



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

TUESDAY, JUNE 20, 2023

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

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

7:00 PM

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

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

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

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

<http://hmbcity.com/>

HYBRID MEETING PARTICIPATION PROTOCOLS

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

ROLL CALL / PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PROCLAMATIONS AND PRESENTATIONS

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

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B WARRANTS FOR THE MONTH OF MAY 2023

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

[STAFF REPORT](#)

[ATTACHMENT](#)

1.C SHORT-TERM VACATION RENTAL AND HOME OCCUPATION ORDINANCE - SECOND READING

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

[STAFF REPORT](#)

[ORDINANCE](#)

1.D AGREEMENT WITH ABUNDANT GRACE FOR THE FY 2023-24 COASTAL CLEANUP PROGRAM

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a new program services agreement with Abundant Grace for coastal cleanup services, expanding the program through June 30, 2024.

[STAFF REPORT](#)

[RESOLUTION](#)

1.E FINAL ACCEPTANCE OF THE PELICAN POINT GENERATOR REPLACEMENT PROJECT (CIP NO. 1284)

Staff Recommendation: By resolution, authorize the City Manager or his designee to file a Notice of Completion for the Pelican Point Generator Replacement Project (Project) and release the Project Retention Funds and Project Performance Bond and Labor and Materials Bond thirty (30) days after recordation of the Notice of Completion.

[STAFF REPORT](#)

[RESOLUTION](#)

1.F FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT WITH SWCA ENVIRONMENTAL CONSULTANTS, INC. FOR ENVIRONMENTAL SERVICES FOR THE PILARCITOS CREEK RESTORATION AND REMEDIATION PROJECT

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a First Amendment to the Consultant Services Agreement with SWCA Environmental Consultants, Inc. in the amount of \$13,267 for environmental and entitlement services associated with the Pilarcitos Creek Restoration and Remediation Project.

[STAFF REPORT](#)

[RESOLUTION](#)

1.G POPLAR STREET TRAFFIC CALMING AND SAFETY PROJECT - PHASE I (CIP PROJECT NO. 0593) - CALTRANS PROGRAM SUPPLEMENT AGREEMENT

Staff Recommendation: Adopt a resolution authorizing the City Manager, or his designee, to execute a Program Supplement Agreement with the State of California Department of Transportation (Caltrans) to accept funds in the amount of \$1,202,000 for the construction of the Poplar Street Traffic Calming and Safety Project – Phase I (CIP Project No. 0593).

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

1.H SMCTA FUNDING AGREEMENT EASTSIDE TRAIL - NORTH SEGMENT 4 (CIP NO. 619)

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute the construction funding agreement with the San Mateo County Transportation Authority (SMCTA) to accept Measure A funds in the amount of \$980,000 for the construction of Pacific Coast Bicycle Connectivity North Project (Eastside Trail Segment 4).

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

1.I ANNUAL RENEWAL OF COMMUNITY DEVELOPMENT CONTRACTS

Staff Recommendation: Adopt resolutions authorizing the City Manager to execute professional service agreements through June 30, 2024 with:

1. 4LEAF, Inc. (4Leaf) for building plan check and inspection services in an amount of \$318,997
2. Metropolitan Planning Group (M-Group) for contract planning services in an amount of \$137,500

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

1.J 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT - EXTENSION OF THE TERM OF THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING

Staff Recommendation: Adopt a Resolution authorizing the City Manager to execute an amendment to the Exclusive Negotiations Agreement (ENA) between the City and Mercy Housing (Developer) to extend the negotiation period of the ENA to May 3, 2024, and establish initial terms of a ground lease on City-owned land at 535 and 555 Kelly Avenue (the Site).

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

1.K SALARY SCHEDULE FOR THE INTERNATIONAL UNION OF OPERATING ENGINEERS STATIONARY LOCAL 39, AFL-CIO; REPRESENTED MANAGEMENT TEAM MEMBERS, AND NON-REPRESENTED EMPLOYEES

Staff Recommendation: Adopt a resolution approving the FY 2023-24 salary schedule representing a 3.0-percent increase to the base salary for the International Union of Operating Engineers Stationary Local 39 AFL-CIO, Represented Management Team Members, Confidential, and Non-Represented Employees, effective as per the terms of Memoranda of Understanding.

[STAFF REPORT](#)

[RESOLUTION](#)

1.L PROPOSED CLASSIFICATION AND COMPENSATION CHANGES

Staff Recommendation: Adopt a resolution authorizing the changes to certain job classifications and salary schedules as follows:

- 1) Create a new position under Public Works titled Public Works Supervisor.
- 2) Reclassify the City Engineer to Public Works Supervisor.
- 3) Reclassify one Senior Maintenance Worker to Public Works Supervisor.

[STAFF REPORT](#)

[RESOLUTION](#)

1.M CASELLE, INC. PROFESSIONAL SERVICES AGREEMENT

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional services agreement through June 30, 2024, with Caselle Inc. for Enterprise Resource Planning (ERP) software in the amount of \$47,580.

[STAFF REPORT](#)

[RESOLUTION](#)

1.N AUTHORIZE THE CITY MANAGER TO WAIVE SPECIAL EVENT PERMIT FEES FOR RESIDENTS WHO HOST BLOCK PARTIES ON NATIONAL NIGHT OUT

Staff Recommendation: Adopt a resolution authorizing the City Manager to waive Special Event Permit Fees for residents who host block parties on National Night Out, an annual event to be held on August 1, 2023.

[STAFF REPORT](#)

[RESOLUTION](#)

1.O ON-CALL PROFESSIONAL SERVICES AGREEMENT WITH WOOD CONSULTING SERVICES

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute an on-call Professional Services Agreement with Wood Consulting Services for project support in the following areas including, but not limited to, economic and business development and Coastside Recovery Initiative project implementation, with a not-to-exceed amount of \$80,000.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT](#)

1.P ANNUAL RENEWAL OF PUBLIC WORKS CONTRACTS

Staff Recommendation: Adopt resolutions authorizing the City Manager to execute professional service agreements with:

1. 4Leaf, Inc. for Public Works Construction Inspection services in the amount of \$191,000;
2. American Debris Box to provide portable toilet services Citywide in the amount of \$85,000;
3. Impec Group for janitorial services in the amount of \$217,020;
4. Loral Landscaping for median maintenance in the amount of \$49,920;
5. Mark Thomas to provide operational assistance for the Fats Oils and Grease (FOG) program and CCTV inspections in the amount of \$79,175;
6. Peninsula Municipal Engineering, Inc. (PME) for project management of grant funded projects Pacific Coast Bikeway North Project (aka: Eastside Parallel Trail Segment 4 (0619) and the Highway 1 Safety – North (0538) in the amount of \$245,000;
7. W. Housen & Associates for engineering services related to sewers in the amount of \$150,000; and
8. West Coast Arborists (WCA) to provide tree trimming and tree removal services in the amount of \$150,000.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

[ATTACHMENT 6](#)

[ATTACHMENT 7](#)

[ATTACHMENT 8](#)

1.Q AGREEMENT WITH EL CENTRO DE LIBERTAD FOR COMMUNITY RESPONDER PROGRAM (CARES)

Staff Recommendation: Adopt a resolution authorizing the City Manager to finalize and execute an agreement with El Centro de Libertad for a Community Responder program, at a cost not-to-exceed \$549,944, for a term beginning July 1, 2023, and ending June 30, 2024, including options for up to four annual renewals, conditional upon available funding.

[STAFF REPORT](#)

[RESOLUTION](#)

2. ORDINANCES AND PUBLIC HEARINGS

2.A RESOLUTION ASSESSING THE LEVY FOR THE HALF MOON BAY BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24

Staff Recommendation: Conduct a public hearing, consider any oral or written protests, and adopt a resolution assessing the levy for the Half Moon Bay Business Improvement District for Fiscal Year 2023-24

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT](#)

3. RESOLUTIONS AND STAFF REPORTS

3.A ACQUISITION OF ACCESS LICENSE AND EASEMENT LOCATED AT 20 STONE PINE ROAD FOR THE CARTER PARK IMPROVEMENT PROJECT

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute the Agreement to Acquire Temporary Construction Access License and Permanent Pathway Easement over real property owned by Bahram Abolmoluki and Zohreh Abolmoluki, located at 20 Stone Pine Road in Half Moon Bay California (San Mateo County APN: 056-391-010), including 1) a *nonexclusive* 12-month Temporary Construction Access License, 2) an *exclusive* 12-month Temporary Construction Access License, and 3) a Permanent Pathway Easement (collectively, Access).

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

3.B AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH COUNTY OF SAN MATEO SHERIFF'S OFFICE - AMENDMENT FIFTEEN

Staff Recommendation: Authorize the City Manager to negotiate and execute Amendment Fifteen to the Agreement for Law Enforcement Services with the County of San Mateo Sheriff's Office, continuing services under the current Rates/Payments schedule, through September 30, 2023.

[STAFF REPORT](#)

[RESOLUTION](#)

3.C HALF MOON BAY SEWER COLLECTION SYSTEM MAINTENANCE - SEWER AUTHORITY MID-COASTSIDE

Staff Recommendation: Adopt a resolution approving the FY 2023-24 Sewer Authority Mid-Coastside (SAM) Collections Budget and authorizing the City Manager to execute Amendment No. 6 to the sewer collection system maintenance professional services agreement with the Sewer Authority Mid-Coastside (SAM) establishing the FY 2023-24 annual cost at \$263,824 and extending the Agreement for one (1) additional year (expiration of June 30, 2024).

[STAFF REPORT](#)

[RESOLUTION](#)

3.D SEWER AUTHORITY MID-COASTSIDE FISCAL YEAR 2023-24 OPERATIONS AND MAINTENANCE (GENERAL) BUDGET

Staff Recommendation: Adopt a resolution conditionally approving the General Budget of SAM for FY 2023-24 (included as Exhibit A to the resolution) as follows:

1. The City approves \$3,449,957, which is the full budgeted amount less 61.5% of the \$3.5 million FY 23-24 budgeted amount for the Montara Force Main infrastructure replacement project; and
2. The City approves the full \$9,109,686, of which the City's flow-based allocation for all costs is \$5,602,457 (61.5% of total) to be paid under protest but directs the Mayor and City Manager to refrain from delivering the resolution to SAM and paying, under protest, 61.5% of the Montara Force Main replacement project until all parties have executed the Stipulation Regarding Expenses and Assessments of Sewer Authority Mid-Coastside for 2023-24 Fiscal Year ("Stipulation") including

any non-substantive changes as the City Attorney may approve. If this approval becomes effective, and the resolution is signed and delivered, it will supersede the partial approval of SAM's budget specified in paragraph 1 above.

[STAFF REPORT](#)

[RESOLUTION](#)

3.E FISCAL YEAR 2023-2024 RECOMMENDED BUDGET

Staff Recommendation: Review the Recommended FY 2023-24 Budget document and adopt resolutions to: 1) establish the GANN Appropriation Limit for FY 2023-24; 2) approve the City's Review of the Investment Policy; and 3) adopt the FY 2023-24 Annual Operating and Capital Budget.

[STAFF REPORT](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

CITY COUNCIL REPORTS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

From: Lisa Lopez Rossi, Administrative Services Director

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

RECOMMENDATION:

Accept the warrants list for the month of May 2023.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Element.

DISCUSSION:

During this month, the City processed 7 check runs. The table below outlines each check run and their individual totals:

Check Run Date	Amount
May 03	159,849
May 04	56,976
May 10	187,043
May 17	615,786
May 24	300,370
May 25	5,414
May 31	216,504
TOTAL	1,541,943

The City processed payments related to 16 capital improvement projects, in a total amount of \$364,143. These projects include Highway 1 Safety - North, Carter Park, Emergency Response Program, LCP Implementation Project, Green Infrastructure And Storm, Corporate Yard Improvements, Ada Transition Plan Program, Pilarcitos Creek Restoration A, Poplar Beach Gateways Plan, Climate Action And Adaptation, Equipment Replacement Program, Smith Field Site Assessment, Magnolia/Seymour Park, Mac Dutra, Kehoe/Pilarcitos Outfall Repair, Bicycle And Pedestrian Master.

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	Amount	Description
52645	EL CENTRO DE LIBERTAD	5/3/2023	\$ 33,990	CARES PROGRAM
52667	WICKMAN DEVELOPMENT AND CONSTRUCTION	5/3/2023	\$ 36,718	CARTER PARK IMPROVEMENTS PROJECT
52668	ANDREINI BROTHERS INC.	5/10/2023	\$ 53,533	ADA TRANSITION PLAN PROGRAM
52706	4LEAF INC.	5/17/2023	\$ 37,261	BUILDING/PLANNING SERVICES
52708	ANDREINI BROTHERS INC.	5/17/2023	\$ 42,469	HIGHWAY 1 SAFETY - NORTH
52727	PENINSULA MUNICIPAL ENGINEERING INC.	5/17/2023	\$ 46,754	PROJECT MANAGEMENT SERVICES FOR CIP
52731	SEWER AUTHORITY MID-COASTSIDE	5/17/2023	\$ 427,146	FY 22-23 SEWER COLLECTIONS
52735	BLACK & VEATCH CORPORATION	5/24/2023	\$ 38,422	NPDES STORMWATER SERVICES
52745	FREYER & LAURETA INC.	5/24/2023	\$ 46,317	CONCEPT LAYOUT FOR RESIDENTIAL UNITS
52766	SAN MATEO COUNTY PUBLIC SAFETY COMMUNICA	5/24/2023	\$ 66,943	PUBLIC SAFETY COMMUNICATIONS
52774	WICKMAN DEVELOPMENT AND CONSTRUCTION	5/24/2023	\$ 51,394	CARTER PARK IMPROVEMENTS PROJECT
52778	4LEAF INC.	5/31/2023	\$ 47,895	BUILDING/PLANNING SERVICES
52782	BAIRD & DRISKELL	5/31/2023	\$ 30,719	AFFORDABLE HOUSING PROGRAM ASSISTANCE
52792	EL CENTRO DE LIBERTAD	5/31/2023	\$ 32,279	CARES PROGRAM

ATTACHMENTS:

Check Disbursement List by Check Date

Report Criteria:

Report type: Summary

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
51379	4441	IGLESIA DEL MAR	05/03/2023	100.00	DEPOSIT REFUND 06/18/22 MANZANITA ROOM
52496	321	FOLGER GRAPHICS INC.	05/10/2023	2,267.22	MAIN STREET POSTCARDS
52635	2022	ACC BUSINESS	05/03/2023	769.20	INTERNET SERVICE
52636	5177	ADVANTAGE GRAFIX	05/03/2023	754.82	PRINT SERVICE
52637	18	ANDREINI BROTHERS INC.	05/03/2023	854.48	DELIVER FUEL TO SHERIFF SUB STATION
52638	2407	ARAMARK	05/03/2023	286.74	MAINT SUPPLIES
52639	481	BIG CREEK LUMBER	05/03/2023	146.41	MAINT SUPPLIES
52640	3626	BKF ENGINEERS	05/03/2023	247.00	APR23, CHANGE ORDER 3, CORP YARD IMPROVEMENT PROJ
52641	5223	CAPITAL ONE TRADE CREDIT	05/03/2023	3,906.49	MAINT SUPPLIES
52642	5389	CHRISTINA JEWELS KRZASZCZAK	05/03/2023	867.69	MAKE IT MAIN ST SUPPLIES
52643	1925	CITY OF BURLINGAME	05/03/2023	5,430.68	FEB23 SMO BID
52644	4597	COLLEEN GRANAHAN	05/03/2023	200.00	MIMS PRIZES
52645	3673	EL CENTRO DE LIBERTAD	05/03/2023	33,990.08	APR23, CHANGER ORDER 1, CARES PROGRAM
52646	4338	ELECTRIC MID	05/03/2023	1,020.00	MAINT SERVICE
52647	5564	GERMAN BERNABE	05/03/2023	450.00	DEPOSIT REFUND
52648	4633	GRANICUS	05/03/2023	1,490.33	GRANICUS SERVICE
52649	76	HALF MOON BAY BUILDING & GARDEN	05/03/2023	100.98	MAINT SUPPLIES
52650	2564	HALF MOON BAY GRADING & PAVING INC.	05/03/2023	4,891.51	MAINT SERVICE
52651	89	HMB COASTSIDE CHAMBER OF COMMERCE	05/03/2023	8,499.22	FEB OOC BID
52652	3429	HUE & CRY INC	05/03/2023	331.99	SECURITY SERVICE
52653	4441	IGLESIA DEL MAR	05/03/2023	100.00	DEPOSIT REFUND 06/18/22 MANZANITA ROOM
52654	291	LAURIE BECKER	05/03/2023	512.40	INSTRUCTOR PAYMENT ZUMBA
52655	5331	MAKE IT MAIN STREET	05/03/2023	10,000.00	2023 MAKE IT MAIN STREET EVENT
52656	1206	MARK THOMAS & CO. INC.	05/03/2023	14,653.91	APR23, CHANGE ORDER 2,HWY 1 N SAFETY & OP IMPROVEME
52657	5563	MEREDITH LOSCHKE	05/03/2023	147.00	YOGA INSTRUCTOR
52658	3641	NEIGHBORHOOD RADIO	05/03/2023	330.00	ADVERTISING SERVICE
52659	4472	ON POINT LANGUAGE SOLUTIONS LLC	05/03/2023	2,500.00	TRANSLATION SERVICES
52660	3479	PARKEON INC	05/03/2023	95.55	MAINT SERVICE
52661	5403	ROBERT HALF	05/03/2023	5,471.27	TEMP EMPLOYEE LABATE/WEEK ENDING 04/28/2023
52662	2710	STAR VISTA	05/03/2023	12,156.98	STAR VISTA-FIRST CHANCE PROGRAM
52663	3519	SWCA INCORPORATED	05/03/2023	11,755.68	APRIL'23, Pilardos Aerial and Bio Monitoring
52664	1423	THE GRAPHIC WORKS	05/03/2023	254.48	BANNER DESIGN
52665	1497	TURBO DATA SYSTEMS	05/03/2023	516.79	CITATION PROCESSING
52666	5537	VICKY VASQUEZ	05/03/2023	500.00	DEPOSIT REFUND ON 04/30/23
52667	5406	WICKMAN DEVELOPMENT AND CONSTRUCTION	05/03/2023	36,717.50	CARTER PARK IMPROVEMENTS PROJECT
52668	18	ANDREINI BROTHERS INC.	05/10/2023	53,532.50	MAINT SERVICE
52669	2407	ARAMARK	05/10/2023	286.74	MAINT SERVICE
52670	444	ASSOCIATION OF BAY AREA GOVERNMENTS	05/10/2023	696.54	LEVELIZED CHARGE NAT GAS

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52671	871	AUTOMATIC DOOR SYSTEMS INC.	05/10/2023	4,588.78	MAINT SERVICE
52672	5168	BLEYLE ELEVATOR, INC	05/10/2023	538.00	MAINT SERVICE
52673	866	BOYS & GIRLS CLUB OF THE COASTSIDE	05/10/2023	4,000.00	SUNDAY REC PROGRAMMING
52674	32	CA DEPT OF TRANSPORTION	05/10/2023	9,125.96	SIGNALS & LIGHTING
52675	3090	CALIFORNIA BUILDING STANDARDS COMMISSION	05/10/2023	137.70	BSASRF Q2 FY19/20 RETAINER
52676	4300	CALNET3	05/10/2023	1,826.05	PHONE SERVICE
52677	4193	CASELLE INC.	05/10/2023	3,695.00	ERP CONTRACT SUPPORT & MAINTENANCE
52678	5389	CHRISTINA JEWELS KRZASZCZAK	05/10/2023	350.00	MAKE IT MAIN ST SUPPLIES
52679	51	COASTSIDE COUNTY WATER DISTRICT	05/10/2023	5,094.44	CITY hall
52680	82	COASTSIDE NEWS GROUP	05/10/2023	1,102.00	LEGAL AD
52681	4338	ELECTRIC MID	05/10/2023	1,800.00	MAINT SERVICE
52682	3446	FLYERS ENERGY, LLC	05/10/2023	2,316.41	VEHICLE FUEL
52683	321	FOLGER GRAPHICS INC.	05/10/2023	6.11	MAIN STREET POSTCARDS
52684	3782	GRIFFIN STRUCTURES INC.	05/10/2023	3,628.80	APR'23, CARTER PARK RENOVATION PROJECT
52685	76	HALF MOON BAY BUILDING & GARDEN	05/10/2023	300.72	MAINT SUPPLIES
52686	5388	HALF MOON BAY DOWNTOWN ASSOCIATION INC.	05/10/2023	5,000.00	HMB WINE & JAZZ FESTIVAL
52687	2564	HALF MOON BAY GRADING & PAVING INC.	05/10/2023	12,634.00	MAINT SERVICE
52688	4441	IGLESIA DEL MAR	05/10/2023	300.00	DEPOSIT REFUND
52689	4267	IMPEC GROUP INC.	05/10/2023	17,356.00	APR'23, FY22/23 JANITORIAL SERVICES
52690	5941	INFINITY TECHNOLOGIES	05/10/2023	14,119.75	APR'23, FY 22-23 INFORMATON TECHNOLOGY NETWORKING A
52691	3805	LAUTZENHISER'S STATIONERY INC.	05/10/2023	574.41	STATIONARY
52692	4028	LORAL LANDSCAPING INC.	05/10/2023	4,000.00	MAY'23, FY22/23 MEDIAN MAINTENANCE
52693	2573	MARIAN POTT	05/10/2023	1,680.00	PAYMENT INSTRUCTOR
52694	209	MAZE & ASSOCIATES	05/10/2023	3,500.00	APR'23, AUDIT SERVICES AND CAFR PREPARATION
52695	457	ODP BUSINESS SOLUTIONS, LLC	05/10/2023	718.52	OFFICE SUPPLIES
52696	137	PG&E	05/10/2023	15,907.45	DUTRA PARK RESTROOMS
52697	3951	PUBLIC PARKING ASSOCIATES INC.	05/10/2023	240.00	MAINT SERVICE
52698	5403	ROBERT HALF	05/10/2023	4,352.06	TEMP EMPLOYEE LABATE/WEEK ENDING 05/05/2023
52699	751	SAN MATEO COUNTY ENVIRONMENTAL HEALTH	05/10/2023	548.00	HEALTH INSPECTION
52700	129	SERVICE PRESS INC.	05/10/2023	198.91	OFFICE SUPPLIES
52701	3717	STERCYCLE SPECIALTY WASTE SOLUTIONS INC	05/10/2023	192.53	MAINT SERVICE
52702	3519	SWCA INCORPORATED	05/10/2023	8,085.50	APR'23, Pilarcitos Creek Environmental
52703	3955	TOWNSEND PUBLIC AFFAIRS	05/10/2023	5,000.00	TOWNSEND PUBLIC AFFAIRS
52704	1497	TURBO DATA SYSTEMS	05/10/2023	524.86	CITATION PROCESSING
52705	4429	WESTERN EXTERMINATOR COMPANY	05/10/2023	1,352.65	APR'23, FY22/23 EXTERMINATOR SERVICES
52706	4270	4LEAF INC.	05/17/2023	37,260.79	FEB'23, ON-CALL SERVICES
52707	3332	AMERICAN PORTABLES	05/17/2023	8,322.82	MAY'23, FY22/23 PORTABLE RESTROOMS
52708	18	ANDRENI BROTHERS INC.	05/17/2023	42,469.00	MAY'23, HWY1 HYDRANT RELOCATIONS
52709	2407	ARAMARK	05/17/2023	286.74	MAINT SERVICE
52710	5018	BFI OF CALIFORNIA INC	05/17/2023	8,713.26	MAINT SERVICE
52711	4115	BIG BELLY SOLAR INC	05/17/2023	283.92	MAY '23, SMART TRASH RECEPTACLES

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52712	5168	BLEYLE ELEVATOR, INC	05/17/2023	2,579.00	MAINT SERVICE
52713	3976	CIRCLEPOINT	05/17/2023	4,606.00	APR'23, CHANGE ORDER 6, COMPLETE HYATT HOTEL ENVIRO
52714	3975	COLANTUONO HIGHSMITH WHATLEY PC	05/17/2023	1,619.50	LEGAL SERVICES -SAM
52715	76	HALF MOON BAY BUILDING & GARDEN	05/17/2023	22.95	MAINT SUPPLIES
52716	2564	HALF MOON BAY GRADING & PAVING INC.	05/17/2023	90.00	MAINT SERVICE
52717	5529	HAZEL JOANES	05/17/2023	1,974.82	PLANNING COMMISSIONERS ACADEMY
52718	3429	HUE & CRY INC	05/17/2023	641.62	SECURITY SERVICE
52719	1645	HUFFMAN-BROADWAY GROUP INC	05/17/2023	583.75	POPLAR BEACH GATEWAYS PLAN
52720	5329	INTEGRAL CONSULTING INC.	05/17/2023	5,850.00	SOUTH HMB SLR VULNERABILITY
52721	4306	JOSE HERNANDEZ	05/17/2023	500.00	DEPOSIT REFUND
52722	5543	LIGHTBOX	05/17/2023	15,202.86	MARCH'23, CSFA 22-23 TECHNICAL ASSISTANCE
52723	3250	M-GROUP	05/17/2023	3,137.50	APRIL'23, FY21/22 GIS/GRAPHIC SUPPORT
52724	4489	MTA PARTS INC.	05/17/2023	66.46	VEHICLE PARTS
52725	5567	NORA FLYNN	05/17/2023	1,000.00	2023 EARTH DAY SCHOLARSHIP
52726	3479	PARKEON INC	05/17/2023	56.00	MAINT SERVICE
52727	3956	PENINSULA MUNICIPAL ENGINEERING INC.	05/17/2023	46,754.00	MAY'23, CHANGE ORDER 3, PROJECT MANAGEMENT SERVICE
52728	141	PHIL'S TIRE & AUTO CARE	05/17/2023	1,426.81	VEHICLE REPAIR
52729	3930	RINCON CONSULTANTS INC.	05/17/2023	4,859.75	APR'23, 6TH CYCLE HOUSING ELEMENT
52730	129	SERVICE PRESS INC.	05/17/2023	332.40	OFFICE SUPPLIES
52731	159	SEWER AUTHORITY MID-COASTSIDE	05/17/2023	427,146.00	MAY'23, FY22/23 SEWER COLLECTIONS
52732	5574	ALYSSA CUNNINGHAM	05/24/2023	500.00	DEPOSIT REFUND
52733	4300	AT&T MOBILITY	05/24/2023	694.59	PHONE SERVICE
52734	4464	AVENU INSIGHTS & ANALYTICS	05/24/2023	500.00	STARS Q4 2022
52735	5549	BLACK & VEATCH CORPORATION	05/24/2023	38,421.90	MAY'23, NPDES STORMWATER SERVICES
52736	5568	BRUSH HOG TREE CARE INC.	05/24/2023	1,450.00	TREE SERVICES
52737	220	CA DEPT OF CONSERVATION	05/24/2023	1,796.98	SMIP Q3 FY22/23 RESORT FEE
52738	3090	CALIFORNIA BUILDING STANDARDS COMMISSION	05/24/2023	501.30	BSARF Q2 FY22/23 RETAINER
52739	3976	CIRCLEPOINT	05/24/2023	3,950.50	MAY'23, CHANGE ORDER 6, COMPLETE HYATT HOTEL ENVIRO
52740	5569	COLBY DROUBI	05/24/2023	70.00	CALLIGRAPHY GLASS
52741	5457	CURLEY & REDS AUTO BODY AND TOWING	05/24/2023	14,711.85	VEHICLE SERVICE
52742	5570	DEBBIE CARRINGTON	05/24/2023	70.00	CALLIGRAPHY GLASS
52743	320	EWING IRRIGATION PRODUCTS INC.	05/24/2023	621.08	MAINT SUPPLIES
52744	202	FEDEX	05/24/2023	203.97	SHIPPING SERVICE
52745	3127	FREYER & LAURETA INC.	05/24/2023	46,317.00	MAY'23, PURCHASE ORDER FOR THE PSA FOR CONCEPT LAY
52746	5349	GATES AND ASSOCIATES	05/24/2023	1,932.79	APRIL'23, SMITH FIELD FACILITIES MASTER PLAN
52747	5172	GRAPHICS ON THE EDGE	05/24/2023	.00	POLARIS GRAPHICS
52748	76	HALF MOON BAY BUILDING & GARDEN	05/24/2023	919.34	MAINT SUPPLIES
52749	2564	HALF MOON BAY GRADING & PAVING INC.	05/24/2023	2,791.35	MAINT SERVICE
52750	3515	HARVEY RARBACK	05/24/2023	646.93	SMC CHAMBER SEMINAR
52751	5464	JANICE LEE	05/24/2023	500.00	DEPOSIT REFUND 05/20/23 DEPOT ROOM
52752	5444	JOYA CUNHA	05/24/2023	2,000.00	JUNE'23, TEMPORARY CONSTRUCTION EASEMENT

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52753	1283	KATHY OLER	05/24/2023	2,226.67	JUN' 23, TEMPORARY CITY PARKING LOT RENTAL
52754	103	KIKUCHI & ASSOC.	05/24/2023	3,940.50	MAY'23, DESIGN AND CDP FOR MAGNOLIA PARK
52755	4110	LISA POPE	05/24/2023	1,593.75	MEETING MINUTES
52756	3069	MANAGED HEALTH NETWORK	05/24/2023	304.00	EAP
52757	3250	M-GROUP	05/24/2023	3,473.75	DEC'22, FY21/22 GIS/GRAPHIC SUPPORT
52758	3305	MIRACLE PLAYSYSTEMS	05/24/2023	233.00	OCEAN VIEW PARK REPLACEMENT
52759	3934	MITEL	05/24/2023	2,915.65	SHERIFF SUBSTATION PHONE SERVICE
52760	3726	NICHOLAS TRANSLATIONS & INTERPRETATIONS	05/24/2023	2,471.00	TRANSLATION SERVICES
52761	457	OFFICE DEPOT INC.	05/24/2023	41.54	OFFICE SUPPLIES
52762	646	PREMIER TERMITE & CONSTRUCTION	05/24/2023	9,000.00	DUTRA PARK BATHROOMS
52763	3930	RINCON CONSULTANTS INC.	05/24/2023	1,106.50	MAY'23, 6TH CYCLE HOUSING ELEMENT
52764	5403	ROBERT HALF	05/24/2023	6,497.20	TEMP EMPLOYEE S.Vinika /WEEK ENDING 05/12/23
52765	217	SAN MATEO COUNTY INFORMATION SVCS.	05/24/2023	82.25	MICROWAVE SERVICE
52766	2337	SAN MATEO COUNTY PUBLIC SAFETY COMMUNIC	05/24/2023	66,942.75	Q4, FY22/23 PUBLIC SAFETY COMMUNICATIONS
52767	1392	SAN MATEO RESOURCE CONSERVATION DISTRICT	05/24/2023	2,030.85	CONSERVATION PROJECT MANAGER
52768	5571	SARA LOMAX	05/24/2023	1,218.35	ORCHESTRA
52769	3757	SCHAAF & WHEELER	05/24/2023	4,965.69	MAY'23, PILARCITOS AVENUE/KEHOE WATERCOURSE OUTFAL
52770	3922	SCOTT MCVICKER	05/24/2023	3,360.00	JUNE'23, FY22/23 ANNEX RENT
52771	5572	SCOTT MENARY CONSTRUCTION	05/24/2023	15,425.00	ted adcock cc damage
52772	5575	SIMONE TRAN	05/24/2023	500.00	DEPOSIT REFUND
52773	3834	WATERWAYS CONSULTING INC	05/24/2023	1,547.80	ON-CALL GEMORPHOLOGY SERVICES
52774	5406	WICKMAN DEVELOPMENT AND CONSTRUCTION	05/24/2023	51,394.01	CARTER PARK IMPROVEMENTS PROJECT
52775	5573	YOLANDA OROZCO	05/24/2023	500.00	DEPOSIT REFUND
52777	5172	GRAPHICS ON THE EDGE	05/25/2023	5,414.06	POLARIS GRAPHICS
52778	4270	4LEAF INC.	05/31/2023	47,895.40	APR'23, ON-CALL SERVICES
52779	5177	ADVANTAGE GRAFIX	05/31/2023	1,299.95	PRINT SERVICE
52780	4595	ALFREDO GUTIERREZ	05/31/2023	500.00	DEPOSIT REFUND
52781	2407	ARAMARK	05/31/2023	573.48	MAINT SUPPLIES
52782	4209	BAIRD & DRISKELL	05/31/2023	30,718.75	OCT'22, AFFORDABLE HOUSING PROGRAM ASSISTANCE
52783	481	BIG CREEK LUMBER	05/31/2023	626.22	DISCOUNT MAINT SUPPLIES
52784	866	BOYS & GIRLS CLUB OF THE COASTSIDE	05/31/2023	4,000.00	EVENT CENTER USAGE
52785	1826	CA DEPT OF JUSTICE	05/31/2023	96.00	FINGERPRINT APPS
52786	668	CA STATE CONTROLLER'S OFFICE	05/31/2023	80.76	2022 FTB OFFSET PROGRAM
52787	1925	CITY OF BURLINGAME	05/31/2023	5,435.18	MARCH BID
52788	3975	COLANTUONO HIGHSMITH WHATLEY PC	05/31/2023	18,741.70	LEGAL SERVICES -SAMI
52789	3082	COMCAST	05/31/2023	100.00	UNRETURNED EQUIPMENT
52790	3643	CORODATA RECORDS MANAGEMENT INC	05/31/2023	322.18	RECORDS MANAGEMENT
52791	4622	EAGLELIFT INC	05/31/2023	10,450.00	MARCH'23, SIDEWALK REPAIRS AT COASTAL TRAIL
52792	3673	EL CENTRO DE LIBERTAD	05/31/2023	32,279.03	MAY'23, CHANGER ORDER 1, CARES PROGRAM
52793	4398	ELS ARCHITECTURE & URBAN DESIGN	05/31/2023	23,874.05	MAY'23, CARTER PARK IMPROVEMENTS
52794	3127	FREYER & LAURETA INC.	05/31/2023	2,520.00	MAY'23, MAP REVIEWS

Check Number	Vendor Number	Payee	Check Issue Date	Amount	Description
52795	4633	GRANICUS	05/31/2023	1,490.33	GRANICUS SERVICE
52796	89	HMB COASTSIDE CHAMBER OF COMMERCE	05/31/2023	10,386.00	MARCH OOC BID
52797	5566	INTELLI-TECH	05/31/2023	7,500.00	NITRO PRO LINCENSING
52798	5577	KATHY CATALANO	05/31/2023	150.00	DRAWING CLASS REFUND
52799	2699	KONICA MINOLTA BUSINESS SOLUTIONS	05/31/2023	2,275.21	MAY'23, FY22/23 KONICA MINOLTA LEASE
52800	1206	MARK THOMAS & CO. INC.	05/31/2023	8,225.52	MAY'25, CHANGE ORDER 2,HWY 1 N SAFETY & OP IMPROVEM
52801	3641	NEIGHBORHOOD RADIO	05/31/2023	110.00	ADVERTISING SERVICE
52802	3479	PARKEON INC	05/31/2023	253.05	MAINT SERVICE
52803	141	PHIL'S TIRE & AUTO CARE	05/31/2023	50.00	TIRE REPAIR
52804	3951	PUBLIC PARKING ASSOCIATES INC	05/31/2023	585.00	MAINT SERVICE
52805	252	RICE TRUCKING-SOIL FARM INC.	05/31/2023	823.65	MAINT SUPPLIES
52806	5403	ROBERT HALF	05/31/2023	1,939.80	TEMP EMPLOYEE W.Ngo/WEEK ENDING 05/25/2023
52807	3519	SWCA INCORPORATED	05/31/2023	1,856.74	MAY'23, SMITH FIELD & WAVECREST PROJECTS
52808	4487	THE HOME DEPOT PRO INSTITUTIONAL	05/31/2023	1,346.35	MAINT SUPPLIES
52849	3923	WELLS FARGO	05/04/2023	28,488.08	RECONCILING ITEMS FROM PRIOR PERIOD
52850	3923	WELLS FARGO	05/04/2023	28,488.08	RECONCILING CREDITS
Grand Totals:				1,541,942.71	
				177	

Report Criteria:

Report type: Summary

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **SHORT-TERM VACATION RENTAL AND HOME OCCUPATION ORDINANCE –
SECOND READING**

RECOMMENDATION:

Waive second reading and adopt an ordinance amending portions of Chapter 18 (Zoning) and Chapter 3 (Revenue and Finance) of the Half Moon Bay Municipal Code to establish Short-Term Vacation Rental regulations and update the Home Occupation regulations to conform with the California Coastal Commission's conditional certification.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of this ordinance.

STRATEGIC ELEMENT:

This action supports Public Health and Safety Element of the Strategic Plan.

DISCUSSION:

On June 6, 2023, the City Council introduced the ordinance following the conduct of a duly-noticed public hearing. As required by law, the ordinance appears for second reading and adoption at a regular meeting more than five days past introduction.

ATTACHMENT:

Ordinance amending Chapter 18

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 6th of June, 2023.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 20th of June, 2023, by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

ATTACHMENT A

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

18.06.025 Use regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Operation Requirements.

a. Residential Unit Type.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Hosting Platform Regulations.

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

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

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

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

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

8. Revocation.

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

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

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

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

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

v. That consent to an inspection is not provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Existing Short-Term Vacation Rentals.

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 18.02 Definitions

Section 18.02.040 Definitions

The following definitions shall be inserted in alphabetical order:

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

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

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

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

Section 18.06.020 Schedule of Uses.

Table A-4 is amended as follows:

Table A-4

SCHEDULE OF ACCESSORY USES

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

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

Section 18.07.020 Permitted Uses.

Table 18.07.020E is amended as follows:

Table 18.07.020E

ACCESSORY USES

C-D Commercial-downtown zoning district

C-R Commercial-residential zoning district

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

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain circumstances

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

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

Section 18.07.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

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

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

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

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

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

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

Section 18.08.020 Permitted Uses.

Table 18.08.020E is amended as follows:

Table 18.08.020E

ACCESSORY USES

C-VS Visitor-serving commercial zoning district

C-G General commercial zoning district

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain
circumstances

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

Section 18.08.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

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

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

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

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

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

Chapter 18.15 Planned Development Land Use (PUD)

18.15.025 Permitted land uses.

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

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

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

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

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

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

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

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

Chapter 18.16 Dykstra Ranch

18.16.025 Permitted uses.

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

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

18.16.030 Prohibited uses.

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

Chapter 3.12 Transient Occupancy Tax

Section 3.12.020 Definitions

Subsection A is amended as follows:

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

1633548.3

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer
Veronika Vostinak, Sustainability Analyst

TITLE: **AGREEMENT WITH ABUNDANT GRACE FOR THE FY 2023-24 COASTAL CLEANUP PROGRAM**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a new program services agreement with Abundant Grace for coastal cleanup services, extending the program through June 30, 2024.

FISCAL IMPACT:

Funding is included in the Recommended City Operating Budget for FY 2023-24. The total cost of the program to the City in FY 2023-24 \$125,000 in FY 2023-24.

STRATEGIC ELEMENT:

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

BACKGROUND:

In November 2017, the City Council and community identified litter cleanup, primarily at Poplar Beach and along the Coastal Trail, as a critical community need.

On December 5, 2017, the City Council considered a plan put forth by staff to address coastal clean-up through a collaboration with Abundant Grace Coastside Worker (<http://abundantgracecw.org>). At this meeting, the City Council directed staff to enter negotiations for a one-year pilot program for Abundant Grace to provide clean-up services along the Coastal Trail and beach between Seymour Bridge and Kelly Avenue. The scope of work includes emptying trash cans, cleaning and clearing the area around the trash cans, removing graffiti, and picking up trash on the beach and trail.

