CITY CLERK
CITY OF HALF MOON BAY
DATE

TRUSTEE'S STATEMENT

THE UNDERSIGNED, LAWYERS TITLE COMPANY, AS TRUSTEE UNDER THAT CERTAIN DEED OF TRUST RECORDED AUGUST 24, 2018 AS INSTRUMENT NO. 2018-066741, OFFICIAL RECORDS OF SAN MATEO COUNTY DOES HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS PARCEL MAP.

BY:

TITLE

TRUSTEE'S ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY. OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF
ON 2023, BEFORE ME,
PERSONALLY APPEARED

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

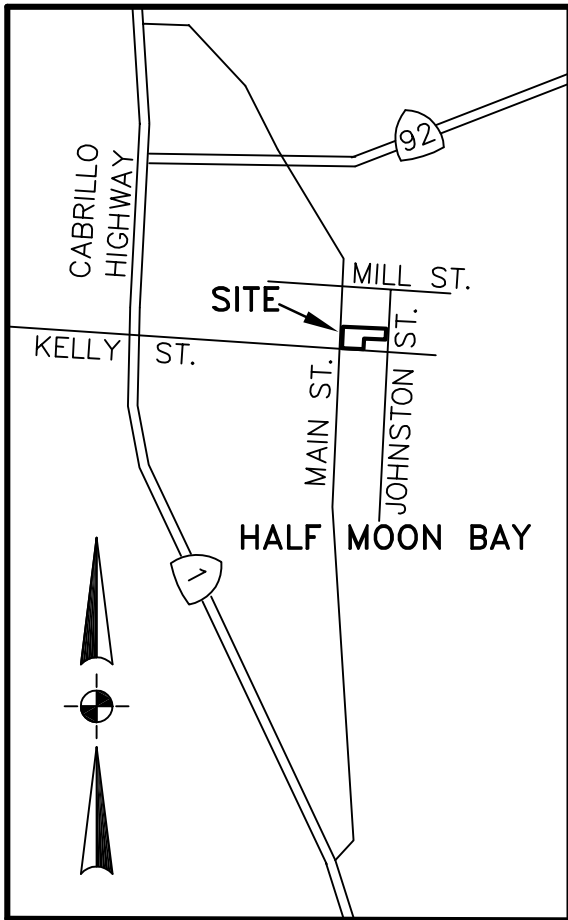
WITNESS MY HAND AND OFFICIAL SEAL
COMMISSION EXPIRES:
SIGNATURE:
NAME:
COMMISSION # OF NOTARY:
PRINCIPAL COUNTY OF BUSINESS:

PARCEL MAP

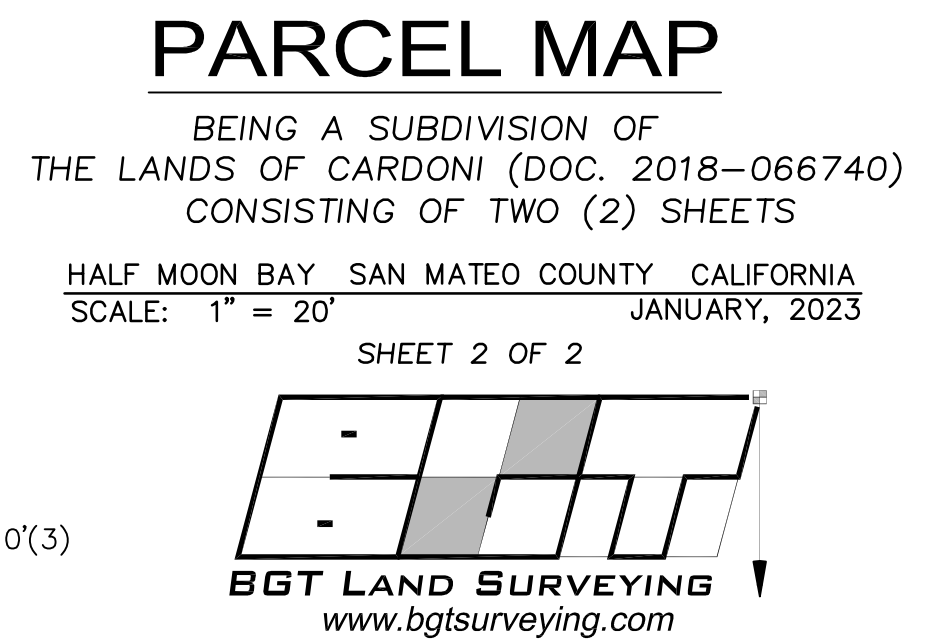
BEING A SUBDIVISION OF
THE LANDS OF CARDONI (DOC. 2018-066740)
CONSISTING OF TWO (2) SHEETS

HALF MOON BAY SAN MATEO COUNTY CALIFORNIA
SCALE: NONE JANUARY, 2023

SHEET 1 OF 2



VICINITY MAP
(NOT TO SCALE)



RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
City of Half Moon Bay)
501 Main Street)
Half Moon Bay, California 94019)

(Space Above This Line for Recorder's Use Only)
Exempt from recording fee per Gov. Code Sec 27383

IMPROVEMENT AGREEMENT

CITY OF HALF MOON BAY

MAIN STREET & KELLY AVENUE SUBDIVISION

THIS IMPROVEMENT AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 203 (the "Effective Date") by and between "Tony Uccelli" ("Developer"), Ozella Cardoni, or active trustee, of the Cardona Family Trust ("Owner"), and the CITY OF HALF MOON BAY, a California municipal corporation ("City").

RECITALS

- A. On March 8, 2022, the Planning Commission of the City of Half Moon Bay adopted among other approvals, Resolution No. P-22-05, approving the Vesting Tentative Parcel Map for the Main Street and Kelly Avenue Subdivision, hereinafter referred to as "(Main & Kelly), prepared by (BKF Engineers dated February 18, 2022) and ("Main Street and Kelly Avenue Vesting Tentative Parcel Map"), subject to certain conditions of approval (the "Conditions").
- B. The Conditions require either (1) that certain public improvements for the (Main Street & Kelly Avenue Subdivision) be constructed prior to approval of the final map, or (2) that Developer enter into an agreement with the City providing for the future construction of such improvements.
- C. Developer has submitted the final map and applied to City for final map approval without having completed the required public improvements and therefore will enter into an agreement with the City providing for the future construction and installation of such improvements, as required by Government Code section 66462(a)(1).
- D. Developer has submitted to the City plans, specifications, and drawings entitled (Main Street & Kelly Avenue), prepared by (BKF Engineers), dated December 19, 2022, (the "Improvement Plans"), which, in addition to other improvements, provide for certain on-site public improvements for the (Main Street & Kelly Avenue Subdivision), (the "Improvements").
- E. Developer is the current fee owner of that certain real property consisting of approximately (0.348 acres) located within the City of Half Moon Bay, County of San Mateo, State of California, described in Exhibit A, attached hereto and incorporated

herein by reference (the "Property"). Upon approval and recordation of the final map, the Property will be divided into 3 lots and associated parcels intended for residential development.

- F. City and Developer desire to enter into an agreement providing for the construction and installation of the Improvements in accordance with the Improvement Plans.

AGREEMENT

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Purpose. The purpose of this Agreement is to guarantee completion of the Improvements and ensure satisfactory performance by Developer of Developer's obligations to satisfy the Conditions pertaining solely to the Improvements.
2. Property Subject to Agreement. The Property shall be subject to this Agreement; provided, however, that from and after acceptance of the Improvements as set forth in Section 12 below, the Property shall be released and no longer subject to this Agreement, and a release shall be executed and recorded by the City.
3. Duty to Install Improvements. Developer shall construct, install and complete, or cause to be constructed, installed or completed, at the Developer's sole cost and expense, the Improvements, in accordance with the Improvement Plans (defined in Recital D. above) and to the satisfaction of the City Engineer, in his reasonable discretion consistent with the Conditions and Improvement Plans. Developer will also supply all labor and materials therefore, all in strict accordance with the terms and conditions of this Agreement. The construction, installation and completion of the Improvements and all labor and materials furnished in connection therewith are hereinafter referred to collectively as the "Work".
4. Completion Date. Developer shall complete the Work within one year of the commencement of the Work. All Work shall be completed and in a good and workmanlike manner in accordance with accepted design and construction practices consistent with the Conditions and Improvement Plans. This completion date may be extended by the City in its sole and absolute discretion at the request of the Developer, which request shall be accompanied by a written assurance acceptable to the City Attorney that the securities required by Section 13 shall remain enforceable throughout the term of the extension.
5. Estimated Cost of Work. The engineer's estimated cost of the Work is \$286,505.
6. Modifications to the Plans. Approval of this Agreement by the City does not release Developer of its responsibility to correct mistakes, errors or omissions in the Improvement Plans. If, at any time, in the opinion of the City Engineer, in his reasonable discretion, the Improvement Plans are deemed inadequate in any respect Developer

agrees to make such modifications, changes or revisions as necessary in order to complete the Work in a good and workmanlike manner in accordance with accepted design and construction standards consistent with the Conditions and Improvement Plans.

7. Repairs. Developer agrees to repair or have repaired in a timely manner at its sole cost and expense all other public or private property damaged as a result of or incidental to the Work or in connection with the development of the project, or to pay to the City or property owner of any damaged property, the full cost of such repair. In addition, Developer shall obtain the written acceptance of such repair or payment from any owner whose private property was repaired by Developer or to whom Developer has paid the full cost of such repair in accordance with this Section 7. City shall be under no obligation whatsoever to accept the Work completed under this Agreement until such time as all repairs have been completed or have been paid for and written acceptances have been provided to the City Engineer, except as otherwise provided in Section 12.1
8. Foreman or Superintendent. Developer shall give personal attention to the Work. A competent foreman or superintendent, satisfactory to the City Engineer, in his reasonable discretion, with authority to act for and on behalf of Developer, shall be named in writing by Developer prior to commencement of the Work, shall be present on the Property during the performance of the Work and may not be changed without the advance notification to and satisfaction and concurrence of the City Engineer.
9. Examination of Work. All the Work shall be performed to the satisfaction of the City Engineer, in his reasonable discretion consistent with the Improvement Plans. The City and its authorized agents shall, at all times during the performance of the Work, have free access to the Work and shall be allowed to examine the Work and all materials used and to be used in the Work.
10. City's Inspection, Administration and Testing Costs. Developer shall pay to the City the actual cost for all inspection, administration and testing services furnished by City in connection with this Agreement, including those performed by consultants under contract with the City (the "City Costs"). The estimated City Costs are \$15,805.00 (the "Estimated Cost"). Prior to or concurrently with the execution of this Agreement, Developer shall deposit an amount equal to the Estimated Cost with City for the payment of the City Costs. In the event that the Estimated Cost is insufficient to cover the actual City Costs incurred, Developer shall, upon notice in writing by the City Engineer, deposit such additional amount as may be required to pay the City Costs. Any amount of the Estimated Cost, initial deposit or additional amounts deposited remaining after payment of all City Costs shall be returned to Developer. City may, at its discretion, deposit such funds in an interest-bearing account and retain any and all interest earned.
11. Completion of Work. After Developer (a) completes the Work in accordance with the Improvement Plans and the terms and conditions of this Agreement, and (b) repairs any

private or public property (other than public roads and streets) damaged as a result of the Work or pays the full cost of such repair to the owner whose property was damaged and (c) obtains the written acceptance of such repair or payment from any owner whose private property was repaired by Developer or to whom Developer paid the full cost of such repair, Developer will provide City with a written notice of completion, together with copies of all written acceptances, if any.

12. Final Acceptance.

12.1 Notice of Completion. Within thirty (30) days of receipt of Developer's written notification pursuant to Section 11 above, City Engineer shall inspect the Work and repairs and review the written acceptances, if any, and send Developer a written notice stating whether the Work and repairs are complete to the satisfaction of the city Engineer, in his reasonable discretion, and whether the written acceptances have been provided. If the Work and repairs are, in the opinion of the City Engineer, not complete and satisfactory, and/or written acceptances have not been provided, the City Engineer shall list the deficiencies that must be corrected to find the Work and repairs complete and satisfactory. Upon satisfactory completion of the Work and repairs and submittal of written acceptances, the City Engineer shall send Developer a written notice of satisfactory completion. The requirement for written acceptances may be waived by the City Engineer, in his reasonable discretion, if Developer has made commercially reasonable efforts to obtain such acceptances.

12.2 Acceptance of Improvements. After sending Developer a written notice of satisfactory completion pursuant to Section 12.1, the City Engineer shall recommend acceptance of the Improvements to the City Council. The acceptance of the Improvements shall be by resolution of the City Council, with the hearing on said resolution held within thirty (30) days of the City Engineer's written notice of satisfactory completion. Upon adoption of such resolution, the City Engineer shall promptly record a notice of acceptance, in a form to be approved by the City Attorney, in the Official Records of San Mateo County. Alternately, the City may in its sole discretion request that Developer deliver to the City a quitclaim deed conveying the fee interest in the Improvements and, as appropriate, the underlying real property; Developer shall promptly deliver the requested deed. The Improvements shall be deemed to be "Finally Accepted" upon recordation of such notice and/or deed.

13. Performance, Labor and Materials and Warranty Security. Developer shall furnish and deliver to the City, within the times set forth below, the following surety bonds, each of which must be issued by a surety company duly and regularly authorized to do general surety business in the State of California, or such other surety as may be acceptable to the City Attorney.

13.1 Performance Bond. Developer shall furnish and deliver a performance surety bond in the amount of \$286,505 (100% of estimated "hard" cost of completion of the construction and installation of the Improvements and the installation of monuments as

required by the Final Map, as determined by the City Engineer) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.1 and be reasonably acceptable to the City Attorney. The bond shall be conditioned upon the faithful performance of this Agreement with respect to the Work and shall be released by the City upon final acceptance of the Improvements as described in Section 12.2 and Developer's delivery of the Warranty Bond described in Section 13.3.

13.2 Labor and Materials Bond. Developer shall furnish and deliver a labor and materials surety bond in the amount of \$286,505 (100% of estimated "hard" cost of completion of the construction and installation of the Improvements and the installation of monuments as required by the Final Map, as determined by the City Engineer) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.2 and be acceptable to the City Attorney. The bond shall secure payment to the contractor(s) and subcontractor(s) performing the Work and to all persons furnishing labor, materials or equipment to them. The City shall retain the bond until both (i) the City accepts the Work in accordance with Section 12 above and (ii) the statute of limitations to file an action under Civil Code section 3114 *et seq.* has expired. After said date, the bond may be reduced by the City Engineer to an amount not less than the total amount claimed by all claimants for whom claims of lien have been recorded and notice given in writing to the City Council. The balance of the bond shall be retained until the final settlement of all such claims and obligations. If no such claims have been recorded within the statutory time limits, the bond shall be released in full by the City Engineer.

13.3 Warranty Bond. Developer shall furnish and deliver a warranty bond in the amount of \$72,000 (25% of estimated "hard" cost of completion of the construction and installation of the Improvements, as determined by the City Engineer) upon Final Acceptance of the Improvements and prior to release of the Performance Bond. The bond shall be in a form reasonably acceptable to the City Attorney and shall guarantee and warrant the Work for a period of two (2) years following the completion and acceptance thereof against any defective work or labor done, or defective materials furnished.

- 14. Warranty Period; Repair and Reconstruction.** Without limiting the foregoing, Developer expressly warrants and guarantees all Work performed under this Agreement and all materials used in the Work for a period of two (2) years after final acceptance in accordance with Section 12. If, within this two (2) year period, any Improvement or part of any Improvement installed or constructed, or caused to be installed or constructed by Developer, or any of the Work done under this Agreement, fails to fulfill any of the requirements of the Improvement Plans or this Agreement, Developer shall, without delay and without cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Work or Improvement to the satisfaction of the City Engineer. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation require repairs, replacements or reconstruction

to be made before Developer can be notified, City may, at its option, make the necessary repairs, replacement or perform the necessary reconstruction and Developer shall pay to the City upon demand the actual cost of such repairs, replacements or reconstruction. The warranty provided in this section shall survive the termination of this Agreement.