On November 20, 2018, per the City Manager's authority, staff executed Amendment No. 1 to that agreement. This amendment included: 1) extension of the agreement to June 30, 2020; and 2) expansion of services to include portions of Poplar Street, Kelly Avenue, Pilarcitos Avenue, and the area adjacent to Pilarcitos Creek near the Strawflower Shopping Center.

Due to the program's overall success and positive response from the community, staff brought Amendment No. 2 to Council on June 4, 2019. Council approved this amendment, increasing the program budget to \$80,000 for FY 2019-20. This increase allowed for expansion of services and the ability to offer work opportunities to a greater number of candidates.

On June 16, 2020, a new agreement was approved by Council retaining the scope and cost basis as in FY 2021-22.

On May 4, 2021, Council approved the Amendment No. 1 to the new agreement to allow for an increase in budget to \$110,000 annually. This change allowed the number of Clean Team workers to increase from 4-5 individuals to 6-8 individuals per session and provide more scheduling regularity. The program remains successful and offers work opportunities to many individuals who are unhoused or extremely low-income.

On June 21, 2022, Council approved the Amendment No. 2 allowed for an increase in budget to \$115,000 annually to account for increased costs due to inflation.

DISCUSSION:

Abundant Grace's work has been beneficial to the City as both an enhancement to the City's maintenance operations and as a social service. The work of Abundant Grace is supplemental to work of the Public Works Maintenance and the scope of work has been developed to ensure limited or no duplication of efforts. The work includes litter clean-up in areas impacted by beachgoers and schools; areas that are not typically covered by City staff due to the limits of staffing, prioritization of life safety and health issues, and regular maintenance and repair of City parks and facilities. The Clean Team program is one of a number of programs run by Abundant Grace focused on workforce development activities.

Abundant Grace continued to demonstrate considerable impact through Coastal Clean Team program throughout FY 2022-23. In 2022, the Coastal Clean Team and Encampment Clean Up Program provided employment opportunities to 126 unhoused or extremely low-income individuals and has removed over 139,000 pounds of trash together with the encampment cleanup program from City beaches, neighborhoods, coastal trail, and encampments. Between July 2022 and April 2023, 12 participants in the program have moved into temporary housing, eight have been moved into permanent housing, nine have become employed elsewhere, and three have entered addiction recovery programs.

Abundant Grace requested additional funding to cover increasing costs as well as supporting the growing program and additional administrative costs. The new Program Services

Agreement for the Coastal Clean Team increases the total funding to \$125,000 and extends the program through June 30, 2024.

ATTACHMENT:
Resolution

RESOLUTION NO. C-2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROGRAM SERVICES AGREEMENT WITH
ABUNDANT GRACE FOR THE COASTAL CLEAN-UP PROGRAM
IN THE AMOUNT OF \$125,000**

WHEREAS, on February 6, 2018, the City Council authorized staff to execute a professional services agreement with Abundant Grace to provide a one-year Coastal Clean-Up Pilot Program for Poplar Beach and the Coastal Trail; and

WHEREAS, the City Council authorized staff to allocate \$80,000 in the FY 2019-20 and FY 2020-21 Operating Budgets to continue the Coastal Clean-Up Program; and

WHEREAS, on May 4, 2021, the City Council authorized the City Manager to execute Amendment No. 1 to the professional services agreement to increase the amount of contract from \$80,000 to \$110,000 for FY 2020-21; and

WHEREAS, the City Council authorized staff to allocate \$110,000 in the FY 2021-22 Operating Budget to continue the Coastal Clean-Up Program; and

WHEREAS, the City Council authorized staff to allocate \$115,000 in the FY 2022-23 Operating Budget to continue the Coastal Clean-Up Program; and

WHEREAS, Abundant Grace has asked for additional funding in FY 2023-24 to offset rising costs for a total of \$125,000; and

WHEREAS, the City Council continues to value this program and believes that continuing to fund an expanded program is desirable and warranted; and

WHEREAS, the Recommended City Operating Budget includes funding for the Coastal Clean-Up Program in the amount of \$125,000; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council authorizes the City Manager to execute a Program Services Agreement with Abundant Grace in the amount of \$125,000 for continuation of the Coastal Clean-Up Program in FY 2023-24.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **JUNE 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer
Denice Hutten, Associate Civil Engineer

TITLE: **FINAL ACCEPTANCE OF THE PELICAN POINT GENERATOR REPLACEMENT PROJECT (CIP NO. 1284)**

RECOMMENDATION:

By resolution, authorize the City Manager or his designee to file a Notice of Completion for the Pelican Point Generator Replacement Project (Project) and release the Project Retention Funds and Project Performance Bond and Labor and Materials Bond thirty (30) days after recordation of the Notice of Completion.

FISCAL IMPACT:

The approved contract award is \$140,470. Authorized contingency funds provide a total amount of \$154,517 for the Project. The total cost of the Project was \$137,620. There are sufficient funds in the Capital Budget under CIP Project No. 1284 to cover the cost of the project.

STRATEGIC ELEMENT:

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

BACKGROUND:

On December 15, 2020, by Resolution C-2020-105, the City Council awarded a construction contract to Yupana Inc. of Concord, California, in the amount of \$140,470 for the Pelican Point Generator Project.

The Project consisted of removing and replacing the existing generator with a new sound-enclosed generator, replacing the automatic transfer switch, installing new wiring and transducers, repairing the underground telephone line, repairing, and painting the existing metal electrical enclosure and replacing fence slats.

Project work was to be completed in 140 working days—completion by September 7, 2021--to allow time for Bay Area Air Quality Control Board permitting and for generator order and delivery. Unfortunately, covid supply chain shortages pushed out delivery of equipment parts. The generator was not installed and operational until January 25, 2022; the transducer was not delivered and installed until November 29, 2022.

Compounding Project completion was the fouling of the generator fuel system due to delivery of contaminated fuel. As a result, the Contractor was required to clean the fuel tanks, replace the diesel fuel with clean fuel and bring a Cummins technician to the site to replace the fuel pumps, fuel filters and fuel injectors.

Finally, on March 29, 2023, the new generator fuel system was completely repaired. The generator has since run smoothly and dependably.

DISCUSSION:

The Contractor has now completed the work to the satisfaction of the City Engineer. The Contractor has agreed to pay “pass-through” invoices from SAM for the additional site visits required due to the bad fuel delivered to the generator. The Contractor has also agreed to discount their final invoice by \$2,000 to provide cost recovery to the City due to additional site visits and delay caused by repair of the generator fuel system.

The Contractor has provided a one-year warranty bond for the work. Total cost of construction was \$137,620. This project is complete, and the one-year warranty bond is adequate to ensure the work products perform as expected for the next year.

Staff recommends City Council authorize the City Manager or his designee to file a Notice of Completion and release the Project Retention Funds and the Performance and Labor and Materials Bonds thirty (30) days after recordation of the Notice of Completion.

ATTACHMENT:

Resolution

Resolution No. C-2023-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO FILE A NOTICE OF COMPLETION FOR THE PELICAN POINT GENERATOR REPLACEMENT (PROJECT), AND RELEASE THE PROJECT RETENTION FUNDS AND PROJECT PERFORMANCE AND LABOR AND MATERIALS BONDS THIRTY (30) DAYS AFTER RECORDATION OF THE NOTICE OF COMPLETION

WHEREAS, on December 15, 2020, the City Council adopted Resolution C-2020-105 to award a construction contract for CIP No. 1284, the “Pelican Point Generator Replacement Project” (Project) to Yupana, Inc., in the amount of \$140,470; and

WHEREAS, Resolution C-2020-105 also authorized contingency funding in the amount of 10% (\$14,047) of the contract award for the Project; and

WHEREAS, the Contractor has completed all improvements in compliance with the contract documents for a total amount of \$137,620; and

WHEREAS, the Contractor has provided a one-year maintenance bond for the work executed under the construction contract.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager or his designee to accept the Pelican Point Generator Replacement Project as complete and file a Notice of Completion, and also authorizes staff to release the Project retention funds and the Performance and Labor and Material Bonds thirty (30) days after recordation of the Notice of Completion.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer
Todd Seeley, Public Works Superintendent

TITLE: **FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT WITH SWCA ENVIRONMENTAL CONSULTANTS, INC. FOR ENVIRONMENTAL SERVICES FOR THE PILARCITOS CREEK RESTORATION AND REMEDIATION PROJECT**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a First Amendment to the Consultant Services Agreement with SWCA Environmental Consultants, Inc. in the amount of \$13,267 for environmental and entitlement services associated with the Pilarcitos Creek Restoration and Remediation Project.

FISCAL IMPACT:

The consultant services costs are included in the Capital Improvement Program as part of the project contingency and allocated in the FY 2022-23 Capital Budget.

STRATEGIC ELEMENT:

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

BACKGROUND:

Pilarcitos Creek is a 13.5-mile-long coastal stream of which approximately 11,000 linear feet is located within the City limits of Half Moon Bay. The creek is an area of significant ecological diversity which includes endangered and threatened species of flora and fauna. The watershed is considered an Environmentally Sensitive Habitat Area (ESHA) under the City's Local Coastal Program. The creek and the abutting riparian habitat are subject to potential oversight and consultation of various State and Federal regulatory agencies.

In recent years, the creek and abutting areas near the Strawflower Village Shopping Center have been the site of habitation by unhoused individuals. This habitation, including the accumulation of trash and debris, is likely contributing to impacts to the water quality of the

Pilarcitos Creek which negatively impact the natural functioning of the watershed and habitat for wildlife. In May of 2018, the City implemented Phase 1 of the Pilarcitos Creek Restoration Project, which included the collaborative and compassionate removal of more than 40 unhoused individuals and their property from within the riparian corridor, removal of debris, and installation of temporary fencing along the border of the Shopping Center and the riparian area of Pilarcitos Creek.

At the time of the original work, staff had envisioned replacing the temporary fencing with permanent fencing. Due to financial and staffing impacts related to the COVID-19 pandemic, this phase of the project was never implemented. Today, the area is once again seeing an influx of unhoused individuals, which, albeit on a smaller scale, are resulting in many of the same deleterious impacts to the Pilarcitos Creek and watershed.

Staff is currently working on details of design for the fencing project. As envisioned, a fence would be constructed in the rear area of the Safeway Market (adjacent to the existing parking lot) and extend easterly along the edge of the existing sidewalk to near the pedestrian bridge. The City is working in collaboration with the owner of the Strawflower Shopping Center and will further develop the plans and specifications in consultation with the environmental consultant and City planning staff.

On December 6, 2022, the City Council authorized the City Manager to execute a Consultant Services Agreement with SWCA Environmental Consultants, Inc. to provide a Biological Resources Evaluation (BRE), California Environmental Quality Act (CEQA) studies, biological monitoring, and Coastal Development Permit (CDP) preparation. The amount of work included in the original contract did not include additional areas that were identified as a result of the winter storms of 2022 and 2023 and require further analysis and support.

The City is continuing to work with FEMA and CalOES on funding of storm related damage to the Pilarcitos Creek. This project is separate and not directly related to that clean-up effort.

DISCUSSION:

Staff is requesting approval of an amendment to the Consultant Services Agreement with SWCA Environmental Consultants, Inc. (SWCA). SWCA was initially contracted for a clearly defined area of work that has since changed and requires additional studies. These areas require a larger BRE, increases in cultural records searches and assistance in document preparation to ensure compliance with local and state agencies.

The addition of these services will allow SWCA to properly observe and document all necessary activities related to the project, while keeping the City compliant with all applicable laws and regulations related to potentially disturbing ground in known culturally sensitive areas.

ATTACHMENTS:

Resolution

RESOLUTION NO. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE CONSULTANT
SERVICES AGREEMENT WITH SWCA ENVIRONMENTAL CONSULTANTS, INC. IN THE AMOUNT
OF \$13,267 FOR ENVIRONMENTAL AND ENTITLMENT SERVICES ASSOCIATED WITH THE
PILARCITOS CREEK RESTORATION AND REMEDIATION PROJECT**

WHEREAS, On December 6, 2022, the City Council authorized the City Manager to execute a Consultant Services Agreement with SWCA Environmental Consultants Inc. to provide environmental and document preparation services for the Pilarcitos Creek Restoration and Remediation Project; and

WHEREAS, SWCA has been a reliable and responsive vendor that has assisted the City with numerous projects requiring highly technical work; and

WHEREAS, the City needs to amend the Consultant Services Agreement with SWCA, Inc. to facilitate the preparation of a more detailed Biological Resources Evaluation, and to allow increases in cultural records searches and assistance in document preparation to ensure compliance with local and state agencies in known culturally sensitive areas.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute Amendment No. 1 to the Consultant Services Agreement with SWCA, Inc. for environmental, biological, and cultural support, and document preparation is support of the Pilarcitos Creek Restoration and Remediation Project in the amount of \$13,267.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor



ENVIRONMENTAL CONSULTANTS

Sound Science. Creative Solutions.®

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www.swca.com

May 19, 2023

Todd Seeley
Department of Public Works
501 Main Street
Half Moon Bay, CA, 94019

**Re: Amendment No. 1: City of Half Moon Bay Safeway Fencing Environmental Services Project / SWCA
Project Number 71765**

Dear Mr. Seeley:

SWCA Environmental Consultants (SWCA) is pleased to submit Amendment No. 1 to provide an updated scope of work and cost estimate for environmental services for the City of Half Moon Bay Safeway Fencing Project located in Half Moon Bay, California.

The cost to complete the additional tasks, as described in the attached scope of work, is a time-and-materials budget not to exceed without client approval of **\$13,267**. The cost estimate is valid for 90 days, after which time we reserve the right to create a new cost estimate.

Thank you for providing us with the opportunity to work with you. If the scope of work and cost estimate are acceptable to you, please return an Amendment to the Professional Services Agreement for our review. Please feel free to contact me at (805) 712-8794 if you have any questions regarding this proposal.

Sincerely,

Jessie Brinton-McBean
Senior Biologist/Project Manager

SCOPE OF WORK

SWCA Environmental Consultants (SWCA) assumed that the project would include installation of chain-link fencing along the edge of the riparian corridor associated with Pilarcitos Creek, starting behind Safeway in Half Moon Bay, and continuing for approximately 1,000 feet to Pilarcitos Creek Bridge. However, it's SWCA's understanding that the City intends to install an additional 400 feet of fencing along the east side of Pilarcitos Ave, requiring the additional tasks outlined below.

PHASE 1. PROJECT MANAGEMENT AND COORDINATION

SWCA assumed up to 34 hours of project management time. However, due to the additional scope of work, additional project management time will be required to continuing supporting the project.

Phase 1 Assumptions

- SWCA assumes up to 8 hours of project management time.

PHASE 2. BIOLOGICAL RESOURCES EVALUATION

NEW TASK 3. ADDITIONAL FIELD SURVEY

SWCA assumed up to 1 day to conduct the survey of the existing biological conditions. However, due to the new project footprint, an additional survey will be required.

NEW TASK 4. UPDATES TO THE BRE

SWCA assumed the project area would not change after the Draft BRE was prepared. Due to the analysis of the additional project area, updates to the BRE report are required.

Phase 2 Assumptions

- SWCA assumes up to one 8-hour day for one biologist, inclusive of travel time, will be required to complete the field survey.
- SWCA assumes up to 20 hours for updates to the BRE.
- SWCA assumes that one round of consolidated comments will be responded to for the report. Up to 4 hours have been included to address comments. Should additional revisions be necessary following review; response to additional comments can be provided at an additional cost.

PHASE 3. CULTURAL RESOURCES

TASK 1. CULTURAL RESOURCES RECORDS SEARCH AND OUTREACH

SWCA will request a California Historical Resources Information System (CHRIS) records search of the updated project area and a ¼-mile buffer from the Northwest Information Center (NWIC) located at Sonoma State University. The primary purpose of the records search is to identify any previously recorded cultural resources known to exist within the project area. The records search will also reveal the geographic extent of any cultural resources work previously conducted within the project area. SWCA will conduct desktop review of current and historic aerials in order to identify built environment resources which may be historic in age.

SWCA follow up with an additional phone call to all Native American contacts provided by the NAHC to update them on the new project area. The results of this coordination will be provided in the memorandum.

TASK 2. FIELD SURVEY AND MEMORANDUM

SWCA assumed up to one (1) four (4)-hour day to conduct the intensive archaeological pedestrian survey to examine any previously unpaved areas within the project area. However, due to the new project footprint, an additional survey will be required.

SWCA will conduct an intensive archaeological pedestrian survey of the 400-foot extension to examine any previously unpaved areas within the project area. One SWCA archaeologist will carefully inspect the ground surface for evidence of artifacts, landforms, structures, buildings, ruins, linear features (roads, trails), or other cultural features. No testing or excavation will be conducted, nor will any artifacts, samples, or specimens be collected during the survey.

SWCA will summarize the results of the records search, SLF, and cultural desktop review and field survey in a brief confidential memorandum, as well as in the Initial Study Checklist outlined in Phase 5 below.

Phase 3 Assumptions

- SWCA assumes that no archaeological sites will be identified and recorded or updated during the survey.
- SWCA assumes up to one (1) archaeologist for one (1) four (4)-hour day inclusive of travel, will be required for the field survey.
- SWCA assumes NWIC will complete the records search requests on a first-come/first-served basis. SWCA assumes a standard records search schedule, and that the cost for the records search will not exceed \$600.00. Charges in excess of these limits may require a change order or conversation to standard rates.
- SWCA assumes that there are no previously recorded resources in the project area.
- SWCA assumes that one round of consolidated comments will be responded to for the report. Up to 2 hours have been included to address comments.
- SWCA assumes that if AB 52 consultation is required, that it will be handled by the lead CEQA agency.

PHASE 6. COASTAL DEVELOPMENT PERMIT (CDP)

At the City's request, SWCA will prepare a site plan for the Coastal Development Permit (CDP).

Phase 6 Assumptions:

- A total of 10 staff hours have been added to this phase to prepare the site plan in support of the CDP.

COST ESTIMATE AND ASSUMPTIONS

Based on thoughtful consideration of the project requirements and a thorough estimate of the required labor and direct costs, SWCA proposes a time-and-materials budget not to exceed without client approval of **\$13,267** to complete the project as presented in Table 1. This will bring the total contract value to **\$65,340** (Table 2).

To accommodate project changes and scheduling, it is assumed that SWCA will be able to use the overall project funding and will not be held to phase and task limits so long as the overall budget is not exceeded.

SWCA will utilize its current rate schedule from the City of Half Moon Bay On-Call Environmental Support 2022-2023 agreement. Staff will bill at their proposed rate for the duration of the project, which is anticipated to be complete by December 2023. Should the project extend past December 2023, rates may be escalated by 3%. This cost estimate is valid for 90 days from the date of the proposal.

TABLE 1: AMENDMENT NO. 1 SUMMARY

PHASE/TASK	FEE TYPE	UNIT RATE	LABOR HOURS	NTE TOTAL \$
Phase 1. Project Management	T&M	Hourly	8.00	\$1,336.00
Phase 2. Biological Resources Evaluation	T&M	Hourly	32.00	\$5,398.00
Phase 3. Cultural Resources	T&M	Hourly		
Task 1. Cultural Resources Records Search and Outreach	T&M	Hourly	8.00	\$1,718.00
Task 2. Field Survey and Memorandum	T&M	Hourly	24.00	\$3,515.00
Phase 6. Coastal Development Permit	T&M	Hourly	10.00	\$1,300.00
PROJECT TOTAL			82.00	\$13,267.00

TABLE 2: PROJECT SUMMARY

PHASE/TASK	FEE TYPE	UNIT RATE	QTY	ORIGINAL CONTRACT \$	AMENDMENT NO. 1	NTE TOTAL \$
Phase 1. Project Management	T&M	Hourly		\$5,391	\$1,336.00	\$6,727
Phase 2. Biological Resources Evaluation	T&M	Hourly		\$9,066	\$5,398.00	\$14,464
Phase 3. Cultural Resources	T&M	Hourly				
Task 1. Cultural Resources Records Search	T&M	Hourly		\$927	\$1,718.00	\$2,645
Task 2. Field Survey and Memorandum	T&M	Hourly		\$4,136	\$3,515.00	\$7,651
Phase 4. Agency Consultation	T&M	Hourly		\$4,299		\$4,299
Phase 5. CEQA Notice of Exemption / Initial Study Checklist	T&M	Hourly		\$7,606		\$7,606
Phase 6. Coastal Development Permit	T&M	Hourly		\$7,433	\$1,300.00	\$8,733
Phase 7. Biological Monitoring	T&M					
Task 1. Worker Environmental Awareness Training	Unit	\$715	1	\$715		\$715
Task 2. Biological Monitoring	Unit					
Full Day Up to 8 hours	Unit	\$1,250	10	\$12,500		\$12,500
Half Day Up to 4 hours	Unit	\$650				
24-hour cancellation fee	Unit	\$650				
PROJECT TOTAL				\$52,073	\$13,267	\$65,340

GLOBAL ASSUMPTIONS

For budgeting purposes, we are making the following assumptions because some of these items are beyond SWCA's control and because these factors could significantly affect project schedule and cost:

- Unless otherwise noted, the original assumptions still apply.
- Staff working on the project will be billed based on their current City of Half Moon Bay On-Call Environmental Support 2022-2023 title and default rate at the time the work is completed.
- SWCA field staff will have full right of entry/access to all survey areas.
- SWCA will not provide focused or protocol wildlife surveys for special-status species or nesting bird surveys, or formal wetland delineations under this scope of work. Additional focused surveys or delineations can be provided at an additional cost.
- All reports will be submitted electronically via email.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

TITLE: **POPLAR STREET TRAFFIC CALMING AND SAFETY PROJECT – PHASE I (CIP PROJECT NO. 593) – CALTRANS PROGRAM SUPPLEMENT AGREEMENT**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager, or his designee, to execute a Program Supplement Agreement with the State of California Department of Transportation (Caltrans) to accept funds in the amount of \$1,202,000 for the construction of the Poplar Street Traffic Calming and Safety Project – Phase I (CIP Project No. 593).

FISCAL IMPACT:

Approving the Caltrans Program Supplement Agreement will give the City access to grant funds in the amount of \$1,202,000 that were previously awarded construction of this project under the One Bay Area Grant (OBAG) program. Staff will return to council for approval of a construction contract following formal advertisement and solicitation of bids.

STRATEGIC ELEMENT:

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

BACKGROUND:

In 2017, the City received a grant in the amount of \$1,202,000 from the One Bay Area Grant (OBAG) program. The grant funds were directed to improving connectivity along Poplar Street from Main Street to Railroad Avenue; notably, constructing an accessible path of travel for pedestrians, including seniors, to and from Poplar Beach and for school children heading east and west to local public/private schools. Following award and acceptance of the grant funds, the City created the Poplar Street Traffic Calming and Safety Project in the Capital Improvement Program (CIP). Poplar Street is a designated Primary Coastal Access Route in the Certified Local Coastal Plan which acknowledges the regional coastal serving access role the Poplar Street plays.

On February 8, 2022, the Planning Commission unanimously (3-0) approved a Coastal Development Permit (CDP) for the Poplar Project. The Planning Commission approval included design changes which will improve the aesthetics of the project. CDP issuance represented a significant milestone in the process as it allows Public Works to proceed with design plans and bid documents.

On November 15, 2022, the City Council adopted a resolution that splits the Project into two phases, Main Street to Highway 1 (Phase 1), and Highway 1 to Railroad Avenue (Phase 2).

DISCUSSION:

The City has a master program agreement with Caltrans, which is required to access transportation grant funding that is administered through the State. A program supplement agreement (PSA) is also required to be authorized for each grant funded project. The proposed PSA has been reviewed and accepted as to form by the City Attorney.

Staff is recommending for the City Council to adopt a resolution authorizing the City Manager, or his designee, to execute a Program Supplement Agreement with the State of California Department of Transportation (Caltrans) to accept funds in the amount of \$1,202,000 for the construction of the Poplar Street Traffic Calming and Safety Project – Phase I (CIP Project No. 0593).

ATTACHMENTS:

1. Resolution
2. Attachment 2 – Program Supplement Agreement

RESOLUTION NO. C-2023-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE A PROGRAM SUPPLEMENT AGREEMENT WITH CALTRANS TO ACCEPT FUNDS IN THE AMOUNT OF \$1,202,000 FOR CONSTRUCTION OF THE POPLAR STREET TRAFFIC CALMING AND SAFETY PROJECT – PHASE I (CIP PROJECT NO. 593)

WHEREAS, in 2017, the City received a grant in the amount of \$1,202,000 from the One Bay Area Grant (OBAG) program to fund the construction of street and access improvements through Poplar Street from Railroad Avenue to Main Street; and

WHEREAS, on February 8, 2022, the Planning Commission unanimously (3-0) approved a Coastal Development Permit (CDP) for the Poplar Project that included design changes that approve aesthetics of the project; and

WHEREAS, on November 15, 2022, the City Council adopted a resolution that splits the Project into two phases, Main Street to Highway 1 (Phase 1), and Highway 1 to Railroad Avenue (Phase 2); and

WHEREAS, the City has a master program agreement with Caltrans;

WHEREAS, Caltrans requires a program supplement agreement for each grant funded project.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager, or his designee, to execute a Program Supplement Agreement with the State of California Department of Transportation (Caltrans) to accept funds in the amount of \$1,202,000 for the construction of the Poplar Street Traffic Calming and Safety Project – Phase I (CIP Project No. 593)

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

PROGRAM SUPPLEMENT NO. F007
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 04-5357F15

Adv. Project ID
0420000230

Date: March 03, 2023
Location: 04-SM-0-HMBY
Project Number: CML-5357(011)
E.A. Number:
Locode: 5357

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 06/11/2018 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the Administering Agency on (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the State of any funds derived from sources noted below obligated to this PROJECT, the Administering Agency accepts and will comply with the special covenants or remarks set forth on the following pages.

PROJECT LOCATION: Phase 1: Poplar St from Main St to Hwy 1

TYPE OF WORK: Implement Complete Street Improvements

LENGTH: 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds	
	Y003	\$1,202,000.00	LOCAL	OTHER
\$1,701,076.78			\$499,076.78	\$0.00

CITY OF HALF MOON BAY

STATE OF CALIFORNIA
Department of Transportation

By _____

By _____

Title _____

Chief, Office of Project Implementation
Division of Local Assistance

Date _____

Date _____

Attest _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer



Date 03/03/2023

\$1,202,000.00

SPECIAL COVENANTS OR REMARKS

1.
 - A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
 - B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).
 - C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.
 - D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

E. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

SPECIAL COVENANTS OR REMARKS

F. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

G. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

H. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at www.sam.gov.

SPECIAL COVENANTS OR REMARKS

2.
 - A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.
 - B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.
 - C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
 - D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.
 - E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
 - F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

SPECIAL COVENANTS OR REMARKS

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system

SPECIAL COVENANTS OR REMARKS

of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends \$750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over \$5,000, construction contracts over \$10,000, or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

Pertinent Nondiscrimination Authorities:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);

D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as

SPECIAL COVENANTS OR REMARKS

amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);

F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);

H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;

I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer

TITLE: **SMCTA FUNDING AGREEMENT EASTSIDE TRAIL – NORTH SEGMENT 4 (CIP NO. 619)**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute the construction funding agreement with the San Mateo County Transportation Authority (SMCTA) to accept Measure A funds in the amount of \$980,000 for the construction of Pacific Coast Bicycle Connectivity North Project (Eastside Trail Segment 4).

FISCAL IMPACT:

There are sufficient funds in the adopted FY 2022-23 capital budget to fund the City's contribution of \$35,000 for the construction of the Project. There is an additional \$350,000 in approved funding from MTC for a total funding match of \$385,000.

STRATEGIC ELEMENT:

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

BACKGROUND:

The City's Five-Year Capital Improvements Program includes projects to extend the parallel trails to the north and the south City limits adjacent to Hwy 1. The City previously completed the construction of the multi-modal trail from Roosevelt Blvd to the north and to Wavecrest Road to the south; a total distance of 3 miles.

The County of San Mateo recently completed construction of a Multimodal Trail Project extending from Granada Elementary School to the City limit. The County Project, a two-directional bicycle and pedestrian commuter trail, enhances safety, meets local mobility needs and connects regional trails, communities, town centers, schools, and recreation destinations on the San Mateo County coast.

On March 1, 2018, the SMCTA's Board of Directors programmed and allocated \$315,000 from the New Measure A Pedestrian and Bicycle Program for the Planning, Preliminary Engineering and Environmental, Plans, Specifications and Estimates (PS&E), Right-of-Way, and Construction of the Project through approval of Resolution 2018-7 for the "Pacific Coast Bicycle Connectivity North" project.

On July 17, 2018, the City adopted a resolution authorizing the Interim City Manager to execute a funding agreement with San Mateo County Transportation Authority (SMCTA) accepting up to \$315,000 in Measure A funds for the design, environmental clearance, and construction of Pacific Coast Bikeway Connectivity North Project - extension of the Naomi Patridge Trail from Roosevelt Blvd to Mirada Road, connecting to the County's new segment.

On March 25, 2020, in response to the City's funding application, the Metropolitan Transportation Commission (MTC) approved an allocation of Transportation Development Act (TDA) funds to the City in an amount of \$350,000 for the Project.

On June 13, 2023, the Planning Commission approved a CDP for this project. The City is proceeding with addressing mitigation and permitting from regulatory agencies.

DISCUSSION:

On August 4, 2022, SMCTA issued the 2022 Cycle 6 Pedestrian and Bicycle Program Call for Projects; and in response to the call for projects, the City requested that SMCTA provide a total of \$980,000 in funds for the Pacific Coast Bicycle Connectivity North Project towards the total project cost of \$1,365,000 for design, environmental clearance, permitting and construction of the project.

On December 1, 2022, the TA's Board of Directors programmed and allocated up to \$980,000 of New Measure A funds from the Pedestrian and Bicycle Program Category for the Construction phase of the Project through Resolution 2022-39.

Per the proposed agreement, the City will contribute \$385,000 in local, state, federal, or other grant matching funds for a total Project scope of work cost of \$1,365,000. The City's contribution includes \$35,000 from the City's General Fund (currently programmed in the CIP) and \$350,000 from the previously approved MTC/TDA funding. This funding already is programmed in the FY 2022-23 Capital Budget.

The project is currently in the final environmental approval phase and regulatory agency permitting. Caltrans coordination for the design of the 40 ft bridge is in progress and expected approval by later this year. Construction of the project is expected to begin in Fall 2023. The proposed SMCTA funding agreement has been reviewed and accepted as to form by the City Attorney.

ATTACHMENT:

1. Resolution

2. SMCTA Measure A Bicycle and Pedestrian Program Funding Agreement (Final Draft)

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 WITH SAN MATEO COUNTY TRANSPORTATION AUTHORITY TO ACCEPT MEASURE A FUNDS IN THE AMOUNT OF \$980,000 FOR CONSTRUCTION OF PACIFIC COAST BICYCLE CONNECTIVITY NORTH PROJECT (CIP PROJECT NO. 619)

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the Measure A half-cent transaction and use tax for 25 years to implement the 2004 Transportation Expenditure Plan, beginning January 1, 2009 (New Measure A); and

WHEREAS, on August 4, 2022, the TA issued the 2022 Cycle 6 Pedestrian and Bicycle Program Call for Projects; and

WHEREAS, in response to the call for projects, the City requested that the TA provide a total of \$980,000 in funds for the Pacific Coast Bicycle Connectivity North Project; and

WHEREAS, the Project meets the intent of the 2004 Transportation Expenditure Plan and the TA's Strategic Plan 2020-2024; and

WHEREAS, on December 1, 2022, the TA's Board of Directors programmed and allocated up to \$980,000 of New Measure A funds from the Pedestrian and Bicycle Program Category for the Construction phase of the Project through Resolution 2022-39; and

WHEREAS, the City will contribute a total of \$385,000 in local, state, federal, or other grant matching funds for a total Project scope of work cost of \$1,365,000; and

WHEREAS, the TA and Sponsor desire to enter into this Agreement to establish the process, terms and conditions governing the allocation and expenditure of New Measure A Funds on the Project.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the agreement with SMCTA to accept Measure A funding in the amount of \$980,000 for the construction of the Pacific Coast Bicycle Connectivity North Project (CIP No. 619)

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:
ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

**FUNDING AGREEMENT
SAN MATEO COUNTY TRANSPORTATION AUTHORITY MEASURE A
PEDESTRIAN AND BICYCLE PROGRAM FUNDS**

PACIFIC COAST BICYCLE CONNECTIVITY NORTH PROJECT

This Funding Agreement (Agreement) is made _____ (Execution Date) by and between the San Mateo County Transportation Authority (TA) and the City of Half Moon Bay (Sponsor), each of which is referred to herein individually as "Party" and jointly as "Parties."

RECITALS

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the Measure A half-cent transaction and use tax for 25 years to implement the 2004 Transportation Expenditure Plan, beginning January 1, 2009 (New Measure A); and

WHEREAS, the New Measure A Transportation Expenditure Plan designates three percent of New Measure A funds for Pedestrian and Bicycle projects throughout the County; and

WHEREAS, the TA Strategic Plan 2020-2024 reconciled the requirements of both Measures and created a consolidated program to guide funding decisions; and

WHEREAS, on August 4, 2022, the TA issued the 2022 Cycle 6 Pedestrian and Bicycle Program Call for Projects; and

WHEREAS, in response to the call for projects, Sponsor requested that the TA provide \$980,000 in funds for the Pacific Coast Bicycle Connectivity North Project (Project), as described in Exhibits A and B; and

WHEREAS, the Project meets the intent of the 2004 Transportation Expenditure Plan and the TA's Strategic Plan 2020-2024; and

WHEREAS, on December 1, 2022, the TA's Board of Directors programmed and allocated up to \$980,000 of New Measure A funds from the Pedestrian and Bicycle Program Category for the Construction phase of the Project (Scope of Work) through Resolution 2022-39; and

WHEREAS, the Sponsor will contribute \$385,000 in local, state, federal, or other grant matching funds for a total Project scope of work cost of \$1,365,000; and

WHEREAS, the TA and Sponsor desire to enter into this Agreement to establish the process, terms and conditions governing the allocation and expenditure of New Measure A Funds on the Project.

Now therefore, the Parties agree as follows:

SECTION 1: Scope of Work Oversight and Reporting

1.1 Sponsor Oversight; Work Plan. Sponsor is responsible for the completion of the Scope of Work as described in Exhibit A, "Scope of Work Information," and further detailed in Exhibit B, "Excerpts from the Project's Cycle 6 Measures A and W Pedestrian and Bicycle Program Funding Application." Exhibits A and B are attached to this Agreement and incorporated herein by this reference. In the event that Exhibit A and Exhibit B conflict, Exhibit A will control. Sponsor is responsible for procuring and administering any professional service and/or other contracts entered into in connection with the Scope of Work. Sponsor will oversee completion of the Scope of Work. Sponsor may appoint a designee or engage contractor(s) to perform work necessary for Scope of Work completion, but Sponsor remains responsible to the TA for the completion of the Scope of Work.

1.2 Required Approvals. Prior to commencement of the Scope of Work, Sponsor or its designee (e.g., a consultant) will obtain all applicable local, state and federal approvals and permits for the Scope of Work. In addition, Sponsor must comply with all applicable federal, state and local laws and regulations applicable to the Project. Any right-of-way activities involving property on the Caltrans right-of-way must be conducted in accordance with the current version of the Caltrans Right-of-Way manual, and must be based upon appraisals developed in compliance with USPAP.

1.3 Contract Award and Change Orders. Sponsor must comply with state and local agency requirements for the award of any contract(s) for the performance of the Scope of Work and any change orders. As the Scope of Work proceeds, Sponsor must advise the TA of any contracts awarded and change orders as part of the regular progress reporting requirements (Section 1.4). Notice of any contracts and change orders provided to the TA will not constitute approval by the TA of the contracts and change orders nor obligate the TA to provide funds in excess of its maximum contribution stated in Section 2.1 of this Agreement.

1.4 Progress Reports. Sponsor will prepare and submit to the TA quarterly progress reports during the entire term of the Scope of Work and covering all Scope of Work activities for work completed during the previous month using the template in Exhibit C. The reports must describe:

- a) The current status of, and any changes in, scope, schedule, budget, and funding plans of the Scope of Work and the Project;
- b) Any risk factors;
- c) The work performed during the previous quarter and projected for the next three months;
- d) Scope of Work Costs (as defined in Section 2.1, below) projected to be expended during the next three months; and

- e) Any other information requested by the TA.

1.5 Final Report. Within ninety (90) days of Sponsor's final acceptance of the Scope of Work and all incidental work, Sponsor must prepare and submit to the TA a final report detailing the following and all other relevant information:

- a) A description of the Project, including a statement detailing the overall progress and success of the Scope of Work and the Project, a compilation of any data collected during the active phase(s) of the Project, and changes/additions to the scope of the Project.
- b) Total costs for the Scope of Work, including an accounting of all New Measure A Funds expended in connection with the Scope of Work, and reflecting any unexpended New Measure A Funds.
- c) An explanation and the status of any outstanding obligations or potential obligations related to the Scope of Work.
- d) A discussion of any pertinent issues or problems that arose during the implementation of the Scope of Work.
- e) Any copies of press articles, press releases, newsletter articles and any other publicity materials regarding the Project.
- f) A Project Close-out form that no further reimbursements associated with the Scope of Work are anticipated and that all draw-down requests have been made.
- g) Photographs for all construction projects that satisfactorily demonstrate: 1) site conditions before the project was implemented; 2) work in progress; and 3) completed improvements and/or photographs of any events related to programmatic requests.

1.6 Access to Records and Record Retention. At all reasonable times, Sponsor will permit the TA access to all reports, designs, drawings, plans, specifications, schedules and other materials prepared, or in the process of being prepared, for the Scope of Work by Sponsor or any contractor or consultant of Sponsor. Sponsor will also make available to the TA upon request any professional service agreements, change orders and any other agreements that are related to the Scope of Work. Sponsor will provide copies of any documents described in this Section to the TA upon request. Sponsor will retain all records pertaining to the Scope of Work for at least three years after completion of the Project.

1.7 Audits.

- a) The TA, or its authorized agents, may, at any reasonable time during business hours, conduct an audit of Sponsor's performance under this Agreement. Sponsor will permit the TA, or its authorized agents, to examine, inspect, make excerpts from, transcribe or photocopy books, documents, papers and other records of Sponsor which the TA reasonably determines to be relevant to this Agreement.
- b) Sponsor will transmit to the TA the Independent Auditor's Report prepared for Sponsor's Comprehensive Annual Financial Report within thirty (30) days of receipt by Sponsor and highlight the section that pertains to the New Measure A Funds.

SECTION 2: Funding and Payment - Sponsor provides match for this Scope of Work; pro rata applies to each expenditure.

2.1 Funding Commitment. The TA allocates to Sponsor up to \$980,000 for reimbursement of expenditures related to the Scope of Work (Scope of Work Costs) as provided in this Section 2. Sponsor will contribute, or provide for the contribution of, the entire amount in excess of \$980,000 needed to complete the Scope of Work and must provide at least 28.21% of the Scope of Work Costs. The TA's funding commitment under this Agreement in no way establishes a right for Sponsor to receive additional funding from the TA. All funding obligations of the TA under this Agreement are subject to downward adjustment based on actual sales tax receipts for the fiscal years indicated.

Sponsor will assess and confirm its ability to complete the Scope of Work within budget as part of the quarterly reporting requirements established in Section 1.4, above. Sponsor must further notify the TA between reporting cycles if Sponsor determines that the budget will not be sufficient to complete the Scope of Work. The TA reserves the right to suspend its funding obligation as set forth in Section 3.4 of this Agreement upon such notice, and until Sponsor develops a credible funding plan acceptable to the TA to fund and complete the Scope of Work.

2.2 Use of Funds.

- a) New Measure A Funds shall be used only for direct eligible costs to complete the Scope of Work. The Sponsor is responsible for demonstrating to the TA that the expenses incurred were necessary to deliver the Scope of Work.
- b) The following costs are not eligible for reimbursement:
 - i. Sponsor's costs which are unrelated to the Scope of Work;
 - ii. Costs for entering into this Agreement;
 - iii. Maintenance, rehabilitation, routine operations of the Project or other facilities or programs; and

- iv. Development of proposals, applications or agreements for New Measure A, Measure W, or other funding programs.
- c) Sponsor agrees that it shall use funds provided pursuant to this Agreement to supplement existing revenue. Sponsor will not use New Measure A Funds to replace other local taxes or revenues already programmed and available for use for the same purpose. Sponsor will use funds provided pursuant to this Agreement only for the Scope of Work.

If the TA determines that Sponsor has used New Measure A Funds other than for the approved Scope of Work, the TA will notify Sponsor of its determination. Within thirty (30) days of notification Sponsor will either (a) repay such funds to the TA, or (b) explain in writing how the funds in question were spent for the approved Scope of Work. The TA will respond to Sponsor's written explanation within thirty (30) days of receipt. Unless otherwise stated in the response, the TA's response will be final, and Sponsor will repay any funds used other than for the approved Scope of Work within thirty (30) days.

2.3 Reimbursement Basis. Sponsor may seek pro rata reimbursement for Scope of Work Costs incurred on or after the Execution Date. Scope of Work Costs must be incurred and paid by Sponsor prior to requesting pro rata reimbursement from the TA. Sufficient documentation must accompany all requests for pro rata reimbursement, including the submittal of all due monthly progress reports.

2.4 Accounting and Request for Reimbursement Procedures. Sponsor, in coordination with and to the satisfaction of the TA, will establish procedures for Scope of Work accounting and requests for reimbursement. These procedures will track and reflect the accumulation of the TA's pro rata share of Scope of Work Costs. Sponsor will detail the TA's pro rata share of Scope of Work costs for all work funded under this Agreement with each "Reimbursement Claim Form," which is attached to this Agreement as Exhibit D and incorporated herein. Sponsor will maintain all necessary books and records in accordance with generally accepted accounting principles.

2.5 Invoices; Payments.

- a) Sponsor must prepare and submit billing statements consistent with the Reimbursement Claim Form with all required supporting documentation. Supporting documentation may include, but is not limited to, copies of vendor invoices, timesheets, backup documentation, checks, and payment advice, and must include an accounting of the TA's share of costs for the Scope of Work as contemplated by this Agreement.
- b) For any property acquisitions for which Sponsor seeks reimbursement from the TA, Sponsor must provide the following supporting documentation for each property:

- i. Copies of the final real estate appraisal and any appraisal review conducted on behalf of Sponsor;
 - ii. For any right-of-way activities involving property on the Caltrans right-of-way, written confirmation that the acquisition process was conducted in accordance with the then-current version of the Caltrans Right-of-Way manual;
 - iii. A Phase One Environmental Assessment and any recommended additional testing (unless waived by the TA);
 - iv. Copy of the offer package provided to the property owner(s);
 - v. Copy of the Notice of Exemption or other required document for environmental clearance under CEQA/NEPA for the purchase of the property, and evidence of the date of filing such Notice; and
 - vi. Written justification acceptable to the TA of any settlement at an amount higher than the offer.
- c) For each voluntary real property transaction, Sponsor must also provide:
- i. Copy of the fully executed purchase and sale agreement;
 - ii. Copy of an executed and recorded deed[, in a form consistent with the requirements set forth in the then-current Caltrans Right-of-Way manual];
 - iii. Copy of the Policy of Title insurance; and
 - iv. Copy of the final closing statement from the escrow.
- d) For each real property acquisition undertaken through condemnation, Sponsor must also provide:
- i. Copy of the recorded Final Order of Condemnation; and
 - ii. Copy of the litigation guarantee issued by a title insurer.
- e) Sponsor must detail the tasks performed, associated costs, and pro rata share of Scope of Work Costs to be borne by the TA with each reimbursement request.
- f) The TA will endeavor to disburse reimbursements for approved Scope of Work Costs within thirty (30) days after the TA's approval of each claim, subject to the limits on the TA's maximum contribution as established in Section 2.1. The TA's obligation to reimburse Scope of Work Costs to Sponsor as provided in this section is conditioned upon the TA's prompt receipt of monthly progress reports from Sponsor pursuant to Section 1.4 above.

g) Invoices may be submitted, no more frequently than once a quarter, by mail to:

Accounts Payable
San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, CA 94070

Or by e-mail to: accountspayable@samtrans.com and the designated TA Project Manager at gilsterp@samtrans.com .

SECTION 3: Term

3.1 Term. The term of this Agreement will commence on Execution Date and conclude upon the earliest of: (a) the TA's final reimbursement to Sponsor for work performed hereunder, (b) termination by Sponsor or the TA pursuant to this Section 3, or (c) three (3) years and six (6) months after the Execution Date of this Agreement.

3.2 Sponsor's Right to Terminate; Repayment upon Termination. Sponsor may at any time terminate the Scope of Work by giving ten (10) days' written notice to the TA of its election to do so. Upon such termination, Sponsor will not be reimbursed for any further Scope of Work Costs and will reimburse the TA for all monies paid by the TA and costs incurred by the TA in connection with the Scope of Work as well as all reasonable costs and expenses incurred to effect such termination within ninety (90) days of the TA's submission to Sponsor of a detailed statement of such payments and costs.

3.3 Termination by the TA. The TA may terminate this Agreement, with or without cause, by giving ten (10) days' written notice of such termination. If the TA terminates the Agreement for Sponsor's default, Sponsor will reimburse the TA for all funds paid to Sponsor in connection with the Scope of Work, and for all costs incurred by the TA in connection with the Scope of Work as well as all reasonable costs and expenses incurred to effect such termination, within ninety (90) days of the TA's submission to Sponsor of a detailed statement of such payments and costs. If the TA terminates the Agreement for convenience, the TA is obligated to pay to Sponsor all costs and expenses incurred by Sponsor up to the date of notice of termination, as well as all reasonable costs and expenses incurred to effect such termination.

3.4 Expiration/Suspension of TA's Financial Obligations. Any and all financial obligations of the TA pursuant to this Agreement expire upon the expenditure of TA's maximum contribution to the Scope of Work as established in Section 2.1 above or the conclusion of the Term as defined in Section 3.1, whichever occurs first. The TA reserves the right to suspend its financial obligation, with ten (10) days' advance notice, if Sponsor identifies a risk of not being able to complete the Scope of Work within budget. If Sponsor cannot provide a credible funding plan acceptable to the TA to fund and complete Scope of Work, the Sponsor will be in default and the TA may terminate this Agreement. If Sponsor identifies a risk of not being able to complete the Scope of Work

within budget, failure to report such risk to the TA constitutes default and is cause for termination under Section 3.3.

3.5 Time of Performance. The Scope of Work must be completed no later than three (3) years after the Execution Date.

3.6 Time Extension. If the Scope of Work cannot be completed within the Time of Performance as defined in Section 3.5, Sponsor must submit a request in writing to the TA no later than six (6) months before the Time of Performance for an extension for the Time of Performance. The TA will review the request, and grant the extension if it is justified in TA's sole and complete discretion. Costs incurred for the Scope of Work after the Time of Performance are at risk of denial for reimbursement by the TA. The unreimbursed portion of the New Measure A allocation will be retained by the TA for the Pedestrian and Bicycle Program.

SECTION 4: Indemnification and Insurance

4.1 Indemnity by Sponsor.

Sponsor shall indemnify, keep and save harmless the TA and its directors, officers, agents and employees against any and all suits, claims or actions related to the performance of the Scope of Work or the Project including, but not limited to, those arising out of any of the following:

- a) Any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of the Project or implementation of this Agreement; or
- b) Any allegation that materials or services developed, provided or used for the Project infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party.

Sponsor further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred. If any judgment is rendered, or settlement reached, against the TA or any of the individuals enumerated above in any such action, Sponsor shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of the Agreement.

4.2 Insurance. For the purposes of this Insurance section, "Entity" is defined as any entity designing, approving designs and/or performing the Scope of Work funded by this Agreement. Entities may include Sponsor, a contractor of Sponsor, another body on behalf of which Sponsor submitted its funding application, and/or a contractor of such other body.

All Entities will provide the appropriate insurance covering the work being performed. The insurance requirements specified in this section will cover each Entity's own liability and any liability arising out of work or services of Entity subcontractors, subconsultants,

suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations (hereinafter collectively referred to as “Agents”) working on the Project. If Sponsor itself is an Entity, Sponsor must also provide its own insurance meeting the requirements of this Section.

- a) Minimum Types and Scope of Insurance. Each Entity is required to procure and maintain at its sole cost and expense insurance subject to the requirements set forth below. Such insurance will remain in full force and effect throughout performance of the Scope of Work. All policies will be issued by insurers acceptable to the TA (generally with a Best’s Rating of A-10 or better). Each Entity is also required to assess the risks associated with work to be performed by Agents and to require that Agents maintain adequate insurance coverages with appropriate limits and endorsements to cover such risks. To the extent that its Agent does not procure and maintain such insurance coverage, an Entity is responsible for and assumes any and all costs and expenses that may be incurred in securing said coverage or in fulfilling Entity’s indemnity obligations as to itself or any of its Agents in the absence of coverage. Entities may self-insure against the risks associated with the Scope of Work, but in such case, waive subrogation in favor of the TA respecting any and all claims that may arise.
 - i. Workers’ Compensation and Employer’s Liability Insurance. Worker's Compensation coverage must meet statutory limits and Employer’s Liability Insurance must have minimum limits of \$1 (one) million. Insurance must include a Waiver of Subrogation in favor of the TA.
 - ii. Commercial General Liability Insurance. The limit for Commercial General Liability Insurance in each contract and subcontract cannot be less than \$1 (one) million. Commercial General Liability Insurance must be primary to any other insurance, name the TA as an Additional Insured, include a Separation of Interests endorsement and include a Waiver of Subrogation in favor of the TA.
 - iii. Business Automobile Liability Insurance. The limit for Business Automobile Liability Insurance in each contract and subcontract cannot be less than \$1 (one) million. Insurance must cover all owned, non-owned and hired autos, and include a Waiver of Subrogation in favor of the TA.
 - iv. Property Insurance. Property Insurance must cover an Entity’s and/or Agent’s own equipment as well as any materials to be installed. Property Insurance must include a Waiver of Subrogation in favor of the TA.
 - v. Professional Liability Insurance. If deemed appropriate by Sponsor or an Entity in consideration of the work required for the Project, insurance should cover each Entity's and any Agent’s professional work on the Project. The limit for Professional Liability Insurance in each appropriate contract and subcontract should not be less than \$1 million.

- vi. Contractors' Pollution Liability Insurance and/or Environmental Liability Insurance. If deemed appropriate by Sponsor or an Entity in consideration of the work required for the Project, insurance should cover potential pollution or environmental contamination or accidents. The limit for Pollution and/or Environmental Liability Insurance in each appropriate contract and subcontract should not be less than \$1 million. Such insurance must name the TA as an Additional Insured and include a Waiver of Subrogation in favor of the TA.
- vii. Railroad Protective Liability Insurance. Insurance is required if the Project will include any construction or demolition work within 50 feet of railroad tracks. The limit for Railroad Protective Liability Insurance in each appropriate contract and subcontract cannot be less than \$2 million per occurrence and \$6 million annual aggregate.
- b) Excess or Umbrella Coverage. Sponsor and/or any other Entity may opt to procure excess or umbrella coverage to meet the above requirements, but in such case, these policies must also satisfy all specified endorsements and stipulations for the underlying coverages and include provisions that the policy holder's insurance is to be primary without any right of contribution from the TA.
- c) Deductibles and Retentions. Sponsor must ensure that deductibles or retentions on any of the above insurance policies are paid without right of contribution from the TA. Deductible and retention provisions cannot contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the named insured is unacceptable.

In the event that any policy contains a deductible or self-insured retention, and in the event that the TA seeks coverage under such policy as an additional insured, Sponsor will ensure that the policy holder satisfies such deductible to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Entity or Agents, even if neither the Entity nor Agents are named defendants in the lawsuit.

- d) Claims Made Coverage. If any insurance specified above is provided on a claim-made basis, then in addition to coverage requirements above, such policy must provide that:
 - i. Policy retroactive date coincides with or precedes the Entity's start of work (including subsequent policies purchased as renewals or replacements).
 - ii. Entity will make every effort to maintain similar insurance for at least three (3) years following Project completion, including the requirement of adding all additional insureds.

- iii. If insurance is terminated for any reason, each Entity agrees to purchase an extended reporting provision of at least three (3) years to report claims arising from work performed in connection with this Agreement.
 - iv. Policy allows for reporting of circumstances or incidents that might give rise to future claims.
- e) Failure to Procure Adequate Insurance. Failure by any Entity to procure sufficient insurance to financially support Section 4.1, Indemnity by Sponsor, of this Agreement does not excuse Sponsor from meeting all obligations of Section 4.1 and the remainder of this Agreement, generally.

Prior to beginning work under this Agreement, Sponsor must obtain, and produce upon request of the TA, satisfactory evidence of compliance with the insurance requirements of this section.

SECTION 5: Miscellaneous

5.1 Notices. All notices required or permitted to be given under this Agreement, excluding progress reports, the final report, and invoices, must be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery or overnight courier, to the appropriate address indicated below or at such other place(s) that either Party may designate in written notice to the other. Notices are deemed received upon delivery if personally served, one (1) day after mailing if delivered via overnight courier, or two (2) days after mailing if mailed as provided above.

To TA: San Mateo County Transportation Authority
1250 San Carlos Avenue
P.O. Box 3006
San Carlos, CA 94070-1306
Attn: Dora Seamans
District/TA Secretary

To City of Half Moon Bay: Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019
Attn: City Manager

5.2 No Waiver. No waiver of any default or breach of any covenant of this Agreement by either Party will be implied from any omission by either Party to take action on account of such default if such default persists or is repeated. Express waivers are limited in scope and duration to their express provisions. Consent to one action does not imply consent to any future action.

5.3 Assignment. Parties are prohibited from assigning, transferring or otherwise substituting their interests or obligations under this Agreement without the written consent of all other Parties.

5.4 Governing Law. This Agreement is governed by the laws of the State of California as applied to contracts that are made and performed entirely in California.

5.5 Compliance with Laws. In performance of this Agreement, the Parties must comply with all applicable Federal, State and local laws, regulations and ordinances.

5.6 Modifications. This Agreement may only be modified in a writing executed by both Parties.

5.7 Attorneys' Fees. In the event legal proceedings are instituted to enforce any provision of this Agreement, the prevailing Party in said proceedings is entitled to its costs, including reasonable attorneys' fees.

5.8 Relationship of the Parties. It is understood that this is an Agreement by and between Independent Contractors and does not create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship other than that of Independent Contractor.

5.9 Ownership of Work. All reports, designs, drawings, plans, specifications, schedules, studies, memoranda, and other documents assembled for or prepared by or for, in the process of being assembled or prepared by or for, or furnished to Sponsor under this Agreement, are the joint property of the TA and Sponsor, and will not be destroyed without the prior written consent of the TA. The TA is entitled to copies and access to these materials during the progress of the Project and upon completion or termination of the Project or this Agreement. Sponsor may retain a copy of all material produced under this Agreement for its use in its general activities. This Section does not preclude additional shared ownership of work with other entities under contract with Sponsor for funding of the Project.

5.10 Non-discrimination. Sponsor and any contractors performing services on behalf of Sponsor will not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.

5.11 Accessibility of Services to Persons with Disabilities. The Project implementation must comply with, and not subject the TA or Sponsor to liability under, the Americans with Disabilities Act, the California Disabled Persons Act, or any other state or federal laws protecting the rights of persons with disabilities.

5.12 Warranty of Authority to Execute Agreement. Each Party to this Agreement represents and warrants that each person whose signature appears hereon is authorized and has the full authority to execute this Agreement on behalf of the entity that is a Party to this Agreement.

5.13 Severability. If any portion of this Agreement, or the application thereof, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining portions of this Agreement, or the application thereof, will remain in full force and effect.

5.14 Counterparts. This Agreement may be executed in counterparts.

5.15 Electronic Signatures. This Agreement may be executed through the use of digital or electronic signatures in accordance with Government Code Section 16.5. The presence of an electronic signature on this Agreement will be construed as the Parties' consent to do business electronically.

5.16 Attribution to the TA. Sponsor must include attribution that indicates work was funded with Measure A Funds from the TA. This provision applies to any project, or publication, that was funded in part or in whole by New Measure A Funds. Acceptable forms of attribution include TA branding on Project-related documents, construction signs, public information materials, and any other applicable documents.

5.17 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter and supersedes any prior or contemporaneous written or oral agreement between the Parties on the same subject.

IN WITNESS WHEREOF, the Parties have hereunder subscribed their names on the Execution Date.

CITY OF HALF MOON BAY

By: _____
Name: Matthew Chidester
Its: City Manager

Approved as to Form:

Legal Counsel for City of Half Moon Bay

**SAN MATEO COUNTY TRANSPORTATION
AUTHORITY**

By: _____
Name: April Chan
Its: Executive Director

Approved as to Form:

Legal Counsel for the TA

Exhibit A: Scope of Work Information

Exhibit B: Excerpts from the Project's Cycle 6 Measure A/W Pedestrian and Bicycle Program Funding Application (i.e. location maps, design plans, detailed scope of work, etc.)

Exhibit C: Progress Reporting Template

Exhibit D: Reimbursement Claim Form

Exhibit E: Final Report

EXHIBIT A: SCOPE OF WORK INFORMATION

Pacific Coast Bikeway North Project

Sponsoring Agency: *City of Half Moon Bay*

Lead/Implementing Agency: *City of Half Moon Bay*

Contact: *Ray Razavi, Transportation Engineer*
(650) 483-1618
rrazavi@hmbcity.com
501 Main Street
Half Moon Bay, CA 94019

Project Description and Scope of Work:

The Scope of Work includes the design and construction of a Class I multi-use path that will be 10 feet wide on the east side of Highway 1 (between Roosevelt Blvd and Mirada Rd) in the City of Half Moon Bay. This Project is the northern extension of the existing multi-use Class I path in Half Moon Bay. The proposed path is approximately 0.3 miles and will connect to the multi-use path San Mateo County is constructing to the County line. This is the last link of bicycle pedestrian Class I trail connecting El Granada with downtown and schools in Half Moon Bay.

Project Schedule:

	<u>Begin</u>	<u>End</u>
Program or Planning	6/18	1/19
PE/Environmental	8/19	6/23
PS&E	8/19	6/23
Right-of-Way	2/21	6/23
Construction	10/23	10/24

Project Budget/ Source of Funding:

Include funding plan for project defined above, including use of TA staff support if applicable

Phase	Measure A/W Funding Amount	Other Sources*		Total**
		List Fund Source	Amount	
Construction	\$980,000	City of HMB	\$385,000	\$1,365,000
Total:	\$980,000		\$385,000	\$1,365,000

* The other fund sources are provided for informational purposes.

**Total costs listed by each task/activity are best estimates and may be subject to change within the overall total amount for the awarded phase of the Project Scope of Work during the course of the Project.

Measure A/W Project Cash Flow Projection

The cash flow projection is provided for informational purposes only.

Phase/Activity (e.g. Planning, PSE, Construction)	FY23				Subtotal FY23	FY24				Subtotal FY24
	1st Quarter (Jul 1-Sept 30)	2nd Quarter (Oct 1-Dec 31)	3rd Quarter (Jan 1-Mar 31)	4th Quarter (Apr 1-Jun 30)		1st Quarter (Jul 1-Sept 30)	2nd Quarter (Oct 1-Dec 31)	3rd Quarter (Jan 1-Mar 31)	4th Quarter (Apr 1-Jun 30)	
Construction					\$0			\$250,000	\$250,000	\$500,000
					\$0					\$0
					\$0					\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$500,000
Cumulative to Date	\$0	\$0	\$0	\$0		\$0	\$0	\$250,000	\$500,000	

Phase/Activity (e.g. Planning, PSE, Construction)	FY25				Subtotal FY25	FY23	FY24	FY25	Subtotal for FY23-FY25	Project Total
	1st Quarter (Jul 1-Sept 30)	2nd Quarter (Oct 1-Dec 31)	3rd Quarter (Jan 1-Mar 31)	4th Quarter (Apr 1-Jun 30)						
Construction	\$250,000	\$230,000			\$480,000				\$0	\$980,000
					\$0				\$0	\$0
					\$0				\$0	\$0
Total	\$250,000	\$230,000	\$0	\$0	\$480,000	\$0	\$0	\$0	\$0	\$980,000
Cumulative to Date	\$750,000	\$980,000	\$980,000	\$980,000		\$980,000	\$980,000	\$980,000		

Operating Responsibility: *City of Half Moon Bay*

Maintenance Responsibility: *City of Half Moon Bay*

Project Implementation Responsibility: *City of Half Moon Bay*

Project Oversight Responsibility: *Caltrans*

Exhibit B: Excerpts from the Project's Cycle 6 Measures A and W Pedestrian and Bicycle Program Funding Application (i.e. location maps, design plans, detailed scope of work, etc.)



EXHIBIT C: PROGRESS REPORTING TEMPLATE

SMCTA QUARTERLY REPORT
For Quarter of: [Month – Month Year]

SMCTA Project # 00XXX – [Project Title]

Contact: [Name, Title, Phone, email, address]

1) Scope:

[Describe project here, specify project limits, phases of project and Measure W funded component]

Project Status Summary: [Provide Status]

Issues: [List any issues, i.e. potential scope changes]

2) Schedule: Major Milestones:	Original Baseline		Current Baseline		Current Forecast	
	Start	Finish	Start	Finish	Start	Finish
[Activity]	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY
[Activity]	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY
[Activity]	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY
[Activity]	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY

Progress This Quarter:

[Describe progress and activities]

Measure A Funds Expended This Quarter: \$

Future Activities, Next Quarter:

[Describe planned future activities]

Projected Measure A Funds Expenditure Next Quarter: \$

Issues: [List any issues, such as impacts to schedule]

3) Scope of Work Total Budget:

PED/BIKE PROGRAM 2022 CALL FOR PROJECTS
San Mateo County Transportation Authority/City of Half Moon Bay
Pacific Coast Bikeway North Project

19478701.2

Phase/Activity	A	B	C	D	E	F
	Original Budget (per Funding Agreement)	Current Cost Estimate/Budget	Total Change from Approved (B-A)	Total Expended to date	% of Current Budget expended (D/B)	% of Work Completed
			0		#DIV/0!	
			0		#DIV/0!	
			0		#DIV/0!	
<i>Total Scope of Work</i>	\$0	\$0	\$0	\$0	#DIV/0!	

4) Scope of Work Measure A Budget:

Phase/Activity	A	B	C	D	E	F
	Original Measure A allocation (per Funding Agreement)	Current Measure A allocation	Change in Measure A allocation from Approved/Funding Agmt (B-A)	Total Measure A Expended to date	% of current Measure A allocation expended (D/B)	% of Work Completed
			0		#DIV/0!	
			0		#DIV/0!	
			0		#DIV/0!	
<i>Total Scope of Work</i>	\$0	\$0	\$0	\$0	#DIV/0!	

Issues: [List any issues, i.e. potential cost increases]

5) Funding: [List additional sources as needed, Fill out the following matrix for each phase. i.e. environmental, design, etc.]

	[Insert Phase] Contribution		[Insert Phase] Contribution		[Insert Phase] Contribution	
SMCTA (Measure A/W)		#DIV/0!		#DIV/0!		#DIV/0!
Others:						
Federal (specify)		#DIV/0!		#DIV/0!		#DIV/0!
State (specify)		#DIV/0!		#DIV/0!		#DIV/0!
Other (specify)		#DIV/0!		#DIV/0!		#DIV/0!
Total	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!

Issues: [List any issues such as changes in non-W funding]

[Carry over to additional pages as necessary]

Submit Progress Reports to Patrick Gilster at: gilsterp@samtrans.com

Exhibit E. San Mateo County Measure A/W

Exhibit D
REIMBURSEMENT CLAIM
San Mateo County Measure A Funds

SMCTA Project ID:
SMCTA Project Allocation:
Claim Date:
Claim Number:
Claim Period:
TA PO Number:
Claim Amount:

Consultant/Contractor/ Vendor	Invoice #	Invoice Total	Funding Source						Measure A Budget Balance	
			Fund Source 1	% of Total	Fund Source 2	% of Total	Measure A	% of Total		
								Prior Total Measure A \$	Life to Date Measure A \$	
Total		-	-		-		-	\$ -	-	-

Quarterly Progress Report included? Y/N

Please issue check payable to: *Agency*
Contact person
Address

Pedestrian and Bicycle Program

Final Report

VERSION: 5

REVISION DATE: 08-23-17

Approval of the Project Closeout Report indicates an understanding and formal agreement that the project is ready to be closed. By signing this deliverable, each individual agrees all administrative, financial, and logistical aspects of the project should be concluded, executed, and documented as described herein.

Agency/ Dept.	Approver Name	Title	Signature	Date
Sponsor: Project Manager				
Sponsor: Director or City Mgr				

Section 1. General Information

Project Name		SMCTA Project No.
Sponsor Agency		
Contact	Phone	Email
Mailing Address		

Section 2. Project Scope (Complete Project or Project phases which were funded by Measure A)

Attach pages with your response if applicable.

2.1	Project Start Date	Project Completion Date	Duration (months)

2.2	Project Description (include actions taken, milestones and achievements)
2.3	Describe the pertinent issues, successes and/or lessons learned from implementing the project
2.4	Compilation of any data collected before and after project implementation
2.5	Description of changes/additions/reductions to the scope of the Project

Section 3. Funding Information

Primary TA Fund Source: [Measure A or Measure W]

Attach pages with your response if applicable. Add rows if necessary

Phase or Task	Original Cost Estimate (per Fund. Agmt.)	Final Cost	Measure A/W \$ Allocated (per Fund. Agmt)	Measure A/W \$ Expended	Other \$ Funds Allocated	Other \$ Funds Expended
Total \$	\$0	\$0	\$0	\$0	\$0	\$0
Total %	100%	100%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Final Balance of Measure A/W Funds (Unexpended) \$0

Measure A/W Amount Spent	Types of Project Costs

Total	\$	-
--------------	----	---

All Fund Sources

If funds from other sources were used for this project, indicate how much. In listing the fund source, please be specific. For example, if you name FTA as fund source please state whether those funds were 5307 or 5308, etc.

Fill out the following columns accordingly.

- In column A, input Original Amount listed in the application
- In column B, input amount actually expended.
- Column C is an auto-calculation indicating the Actual Expenditures as a Percentage of the Total Project.

Add rows if necessary.

	Original Amount from Application	Actual Expenditures	% of Final Cost
Fund Source	A	B	C
			#DIV/0!
			#DIV/0!
			#DIV/0!
			#DIV/0!
			#DIV/0!
Total	\$0	\$0	#DIV/0!

Section 4. Closeout Details

Attach additional pages with your response if applicable.

4.1	Last Invoice/Claim Date	Last Invoice/Claim #	Last Invoice/Claim Amount	Request for Reimbursement
4.2	Explanation and status of potential and/or outstanding obligations			
4.3	If Measure A/W funds were used for Completion/Construction of a Capital Project, has the sponsor accepted:			
Operation/Maintenance Responsibilities Yes ☐ No ☐ N/A ☐			Project Completion Yes ☐ No ☐ N/A ☐	
4.4	Confirmation that no further requests for reimbursement are anticipated and that all draw-down requests have been made			
Yes ☐ No ☐ N/A ☐				

Section 5. Publicity Material

List any press releases, media articles, outreach materials, etc,. Attach copies of materials if applicable.

Resource	Link	Date

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Mathew Chidester, City Manager

FROM: Jill Ekas, Community Development Director

TITLE: **ANNUAL RENEWAL OF COMMUNITY DEVELOPMENT AGREEMENTS**

RECOMMENDATION:

Adopt resolutions authorizing the City Manager to execute professional service agreements through June 30, 2024 with:

1. 4LEAF, Inc. (4Leaf) for building plan check and inspection services in an amount of \$318,997; and
2. Metropolitan Planning Group (M-Group) for contract planning services in an amount of \$137,500

FISCAL IMPACT:

These contracts have been included in the Recommended Community Development Department Operating Budget and CIP for FY 2023-24. The Building and Code Enforcement budget will cover the cost of the (4Leaf) contract. Revenues from building permit plan check and inspection fees will offset most of the cost of the 4Leaf contract. The M-Group contract funding is included in the professional services budget and may include some offsets from application related fees.

STRATEGIC ELEMENT:

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

BACKGROUND:

The City has utilized contract services to support Community Development functions for many years. In alignment with the annual budget approval, agreements for these services are updated annually to ensure alignment with workload and economic conditions. All of the City's plan check and building inspection services are provided through a contractor. Most planning services are provided directly by City staff; however, supplemental support is needed for both routine and special projects.

DISCUSSION:

4Leaf: In June 2018, under the City Manager's purchasing authority, the City entered into an agreement with 4Leaf for \$30,000. This agreement initiated immediately needed on-call public works/construction inspection services. Subsequently, in July 2018, the City circulated a request for proposals (RFP) for consultant services for management support of the Capital Improvement Program (CIP). From six proposals, 4Leaf was determined to be the best qualified candidate to support City staff on public works inspections of capital, development, and utility projects. Subsequently, in 2019, the City Council approved contract services from 4Leaf for building plan check and inspection services. These services had been provided previously by contract as well.

The current requested budget of \$318,997 will utilize funds included in the FY 2023-24 Community Development Building and Code Enforcement budget. The scope includes 30 hours per week for building inspections, budget to cover hours for the mandatory building official position including one full day each week for over-the-counter permit oversight, as well as hours for a senior permit technician to back up staff from time to time. The budget also covers plan check services. Plan check and inspection services are almost fully covered by the building permit fees paid by applicants.

M-Group: On June 18, 2013, the City Council approved a professional services agreement with M-Group to provide planning staff and services for an initial term of three years, expiring June 30, 2016. M-Group's services have varied significantly since that time, always adjusting to the needs of the Department and community. In 2018, the City Council authorized funding and positions to hire in-house planning staff narrowing M-Group's scope of services. Despite this, their support remains vital to meeting the needs and demands of the Planning Division, especially for special projects (e.g. in past years, the Land Use Plan; currently, the Housing Element and implementation zoning), GIS, permits, and public hearings.

Planning workload remains heavy and M-Group is well suited to continue to supplement some staff functions. As proposed, M-Group will continue to provide a part-time planning analyst to support Community Development Department staff primarily with the Planning Commission, Architectural Advisory Committee, and Community Development Director hearings and meetings. Presently, M-Group planners are supporting City staff's work on the Housing Element. Going forward into the next the next fiscal year, M-Group is well suited to assist staff with zoning implementation work. Since 2013, M-Group has provided the City with excellent staff who have been committed to customer service and professionalism. They have institutional knowledge of the City and their continued support helps serve the Department's needs. Their \$137,500 budget for the next fiscal year is the same as this year's budget.

These professional service providers continue to serve the City well. 4Leaf and M-Group work with staff support enhanced service levels, remain highly responsive to requests for support on a wide range of projects, and otherwise maintain excellent coordination with City staff and through interdepartmental collaboration.

ATTACHMENTS:

1. Resolution for Professional Services Agreement with 4LEAF Inc.
2. Resolution for Professional Services Agreement with Metropolitan Planning Group

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT
THROUGH JUNE 30, 2024 WITH 4LEAF, INC. FOR BUILDING CONTRACT SERVICES IN AN
AMOUNT OF \$318,997**

WHEREAS, 4LEAF, Inc. (4Leaf) has provided building inspection services and building plan check services for five years during which their contract staff have gained extensive knowledge about the City and provided for all of the City's building plan check and inspection services; and

WHEREAS, the amended agreement with 4Leaf will expire June 30, 2023; and

WHEREAS, the Community Development Director has determined that continuation of current service levels is necessary; and

WHEREAS, 4Leaf provided a scope of work, budget, and an hourly rate schedule for a new one-year agreement totaling \$318,997 for the needed services; and

WHEREAS, adequate funds are available in the City's proposed FY 2023-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a Professional Services Agreement with 4LEAF, Inc. for Building contract services in the amount of \$318,997 through June 30, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
THROUGH JUNE 30, 2024 WITH METROPOLITAN PLANNING GROUP FOR CONTRACT
PLANNING SERVICES IN AN AMOUNT OF \$137,500**

WHEREAS, the Metropolitan Planning Group (M-Group) has provided contract planning services to the City of Half Moon Bay for over ten years during which their contract staff have gained extensive knowledge about the City and have assisted in many projects; and

WHEREAS, and the current agreement with M-Group will expire on June 30, 2023, and

WHEREAS, the Community Development had determined that supplemental planning services provided by M-Group are necessary to maintain service levels for public meetings and hearings, GIS mapping, Land Use Plan and Housing Element implementation, and additional support functions; and

WHEREAS, M-Group provided a scope of work, budget, and an hourly rate schedule for a new one-year agreement totaling \$137,500 for the needed services; and

WHEREAS, adequate funds are available in the City's proposed FY 2023-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a Professional Services Agreement with Metropolitan Planning Group (M-Group) for limited contract planning services to support the Community Development Department at a cost of \$137,500 through June 30, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 202e by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 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 – EXTENSION OF THE TERM OF THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING**

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute an amendment to the Exclusive Negotiations Agreement (ENA) between the City and Mercy Housing (Developer) extending the negotiation period of the ENA to May 3, 2024, and establish initial terms of a ground lease to be executed for City-owned land at 535 and 555 Kelly Avenue (the Site).

This action allows the Developer to expedite their application for the Joe Serna Jr. Farmworker Housing Grant Program (FWHG) for an affordable housing development project (the Project) on the Site and potentially accelerates the Project by roughly one year if the Developer is awarded grant funding.

FISCAL IMPACT:

There is no fiscal impact to the City in extending the term of the ENA with Mercy Housing.

STRATEGIC ELEMENT:

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

BACKGROUND:

Authorization for the City Manager to enter an ENA between the City and Developer was approved by City Council resolution on October 4, 2022. The agreement was then signed and executed on November 3, 2022, by the City Manager and Developer, commencing the one-year ENA term, which will therefore expire by November 3, 2023. Additional actions taken during the ENA term thus far have included, but are not limited to, approval of funding support totaling \$2.5 million from the City and County of San Mateo towards predevelopment costs of the Project; Developer engagement in community outreach and conducting of two community

meetings; Developer submittal of a preliminary application; City initial review of a preliminary application including holding an Architectural Advisory Committee session on June 8, 2023. Additional information and staff reports related to various project milestones is posted on the City website at this [link](#).¹

Brief History of the Site: the property located at 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 (TACC) 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 is approximately 6,200 square feet and abuts the City's parking lot located on the south side of the TACC at 535 Kelly Avenue. In early 2022, the Community Development Department prepared and released 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 City received one proposal, submitted by a two-agency team comprised of Mercy Housing California and Ayudando Latinos A Soñar (ALAS). As currently proposed, the development included 40 units of affordable multi-family rental housing for senior farmworkers, as well as 2,050 square feet of space for a Farmworker Resource Center to be managed by ALAS. The Developer will coordinate the construction of the property and deliver ongoing property management and resident services. ALAS will be a vital partner throughout the development process by supporting community outreach and marketing, in addition to operating the resource center once the project is complete.

Community Engagement: On a parallel path to seeking funding support for the Project, the Developer has worked closely with ALAS to host two community meetings with a combined attendance of more than 125 members of the public (March 27 and May 17, 2023) to seek feedback on the project design and future programming. Broad community support has been expressed for the Project, and a variety of comments were received which helped inform the Developer's updates to the building design and features.

Preliminary Planning Application: The Developer submitted a preliminary application allowing for early review by the City and other agencies, including the Coastside County Water District and Coastside Fire. On June 8, 2023, the Developer presented the preliminary project plans to the Architectural Advisory Committee (AAC) to solicit feedback on the design concept of the preliminary proposal. The preliminary project plans can be found at the previously mentioned website link.

Both community input and AAC review are vital steps to ensure the Developer submits a well-rounded and balanced project that meets the design and service needs of the Half Moon Bay community.

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

DISCUSSION:

Due to the Developer's enthusiastic commitment to the Project, which has been further strengthened by City and community input emphasizing the need to accelerate development of the Project, the Developer is expediting its application (one year earlier than originally planned) to the Joe Serna Jr. Farmworker Housing Grant (FWHG) Program. The FWHG helps fund new construction of affordable housing for agriculture workers, with a priority for lower income households. Funding for the development of multifamily rental housing under the FWHG is awarded by the California Department of Housing and Community Development (HCD) only once a year through a competitive Notice of Funding Availability (NOFA) process. To meet this year's deadline, the Developer must submit application materials to HCD by July 12, 2023.

During the Exclusive Negotiations Agreement (ENA) period, currently set to be completed by November 3, 2023, the City and Developer are expected to negotiate a Disposition and Development Lease Agreement (DDLA) that will facilitate a long-term ground lease of the Site to the Developer. The DDLA demonstrates that the Developer has control of the site (via a ground lease or similar property transfer) for securing critical project funding from sources such as the FWHG and tax credit financing from the State of California Tax Credit Allocation Committee (TCAC). Both sources will be pursued by the Developer; however, due to the approaching deadline of the FWHG, the Developer will need to demonstrate site control prior to the DDLA being executed. The City is proposing to assist the Developer achieve this requirement through an extension of the ENA term, which must include expected ground lease terms of the DDLA. That is the basis for the actions sought tonight.

By approving the resolution (Attachment 1), the City Council's authorization ensures the ENA term matches required site control through the expected award of HCD funds for the FWHG. The expected award date for the current round of the FWHG is winter of 2023/24. By extending the ENA through May 3, 2024, the Developer can demonstrate to HCD there is an existing agreement with the City at the time of the FWHG application and guarantees that the agreement will still be in place at the time of the award of funds. Further, by approving the terms of the Developer's ground lease of the Property in advance, including the expected annual payment to the City, the threshold requirements for the FWHG application and funding eligibility will be met, thus facilitating the possibility of funds being awarded. The City and County combined committed contributions of \$2.5 million toward predevelopment activities further increases the competitiveness of the Developer's FWHG application.

The FWHG program requires a 55-year lien restriction, ensuring affordability, for a rental housing project funded by the FWHG program. This roughly corresponds with the TCAC regulatory period of a minimum 57-year ground lease for the Project to qualify for tax credits. The lease term of 57 years aligns with City expected minimum lease term necessary for the Project. As part of the City's commitment to long-term affordability, an option to extend the ground lease to 99 years in total will be included in the ENA amendment, along with a base rent of \$1.00 per year, both of which are typical for ground leases between municipal governments and developers of affordable projects serving very low and extremely low-income populations with critical housing needs. These proposed lease terms are included in Attachment 1 and will

be incorporated into the authorized amendment of the ENA. Despite approving of initial ground lease terms at this stage of the Project, the City will have an opportunity to negotiate additional terms of the ground lease as part of the DDLA. Staff will work with the Developer to return to City Council by the end of 2023 to execute the DDLA. The DDLA is expected to be negotiated by the City and Developer during the ENA term as originally planned and will include far more detailed obligations beyond the lease terms contained in the ENA amendment to ensure the City's requirements and schedule of performance are incorporated into the final lease.