15. Maintenance. At all times prior to Final Acceptance, Developer shall be solely responsible for the maintenance of the Improvements.
16. Developer Not Agent of City. Neither Developer nor Developer's contractors, subcontractors, agents, officers, or employees are agents or employees of City and the Developer's relationship to the City, if any, arising here from is strictly that of an independent contractor.
17. Indemnification. Developer agrees to indemnify, defend and hold the City, its elective and appointed boards, commission, officers, agents, employees and consultants, harmless from and against any and all claims, liabilities, losses, damages or injuries to persons or property of any kind, including the reasonable costs to the City of carrying out the terms of any judgment, settlement, consent decree, or other partial or complete termination of an action or procedure that requires the City to take any action (collectively, "Claims") arising out of (a) Developer's or Developer's contractors', subcontractors', agents' or employees', acts, omissions, or operations or (b) the non-compliance of the Improvements with any applicable federal, State, or local law. The aforementioned indemnity shall apply regardless of whether any insurance required under this Agreement is applicable to any Claims. The City does not and shall not waive any of its rights under this indemnity provisions because of its acceptance of the bonds or insurance required under the provisions of this Agreement. The indemnification herein shall survive termination of this Agreement.
18. Insurance.
 - a. Developer shall require each and every design consultant involved in the design of the Improvements to carry errors and omissions insurance coverage (primary as to City) as to such involvement in the minimum amount of two million dollars (\$2,000,000) and subject to requirement to provide extended claim reporting provision in the insurance policy ("tail coverage").
 - b. Developer shall maintain Comprehensive Liability Insurance protecting the City from incidents as to bodily injury liability and property damage liability that may occur as a result of the Work and additional warranty repairs. Developer shall provide a certificate of insurance to City before any Work commences. The insurance policy shall contain, or be endorsed to contain, the following provisions:
 - (1) The City, its officers, officials, employees, consultants and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of Developer. The coverage shall contain no special limitations on the scope

of protection afforded to the City, its officers, officials, employees, consultants and agents.

- (2) The amounts of public liability and property damage coverage shall not be less than \$2,000,000 (Two Million Dollars) per occurrence for bodily injury, personal injury and property damage. Coverage shall include Contractual Liability, owners' and contractors' protection, products and operations coverages, and Premises and Operations Liability with no explosion, underground, or collapse exclusions.
- (3) The insurance shall be maintained in full force until the City Engineer issues a notice of satisfactory completion pursuant to Section 12.1 above.
- (4) The insurance policy shall provide for 30 days notice of cancellation to the City. The policy shall not be cancelled earlier than nor the amount of coverage be reduced earlier than 30 days after the City receives, notice from the insurer of the intent of cancellation or reduction.
- (5) Any failure to comply with the reporting provisions of the policy shall not affect the coverage provided to the City, its officers, officials, employees, consultants and agents.
- (6) Developer's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, consultants and agents. Any insurance or self-insurance maintained by the City, its officers, officials, employees, consultants or agents shall be in excess of Sub-divider's insurance and shall not contribute to it. If commercially available, the insurance policy shall contain a waiver of subrogation for the benefit of the City.
- (7) In the event that Developer's insurance is cancelled, Developer shall provide replacement coverage or all Work must cease as of the cancellation date until replacement insurance coverage is provided.
- (8) Any deductibles or self-insured retentions shall be the Developer's responsibility to pay; any such deductible or self-insured retention greater than \$50,000 shall be approved by the City Manager.
- (9) The insurer shall waive its right of subrogation against the City. Developer hereby waives all rights against the City for loss or damage to the extent covered by the insurance required under this Agreement.
- (10) Prior to commencing Work and upon request by the City, Developer shall provide a Certificate of Insurance with endorsements showing compliance with the requirements of this Agreement.

19. Worker's Compensation and Employers' Liability Insurance. Developer shall provide, or cause to be provided, Workers' Compensation insurance as required by law, including \$1,000,000 Employers' Liability coverage and shall cause its contractors and their subcontractors, agents and representatives to also maintain such insurance as required

by law. No Work shall commence until such Workers' Compensation insurance is obtained and in full force and effect.

20. Compliance with Laws. Developer shall comply with all federal, state and local laws, ordinances and regulations in the performance of this Agreement. Developer shall, at its own cost and expense, obtain all necessary permits and licenses for the Work, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public utilities that will serve the residential development on the Property. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the City Engineer upon request.
21. Encroachment Permits. Developer shall obtain, at its sole cost and expense, any encroachment permits required by the City in order to perform the Work.
22. Payments. Developer agrees that it will pay, when due, all those furnishing labor or materials in connection with the Work. Developer further agrees that pursuant to Government Code section 66499.7, the Labor and Materials Bond provided by Developer in accordance with Section 13.1 of this Agreement shall not be released if any mechanics liens or stop notices are outstanding, unless said liens are released by bond in compliance with Civil Code section 3143.
23. Notice of Breach and Default. The occurrence of any of the following constitutes a breach and default of this Agreement:
 - (1) Developer refuses or fails to complete the Work within the time set forth herein or abandons the Work.
 - (2) Developer assigns the Agreement in violation of Section 29 below.
 - (3) Developer is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver is appointed in the event of Developer's insolvency.
 - (4) Developer or Developer's contractors, subcontractors, agents or employees, fail to comply with any terms or conditions of this Agreement.
 - (5) Any delay in the construction of any portion of the Work or repairs, which in the reasonable opinion of the City Engineer, endangers public or private property.
 - (6) Developer fails to maintain insurance in the amounts and subject to the terms required in Sections 18 and 19 above.

The City may serve written notice of breach and default upon Developer and the financial institution holding the bonds.

24. Opportunity to Cure. If the City gives Developer notice under Section 23 of breach and default of this Agreement, Developer shall have 30 days within which to correct, remedy or cure the default. If the written notification states that the problem is urgent and relates to the public health and safety, then Developer shall have 24 hours to correct, remedy or cure the default, If Developer does not cure the default within the applicable timeframe, the City may pursue the remedies set forth in Section 25 below.

25. Remedies.

25.1 City may proceed to complete the Work by contract or other method the City considers advisable at the sole expense of Developer. Developer, immediately upon demand, shall pay the costs and charges related to the Work and any subsequent repairs. City, without liability for doing so, may take possession of and utilize in completing the Work and repairs, if any, such materials and other property belonging to the Developer as may be on or about the Property and necessary for completion of the Work. Developer hereby grants the City an easement, effective upon the running of the 30-day cure period for an uncured default under Sections 23(1) –(5) above, to enter the Property as necessary to complete the Work. In the event of default, the financial institution holding the bonds shall be liable to City to pay the face amount of the bonds, as specified under Section 13.

25.2 City may bring legal action to compel performance of this Agreement and recover the cost of completing the Work and/or repairs, if any, including City's administrative and legal costs or pursue any other action at law or equity.

25.3 Developer agrees that if legal action is brought by City under this section of the Agreement, Developer shall pay all of the costs of suit, reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.

25.4 No failure on the part of City to exercise any right or remedy hereunder shall operate as a waiver of any right or remedy that City may have hereunder.

25.5 The rights and remedies of City are cumulative, and the exercise by City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default.

26. Final Drawings. Upon completion of the Work and prior to Final Acceptance, Developer shall deliver to City a set of "As-Built" drawings as required by the Conditions. These drawings shall be in a form reasonably acceptable to the City Engineer, shall be certified as being "As-Built" and shall reflect the Work as actually constructed, with any and all changes incorporated therein. Said drawings shall be signed and sealed as accurate by the engineer of record.

27. Attorney Fees. Should any legal action or arbitration be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to all costs of suit, reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.

28. Notices. Formal written notices, demands, correspondence and communications between City and Developer shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable carrier such as Federal Express to the office of City and Developer indicated below, provided that a receipt for delivery is provided; or (c) if dispatched as first class mail, postage prepaid, to the offices of City and Developer indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as

either party may from time-to-time designate by next day delivery or by mail as provided in this section.

City: City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94109
Attn: City Manager

With a copy to: City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94109
Attn: City Attorney

Developer: Tony Uccelli
575 Alameda
San Carlos CA 94070

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the state of California.

29. Transfers; Assignments. Developer may not assign its obligations under this Agreement without the prior written approval of the City, which approval shall not be unreasonably withheld. In connection with any such assignment, Developer and its assignee shall execute and deliver to City a written assignment and assumption agreement in a form reasonably acceptable to the City Attorney.
30. Binding Upon Heirs, Successors and Assigns. Subject to the transfer restrictions set forth in Section 29, the terms, covenant and conditions of this Agreement shall be binding upon all heirs, successors and assigns of the parties hereto.
31. Headings. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.
32. Severability. If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.
33. Entire Agreement. The terms and conditions of this Agreement constitute the entire agreement between City and Developer with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of all parties hereto.

34. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of San Mateo, State of California.
35. Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations thereunder.
36. Time is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.
37. Runs with the Land; Recordation. This Agreement pertains to and shall run with the Property. Upon execution, this Agreement shall be recorded in the Official Records of San Mateo County. Upon City Final Acceptance of the Improvements, a written statement shall be recorded by the City in the Official Records of San Mateo County terminating this Agreement and releasing all of the Property as set forth in Section 2 above. The recorded written statement does not release the parties from obligations that survive termination of the Agreement, including indemnification.
38. Domestic Water System. The City and Developer acknowledge and agree that the public domestic water system for the Property (the "Water System") is also shown on the Improvement Plans, but is not subject to this Agreement. The Water System will be the subject of a Water Service Agreement by and between the Developer and Coastsides County Water District, which district (as opposed to the City) has jurisdiction over plan approval, construction, bonding and acceptance of the public domestic water system.

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

"CITY"

CITY OF HALF MOON BAY, a California
municipal corporation

Dated: _____

By: _____
Matthew Chidester, City Manager

(City Council Action dated _____)

ATTEST:

Jessica Blair, City Clerk

APPROVED AS TO FORM:

Catherine Engberg, City Attorney

Dated: _____

Developer: TONY UCCELLI

By: _____

Name: _____

Title: _____

Dated: _____

Owner: Ozella Cardoni, or acting trustee, The
Cardoni Family Trust – Dated 4/17/1996

By: _____

Name: _____

Title: _____

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk
Catherine Engberg, City Attorney

TITLE: **FORMATION OF A TEMPORARY AD HOC HOUSING COMMITTEE**

RECOMMENDATION:

Adopt a resolution authorizing creation of a temporary Ad Hoc Housing Committee and confirming Mayor Penrose and Vice Mayor Jimenez as members.

FISCAL IMPACT:

There is no fiscal impact associated with this action. It is hoped that the temporary Ad Hoc Committee will assist the City in securing funding and potential resources necessary to meet permanent housing needs of those individuals and families displaced by the January 23, 2023 Shooting Incident and other essential workers on the Coastsides.

STRATEGIC ELEMENT:

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

BACKGROUND/DISCUSSION:

On January 23, 2023, the community was impacted by a mass shooting event. This event took the lives of seven and severely injured another local community member who were all employed on local farms. In addition to those persons, the incident impacted 19 households comprising a total of 38 people. All these individuals were displaced from their makeshift residences located on the two farms.

At its February 7, 2023 meeting, the City Council received an action report on the shooting incident and the status of the displaced families. During that discussion, the need for an ad hoc committee was identified to allow for the Mayor and Vice Mayor to conduct work on emergency housing efforts on behalf of the City Council. City staff will schedule regular updates throughout the course of this committee's work to ensure the community and Council are apprised of efforts and progress around housing needs for the Coastsides' essential workforce.

Local non-profits, government agencies, legislators, and volunteers have worked continuously since the event to bring services and support to the impacted families. San Mateo County initially placed these households in local hotels. They have since been relocated to interim local residences under Airbnb.com, a non-profit program. These families will be relocated into longer-term interim housing for approximately one year. At present, the City and County are pursuing sites and projects that have the ability to add needed housing within one to two years to assist displaced households and, where possible, additional farmworker and service worker households in need of safe and affordable housing opportunities. Housing options that are likely to produce permanent solutions in this window of time will likely be modular and/or prefabricated units. Staff have identified multiple sites that can accommodate between 5-10 units and one site with capacity for 32 modular units.

City staff are focused on investigating housing solutions during this emergency that: (1) will be implemented swiftly; faster than typical multi-unit housing development; (2) provide a bridge to or immediately provide long-term housing; and (3) improve access to safe and stable housing.

The purpose of the temporary Ad Hoc Housing Committee is to assist City staff in refining housing opportunity sites, soliciting funding from all potential sources (including federal, state, county, and philanthropic sources) and advocating for regulatory and related changes to facilitate development of affordable housing for those displaced by the incident as well as others in need of more stable, safe, and permanent housing.

The City Council is seeking to form the temporary Ad Hoc Committee to address the immediate and acute challenges of re-housing displaced individuals. In addition, the event has shined a light on the housing conditions faced by many essential workers in Half Moon Bay and the Coastsides which also acutely need assistance.

This temporary Ad Hoc Committee will be short-term, potentially six months, at which time the progress on this effort will be re-assessed and the Council will be briefed on needed next steps.

ATTACHMENT:

Resolution authorizing the creation of a temporary City Council Ad Hoc Housing Committee

Resolution No. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE
CREATION OF A TEMPORARY CITY COUNCIL AD HOC HOUSING COMMITTEE**

WHEREAS, On January 23, 2023, there was a tragic mass shooting event resulting in a total of 19 households (38 individuals) displaced from their residential units located on the two farms where the shooting took place; and

WHEREAS, City staff are focused on investigating housing solutions during this emergency that: (1) will be implemented swiftly; (2) will provide a bridge to or immediately provide long-term housing; and (3) improve access to safe and stable housing; and

WHEREAS, The City Council of Half Moon Bay identified a need for a temporary ad hoc housing committee at its February 7, 2023 meeting; and

WHEREAS, a temporary ad hoc housing committee is necessary to address immediate and acute issues related to re-housing displaced individuals from the community.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council hereby establishes a temporary ad hoc housing committee, and appoints Mayor Penrose and Vice Mayor Jimenez to serve as members of the committee.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 21st day of February, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jill Ekas, Community Development Director
Mike Noce, Housing Coordinator

**TITLE: 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT –
PREDEVELOPMENT LOAN AGREEMENT WITH MERCY HOUSING**

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute a predevelopment loan agreement between the City and Mercy Housing California 110, L.P., a California limited partnership, in an amount not to exceed \$1,000,000 from the Affordable Housing Fund, to support predevelopment activities for an affordable housing development project on City-owned land at 535 and 555 Kelly Avenue.

FISCAL IMPACT:

The requested action authorizes the use of up to \$1 million of the City's Affordable Housing Fund (AHF) to support predevelopment costs (Attachment 3) associated with an affordable housing project proposed on 555 Kelly Avenue and adjacent City-owned lands. Attachment 3 outlines two sources for predevelopment funding, \$1 million from the City and \$1.5 million from the County of San Mateo. The County's funding originates from American Rescue Plan Act (ARPA) funds, which were earmarked specifically for farmworker housing within San Mateo County. The proforma indicates an ongoing annual operational subsidy of approximately \$500,000 will be needed upon completion of construction. This does not imply the City would provide financial support for the subsidy; however, the source of financing support is unknown at this time. While many affordable housing projects require similar subsidies, the 555 Kelly Avenue project is unique in that all of the units are intended for acutely- and extremely-low income households, the lowest income categories. Therefore, revenue collected via typical tenant rent will not cover operating costs. This is a necessary and expected subsidy to provide long-term, affordable housing to the farmworker population.