The recommended actions provide critical-timing support to expedite the Project. To plan and construct affordable housing that meets the needs of the lower-income populations described above, it is typical for affordable housing developers to seek multiple sources of financing and subsidies. The Developer is assessing whether additional funding sources beyond the FWHG program that are part of HCD's standard Super NOFA application process can be pursued; therefore, staff will return with updates should additional applications be submitted for the Project by the Developer. The Developer's financing proforma (Attachment 2) outlines the variety of funding sources required, any additional sources would only further strengthen the Project's financing structure. Staff will inform City Council of awarded funding for the Project as application award determinations are released. For this Project, the incomes of the resident population will be in the lowest income categories, increasing the need for the Developer to secure financial support such as FWHG, tax credits, and City and County funding.

ATTACHMENTS:

1. Resolution
2. Developer Project Financing Proforma

Resolution No. C-2023-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA TO EXTEND THE NEGOTIATING PERIOD AND ESTABLISH INITIAL TERMS OF A GROUND LEASE

WHEREAS, the City of Half Moon Bay (the “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 using the entire property located at 555 Kelly Avenue and a portion of the property located at 535 Kelly Avenue (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, Mercy Housing California (“Mercy Housing”), in partnership with Ayudando Latinos A Soñar (“ALAS”), a nonprofit organization with deep ties to the farmworker community, submitted a response to the RFQ proposing construction of an affordable farmworker housing development consisting of approximately 40 residential units and associated amenities as well as a farmworker resource center serving the local community (the “Project”); and

WHEREAS, on November 3, 2022, the City entered into an Exclusive Negotiations Agreement (ENA) with Mercy Housing to enable Mercy Housing’s affiliate, Mercy Housing California 110, L.P., a California limited partnership (the “Developer” and also “Borrower”) to carry out predevelopment and development activities associated with the Project, including seeking various funding commitments; and

WHEREAS, on February 21, 2023, the City approved a predevelopment loan for the Project using funds from the City’s Affordable Housing Fund, in an amount not to exceed One Million Dollars, to assist the Developer with necessary Project predevelopment activities; and

WHEREAS, the Project will serve local farmworker households with extremely low-income (30% of AMI) or very low-income (50% of AMI); and

WHEREAS, it is typical for affordable housing developers to seek multiple sources of financing and subsidies when developing affordable housing, especially when the income of the resident population will be in the lowest income categories; and

WHEREAS, Mercy Housing seeks to expedite their application for the Joe Serna Jr. Farmworker Housing Grant Program (FWHG) and potentially accelerate the Project by roughly one year if Mercy Housing is awarded FWHG funding;

WHEREAS, the City wishes to support its commitment to producing affordable housing for the Half Moon Bay community, especially for critical housing needs groups such as farmworkers,

WHEREAS, the City will further its commitment to producing affordable housing for the Half Moon Bay community by extending the negotiations period of the ENA and establishing initial terms of a ground lease of the Site so that the Developer may submit a competitive application to the 2023 FWHG Program.

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, are a substantive part of this Resolution, and are thereby incorporated herein; and

BE IT FURTHER RESOLVED THAT, the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute an amendment to the Exclusive Negotiations Agreement between the City of Half Moon Bay and Mercy Housing California dated November 3, 2022 for an affordable housing project on City-owned property located at 555 Kelly Avenue and 535 Kelly Avenue that will include the following provisions: 1) extending the initial term of the Negotiating Period to May 3, 2024; and, 2) establishing initial terms for a Ground Lease to be separately executed at the start of the Project's construction period that includes, among other things: (a) a ground lease term of at least fifty-seven (57) years with an option of extending the term to 99 years; and, (b) a ground lease payment of \$1.00 per year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June, 2023, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

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:555 Kelly

FINANCE TYPE:9%/Serna

ADDRESS:555 Kelly

HOUSING TYPE:Senior

COUNTY:San Mateo

SPONSOR: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

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: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Administrative Services Director

TITLE: **SALARY SCHEDULE FOR THE INTERNATIONAL UNION OF OPERATING ENGINEERS STATIONARY LOCAL 39, AFL-CIO; REPRESENTED MANAGEMENT TEAM MEMBERS, AND NON-REPRESENTED EMPLOYEES**

RECOMMENDATION:

Adopt a resolution approving the FY 2023-24 salary schedule representing a 3.0-percent increase to the base salary for the International Union of Operating Engineers Stationary Local 39 AFL-CIO, Represented Management Team Members, Confidential, and Non-Represented Employees, effective as per the terms of Memoranda of Understanding.

FISCAL IMPACT:

The salary adjustments are estimated to have a total fiscal impact of \$172,000. Funding for the adjustments to salary is included in the Recommended Budget for FY 2023-24.

STRATEGIC ELEMENT:

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

BACKGROUND/DISCUSSION:

In 2021, the City Council authorized the City Manager to execute five-year Memoranda of Understanding with the represented labor groups listed above that provide for a two-and-a-half (2.5%) or three percent (3.0%) wage increase effective July 1, 2020. The final amount was determined by a negotiated formula which is based on the City's actual gross Transient Occupancy Tax (TOT) revenue for the first three quarters of Fiscal Year 2022-23 equaling or exceeding ninety percent (90%) of the FY 2021-22 TOT revenue.

The Salary Schedule includes one note: a single asterisk. A single asterisk is utilized for positions that are vacant and not currently part of the organizational and staffing structure. The positions remain on the Salary Schedule as a placeholder in the event future changes warrant inclusion of one or more of those vacant/unutilized positions.

ATTACHMENT:

Resolution with Exhibit A (Salary Schedule for FY 2023-24)

RESOLUTION No. C-2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
ESTABLISHING THE SALARY SCHEDULE FOR CITY OF HALF MOON BAY EMPLOYEES FOR FISCAL
YEAR 2023-2024**

WHEREAS, the City of Half Moon Bay Municipal Code and Personnel Rules and Regulations empower the City Council to establish a compensation plan for all classifications in the City service; and

WHEREAS, the terms of the existing Memoranda of Understanding with the International Union of Operating Engineers Stationary Local 39 AFL-CIO, Represented Management Team Members, and Confidential and Non-Represented Employees, provide for 2.5 to 3.0 percent salary adjustments effective July 1 of each fiscal year.

NOW, THEREFORE, BE IT RESOLVED THAT the attached salary schedule incorporated as Exhibit A to this resolution constitutes the compensation plan for all classifications in the City of Half Moon Bay and is hereby approved effective July 1, 2023.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

**City of Half Moon Bay
Salary Schedule
Effective July 1, 2023 (3%)**

		Steps				
Position	Class	A	B	C	D	E
		Monthly Salary Ranges (e)				
Exempt - Non Represented Management						
City Manager	99-999	Only one step				22,083
Assistant City Manager	10-500	16,671	17,505	18,380	19,299	20,264
Public Works Director	10-520	16,671	17,505	18,380	19,299	20,264
Community Development Director	10-505	15,343	16,110	16,916	17,762	18,650
Finance Director*	10-490	15,201	15,961	16,759	17,597	18,477
Administrative Services Director	10-490	15,201	15,961	16,759	17,597	18,477
Deputy City Manager*	10-515	13,820	14,511	15,237	15,999	16,799
Communications Director/City Clerk	10-412	13,108	13,763	14,451	15,174	15,933
Contract Services Manager*	10-430	10,810	11,351	11,919	12,515	13,141
Assistant to the City Manager*	10-420	9,741	10,228	10,739	11,276	11,840
Exempt - Confidential						
Finance Manager	10-485	11,139	11,696	12,281	12,895	13,540
Administrative Services Manager *	10-525	11,036	11,588	12,167	12,775	13,414
Management Analyst - Human Resources	10-721	8,261	8,674	9,108	9,563	10,041
Executive Assistant to the City Manager	10-715	7,010	7,361	7,729	8,115	8,521
Senior Accountant*	10-745	9,259	9,722	10,208	10,718	11,254
Exempt - Represented Management						
City Engineer	10-750	13,467	14,140	14,847	15,589	16,368
Planning and Development Services Manager*	10-748	12,239	12,851	13,494	14,169	14,877
Senior Planner	10-724	9,680	10,164	10,672	11,206	11,766
Associate Engineer	10-746	9,539	10,016	10,517	11,043	11,595
Public Works Superintendent	10-526	11,036	11,588	12,167	12,775	13,414
Community & Economic Vitality Manager	10-527	11,036	11,588	12,167	12,775	13,414
Assistant City Clerk	10-725	9,040	9,492	9,967	10,465	10,988
Communications Specialist	10-726	9,040	9,492	9,967	10,465	10,988
Senior Management Analyst	10-727	9,040	9,492	9,967	10,465	10,988
Housing Coordinator	10-728	9,040	9,492	9,967	10,465	10,988
Associate Planner	10-729	8,261	8,674	9,108	9,563	10,041
Management Analyst	10-721	8,261	8,674	9,108	9,563	10,041
Assistant Engineer	10-719	7,718	8,104	8,509	8,934	9,381
Recreation Coordinator*	10-200	6,179	6,488	6,812	7,153	7,511
Recreation Supervisor	10-201	7,836	8,228	8,639	9,071	9,525
Non-Exempt Operating Engineers Local 39						
Assistant Planner	39-159	7,684	8,068	8,471	8,895	9,340
Deputy City Clerk*	39-160	7,325	7,691	8,076	8,480	8,904
Administrative Analyst	39-157	6,861	7,204	7,564	7,942	8,339
Community Preservation Specialist	39-158	6,861	7,204	7,564	7,942	8,339
Permit Technician	39-250	6,415	6,736	7,073	7,427	7,798
Administrative Assistant	39-155	6,127	6,433	6,755	7,093	7,448
Senior Accounting Technician*	39-150	5,915	6,211	6,522	6,848	7,190
Senior Maintenance Worker	39-280	6,845	7,187	7,546	7,923	8,319
Maintenance Worker II	39-275	5,813	6,104	6,409	6,729	7,065
Maintenance Worker I	39-255	5,154	5,412	5,683	5,967	6,265
Maintenance Assistant	39-131	4,283	4,497	4,722	4,958	5,206
Accounting Technician	39-145	5,280	5,544	5,821	6,112	6,418
Office Assistant II	39-135	4,886	5,130	5,387	5,656	5,939
Office Assistant I	39-130	4,283	4,497	4,722	4,958	5,206
Recreation Leader III	39-165	3,516	3,692	3,877	4,071	4,275
Recreation Leader II	39-140	3,197	3,357	3,525	3,701	3,886
Recreation Leader I	39-115	2,829	2,970	3,119	3,275	3,439
*Approved Classifications, unbudgeted						
Part-Time	Pay Cd/Range	FY 2023-24 RATES Hourly Wage Steps				
Building Attendant I	890/012	16.23	17.04	17.89	18.78	19.72
Building Attendant II	890/015	18.80	19.74	20.73	21.77	22.86
Building Attendant III	890/018	22.84	23.98	25.18	26.44	27.76
Maintenance Assistant	890/015	18.80	19.74	20.73	21.77	22.86
Intern	02-100	21.83	22.92	24.07	25.27	26.53
City Council	One Step	\$955.00 Stipend per month (plus an additional \$100.00 Auto Allowance)				

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Administrative Services Director

TITLE: **PROPOSED CLASSIFICATION AND COMPENSATION CHANGES**

RECOMMENDATION:

Adopt a resolution authorizing changes to certain job classifications and salary schedules as follows:

- 1) Create a new classification titled Public Works Supervisor.
- 2) Reclassify the City Engineer position to Public Works Supervisor.
- 3) Reclassify one Senior Maintenance Worker position to Public Works Supervisor

FISCAL IMPACT:

The City Engineer classification has a higher salary than the Public Works Supervisor Position, which is higher than the Senior Maintenance Worker Classification. By reclassifying two positions to PWS, the result is a net savings of \$62,304. The table below outlines the estimated fiscal impact for the cost impact (including benefits) for FY 2023-24:

Action	Original Position Cost	New Position Cost	Net Impact for FY 2023-24
Reclassification of City Engineer to PW Supervisor	\$239,490	\$167,335	(\$72,155)
Reclassification of one Senior Maintenance Worker to PW Supervisor	\$157,484	\$167,335	\$9,851
Total Cost / (Savings)	\$396,974	\$334,670	(62,304)

STRATEGIC ELEMENTS:

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

BACKGROUND:

The City is legally mandated to have a City Engineer on staff to ensure standards for public health, safety, and welfare are met. With the recent promotion of the City Engineer to Public Works Director, it is currently unnecessary to have a separate City Engineer position in the Public Works Department. Some of the duties previously held by the City Engineer remain as needs in the department, including oversight of capital improvement projects, supervising contractors, inspecting construction projects, and providing recommendations concerning process changes.

In the beginning of January 2023, the Public Works Director worked with Human Resources to review staffing of the Engineering and Maintenance Divisions within Public Works to understand how staff could be better utilized. After careful evaluation of the work required by the City and work being performed by incumbents, it was recommended the City create a Public Works Supervisor classification. The Public Works Supervisor would provide the needed level of knowledge, expertise, and experience to oversee the tasks in the Engineering and Maintenance divisions.

DISCUSSION:

The new Public Works Supervisor is an exempt classification placed within the Represented Management Team labor group. Staff is recommending the reclassification of the City Engineer position and one Senior Maintenance Worker to Public Works Supervisor. Staff believes the creation of the additional classification and subsequent restructuring of the Engineering and Facilities Maintenance Divisions will promote a more productive and efficient Public Works team to serve the current needs of the community. Staff recommends approval of the new classification.

The proposed salary of the new classification is \$8,578 - \$10,427 monthly. The job specification has been drafted and is attached. The current City Engineer position would then be reclassified and that newly reclassified position would be filled by recruitment, which would result in cost savings of approximately \$72,155 in FY 2023-24. In addition, one Senior Maintenance Worker incumbent would be reclassified beginning July 1, which would result in an additional cost of approximately \$9,851 in FY 2023-24. The net impact for these changes would be a savings of \$62,304, with no change to the total number of FTE, all of which is reflected in the City's Recommended Operating Budget for FY 2023-24.

ATTACHMENT:

Resolution, including Public Works Supervisor job classification

Resolution No. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING
CLASSIFICATION AND SALARY SCHEDULE CHANGES**

WHEREAS, Chapter 2.50 of the Half Moon Bay Municipal Code establishes a personnel system and procedures for the administration of personnel matters; and

WHEREAS, said Chapter requires that the City Manager, as Personnel Officer, prepare and recommend to the City Council a position classification plan, class specifications, and revisions thereto; and

WHEREAS, said Chapter requires that personnel rules and policies be adopted by resolution of the City Council; and

WHEREAS, Public Works Management, with assistance from Human Resources, examined the needs of the Engineering and Facilities Maintenance Divisions and the responsibilities being performed by incumbent staff; and

WHEREAS, Human Resources completed an analysis and recommended creation of a Public Works Supervisor classification and compensation, and defunding of the City Engineer position to address the revised responsibilities being performed by the incumbent; and

NOW, THEREFORE, BE IT RESOLVED THAT the Classification Plan is hereby amended by establishing the Public Works Supervisor classification; the City Council of Half Moon Bay approves the classification specifications set forth in Exhibits attached hereto and incorporated herein by this reference; and the salary schedule shall be established as follows:

Public Works Supervisor	Monthly	8,578	9,007	9,457	9,930	10,427
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I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor



CITY OF HALF MOON BAY

Job Specification

Class Title: Public Works Supervisor

Status: Exempt

Department: Public Works

Reports to: Public Works Director or Designee

Employee Group: Represented Management

Adopted by City Council/Resolution Number:

DEFINITION

Under general direction, the Public Works Supervisor works with, coordinates, and directs the work of staff and/or contractors in connection with the construction, maintenance, installation, operation and repair of City property, facilities, and equipment. Employees in this classification may be assigned to supervise staff in the maintenance or capital improvement group/division/unit. Responsibilities may vary according to work assignment.

SUPERVISION RECEIVED/EXERCISED

Receives general direction from the Public Works Director, their designee, or another higher-level classification within the City. Exercises general supervision over assigned staff.

DISTINGUISHING CHARACTERISTICS

Work in the class is distinguished from that of lower-level classes by the level of responsibility assumed and the complexity of duties assigned. Employees perform the most difficult and responsible types of duties, including assigning work and providing lead direction.

ESSENTIAL AND IMPORTANT DUTIES

- Works with, schedules, coordinates, and directs the work of assigned staff; provides technical assistance to assigned staff; inspects work in progress and completed work of assigned employees and contractors for accuracy, proper work methods and techniques, and compliance with applicable standards and specifications.
- Monitors operations and activities of the work unit; identifies opportunities for improving service delivery methods and procedures; provides recommendations concerning process changes; reviews with appropriate management staff; implements improvements.
- Consults with, coordinates and monitors the work of contractors, including examination and evaluation of construction and maintenance work for conformance with established standards; observes work in various stages of progress to ensure compliance.

- Performs onsite construction inspection duties for capital projects.
- Trains staff in work and safety procedures and in the operation and use of equipment and supplies; implements procedures and standards and ensures adherence to and application of established safe work practices and procedures.
- Assists assigned staff with and/or performs the more difficult or unusually complex assignments; troubleshoots and resolves issues to ensure successful completion of work assignments.
- Provides information and technical assistance; responds to, investigates, and resolves complaints and service requests; determines corrective action and assigns appropriate personnel and equipment.
- Supervises the use and operation of tools, equipment, and vehicles; ensures that tools, equipment, and vehicles are safely operated, maintained, and secured when not in use; schedules the service, repair, and replacement of tools and equipment; maintains equipment records.
- Coordinates activities with other City departments, divisions, and work units and with other agencies, contractors, and consultants; may participate in and coordinate the selection of contractors and consultants.
- Supervises and mentors staff; coordinates staff training opportunities and development.
- Keeps supervisor informed of field staff, work assignments, issues, or concerns.
- Responds to emergency situations as necessary.
- Performs other related duties as assigned.

QUALIFICATIONS

Education and Experience:

Any combination of education and experience that would likely provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the qualification would be:

Experience: Seven years of progressively responsible experience in public works maintenance or in the maintenance/construction trades, including two years of lead or supervisory experience. Five years of progressively responsible experience as designated, in public works maintenance or in the maintenance/construction trades.

A college degree in construction management or equivalent can substitute up to two years of work experience.

Education: Completion of the twelfth grade or GED equivalent. Specialized coursework related to duty assignment is highly desirable and may include training in landscaping, arboriculture and grounds maintenance, traffic, and/or construction.

Licenses and Certifications: Possession of, or ability to obtain and maintain a valid California driver's license. Possession of Certified Access Specialist (CASP), Backflow Prevention Assembly Tester, Combination Inspector Certificate, Certified Arborist is highly desirable.

Knowledge of:

- Principles and practices of employee supervision, including work planning, assignment review and evaluation, discipline, and the training of staff in work procedures.
- Principles, practices, and regulatory requirements of municipal public works maintenance activities.
- Safety principles, practices, procedures, and equipment related to the work.
- Applicable laws, codes, ordinances, policies, rules, and regulations; equipment, tools, materials, and work requirements associated with constructing and maintaining public works infrastructure and capital assets.
- Operation and maintenance of a variety of hand and power tools, vehicles, and power equipment.
- Techniques for providing a high level of customer service by effectively interacting with the public, vendors, contractors, and City staff.
- Computers and software programs to conduct, compile, and/or generate documentation.
- Work standards related to duty assignment which may include but are not limited to working with concrete, asphalt, grading, contouring, traffic signals and systems, traffic control devices, street signage and striping, sewer and storm drainage systems, building maintenance, painting, carpentry, landscaping, electrical/mechanical systems, automotive and mechanical repair, and other materials and equipment used in the construction, repair and maintenance of public works infrastructure and capital assets.

Ability to:

- Effectively plan, organize, and direct the activities of assigned areas; plan work schedules and monitor performance.
- Interpret and apply applicable procedural and safety requirements.
- Coordinate and monitor the work of contractors.
- Estimate materials and work hours to perform a job.
- Operate specialized vehicular equipment and other related tools and equipment.
- Establish and maintain accurate records.
- Communicate effectively.
- Learn and apply specialized training and maintain level of knowledge required for satisfactory job performance.
- Oversee the work of and provide training to assigned staff.
- Supervise, train, and evaluate assigned staff.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Effectively use computer systems, software applications, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Travel to various locations within and outside the City of Half Moon Bay.

- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with qualified disabilities to perform the essential functions. Employees in this class are required to use hands to manipulate, handle, feel, and operate objects, tools or controls, and reach with hands and arms. Employees in this classification are frequently required to walk, sit, climb, balance, stoop, kneel, crouch, crawl and smell. Specific vision abilities are required, including close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus. Employees in this classification must frequently lift and/or move up to 25 pounds and occasionally lift and/or move up to 100 pounds.

WORKING CONDITIONS

While performing the duties of this position, employees regularly work in outdoor weather conditions; exposed to wet and/or humid conditions. Employees in this classification are occasionally exposed to fumes and/or airborne particles, toxic and caustic chemicals. The noise level in the work environment is usually loud. Employees may be required to respond to after-hours emergency calls and work a varied schedule of hours including nights, holidays, and weekends, as required.

LICENSES, CERTIFICATES AND REGISTRATIONS

Possession of a valid Class C California Driver's License

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Mathew Chidester, City Manager

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

TITLE: **CASELLE, INC. PROFESSIONAL SERVICES AGREEMENT**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional services agreement through June 30, 2024, with Caselle Inc. for Enterprise Resource Planning (ERP) software in the amount of \$47,580.

FISCAL IMPACT:

The agreement has been included in the Recommended City Operating Budget for Fiscal Year 2023-24 as part of the Equipment Fund Budget. This budget is a part of the Internal Service Funds.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability* Element of the Strategic Plan.

BACKGROUND:

The City has utilized contract services to support Administrative Services Department functions for many years. In alignment with the annual budget approval, agreements for these services are updated annually to ensure alignment with workload and economic conditions.

DISCUSSION:

Enterprise Resource Planning (ERP) refers to tools used to integrate an organization's multiple functions to manage their resources more effectively to collect and organize data from multiple sources (e.g., purchasing, payroll, permits, etc.) into a centralized system that can be used to share information cross-departmentally and create standardized reports for the evaluation of operations and future service needs.

The City previously utilized Harris Computer Systems as its ERP system beginning in 1995 for core financial functions and payroll. While the City successfully used Harris for many years, the software was no longer meeting the City's operational and reporting needs.

In November 2017, the City entered into an agreement with Caselle Inc. to implement a new ERP system with more modern capabilities. The agreement included implementation and on-going hosted maintenance and support. In February 2020, the new ERP system went live and operational. Since then, the department has been much more efficient in financial record keeping and reporting. The on-going maintenance costs of this software total \$47,580 per year.

This agreement continues to serve the City well. The ERP System assists the department in recording and delivering timely financial information to other departments and Council.

ATTACHMENT:
Resolution

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
THROUGH JUNE 30, 2024 WITH CASELLE INC, FOR CITYWIDE ENTERPRISE RESOURCE
PLANNING (ERP) ON-GOING SUPPORT AND MAINTENANCE IN AN AMOUNT OF \$47,580**

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

WHEREAS, Caselle Inc has provided Enterprise Resource Planning (ERP) software-as-a-service, on-going maintenance, and support services to the City of Half Moon Bay since February 2020; and

WHEREAS, the Administrative Services Department has determined that these services are necessary to maintain timely financial recordkeeping, reporting and operational efficiency across citywide functions; and

WHEREAS, Caselle Inc. can continue providing such software at \$3,965 per month, totaling \$47,580 a year; and

WHEREAS, adequate funds are available in the City's Recommended Operating Budget for FY 2023-24 for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with Caselle Inc. for ERP software-as-a-service, on-going maintenance, and support at a cost of \$47,580 through June 30, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

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

For meeting of: **June 20, 2023**

TO: The Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

**TITLE: AUTHORIZE THE CITY MANAGER TO WAIVE SPECIAL EVENT PERMIT FEES
FOR RESIDENTS WHO HOST BLOCK PARTIES ON NATIONAL NIGHT OUT**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to waive Special Event Permit Fees for residents who host block parties on National Night Out, an annual event to be held on August 1, 2023.

FISCAL IMPACT:

The Fiscal impact will vary based upon the number of block party applications received. The special event permit fee for a street closure is \$224. The City is proposing to limit the number of block parties to 30. If 30 neighborhoods participate, the maximum financial impact would be \$6,720 for 2023. To date, the City has never been oversubscribed for block/street closures.

STRATEGIC ELEMENT:

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

BACKGROUND/DISCUSSION:

National Night Out is a nationwide community building campaign held annually on the first Tuesday in August to encourage neighborhood unity, awareness, safety, and police-community partnerships. This year, the event will be held on August 1st and is intended to help connect neighbors and neighborhoods with each other. The event is also an opportunity to connect neighborhoods with local public safety staff including Sheriff Patrol Officers, other Sheriff staff, Fire District staff, the CARES team, and City staff and leadership.

In the past, neighborhoods have chosen various ways to celebrate, many of which are focused on private properties or public spaces like parks. Some neighbors choose to hold events as “Block Parties” which involve street closures, triggering a Special Event Permit and a \$224 fee which may deter residents who wish to participate.

The City wishes to encourage residents and neighborhoods to participate in the event. Each year the City Council is asked to waive the fees in hopes that more residents/neighborhoods will be encouraged to participate.

ATTACHMENT:

Resolution

Resolution No. C-2023-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO WAIVE SPECIAL EVENT PERMIT FEES FOR RESIDENTS TO HOST BLOCK PARTIES ON NATIONAL NIGHT OUT

WHEREAS, National Night Out is a nationally recognized event held on the first Tuesday of August every year that encourages police/community partnership, and neighbor-to-neighbor connections; and

WHEREAS, the City of Half Moon Bay would like to encourage residents to participate in National Night Out by hosting neighborhood block parties some of which may include street closures; and,

WHEREAS, the permit fees associated with hosting a block party could be cost prohibitive and limit the support and participation of the community; and

WHEREAS, the City desires to waive the Special Events Permit Fees for the residents who host a block party on National Night Out to be held on August 1, 2023.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby approves and authorizes the City Manager to waive up to 30 Special Events Permit Fees for residents hosting a block party while participating in the 2023 National Night Out event.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Karen Decker, Economic and Community Vitality Manager

TITLE: **ON-CALL PROFESSIONAL SERVICES AGREEMENT WITH WOOD CONSULTING SERVICES**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute an on-call Professional Services Agreement with Wood Consulting Services for project support in the following areas including, but not limited to, economic and business development and Coastside Recovery Initiative project implementation, with a not-to-exceed amount of \$80,000.

FISCAL IMPACT:

If approved, a contract amount not to exceed \$80,000 which is included in the Recommended City Operating Budget for FY 2023-24.

STRATEGIC ELEMENT:

This recommendation supports all elements of the Strategic Plan.

BACKGROUND:

The Coastside Recovery Initiative (CRI) has secured over \$6M in local, state, federal, and philanthropic funding toward economic recovery projects for the Coastside region. Since the final report and the 15 recommendations was completed and released last year, the County has approved a \$2.5 million funding allocation to support the Opportunity Center of the Coastside (OCC) that will serve entrepreneurs, small businesses, and job seekers. The College of San Mateo will return to the Coast with a physical site this fall. A significant philanthropic institution has funded digital navigators and a full-time staff position at an innovative, local farming cooperative. Finally, an urban design firm has been selected and is launching the Downtown Streetscapes Master Plan project including extensive community engagement and conceptual design.

Wood Consulting Services has played an integral role in the evolution of CRI, the City's ability to diversify its revenue streams, and tap into regional opportunities and relationships. The consultant's work with City staff over the last three years has directly resulted in a significant return on investment, clearly adding value to the City's efforts. Given the City Council's annual

priority session in April at which economic development (CRI) was identified as a continuing priority, the consultant will continue to identify and support the City in applying for relevant funding opportunities and assist with implementation of City projects that support a more equitable, vibrant, and resilient Coastside economy.

DISCUSSION:

In close collaboration with City staff, in FY 2023-24 the consultant will support implementation of CRI and other City projects such as:

- a. Opportunity Center of the Coastside (OCC). The consultant will take the lead on writing and issuing Requests for Proposals in the selection of the community-based organizations who will provide both job seeker services and the small business development support that has been funded by San Mateo County. The consultant will lead the formation and implementation of the business incubator that will be co-located at the OCC. Other examples of deliverables include leading the program evaluation for the cohort comprised of three economic advancement centers (SSF, Coastside, and North Fair Oaks).
- b. Initiate assessment for community lending strategy. The consultant will work on the development of a community lending strategy for small businesses. This will include organizing conversations with City leadership and local lenders (Tri-County Bank and San Mateo Credit Union) to understand loan options and terms. It will also include engaging Community Capital Advisors to undertake an assessment of small business / borrower needs and designing appropriate options.
- c. Support the City's Community Development Team on short-term strategies to increase affordable housing opportunities. The consultant may be called upon as a community member facilitator, philanthropic liaison, grant writer, or strategist regarding existing and new housing projects.
- d. Support efforts toward a broader vision of regenerative agriculture on the Coastside. The consultant proposes to promote the benefits and increase awareness of regenerative food, farming, and land use as a fundamental solution to climate change that can lead to jobs, income, and more sustainable development. Initiate development of agritourism and ecotourism strategies to enhance the Coastside visitor experience.
- e. Small business assistance. Research best practices, precedent, and recent changes in legislation to inform policy recommendations related to local businesses' ability to provide mobile vendor services in a compliant manner (e.g., food trucks, refreshment carts).
- f. Community Services Financial Assistance Program. The consultant will be on call to advise City staff on the technical assistance related to the emerging cohort model.

The consultant may assist City staff with cohort agendas and meeting facilitation as well as evaluation activities.

- g. Implementation funding. Actively explore potential funding opportunities to support implementation and work with City staff to determine if / when to pursue these opportunities.
- h. Regional collaboration. Make strategic connections to regional organizations and networks that can support CRI implementation efforts, such as the Fresno-Merced Future of Food Innovation (F3) coalition, led by the Central Valley Community Foundation, federal, state and county government, academic institutions, and venture capital community.

If approved by Council, the attached Scope of Work and Fee Schedule will be incorporated into a Professional Services agreement for FY 2023-24, with a not-to-exceed amount of \$80,000.

ATTACHMENTS:

- 1. Resolution
- 2. Scope of Work and Fee Schedule

RESOLUTION NO. C-2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AN ON-CALL PROFESSIONAL SERVICES AGREEMENT WITH WOOD CONSULTING SERVICES FOR PROJECT SUPPORT IN THE FOLLOWING AREAS INCLUDING, BUT NOT LIMITED TO, ECONOMIC AND BUSINESS DEVELOPMENT AND COASTSIDE RECOVERY INITIATIVE PROJECT IMPLEMENTATION, WITH A NOT-TO-EXCEED AMOUNT OF \$80,000

WHEREAS, COVID-19, wildfires, severe weather storms, and inflation have threatened residents, businesses, and industries on the Coastside, the need to diversify the local economy, generate more local jobs, and create conditions for a more equitable, vibrant, and resilient Coastside economy are essential; and

WHEREAS, on March 15, 2022, a final report entitled, “Building a More Equitable, Vibrant, and Resilient Coastside Economy,” inclusive of 15 recommendations, was completed and released to the public; and

WHEREAS, the City Council convened on April 19, 2023, and confirmed Economic Recovery and Development as a Council priority as part of the Fiscal Year 2023-24 Priority Setting Workshop; and

WHEREAS, the Coastside Recovery Initiative (CRI) has secured over \$6M in local, state, federal, and philanthropic funding toward economic recovery projects for the Coastside region; and

WHEREAS, Wood Consulting Services has played an integral role in the evolution of CRI and the City’s ability to diversify its revenue streams by aligning funding opportunities with “shovel-ready” projects; and

WHEREAS, further consultation and support is required to support the implementation of CRI and other city projects.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a Professional Services Agreement with Wood Consulting Services for project support in the following areas including, but not limited to, economic and business development and Coastside Recovery Initiative project implementation, with a not-to-exceed amount of \$80,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

Scope of Work and Fee Schedule

The purpose of this document is to outline the scope of services for a new, on-call Professional Services Agreement (Agreement) between the City of Half Moon Bay (City) and Wood Consulting Services (Consultant).

A new Agreement with Wood Consulting Services would support multiple city projects including the implementation phase of the Coastsides Recovery Initiative, assisting with incoming and outgoing grants administration, and efforts that support a more equitable, vibrant, and resilient Coastsides economy.

Description of Services

- a. Opportunity Center of the Coastsides (OCC). The consultant will take the lead on writing and issuing Requests for Proposals in the selection of the community-based organizations who will provide both job seeker services and the small business development support that has been funded by San Mateo County. The consultant will lead the formation and implementation of the business incubator that will be co-located at the OCC. Other examples of deliverables include leading the program evaluation for the cohort comprised of three economic advancement centers (SSF, Coastsides, and North Fair Oaks).
- b. Initiate assessment for community lending strategy. The consultant will work on the development of a community lending strategy for small businesses. This will include organizing conversations with City leadership and local lenders (Tri-County Bank and San Mateo Credit Union) to understand loan options and terms. It will also include engaging Community Capital Advisors to undertake an assessment of small business / borrower needs and designing appropriate options.
- c. Collaborate with City's Community Development Team on short-term strategies to increase affordable housing opportunities. The consultant may be called upon as community member facilitator, philanthropic liaison, grant writer, or strategist regarding existing and new housing projects.
- d. Support efforts toward a broader vision of regenerative agriculture on the Coastsides and the launch of Rancho San Benito. The consultant proposes to promote the benefits and increase awareness of regenerative food, farming, and land use as a fundamental solution to climate change that can lead to jobs, income, and more

sustainable development. Initiate development of agritourism and ecotourism strategies to enhance the Coastside visitor experience.

- e. Research best practices, precedent, and recent changes in legislation to inform policy recommendations related to local businesses' ability to provide mobile vendor services in a compliant manner (e.g., food trucks, refreshment carts).
- f. Community Services Financial Assistance Program. The consultant will be on call to advise City staff on the technical assistance related to the emerging cohort model. The consultant may assist City staff with cohort agendas and meeting facilitation as well as evaluation activities.
- g. Actively explore potential funding opportunities to support implementation and work with City staff to determine if / when to pursue these opportunities.
- h. Make strategic connections to regional organizations and networks that can support CRI implementation efforts, such as the Fresno-Merced Future of Food Innovation (F3) coalition, led by the Central Valley Community Foundation, federal, state and county government, academic institutions, and venture capital community.

Fee Schedule

Consultant agrees to track all hours worked on project and will invoice the City bi-weekly for work completed at an hourly rate of \$170.00 per hour. Consultant and City staff agree that the total estimated cost for this project will not exceed \$80,000 (or 470 total project hours). If project activities require additional time from the consultant beyond the project cap of \$80,000, Consultant and City staff will negotiate terms for a contract amendment or new contract. Out of pocket expenses, such as mileage to meetings, meeting / office supplies, refreshments, venue rentals, AV, or technology needs (e.g., zoom license) will be discussed and approved by City staff in advance of purchase. Any approved out-of-pocket expenses incurred by Consultant will be included in weekly invoices.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer

TITLE: **ANNUAL RENEWAL OF PUBLIC WORKS CONTRACTS**

RECOMMENDATION:

Adopt resolutions authorizing the City Manager to execute professional service agreements with:

1. 4Leaf, Inc. for Public Works Construction Inspection services in the amount of \$191,000;
2. American Debris Box to provide portable toilet services Citywide in the amount of \$85,000;
3. Impec Group for janitorial services in the amount of \$217,020;
4. Loral Landscaping for median maintenance in the amount of \$49,920;
5. Mark Thomas to provide operational assistance for the Fats Oils and Grease (FOG) program and CCTV inspections in the amount of \$79,175;
6. Peninsula Municipal Engineering, Inc. (PME) for project management of grant funded projects Pacific Coast Bikeway North Project (aka: Eastside Parallel Trail Segment 4 (0619) and the Highway 1 Safety – North (0538) in the amount of \$245,000;
7. V.W. Housen & Associates for engineering services related to sewers in the amount of \$150,000; and
8. West Coast Arborists (WCA) to provide tree trimming and tree removal services in the amount of \$150,000.

FISCAL IMPACT:

These contracts and amounts are included in the Recommended City Operating Budget for FY 2023-24 as part of the Public Works Operating Budget, Sewer Operating Budget, and Capital Budget.

STRATEGIC ELEMENT:

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

BACKGROUND:

The Public Works Department was established in FY 2017-18 through reorganization of the former Community Development Department and merger of the Public Works-Facilities Maintenance Division from the City Manager's Office. While the City Council has provided resources to hire in-house staff, the workload exceeds what can be handled by those staff. Some Department duties require specialized skills and/or equipment. Completion of Department duties is reliant upon a combination of qualified in-house staff and consultant/contractor support.

The Department is requesting approval of those contracts requiring City Council approval under the City's Purchasing Policy. These contracts are listed under "Recommendation" and discussed in greater detail under "Discussion."

DISCUSSION:

The mission of the Public Works Department is to promote safety, livability, and sustainability through effective management of streets, parks, facilities, and utilities. The department is responsible for the maintenance, replacement, and enhancement of City infrastructure as well as the development and implementation of the City's Five-Year Capital Improvement Program (CIP). To accomplish these goals, the Department relies heavily on outside consultants and contractors with special skills or services. Below are additional details of the eight contracts staff is seek authorization for execution.

4Leaf

In July 2018, the City issued a request for proposals (RFP) for consultant services for management support of the Capital Improvement Program (CIP). Of the six proposals, 4Leaf was determined to be the best qualified candidate to support City staff on public works inspections of capital, development, and utility projects.

The current requested budget of \$191,000 will primarily be funded through the Public Works Engineering operating budget. A small portion of the costs are recovered through fees collected from private development. The scope of work includes four (4) days of inspections per week. This contract also supports the sewer operations and capital improvements on occasion and may be charged to enterprise or capital funds if the needed.

American Debris Box

The City provides several portable toilets throughout the City at Kelly Avenue, the Ocean Colony Trailhead, Poplar Beach, and Smith Field to supplement existing permanent facilities and to address locations which do not have permanent facilities. These units are necessary for residents and visitors alike. American Debris Box was chosen to provide portable toilet services following an RFP process in 2017.

The current requested budget for the contract is \$85,000 to be funded through the Public Works Maintenance budget. This reflects the costs of maintaining the City's current level of service and accounts for the likely increase in service needed to respond to increased beach traffic throughout the City, increased fuel costs, and additional services as needed. Executing the recommended contract will keep the current services in place while increasing both the number of units during the busy summer months as well as frequency of cleaning of the portable toilets. If additional funds are needed for this contract, staff will return to the City Council with a request to amend the contract.

Impec Group

Following solicitation via a Request for Proposals (RFP) process, the City contracted with Impec Group (Impec) in 2018 to provide janitorial services. To ensure due diligence, the City issued another RFP for janitorial services in March 2021, where Impec was ultimately chosen as the preferred firm due to their detailed implementation and execution plan and their history of performance in Half Moon Bay.

The requested budget for the contract is \$217,020 and will be paid out of the Public Works Maintenance budget. This represents a 4.2% increase in cost over the previous year and reflects increases in the Consumer Price Index (CPI) and inflation levels. The scope includes routine maintenance of all the City's buildings and daily cleaning of the City's public restrooms.

Loral Landscaping

The City first contracted with Loral Landscaping in 2019 to maintain the City's medians located along Highway 1 and Highway 92. New medians were added in FY 2022-23 as a result of the Highway 1 South project.

The requested budget for the contract is \$49,920 and will be funded through the Public Works Maintenance budget. The scope includes weed removal and general cleaning of all Highway 1 and 92 medians.

Mark Thomas Company (MTCO)—Sewer Support

The City first entered into contract with MTCO in 2018 to provide administrative and inspection support to the of the City's Fats Oils and Grease (FOG) program, provide CCTV inspection services, provide QA/QC of SAM sewer line cleaning, and provide monthly/quarterly inspections of the City's three pump stations. The consultant work has been effective in significantly reducing Sanitary Sewer Overflows (SSOs) in the City system. Additionally, MTCO allows the City to schedule regular CCTV inspection of the system to identify needed repairs and I&I concerns.

City staff is recommending a significant reduction in the services provided by the consultant. Their success along with improvements in services by SAM over the last several years offers the opportunity to reduce costs. The current requested budget for the contract is \$79,175 and will be paid out of the City Sewer Fund. The budget reflects a decrease of approximately 55% over

FY 2022-23, due to the elimination of QA/QC for cleaning of “Hot Spots”, as well as the elimination of pump station inspections.

Peninsula Municipal Engineering, Inc. (PME)

The City contracted with PME in 2017 to fill a need in the Engineering and Capital Projects Division, with an emphasis on managing complex, grant-funded transportation projects that required Caltrans permitting. Since coming on board, PME has supported the engineering division on transportation and traffic projects and have been instrumental in obtaining grant funding for projects such as the Eastside Parallel Trail project and Highway 1 North. Currently, PME is serving as project manager for the Highway 1 Safety – North (0538) and the Eastside Parallel Trail Expansion (0619).

The current proposed contract is for \$245,000 and includes project management costs for the Pacific Coast Bikeway North (aka: Eastside Parallel Trail Segment 4) and the Highway 1 Safety and Operational Improvements – North projects. The contract allocates \$245,000, equating to approximately 20 hours per week for project management of the referenced projects. Both projects are grant funded and the cost of this contract is reimbursable by those funds allocated to the projects.

V.W. Housen & Associates

The City entered into a professional services agreement with V.W. Housen & Associates in 2016 to provide engineering and technical services in support of the City sewer collection system and the SAM system. Vivian Housen has over 25 years of experience in planning, design, and management of water and wastewater infrastructure systems. Ms. Housen and her staff have been serving as the City’s Sewer Engineer and have been integral in developing and implementing the City’s sewer programs and projects. Ms. Housen has extensive knowledge of the City’s collection system as well as the sewer treatment plant and collection systems of the other member agencies of the Joint Powers Authority (JPA). The City has benefited greatly from Ms. Housen’s service and are seeking to retain her firm’s services.

Staff is seeking approval of Amendment No. 6 to the original professional services agreement contract which would extend the contract to June 30, 2024, decreasing the amount slightly to \$150,000 and make minor adjustments to the scope of work to reflect anticipated needs this coming fiscal year. The scope of work for FY 2023-24 will include completion of the Sewer Master Plan update, maintenance of the hydraulic model, assistance with capital projects/capital maintenance, and other design/consultant services. This work is funded through the Sewer fund and is billed on a time and material basis and not to exceed the total allocation.

West Coast Arborists

One of Public Works’ operational responsibilities include monitoring and maintaining the trees throughout the City. The City circulated an RFP for tree services in 2017 and West Coast Arborists (WCA) was selected as the contractor for these services. WCA has provided an in-

depth tree inventory database for City staff as part of their initial contract which is still in use, and WCA has provided excellent service and response time to the community. WCA regularly updates the City tree inventory in conjunction with trimming or tree removal. Staff is recommending executing an annual contract with West Coast Arborists to provide on-call services include tree trimming, tree removal, and tree assessments. This is considered an essential service and must be provided every year.

The requested budget for the contract is \$150,000 and will be paid out of the Urban Forest Management Program (0598) of the Capital Improvement Program. The budget is needed to address much of the deferred “regular” maintenance that was preempted by the winter storms of 2023-24.

ATTACHMENTS:

- 1) Resolution for 4Leaf, Inc.
- 2) Resolution for American Debris Box
- 3) Resolution for Impec Group
- 4) Resolution for Loral Landscaping
- 5) Resolution for Mark Thomas;
- 6) Resolution for Peninsula Municipal Engineering, Inc. (PME)
- 7) Resolution for V.W. Housen & Associates
- 8) Resolution for West Coast Arborists (WCA)

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT
THROUGH JUNE 30, 2024 WITH 4LEAF, INC. PUBLIC WORKS INSPECTION SERVICES IN AN
AMOUNT OF \$191,000**

WHEREAS, 4LEAF, Inc. (4Leaf) has provided building inspection services and building plan check services for four years during which their contact staff have gained extensive knowledge about the City and provided for all of the City's building plan check and inspection services; and

WHEREAS, the Community Development Director has determined that continuation of current service levels along with additional scope and budget for the building official to provide over-the-counter permit services; and

WHEREAS, 4Leaf provided a scope of work, budget, and an hourly rate schedule for a new one-year agreement totaling \$191,000 for the needed Public Works Inspection services; and

WHEREAS, adequate funds are available in the City's proposed FY 2023-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with 4LEAF, Inc. for Public Works Inspection services in the amount of \$191,000 through June 30, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
WITH AMERICAN DEBRIS BOX TO PROVIDE PORTABLE TOILET SERVICES IN THE AMOUNT OF
\$85,000**

WHEREAS, the City of Half Moon Bay Public Works provides several portable toilets in areas throughout the City at Kelly Avenue, Trailhead, Poplar Beach, and Smith Field; and

WHEREAS, the City circulated a request for proposals for sanitation services for these portable toilets in 2017 and American Debris Box was selected as the contractor for these services; and

WHEREAS, the City, as a tourist destination, portable toilets are an essential part of the City's operations; and

WHEREAS, adequate funds are available in the City's proposed FY 2023-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with American Debris Box for sanitation services for portable toilets in the amount of \$85,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE SECOND AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT WITH IMPEC GROUP, INC. FOR JANITORIAL
MAINTENANCE SERVICES**

WHEREAS, the City approved a professional services agreement with Impec Group, Inc. (Impec) on July 1, 2021 for janitorial maintenance services after a Request for Proposals process; and

WHEREAS, The City previously amended the professional services agreement with Impec Group, Inc. (Impec) on July 1, 2022 for an additional year of service; and

WHEREAS, the City has negotiated with Impec Group, Inc. and determined that a 4.2% increase is warranted due to increased costs due to inflation and a high Consumer Price Index (CPI); and

WHEREAS, the City has been pleased with the high level of service that Impec has provided; and

WHEREAS, the City believes it is in the City's best financial and overall interest to amend the Professional Services Agreement allowing Impec to conduct all the City's janitorial work for one year.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby: 1) Authorizes the City Manager to execute the second amendment to the professional service agreement with Impec Group, Inc. for an additional cost of \$18,085 per month, for a total contract value of \$217,020 for FY 23-24.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
WITH LORAL LANDSCAPING FOR MEDIAN MAINTENANCE SERVICES
IN THE AMOUNT OF \$49,920**

WHEREAS, the City of Half Moon Bay Public Works Department provides median maintenance as an ongoing essential service that must be performed annually; and

WHEREAS, the City recently added new median locations as a result of the Highway 1 South construction project; and

WHEREAS, Loral Landscaping has provided an excellent level of service and response time to requests for service; and

WHEREAS, adequate funds are available in the City's proposed FY 23-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with West Coast Arborists for tree trimming and tree removal services in the amount of \$49,920.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 5
TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE MARK THOMAS COMPANY
FOR FAT, OIL AND GREASE INSPECTIONS AND CLOSED-CIRCUIT TELEVISION SERVICES RELATED
TO THE SEWER COLLECTION SYSTEM**

WHEREAS, the City Council entered into a professional services agreement with Mark Thomas Company (MTCO) on July 1, 2018 to provide oversight of the sewer collection system cleaning and maintenance; and

WHEREAS, the contract has been amended four previous times to reflect revised scope of work and costs; and

WHEREAS, staff has met with MTCO representatives to discuss possible revisions to the scope of services entering this fiscal year; and

WHEREAS, MTCO is willing to continue administrative and inspection support for the City's Fats Oils and Grease (FOG) program and provide CCTV inspection services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute Amendment No. 5 to the Professional Services Agreement with Mark Thomas Company extending the expiration date to June 30, 2024 at cost of \$79,175 for FY 2023-24.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 11 TO THE PROFESSIONAL
SERVICE AGREEMENT WITH PENINSULA MUNICIPAL ENGINEERING, INC. FOR PROJECT
MANAGEMENT SERVICES FOR PACIFIC COAST BIKEWAY NORTH aka EASTSIDE PARALLEL TRAIL
SEGMENT 4 (0619) AND THE HIGHWAY 1 SAFETY AND OPERATIONAL IMPROVEMENTS – NORTH
(0538) PROJECTS IN AN AMOUNT OF \$245,000**

WHEREAS, the City of Half Moon Bay entered into contract with Peninsula Municipal engineering, INC. (PME), in 2017 to manage complex, grant-funded transportation projects that required Caltrans permitting; and

WHEREAS, PME has supported the engineering division on transportation and traffic projects and have been instrumental in obtaining grant funding to catch up on years of deferred maintenance and capital projects; and

WHEREAS, PME has been instrumental in obtaining significant grant funding for the Pacific Coast Bikeway North/Eastside Parallel Trail Expansion (0619) and the Highway 1 Safety – North (0538) projects; and

WHEREAS, PME provided a scope of work, budget, and an hourly rate schedule to provide project management for these projects totaling \$245,000; and

WHEREAS, the cost of this contract is reimbursable by grant funding and not City General Funds.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute Amendment 11 to Professional Services Agreement with Peninsula Municipal Engineering, Inc. for project management services for the Pacific Coast Bikeway North aka Eastside Parallel Trail Expansion (0619) and the Highway 1 Safety – North (0538) projects in an amount of \$245,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE
CITY MANAGER TO EXECUTE AMENDMENT NO. 6 TO THE PROFESSIONAL SERVICES
AGREEMENT WITH V.W. HOUSEN & ASSOCIATES**

WHEREAS, the City entered into contract with V.W. Housen & Associates on July 13, 2014 for engineering services related to sewers; and

WHEREAS, the City renewed this contract on January 1, 2016 for three (3) years; and

WHEREAS, in January 2017 the City requested that V.W. Housen & Associates provide increased support due to emerging critical projects and issues; and

WHEREAS, the City Council has agreed to maintain a relationship with the firm and has approved extensions of time and funding through FY 2021-22; and

WHEREAS, the given her unique and extensive knowledge of the City sewer system, the hydraulic model and SAM, the City agreed to continue to utilize the services of V.W. Housen and Associates in FY 2022-23; and

WHEREAS, the city requires the services related to the Sewer Master Plan update, maintenance of the hydraulic model, assistance with capital projects/capital maintenance, and other design/consultant services as needed.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute Amendment No. 6 to the Professional Services Agreement with V.W. Housen & Associates extending the expiration date to June 30, 2024 and amending scope of services at a cost of \$150,000 in FY 2023-24.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT
WITH WEST COAST ARBORISTS FOR TREE TRIMMING AND TREE REMOVAL SERVICES
IN THE AMOUNT OF \$150,000**

WHEREAS, the City of Half Moon Bay Public Works department provides tree monitoring and maintenance as an essential service that must be performed annually;

WHEREAS, the City circulated a request for proposals for tree services and West Coast Arborists (WCA) was selected as the contractor for these services; and

WHEREAS, WCA has provided an excellent level of service and response time to requests for service; and

WHEREAS, as part of their contract with the City, WCA maintains a proprietary tree management database for Half Moon Bay that has proven to be an invaluable tool especially during the winter storms of last winter; and

WHEREAS, adequate funds are available in the City's proposed FY 23-24 budget for these services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with West Coast Arborists for tree trimming and tree removal services in the amount of \$150,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Karen Decker, Economic and Community Vitality Manager
Julissa Acosta, Management Analyst

TITLE: **AGREEMENT WITH EL CENTRO DE LIBERTAD FOR COMMUNITY RESPONDER PROGRAM (CARES)**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to finalize and execute an agreement with El Centro de Libertad for a Community Responder program, at a cost not-to-exceed \$549,944, for a term beginning July 1, 2023, and ending June 30, 2024, including options for up to four annual renewals, conditional upon available funding.

FISCAL IMPACT:

The \$549,944 program cost is included in the Recommended Operating Budget for FY 2023-24. The City has been awarded a grant of \$150,000 towards the costs of operating the program, and has applied for an additional \$360,000 in grant funding. Staff will continue to seek and pursue funding support for continuation of the program.

STRATEGIC ELEMENT:

This action supports the *Healthy Communities and Public Safety* element of the Strategic Plan.

BACKGROUND:

In Summer 2020, responding to the national movement around police reforms and the local killings of two individuals at the hands of law enforcement, the City Council prioritized community outreach and research related to public safety and law enforcement in Half Moon Bay. The Council also created the Public Safety Subcommittee.

The City launched a significant community outreach effort which ultimately resulted in, among other things, a recommendation to implement a mental health crisis response pilot program in Half Moon Bay. It was determined that the best approach would be to partner with a third-party service provider to provide the services to the community. After gauging interest and accepting proposals from existing non-profit providers already serving the Coast, El Centro de Libertad (El Centro) was selected to work with the City on program design and provide services during the

pilot stage, due to their well-designed proposal, existing staff, expertise, and infrastructure, as well as their ability to launch services quickly and effectively.

El Centro and the City launched the CARES program on March 16, 2022, providing a two-person mobile crisis response team with culturally and language competent de-escalation, crisis-intervention, motivational interviewing, and suicide prevention tools to work with individuals in crisis. Typical response calls include suicidal ideations, persons under the influence of drugs or alcohol, persons experiencing a mental health crisis, parents calling with concern for an adolescent youth exhibiting unusual behavior, or community members reporting persons in some form of emotional distress.

The CARES team was dispatched in instances where there was no immediate threat of violence, with Sheriff Deputies on standby when a higher level of response is needed. Following initial de-escalation and stabilization, the CARES team helped individuals develop a plan of treatment, provided warm handoffs to service providers, and followed up with status checks and resources. Ongoing collaboration with local and regional non-profits, County Health, the Sheriff's Office, and the community has been key to the success of the program and the long-term success of clients.

The initial pilot operated 40 hours per week and responded to calls within the City limits of Half Moon Bay, as well as the Moonridge community, with an original budget of \$150,000 coming equally from the City and the County of San Mateo. The pilot program was expanded to the entire mid-coast (Devil's Slide to Moonridge) and extended to seven days per week through a State grant, and additional general fund support continued the pilot through the end of FY 2022-23.

The project was initiated as a one year "pilot stage" program. As part of the process to move beyond the pilot stage, the City released a Request for Qualifications (RFQ) in May inviting qualified non-profit or government agencies to operate mental health crisis response services in Half Moon Bay and the surrounding Coastside communities. El Centro de Libertad was the only qualified responder and is recommended to continue working with the City to offer the CARES program for the next five years.

DISCUSSION:

Program

Staff seeks authority for the City Manager to negotiate and execute an agreement between the City and El Centro de Libertad, which would allow the City to continue providing response to calls that include suicidal ideations, persons under the influence of drugs or alcohol, persons experiencing a mental health crisis, parents calling with concern for an adolescent youth exhibiting unusual behavior, or community members reporting persons in some form of emotional distress through El Centro's Crisis Assistance Response and Evaluation Services (CARES) program.

The program will operate 7 days per week, from 8:00 a.m. to 6:30 p.m. and provide crises response services to the entire mid-coast. The response team will consist of a two-person team that responds to calls from the Public Safety Communications (911) dispatch center and the Star Vista

(988) call center, arriving at the location within 30 minutes or less. An initial assessment upon arrival will determine if the situation requires escalation to other first responders, de-escalation and stabilization, or referral to support services. Once the situation is de-escalated, a plan of action will be developed with full client participation. These plans include motivational interviewing, warm hand-offs where possible, and in some cases referral to psychiatric emergency for immediate observation and treatment. On dispatches involving the homeless population, CARES staff will immediately contact the LifeMoves HOT Team, to request a supplemental response to the location.

Funding Support

In addition to providing direct services, El Centro will work closely with the City to identify and pursue funding to operate the program. Specifically, the organizations will work together on the State's Community Response Initiative to Strengthen Emergency Systems Act (CRISES Act) grant, which will provide funding for agencies that demonstrate capacity to lead innovative mental health crisis response programs in California. The CRISES Act grant provides funding of a minimum of \$250,000 per year and a maximum of \$3.5 million through March 31, 2026. City and El Centro staff will continue to collaborate in developing a response to the grant application and will submit it no later than July 14, 2023. Award notifications are tentatively set to be announced on August 31, 2023. If awarded, the Adopted Budget will be revised to include the CRISES Act grant funding as a new revenue which will in turn reduce the allocated City General Funds now requested in the Operating Budget.

Conclusion

The agreement with El Centro de Libertad will enable the City to continue providing a Community Responder program in Half Moon Bay effective July 1, 2023. Staff recommend adoption of the resolution, which would authorize the City Manager to finalize and execute an agreement and continue the program services. Should the resolution be adopted, program updates will be presented to the Public Safety Subcommittee and the Council throughout the duration of the contract.

ATTACHMENTS:

1. Resolution
2. El Centro de Libertad Scope of Work

Resolution No. C-2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE AN AGREEMENT WITH EL CENTRO DE LIBERTAD FOR A COMMUNITY RESPONDER PROGRAM, AT A COST NOT-TO-EXCEED \$549,944, FOR A TERM BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024, INCLUDING OPTIONS FOR UP TO FOUR ANNUAL RENEWALS, CONDITIONAL UPON AVAILABLE FUNDING

WHEREAS, beginning in Summer 2020, the City Council prioritized community outreach and research related to public safety and law enforcement in Half Moon Bay, which resulted in, among other things, a recommendation to pilot a community responder program; and

WHEREAS, on March 16, 2022, the Crisis Assistance Response and Evaluation Services (CARES) pilot program, operated by El Centro de Libertad through a contract with the City, began providing crisis response as an alternative to traditional law enforcement response through culturally and language competent de-escalation and stabilization practices; and

WHEREAS, additional state and private funding and early program success allowed the CARES program to expand its geographic service area to the entire Mid-Coast from Devil's Slide to Moonridge and expand its hours and days to seven days per week, with the pilot ending on June 30, 2023; and

WHEREAS, on May 1, 2023, the City issued a Request for Qualifications to select a provider to continue the program and operate mental health crisis response services in Half Moon Bay, and El Centro de Libertad is recommended as the ongoing service provider; and

WHEREAS, on June 6, 2023, the City Council approved the City Council Priorities Workplan for Fiscal Years 2023-2025, which under the Public Health, Safety and Emergency Preparation priority includes: Mental Health Support to, "Continue to evolve the program to best address needs and develop efficiencies, identify and secure ongoing funding sources, and outreach and education to support regional expansion of services..."; and

WHEREAS, the City and El Centro de Libertad desire to enter into an agreement to continue the Crisis Assistance Response and Evaluation Services (CARES) program for Fiscal Year 2023-24 at a cost not-to-exceed \$549,944; and

WHEREAS, the agreement will be automatically renewed annually conditional upon available funding for the following four years.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to finalize and execute an agreement with El Centro de Libertad for a community responder program, at a cost not-to-exceed \$549,944, for a term beginning July 1, 2023, and ending June 30, 2024, including options for up to four annual renewals, conditional upon available funding.

.....

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

Exhibit A – Scope of Work:

- El Centro de Libertad (CARES) will facilitate the following functions:
 - Two 2-person CARES teams will receive calls from the PSC Center, via primary SMCSO Coastside communications channel, and acknowledge receipt of the assignment using the same method. They may also receive calls for assistance from the 988 Call Center, and report their response to PSC over the primary law enforcement channel. The CARES Teams could also receive calls for assistance directly from SMCSO or private parties.
 - The CARES Teams will respond to the dispatched location within 30 minutes or less of receiving the assignment. In the event of overlapping assignments, CARES will notify the PSC for a prioritization of assignments. The jurisdictional boundaries are the entire Midcoast Region of San Mateo County; defined as all points between the Tom Lantos Tunnels and the Southern City limits of Half Moon Bay, including the Moonridge Community. Responding to areas outside of the boundaries can be done at the request of the SMCSO, practicing a co-responder model.
 - Within 5 minutes of arrival at the assignment location, CARES would notify the PSC if any additional response needed from County agencies, based on any perceived danger/threats to the subject of the assignment, or other persons in the immediate vicinity.
 - The CARES Team, upon arrival to assignment location, will immediately deploy de-escalation techniques, seeking incident stabilization.
 - When the team arrives at a location and the assessment determines the situation is consistent with the CBO response, de-escalation techniques are immediately used, to ensure a foundation for stabilization.
 - Once deescalated, a plan of action is developed with full client participation.
 - These plans would include appropriate agency referrals, including warm hand offs when possible.
 - The use of Motivational Interviewing is essential in this process, ensuring complete buy-in from the client.
 - In some cases, these plans would include referral to Psychiatric Emergency for immediate observation and treatment. If possible, in these cases, especially with fully cooperative clients, the CARES Team could facilitate this transport and hand-off. This would be done in the El Centro vehicle, without handcuffs, and with dignity for the client seeking help.
 - On dispatches involving the homeless population, the El Centro staff would immediately contact the LifeMoves HOT Team, to request a supplemental response to the location.
 - LifeMoves is the recognized leader in providing stabilization services to those experiencing homelessness.
 - Once the HOT Team arrives to the location, all efforts will be made to assist them in any way needed.
- Staffing
 - El Centro would staff our Half Moon Bay office with 4 FTE: all Crisis Intervention Specialist (CIS), two per CARES Team. On each Team, one or both are California State Certified EMTs, or current certification in Basic Life Support via the America Red Cross, and one or both are Spanish speaking.

- Hours of operation / Schedule: The two CARES Teams will work a 4/10 schedule, Team 1 Sunday –Wednesday, Team 2 Wednesday – Saturday. CARES will operate from 8:00am to 6:30 PM, 7 days a week. Initially, all San Mateo County recognized holidays will be considered days off for the CARES Teams, this is subject to change at the direction of the City of Half Moon Bay.
- Deliverables / Expected outcomes
 - Performance measures and data points collected are flexible and done in accordance with the needs of The City of Half Moon Bay and the State of California, as determined by the individual funding streams and directed by City personnel.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Karen Decker, Economic and Community Vitality Manager

TITLE: **RESOLUTION ASSESSING THE LEVY FOR THE HALF MOON BAY BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24**

RECOMMENDATION:

Conduct a public hearing, consider any oral or written protests, and adopt a resolution assessing the levy for the Half Moon Bay Business Improvement District for Fiscal Year 2023-24.

FISCAL IMPACT:

There is no fiscal impact to the City associated with this action. Any revenue generated through the BID levy will be transferred to the Business Improvement District.

STRATEGIC ELEMENT:

This action supports the *Fiscal Sustainability* Element of the Strategic Plan.

DISCUSSION:

The attached Half Moon Bay Hotel Business Improvement District ("BID") report was filed with the City Clerk as required by California Streets and Highways Code Section 36533. The report was prepared by the Half Moon Bay Chamber of Commerce acting as the Managing Agency for the hotels in the BID.

A Resolution of Intention adopting the annual report and to continue the BID program and levy the annual assessments for Fiscal Year 2023-24 was adopted by the City Council on May 16, 2023. This action recommends keeping the levy rate at \$1 per rented room night. The Public Hearing date was set for June 20, 2023. Written and oral protests to the levy of the annual assessment may be made at the Public Hearing in the form and manner prescribed in Sections 36525 and 36526 of the California Streets and Highway Code up until the close of the public hearing.

ATTACHMENTS:

1. Resolution assessing the levy for the Half Moon Bay Business Improvement District for Fiscal Year 2023-24
2. Half Moon Bay Business Improvement District 2022 Annual Report

RESOLUTION NO. C-2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
TO CONTINUE THE BASIS FOR AND LEVY THE ASSESSMENT FOR THE HALF MOON BAY
BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24**

WHEREAS, the Parking and Business Improvement Area Law of 1989 Section 36500 et seq. of the California Streets and Highway Code authorizes cities to establish and renew business improvement areas for the purpose of promoting tourism; and

WHEREAS, the City Council approved Resolution C-10-04 on April 6, 2004, to establish the Half Moon Bay Hotel Business Improvement District (BID) and on June 15, 2004, approved an Ordinance establishing the Half Moon Bay Hotel Business Improvement District; and

WHEREAS, in accordance with the requirements of Health and Safety Code Section 36530 and Half Moon Bay Municipal Code Chapter 3.100, the City Council appointed the Half Moon Bay Coastside Chamber of Commerce and Visitors' Bureau as the managing agency to provide oversight and recommendations regarding the use of the assessment funds; and

WHEREAS, the Half Moon Bay Municipal Code and the Parking and Business Improvement Area Law requires that the managing agency prepare and submit an annual report stating the proposed changes, improvements and activities for the fiscal year; and

WHEREAS, on April 27, 2023, the Chamber submitted the 2022 Annual Report; and

WHEREAS, on May 16, 2023, the City Council adopted a resolution approving the Report and declaring intention to continue the BID program and assessments for Fiscal Year 2023-24 following a public hearing on June 20, 2023, at 7:00 p.m.; and

WHEREAS, the City Clerk gave notice of the public hearing by mailing written notice to all hotels within the BID and by publishing in a newspaper of general circulation at least seven days before the public as required by California Streets and Highways Code section 36534; and

WHEREAS, at the public hearing, the City Council heard and considered all protests against the Fiscal Year 2022-23 levy of assessments for the BID, and the rules and procedures used in receiving and considering protests complied with those set forth in the California Streets and Highways Code Sections 36524, 36525, 36534 and 36535; and

WHEREAS, the City Council desires to adopt this resolution to continue the program and assessments as levied without change for Fiscal Year 2023-24.

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

- Section 1. The Annual Report is on file with the City Clerk and contains a full and detailed description of activities provided in 2022. No changes to the District boundaries are proposed and there are no changes to the assessment proposed.
- Section 2. The assessment levied by the BID shall be used for activities and programs promoting lodging within the district and administer marketing programs that increase overnight lodging.
- Section 3. The City hereby levies the assessment for Fiscal Year 2023-24 in the amount of \$1 per rented room night on all hotels within the BID.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor



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COASTSIDE CALIFORNIA

2022 ANNUAL REPORT

HALF MOON BAY HOTEL BUSINESS IMPROVEMENT DISTRICT

MISSION The assessment levied by the Business Improvement District shall be used to promote lodging within the district and administer marketing programs that increase overnight lodging.

PRIORITIES & OUTCOMES

LEISURE TRAVEL

Create opportunities and buzz around HMB as a "Drive to" destination.

- Articles, digital, and print ads were heavily focused on nearby areas such as the inner Bay Area and San Jose. These areas comprise the largest segment of travelers we have seen since the onset of the pandemic.

GENERATE MEDIA

Proactively pitch and respond to the media.

Coordinate and host travel writers.

- Articles Written about Half Moon Bay
- Travel Writers Hosted

2022	2021	2020
58	48	37
8	7	4

INCREASE WEBSITE TRAFFIC

Increase traffic to the 'Visit' website with new content and paid ads.

- All Users
- Average Sessions Per User
- Total Page Views

2022	2021	2020
421,521	447,510	425,820
1.11	1.22	1.22
848,416	889,377	828,992

CORPORATE GROUPS

As Corporate Groups begin to rebound, be prepared with a rapid response.

- Corporate meetings and group sales were halted in March 2020 with the onset of the pandemic. Corporate travel started to pick up in 2022 but not by a large amount. The BID will bring back a Corporate Group Coordinator in 2023 as the inquiries increase.

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COASTSIDE CALIFORNIA

2022 ANNUAL REPORT

CONTRIBUTIONS Each BID Hotel Participant pays \$1 per rented room night.

	2022	2021	2020
• Aristocrat	\$6,890	\$8,979	\$9,200
• Beach House Half Moon Bay	\$15,761	\$15,505	\$11,470
• Cameron's Inn	\$146	\$148	\$74
• Cypress Inn on Miramar Beach	\$4,950	\$5,431	\$4,273
• Half Moon Bay Inn	\$1,815	\$1,808	\$1,135
• Half Moon Bay Lodge	\$18,077	\$16,979	\$12,038
• Harbor View Inn	\$6,041	\$2,551	\$4,017
• Inn at Mavericks	\$1,948	\$1,640	\$1,340
• Mill Rose Inn & Garden	\$437	\$805	\$541
• Miramar Inn & Suites	\$4,845	\$4,373	\$3,323
• Nantucket Whale Inn	\$1,668	\$1,109	\$151
• Ocean View Inn	\$2,170	\$774	\$261
• Oceano Hotel & Spa	\$22,070	\$21,160	\$12,836
• Quality Inn	\$12,621	\$9,903	\$5,857
• Ritz Carlton	\$60,454	\$45,604	\$33,504
• San Benito House	\$0	\$71	\$222
• Seal Cove Inn	\$1,589	\$0	\$1,910
• Zaballa House	\$161	\$378	\$571

OCCUPANCY

Total Available
Rooms a Night
739

Total Available
Room Nights
269,735

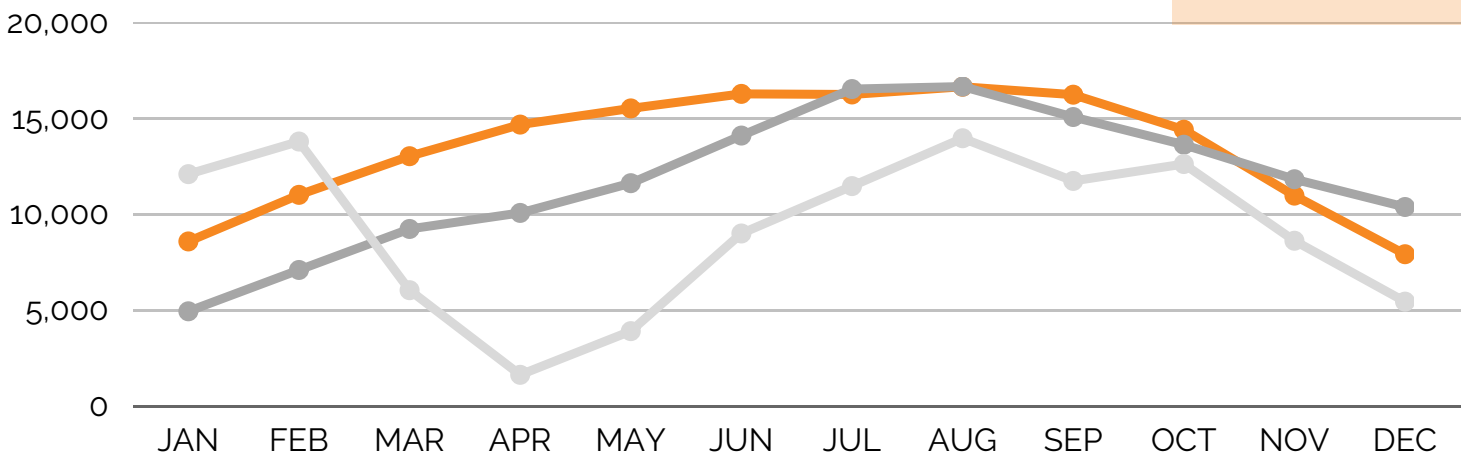
Total Occupied
Room Nights
161,643
60% Occupancy
51% in 2021
37% in 2020

TOT Revenue
\$10,140,861

Est. Economic
Impact
\$8.4 Billion

BOOKED ROOM NIGHTS

■ 2022 ■ 2021 ■ 2020



Visit

HALF MOON BAY

COASTSIDE CALIFORNIA

2022 ANNUAL REPORT

BUDGET

ITEM	CARRYOVER	INCOME	EXPENSE	NET
Assessments		\$161,643	\$0	\$161,643
Management			\$40,411	-\$40,411
Software			\$610	-\$610
Marketing Firm			\$45,000	-\$45,000
Website			\$14,000	-\$14,000
Digital Ads	\$18,728	\$30,000	\$22,906	\$25,822
Print Ads			\$2,500	-\$2,500
PR Firm			\$54,000	-\$54,000
Media Aquisition	\$21,094	\$9,000	\$9,286	\$20,808
Corp. Group Coordinator	\$5,559	\$5,000	\$0	\$10,559
Corp. Group Aquisitions			\$0	\$0
TOTALS	\$45,381	\$205,643	\$188,713	\$62,311
RESERVE	\$21,587	\$0	\$0	\$21,587

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Catherine Engberg, City Attorney
Maz Bozorginia, Public Works Director

TITLE: ACQUISITION OF ACCESS LICENSE AND EASEMENT LOCATED AT 20 STONE PINE ROAD FOR THE CARTER PARK IMPROVEMENT PROJECT

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute the Agreement to Acquire Temporary Construction Access License and Permanent Pathway Easement over real property owned by Bahram Abolmoluki and Zohreh Abolmoluki, located at 20 Stone Pine Road in Half Moon Bay California (San Mateo County APN: 056-391-010), including 1) a *nonexclusive* 12-month Temporary Construction Access License, 2) an *exclusive* 12-month Temporary Construction Access License, and 3) a Permanent Pathway Easement (collectively, Access).

FISCAL IMPACT:

The cost to acquire the Access is \$273,150, which is included in the John L. Carter Park Improvement Project in the Recommended Capital Improvement Program Budget for FY 2023-24.

STRATEGIC ELEMENT:

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

BACKGROUND:

The John L. Carter Park Improvement Project will redevelop and improve Carter Park, which is located at 10 Stone Pine Road in downtown Half Moon Bay. The City's 2019 Parks Master Plan identified the park as an area of potential increased community recreation and activities. The City initiated the Project in response to these recommendations.

The Project, which is primarily funded through a State grant of \$4.75 million, will add many improvements including a new amphitheater, a stage with storage space and changing room, children's play area, picnic area, restroom and concession stand building, park access improvements, a nature trail, landscaping, lighting, and utility improvements. Additionally,

following the winter storms and historic rainfall in the autumn and winter of 2022 and 2023, City staff further modified the Project to increase overall resiliency and minimize flooding impacts to Park improvements. These modifications, incorporated into the Project design, include redesigning the stage area to include more flood resilient construction materials and methods, changing low-lying surface areas to natural materials better withstand flooding conditions, and relocation of storage facilities and dry utilities in the lower areas of the park.

On December 8, 2020, the Planning Commission approved environmental review, adopted a mitigated negative declaration (MND), and approved an application for a Coastal development Permit, Use Permit, Architectural Review, and Parking Exception, to allow the renovation of Carter Park.

DISCUSSION:

The property at 20 Stone Pine Road, which houses a shopping center including several restaurants and other small businesses, lies between Carter Park and Stone Pine Road. In order to complete construction of the Project, the City requires a non-exclusive Temporary Construction Access License to permit the City and its contractors ingress and egress through a parking lot on the Property, an exclusive Temporary Construction Access License over several parking spaces on the Property to serve as a staging area for construction equipment and materials, and a Permanent Pathway Easement on an existing paved pathway for public access to Carter Park. Bahram and Zohreh Abolmoluki, as Trustees of the Abomoluki Living Trust dated May 25, 2018, own the Property. City staff and the owners have engaged in negotiations for the Access for several months, and recently reached terms on the attached agreement.

Acquisition of the Access is necessary for the Project, which will increase opportunities for recreation and community activities in Half Moon Bay and improve an underutilized park. The Permanent Pathway Easement will secure unimpeded public access to the park over an existing paved pathway. Furthermore, the Carter Park improvement project will be carried out in a manner that works to not impede use of the Property by the owners, their tenants, or other users of the Property.

ATTACHMENTS:

1. Resolution
2. Draft Agreement

Resolution No. C-2023-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT TO ACQUIRE TEMPORARY CONSTRUCTION ACCESS LICENSE AND PERMANENT PATHWAY EASEMENT OVER REAL PROPERTY OWNED BY BAHRAM ABOLMOLUKI AND ZOHREH ABOLMOLUKI, LOCATED AT 20 STONE PINE ROAD IN HALF MOON BAY CALIFORNIA (SAN MATEO COUNTY APN 056-391-010), INCLUDING 1) A NONEXCLUSIVE 12-MONTH TEMPORARY CONSTRUCTION ACCESS LICENSE, 2) AN EXCLUSIVE 12-MONTH TEMPORARY CONSTRUCTION ACCESS LICENSE, AND 3) A PERMANENT PATHWAY EASEMENT

WHEREAS, the City Council designated the John L. Carter Park Improvement Project as a priority in the City's Fiscal Year 2018-19 budget in response to community interest and recommendations from the City's Parks and Recreation Commission; and

WHEREAS, the project proposes numerous enhancements to the quality and utility of the park including, but not limited to, a new amphitheater, children's play area, and picnic area; and

WHEREAS, on December 8, 2020, the City's Planning Commission approved the environmental review for the Project, adopted a mitigated negative declaration, and approved an application for a Coastal Development Permit, Use Permit, Architectural Review, and Parking Exception; and

WHEREAS, on March 9, 2021, the Planning Commission approved an addendum to the MND for the project to clarify some lighting and height discrepancies for the theatrical stage; and

WHEREAS, the City is seeking to acquire temporary access and a permanent easement over real property adjacent to park in order to improve the quality of the park and secure unimpeded public access to it over an existing paved pathway; and

WHEREAS, Bahram Abolmoluki and Zohreh Abolmoluki, as trustees of the Abolmoluki Living Trust dated May 25, 2018, own APN 056-391-010, more commonly known as 20 Stone Pine Road, Half Moon Bay, California and located adjacent to Carter Park; and

WHEREAS, acquisition of a 12-month nonexclusive Temporary Construction Access License, a 12-month exclusive Temporary Construction License, and a Permanent Pathway Easement on the Property are necessary to implement the Project; and

WHEREAS, more specifically, the acquisition of the temporary construction access will allow for the transport and storage of necessary construction equipment and materials during construction of the project, and the permanent easement will secure public access to the park along an existing paved pathway; and

WHEREAS, the City and the owners have negotiated an agreement whereby the City will acquire the access license and easement for \$273,150.

WHEREAS, the City Manager recommends that the Council approve the City's purchase of the access license and easement, to implement the Carter Park Project and secure public access to the newly improved park.

NOW, THEREFORE BE IT RESOLVED THAT the City Council authorizes the City Manager to execute an agreement to acquire the Easements for a total of \$\$273,150, and take all other actions reasonably necessary to effectuate the purchase.

OWNERS: Bahram Abolmoluki and Zohreh Abolmoluki, as Trustees of the Abolmoluki Living Trust, dated May 25, 2018

PARCEL NUMBER: San Mateo County APN: 056-391-010

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023, by the City Council of Half Moon Bay by the following affirmative vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

DRAFT

AGREEMENT

by and between

BAHRAM AND ZOHREH ABOLMOLUKI, as Trustees of the ABOLMOLUKI LIVING
TRUST DATED MAY 25, 2018
as Seller

and

CITY OF HALF MOON BAY,

as Buyer

For the purchase and sale of Temporary Construction Access License and Permanent Pathway
Easement over

APN 056-391-010

Half Moon Bay, California

_____, 2023

AGREEMENT

(APN: 056-391-010, HALF MOON BAY, CALIFORNIA)

THIS AGREEMENT (“Agreement”), dated for reference purposes only as of _____, 2023, is by and between BAHRAM ABOLMOLUKI AND ZOHREH ABOLMOLUKI, as Trustees of the ABOLMOLUKI LIVING TRUST DATED MAY 25, 2018 (“Seller”), and the CITY OF HALF MOON BAY, a municipal corporation formed under the laws of the State of California (“City”). Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Temporary Construction Access License

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the following terms, covenants, and conditions, a temporary construction access license (“License”) for use of and access over 20 Stone Pine Road in the City of Half Moon Bay, California (APN 056-391-010) (“Property”) for the renovation of Carter Park (“Project”).