STRATEGIC ELEMENT:

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

BACKGROUND:

555 Kelly Avenue was purchased by the City in 2017. It is a rectangular parcel located south of the City's Ted Adcock Community Center adjacent to Shoreline Station. The property contains a single-family home which has been vacant since prior to the City's acquisition of the property and is currently used for storage by the City. The property's lot area is approximately 6,200 square feet and abuts the City's parking lot located on the south side of the Ted Adcock Community Center at 535 Kelly Avenue. Staff worked with the City's housing consultant to prepare a Request for Qualifications (RFQ) to solicit affordable housing development interest for the Site. The RFQ was released on February 15, 2022, and closed on May 23, 2022. The RFQ was posted on the City website at this [link](#).¹

Despite extensive outreach to publicize the RFQ to local affordable housing developers, the City received only one submittal from a two-agency team comprised of Mercy Housing and Ayudando Latinos A Soñar (ALAS). As proposed, the development includes 40 units of affordable farmworker housing as well as 2,050 square feet of space for a Farmworker Resource Center, which would be staffed and managed by ALAS. The proposed building would be four stories in height, with parking and the resource center on the ground floor. Community space and management offices would be provided on the second floor. Mercy Housing proposes to develop the property and deliver ongoing property management and resident services. ALAS will be a vital partner throughout the development process, including community outreach and marketing in addition to operating the resource center.

On October 4, 2022, City Council adopted two resolutions. One resolution declared the Site as "exempt surplus" land as required by the California Surplus Land Act (SLA). SLA obligates local agencies to make publicly owned land available for affordable housing before selling or leasing the property for other purposes. Local governments such as the City of Half Moon Bay, who plan to produce affordable housing via their own public bidding process, may declare property as exempt. The second resolution authorized the City Manager to execute an Exclusive Negotiations Agreement (ENA) between the City and Mercy Housing. The execution of a predevelopment loan agreement (being considered as part of this report) was contained within a Schedule of Performance attached to the ENA.

Impacts of the January 23, 2023 Incident

Local non-profits, government agencies, and volunteers have worked continuously since the mass shooting event on January 23rd to bring services and support to impacted families. The City (in partnership with the County of San Mateo) is working diligently to identify both immediate and long-term housing solutions. The typical development timelines for a project such as 555 Kelly Ave. can be lengthy; however, the proposed combination of permanent affordable housing with onsite resources is expected to benefit all farmworkers in the long-term, and the recent event highlights the need for this type of housing on the Coast. The City is working expeditiously to identify near-term housing solutions, with quicker occupancy than 555 Kelly Ave., to bring much needed housing to impacted households from the incident, in addition

¹ [555 Kelly Avenue - Affordable Housing RFQ | Half Moon Bay, CA \(half-moon-bay.ca.us\)](#)

to assisting farmworkers and service industry workers throughout the Coastsides. Near-term projects are not the focus of this report; however, staff is acknowledging the importance of those efforts and our commitment to that work.

DISCUSSION:

The proposed Project includes a mix of studio and one-bedroom units serving households of 1-3 persons, depending on unit size. Table 1, below, illustrates the maximum income, depending on household size, for each income category according to income limits released annually by the California Housing and Community Development Department (HCD) for San Mateo County. As in most affordable housing developments, households generally pay 30% or less of their annual income toward housing costs, including rent and utilities. Farmworkers are considered a special housing needs group due to their limited income and vulnerability to the high cost of market rate rents. Because of their anticipated extremely-low /acutely-low incomes, Mercy Housing and ALAS intend to seek rental subsidies to assist the tenants and provide additional stability, therefore preventing potential homelessness and overcrowded living conditions for this population.

Table 1: San Mateo County 2022 Income Limits (1 to 3 Person Households)

Income Category	Household Size and Income Limits		
	1	2	3
Acutely Low Income (15% AMI)	\$17,450	\$19,900	\$22,400
Extremely Low Income (30% AMI)	\$39,150	\$44,750	\$50,350
Very Low Income (50% AMI)	\$65,250	\$74,600	\$83,900
Median Income	\$116,200	\$132,800	\$149,400

Source: <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>

To produce affordable housing that meets the needs of the lower income populations described above, it is common for affordable housing developers to layer a several funding sources to reach financial feasibility. Funding of predevelopment activities provides critical-timing support to expedite project initiation. Predevelopment activities include tasks such as preparing a detailed predevelopment budget and preliminary financial analysis for the construction of the development; developing architectural plans and preliminary engineering; preparing soils and environmental reports; developing plans for the programming, unit mix, occupancy and affordability restrictions; and developing and implementing community outreach and engagement plans.

For projects which intend to seek Low-Income Housing Tax Credit financing, such as the one contemplated at the Site, it is typical for the developer to form a wholly-owned affiliate to carry out the development work and secure financing. Mercy Housing has formed such an affiliate, Mercy Housing California 110, L.P., a California limited partnership. The general partner of this affiliate is Mercy Housing California 110, LLC, a California limited liability company, of which Mercy Housing Calwest, an affiliate of Mercy Housing California, is its sole member/manager.

Predevelopment Loan and Funding Terms

Attachment 3 provides a breakdown of predevelopment costs. The predevelopment loan amount of \$1 million from the City would represent a large portion of the \$2.5 million total of predevelopment cost for the Project. The City Council retains sole discretion to award funds from the City's Affordable Housing Fund. San Mateo County has committed \$1.5 million in ARPA funds to the Project for predevelopment activities. These funds represent the remainder of the local funds needed to complete predevelopment work.

Proposed loan terms for the City's contribution to predevelopment costs are as follows:

Borrower: Mercy Housing California 110, L.P., a California limited partnership

Loan amount: \$1,000,000.00

Interest rate: 0%

Recourse/nonrecourse: Loan will be nonrecourse

Initial term: Two years; loan agreement may be extended twice, each time for an additional 90-day period

Repayment of predevelopment loan during initial term: Monthly payment will be deferred during the predevelopment period unless there is an uncured default by the borrower. No prepayment penalty or fee if prepayment is made.

Conversion to permanent loan: If all predevelopment milestones are successfully completed, predevelopment loan may be converted to a permanent loan, secured by a deed of trust against the Borrower's leasehold interest in the Property, with a term of 55 years from date of certificate of occupancy.

Repayment of permanent loan: The permanent loan Interest and principal is to be repaid from the cash flow from Project operations.

The Mercy Housing financing proforma (Attachment 4) outlines a total City funding commitment of \$2 million, in addition to a long-term lease of the land, inclusive of the predevelopment loan amount. Mercy Housing will seek additional funding from several sources, including low-income tax credits, State HCD funds, and the County, for the construction phase of the Project, estimated at \$33.7 million. The proforma indicates an ongoing annual operational subsidy of approximately \$500,000 will be needed upon completion of construction. This does not imply the City would provide financial support for the subsidy; however, the source of financing support is unknown at this time.

With regard to securing the \$1.5 million of County predevelopment funding for the Project, Staff will need to return to City Council for consideration of a resolution authorizing the City Manager to execute a grant agreement with San Mateo County and then a subsequent funding agreement with Mercy Housing. Staff is working closely with the County to discuss the terms of

the grant agreement with the expectation of returning to City Council within the next two months.

SUMMARY:

During the predevelopment phase of the Project, specific unit type/mix, site features and building design characteristics will be explored to ensure site plans meet Project requirements. The Project will also involve expanding the Workforce Housing Overlay in the City's Certified Local Coastal Land Use Plan (LCLUP) for this site and implementing an associated zoning amendment. Parking requirements will also need to be studied and addressed through the local Coastal Development Permit process. Staff will continue to evaluate the Project in relation to zoning provisions outlined in the Local Coastal Land Use Plan, including the Workforce Housing Overlay that supports agriculture as a Coastal Act priority use. The local Coastal Development Permit is subject to review and approval by the Planning Commission following input from the Architectural Advisory Committee. Staff will continue to update the City Council regarding the Project and ongoing work efforts.

The cost of land, construction, and development fees are typically identified as constraints to producing below market rate (affordable) housing development. As previously mentioned, it is common for affordable housing development to rely on multiple funding sources and other contributions to reach a financially feasible project. In addition to the above constraints, affordable housing unit rents do not allow the operator to collect the same amount of income that a market rate development would expect to collect, which contributes to the need for affordable housing developers to partner with local jurisdictions. For this Project, the incomes of the resident population will be within the lowest income categories, increasing the need for the developer to secure financial support and other financing, such as tax credits.

ATTACHMENTS:

1. Resolution authorizing the City Manager to execute a predevelopment loan agreement between the City and Mercy Housing California 110, L.P., a California limited partnership, in an amount not to exceed \$1,000,000 from the Affordable Housing Fund, to support predevelopment activities for an affordable housing development project on City-owned land at 535 and 555 Kelly Avenue.
2. Predevelopment Loan Milestone Schedule
3. Mercy Housing Predevelopment Costs
4. Mercy Housing Project Financing Proforma

1532569.2

Resolution No. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PREDEVELOPMENT LOAN AGREEMENT
BETWEEN THE CITY AND MERCY HOUSING CALIFORNIA 110, L.P., A CALIFORNIA LIMITED
PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$1,000,000 FROM THE AFFORDABLE
HOUSING FUND, TO SUPPORT PREDEVELOPMENT ACTIVITIES FOR AN AFFORDABLE HOUSING
DEVELOPMENT PROJECT ON CITY-OWNED LAND AT 535 AND 555 KELLY AVENUE.**

WHEREAS, the City of Half Moon Bay (“City”) owns two parcels located at 555 Kelly Avenue and 535 Kelly Avenue. (Assessor Parcel Numbers 056-150-200 and 056-150-220); and

WHEREAS, the City wishes to create an affordable housing site of approximately 17,000 square feet, using the entire property located at 555 Kelly Avenue and a portion of the property located at 535 Kelly Avenue, incorporated herein by reference (the “Site”); and

WHEREAS, on February 15, 2022 the City issued a Request for Qualifications (“RFQ”) for the development of affordable housing on the Site that may target a range of affordable housing types and underserved populations; and

WHEREAS, the City of Half Moon Bay Local Coastal Land Use Plan identifies this property as appropriate for application of the Workforce Housing Overlay land use designation to provide sites suitable for affordable housing; and

WHEREAS, Mercy Housing California (“Developer”) submitted a response to the RFQ prior to the May 23, 2022 deadline and proposed the construction of a 40-unit affordable farmworker housing development project (the “Project”); and

WHEREAS, despite extensive outreach to publicize the RFQ to local affordable housing developers, the Developer’s proposal was the only one submitted in response to the RFQ; and

WHEREAS, the Project submitted by the Developer proposes a partnership with Ayudando Latinos A Soñar (ALAS), a nonprofit organization with deep ties to the farmworker community and experience in serving the social, educational, and cultural needs of Latino communities in coastal areas of Northern California, to include a Farmworker Resource Center on the ground floor that ALAS will operate; and

WHEREAS, the Developer is an experienced local nonprofit affordable housing developer with prior experience developing affordable housing in the City; and

WHEREAS, the Developer’s proposal addresses the critical need for housing for local farmworkers and also meets the City’s priorities for housing that is affordable to Acutely Low-, Very Low- and Extremely-Low Income households; and

WHEREAS, pursuant to Government Code Sections 54220, 54221(f)(1)(A) and 37364 the City Council has taken all necessary action to ensure compliance with the Surplus Land Act and approved the required declaration of Exempt Surplus Land for the Site on October 4, 2022; and

WHEREAS, the City Council passed a resolution authorizing the City Manager to execute an Exclusive Negotiations Agreement with the Developer on October 4, 2022 and the City subsequently executed said agreement with the Developer on November 3, 2022, which included project milestones such as the execution of a predevelopment loan agreement; and

WHEREAS, Developer has formed a wholly-owned affiliate, Mercy Housing California 110, L.P, a California limited partnership (“Borrower”), an action typical in cases where developers plan to seek low-income tax credits to help finance an affordable housing project, to carry out the development work and secure Project financing; and

WHEREAS, Mercy Housing California 110, LLC., a California limited liability company, is the general partner of Borrower, and Mercy Housing Calwest, another affiliate of Mercy Housing California, is Mercy Housing California 110, LLC’s sole member/manager; and

WHEREAS, the City wishes to execute a predevelopment loan agreement with the Borrower (see Exhibit “A”, attached), in order to financially assist necessary predevelopment activities for the Project with funds from the Affordable Housing Fund; and

WHEREAS, the Site will not be transferred to Borrower (the “Site Disposition”) until a Disposition and Development Lease Agreement and long-term ground lease is executed between City and Borrower, which Site Disposition is expected to occur shortly before the start of construction of the Project.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay finds the above recitals to be true and correct and are a substantive part of this Resolution; and be it further

RESOLVED, that the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a predevelopment loan agreement with Mercy Housing California 110, L.P, in an amount not to exceed One Million Dollars from the Affordable Housing Fund, in substantial conformity with the loan terms described in the staff report to support predevelopment activities for an affordable housing project on City-owned property located at 555 Kelly Avenue and 535 Kelly Avenue.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 21st day of February, 2023, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

PREDEVELOPMENT
LOAN
MILESTONE SCHEDULE

No.	Task ¹	No. of Days After Effective Date
1	(ENA): Submit preliminary Community Outreach and Engagement Plan	(Prior to execution of Predevelopment Loan Agreement)
2	Submit proposed schedule of performance, including but not limited to dates for obtaining financing commitments, obtaining entitlements and building permits, commencing construction, completing construction, and leasing the units.	Within 30 days
4	Submit Preliminary Entitlements Application with site plan and architectural concept drawings identifying the proposed location, building envelopes, general configuration, elevations of the building(s), design characteristics, uses of the building(s) and site, and parking and traffic circulation for project.	Within 30 days
5	Submit Preliminary Financing Narrative, including a narrative for any operating subsidies such as Section 8 vouchers, etc.	Within 120 days
6	(ENA): Submit Preliminary Conceptual Design Plans and Programming for tenant and unit mix	Within 120 days
7	(ENA): Submit preliminary plans for the use of Community Resource Center by ALAS and include an outline of details such as size, features, and programming.	Within 120 days
8	Submit fully completed Entitlements Application	Within 140 days
9	(ENA): Submit Preliminary Services Plan and Budget	Within 180 days
10	Complete Due Diligence Activities, including but not limited to planning, soils report, hazardous materials	Within 210 days

¹ Items denoted as “(ENA)” milestones are copied from Exclusive Negotiations Agreement (ENA) Exhibit B - Developer’s Schedule of Performance, executed on November 3, 2022 between the City of Half Moon Bay and Mercy Housing. **The effective dates for all milestones referenced in this Exhibit “C” supersede the previous Milestone Schedule of the ENA.**

	report, and title adequacy	
11	Complete Physical Adequacy Determination, considering geotechnical and soils conditions, the presence or absence of toxic or other hazardous material, the massing of proposed project improvements and proposed parking, and other environmental and regulatory factors	Within 210 days
12	(ENA): Submit Preliminary Title Report	Within 210 days
13	Obtain an appraisal of the Property	Within 210 days
14	Consult with utility companies serving the Property and the appropriate entity providing water service servicing the Property to determine existing utility and water facilitates require expansion, relocation or undergrounding in connection with the proposed development on of the Property	Within 270 days
15	Execute a Disposition and Development Agreement	Within 365 days

PREDEVELOPMENT COSTS

PROJECT NAME:	555 Kelly
FINANCE TYPE:	9%/Serna
ADDRESS:	555 Kelly
HOUSING TYPE:	Senior
COUNTY:	San Mateo
SPONSOR:	Mercy Housing California/ALAS

Total Project Cost County of San Mateo City of Half Moon Bay

ACQUISITION

Total Land Cost or Value			
Total Building Cost or Value	-		
TOTAL ACQUISITION	-		

CONSTRUCTION / REHABILITATION

Off-Site Improvements			
Demolition			
Site Work/Landscape/Surface parking			
Structures			
Tenant Improvements			
Garages/Structured Parking			
Contractor Profit			
Contractor Overhead			
Design/Escalation Contingency			
TOTAL NEW CONSTRUCTION	-		

ARCHITECTURAL FEES	1,014,296	1,014,296	-
TOTAL SURVEY and ENGINEERING	60,000	60,000	-
ENVIRONMENTAL MITIGATION			

CONST. INTEREST & FEES

Const. Loan Interest			
Bond Issuance			
Origination Fee			
Taxes During Construction			
Performance Bond Premium			
Lender Inspections			
Title and Recording			
Builders Risk Insurance			
Contractor Insurance			
TOTAL CONST. INTEREST & FEES	-		

PERMANENT FINANCING

Loan Origination Fee			
Title and Recording			
Other			
TOTAL PERMANENT FINANCING	-		

OTHER FINANCING RELATED

TCAC App/Alloc/Monitor Fees			
TOTAL OTHER FINANCING	-		

PREDEVELOPMENT COSTS

LEGAL FEES

Constr. Related (includes lender legal)	60,000	60,000	0
Perm. Related (includes lender legal)			
TOTAL LEGAL FEES	60,000	60,000	-

RESERVES

Capitalized Operating			
Capitalized Lease Up Reserve			
Capitalized Section 8 Transition Reserve			
Capitalized Commercial Commission/Lease Up Reserve			
Capitalized Replacement			
TOTAL RESERVES	-		

CONTINGENCIES

Construction Contingency			
Soft Cost Contingency	227,273	-	227,273
TOTAL CONTINGENCIES	227,273	-	227,273

PERMITS & GOV. FEES

school impact fee			
other impact fees	510,040		510,040
building permit, plan check, other fees	428,391	165,704	262,687
Capital Fees (utility fees & hook-up charges)	-		
TOTAL PERMITS & FEES	938,431	165,704	772,727

THIRD PARTY REPORTS

Environmental Reports	50,000	50,000	-
Appraisal	25,000	25,000	-
Market Study	10,000	10,000	-
Title/Escrow/Closing	10,000	10,000	-
TOTAL THIRD PARTY REPORTS	95,000	95,000	-

OTHER OWNER COSTS

Financial Consultant	25,000	25,000	-
Cost Cert/Accounting			
Construction Mang./Oversight/Testing	80,000	80,000	-
TOTAL OTHER OWNER COSTS	105,000	105,000	-

MANAGEMENT COSTS

Marketing/Leasing			
Relocation Expenses			
Site and Interior Furnishings (Mgmt Start -Up)			
TOTAL MANAGEMENT COSTS	-		

SUBTOTAL	2,500,000	1,500,000	1,000,000
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DEVELOPER COSTS

Developer Fee			
TOTAL DEVELOPER COSTS	-		

TOTAL SYNDICATION COSTS

TOTAL PREDEVELOPMENT COST	2,500,000	1,500,000	1,000,000
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SOURCES AND USES

PROJECT NAME:	555 Kelly
FINANCE TYPE:	9%/Serna
ADDRESS:	555 Kelly
HOUSING TYPE:	Senior
COUNTY:	San Mateo
SPONSOR:	Mercy Housing California/ALAS

<u>CONSTRUCTION SOURCES OF FUNDS</u>	Amount	Per Unit	% of TDC
Bank Construction Loan	26,362,173	659,054	78%
N/A	-	-	0%
Tax Credit Equity	3,393,374	84,834	10%
AHP	-	-	0%
Serna	-	-	0%
San Mateo County	1,500,000	37,500	4%
Half Moon Bay	2,000,000	50,000	6%
Land/Building Donation	-	-	0%
Expenses Paid at Conversion to Perm	501,906	12,548	1%
TOTAL CONSTRUCTION SOURCES	33,757,453	843,936	100%

<u>PERMANENT SOURCES OF FUNDS</u>	Amount	Per Unit	% of TDC
Conventional Amortizing Loan	1,576,613	39,415	5%
Section 8 Backed Mortgage	-	-	0%
Tax Credit Equity	22,622,494	565,562	67%
AHP	-	-	0%
Serna	4,558,346	113,959	14%
San Mateo County	1,500,000	37,500	4%
San Mateo County ARPA	1,500,000	37,500	4%
Half Moon Bay	2,000,000	50,000	6%
Land/Building Donation		0	0%
GP Contributions			
Deferred Dev. Fee		-	0%
GP Equity	-	-	0%
TOTAL PERMANENT SOURCES	\$ 33,757,453	\$ 843,936	100%

<u>USES OF FUNDS</u>			
Acquisition	-	-	0.0%
Hard Costs	21,726,186	543,155	64.4%
Architectural	1,086,309	27,158	3.2%
Engineering	150,000	3,750	0.4%
Constr. Int and Fees	2,508,330	62,708	7.4%
Permanent Financing	60,766	1,519	0.2%
Legal	60,000	1,500	0.2%
Reserves	771,072	19,277	2.3%
Contingencies	2,789,671	69,742	8.3%
Other Costs	2,305,119	57,628	6.8%
Developer Costs	2,200,000	55,000	6.5%
Syndication	100,000	2,500	0.3%
TOTAL USES	33,757,453	843,936	100.0%

SURPLUS/GAP	\$	(0)	\$	(0)
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UNIT MIX

PROJECT NAME: 555 Kelly
FINANCE TYPE: 9%/Serna
ADDRESS: 555 Kelly
HOUSING TYPE: Senior
COUNTY: San Mateo
SPONSOR: Mercy Housing California/ALAS

MAX RENT (Gross per month; assume 1.5 persons/bdrm)	UNITS AT < 81% AMI (LIHTC UNITS)					UNITS AT >81% AMI					Market Rents
LIHTC Income Level	30%	40%	50%	60%	80%	90%	110%	120%	130%		
	AMI	AMI	AMI	AMI	AMI	AMI	AMI	AMI	AMI		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	AMI	AMI	AMI	AMI	AMI	AMI	AMI	AMI	AMI		
Studio/Efficiency	978	1,304	1,631	1,957	2,609	2,935	3,588	3,914	4,240		
1 Bdrm	1,048	1,398	1,748	2,097	2,796	3,146	3,845	4,195	4,544		
2 Bdrm	1,258	1,677	2,097	2,516	3,355	3,774	4,613	5,032	5,452		
3 Bdrm	1,453	1,938	2,423	2,907	3,876	4,361	5,330	5,815	6,299		
4 Bdrm	2,521	3,362	4,203	5,043	6,724	7,565	9,246	10,087	10,927		
5 Bdrm	1,789	2,386	2,983	3,579	4,772	5,369	6,562	7,159	7,755		

APARTMENT MIX			UNITS AT < 81% AMI (LIHTC UNITS)					UNITS AT >81% AMI					Market Rate			Unit Type Distribution		Apportionment (hide)		units (hide)	
			30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	90% AMI	110% AMI	120% AMI	130% AMI										
	# of Apts	Sq. Ft. Per Apt																			
SRO/Efficiency	31	386	31	0	0	0	0	0	0	0	0	0	0	0	0	77.5%	78%	31			
1 Bdrm	8	641	8	0	0	0	0	0	0	0	0	0	0	0	0	20.0%	22%	8			
2 Bdrm	0	850	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0			
3 Bdrm	0	1100	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0			
4 Bdrm	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0			
5 Bdrm	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%		0			
Manager Unit	1	641														2.5%		1			
TOTAL	40		39	0	0	0	0	0	0	0	0	0	0	0	0	100.0%		40			
% of units			100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Avg LIHTC Affordability=30% N/A					
			Passes Affordability Test																		
			100%																		
Target Apportionment (hide)			99%	0%		1%		0%		0%		0%		0%							
target units (hide)			40	0	0	-1	0	0		0	0	0	0	0							

RENT SCHEDULE									SPECIAL NEEDS UNITS / RENT SUBSIDY						
Income Restriction	Unit Type	# of Apts	Sq. Ft.	Sq. Ft.	Gross	Util	Effective	Total	Percent of Units		98%		39		Total Annual Subsidy
			Per Apt	Total	Rent	Allow	Rent	Ann'l Rent	# of Apts	FMR /Contract Rent	Utility Allowance	Effective Contract Rent	Subsidy PUPM		
30% of AMI	SRO/Efficiency	31	386	11,966	978	50	928	345,216	31	2,115		50	2,065	1,137	422,964
	1 Bdrm	8	641	5,128	1,048	74	974	93,504	8	2,631		74	2,557	1,583	151,968
	2 Bdrm	-	850	-	1,258	66	1,192	-	-	1,663		66	1,597	-	-
	3 Bdrm	-	1,100	-	1,453	86	1,367	-	-	2,231		86	2,145	-	-
	4 Bdrm	-	-	-	2,521	95	2,426	-	-	1,500		95	1,405	-	-
	5 Bdrm	-	-	-	1,789	95	1,694	-	-	1,500		95	1,405	-	-
Manager Unit		1	641	641				-						-	
TOTAL		40		17,735	\$38,702	\$2,142	\$36,560	\$438,720	39	116400				574,932	\$1,013,652

DEVELOPMENT COSTS

PROJECT NAME:	555 Kelly
FINANCE TYPE:	9%/Serna
ADDRESS:	555 Kelly
HOUSING TYPE:	Senior
COUNTY:	San Mateo
SPONSOR:	Mercy Housing California/ALAS

			COST APPORTIONMENT			TAX CREDIT ELIGIBLE	
			94.0%	6.0%			
	unit cost	Total Project Cost	Residential	Non-Residential	Non-Basis Eligible	Acquisition	Constr/Rehab
ACQUISITION							
Total Land Cost or Value			-	-	-		
Total Building Cost or Value		-	-	-	-	-	
TOTAL ACQUISITION		-	-	-	-	-	-
CONSTRUCTION / REHABILITATION							
Off-Site Improvements		50,000	46,993	3,007	3,007		46,993
Demolition		-	-	-	-		
Site Work/Landscape/Surface parking		-	-	-	-		-
Structures		17,634,736	16,574,287	1,060,449	1,060,449		16,574,287
Tenant Improvements		-	-	-	-		
Garages/Structured Parking		-	-	-	-		-
Contractor Profit	4.0%	715,618	672,585	43,033	43,033		672,585
Contractor Overhead	2.6%	465,151	437,180	27,971	27,971		437,180
Design/Escaltion Contingency	15.0%	2,860,681	2,688,657	172,024	172,024		2,688,657
TOTAL NEW CONSTRUCTION		21,726,186	20,419,702	1,306,485	1,306,485	-	20,419,702
ARCHITECTURAL FEES	5.0%	1,086,309	1,020,985	65,324	65,324		1,020,985
TOTAL SURVEY and ENGINEERING		125,000	117,483	7,517	7,517		117,483
ENVIRONMENTAL MITIGATION		25,000	23,497	1,503	1,503		23,497
CONST. INTEREST & FEES							
Const. Loan Interest		1,676,415	1,575,605	100,810	616,630		1,059,785
Bond Issuance		-	-	-	-		
Origination Fee	0.75%	197,716	185,827	11,889	197,716		
Taxes During Construction	1.25%	-	-	-	-		-
Performance Bond Premium	1.00%	217,262	204,197	13,065	13,065		204,197
Lender Inspections		15,000	14,098	902	902		14,098
Title and Recording		30,000	28,196	1,804	1,804		28,196
Builders Risk Insurance	0.50%	116,233	109,244	6,990	6,990		109,244
Contractor Insurance	1.45%	255,704	240,327	15,377	15,377		240,327
TOTAL CONST. INTEREST & FEES		2,508,330	2,357,494	150,836	852,483	-	1,655,847
PERMANENT FINANCING							
Loan Origination Fee	1.00%	15,766	14,818	948	15,766		
Title and Recording		20,000	18,797	1,203	20,000		
Other		25,000	23,497	1,503	25,000		
TOTAL PERMANENT FINANCING		60,766	57,112	3,654	60,766	-	-
OTHER FINANCING RELATED							
TCAC App/Alloc/Monitor Fees	4%	109,689	109,689		109,689		
TOTAL OTHER FINANCING		109,689	109,689	-	109,689	-	-
LEGAL FEES							
Constr. Related (includes lender legal)		35,000	32,895	2,105	2,105		32,895
Perm. Related (includes lender legal)		25,000	23,497	1,503	25,000		
TOTAL LEGAL FEES		60,000	56,392	3,608	27,105	-	32,895
RESERVES							
Capitalized Operating	3 months	196,140	196,140		196,140		
Capitalized Lease Up Reserve			-		-		
Capitalized Section 8 Transition Reserve		574,932	574,932		574,932		
Capitalized Commercial Commission/Lease Up Reserve				-	-		
Capitalized Replacement			-	-	-		
TOTAL RESERVES		771,072	771,072	-	771,072	-	-
CONTINGENCIES							
Construction Contingency	10%	2,172,619	2,041,970	130,648	130,648		2,041,970
Soft Cost Contingency	10%	617,052	579,946	37,106	37,106		579,946
TOTAL CONTINGENCIES		2,789,671	2,621,917	167,754	167,754	-	2,621,917
PERMITS & GOV. FEES							
school impact fee	-	-	-		-		-
other impact fees		510,040	479,369	30,671	30,671		479,369
building permit, plan check, other fees		428,391	402,630	25,761	25,761		402,630
Capital Fees (utility fees & hook-up charges)		791,999	744,373	47,626	47,626		744,373
TOTAL PERMITS & FEES		1,730,430	1,626,372	104,058	104,058	-	1,626,372
THIRD PARTY REPORTS							
Environmental Reports		50,000					
Appraisal		25,000	23,497	1,503	1,503		23,497

DEVELOPMENT COSTS

Market Study		15,000					
Title/Escrow/Closing		10,000	9,399	601	10,000		
TOTAL THIRD PARTY REPORTS		100,000	32,895	2,105	11,503	-	23,497
OTHER OWNER COSTS							
Financial Consultant		30,000	28,196	1,804	1,804		28,196
Cost Cert/Accounting		30,000	28,196	1,804	30,000		
Construction Mang./Oversight/Testing		145,000	136,281	8,719	8,719		136,281
TOTAL OTHER OWNER COSTS		205,000	192,673	12,327	40,523	-	164,477
MANAGEMENT COSTS							
Marketing/Leasing	\$1,500	60,000	56,392	3,608	3,608		56,392
Relocation Expenses					-		-
Site and Interior Furnishings (Mgmt Start -Up)		100,000	93,987	6,013	100,000		
TOTAL MANAGEMENT COSTS		160,000	150,379	9,621	103,608	-	56,392
SUBTOTAL		31,457,453	29,557,660	1,834,793	3,629,390	-	27,763,063
DEVELOPER COSTS							
Developer Fee		2,200,000	2,067,705	132,295	132,295	\$0	\$2,067,705
TOTAL DEVELOPER COSTS		2,200,000	2,067,705	132,295	132,295	-	2,067,705
TOTAL SYNDICATION COSTS		100,000	93,987	6,013	100,000		
TOTAL PROJECT COST		33,757,453	31,719,352	1,973,102	3,861,685	-	29,830,768
GRAND TOTAL DEVELOPMENT COSTS		\$33,757,453					

PREDEVELOPMENT COSTS

PROJECT NAME: 555 Kelly
FINANCE TYPE: 9%/Serna
ADDRESS: 555 Kelly
HOUSING TYPE: Senior
COUNTY: San Mateo
SPONSOR: Mercy Housing California/ALAS

Total Project Cost County of San Mateo City of Half Moon Bay

ACQUISITION

Total Land Cost or Value

Total Building Cost or Value

TOTAL ACQUISITION

-

-

CONSTRUCTION / REHABILITATION

Off-Site Improvements

Demolition

Site Work/Landscape/Surface parking

Structures

Tenant Improvements

Garages/Structured Parking

Contractor Profit

Contractor Overhead

Design/Escalation Contingency

TOTAL NEW CONSTRUCTION

-

ARCHITECTURAL FEES

1,014,296

1,014,296

-

TOTAL SURVEY and ENGINEERING

60,000

60,000

-

ENVIRONMENTAL MITIGATION

CONST. INTEREST & FEES

Const. Loan Interest

Bond Issuance

Origination Fee

Taxes During Construction

Performance Bond Premium

Lender Inspections

Title and Recording

Builders Risk Insurance

Contractor Insurance

TOTAL CONST. INTEREST & FEES

-

PERMANENT FINANCING

Loan Origination Fee

Title and Recording

Other

TOTAL PERMANENT FINANCING

-

OTHER FINANCING RELATED

TCAC App/Alloc/Monitor Fees

TOTAL OTHER FINANCING

-

PREDEVELOPMENT COSTS

LEGAL FEES

Constr. Related (includes lender legal)	60,000	60,000	0
Perm. Related (includes lender legal)			
TOTAL LEGAL FEES	60,000	60,000	-