[a] The License includes the right of ingress and egress through the Property, together with the full right of the City and its agents to enter the Property with machinery, trucks, materials, tools, and other equipment required to complete the Project and store equipment and materials. The area of the License that is nonexclusive is described in Exhibit A and identified in Exhibit B (“Nonexclusive Area”), both attached hereto. The area of the License that is exclusive is described in Exhibit C and identified in Exhibit D (“Exclusive Area”), both attached hereto. The City will use the Nonexclusive Area for access to Carter Park for the Project. The City will not store equipment or materials in the Nonexclusive Area. The City will use the Exclusive Area for access to Carter Park for the Project and to store materials and equipment.

[b] The term of the License (“Term”) will begin on _____, 2023, and expire on the earlier of June 30, 2024, or the Restoration of the Property by the City as defined in Section 1.1[k].

[c] In using the License, the City will comply with all applicable laws, ordinances, and regulations, including but not limited to all applicable regulatory, environmental, and safety requirements at the City’s sole cost and expense.

[d] The City will not materially interfere with the operation and activities of Seller and Seller’s tenants, invitees, or other users of the Property authorized by Seller, other than in the exclusive area of the License. The City shall use and follow procedures on the Property that will result in the least damage and inconvenience to Seller and Seller’s tenants, invitees, or other users of the Property authorized by Seller.

[e] The City will not permit construction vehicles to park on the Property during the Term.

[f] The City will complete most deliveries for the Project prior to 11 am. Deliveries after 11 am will be limited to a single vehicle trip.

[g] The City will give Seller and Seller's tenants a minimum of 72 hours' notice of a concrete pour or debris removal. The City will not leave debris on the Property, including the area of the License ("License Area").

[h] The City will keep construction noise within the limits provided in the Project plans. The City will give Seller's tenants advance notice of major noise-producing activities.

[i] The City will maintain dust control during ground disturbing activities, including watering, within limits provided in the Project plans, to ensure that no airborne dust travels to the Property.

[j] The City will ensure that driveway access to the Property remains open at all times during the Term.

[k] The City shall be responsible for any damage to the Property or to the property of third parties resulting from the City's use of the License. The City will conduct pre- and post-inspection surveys of all wet utilities. At Seller's option, the inspections will be conducted in the presence of Seller. The inspections will include visual investigation of valves, utility access holes, and above-ground facilities to establish existing and post construction conditions. Additional testing measures may include pressure testing and Closed Caption TV. At the completion of the Term, the City will promptly repair, restore, and replace the Property to its original or better condition, including, but not limited to roads, utilities, irrigation system, hardscape, landscaping, buildings, and fences that may be altered, damaged, or destroyed by the City during the Term ("Restoration"). For alteration, damage, or destruction of the Property that does not require prompt and immediate repair, restoration, or replacement, the City will complete such repairs, restoration, or replacement within 30 days after completion of the Project. Not later than 30 days prior to the expected completion date of the Project, the City and at Seller's option, Seller, will inspect the Property and prepare a tentative punch list of Restoration required. Within five business days after completion of Restoration, the City and at Seller's option, Seller, will review the Restoration to ensure that the Restoration has been completed as agreed. At Seller's request, the City will provide photos, videos, and other documentation of the existing condition of the License Area before the City starts construction of the Project.

[l] The City will have the right to remove trees and shrubs in the License Area that may materially interfere with access to or completion of the Project. The City will replace any such trees and shrubs with drought-tolerant trees and shrubs as part of Restoration. At Seller's option, Seller may approve the types of replacement trees and shrubs in advance of the start of construction for the Project.

[m] The City and/or its General Contractor shall provide current certificates or other proof of insurance to Seller prior to the start of construction of the Project.

[n] The City will save, defend, hold harmless, and indemnify Seller, its officers, tenants, lenders, employees, agents, invitees, and guests from any and all liability, loss, costs, or obligations on account of, or arising out of, any injury or losses caused or claimed to be caused

by the City's use of the License, however occurring, other than injury or losses caused by the willful or negligent acts or omissions of Seller, its officers, tenants, lenders, employees, agents, invitees, and guests.

[o] Seller has not made and makes no warranties about the License Area and its suitability for the City's purposes, nor does Seller warrant any of any conditions of the License Area or the Property during the Term.

[p] The City shall not cause or suffer liens of any kind to be placed against the Property or Seller. The City shall promptly, but no later than 30 days after a lien caused by the City's use of the License is recorded against the Property, take appropriate action to expunge, remove, satisfy, or bond any claim of lien by any person against the Property or Seller.

1.2 Permanent Pathway Easement

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the following terms, covenants, and conditions, a permanent, non-exclusive, easement on an existing paved pathway for access to Carter Park ("Pathway Easement") for pedestrians and non-motorized transport. The Pathway Easement is described in Exhibit E and identified in Exhibit F, both attached hereto. The Pathway Easement will be joined with the existing paved pathway on City Property to ensure unimpeded public access to Carter Park.

2. CONSIDERATION

The City shall pay to Seller, in cash, the amount of One Hundred Fifty-Nine Thousand Dollars and No Cents (\$159,000) for the License and One Hundred Fourteen Thousand One Hundred Fifty Dollars and No Cents (\$114,150) for the Pathway Easement, totaling Two Hundred Seventy Three Thousand One Hundred Fifty Dollars and No Cents (\$273,150) ("Purchase Price").

3. TITLE TO THE PATHWAY EASEMENT

3.1 Conveyance of Title to the Pathway Easement

At the Closing (as defined in Section 5.3) Seller shall convey to City, or its nominee, a grant of permanent easement for the Pathway Easement by duly executed and acknowledged grant deed in the form attached hereto as Exhibit G ("Deed"), subject to the Accepted Conditions of Title (as defined in Section 3.2 [Title Insurance]).

3.2 Title Insurance

Delivery of title in accordance with Section 3.1 shall be evidenced by the commitment of Chicago Title Company ("Title Company") to issue to City, or its nominee, a CLTA owner's policy of title insurance (or an ALTA extended coverage policy if the Survey (defined below) is obtained by City) ("Title Policy") in the amount of One Hundred Fourteen Thousand One Hundred Fifty Dollars and No Cents (\$114,150), insuring fee simple title to the Pathway Easement in City, or its nominee, free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, and all other

exceptions, liens, and encumbrances except solely for the following (such exceptions approved by City are collectively referred to herein as the “Accepted Conditions of Title”): (i) the lien of real property taxes, not yet due or payable, provided City shall be shown as exempt from such taxes in the Title Policy; and (ii) exception numbers 1, 4, 5, 6, 7, 8, 9, 11, 14, 15, as listed in the preliminary title reports from Chicago Title Company dated December 20, 2021, Order No. 15608871-156-TJK-JM (APN 056-128-110).

4. CONDITIONS TO CLOSING

4.1 City’s Conditions to Closing

The following are conditions precedent to City’s obligation to purchase the Easements (collectively, “City’s Conditions Precedent”).

[a] Title Company shall be committed at the Closing to issue to City the Title Policy (or Title Policies) as provided in Section 3.2 [Title Insurance].

[b] Seller shall have delivered the items described in Section 5.4 below [Seller’s Delivery of Documents] on or before the Closing.

[c] Approval of this Agreement and the purchase of the Easements by the Half Moon Bay City Council.

[d] Compliance with California Government Code Section 65402.

If any of City’s Conditions Precedent are not satisfied within the time periods set forth above, then City shall have the right in its sole discretion either to waive in writing the City’s Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement without charge, penalty, or further liability or obligation to Seller.

4.2 Seller’s Conditions to Closing

The following are conditions precedent to Seller’s obligation to sell the Easements (collectively, “Seller’s Conditions Precedent”):

[a] City shall have delivered the items described in Section 5.5 below [City’s Delivery of Documents and Funds] on or before the Closing.

If any of Seller’s Conditions Precedent are not satisfied, Seller shall have the right in its sole discretion either to waive in writing Seller’s Condition Precedent in question and proceed with the sale or, in the alternative, terminate this Agreement without charge, penalty, or further liability or obligation to the City.

4.3 Cooperation with City

Seller shall cooperate with the City and do all commercially reasonable acts as may be reasonably requested by the City with regard to the fulfillment of the City’s Conditions Precedent, at no cost to Seller.

4.4 Waiver

No waiver by either party at any time of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision herein or a consent to any subsequent breach of the same or another provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action.

5. ESCROW AND CLOSING

5.1 Opening of Escrow

On or before the Effective Date (as defined in Section 9.10), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and the City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions not executed by both parties, the terms of this Agreement shall control.

5.2 Deposit of Funds into Escrow

The City will deposit funds into the Escrow ("Fund Deposit") in an amount as needed to comply with the provisions of Section 5.5[c] below.

5.3 Closing Dates

The consummation of the acquisition and conveyance of the Easements contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company located at One Embarcadero Center, Suite 250, San Francisco California 94111, on or before the fifteenth (15th) calendar day following the date of the Fund Deposit ("Closing Date"), subject to the provisions of Section 4.1 [City's Conditions to Closing] and Section 4.2 [Seller's Conditions to Closing]. The Closing Date may not be extended without the prior written approval of both Seller and the City, except as otherwise expressly provided in this Agreement.

5.4 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver into escrow, the following:

- [a] signed and notarized grant of Pathway Easement;
- [b] signed copy of this Agreement;

[c] properly executed affidavit pursuant to section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit H, and on which City is entitled to rely, that Seller is not a “foreign person” within the meaning of section 1445(f)(3) of the Federal Tax Code;

[d] properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual, or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation, or other evidence satisfactory to City that Seller is exempt from the withholding requirements of sections 18662 and 26131 of the State Tax Code;

[e] such resolutions, authorizations, or other documents or agreements relating to Seller as the Title Company may reasonably require demonstrating the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller; and

[f] closing statement in form and content satisfactory to City and Seller; and

5.5 City’s Delivery of Documents and Funds

At or before the Closing, the City shall deliver into escrow the following:

[a] acceptance of the Pathway Easement executed by the City Council, or a designee;

[b] closing statement in form and content satisfactory to City and Seller; and

[c] the Fund Deposit, including, but not limited to, a cashier's check, government warrant, or confirmed wire transfer of certified funds in the amount of the Purchase Price, plus such additional amounts as are required from Buyer for the Closing, as provided in Section 6.2 below.

6. EXPENSES AND TAXES

6.1 Closing Costs

The City shall pay the cost of the premium for the Title Policy and the cost of the endorsements thereto, any escrow and recording fees, and any transfer taxes. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property. Seller shall also pay any costs, including recording and notary fees, associated with perfecting Seller's ownership sufficient to transfer title. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be paid by the City.

6.2 Preliminary Closing Adjustment

The Title Company shall prepare a preliminary Closing adjustment on the basis of any apportionments or adjustments to be made based on payments or expenses, and shall deliver such computation to Seller and Buyer prior to the Closing.

6.3 Survival

The provisions of this Section shall survive the Closing.

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with the City as follows:

[a] To Seller's Knowledge, as of the Effective Date, and as of the Closing Date, Seller has received no formal written notice of any currently outstanding violations of any federal, state, county, or municipal law, ordinance, order, regulation, or requirement affecting the Property.

[b] To Seller's Knowledge, Seller has received no formal written notice of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than the City.

[c] To Seller's Knowledge, Seller has received no formal written notice of any litigation pending against Seller or that affect the use or operation of the Property.

[d] Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

[e] Seller has received no written notice, and to Seller's Knowledge, that the Property is in violation of any federal, state and local laws, ordinances and regulations applicable to the Property with respect to hazardous or toxic substances or industrial hygiene.

[f] Seller is not a "foreign person" within the meaning of section 1445(f)(3) of the Federal Tax Code.

As used in this Section 7, the term "to Seller's Knowledge" means the actual present knowledge of Seller, without any duty of inquiry or investigation either express or implied. As stated in Section 1.1 above, except for the representations and warranties provided herein, the Property shall be sold "as is" with all faults, whether known or unknown.

8. POSSESSION

8.1 Possession - Following the Closing, possession of the Easements shall be delivered to the City.

8. GENERAL PROVISIONS

8.1 Notices

Any notice, consent, or approval required or permitted to be given under this Agreement shall be in writing and shall be addressed as follows:

City:

City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019
Attn: Matthew Chidester, City Manager
Telephone: (650) 726-8270
Email: mchidester@hmbcity.com

Seller:

Bahram and Zohreh Abolmoluki
3312 Melendy Drive
San Carlos, CA 94070
Email: babolmoluki@yahoo.com

or to such other address as either party may from time to time specify in writing to the other upon five (5) days' prior written notice in the manner provided above. Any notice given by personal delivery or delivery service will be deemed effective on the date of receipted delivery, upon refusal to accept delivery or when delivery is first attempted but cannot be made due to a change of address for which no notice was given. Any notice sent by facsimile shall be deemed given by the date reflected by the facsimile confirmation receipt. Any notice sent by email shall be deemed given by the date and time reflected in the email. Any notice that may be given by any party in connection with this Agreement may be given by such party's attorney.

8.2 Brokers and Finders

City has had no contact or dealings regarding the Easements, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein. City is not aware that Seller has listed the Easements for sale through a licensed real estate broker. Seller shall be responsible, out of Seller's proceeds, for compensating any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein.

8.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

8.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by the City and Seller.

8.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement, provided all representations and warranties set forth in Section 7.1 shall survive for a period of eighteen (18) months following the Closing Date. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

8.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action to enforce the terms of this Agreement shall be filed in a court of competent jurisdiction in San Mateo County, California.

8.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

8.8 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no City Council member, officer, employee, or agent of the City or any of its member agencies shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by the City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of the City under this Agreement.

8.9 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

8.10 Effective Date

As used herein, the term “Effective Date” shall mean the date this Agreement is executed by both parties hereto.

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:

BAHRAM ABOLMOLUKI, as Trustee of the
ABOLMOLUKI LIVING TRUST DATED
MAY 25, 2018

Date: _____

ZOHREH ABOLMOLUKI, as Trustee of the
ABOLMOLUKI LIVING TRUST DATED
MAY 25, 2018

Date: _____

BUYER:

CITY OF HALF MOON BAY, a California
municipal corporation

By: _____

Matthew Chidester, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____

Catherine C. Engberg, City Attorney

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement and act as the Reporting Person under section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder, which require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with this transaction. Title Company's failure to execute below shall not invalidate this Agreement between the City and Seller.

TITLE COMPANY:

CHICAGO TITLE COMPANY

By: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION CARTER PARK TEMPORARY NON-EXCLUSIVE LICENSE FOR CONSTRUCTION /TRUCKING/EMERGENCY VEHICLE ACCESS HALF MOON BAY, CALIFORNIA

The land referred to is situated in the City of Half Moon Bay, County of San Mateo, State of California and is described as follows:

BEGINNING at the Northwestern corner of Lot 1; as shown on that certain map entitled "Stone Pine Center, City of Half Moon Bay, County of San Mateo, California" filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North 87°20'41" West, a radius of 200 feet, length of 72.03 feet, and a delta angle of 20°38'11"; thence,

North 66°42'30" West, 1.94 feet to the **TRUE POINT OF BEGINNING**, thence counterclockwise the following courses and distances:

North 66°42'30" West, 24.93 feet; thence,

South 23°20'55" West, 45.34 feet; thence,

South 68°07'31" West, 246.27 feet; thence,

South 19°59'42" East, 42.49 feet; thence,

North 67°04'13" West, 1.55 feet; thence,

Along a tangent curve to the left, having a radius of 18 feet, length of 13.99 feet, and a delta angle of 44°32'36"; thence,

South 68°23'11" West, 7.01 feet; thence,

South 86°41'40" East, 21.57 feet; thence,

Along a tangent curve to the right, having a radius of 10 feet, length of 3.37 feet, and a delta angle of 19°19'50"; thence,

South 67°21'50" East, 46.85 feet; thence,

Along a tangent curve to the left, having a radius of 20 feet, length of 8.39 feet, and a delta angle of 24°02'12"; thence,

North 88°35'58" East, 0.99 feet; thence,

Along a tangent curve to the right, having a radius of 18 feet, length of 15.26 feet, and a delta angle of 48°33'34"; thence,

South 42°50'28" East, 1.44 feet; thence,

Along a tangent curve to the left, having a radius of 8 feet, length of 9.45 feet, and a delta angle of 67°42'20"; thence,

North 69°27'12" East, 3.75 feet; thence,

Along a tangent curve to the right, having a radius of 100 feet, length of 14.94 feet, and a delta angle of 8°33'33"; thence,

North 78°00'44" East, 4.97 feet; thence,

Along a tangent curve to the left, having a radius of 5 feet, length of 4.59 feet, and a delta angle of 52°37'24"; thence,

North 25°23'21" East, 2.88 feet; thence,

South 71°26'45" West, 32.56 feet; thence,

North 19°13'21" West, 17.06 feet; thence,

North 71°18'25" East, 73.73 feet; thence,

North 70°41'38" East, 45.53 feet; thence,

South 18°40'26" East, 17.66 feet; thence,

South 71°19'34" West, 50.55 feet; thence,

South 18°58'42" East, 4.61 feet; thence,

North 68°00'00" East, 13.81 feet; thence,

Along a tangent curve to the right, having a radius of 115 feet, length of 107.17 feet, and a delta angle of 53°23'39"; thence,

South 58°36'21" East, 60.61 feet; thence,

Along a tangent curve to the right, having a radius of 180 feet, length of 2.46 feet, and a delta angle of 0°46'55"; thence,

North 22°30'01" West, 15.31 feet; thence,

North 66°46'14" West, 27.79 feet; thence,

North 21°29'58" East, 20.13 feet; thence,

North 33°56'49" West, 38.98 feet; thence,

North 66°46'32" West, 63.90 feet; thence,

North 23°13'32" East, 121.30 feet to the **TRUE POINT OF BEGINNING**.

Excepting therefrom the following two areas:

Exception Area 1:

BEGINNING at the Northwestern corner of Lot 1; as shown on that certain map entitled "Stone Pine Center, City of Half Moon Bay, County of San Mateo, California" filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North 87°20'41" West, a radius of 200 feet, length of 72.03 feet, and a delta angle of 20°38'11"; thence,

North 66°42'30" West, 1.94 feet; thence,

South 23°13'32" West, 56.86 feet; thence,

South 69°52'20" West, 32.81 feet; to **TRUE POINT OF BEGINNING of Exception Area 1**; thence counterclockwise the following courses and distances:

South 69°52'20" West, 204.58 feet; thence,

South 19°59'42" East, 14.65 feet; thence,

South 66°57'10" East, 35.14 feet; thence,

North 69°31'34" East, 140.85 feet; thence,

North 25°05'34" East, 53.73 feet to the **TRUE POINT OF BEGINNING of Exception Area 1**.

Exception Area 2:

BEGINNING at the Northwestern corner of Lot 1; as shown on that certain map entitled "Stone Pine Center, City of Half Moon Bay, County of San Mateo, California" filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North 87°20'41" West, a radius of 200 feet, length of 72.03 feet, and a delta angle of 20°38'11"; thence,

North 66°42'30" West, 1.94 feet; thence,

South 23°13'32" West, 121.30 feet; thence,

South 05°05'19" West, 22.23 feet; to **TRUE POINT OF BEGINNING of Exception Area 2**; thence clockwise the following courses and distances:

South 66°46'14" East, 63.30 feet; thence,

South 23°13'30" West, 20.12 feet; thence,

North 66°46'14" West, 63.21 feet; thence,

North 22°57'54" East, 20.12 feet to the **TRUE POINT OF BEGINNING of Exception Area 2**.

Non-Exclusive License Area containing 17,382 square feet, more or less.

EXHIBIT B

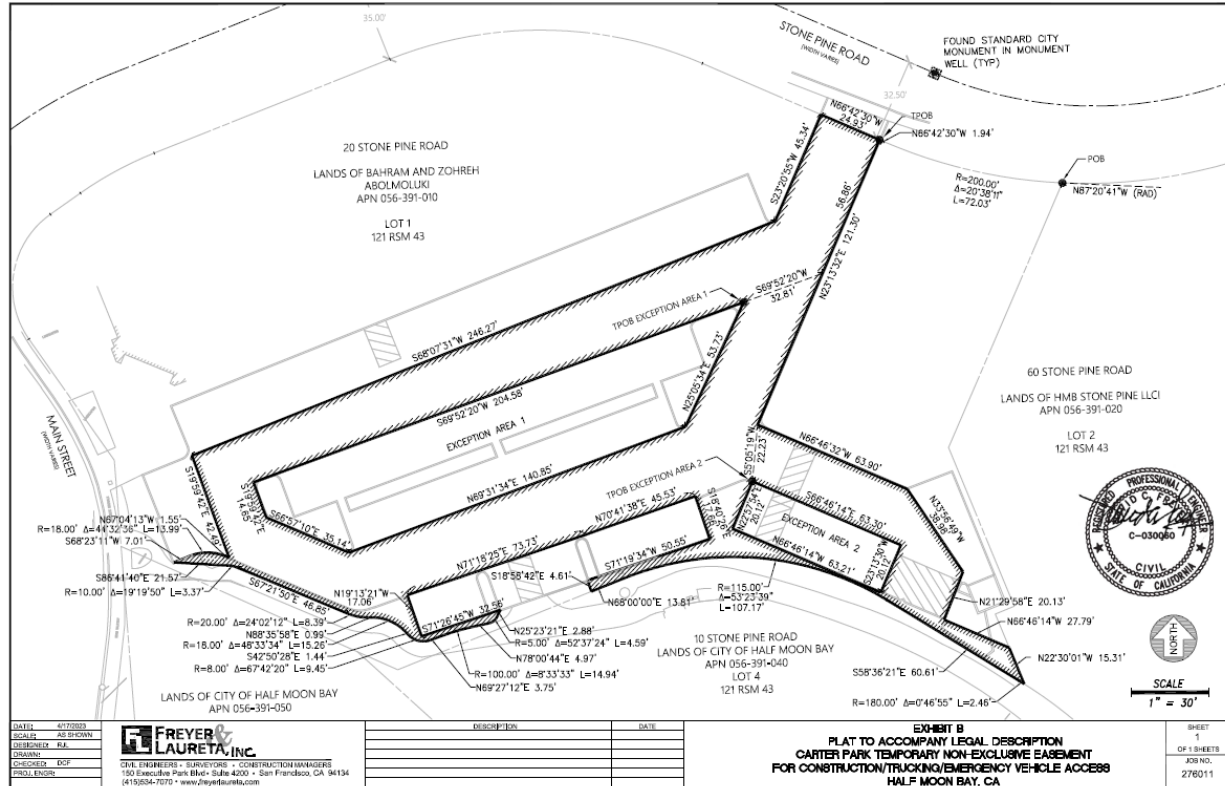


EXHIBIT C

LEGAL DESCRIPTION CARTER PARK TEMPORARY EXCLUSIVE LICENSE FOR CONSTRUCTION STAGING HALF MOON BAY, CALIFORNIA

The land referred to is situated in the City of Half Moon Bay, County of San Mateo, State of California and is described as follows:

BEGINNING at the Northwesterly corner of Lot 1; as shown on that certain map entitled "Stone Pine Center, City of Half Moon Bay, County of San Mateo, California" filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North $87^{\circ}20'41''$ West, a radius of 200 feet, length of 72.03 feet, and a delta angle of $20^{\circ}38'11''$; thence,

South $28^{\circ}05'31''$ West, 157.14 feet to the **TRUE POINT OF BEGINNING**, thence clockwise the following courses and distances:

South $18^{\circ}40'26''$ East, 17.66 feet; thence,

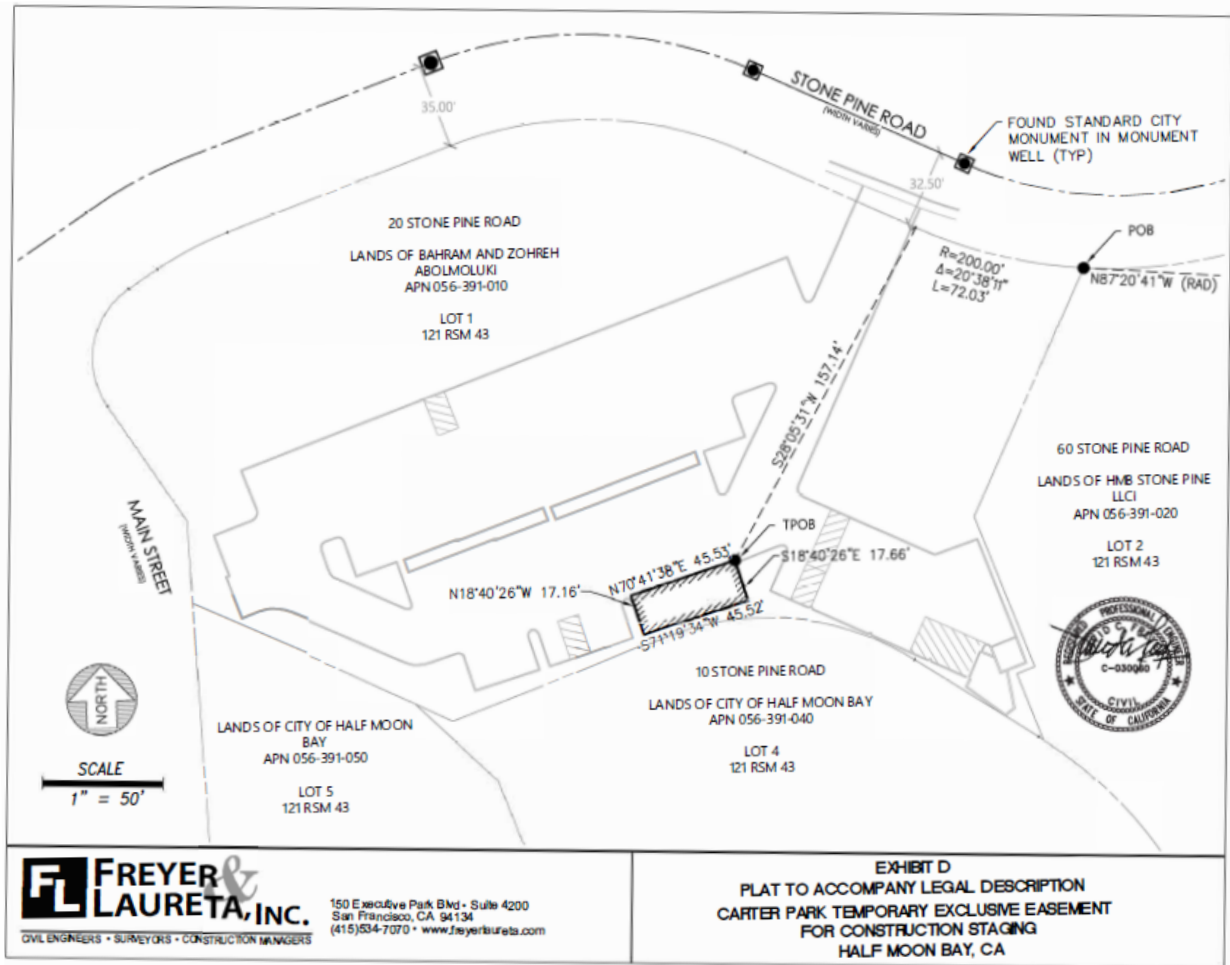
South $71^{\circ}19'34''$ West, 45.52 feet; thence,

North $18^{\circ}40'26''$ West, 17.16 feet; thence,

North $70^{\circ}41'38''$ East, 45.53 feet to the **TRUE POINT OF BEGINNING**.

Exclusive License Area containing 793 square feet, more or less.

EXHIBIT D



FL FREYER & LAURETA, INC.

CIVIL ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS

150 Executive Park Blvd • Suite 4200
San Francisco, CA 94134
(415) 534-7070 • www.freyerlaureta.com

EXHIBIT D
PLAT TO ACCOMPANY LEGAL DESCRIPTION
CARTER PARK TEMPORARY EXCLUSIVE EASEMENT
FOR CONSTRUCTION STAGING
HALF MOON BAY, CA

EXHIBIT E

LEGAL DESCRIPTION CARTER PARK PERMANENT PATHWAY EASEMENT HALF MOON BAY, CALIFORNIA

The land referred to is situated in the City of Half Moon Bay, County of San Mateo, State of California and is described as follows:

BEGINNING at the Northwesterly corner of Lot 1; as shown on that certain map entitled "Stone Pine Center, City of Half Moon Bay, County of San Mateo, California" filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North $87^{\circ}20'41''$ West, a radius of 200 feet, length of 72.03 feet, and a delta angle of $20^{\circ}38'11''$; thence,

North $66^{\circ}42'30''$ West, 26.87 feet; thence,

South $23^{\circ}20'55''$ West, 45.34 feet; thence,

South $68^{\circ}06'29''$ West, 266.80 feet to the **TRUE POINT OF BEGINNING**, thence counterclockwise the following courses and distances:

North $62^{\circ}42'10''$ West, 12.86 feet; thence,

South $04^{\circ}30'38''$ East, 33.80 feet; thence,

South $66^{\circ}00'00''$ East, 31.20 feet; thence,

South $86^{\circ}41'40''$ East, 13.44 feet; thence,

Along a tangent curve to the right, having a radius of 4 feet, length of 1.35 feet, and a delta angle of $19^{\circ}19'50''$; thence,

South $67^{\circ}21'50''$ East, 46.85 feet; thence

Along a tangent curve to the left, having a radius of 26 feet, length of 10.91 feet, and a delta angle of $24^{\circ}02'12''$; thence,

North $88^{\circ}35'58''$ East, 0.99 feet; thence,

Along a tangent curve to the right, having a radius of 12 feet, length of 10.17 feet, and a delta angle of $48^{\circ}33'34''$; thence,

South $42^{\circ}50'28''$ East, 1.42 feet; thence,

Along a tangent curve to the left, having a radius of 14 feet, length of 16.90 feet, and a delta angle of $69^{\circ}09'32''$; thence,

North $68^{\circ}00'00''$ East, 65.34 feet; thence,

North $18^{\circ}58'42''$ West, 4.61 feet; thence,

South $71^{\circ}22'45''$ West, 35.98 feet; thence,

South 25°23'21" West, 2.88 feet; thence,

Along a tangent curve to the right, having a radius of 5 feet, length of 4.59 feet, and a delta angle of 52°37'24"; thence,

South 78°00'44" West, 4.97 feet; thence,

Along a tangent curve to the left, having a radius of 100 feet, length of 14.94 feet, and a delta angle of 8°33'33"; thence,

South 69°27'12" West, 3.75 feet; thence,

Along a tangent curve to the right, having a radius of 8 feet, length of 9.45 feet, and a delta angle of 67°42'20"; thence,

North 42°50'28" West, 1.44 feet; thence,

Along a tangent curve to the left, having a radius of 18 feet, length of 15.26 feet, and a delta angle of 48°33'34"; thence,

South 88°35'58" West, 0.99 feet; thence,

Along a tangent curve to the right, having a radius of 20 feet, length of 8.39 feet, and a delta angle of 24°02'12"; thence,

North 67°21'50" West, 46.85 feet; thence

Along a tangent curve to the left, having a radius of 10 feet, length of 3.37 feet, and a delta angle of 19°19'50"; thence,

North 86°41'40" West, 21.57 feet; thence,

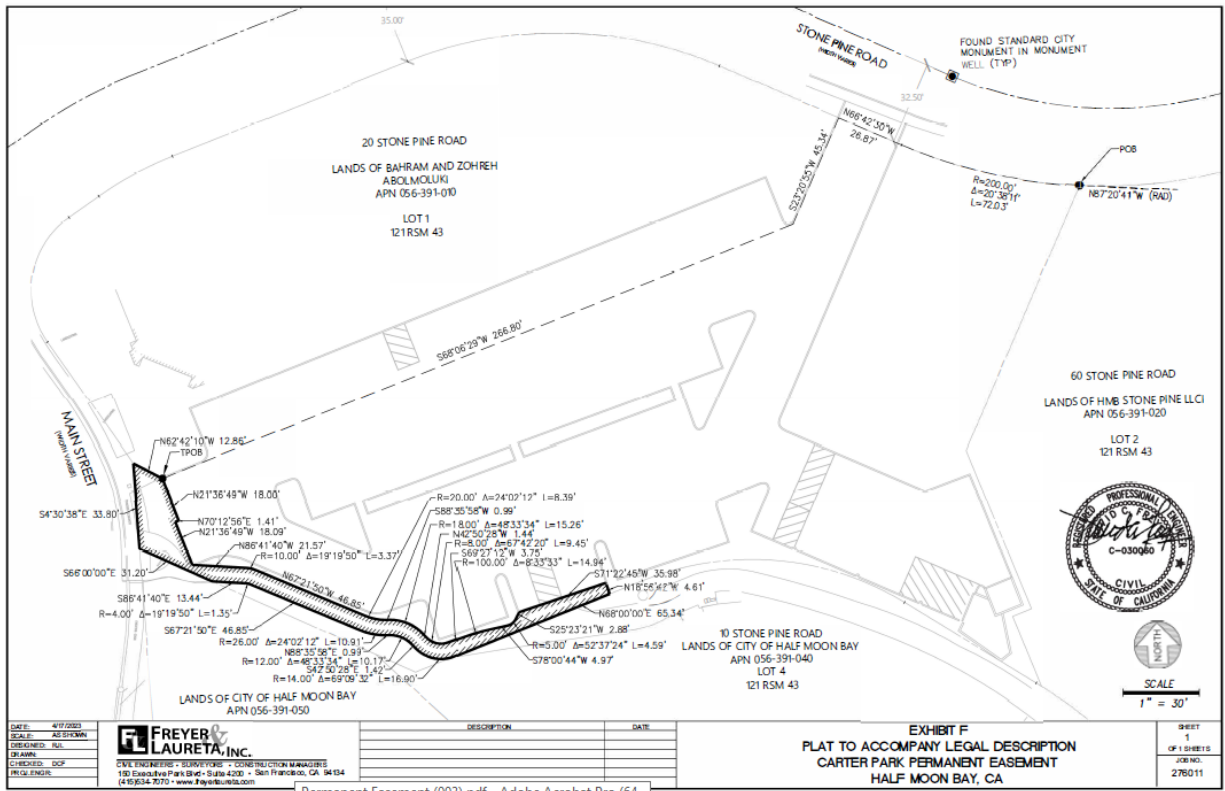
North 21°36'49" West, 18.09 feet; thence,

North 70°12'56" East, 1.41 feet; thence,

North 21°36'49" West, 18.00 feet to the **TRUE POINT OF BEGINNING**.

Pathway easement containing 1,522 square feet, more or less.

EXHIBIT F



Permanent Easement (003).pdf - Adobe Acrobat Pro (64-

EXHIBIT G
GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Half Moon Bay City Hall
501 Main St.
Half Moon Bay, CA 94019

**No Recording Fee Per
Government Code 6103**

**No Document Transfer Tax
Per R & T Code 11922**

City of Half Moon Bay, California
APN 056-128-110

(Space above this line reserved for Recorder's use only)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, BAHRAM ABOLMOLUKI and ZOHREH ABOLMOLUKI, as Trustees of the ABOLMOLUKI LIVING TRUST DATED MAY 25, 2018 ("Grantor"), hereby grant to the CITY OF HALF MOON BAY, a municipal corporation established pursuant to the laws of the State of California ("Grantee"), a permanent, non-exclusive Pathway Easement on the real property known as APN 056-128-110, in the City of Half Moon Bay, State of California (the "Property"), described on Exhibit A and identified on Exhibit B, both attached hereto and made a part hereof.

The Pathway Easement will permit pedestrian and non-motorized public access to Carter Park from and along an existing paved pathway that runs along the Property's southern property line from Main Street to Carter Park.

Executed as of this _____ day of _____, 2023.