RESERVES

Capitalized Operating			
Capitalized Lease Up Reserve			
Capitalized Section 8 Transition Reserve			
Capitalized Commercial Commission/Lease Up Reserve			
Capitalized Replacement			
TOTAL RESERVES	-		

CONTINGENCIES

Construction Contingency			
Soft Cost Contingency	227,273	-	227,273
TOTAL CONTINGENCIES	227,273	-	227,273

PERMITS & GOV. FEES

school impact fee			
other impact fees	510,040		510,040
building permit, plan check, other fees	428,391	165,704	262,687
Capital Fees (utility fees & hook-up charges)	-		
TOTAL PERMITS & FEES	938,431	165,704	772,727

THIRD PARTY REPORTS

Environmental Reports	50,000	50,000	-
Appraisal	25,000	25,000	-
Market Study	10,000	10,000	-
Title/Escrow/Closing	10,000	10,000	-
TOTAL THIRD PARTY REPORTS	95,000	95,000	-

OTHER OWNER COSTS

Financial Consultant	25,000	25,000	-
Cost Cert/Accounting			
Construction Mang./Oversight/Testing	80,000	80,000	-
TOTAL OTHER OWNER COSTS	105,000	105,000	-

MANAGEMENT COSTS

Marketing/Leasing			
Relocation Expenses			
Site and Interior Furnishings (Mgmt Start -Up)			
TOTAL MANAGEMENT COSTS	-		

SUBTOTAL	2,500,000	1,500,000	1,000,000
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DEVELOPER COSTS

Developer Fee			
TOTAL DEVELOPER COSTS	-		

TOTAL SYNDICATION COSTS

TOTAL PREDEVELOPMENT COST	2,500,000	1,500,000	1,000,000
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FINANCING

PROJECT NAME:	555 Kelly
FINANCE TYPE:	9%/Serna
ADDRESS:	555 Kelly
HOUSING TYPE:	Senior
COUNTY:	San Mateo
SPONSOR:	Mercy Housing California/ALAS

First Mortgage Terms	
Rate	6.50%
Amortization	20
Term	20
Minimum DSCR	1.15
Maximum Debt Service	282,115
Maximum Loan Amount	\$3,153,226
Actual Loan Amount	\$1,637,389

Section 8 Mortgage Terms	
Rate	6.50%
Amortization	15
Term	15
Minimum DSCR	1.15
Maximum Debt Service	-
Maximum Loan Amount	\$0
Actual Loan Amount	\$0

CONSTRUCTION PERIOD INTEREST CALCULATION	Construction	Lease-up/Conversion	Taxable Tail	Lease-up/Conversion
Total Development Cost	33,757,453		33,757,453	
Conventional construction loan amt	26,362,173	26,362,173	-	-
LTC	1		-	
Months outstanding	18	4	18	4
Average % outstanding	50%	100%	50%	100%
Rate	5.9%	5.9%	5.0%	5.9%
Total Interest Estimate	1,160,595	515,820	0	0

50% Bond Test		CDLAC Allocation Test	
Tax Exempt Financing	-	Total Limit	20,534,000
Depreciable Basis + Acquisition	\$29,830,768	Passes?	Yes
Ratio	0%		

				Constr/Rehab
TAX CREDIT EQUITY CALCULATION				
Basis				29,830,768
Deduct grant amounts				
Eligible Basis				29,830,768
Threshold Basis Limits		# of units		Basis
	Studio	440,028	31	13,640,868
	1 Bdrm	507,348	8	4,058,784
	2 Bdrm	612,000	0	0
	3 Bdrm	783,360	0	0
	4 Bdrm	872,712	0	0
	5 Bdrm	390,154	0	0
	MGR	507,348	1	507,348
	Total		40	18,207,000
Threshold Basis Limit Adjustments				
Prevailing Wage			20%	3,641,400
Structured Parking			10%	0
Daycare			2%	0
100% special needs			2%	0
Elevator			10%	1,820,700
Type I Construction			15%	0
Type III Construction			10%	0
Energy efficiency/resource conservation/indoor air quality			0%	0
Seismic Upgrades or Environmental Mitigation			0%	
Affordability Adjustment (4% projects only)			200%	-
Add Impact Fees				479,369
Opportunity Map High or Highest Resource Area			0%	-
Adjusted Theshold Basis Limits				24,148,469
Allowable Basis (Lesser of Actual or Adjusted Basis Limits)				24,148,469
Voluntary Reduction			17%	4,215,000
Effective Reduction				4,215,000
Total Requested Unadjusted Eligible Basis				19,933,469
High Cost Area Adjustment (DDA or QCT)			30%	5,980,041
Total Adjusted Eligible Basis				25,913,510
Applicable Fraction			100%	25,913,510
Total Qualified Basis				25,913,510
Credit Reduction			0%	0
Final Basis Amount				25,913,510
LIHTC Credit Rate			9.00%	9.00%
LIHTC Credit				2,332,216
10 year value				23,322,159
Net raise \$/ Tax Credit			0.97	0.97
Federal Credit Equity				22,622,494
State Credit				0
State Credit \$/credit				0.80
State Credit Equity				0
Total Net Equity to Project				22,622,494

CASH FLOW

PROJECT NAME:

FINANCE TYPE:

ADDRESS:

HOUSING TYPE:

COUNTY:

SPONSOR:

555 Kelly

9%/Serna

555 Kelly

Senior

San Mateo

Mercy Housing California/ALAS

	Inflation	Initial Year												
	Factor	Per Month	Per Unit	1	2	3	4	5	6	7	8	9	10	11
POTENTIAL GROSS INCOME														
Resident Rent	2.5%	36,560	10,968	438,720	449,688	460,930	472,453	484,265	496,371	508,781	521,500	534,538	547,901	561,599
Rent Subsidy	2.5%	47,911	14,373	574,932	589,305	604,038	619,139	634,617	650,483	666,745	683,413	700,499	718,011	735,962
LOSP Tenant Assistance Payments				-	-	-	-	-	-	-	-	-	-	-
Commercial	1.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	2.5%	200	60	2,400	2,460	2,522	2,585	2,649	2,715	2,783	2,853	2,924	2,997	3,072
POTENTIAL GROSS INCOME		84,671	25,401	1,016,052	1,041,453	1,067,490	1,094,177	1,121,531	1,149,570	1,178,309	1,207,767	1,237,961	1,268,910	1,300,632
VACANCY LOSS														
Resident	5.0%	(1,828)	(548)	(21,936)	(22,484)	(23,047)	(23,623)	(24,213)	(24,819)	(25,439)	(26,075)	(26,727)	(27,395)	(28,080)
Rent Subsidy	5.0%	(2,396)	(719)	(28,747)	(29,465)	(30,202)	(30,957)	(31,731)	(32,524)	(33,337)	(34,171)	(35,025)	(35,901)	(36,798)
Commercial	25.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Vacancy Loss		(4,224)	(1,267)	(50,683)	(51,950)	(53,248)	(54,580)	(55,944)	(57,343)	(58,776)	(60,246)	(61,752)	(63,296)	(64,878)
EFFECTIVE GROSS INCOME		80,447	24,134	965,369	989,504	1,014,241	1,039,597	1,065,587	1,092,227	1,119,533	1,147,521	1,176,209	1,205,614	1,235,754
OPERATING EXPENSES	3.5%	(49,910)	(14,973)	(598,920)	(619,882)	(641,578)	(664,033)	(687,274)	(711,329)	(736,226)	(761,993)	(788,663)	(816,266)	(844,836)
GROUND LEASE PAYMENTS														
NET OPERATING INCOME		30,537	9,161	366,449	369,621	372,663	375,564	378,313	380,898	383,307	385,527	387,546	389,348	390,919
RESERVES														
Replacement Reserve		(1,667)	(500)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Operating Reserve		-	-											
Total Reserve Deposits		(1,667)	(500)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
INCOME BEFORE DEBT SERVICE		28,871	8,661	346,449	349,621	352,663	355,564	358,313	360,898	363,307	365,527	367,546	369,348	370,919
DEBT SERVICE				2.09	2.11	2.13	2.15	2.16	2.18	2.19	2.21	2.22	2.23	2.24
First Mortgage		(12,208)	(3,662)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)
HCD/Other Debt Service		(1,595)	(479)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)
Bond Monitoring Fee														
Total Debt Service		(13,803)	(4,141)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)
NET CASH FLOW		15,067	4,520	180,809	183,981	187,023	189,924	192,672	195,258	197,667	199,887	201,905	203,707	205,278
USES OF AVAILABLE CASH														
Deferred Developer Fee Balance, beginning of year	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferr. Dev. Fee Payments				-	-	-	-	-	-	-	-	-	-	-
Residual Cash Flow			4,520	180,809	183,981	187,023	189,924	192,672	195,258	197,667	199,887	201,905	203,707	205,278
Investor Asset Mgmt Fee	3.5%	(417)	(125)	(5,000)	(5,175)	(5,356)	(5,544)	(5,738)	(5,938)	(6,146)	(6,361)	(6,584)	(6,814)	(7,053)
Partnership Mgmt Fee	3.5%	(2,083)	(625)	(25,000)	(25,875)	(26,781)	(27,718)	(28,688)	(29,692)	(30,731)	(31,807)	(32,920)	(34,072)	(35,265)
Cash Available for Disbursements			3,770	150,809	152,931	154,886	156,662	158,247	159,627	160,789	161,719	162,401	162,820	162,960

CASH FLOW

12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
575,639	590,030	604,780	619,900	635,397	651,282	667,564	684,253	701,360	718,894	736,866	755,288	774,170	793,524	813,362	833,696	854,539	875,902	897,800
754,361	773,220	792,550	812,364	832,673	853,490	874,827	896,698	919,115	942,093	965,645	989,786	1,014,531	1,039,894	1,065,892	1,092,539	1,119,853	1,147,849	1,176,545
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,149	3,228	3,308	3,391	3,476	3,563	3,652	3,743	3,837	3,933	4,031	4,132	4,235	4,341	4,449	4,561	4,675	4,792	4,911
1,333,148	1,366,477	1,400,639	1,435,655	1,471,546	1,508,335	1,546,043	1,584,694	1,624,312	1,664,920	1,706,542	1,749,206	1,792,936	1,837,760	1,883,704	1,930,796	1,979,066	2,028,543	2,079,256
(28,782)	(29,501)	(30,239)	(30,995)	(31,770)	(32,564)	(33,378)	(34,213)	(35,068)	(35,945)	(36,843)	(37,764)	(38,708)	(39,676)	(40,668)	(41,685)	(42,727)	(43,795)	(44,890)
(37,718)	(38,661)	(39,628)	(40,618)	(41,634)	(42,674)	(43,741)	(44,835)	(45,956)	(47,105)	(48,282)	(49,489)	(50,727)	(51,995)	(53,295)	(54,627)	(55,993)	(57,392)	(58,827)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(66,500)	(68,162)	(69,867)	(71,613)	(73,404)	(75,239)	(77,120)	(79,048)	(81,024)	(83,049)	(85,126)	(87,254)	(89,435)	(91,671)	(93,963)	(96,312)	(98,720)	(101,188)	(103,717)
1,266,648	1,298,315	1,330,772	1,364,042	1,398,143	1,433,096	1,468,924	1,505,647	1,543,288	1,581,870	1,621,417	1,661,952	1,703,501	1,746,089	1,789,741	1,834,484	1,880,347	1,927,355	1,975,539
(874,405)	(905,009)	(936,685)	(969,469)	(1,003,400)	(1,038,519)	(1,074,867)	(1,112,487)	(1,151,424)	(1,191,724)	(1,233,435)	(1,276,605)	(1,321,286)	(1,367,531)	(1,415,395)	(1,464,933)	(1,516,206)	(1,569,273)	(1,624,198)
392,243	393,305	394,088	394,573	394,743	394,577	394,057	393,159	391,863	390,146	387,982	385,347	382,215	378,558	374,346	369,551	364,140	358,082	351,341
(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
372,243	373,305	374,088	374,573	374,743	374,577	374,057	373,159	371,863	370,146	367,982	365,347	362,215	358,558	354,346	349,551	344,140	338,082	331,341
2.25	2.25	2.26	2.26	2.26	2.26	2.26	2.25	2.25	19.33	19.22	19.08	18.92	18.73	18.51	18.26	17.98	17.66	17.31
(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	(146,495)	-	-	-	-	-	-	-	-	-	-
(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)
(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(165,640)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)	(19,145)
206,603	207,665	208,448	208,933	209,103	208,937	208,416	207,519	206,223	351,001	348,837	346,202	343,070	339,413	335,201	330,406	324,995	318,937	312,196
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
206,603	207,665	208,448	208,933	209,103	208,937	208,416	207,519	206,223	351,001	348,837	346,202	343,070	339,413	335,201	330,406	324,995	318,937	312,196
(7,300)	(7,555)	(7,820)	(8,093)	(8,377)	(8,670)	(8,973)	(9,287)	(9,613)	(9,949)	(10,297)	(10,658)	(11,031)	(11,417)	(11,816)	(12,230)	(12,658)	(13,101)	(13,559)
(36,499)	(37,777)	(39,099)	(40,467)	(41,884)	(43,350)	(44,867)	(46,437)	(48,063)	(49,745)	(51,486)	(53,288)	(55,153)	(57,083)	(59,081)	(61,149)	(63,289)	(65,504)	(67,797)
162,804	162,333	161,529	160,372	158,842	156,918	154,576	151,794	148,548	291,307	287,054	282,257	276,887	270,913	264,304	257,027	249,048	240,332	230,840

OPERATING BUDGET

PROJECT NAME: 555 Kelly
FINANCE TYPE: 9%/Serna
HOUSING TYPE: Senior
ADDRESS: 555 Kelly
COUNTY: San Mateo
SPONSOR: Mercy Housing California/ALAS

Units 40

PAYROLL/PAYROLL TAXES

Admin Payroll	72,800	1,820	1 FTE Property Manager
Operations and Maintenance Payroll	64,480	1,612	1 FTE Maintenance Manager
Other Personnel Expenses	2,400	60	
Taxes and Benefits	56,048	1,401	
TOTAL PAYROLL EXPENSES	195,728	4,893	

ADMINISTRATIVE EXPENSE

	Yearly Expense	PUPA	Notes
Administrative Expenses	24,000	600	
Advertising	1,200	30	
Audit Fees	8,000	200	
Bookkeeping and Accounting Fee	6,000	150	
TOTAL ADMINISTRATIVE EXPENSE	39,200	630	

UTILITIES EXPENSES

Electricity	4,560	114
Water	32,320	808
Gas	10,800	270
Sewer	31,080	777
TOTAL UTILITIES EXPENSES	78,760	1,969

OPERATING AND MAINTENANCE

Operating Contracts	15,000	375
Operating Supplies	15,000	280
Garbage/Trash Removal	20,000	
HVAC Repairs & Contracts		
Maintenance Contracts	19,000	475
Maintenance Supplies	15,000	375
TOTAL OPERATING EXPENSES	84,000	1,160

REAL ESTATE TAXES	25,000	625
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INSURANCE	40,000	1,000
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RESIDENT SERVICES	90,000	2,250
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MANAGEMENT FEE	33,600	840
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TOTAL OPERATING BUDGET	586,288	14,657
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BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 21, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk
Catherine Engberg, City Attorney

TITLE: **REVIEW OF HALF MOON BAY MUNICIPAL CODE CHAPTER 1.30 –
CONTRIBUTIONS AND LOANS TO CITY CANDIDATE CAMPAIGNS**

RECOMMENDATION:

Review local ordinance provisions and receive update on SB 1439 (Glazer) and provide direction to staff on whether the City's campaign contribution limits should be amended.

FISCAL IMPACT:

None associated with this action.

STRATEGIC ELEMENT:

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

BACKGROUND:

In 2005, the City Council adopted Ordinance No. 02-05, adding Chapter 1.30, Contributions and Loans to City Candidate Campaigns, to the Half Moon Bay Municipal Code. This chapter established limits on the amount of contributions that may be made to City Council candidate campaigns to \$250 by an individual and \$500 by an organization, as well as limiting the amount a candidate may loan to their campaign to an outstanding balance of \$5,000 at any given time.

Section 1.30.080 of the Half Moon Bay Municipal Code requires that the City Council conduct a post-election review of the requirements of this chapter no later than three months following the certification of results of an election at which a city councilmember is elected. The purpose of this review is to allow the City Council to consider the ongoing appropriateness of the provisions of this chapter, including, but not limited to the amount of contribution loan limits established in Section 1.30.030.

In 2007, Chapter 1.30 was reviewed by the City Council and amended to allow for \$1,000 maximum contributions by an individual or corporation, while clarifying that the contributions

of an organization whose contributions are directed and controlled by any individual shall be aggregated with contributions made by the individual.

The City Council subsequently amended the ordinance to reinstate the original contribution limits of \$250 by an individual and \$500 by an organization. The most recent amendment also limited the outstanding balance a candidate may loan to their campaign to \$1,500. These are the current limits under the local ordinance.

The City Council certified the results of the November 8, 2022 election on December 20, 2022.

On the state level, on January 1, 2023, SB 1439 (Glazer) went into effect. SB 1439 expands the “Pay to Play” restrictions in the Levine Act to apply to elected council members and makes them subject to certain conflict of interest rules. Because the topics are related, staff is bringing forward information on SB 1439 in conjunction with Council’s post-election review of Chapter 1.30.

DISCUSSION:

Staff has updated its survey of other cities with local campaign ordinances. Out of the 20 cities and towns in San Mateo County, four others have campaign contribution limits – San Mateo (\$500 individual / \$1,000 organization), Belmont (\$500 individual and organization), Redwood City (\$1000 individual and organization) and Burlingame (\$500 individual / \$1,000 organization). For limits on personal loans by the candidate to their campaign, only Burlingame has such limitations with a \$12,000 cap.

SB 1439 extends to the City Council the campaign contribution rules of the Levine Act, which previously applied only to appointed officials (such as Commissioners and Council appointees to joint powers agencies). Elected officials are now required to recuse from any proceeding involving a license, permit, or other entitlement if the official has received a campaign contribution of \$250 or more from any “party” to or “participant” in a proceeding within the previous 12 months. SB 1439 also extended the “blackout period” from 3 months to 12 months. In other words, the Levine Act now prohibits campaign contributions of \$250 or more from “parties” or “participants” in the proceeding, for *12 months* following such proceedings.

The FPPC has recently issued an opinion concluding that the law applies only prospectively. See Attachment 2, FPPC Opinion O-22-002. As a result, it only applies to contributions made *after* January 1, 2023.

A “party” means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use. Gov. Code 84308(a)(1).

A “participant” means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in FPPC Regulations. A person actively supports or opposes a particular decision in a proceeding if that person lobbies in person the

officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency. Gov. Code 84308(a)(2).

The City's local campaign contribution ordinance currently limits individual donations to a maximum of \$250. So long as this limit remains in place, the SB 1439 would generally not be implicated.

On the other hand, the City's ordinance allows organizations to contribute up to \$500. The Levine Act (including as modified by SB 1439) is focused on restricting contributions by parties and participants with a *financial interest* in the decision. Organizations do not necessarily have a financial interest in any particular decision.¹ As a result, the City's \$500 limit on contributions by organizations operates as a separate restriction on campaign contributions.

CONCLUSION:

Section 1.30.080 requires that the City Council review campaign contribution limits after each election. Staff requests that the City Council review Chapter 1.30 and direct staff to either amend, repeal, or leave the contribution limits as they are.

ATTACHMENTS:

1. Chapter 1.30 of the Half Moon Bay Municipal Code
2. FPPC Opinion No. O-22-002

¹ For example, the FPPC has ruled that labor unions are not restricted by the Levine Act since they are not parties, and they only meet the first part of the participant test (lobbying), but not the second part (financial interest). (See Sablan Advice Letter, FPPC File No. A- 21-020.)

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

In the Matter of:

Opinion requested by
League of California Cities,
On Behalf of El Cajon City
Councilmember Gary P. Kendrick

No. O-22-002
December 22, 2022

BY THE COMMISSION: The League of California Cities (“CalCities”), on behalf of El Cajon City Councilmember Gary P. Kendrick, has requested an opinion of the Fair Political Practices Commission (“Commission”) on the following:

QUESTIONS

Under Government Code section 84308¹, as amended by Senate Bill 1439 (2022), may a local elected official be prohibited from taking part in a proceeding involving a license, permit, or other entitlement for use based on contributions received before SB1439 took effect (January 1, 2023)? May a local elected official be prohibited from receiving a contribution based on the official’s participation in a license, permit, or other entitlement for use proceeding that took place before SB 1439 took effect?

CONCLUSION

No. Based on the statutory language and legislative history, there is no indication the Legislature intended SB 1439’s “lookback” periods to apply to contributions received and proceedings participated in prior to Section 84308’s amended provisions taking effect. Absent express language otherwise, we find that a local elected official is not prohibited from taking part in a proceeding involving a license, permit, or other entitlement for use based on contributions received before January 1, 2023. Similarly, a local elected official is not prohibited from receiving a contribution based on the official’s participation in a license, permit, or other entitlement for use proceeding so long as the official’s participation occurred before January 1, 2023.

BACKGROUND

Currently, Section 84308 of the Political Reform Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or agent thereof while a proceeding involving a license, permit, or other entitlement

¹ All statutory references are to the California Government Code unless otherwise indicated.

for use is pending before the agency and for three months following the date a final decision is rendered in the proceeding if the official knows or has reason to know that the participant has a financial interest, as further specified in the Act. An official is also prohibited from taking part in such a decision if they have received a contribution exceeding \$250 within the preceding 12 months. Additionally, the term “agency,” as used in Section 84308, does not currently include local governmental agencies whose members are directly elected by voters.

On January 1, 2023, SB 1439 goes into effect, amending Section 84308 in two key ways. First, the bill extends the period in which such a contribution is prohibited after a final decision is rendered from three months to 12 months. Second, the application of Section 84308 will extend to local government agencies whose members are directly elected by voters (e.g., city council members).

After SB 1439 passed, the FPPC received several requests for clarification on how Section 84308, as amended, will apply on January 1, 2023. CalCities formalized some of those questions with a request for an FPPC Opinion on behalf of El Cajon City Councilmember Gary P. Kendrick. At the November 2022 Commission meeting, after discussing the statutory language, legislative history, and case law supporting different interpretations of Section 84308, the Commission directed Legal Division staff to prepare an Opinion concluding that SB 1439’s amendments to Section 84308 do not apply to contributions received or proceedings participated in by local elected officials prior to January 1, 2023, when SB 1439’s amendments take effect.

ANALYSIS

Under Section 83111, “[t]he Commission has primary responsibility for the impartial, effective administration and implementation” of the Act. When the Commission interprets a statute, it follows the same canons of statutory construction employed by the courts. *Britton et al. v. Dallas Airmotive, Inc. et al.* (2007) 153 Cal.App.4th 127, 131-132 explains:

Our primary objective in interpreting a statute is to determine and give effect to the underlying legislative intent. We begin by examining the statutory language, giving the words their usual, ordinary meanings and giving each word and phrase significance. The meaning of a statute may not be determined from a single word or sentence; the words must be construed in context, and provisions ... relating to the same subject matter must be harmonized to the extent possible. An interpretation that renders related provisions nugatory must be avoided; each sentence must be read not in isolation but in the light of the statutory scheme; and if a statute is amenable to two alternative interpretations, the one that leads to the more reasonable result will be followed. If the terms of the statute

are unambiguous, we presume the lawmakers meant what they said, and the plain meaning of the language governs.

(Internal citations and quotation marks omitted.)

In examining the amended statutory language, no provision expressly states the statute is intended to apply to local elected officials based on conduct that occurred prior to the amendments taking effect. Although the statute includes language pertaining to the 12-month period prior to and following a license, permit, or other entitlement for use proceeding, the context of this language must be considered in determining the Legislature's intent. For the reasons discussed below, we interpret Section 84308's amended provisions to apply to contributions received and proceedings participated in by local elected officials after, and not before, January 1, 2023.

A. The Legislature Was Presumably Aware the Commission Had Previously Interpreted Section 84308 to Apply Only to the Period After the Statute's Effective Date.

In 1982, the Legislature passed the Levine Act, adding Section 84308 to the Act. Though Section 84308 applied to a narrower range of public officials, it similarly prohibited an official from taking part in certain proceedings where the official had received a contribution exceeding \$250 from a party or participant within the 12 months prior to the proceeding. The statute took effect on January 1, 1983. The Commission's historical files indicate that, just as in the wake of SB 1439, the Commission received several questions regarding how Section 84308 would apply. Subsequently, the Commission adopted Regulation 18438, which read, "[t]he prohibitions and requirements of Government Code Section 84308 do not apply to contributions made or received prior to January 1, 1983."

For purposes of interpreting amended Section 84308, the Legislature was presumably aware of the Commission's prior interpretation. Accordingly, if the Legislature had intended Section 84308's amended provisions to apply differently, it presumably would have included express statutory language to that effect. (See *Napa Valley Educators' Assn. v. Napa Valley Unified School Dist.* (1987) 194 Cal.App.3d 243, 252 ("The Legislature is presumed to be aware of long-standing administrative practice If the Legislature . . . makes no substantial modifications to the act, there is a strong indication that the administrative practice was consistent with the legislative intent."); see also *Moore v. California State Bd. of Accountancy* (1992) 2 Cal.4th 999, 1017-1018 ("[A] presumption that the Legislature is aware of an administrative construction of a statute should be applied if the agency's interpretation of the statutory provisions is of such longstanding duration that the Legislature may be presumed to know of it.").)

B. Applying Amended Section 84308 Based on Contributions Received in 2022 Would Not Give Some Officials the Opportunity to Return the Contributions in Order to Participate in a Proceeding as Contemplated by the Statute.

As provided currently in Section 84308(c) and incorporated in amended Section 84308(d)(1):

If an officer receives a contribution which would otherwise require disqualification under this section, and returns the contribution within 30 days from the time the officer knows, or should have known, about the contribution and the proceeding involving a license, permit, or other entitlement for use, the officer shall be permitted to participate in the proceeding.

The above language provides a public official a period in which a contribution may be returned so the official is not inherently prohibited from taking part in a proceeding based on a contribution they received. Because an official who accepts a contribution may not anticipate it will disqualify them from a subsequent proceeding, the statute expressly provides the opportunity to return the contribution. However, this return period is limited to 30 days after having knowledge of the contribution and proceeding.

If applied to contributions received and proceedings initiated in 2022, SB 1439 would create a scenario in which some officials may not have the opportunity to return a contribution in order to take part in a proceeding. Specifically, a local elected official would be unable to return a contribution received in 2022 and take part in the subsequent proceeding if more than 30 days have passed since acquiring knowledge of the receipt of the contribution and the initiation of the proceeding. Given the statute expressly provides officials with an opportunity to return a contribution, it appears the Legislature was not attempting to supplant this provision in adopting amended Section 84308. (See *Jackpot Harvesting Co., Inc. v. Superior Court* (2018) 26 Cal.App.5th 125, 141 (stating where statutory language is unclear, courts “select the construction that comports most closely with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoid an interpretation that would lead to absurd consequences”).)

C. Applying Amended Section 85308 Based on Contributions Received in 2022 May Complicate Governance by Disqualifying Officials from Decisions Without the Opportunity to Return the Contributions.

Applying Section 84308 to local elected officials based on contributions received in 2022 may significantly complicate officials’ ability to effectively govern their respective jurisdictions. For example, without having been able to reasonably anticipate that SB 1439 would potentially apply, some officials would not have had the opportunity to plan accordingly. For instance, an official may have already spent a contribution without knowledge that the contribution may lead

to disqualification from a subsequent decision. Consequently, the official may be unable to return the contribution in order to participate in a proceeding.

Applying amended Section 84308 to contributions that occurred in 2022 may also impact agencies' ability to make governmental decisions throughout the 2023 calendar year due to the potential that numerous officials would be disqualified from taking part in a proceeding because the officials did not have the opportunity to return contributions from a party to, or participant in, the proceeding. Further, officials would be required to review whether each participant in each new or ongoing proceeding contributed to the official in the prior 12 months or revealed facts in written or oral support or opposition before the official's agency that made the participant's financial interest apparent (see Regulation 18438.7(a)(2))—a task that may prove impractical, particularly with respect to proceedings occurring shortly after January 1, 2023. By applying Section 84308's amended provisions only to contributions and participation occurring *after* January 1, 2023, it will better enable officials to establish systems for tracking and flagging contributions for potential disqualification under Section 84308 going forward.

CONCLUSION

Based on the above considerations, there is no clear indication that the Legislature intended SB 1439's "lookback" periods to apply to contributions received and proceedings participated in prior to Section 84308's amended provisions taking effect. In amending Section 84308, the Legislature was presumably aware the Commission had previously interpreted Section 84308's provisions to apply *after* the effective date of the statute. Additionally, applying Section 84308's amended provisions to contributions received and participation by local elected officials that occurred in 2022 would create a gap in the statutory framework, leaving some officials unable to return contributions in order to participate in proceedings as the Legislature intended. Finally, such an interpretation would also create logistical issues based on officials' inability to have anticipated the statutory amendments, potentially delaying or otherwise complicating important governmental decisions. With these factors in mind, and absent express language otherwise, we find that a local elected official is not prohibited from taking part in a proceeding involving a license, permit, or other entitlement for use based on contributions received before January 1, 2023. Similarly, a local elected official is not prohibited from receiving a contribution based on the official's participation in a license, permit, or other entitlement for use proceeding so long as the official's participation occurred before January 1, 2023.

WE CONCUR:

Chapter 1.30

CONTRIBUTIONS AND LOANS TO CITY CANDIDATE CAMPAIGNS

Sections:

- 1.30.010 Findings and purpose.**
- 1.30.020 Definitions.**
- 1.30.030 Limitations on contributions.**
- 1.30.040 Candidate loans.**
- 1.30.050 Candidate campaigns only.**
- 1.30.060 Injunction, other court action.**
- 1.30.070 Penalties.**
- 1.30.080 Post-election review.**
- 1.30.090 Severability.**

1.30.010 Findings and purpose.

A. The city council hereby finds that preserving integrity and openness in the political process is a matter of the highest public interest; that the people of the city of Half Moon Bay can be better served through a more informed electorate; that the trust of the people is essential to representative government; and that regulation of certain campaign contributions and loans is necessary to promote public confidence in government and to protect the integrity of the electoral process.

B. The city council further finds that regulation of campaign contributions is required because the costs of running political campaigns have reached levels that lead to a public perception that special interests and wealthy individuals may have undue influence on or access to elected officials.

C. It is the policy of the city to promote and encourage broad-based citizen involvement in the financing of election campaigns.

D. The city council further finds that allowing candidates to lend unlimited amounts of their personal funds to their campaigns tends to undermine public confidence in the election process, because the public may perceive that candidates with large outstanding loans will seek contributors to repay their loan after the election, and may be predisposed to favor their post-election contributors.

E. Protecting public confidence in the political process requires adequate enforcement of the provisions of this chapter. (Ord. 2-05 §1(part), 2005).

1.30.020 Definitions.

As used in this chapter, the words and phrases shall be defined in the same manner as they are defined in the Political Reform Act of 1974 (including any amendments thereto) as found in California Government Code Sections [81000](#) et seq., unless defined otherwise in this section. For the purposes of this chapter, the terms below are defined as follows:

“Candidate” means any individual listed on the ballot for election to any city office, or who otherwise has taken affirmative action to seek election to city office, or who receives a contribution or makes an expenditure, or who gives his or her consent for any other person to receive a contribution or make an expenditure with the purpose of bringing about his or her election to any city office. “Candidate” also means an officeholder in connection with a recall election relating to such officeholder.