BAHRAM ABOLMOLUKI, as Trustee of the ABOLMOLUKI LIVING TRUST DATED MAY 25, 2018

Signature

ZOHREH ABOLMOLUKI, as Trustee of the ABOLMOLUKI LIVING TRUST DATED MAY 25, 2018

Signature

Exhibit A
to Exhibit G – Grant Deed
LEGAL DESCRIPTION
CARTER PARK PERMANENT PATHWAY EASEMENT
HALF MOON BAY, CALIFORNIA

The land referred to is situated in the City of Half Moon Bay, County of San Mateo, State of California and is described as follows:

BEGINNING at the Northwestern corner of Lot 1; as shown on that certain map entitled “Stone Pine Center, City of Half Moon Bay, County of San Mateo, California” filed in the office of the County Recorder of San Mateo County, State of California, on September 7, 1991, in Volume 121 of Maps at Pages 42-43, thence,

Along a curve to the right, having a radial bearing of North 87°20'41" West, a radius of 200 feet, length of 72.03 feet, and a delta angle of 20°38'11"; thence,

North 66°42'30" West, 26.87 feet; thence,

South 23°20'55" West, 45.34 feet; thence,

South 68°06'29" West, 266.80 feet to the **TRUE POINT OF BEGINNING**, thence counterclockwise the following courses and distances:

North 62°42'10" West, 12.86 feet; thence,

South 04°30'38" East, 33.80 feet; thence,

South 66°00'00" East, 31.20 feet; thence,

South 86°41'40" East, 13.44 feet; thence,

Along a tangent curve to the right, having a radius of 4 feet, length of 1.35 feet, and a delta angle of 19°19'50"; thence,

South 67°21'50" East, 46.85 feet; thence

Along a tangent curve to the left, having a radius of 26 feet, length of 10.91 feet, and a delta angle of 24°02'12"; thence,

North 88°35'58" East, 0.99 feet; thence,

Along a tangent curve to the right, having a radius of 12 feet, length of 10.17 feet, and a delta angle of 48°33'34"; thence,

South 42°50'28" East, 1.42 feet; thence,

Along a tangent curve to the left, having a radius of 14 feet, length of 16.90 feet, and a delta angle of 69°09'32"; thence,

North 68°00'00" East, 65.34 feet; thence,

North 18°58'42" West, 4.61 feet; thence,

South 71°22'45" West, 35.98 feet; thence,

South 25°23'21" West, 2.88 feet; thence,

Along a tangent curve to the right, having a radius of 5 feet, length of 4.59 feet, and a delta angle of 52°37'24"; thence,

South 78°00'44" West, 4.97 feet; thence,

Along a tangent curve to the left, having a radius of 100 feet, length of 14.94 feet, and a delta angle of 8°33'33"; thence,

South 69°27'12" West, 3.75 feet; thence,

Along a tangent curve to the right, having a radius of 8 feet, length of 9.45 feet, and a delta angle of 67°42'20"; thence,

North 42°50'28" West, 1.44 feet; thence,

Along a tangent curve to the left, having a radius of 18 feet, length of 15.26 feet, and a delta angle of 48°33'34"; thence,

South 88°35'58" West, 0.99 feet; thence,

Along a tangent curve to the right, having a radius of 20 feet, length of 8.39 feet, and a delta angle of 24°02'12"; thence,

North 67°21'50" West, 46.85 feet; thence

Along a tangent curve to the left, having a radius of 10 feet, length of 3.37 feet, and a delta angle of 19°19'50"; thence,

North 86°41'40" West, 21.57 feet; thence,

North 21°36'49" West, 18.09 feet; thence,

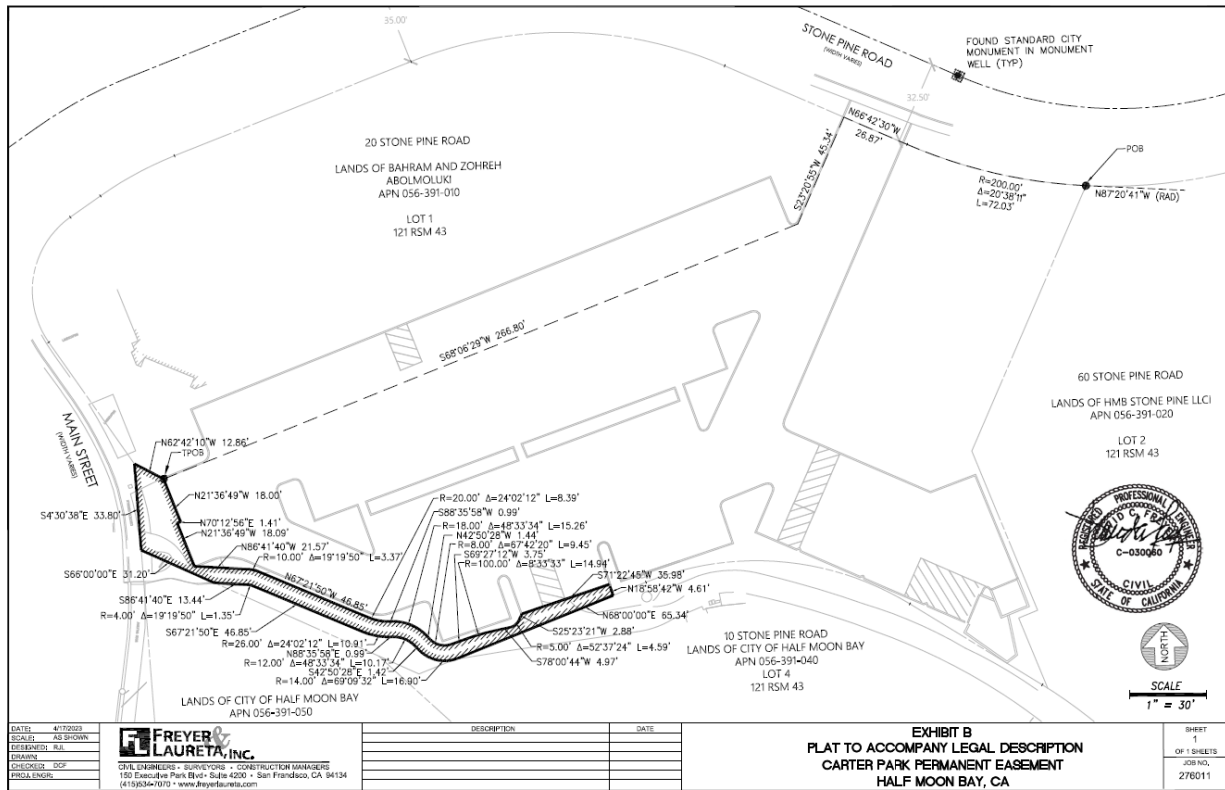
North 70°12'56" East, 1.41 feet; thence,

North 21°36'49" West, 18.00 feet to the **TRUE POINT OF BEGINNING**.

Pathway easement containing 1,522 square feet, more or less.

Exhibit B

to Exhibit G – Grant Deed



ACKNOWLEDGMENT

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 San Mateo

On _____, before me, _____, Notary Public,
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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

ACKNOWLEDGMENT

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 San Mateo

On _____, before me, _____, Notary Public,
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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

EXHIBIT H
CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA AFFIDAVIT)

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY OF HALF MOON BAY, a municipal corporation established pursuant to the laws of the State of California, the transferee of certain real property located in the City of Half Moon Bay, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by Bahram Abolmoluki and Zohreh Abolmoluki, Trustees of the Abolmoluki Living Trust dated May 25, 2018 ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's Social Security Numbers are:

Bahram Abolmoluki _____

Zohreh Abolmoluki _____

3. Transferor's office address is N/A (we are not employees). Our residence address is 3312 Melendy Drive, San Carlos, CA 94070.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, we declare that we have examined this certificate and to the best of our knowledge and belief it is true, correct and complete, and we further declare that we have authority to sign this document on behalf of Transferor.

Dated: _____, 2023.

Bahram Abolmoluki

Zohreh Abolmoluki

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

FROM: Matthew Chidester, City Manager

**TITLE: AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH COUNTY OF SAN MATEO
SHERIFF'S OFFICE - AMENDMENT FIFTEEN**

RECOMMENDATION:

Authorize the City Manager to negotiate and execute Amendment Fifteen to the Agreement for Law Enforcement Services with the County of San Mateo Sheriff's Office, continuing services under the current Rates/Payments schedule, through September 30, 2023.

FISCAL IMPACT:

The Sheriff has proposed an amount of \$5,885,605 to provide services in FY 2023-24. This is a significant increase over the budget for FY 2022-23, and is the result of the completion of a Countywide cost of service study. The proposed increase, combined with the recent notice of adjustments to the County Public Safety Communications (911) contract, requires additional budget evaluation, particularly looking to future fiscal years. The recommended extension allows the Sheriff to continue serving the community for the next three months at the existing rate, while the City and Sheriff continue to evaluate options and negotiate the contract for the remainder of the fiscal year. The total cost to the City from July 1, 2023, through September 30, 2023, will be \$1,088,021. To be fiscally prudent, the entire proposed amount has been included in the Recommended Budget for FY 2023-24.

STRATEGIC ELEMENT:

This action supports the *Healthy Communities and Public Safety* and *Fiscal Sustainability* elements of the Strategic Plan.

BACKGROUND:

On June 7, 2011, the City Council entered into an Agreement with the County of San Mateo (County) to provide law enforcement services and personnel to the City of Half Moon Bay. The initial agreement ran for a five-year period ending June 30, 2016. The original Agreement addressed the complex issues associated with a transfer of City police services to the County Sheriff.

Over the course of the last eleven years, the City of Half Moon Bay has not only realized annual cost savings and long-term savings in retirement related costs, but also benefitted from increased efficiencies and services for both City residents and the entire Coastsides. The contract model has

provided access to a wider variety of resources and services which the community and residents of Half Moon Bay have benefitted from. Examples of some of the expanded resources provided by the Sheriff's Department include additional resource officers dedicated to community policing efforts, access to the Crime Suppression Unit, a large multi-disciplinary investigations unit, and the Sheriff's Activity League (SAL), which serves the youth of our community with educational and athletic activities and leadership programs.

The January 23rd mass shooting incident and subsequent investigations is a very tangible example of the benefits of our contractual relationship with the Sheriff. The City and Coastside were seamlessly provided the Sheriff resources necessary to respond to this significant incident, at no additional cost to the City.

The original Agreement included an option for the City and County to renew the Agreement for three, three-year terms. The Agreement was extended for the first three-year period in June 2016, and the second three-year term in June 2019. In 2022, the City Council directed staff to negotiate a 2-year extension, which expires June 31, 2024. In total, the Agreement has been extended fourteen times since its inception, to exercise the options to extend the term, adjust staffing levels and services, and adjust the annual fees based on actual cost increases incurred by the Sheriff.

Following a Countywide cost of service study to identify actual costs incurred providing services, the Sheriff has proposed \$5,885,605 to provide services in FY 2023-24, an approximately 35% increase from FY 2022-23, for the same scope of services. This significant increase was not previously anticipated by the parties, and the Sheriff has offered the opportunity to work together to find a solution that meets the needs of the sheriff and the City.

DISCUSSION:

The City and sheriff have agreed to amend the agreement for three months, through September 30, 2023, under the current Rates/Payments schedule. For the three months, the total charges due will be \$1,088,021. This rate represents savings of \$383,380 from the initial proposed rate increase. The City and sheriff will continue to evaluate options to decrease the overall costs and negotiate the contract for the remainder of the fiscal year.

The City Manager seeks authorization to negotiate and execute a simple amendment continuing services under the current Rates/Payments schedule through September 30, 2023, and will return before the expiration with the contract for the remainder of the fiscal year. Additionally, the overall term of the Agreement will expire on June 30, 2024, and the City and Sheriff will begin discussions on extension of the contract later this calendar year.

ATTACHMENTS:

Resolution

RESOLUTION NO. C-2023-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AMENDMENT FIFTEEN TO THE AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH THE COUNTY OF SAN MATEO SHERIFF'S OFFICE, CONTINUING SERVICES UNDER THE CURRENT RATES/PAYMENTS SCHEDULE, THROUGH SEPTEMBER 30, 2023

WHEREAS, in 2011, the City of Half Moon Bay entered into an agreement with the County of San Mateo to provide Law Enforcement Services for the City; and

WHEREAS, the Agreement has been amended fourteen times to extend the term, adjust service levels, and increase the charges; the current term expires on June 30, 2024; and

WHEREAS, the City and County desire to further amend the agreement to under the current Rates/Payments schedule for three months, to allow continued negotiation of rates for FY 2023-24.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to negotiate and execute Amendment Fifteen to the Agreement for Law Enforcement Services with the County of San Mateo Sheriff's Office, continuing services under the current Rates/Payments schedule, through September 30, 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maz Bozorginia, Public Works Director/City Engineer

TITLE: **HALF MOON BAY SEWER COLLECTION SYSTEM MAINTENANCE—SEWER AUTHORITY MID-COASTSIDE**

RECOMMENDATION:

Adopt a resolution approving the FY 2023-24 Sewer Authority Mid-Coastside (SAM) Collections Budget and authorizing the City Manager to execute Amendment No. 6 to the sewer collection system maintenance professional services agreement with the Sewer Authority Mid-Coastside (SAM) establishing the FY 2023-24 annual cost at \$263,824 and extending the Agreement for one (1) additional year (expiration date of June 30, 2024).

FISCAL IMPACT:

The cost of the contract has been included in the Recommended FY 2023-24 Half Moon Bay Sewer Operating Budget. Collection contract services were anticipated and included generally in the 2020 Sewer Rate Study and proposed rate adjustment. The costs are borne by sewer customers via sewer user fees.

BACKGROUND:

The City owns and operates approximately 35 miles of sewer main lines. The system also includes three pump (lift) stations and three force mains. These together comprise the sewer collection system. These sewer system components require regular oversight, maintenance, and cleaning.

Since March 2018, the collections system cleaning has been a hybrid approach, with SAM providing cleaning services (pipe network and pump stations) and sanitary sewer overflow (SSO) response. Mark Thomas Company provided oversight of the cleaning services, pump station maintenance, and SSO support. Mark Thomas also provided Fats, Oils, and Grease (FOG) inspections and closed-circuit television (CCTV) services. Over these last few years, cleaning and maintenance have gone well and overall operations have improved from a cleaning standpoint.

The collection system maintenance has been fully operational under the new contracts and scopes of work since July 23, 2018. Having SAM as our 24-hour, 7 day a week emergency call-out provider has also been a major factor in our success to date. At this point, staff feels

comfortable moving forward with SAM continuing the cleaning services. Under a separate agenda item, staff is recommending approval of a modified Mark Thomas scope of work which will include only CCTV and FOG program work.

DISCUSSION

The SAM Joint Powers Authority authorizes the Agency to provide contract services to Member Agencies. SAM has provided collections system services under contract to each of the Member Agencies for many years. For accounting purposes, SAM prepares (with assistance of Agency Managers), and the Board of Directors approve, a formal budget for the program. The budget covers staffing, equipment and accounting for collection system services which includes sewer cleaning, pump station inspections (and wet well cleaning), SSO response, and USA markings.

Since 2018, SAM has provided collections services to the City under a separate professional services agreement. This Agreement was negotiated following the RFP process and has been agreeable to both parties and their respective counsels since. The Agreement was initially valid for a three-year term. The Agreement has been amended to modify terms and extend a total of five times to date. Staff is recommending Amendment No. 6 to reflect the FY 2023-24 monetary amount and extend the expiration date by an additional year (to June 30, 2024). The Agreement calls for continuation of cleaning at roughly 50-percent cleaning (one-half system each year); the proposed contract may ultimately result in slightly more than 50-percent. Hotspot cleaning would remain on the established cleaning schedules; the amount and frequency of “Hot Spot” cleaning has and is anticipated to be reduced based on improved cleaning and documentation. Based upon the work completed, conditions observed and the documentation, we are comfortable continuing with current regular cleaning schedule (Granada and Montara are doing the same).

The annual cost will be \$263,824. Overall costs of service continue to increase based upon SAM employee MOUs and inflation.

CONCLUSION:

There is an inherent cost to operating and maintaining a sewer collection system. The contract services recommended in this report are necessary for the safe and efficient operation of the collection system. Staff has continued to evaluate needs and to look for cost savings wherever possible.

ATTACHMENT:

Resolution

Resolution No. C-2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY APPROVING THE FISCAL YEAR 2023-24 SEWER AUTHORITY MID-COASTSIDE (SAM) COLLECTIONS BUDGET AND AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 6 TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE SEWER AUTHORITY MID-COASTSIDE FOR SEWER COLLECTION SYSTEM CLEANING, MAINTENANCE AND RELATED SERVICES

WHEREAS, City of Half Moon Bay representatives have reviewed and provided input on the proposed Collections (Contract Services) Budget of the Sewer Authority Mid-Coast (SAM) Budget for Fiscal Year (FY) 2023-24; and

WHEREAS, the proposed SAM Collections Budget totals \$809,592 and with a reserve of \$33,639, the overall cost is adjusted to \$775,953 for FY 2023-24; and

WHEREAS, with the City's share of the FY 2023-24 SAM Collections Budget totals \$263,824, representing 34-percent of the total; and

WHEREAS, the City entered into a professional services agreement with the Sewer Authority Mid-Coastside on July 23, 2018, with annual amendments; and

WHEREAS, the City has worked with SAM and the Member Agencies to develop a cost-sharing arrangement for FY 2023-24;

WHEREAS, the cost-sharing agreement calls for continuance of the same level of cleaning, no less than 50-percent of all lines plus "Hot Spots"; and

WHEREAS, the agreement continues to allow the City to manage its Fats, Oils and Greases (FOG) program.

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

- 1) Approves the Collections Budget of SAM for FY 2023-24 of \$775,953 (included as Exhibit A to this resolution) of which the City's share is \$263,824 (34% of total); and
- 2) Authorizes the City Manager to execute Amendment No. 6 to the Professional Services Agreement with the Sewer Authority Mid-Coastside extending the expiration date to June 30, 2024, in an amount not to exceed amount of \$263,824.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

CONTRACT COLLECTION SERVICES BUDGET

Consolidated (Half Moon Bay, GCSD, MWSD)

FY 2021/22 ACTUAL	FY 2022/23 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	369,342	375,451	355,966	401,567	45,601	12%
2 Premium Pay	57,568	68,075	51,588	60,861	9,273	14%
3 Health Benefits	102,699	109,277	98,027	124,143	26,117	24%
4 Retirement Cont.	42,173	29,265	27,529	30,163	2,635	9%
5 Retiree Med/OPEB	(9,014)	6,667	6,345	5,841	(504)	(8%)
6 Misc. Benefits	28,906	29,869	25,464	27,039	1,575	5%
7 Admin/Tim Allocation - 5%	-	45,806	45,806	51,214	5,408	12%
8 Subtotal	591,674	664,410	610,724	700,829	90,105	14%
Non-Personnel						
9 Legal Services	-	-	-	-	-	-
10 Engineering Services	-	-	-	-	-	-
11 Professional Services	-	791	-	-	-	0%
12 Prof. Memberships	-	-	-	-	-	-
13 Insurance Premiums	12,082	25,000	-	25,000	25,000	100%
14 Misc. Expenses	7,707	4,281	3,121	3,214	94	2%
15 Utilities	1,150	9,247	7,229	7,446	217	2%
16 Travel & Training	-	-	1,944	2,002	58	-
17 Equipment Rental	215,661	-	-	-	-	-
18 Bldg & Maint Services	-	-	-	-	-	-
19 Chemicals	-	-	-	-	-	-
20 Permits & Licenses	11,700	-	-	-	-	-
21 Supplies	-	19,129	20,486	21,101	615	3%
22 Equipment	-	-	-	-	-	-
23 Infrastructure	-	-	-	-	-	-
24 Claims/Penalties	-	-	-	-	-	-
25 Repairs & Maintenance	-	25,000	-	50,000	50,000	200%
26 Subtotal	248,301	83,448	32,780	108,763	75,983	91%
25 TOTAL	839,974	747,858	643,504	809,592	61,733	8%

FY 2021/22 ACTUAL	FY 2022/23 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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REVENUE

By Type:

26 JPA Assessments	-	-	-	-	-	-
27 Contract Services	1,093,976	747,858	747,858	775,953	28,094	4%
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 From/(To) Reserves (*)	-	-	-	33,639	33,639	-
33 TOTAL	1,093,976	747,858	747,858	809,592	61,733	8%

By Agency:

34 Half Moon Bay	312,625	254,272	254,272	263,824	9,552	4%	34.00%
35 Granada CSD	324,221	209,400	209,400	217,267	7,866	4%	28.00%
36 Montara WSD	457,131	284,186	284,186	294,862	10,676	4%	38.00%
37 TOTAL	1,093,976	747,858	747,858	775,953	28,094	4%	

(*) Figure represents difference between collections assessments received from member agencies & collections expenditures as noted in the FY 21-22 audited financial statements.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: John Doughty, Assistant City Manager
Maz Bozorginia, Public Works Director/City Engineer

TITLE: **SEWER AUTHORITY MID-COASTSIDE FISCAL YEAR 2023-24 OPERATIONS AND MAINTENANCE (GENERAL) BUDGET**

RECOMMENDATION:

Adopt a resolution conditionally approving the General Budget of SAM for FY 2023-24 (included as Exhibit A to the resolution) as follows:

1. The City approves \$3,449,957, which is the full budgeted amount less 61.5% of the \$3.5 million FY 23-24 budgeted amount for the Montara Force Main infrastructure replacement project; and
2. The City approves the full \$9,109,686, of which the City's flow-based allocation for all costs is \$5,602,457 (61.5% of total) to be paid under protest but directs the Mayor and City Manager to refrain from delivering the resolution to SAM and paying, under protest, 61.5% of the Montara Force Main replacement project until all parties have executed the Stipulation Regarding Expenses and Assessments of Sewer Authority Mid-Coastside for 2023-24 Fiscal Year ("Stipulation") including any non-substantive changes as the City Attorney may approve. If this approval becomes effective, and the resolution is signed and delivered, it will supersede the partial approval of SAM's budget specified in paragraph 1 above.

FISCAL IMPACT:

SAM's proposed Operations and Maintenance (O&M or General) budget for Fiscal Year (FY) 2023-24 totals \$9,205,026 of which the City's share is \$5,602,457 (61.5% of total). SAM includes their Capital Budget within the General Budget. The total Capital Budget for SAM is \$3,500,000 of which the City's share is \$2,152,500 (61.5%) and includes a significant amount towards the replacement of the Montara Force Main. SAM costs will be paid from City sewer revenues (sewer user fees—Sewer Fund 05) and transfers of funds from the Sewer Capital Fund (Sewer Fund 06) as adopted by City Council per the 2020 Rate Study. While there are sufficient funds at present, staff will assess potential funding actions in the coming fiscal year.

BACKGROUND:

The Sewer Authority Mid-Coastside, a Joint Powers Authority (JPA), is made up of three member-agencies: City of Half Moon Bay (City), Granada Community Services District (Granada), and the Montara Water and Sanitary District (Montara). Each year, the three member-agencies must adopt the SAM budgets, which include General Operation and Maintenance, and Projects. The JPA provides that O&M costs are funded by the three agencies based on their respective flows into the SAM Treatment Plant. The City's flows are currently measured/calculated at 59.4%.

In FY 2017-18, the City and its SAM Board representatives asserted during the budget development process that the Intertie Pipeline System and any capital projects involving the capital repair and replacement of the IPS does not serve or directly benefit City sewer rate payers and should not be included as part of the City's cost burden. This assertion was followed by the filing of a Complaint for Declaratory Relief which seeks judicial declaration for a variety of issues including affirming the City does not benefit from the Intertie Pipeline System and the City need not fund its replacement and reconstruction. Under a subsequent Stipulation and Order entered by the court on September 17, 2017, the City agreed to fund the Intertie Pipeline System (IPS) project, under protest, pending the outcome of the City's request for declaratory relief. Under this stipulation, the City agreed to fund, under protest, an additional \$1,505,000 in FY 2017-18.

On June 5, 2018, the City Council adopted the FY 2018-19 SAM O&M Budget. The budget request from SAM totaled \$6,197,273. The City's share of the initial approved budget was \$3,360,430 (54.2% share). This budget was subsequently amended to increase the overall budget by \$328,000 (City share \$181,777).

On April 2, 2019, the City Council adopted the FY 2019-20 SAM O&M Budget. The budget request from SAM totaled \$7.4 million including the Capital/Infrastructure Budget. The City's share of the initial approved budget was \$4,131,899 (56% share).

On June 2, 2020, the City Council adopted the FY 2020-21 SAM O&M Budget. The budget request from SAM totaled \$7.4 million. The City's share of the approved budget was \$4,133,125 (56% share).

On April 26, 2021, the SAM Board discussed the General Budget. The City requested that SAM separate the Capital Budget from the proposed General Budget so that they could be voted on separately. The SAM General Manager initially separated the budgets but consolidated them in the final version that was presented to the SAM Board. A vote on the motion to approve the consolidated General Budget failed on a 4-4 vote (City representatives voting no).

On May 10, 2021, the SAM Board authorized the General Manager to forward the consolidated Fiscal Year 2021-22 General Budget to the three member agencies for consideration. SAM Counsel advised the Board to adopt a consolidated budget. The consolidated Budget was approved by the City Council on May 18, 2021.

On February 7, 2022, the Santa Clara County Superior Court ruled on the City's Complaint for Declaratory Relief. The Court granted summary judgment in favor of Granada Community Services District and Montara Water and Sanitary District, and against the City. The Court found that the IPS replacement project, currently estimated at \$20 million, is "maintenance" that the member agencies agreed to fund jointly. Under the JPA, the member agencies pay for maintenance based on their relative share of wastewater flows to the SAM plant. The City's flows are currently 59.4% of the total.

On March 24, 2022, the City filed an appeal with the California Court of Appeal, Sixth Appellate District.

DISCUSSION:

Overview

The sewer utility (enterprise) is funded by the users of the City's collection system. User charges fund: 1) day-to-day maintenance, cleaning, and repair of the collection system (sewer mains, pump stations and manholes); 2) treatment of effluent (by SAM); and 3) capital repair and replacement (Capital Reserve). Sewer charges are set in accordance with State law. State law in its simplest terms mandates that fees do not exceed the actual/anticipated costs of operating, managing, and replacing the sewer system. Historically, the City has allocated funding internally to two distinct enterprise funds: Fund 05 (Sewer Operating Fund) and Fund 06 (Sewer Capital Fund). Fund 05 has been used to fund maintenance of the collection system and costs associated with treatment and disposal of effluent. Fund 05 serves as a reserve fund which is used for the repair and replacement of the collection system. Historically, the funds were separated into distinct funds to ensure that capacity related revenues were not expended on operational costs. The City has limited revenues coming from capacity fees and has implemented new accounting software that addresses minor accounting issues.

The City Council adopted five (5) year programmed adjustments to City sewer rates and charges on June 2, 2020. This represented the first adjustment by the City in six fiscal years. The rate adjustment included a shift to a flat rate structure for the residential users. The rate adjustments were needed to address significant increases in costs of maintenance, cleaning, effluent treatment, and construction of capital replacements has steadily increased to the point that annual costs are now exceeding the annual fees received. From FY 2015-16 through FY 2018-19, SAM costs increased by over 50%. In FY 2022-23, SAM is requesting an additional 15% increase from the City. In 2020, the City Council agreed to allocate monies from Fund 06 to cover capital and operational costs of the City sewer system.

Staff has continued, regardless of litigation outcome, to advocate for preparation of a separate distinct Capital/Infrastructure Budget rather than included as part of the consolidated General Budget. At present, the Capital/Infrastructure costs are allocated by the percentage of flows to the Plant (proposed at 61.5%). The City is still protesting all capital costs related to the IPS based upon the 2017 Stipulation and Order. The City believes that the appropriate methodology for cost allocation of all mutually beneficial capital projects should be by ownership of the depreciated/depreciating capital assets rather than unrelated flows. On the

other hand, the JPA provides that expenses related to operation and maintenance shall be based on flows into the SAM Treatment Plant. The City is and will continue to advocate for the SAM Board to modernize and update the Joint Powers Agreement to address many issues including cost allocation methodology.

As noted earlier, the use of Sewer Capital Funds today is necessary to cover fixed and necessary costs of the sewer enterprise. As discussed in the 2020 Sewer Charges Study, without increases in charges, the sewer enterprise fund will be overdrawn by FY 2023-24. SAM costs, including those related to the IPS, will be the largest contributor to the funding issues of the sewer enterprise now and well into the future. The City sewer rates will need to be re-evaluated for FY 2023-24 given SAM cost increases and capital needs. The City is also advocating for SAM to evaluate financing options for major capital maintenance and replacement to provide greater certainty in capital budgeting in the coming years.

The City's FY 2023-24 draft sewer collections budget is also being presented to the City Council on June 20, 2022. This budget includes reductions over prior year (via Capital Budget) in the City's capital maintenance and replacement program to offset SAM related cost increases. While staff is comfortable in the state of the collection system, deferral of capital repair and replacement cannot continue indefinitely.

The City of Half Moon Bay has actively participated in the governance and oversight of the Sewer Authority Mid-Coastside (SAM) as a member of the Joint Powers Authority (JPA). The City's interest is to ensure that City ratepayers receive the best possible sewer (collection and treatment) services at the lowest reasonable cost. The draft budget forwarded to the City of Half Moon Bay includes a significant increase (15%) in the overall operating costs.

These costs are borne by the City in two ways: 1) its share of the costs as part of the historic flow-based allocation methodology; and 2) an increase in the City's share of costs to 61.5% (up from 59.4%). Fiscal restraint and proactive response to emerging issues including capital maintenance by SAM staff will continue to be critical to limiting emergencies and budget augmentations during the fiscal year.

Additionally, due to the 2022/2023 Winter Storms, the Montara Force Main had a spot failure in a critical segment in Moss Beach that resulted in SSO's and a shutdown of the system to repair. This failure was surprising, given that SAM staff and their consultant engineer (SRT) prepared a condition assessment for the Montara Force Main back in 2021 that stated that the pipe was in good condition and no immediate replacement was necessary. After the atmospheric rivers, SAM staff and member agencies started to look closely at the condition and are awaiting results of a forensic assessment. SAM is now of the position that the remaining segments of the Montara Force Main (approximately 15,000 linear feet) need to be replaced immediately. SAM did authorize a contract with SRT to start design and environmental work, and the City awaits an update on that progress. The parties are currently negotiating a Stipulation Regarding Expenses and Assessments of Sewer Authority Mid-Coastside for 2023-24

Fiscal Year that would expressly authorize the City to pay for the Montara Force Main replacement project under protest.

Assessments

Per the Joint Powers Authority, the O&M budget is allocated based on the percentage share of sewer flows to the SAM Treatment Plant. The draft budget establishes the City's share of the SAM O&M Budget at 61.5% based upon the SAM adopted calculation and methodology of plant flows. The City's measured flows, as calculated under SAM's formula, have increased from 49.7% (FY 2015-16) to 61.5% (FY 23-24). Since Montara and Granada's systems connect to the plant through force main, the calculation takes the total flows out of the plant, minus the force main readings and then all other flows are assigned to Half Moon Bay. This method does not account for any plant related inflow and infiltration (I&I) and puts any storm-related flow increases squarely on Half Moon Bay rate payers.

The City remains hopeful that the flow-based structure and methodology can and will be re-evaluated to provide for greater predictability/ease of budgeting and in consideration of the small-fixed costs associated with flow to the treatment plant.

Conclusion

The City Council took necessary steps to address sewer charges and modify the rate structure to provide sufficient funds to operate and maintain the City collection system and to fund SAM related expenses in FY 2023-24. Resolution of the City's Declaratory Relief action is also critical to the long-term funding strategy for the City.

Given the ongoing negotiations regarding a stipulation, staff recommends the following conditional approval:

1. The City approves \$ 3,449,957, which is the full budgeted amount less 61.5% of the \$3.5 million FY 23-24 budgeted amount for the Montara Force Main infrastructure replacement project; and,
2. The City approves the full \$9,109,686 of which the City's flow-based allocation for all costs is \$ 5,602,457 (61.5% of total) to be paid under protest but directs the Mayor and City Manager to refrain from delivering the resolution to SAM and paying, under protest, 61.5% of the Montara Force Main replacement project until all parties have executed the Stipulation Regarding Expenses and Assessments of Sewer Authority Mid-Coastside for 2023-24 Fiscal Year ("Stipulation") including any non-substantive changes as the City Attorney may approve. If this approval becomes effective, and the resolution is signed and delivered, it will supersede the partial approval of SAM's budget specified in paragraph 1 above.

ATTACHMENT:

Resolution conditionally approving the consolidated Sewer Authority Mid-Coastside Operation and Maintenance (General) Budget for FY 2023-24 (Includes Exhibit A—SAM Draft Budget)

Resolution No. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
CONDITIONALLY APPROVING THE SEWER AUTHORITY MID-COASTSIDE GENERAL
(OPERATIONS AND MAINTENANCE) BUDGET FOR FISCAL YEAR 2023-24**

WHEREAS, City of Half Moon Bay representatives have reviewed and provided input on the proposed General Budget of the Sewer Authority Mid-Coast (SAM) Budget for Fiscal Year (FY) 2023-24; and

WHEREAS, the proposed SAM General (Operations and Maintenance) Budget for FY 2023-24 totals \$9,109,686, of which the City's purported share is \$5,602,457 (61.5% of total); and

WHEREAS, the total proposed Capital/Infrastructure Budget for SAM is \$3,500,000 of which the City's share is \$2,152,500 (61.5% of total); and

WHEREAS, optimally, SAM would prepare a separate Capital/Infrastructure Budget for all capital projects; and

WHEREAS, the September 13, 2017, Stipulation and Order regarding Expenses and Assessments for the Sewer Authority Mid-Coastside in the matter of *City of Half Moon Bay v. Granada Community Services District et al.* ("declaratory relief action") Santa Clara Superior Court Case No. 17CV316927 provides that the City shall be deemed to approve under protest that part of SAM's 2017-18 General Budget characterized as the "Infrastructure Division", which includes the IPS and Portola Pump Station;

WHEREAS, the SAM FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 Budgets include Infrastructure Division items that are at issue in the pending appeal of the declaratory relief action, and which the City seeks to pay under protest based on the same terms set forth in the September 13, 2017, Stipulation and Order;

WHEREAS, the City of Half Moon Bay continues to advocate for more accurate and predictable methodology, whether flow or non-flow-based, for assessing SAM operations costs to make long term rate structuring and budgeting easier for all agencies; and

WHEREAS, the City of Half Moon Bay continues to advocate, regardless of litigation, for a separate Capital/Infrastructure Budget consistent with the JPA, member agency budgeting methodology, and government accounting standards; and

WHEREAS, the City of Half Moon Bay continues to advocate for a non-flow-based allocation methodology (such as ownership-based) for assessing SAM related capital costs in line consistent with the JPA and capital depreciation; and

WHEREAS, the City of Half Moon Bay continues to advocate for long-term facility planning for the SAM Treatment Plant in light of known (and greater anticipated) risks of flooding as well as to address aging systems and structures; and

WHEREAS, the City of Half Moon Bay continues to advocate for evaluation of financing options for the capital improvement program rather than the present pay-as-you-go funding; and

WHEREAS, the costs of SAM operations for FY 2023-24 will be funded from City Sewer Enterprise Funds including a one-time transfer of funds from the Sewer Capital Fund (Fund 06).

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay conditionally approves the General (O&M) Budget of SAM for FY 2023-24 (included as Exhibit A to this resolution) as follows:

1. The City approves \$ 3,449,957, which is the full budgeted amount less 61.5% of the \$3.5 million FY 2023-24 budgeted amount for the Montara Force Main infrastructure replacement project; and,

2. The City approves the full \$9,109,686 of which the City's flow-based allocation for all costs is \$5,602,457 (61.5% of total) to be paid under protest but directs the Mayor and City Manager to refrain from delivering the resolution to SAM and paying, under protest, 61.5% of the Montara Force Main replacement project until all parties have executed the Stipulation Regarding Expenses and Assessments of Sewer Authority Mid-Coastside for 2023-24 Fiscal Year ("Stipulation") including any non-substantive changes as the City Attorney may approve. If this approval becomes effective, and the resolution is signed and delivered, it will supersede the partial approval of SAM's budget specified in paragraph 1 above.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor



General Budget
Fiscal Year 2023/24

OPERATIONS BUDGET



EXECUTIVE SUMMARY

The Joint Exercise of Powers Agreement (Agreement) that created SAM and governs its day-to-day operations specifies that “The total expenses of operation and maintenance shall be shared in a manner based on flows into the single consolidated plant. The General Budget is divided into Administrative Services, Treatment, Environmental Compliance, and Infrastructure.

The General Budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

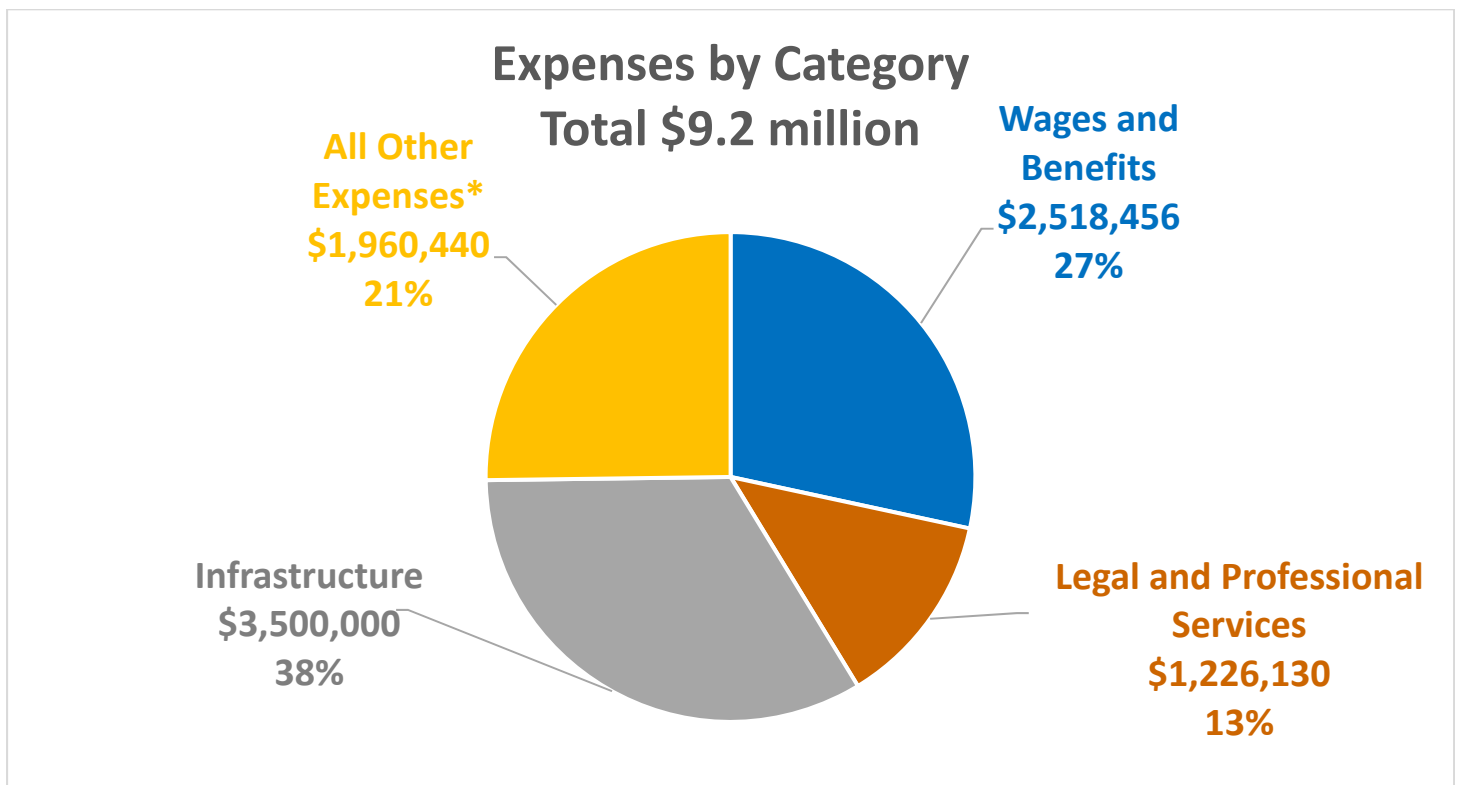
JPA Income & Expenses – General Budget

Operating Income		
Assessments - City of Half Moon Bay	5,602,457	
Assessments - Granada Community Services District	1,735,395	
Assessments - Montara Water & Sanitary District	1,771,834	
Interest Income	50,000	
NDWSCP Fees	45,340	
Total Operating Income		\$ 9,205,026
Operating Expenses		
Wages	1,724,516	
Benefits	793,941	
Legal Services	356,666	
Engineering Services	128,750	
Professional & Technical Services	740,714	
Professional Memberships	57,421	
Insurance Premiums	112,053	
Miscellaneous Expenses	92,354	
Utilities	707,831	
Travel & Training	16,397	
Equipment Rental/Lease	7,281	
Building & Maintenance Services	187,890	
Chemicals	412,114	
Permits & Licenses	51,777	
Supplies	67,220	

Equipment	17,583	
Infrastructure Projects	3,500,000	
Claims & Penalties	80,340	
Repairs & Maintenance	150,179	
Total Expenses		\$ 9,205,026
Total Operating Expenses (less Infrastructure)		\$ 5,705,026
Contribution to Reserve Funds (Revenues less Expenses)		\$ 0

The overall increase from the adopted budget for Fiscal Year 2022/23 to the proposed budget for Fiscal Year 2023/24 is \$874,401 (10%). This is primarily due to an increase in the infrastructure budget, wages legal services, and chemicals.

Of the total General Budget, \$2.52 million (27%) is for wages and benefits. The cost of infrastructure improvements is \$3.5 million (38%). Legal, Engineering and Professional Services is \$.837 million (13%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services. Other expenses (including Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims) represent 21% of the budget.



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

Division Budgets by Fiscal Year

	FY 2020/21 <u>Actual</u>	FY 2021/22 <u>Actual</u>	FY 2022/23 <u>Adopted</u>	FY 2023/24 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Administration	\$1,720,904	\$1,465,910	\$1,339,194	\$1,582,520	\$243,326	18%
Treatment	\$3,714,449	\$3,662,645	\$3,732,405	\$3,885,110	\$152,705	4%
Environmental Compliance	<u>\$271,905</u>	<u>\$308,206</u>	<u>\$249,630</u>	<u>\$237,396</u>	<u>\$(12,234)</u>	<u>(5)%</u>
Total Operating Budget	\$5,707,258	\$5,436,761	\$5,321,229	\$5,705,026	\$383,797	7%
Infrastructure	<u>\$149,562</u>	<u>\$1,412,419</u>	<u>\$3,009,397</u>	<u>\$3,500,000</u>	<u>\$490,603</u>	<u>16%</u>
Total General Budget	\$5,856,820	\$6,849,180	\$8,330,626	\$9,205,026	\$874,400	10%

The Administrative Services division increased \$243,326 (18%). The net increase is a result from COLA increase of 3% and related merit increase. The Authority also approved a long term agreement with General Counsel which established a three year not to exceed amount.