“Candidate committee” means a committee that is controlled directly or indirectly by a candidate or that acts jointly with a candidate in connection with the making of expenditures.

“Contribution” means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. Except as provided herein, “contribution” includes an expenditure made at the behest of a candidate or candidate committee unless full and adequate consideration is received for making the expenditure. The term “contribution” does not include a payment made by the occupant of a home or business for costs related to any meeting or fund-raising event held in the occupant’s home or business; or volunteer personal or professional services or the donation of goods by any individual if the services or goods are donated without any understanding or agreement that they shall be directly or indirectly repaid to him or her.

“Individual” means a natural person and shall not include a partnership, corporation, association, firm, business entity, committee, club or other organization.

“Organization” means a partnership, corporation, association, firm, business entity, committee, including a political action committee, club, union or company. (Ord. 1-07 §1, 2007; Ord. 2-05 §1(part), 2005).

1.30.030 Limitations on contributions.

A. For any particular election, including a recall election, no individual or organization shall make, and no candidate, candidate committee treasurer or other person acting on behalf of a candidate committee shall solicit or accept from any individual or organization, any contribution which will cause the total amount contributed by such individual to exceed two hundred fifty dollars, or such organization to exceed five hundred dollars.

1. The contributions of an organization whose contributions are directed and controlled by any individual shall be aggregated with contributions made by the individual and other organizations whose contributions are directed and controlled by the same individual.

2. If two or more organizations make contributions that are directed and controlled by a majority of the same persons, the contributions of those organizations shall be aggregated.

3. Contributions made by organizations that are majority owned by any person shall be aggregated with the contributions of all other organizations majority owned by that person, unless those organizations act independently in their decisions to make contributions. “Majority owned” means an ownership of more than fifty percent.

B. Any contribution or portion thereof that exceeds the limits in this section shall be returned to the contributor within seventy-two hours of receipt.

C. The limitations imposed by this section shall not apply to contribution of a candidate’s personal funds to the candidate’s own campaign, or to any loan which is personally guaranteed by the candidate or is secured by property owned by the candidate.

D. 1. The limitations imposed by this section shall not apply to contributions received for the purposes of defraying the costs of a recount, provided all of the following occur:

- a. The contributions are maintained in a separate bank account;
- b. The contributions are not used for any purpose not relating to a recount; and
- c. Once the recount is concluded, and all expenses associated with the recount have been discharged, the candidate disposes of any funds remaining by refunding recount contributors.

2. In addition to all other applicable reporting and disclosure requirements, candidates receiving funds to defray the costs of a recount shall file the following information with the city clerk no later than sixty days following conclusion of the recount:

- a. List of Contributions. The total amount of contributions to the refund account received, along with the full name of each person from whom a contribution or contributions has been received, together with the contributor's street address, occupation, and the name of the contributor's employer, if any, or the principal place of business if the contributor is self-employed, the amount of the contribution, and the date the contribution was received.
- b. Expenditures. A listing of all expenditures, including contributor refunds, made using funds from the refund account. Each listing shall provide a brief description of the expenditure, the amount of the expenditure and the date the expenditure was made. If there are still outstanding expenses associated with the recount at the time the list of expenditures is submitted to the city clerk, the candidate shall include a brief description of each outstanding expense and the expected amount, if known, and the expected date by which the expenditure will be paid. No later than ten days following the final outstanding recount-related expenditure, the candidate shall file a final list of expenditures with the city clerk. (Ord. 2019-04 §1, 2019: Ord. 1-07 §2, 2007: Ord. 2-05 §1(part), 2005).

1.30.040 Candidate loans.

No candidate shall personally loan their campaign an amount the outstanding balance of which exceeds one thousand five hundred dollars at any given point in time. (Ord. 2019-04 §2, 2019: Ord. 2-05 §1(part), 2005).

1.30.050 Candidate campaigns only.

The provisions of this chapter apply to election campaigns for candidates only. The provisions of this chapter do not apply to any referendum or initiative election. (Ord. 2-05 §1(part), 2005).

1.30.060 Injunction, other court action.

In addition to all other remedies and penalties provided for violation of this chapter, the city attorney may bring suit in a court of competent jurisdiction to seek an injunction or other appropriate relief, to halt any violation of this chapter. Such action may include seeking a temporary restraining order or temporary injunction and other appropriate temporary relief. Nothing in this chapter shall be deemed to restrict a suit for damages on behalf of the city or on behalf of any other person or entity. The city attorney shall also bring any violations of this chapter to the attention of the district attorney and/or the Fair Political Practices Commission. (Ord. 2-05 §1(part), 2005).

1.30.070 Penalties.

A. Except as provided in subsection B of this section, the violation of any provision of this chapter shall constitute an infraction punishable by a fine not to exceed two hundred fifty dollars.

B. Any person who knowingly or wilfully violates the provisions of this chapter is guilty of a misdemeanor punishable by up to six months in jail, and/or a fine of up to the greater of ten thousand dollars or three times the amount the person unlawfully contributed or received. (Ord. 2-05 §1(part), 2005).

1.30.080 Post-election review.

No later than three months after the certification of the results of a city election at which a city council member is elected, the city clerk shall calendar for city council consideration a review of the provisions of this chapter. The purpose of such review is to allow the city council to consider the ongoing appropriateness of the provisions of this chapter, including but not limited to the amount of the contribution and loan limits established in Sections 1.30.030 and 1.30.040 of this chapter.

Notwithstanding any other provision of this code, the city clerk's failure to calendar this review within the time period specified shall not subject the city clerk to any criminal or civil penalty. (Ord. 2-05 §1(part), 2005).

1.30.090 Severability.

Each section and provision of this chapter shall be considered severable and the invalidity of any section or provision of this chapter shall not affect the validity or enforceability of any other section or provision. (Ord. 2-05 §1(part), 2005).

[Mobile Version](#)

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **February 7, 2022**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Interim Assistant City Manager
Kenneth Stiles, Finance Manager

**TITLE: FINANCIAL AND TREASURER'S REPORT FOR THE QUARTER ENDED ON
DECEMBER 31, 2022**

RECOMMENDATION:

Accept the Financial Report and the Treasurer's Report for the quarter ended on December 31, 2022.

FISCAL IMPACT:

There is no fiscal impact with the acceptance of this report.

STRATEGIC ELEMENT:

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

BACKGROUND:

One of the City Council strategic priorities includes planning for and implementing long-term financial stability. A key component of this goal includes preparing a quarterly financial report that would provide readers with an executive summary of the City's current financial conditions as it relates to the annual operating budget to ensure accountability and transparency in managing public funds.

Additionally, in accordance with Government Code Section 53600 et seq., the City's Treasurer is to provide the City Council with a report on investments on a quarterly basis. As shown in the Treasurer's Report (Attachment 2), the City's investments are in external investment pools listed at cost, as well as its fair value, not amortized cost, in compliance with Governmental Accounting Standard. The City's investment practices strictly follow Government Code Section 53600 et seq., the City's investment policy, and a prudent person's rule.

DISCUSSION:

As of December 30, 2022, the General Fund revenues totaled \$10.4 million or 49% of the approved budget. General Fund expenditures total \$7.6 million or 33% of budget. As stated in the attached report, revenues and expenditures are performing as anticipated.

The City's cash and investment portfolio at fair market value, as of December 31, 2022, is \$50.5 million of which \$38.9 million is placed with the San Mateo County Treasurer's Investment Pool and \$7.6 million is placed with the State Controller's Local Agency Investment Fund (LAIF), and \$4 million in operating accounts with Wells Fargo Bank. The average weighted yield for the City's cash and investments are 1.66 % for the quarter.

With the information available, staff holds no great concern for financial stability for the current fiscal year; however, will continue to monitor any changes that may impact the City.

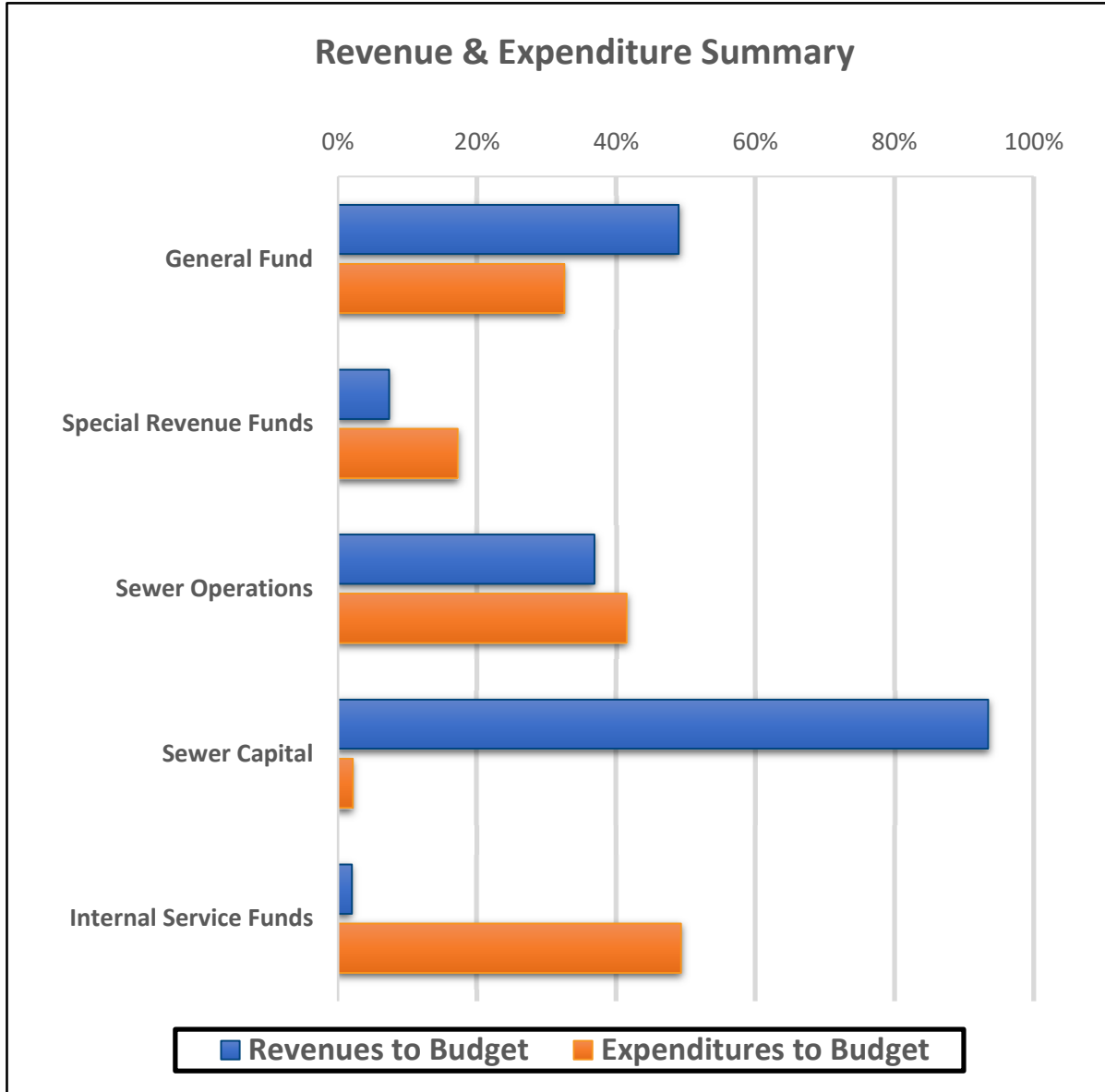
ATTACHMENT:

1. Financial Report for the quarter ended on December 31, 2022.
2. Treasurer's Report for the quarter ended on December 31, 2022.

CITY OF HALF MOON BAY
Quarterly Financial Report
December 31, 2022 – 50% of Year Complete

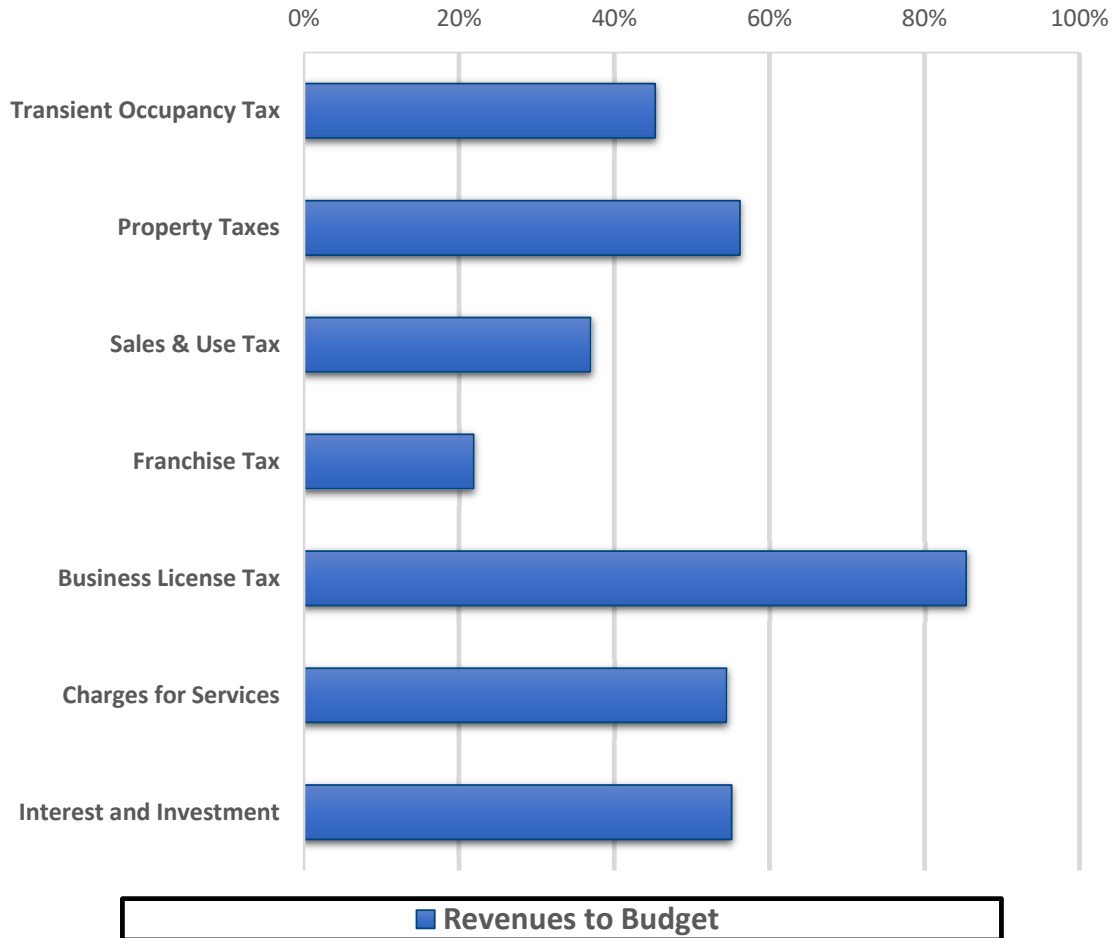


Prepared By:
Administrative Services Department

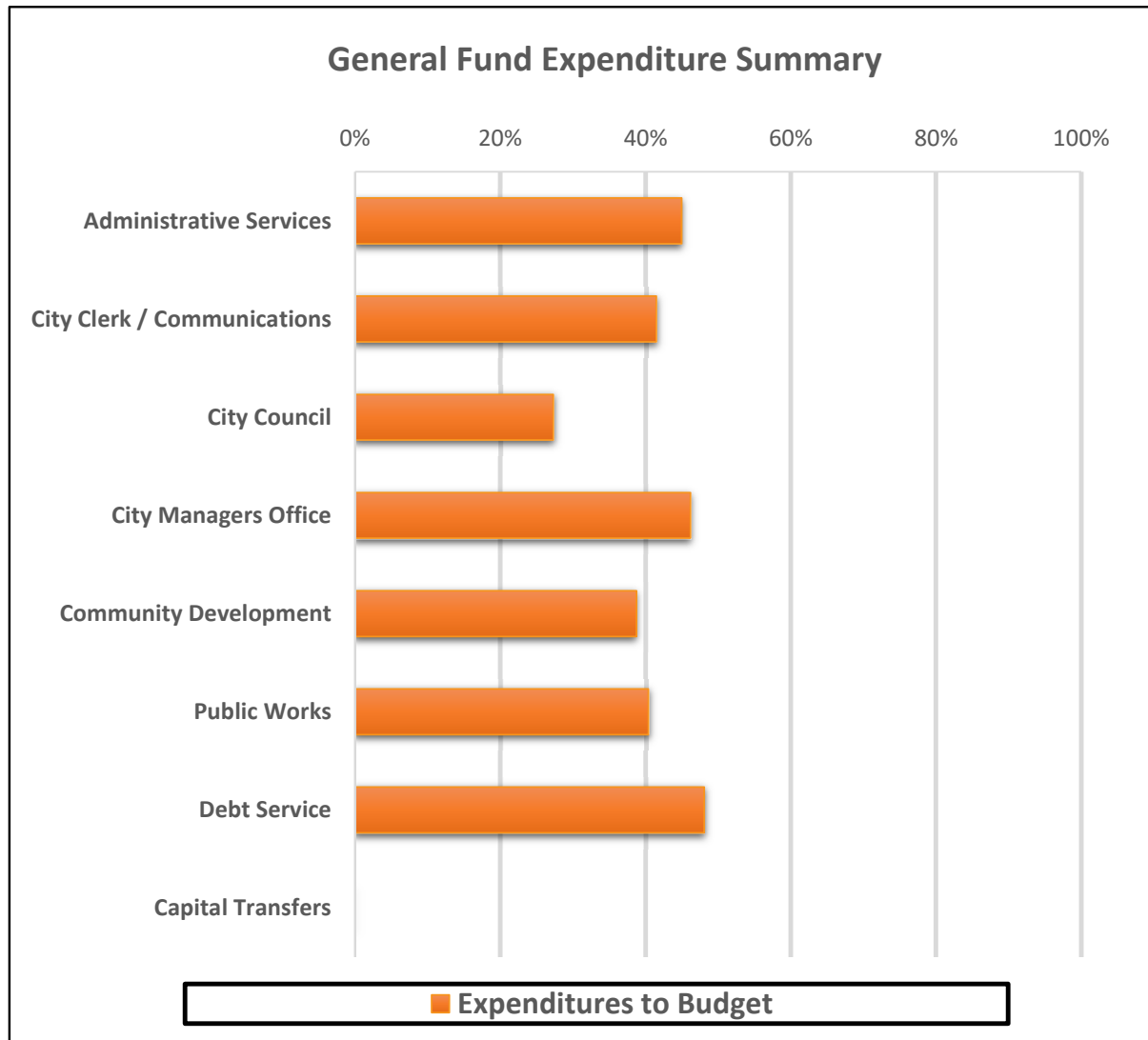


Funds	Revenues		Expenditures	
	Actual	% of Budget	Actual	% of Budget
General Fund	10,428,502	49%	7,632,458	32.5%
Special Revenue Funds	869,451	7%	3,115,745	17.2%
Sewer Operations	2,963,326	37%	2,988,303	41.5%
Sewer Capital	199,834	93%	83,056	2.2%
Internal Service Funds	25,585	2%	762,599	49.3%
Pension Stabilization Fund	1,887	0%	1,152,095	100.0%
TOTAL FOR ALL FUNDS	14,488,585	33%	15,734,255	28.4%

General Fund Revenue Summary



Department	Budget	Actual	% of Budget	Prior Year Actual	Prior Year % of Actuals
Transient Occupancy Tax	8,752,000	3,961,966	45%	\$ 3,263,623	35%
Property Taxes	3,436,620	1,931,913	56%	\$ 1,694,428	37%
Sales & Use Tax	3,058,600	1,130,624	37%	\$ 1,036,637	32%
Franchise Tax	836,800	183,169	22%	\$ 171,359	17%
Business License Tax	301,000	257,041	85%	\$ 257,371	82%
Charges for Services	1,769,370	964,208	54%	\$ 1,031,757	48%
Interest and Investment	88,071	48,581	55%	\$ 21,949	-8%
Other Revenues	2,530,381	1,950,999	77%	\$ 1,865,347	71%
Transfers in	524,180	-	0%	\$ -	0%
TOTAL	21,297,021	10,428,502	49%	9,342,471	38%



Department	Budget	Actual	% of Budget	Prior Year Actual	Prior Year % of Actuals
Administrative Services	1,316,046	591,870	45%	\$ 515,897	48%
City Clerk / Communications	1,058,340	438,972	41%	\$ 354,593	45%
City Council	232,538	63,497	27%	\$ 62,172	38%
City Managers Office	8,637,739	3,991,424	46%	\$ 3,466,896	49%
Community Development	1,998,671	774,810	39%	\$ 750,257	50%
Public Works	3,547,745	1,433,074	40%	\$ 1,319,852	45%
Debt Service	704,410	338,811	48%	\$ 636,590	51%
Non-Departmental	-	-		\$ -	0%
Operating Transfers	1,954,936	-	0%	\$ -	0%
Capital Transfers	4,015,419	-	0%	\$ -	0%
TOTAL	23,465,844	7,632,458	32.5%	7,106,258	35%

GENERAL FUND ANALYSIS:

The General Fund is the primary operating fund of the City and is used to account for most operating activities. Table 1 below provides year-to-date through the second quarter comparable data for the current fiscal year and the prior year.

Table 1: Second Quarter Budget to Actual Comparison						
	FY 2022-23				FY 2021-22	
	Revised Budget	Actuals as of 12/31/2022	% of Budget		Final Actuals	Actuals as of 12/31/2021 % of Actuals
Revenues						
Transient Occupancy Tax	8,752,000	3,961,966	45%		9,442,518	3,263,623 35%
Property Taxes	3,436,620	1,931,913	56%		4,598,752	1,694,428 37%
Sales & Use Tax	3,058,600	1,130,624	37%		3,208,517	1,036,637 32%
Franchise Tax	836,800	183,169	22%		1,028,719	171,359 17%
Business License Tax	301,000	257,041	85%		312,608	257,371 82%
Charges for Services	1,769,370	964,208	54%		2,160,017	1,031,757 48%
Interest and Investment	88,071	48,581	55%		(284,664)	21,949 -8%
Other Revenues	2,530,381	1,950,999	77%		2,645,612	1,865,347 71%
Transfers in	524,180	-	0%		1,422,140	- 0%
Total Revenues	21,297,021	10,428,502	49%		24,534,220	9,342,471 38%
Expenditures						
Administrative Services	1,316,046	591,870	45%		1,077,314	515,897 48%
City Clerk / Communications	1,058,340	438,972	41%		795,855	354,593 45%
City Council	232,538	63,497	27%		162,955	62,172 38%
City Managers Office	8,637,739	3,991,424	46%		7,065,465	3,466,896 49%
Community Development	1,998,671	774,810	39%		1,496,081	750,257 50%
Public Works	3,547,745	1,433,074	40%		2,912,840	1,319,852 45%
Debt Service	704,410	338,811	48%		1,260,001	636,590 51%
Non Departmental	-	-			-	-
Operating Transfers	1,954,936	-	0%		1,871,542	- 0%
Capital Transfers	4,015,419	-	0%		3,447,577	- 0%
Total Expenditures	23,465,844	7,632,458	33%		20,089,630	7,106,258 35%

Through the second quarter, the city received \$10.4 million of revenues for the fiscal year. Revenues have increased from the prior year. While last year revenues were 38%, current fiscal year revenues are 49% of budget.

Expenditures through the second quarter total \$7.6 million. Expenditures are tracking as anticipated at 33% of the budget.

Revenues

Table 2 below shows a year-to-date summary of actual revenues through the second quarter for fiscal years 2022-23 and 2021-22.

Table 2: Second Quarter Revenues						
	FY 2022-23				FY 2021-22	
	Revised Budget	Actuals as of 12/31/2022	% of Budget		Actuals as of 12/31/2021	% of Actuals
Revenues						
Transient Occupancy Tax	8,752,000	3,961,966	45%		3,263,623	35%
Property Taxes	3,436,620	1,931,913	56%		1,694,428	37%
Sales & Use Tax	3,058,600	1,130,624	37%		1,036,637	32%
Franchise Tax	836,800	183,169	22%		171,359	17%
Business License Tax	301,000	257,041	85%		257,371	82%
Charges for Services	1,769,370	964,208	54%		1,031,757	48%
Interest and Investment	88,071	48,581	55%		21,949	-8%
Other Revenues	2,530,381	1,950,999	77%		1,865,347	71%
Transfers in	524,180	-	0%		-	0%
Total Revenues	21,297,021	10,428,502	49%		9,342,471	38%

- **Transient Occupancy Tax:** The City has received \$3.9 million through the second quarter. This is an increase of \$698 thousand from the prior year. This revenue stream is at 45% of budget compared to the prior year's 35%, signaling an overperformance. The City will continue monitoring this revenue stream and adjust as necessary at the Mid-Year Budget Review.
- **Property Taxes:** Most property tax funds are received in December and April. \$1.9 million in revenues have been received thus far. This is an increase of \$237 thousand from the prior year. Property taxes are at 56% of budget as compared to the prior year's 37%, signaling an overperformance. The City anticipates this revenue stream to continue overperforming the budget and will adjust as necessary.
- **Sales & Use Taxes:** The City received \$1.1 million of sales taxes. This is an increase of \$93K from the prior year. This category is tracking slightly better than anticipated.
- **All other revenues:** The City received \$1.9 million in other revenues. This category generally includes miscellaneous, non-material, or one-time funds. This category is tracking as anticipated.

Budget Adjustments

Table 3 below shows a summary of council actions with potential budgetary effects during the second quarter not reflected in the numbers above.

Table 3: Budget Adjustments			
Item	Major Funding Source	Total Fiscal Impact	GF Impact
<i>No Budgetary Adjustments During the Second Quarter</i>			
	Total	\$ -	\$ -

Conclusion

Table 4 below shows an updated summary of general fund balances for the current fiscal year.

Table 4: General Fund Balance Summary	
	FY2022-23 Adopted Budget
Beginning Fund Balance	15,585,153
Revenues	21,297,021
Expenditures	(23,465,844)
<i>Budget Adjustments</i>	-
Net Change to Fund Balance	(2,168,823)
Ending Fund Balance	13,416,330
General Fund Reserve	(5,835,127)
Economic Uncertainty	(3,890,085)
Unassigned	3,691,118

Considering revenues and expenditures are generally performing as anticipated, there is no great concern of fiscal instability for the current fiscal year with the information available. The unassigned funds on June 30, 2023, is estimated to be \$3.6 million. These funds may formally become assigned for use during the mid-year review or the next fiscal year.

Additionally, with the strong fully funded reserves, the City is content regarding the financial stability; however, we will continue to monitor any changes that may impact the City.

**City of Half Moon Bay
Treasurer's Report
December 31, 2022**

1. Cash and investments were comprised of the following instruments as of December 31, 2022, shown with the carrying amount, fair value, and corresponding yields on investment and interest earnings:

	City Treasury	Fiscal Agents	Carrying Amount	Fair Value	Quarterly Yield	Quarterly Interest Earnings	FYTD Interest Earnings
<u>Petty Cash</u>	832	-	832	832		-	-
<u>Wells Fargo Bank:</u>							
Checking	3,934,411	-	3,934,411	3,934,411		-	-
Payroll	13,378	-	13,378	13,378		-	-
<u>California State Treasurer:</u>							
LAIF - General Fund	7,806,392	-	7,806,392	7,661,109	1.98%	26,472	26,472
<u>San Mateo County Treasurer</u>							
SMC Pool - General Fund	40,191,809	-	40,191,809	38,901,652	1.77%	128,772	128,772
TOTAL CASH AND INVESTMENTS	51,946,823	-	51,946,823	50,511,383		155,244	155,244

*Fair Value (GASB 31) includes investment returns which are not yet realized and at amortized costs. Information is obtained from individual institutions' portfolio statements.

2. **Investment maturities:**

The City limits market risk by limiting the types and maturities of its investments and by not borrowing against those investments.

Investment maturities may not exceed five years with the exception of investments as specified in bond debt covenants. Investment yield is ranked after safety and liquidity in making investment decisions.

Investments at December 31, 2022 mature as follows:

	City Treasury	Fiscal Agents	Total
Available immediately	51,946,823	-	51,946,823
Maturities less than one year	-	-	-
Maturities of one to five years	-	-	-
Greater than five years	-	-	-
Total	51,946,823	-	51,946,823

3. **Investments Sectors, as a percentage of total portfolio and also with investment performance comparisons:**

Investment sectors as a % of total portfolio		Investment performance comparisons			
		Date	Total	Yield	Interest
Demand Deposits and Money					
Market	7.60%	12/31/2020	46,058,527	0.95%	147,582
Local Agency Investment Fund	15.03%	12/31/2021	48,027,676	0.71%	87,470
San Mateo Co. Investment Pool	77.37%	12/31/2022	50,511,383	1.66%	155,244
Fiscal Agent	0				
	100.00%				

I certify that this reports all Government Agency pooled investments and is in conformity with the investment policy of the City of Half Moon Bay as stated in resolution number C-2019-107 dated December 17th, 2019. A copy of this Resolution is available at the office of the City Clerk and on the cities website <http://www.hmbcity.com>. The Investment Program provides sufficient cash flow liquidity to meet the estimated expenditures of the next six months, as required by Code Section 53646.

Kenneth Stiles

Finance Manager

1/30/2023

Date

Lisa Lopez

Administrative Services Director

1/30/2023

Date

**CITY OF HALF MOON BAY
CASH AND INVESTMENTS REPORT
FOR QUARTER ENDING 12/31/2022**

GENERAL FUND **19,496,265.97**

RESTRICTED FUNDS

STORM DRAIN OPERATING FUND	354,687.71
TRAFFIC MITIGATION FUND	4,339,824.19
LIBRARY	16,245.80
MAIN STREET BRIDGE	490,525.83
GAS TAX	1,418,523.48
STREET AND ROAD FUND	2,999,566.16
MEASURE A FUND	1,311,904.61
PARK FACILITY DEVELOPMENT	2,576,955.61
AFFORDABLE HOUSING	2,184,397.42
PUBLIC FACILITIES	498,235.39
POLICE SPECIAL REVENUE	833,350.67
JOB-BOND PROCEED FD	0.96
MEASURE W FUND	542,752.52
LOT ACQUISITION/DEVELOPMENT	1,781,349.93
CZI GRANTS	360,312.28
JOB - DEBT SERVICE FD	6,324.12
GEN FD CAPITAL PROJECTS	1,341,784.98
DRAINAGE FUND	918,001.03
LIBRARY CAPITAL	445,047.76
GENERAL LONG TERM DEBT	-
SEWER FUNDS	5,997,111.58
VEHICLE REPLACEMENT	180,605.43
FURN/FIXT & EQUIP FUND	388,497.46
RISK MANAGEMENT	3,145,543.62
RETIREMENT STABILIZATION	319,008.48

TOTAL, RESTRICTED FUNDS **32,450,557.02**

GENERAL LEDGER (BOOK) TOTAL

51,946,822.99

BANK BALANCES ON 12/31/2022

WELLS FARGO GENERAL CHECKING	4,072,321
WELLS FARGO PAYROLL CHECKING	13,378
LOCAL AGENCY INVESTMENT FUND (LAIF)	7,806,392
SAN MATEO COUNTY INVESTMENT POOL	40,191,809

Add: PETTY CASH ACCOUNTS	832.44
RECONCILING ITEMS	(202.35)
Less: OUTSTANDING CHECKS	(363,409.93)
Plus: DEPOSITS IN TRANSIT	225,702.48
Plus: VOID CHECKS	-

BANK RECONCILIATION TOTAL

51,946,822.99