The Treatment division increased \$152,705 (4%), which is due to the COLA increase of 3% and an increase in engineering services and chemicals. Other costs have decreased over the prior year.

The Environmental Compliance division budget decreased \$12,234 (5%) primarily due to projected decrease in the use of various supplies.

The Infrastructure division increased \$490,603 to address the projects in the approved FY2023-2024 Capital Improvement Plan.

BUDGET ALLOCATION AND ASSESSMENTS

The Joint Exercise of Powers Agreement (JEPA) stipulates that the total expenses of operation and maintenance of all of the components of the Present Project (intertie pipeline and attendant pump facilities, ocean outfall, treatment plant) shall be shared in a manner based on flows.

Flow Results for Budget Allocations*

	HMB	GCSD	MWSD	
FY 2023/24	61.5%	19.05%	19.45%	(Based on Calendar Year 2022)
FY 2022/23	<u>59.4%</u>	<u>19.90%</u>	<u>20.70%</u>	(Based on Calendar Year 2021)
Variance	2.10%	-0.85%	-1.25%	

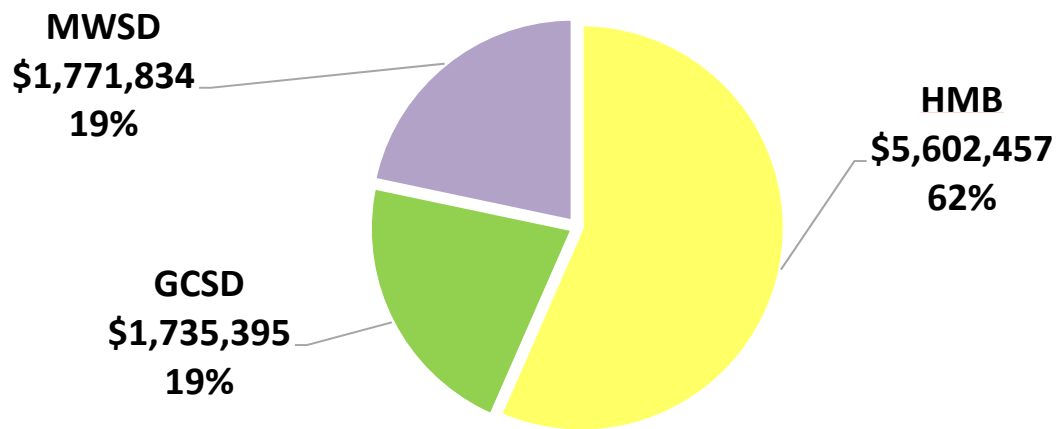
* The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

Total Assessments for Each Member Agency*

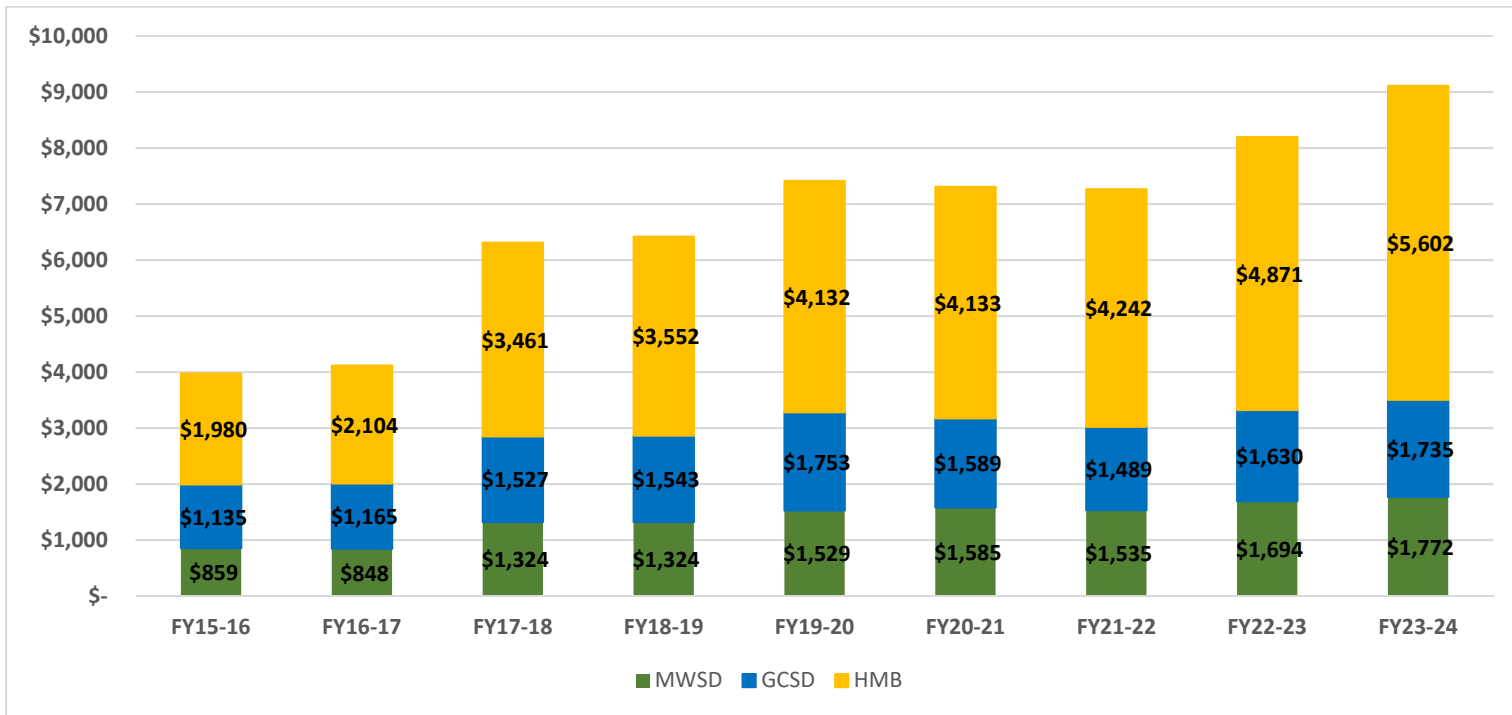
	FY 2020/21 <u>Actual</u>	FY 2021/22 <u>Adopted</u>	FY 2022/23 <u>Adopted</u>	FY 2023/24 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Half Moon Bay	\$4,133,125	\$4,241,911	\$4,871,480	\$5,602,457	\$730,977	15%
Granada CSD	\$1,589,305	\$1,489,027	\$1,630,110	\$1,735,395	\$105,285	6%
Montara WSD	\$1,584,637	\$1,532,608	\$1,694,036	\$1,771,834	\$ 77,798	5%
Total	\$7,307,067	\$7,263,546	\$8,195,626	\$9,109,686	\$914,061	11%

* The assessments to the Member Agencies are rounded to nearest dollar.

**Assessments for FY 2023-24
Based on Calendar Year 2022 Flow**



Assessments History by Agency (in 1,000's)



OVERALL OPERATIONS BUDGET SUMMARY

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	1,442,622	1,537,386	1,478,321	1,724,516	187,130	12%
2 Premium Pay	126,623	113,626	98,966	98,182	(15,444)	(14%)
3 Health Benefits	236,967	265,562	272,911	289,472	23,910	9%
4 Retirement Cont.	318,790	253,580	252,035	282,760	29,179	12%
5 Retiree Med/OPEB	16,078	33,389	32,337	33,057	(332)	(1%)
6 Misc. Benefits	88,845	86,509	88,336	90,470	3,960	5%
7 Subtotal	2,229,925	2,290,052	2,222,906	2,518,456	228,404	10%

Non-Personnel

8 Legal Services	241,931	175,000	124,955	356,666	181,666	104%
9 Engineering Services	184,173	128,750	125,000	128,750	-	0%
10 Professional Services	1,175,257	817,067	712,318	740,714	(76,353)	(9%)
11 Prof. Memberships	50,537	54,752	55,749	57,421	2,669	5%
12 Insurance Premiums	125,690	127,386	108,789	112,053	(15,334)	(12%)
13 Misc. Expenses	120,677	68,457	106,104	92,354	23,897	35%
14 Utilities	575,612	663,814	687,214	707,831	44,017	7%
15 Travel & Training	30,018	41,382	15,919	16,397	(24,985)	(60%)
16 Equipment Rental	88,388	98,101	7,069	7,281	(90,820)	(93%)
17 Bldg & Maint Services	154,178	205,971	86,638	187,890	(18,081)	(9%)
18 Chemicals	290,207	287,048	400,111	412,114	125,066	44%
19 Permits & Licenses	45,462	45,372	49,314	51,777	6,406	14%
20 Supplies	85,203	128,681	65,262	67,220	(61,461)	(48%)
21 Equipment	20,983	24,216	17,071	17,583	(6,633)	(27%)
22 Infrastructure	1,407,212	3,009,397	2,209,676	3,500,000	490,603	16%
23 Claims/Penalties	23,729	15,000	78,000	80,340	65,340	436%
24 Repairs & Maintenance	-	150,179	86,050	150,179	(0)	(0%)
25 Subtotal	4,619,255	6,040,574	4,935,239	6,686,570	645,996	11%

26 TOTAL	6,849,180	8,330,626	7,158,145	9,205,026	874,401	10%
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Key Changes

Personnel costs: net increase due COLA and merit increases \$ 228,404

Legal Services: \$ 181,666

Professional services: Increase due to estimates based on Year-to-Date Actuals \$ (76,353)

Claims/Penalties \$ 65,340

Utilities: \$ 44,017

Equipment Rental: \$ (90,820)

Chemicals: Based on Year-to-Date Actuals \$ 125,066

Supplies: \$ (61,461)

All other operating expenses: net increase due to CPI and adjustments to other operating expenses \$ (32,061)

TOTAL GENERAL OPERATING EXPENDITURES BUDGET INCREASE \$ 383,798

Infrastructure: net increase result of CIP (includes engineering costs, reclassified) \$ 490,603

TOTAL GENERAL OPERATING EXPENDITURES BUDGET INCREASE \$ 874,401

	FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED	
REVENUE						
By Type:						
26 JPA Assessments	7,263,546	8,195,626	8,195,626	9,109,686	914,061	11%
27 Contract Services	-	-	-	-	-	0%
28 NDWSCP Fees	37,288	115,000	45,340	45,340	(69,660)	(61%)
29 Misc. Fees	-	-	-	-	-	0%
30 Interest Earnings	13,701	20,000	50,965	50,000	30,000	150%
31 Misc. Revenue	-	-	-	-	-	-
32 From/(To) Reserves	-	-	-	-	-	-
	-	-				
33 TOTAL	7,314,535	8,330,626	8,291,931	9,205,026	874,401	10%
By Agency:						
34 Half Moon Bay	4,241,911	4,871,480	4,871,480	5,602,457	730,977	15%
35 Granada CSD	1,489,027	1,630,110	1,630,110	1,735,395	105,285	6%
36 Montara WSD	1,532,608	1,694,036	1,694,036	1,771,834	77,798	5%
37 TOTAL	7,263,546	8,195,626	8,195,626	9,109,686	914,061	11%

Key Changes

Assessments reflect increased funding for infrastructure projects, maintenance, staff	\$ 914,061
TOTAL GENERAL OPERATING REVENUE BUDGET INCREASE	\$ 914,061

FINANCIAL DETAILS

The following is a list of key budget lines for FY2022/23 and 2023/24 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

Budget Line #	FY 2021/22	FY 2022/23
1. <u>Wages</u> Increase as results of COLA increase and staffing changes.	\$1,537,386	\$1,724,516
2. <u>Premium Pay</u> Overtime paid for staff to perform tasks outside of normal work times.	\$113,626	\$98,182
3. <u>Health Benefits</u> The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees.	\$265,562	\$289,472
4. <u>Retirement Contributions</u> SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$253,580	\$282,760
5. Retiree Medical/OPEB Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums.	\$33,389	\$33,057
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$86,509	\$90,470
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$2,290,052	\$2,518,456
8. <u>Legal Services</u> Includes general counsel and employment legal fees	\$175,000	\$356,666
9. Engineering Services Increased to provide design and project management related to treatment division.	\$128,750	\$128,750

Budget Line #	FY 2021/22	FY 2022/23
10. <u>Professional Services</u> Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$817,067	\$740,714
11. Professional Memberships Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$54,752	\$47,421
12. <u>Insurance Premiums</u> Property, liability, and pollution premiums based on utilization rates.	\$127,386	\$112,053
13. <u>Misc. Expenses</u> Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite storage, postage, claims, copier, phone system support, etc.) not reflected in other categories.	\$68,457	\$95,354
14. <u>Utilities</u> Electricity, water, telephone, solid waste, etc.	\$663,814	\$707,831
15. <u>Travel & Training</u> Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$41,382	\$16,397
16. <u>Equipment Rental/Lease</u> Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$98,101	\$7,281
17. <u>Building & Maintenance Services</u> Includes janitorial, landscaping, and other regular building maintenance services.	\$205,971	\$187,890
18. <u>Chemicals</u> Includes chemicals used in the treatment of wastewater to meet regulatory standards.	\$287,048	\$412,114
Budget Line #	FY 2022/23	FY 2023/24

19.	Permits & Licenses Annual costs for permits with local, regional and state agencies.	\$45,372	\$51,777
20.	Supplies Office, computer, breakroom, and safety supplies.	\$128,681	\$67,220
21.	Equipment Purchase Purchase of equipment use at SAM facilities not included in infrastructure projects.	\$24,216	\$17,583
22.	<u>Infrastructure Projects</u> Includes costs of projects included in 5-Year CIP. Includes engineering costs associated. Includes costs associated with projects that exceed \$50,000 each.	\$3,009,397	\$3,500,000
23.	<u>Claims/Penalties</u> Reflects claims expenses not covered by insurance.	\$15,000	\$80,340
24.	Repairs & Maintenance Maintenance for plant equipment	\$150,179	\$150,179
25.	Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$6,040,574	\$6,686,570
26.	Total Total of all costs (sum of Personnel and Non-Personnel subtotals).	\$8,330,626	\$9,205,026

ADMINISTRATIVE SERVICES

By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	543,861	515,459	568,265	587,126	71,667	14%
2 Premium Pay	2,816	4,290	3,500	5,815	1,525	36%
3 Health Benefits	61,713	58,408	60,977	62,307	3,899	7%
4 Retirement Cont.	10,209	49,483	49,679	60,158	10,675	22%
5 Retiree Med/OPEB	38,374	16,348	17,067	16,728	380	2%
6 Misc. Benefits	21,935	20,705	25,576	18,642	(2,062)	(10%)
7 Subtotal	678,909	664,693	725,064	750,777	86,084	13%

Non-Personnel

8 Legal Services	241,931	175,000	124,955	356,666	181,666	104%
9 Engineering Services	-	-	-	-	-	0%
10 Professional Services	226,656	200,411	169,935	192,280	(8,131)	(4%)
11 Prof. Memberships	38,950	39,509	41,757	43,009	3,500	9%
12 Insurance Premiums	125,690	127,386	108,789	112,053	(15,334)	(12%)
13 Misc. Expenses	34,263	32,163	56,181	40,933	8,770	27%
14 Utilities	37,379	36,569	37,499	38,624	2,055	6%
15 Travel & Training	3,622	8,892	3,099	3,191	(5,701)	(64%)
16 Equipment Rental	6,599	6,426	7,069	7,281	855	13%
17 Bldg & Maint Services	39,844	22,561	28,264	29,112	6,551	29%
18 Chemicals	-	-	-	-	-	0%
19 Permits & Licenses	-	-	-	-	-	0%
20 Supplies	8,340	10,583	8,342	8,593	(1,990)	(19%)
21 Equipment	-	-	-	-	-	0%
22 Infrastructure	-	-	-	-	-	0%
23 Claims/Penalties	23,729	15,000	-	-	(15,000)	(100%)
24 Repairs & Maintenance	-	-	-	-	-	-
25 Subtotal	787,001	674,502	585,891	831,743	157,241	23%

26 TOTAL	1,465,910	1,339,194	1,310,955	1,582,520	243,326	18%
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ADMINISTRATIVE SERVICES

By Category

FY 2020/21 ACTUAL	FY 2022/23 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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REVENUE

By Type:

27 JPA Assessments	1,259,899	1,319,194	1,319,194	1,532,520	213,326	16%
28 Contract Services	-	-	-	-	-	0%
29 NDWSCP Fees	-	-	-	-	-	0%
30 Misc. Fees	-	-	-	-	-	0%
31 Interest Earnings	13,701	20,000	50,965	50,000	30,000	150%
32 Misc. Revenue	-	-	-	-	-	0%
33 From/(To) Reserves	-	-	-	-	-	0%
34 TOTAL	1,273,600	1,339,194	1,370,159	1,582,520	243,326	18%

By Agency:

34 Half Moon Bay	735,781	784,129	755,361	942,500	158,371	20%
35 Granada CSD	258,279	262,388	290,458	291,945	29,557	11%
36 Montara WSD	265,839	272,677	289,605	298,075	25,398	9%

37 TOTAL	1,259,899	1,319,194	1,335,424	1,532,520	213,326	16%
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Key Changes

Personnel costs: net increase due COLA and merit increases. Amount also includes

Board stipend and Holiday pay which had been omitted in previous years.

\$ 86,084

Legal Services

\$ 181,666

Insurance Premiums: Decreased based on year-to-date actuals

\$ (15,334)

Claims/Penalties

\$ (15,000)

All other operating expenses: net increase due to CPI and adjustments to other operating expenses

\$ 5,909

TOTAL ADMINISTRATION EXPENDITURES BUDGET INCREASE \$ 243,326

Key Changes

Assessments reflect net increase in budget for wages, benefits, and other expenses

\$ 213,326

TOTAL ADMINISTRATION REVENUE BUDGET INCREASE \$ 213,326

TREATMENT By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	862,052	983,383	873,788	1,098,699	115,316	12%
2 Premium Pay	122,060	107,492	93,636	90,446	(17,046)	(16%)
3 Health Benefits	169,897	201,593	206,836	221,245	19,653	10%
4 Retirement Cont.	289,780	191,792	190,159	209,980	18,187	9%
5 Retiree Med/OPEB	(21,420)	16,459	14,695	15,743	(716)	(4%)
6 Misc. Benefits	64,658	63,744	60,749	69,336	5,593	9%
7 Subtotal	1,487,028	1,564,462	1,439,863	1,705,449	140,987	9%

Non-Personnel

8 Legal Services	-	-	-	-	-	
9 Engineering Services	178,966	128,750	125,000	128,750	-	0%
10 Professional Services	741,528	466,656	463,131	398,434	(68,222)	(15%)
11 Prof. Memberships	11,587	15,243	13,992	14,412	(831)	(5%)
12 Insurance Premiums	-	-	-	-	-	
13 Misc. Expenses	79,314	36,294	49,923	51,421	15,127	42%
14 Utilities	538,233	627,245	649,715	669,206	41,962	7%
15 Travel & Training	26,214	32,303	12,631	13,010	(19,293)	(60%)
16 Equipment Rental	81,789	91,675	-	-	(91,675)	(100%)
17 Bldg & Maint Services	114,335	183,410	58,374	158,778	(24,631)	(13%)
18 Chemicals	285,382	282,740	397,114	409,027	126,288	45%
19 Permits & Licenses	45,462	45,372	49,314	51,777	6,406	14%
20 Supplies	56,439	93,366	43,674	44,984	(48,382)	(52%)
21 Equipment	16,368	14,710	9,071	9,343	(5,368)	(36%)
22 Infrastructure	-	-	-	-	-	
23 Claims/Penalties	-	-	78,000	80,340	80,340	
24 Repairs & Maintenance		150,179	86,050	150,179	(0)	(0%)
25 Subtotal	2,175,617	2,167,942	2,035,988	2,179,661	11,719	1%

26 TOTAL	3,662,645	3,732,405	3,475,851	3,885,111	152,706	4%
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Key Changes

Personnel: net increase due to COLA and merit increases	\$ 140,987
Professional Services:	\$ (68,222)
Utilities:	\$ 41,962
Equipment Rental	\$ (91,675)
Chemicals	\$ 126,288
Claims/Penalties	\$ 80,340
Increase services, supplies, chemicals, etc. by 3% CPI	\$ (76,973)
TOTAL TREATMENT EXPENDITURES BUDGET INCREASE	\$ 152,706

TREATMENT By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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REVENUE

By Type:

27 JPA Assessments	3,342,060	3,617,405	3,617,405	3,839,771	222,366	6%
28 Contract Services	-	-	-	-	-	0%
29 NDWSCP Fees	37,288	115,000	45,340	45,340	(69,660)	(61%)
30 Misc. Fees	-	-	-	-	-	0%
31 Interest Earnings	-	-	-	-	-	0%
32 Misc. Revenue	-	-	-	-	-	0%
33 From/(To) Reserves	-	-	-	-	-	0%

34 TOTAL

3,379,348	3,732,405	3,662,745	3,885,111	152,706	4%
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By Agency:

34 Half Moon Bay	1,951,763	2,150,185	2,161,703	2,361,459	211,274	10%
35 Granada CSD	685,122	719,502	831,237	731,476	11,975	2%
36 Montara WSD	705,175	747,718	828,795	746,835	(882)	(0%)

37 TOTAL

3,342,060	3,617,405	3,821,735	3,839,771	222,366	6%
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Key Changes

Assessments reflect net increased funding for wages, benefits, and other expenses

\$ 222,366

TOTAL TREATMENT REVENUE BUDGET INCREASE

\$ 222,366

ENVIRONMENTAL COMPLIANCE By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	36,709	38,543	36,268	38,690	147	0%
2 Premium Pay	1,746	1,844	1,830	1,922	78	4%
3 Health Benefits	5,357	5,561	5,098	5,919	358	6%
4 Retirement Cont.	18,800	12,305	12,198	12,622	317	3%
5 Retiree Med/OPEB	(875)	582	575	586	4	1%
6 Misc. Benefits	2,252	2,061	2,011	2,491	430	21%
7 Subtotal	63,988	60,897	57,979	62,230	1,333	2%

Non-Personnel

8 Legal Services	-	-	-	-	-	-
9 Engineering Services	-	-	-	-	-	-
10 Professional Services	207,073	150,000	79,251	150,000	-	0%
11 Prof. Memberships	-	-	-	-	-	0%
12 Insurance Premiums	-	-	-	-	-	0%
13 Misc. Expenses	7,100	-	-	-	-	0%
14 Utilities	-	-	-	-	-	0%
15 Travel & Training	182	187	190	196	8	4%
16 Equipment Rental	-	-	-	-	-	0%
17 Bldg & Maint Services	-	-	-	-	-	0%
18 Chemicals	4,825	4,308	2,997	3,087	(1,221)	(28%)
19 Permits & Licenses	-	-	-	-	-	0%
20 Supplies	20,424	24,732	13,246	13,643	(11,089)	(45%)
21 Equipment	4,614	9,505	8,000	8,240	(1,265)	(13%)
22 Infrastructure	-	-	-	-	-	0%
23 Claims/Penalties	-	-	-	-	-	0%
24 Repairs & Maintenance	-	-	-	-	-	-
25 Subtotal	244,218	188,733	103,684	175,166	(13,567)	(7%)

26 TOTAL	308,206	249,630	161,663	237,396	(12,234)	(5%)
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Key Changes

Professional services: increase based on year-to-date actual	\$ (11,089)
Net increase in wages, utilities, services, and supplies	\$ (1,153)
TOTAL ENVIRONMENTAL COMPLIANCE EXPENDITURES BUDGET	\$ (12,234)

ENVIRONMENTAL COMPLIANCE

By Category

FY 2020/21 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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REVENUE

By Type:

27 JPA Assessments	183,267	249,630	249,630	237,396	(12,234)	(5%)
28 Contract Services	-	-	-	-	-	0%
29 NDWSCP Fees	-	-	-	-	-	0%
30 Misc. Fees	-	-	-	-	-	0%
31 Interest Earnings	-	-	-	-	-	0%
32 Misc. Revenue	-	-	-	-	-	0%
33 From/(To) Reserves	-	-	-	-	-	0%
34 TOTAL	183,267	249,630	249,630	237,396	(12,234)	(5%)
<u>By Agency:</u>						
34 Half Moon Bay	107,028	148,380	153,522	145,998	(2,381)	(2%)
35 Granada CSD	37,570	49,651	47,555	45,224	(4,427)	(9%)
36 Montara WSD	38,669	51,598	48,553	46,173	(5,425)	(11%)
37 TOTAL	183,267	249,630	249,630	237,396	(12,234)	(5%)

Key Changes

Assessments reflect net decreased funding for wages, benefits, and other expenses	\$ (12,234)
TOTAL ENVIRONMENT COMPLIANCE REVENUE BUDGET DECREASE	\$ (12,234)

INFRASTRUCTURE

By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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EXPENDITURES

Personnel

1 Wages	-	-	-	-	-	0%
2 Premium Pay	-	-	-	-	-	0%
3 Health Benefits	-	-	-	-	-	0%
4 Retirement Cont.	-	-	-	-	-	0%
5 Retiree Med/OPEB	-	-	-	-	-	0%
6 Misc. Benefits	-	-	-	-	-	0%
7 Subtotal	-	-	-	-	-	0%

Non-Personnel

8 Legal Services	-	-	-	-	-	0%
9 Engineering Services	5,207	-	-	-	-	0%
10 Professional Services	-	-	-	-	-	0%
11 Prof. Memberships	-	-	-	-	-	0%
12 Insurance Premiums	-	-	-	-	-	0%
13 Misc. Expenses	-	-	-	-	-	0%
14 Utilities	-	-	-	-	-	0%
15 Travel & Training	-	-	-	-	-	0%
16 Equipment Rental	-	-	-	-	-	0%
17 Bldg & Maint Services	-	-	-	-	-	0%
18 Chemicals	-	-	-	-	-	0%
19 Permits & Licenses	-	-	-	-	-	0%
20 Supplies	-	-	-	-	-	0%
21 Equipment	-	-	-	-	-	0%
22 Infrastructure	1,407,212	3,009,397	2,209,676	3,500,000	490,603	16%
23 Claims/Penalties	-	-	-	-	-	0%
24 Repairs & Maintenance	-	-	-	-	-	0%
25 Subtotal	1,412,419	3,009,397	2,209,676	3,500,000	490,603	16%

26 TOTAL	1,412,419	3,009,397	2,209,676	3,500,000	490,603	16%
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Key Changes

Increased to address the projects identified in the approved

FY2023-24 capital improvement plan budget, including engineering costs

TOTAL INFRASTRUCTURE REVENUE BUDGET INCREASE \$ 490,603

INFRASTRUCTURE By Category

FY 2021/22 ACTUAL	FY 2022/2023 ADOPTED	FY 2022/23 PROJECTED	FY 2023/24 PROPOSED	CHANGE FROM FY 2022/23 ADOPTED
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REVENUE

By Type:

27 JPA Assessments	2,478,320	3,009,397	3,009,397	3,500,000	490,603	16%
28 Contract Services	-	-	-	-	-	0%
29 NDWSCP Fees	-	-	-	-	-	0%
30 Misc. Fees	-	-	-	-	-	0%
31 Interest Earnings	-	-	-	-	-	0%
32 Misc. Revenue	-	-	-	-	-	0%
33 From/(To) Reserves	-	-	-	-	-	0%
	-					
34 TOTAL	2,478,320	3,009,397	3,009,397	3,500,000	490,603	16%

By Agency:

34 Half Moon Bay	1,447,339	1,788,786	1,447,339	2,152,500	363,714	20%
35 Granada CSD	508,056	598,569	508,056	666,750	68,181	11%
36 Montara WSD	522,926	622,042	522,926	680,750	58,708	9%
37 TOTAL	2,478,320	3,009,397	2,478,320	3,500,000	490,603	16%

Key Changes

Increased to address the projects identified in the approved

FY2023-24 capital improvement plan budget, including engineering costs

TOTAL INFRASTRUCTURE REVENUE BUDGET INCREASE \$ 490,603

HIGHLIGHTS

- Infrastructure Projects in progress in FY 2021/22:
 - ✓ Montara PS - Replace Pump 1
 - ✓ Montara PS - Install Grit Removal
 - ✓ Rehabilitate/Replace Vehicle Fleet
 - ✓ Portola PS - Replace Pump 1 with Grinder Pump
 - ✓ Replace Bar Screen Drives and Screens
 - ✓ Replace Influent Pump and Motors 1 – 5
 - ✓ Electrical Improvements for Influent Pumps 1 – 8
 - ✓ Install Shade Canopy at Chemical Feed Pumps
 - ✓ Replace Effluent Pumps 1 and 2
 - ✓ Replace Sludge Mixing Pumps 1 and 2 with Chopper Pumps

- Infrastructure Projects in progress in FY 2022/23:
 - ✓ Princeton PS - Replace w/Package PS and Rehabilitate Bypass System
 - ✓ Replace Effluent Pumps 1, 2 & 3
 - ✓ Plant and Cyber Security Measures Implementation
 - ✓ Replace Chain & Flights, Collectors Gear Reducer, and Weirs in Primary Clarifier
 - ✓ Replace Primary Scum Pump and Motor
 - ✓ Replace Grit Pumps 1 & 2 and Appurtenances
 - ✓ Replace Primary Sludge Pumps and Motors 1, 2 & 3
 - ✓ Secondary Treatment - Replace/Rehabilitate Secondary Clarifier Drive Mechanism
 - ✓ Water Supply and Piping - Replace No. 3 Water Pumps

- These projects are in various stages- order placed, awaiting deliveries, or awaiting order placement. There has been a delay in deliveries and cost increases too due to the pandemic situation.

SEWER AUTHORITY MID-COASTSIDE

CAPITAL IMPROVEMENT PROGRAM

Project 1: Montara Force Main Rehabilitation

Priority: Rehabilitation/Replacement/Safety

The Montara Force Main Rehabilitation (MFM) Project addresses aging, at-risk pipeline within the Intertie Pipeline System. The MFM conveys wastewater from the Montara and Moss Beach communities to SAM's Wastewater Treatment Plant in Half Moon Bay. The MFM is approximately 16,750 feet in length, ranging from 12 to 14-inches in diameter and was constructed of ductile iron pipe (DIP) in the early 1980s.

A 2017 project replaced the first 2,500 feet of MFM from Montara Pump Station to the end of Vallemar Street with high-density polyethylene (HDPE) pipe and replaced the associated air/vacuum relief valves. A 12-inch-diameter DIP portion of the MFM experienced failure during the atmospheric river storm that started on December 31, 2022, which was declared as a disaster at both the State and Federal levels. SAM's emergency response included replacement of an 850-ft portion of the impacted force main with HDPE. It is proposed to replace the remaining 13,400 feet of the MFM project over four years starting from July 2023 to June 2027. The proposed \$2.0M for the fiscal year 23-24 entails Planning, Environmental, Legal & Admin costs of \$1.5M and Design costs of \$0.5M.



CIP Total Cost: \$10,686,000

Project Funding: This project will be funded by SAM's Infrastructure Program.

Basis of Priority: This priority project continues the best practice of rehabilitating aging force main to mitigate sanitary sewer overflows, human health risks, environmental damages, and other regulatory violations.

Annual Cost Distribution and Schedule

CIP Total	FY2023	FY2024	FY2025	FY2026	FY2027
\$10.686M	\$2.0M	\$3.0M	\$3.0M	\$2.686	\$0

SEWER AUTHORITY MID-COASTSIDE
CAPITAL IMPROVEMENT PROGRAM

Project 2: Replacement/Rehabilitation of Boilers at the Treatment Plant

Priority: Rehabilitation/Replacement/Safety

SAM has two (2) Dual Gas Hot Water Boilers. They provide heat to keep the Digester Sludge at a constant temperature between 95.0 to 96.0 degrees Fahrenheit. This allows the microbes that break down the fecal matter to function properly. If we do not supply the boilers with either Digester Gas or Natural Gas we will not be in compliance with our NPDES permit, which will lead to violations and penalties.

Boiler # 1 is out of compliance and Boiler #2 is barely below the acceptable limit.

The proposed \$0.5M is to replace one of the boilers and refurbish the other.



CIP Total Cost: \$500,000

Project Funding: This project will be funded by SAM's Infrastructure Program.

Basis of Priority: This priority project continues the best practice of rehabilitating aging equipment to mitigate regulatory violations.

Annual Cost Distribution and Schedule

CIP Total	FY2023	FY2024	FY2025	FY2026	FY2027
\$0.5M	\$0.5M	\$0	\$0	\$0	\$0

SEWER AUTHORITY MID-COASTSIDE
CAPITAL IMPROVEMENT PROGRAM

Project 3: WWTP – Replace Emergency Generator

Priority: Replacement and Rehabilitation

This project focuses on replacing the emergency generator at the WWTP. The existing generator is old, has exceeded its useful life, and replacement parts are becoming difficult to obtain. The backup power generator is an essential asset that must be reliable. In the event of a power loss to the WWTP, the generator provides temporary power so that operation of the WWTP may continue. Frequent repairs are being done to make it functional. Therefore, it is more economical to procure a new generator.



CIP Total Cost: \$1,500,000

Project Funding: This project will be funded by SAM's Infrastructure Program.

Basis of Priority: This generator needs to be maintained in peak stand-by condition in the event of a power failure at the WWTP. A prolonged power outage, without a reliable and sufficient back-up power supply, will result in significant disruption to the plants, clarification, biological treatment, and disinfection processes that may result in a violation of SAM's NPDES permit requirements.

Annual Cost Distribution and Schedule

CIP Total	FY2023	FY2024	FY2025	FY2026	FY2027
\$1.5M	\$1M	\$0.5M	\$0	\$0	\$0

Position Control List

<u>Classifications</u>	<u>Authorized Positions</u>
<u>Administrative Services:</u>	
General Manager	1.0
Finance Officer	1.0
Accounting Technician	1.0
Administrative Assistant	<u>1.0</u>
	4.0
<u>Operations & Maintenance:</u>	
<i>Engineering & Construction Contracts Manager (Defunded)</i>	0.0
Supervisor of Treatment / Field Operations	0.75
Maintenance Mechanic I/II/III	2.0
Operator I/II/III	2.0
Lead Operator	4.0
<i>Utility Worker (Defunded)</i>	<u>0.0</u>
	8.75
<u>Environmental Compliance:</u>	
Supervisor of Treatment / Field Operations	.25
Total Authorized – General Budget	13.0
<u>Collection Services:</u>	
Collection Maintenance Worker I/II/III	3.0
Maintenance Mechanic I/II/III	<u>1.0</u>
Total Authorized – Collections Services	4.0
Grand Total Authorized Authority	17.0

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 20, 2023**

TO: Honorable Mayor and City Council

FROM: Matthew Chidester, City Manager

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

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

RECOMMENDATION:

Review the Recommended FY 2023-24 Budget document and adopt resolutions to: 1) establish the GANN Appropriation Limit for FY 2023-24; 2) approve the City's Review of the Investment Policy; and 3) adopt the FY 2023-24 Annual Operating and Capital Budget.

FISCAL IMPACT:

The Fiscal Year 2023-24 recommended General Fund operating budget expenditures are \$22,183,173 plus \$2,763,000 in capital transfers, for total expenditure budget of \$24,946,173. The FY 2023-24 Other Funds expenditures totals \$38,471,863. The total One-Year Capital Improvement Plan (CIP) Budget is \$20.8 million.

STRATEGIC ELEMENT:

This recommendation supports all four strategic plan elements: *Infrastructure and Environment*, *Healthy Communities and Public Safety*, *Fiscal Sustainability*, and *Inclusive Governance*.

BACKGROUND:

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

DISCUSSION:

The City Council was presented with the FY 2023-24 Recommended Budget and One-Year Capital Improvement Plan (CIP) on June 6, 2023 ([Draft FY 2023-24 CIP](#)). The Council conducted a hearing and provided staff direction to return to the June 20, 2023, Council meeting with a final version of the Recommended Budget for adoption.

The final version of the attached recommended budget includes one minor change than the budget presented on June 6th. Staff is recommending reclassification of two positions and is bringing a separate action to Council to effectuate the changes. These changes result in savings of approximately \$63 thousand in FY 2023-24. Council did not direct staff to make any other changes to the recommended budget.

On June 13, 2023, the Planning Commission determined, as required by State statute, that the projects included in the Recommended Capital Budget for FY 2023-24 are consistent with the City's General Plan.

CONCLUSION:

The FY 2023-24 Recommended Budget is a balanced budget that reflects the priorities of the City Council and needs of the community. Through careful, conservative fiscal management, the City is able to maintain existing services while also planning for a potential downturn in the economy, and other challenges in the future.

ATTACHMENTS:

1. FY 2023-24 Recommended Operating and Capital Budgets (posted [online](#) only)
2. City Manager's Budget Message
3. Resolution Adopting the FY 2023-24 Annual Operating and Capital Budget
4. Resolution Establishing GANN Appropriation Limit for FY 2023-24
5. Resolution Approving the City's Investment Policy (No change for FY 2023-24)

June 20, 2023

Honorable Mayor, City Councilmembers and Community,

On behalf of City staff, it is my privilege to present the Recommended Operating Budget for Fiscal Year (FY) 2023-24. The Recommended Budget is a statement of the City's current financial position, a tool that projects future revenue and expenditures, and a work plan for communicating, implementing, and monitoring City operations, capital expenditures and Council priorities.

This past fiscal year has been a time of transition for the City of Half Moon Bay – we've transitioned from a pandemic response and recovery to working towards long-term stability and sustainability as an organization and community; we've transitioned staff leadership throughout the organization, and as a community we've transitioned from a place of innocence and isolation to experiencing significant trauma on an international stage. There is really no way to describe the first several months of 2023. From the relentless rains, wind and flooding to the tragic mass shooting incident on January 23rd, our community, staff, and resources have been tested. Each time we answered the call and proved why Half Moon Bay is such a special place to "live, work, and play".

The budget we present to you is balanced, but our financial outlook is not as strong as it has been in the past. There is significant political and economic uncertainty at the local, state and national levels, which will affect our costs and approaches to delivering services in the years ahead. This will be a year to focus on defining our core mission and values, seeking efficiencies and better practices, and ensuring that the city remains financially secure to continue serving the community for future generations. As you have observed and will see below, we have a strong team that is up to the challenge, and committed to remaining innovative, effective, and providing the highest quality services to our residents, businesses and visitors.

PRIOR YEAR ACCOMPLISHMENTS

Despite the challenges we've faced over the last several months, which brought new needs to light and added to an already heavy workload, staff maintained high levels of service across our core work areas. Additionally, staff continued to implement the Council's FY 2022-23 Priorities, making significant progress on the adopted priorities workplan. Some of our key accomplishments are summarized below:

- Submitted the draft Cycle 6 (2023-2031) Housing Element to the State Department of Housing and Community Development, following extensive public review and comment.
- Entered into a predevelopment funding agreement with Mercy Housing to develop 40 very affordable housing units on City-owned property at 555 Kelly Avenue and initiated work on a

potential 40-to-50-unit affordable housing project at 880 Stone Pine Road in collaboration with San Mateo County.

- Obtained Coastal Commission approval and certification of the City's Short-Term Rental Ordinance.
- Made significant progress on implementation of several of the Coastside Recovery Initiative's recommendations, including securing \$400,000 in philanthropic funding for a farmworker cooperative and digital equity programming, \$2.5 million in funding for a new Opportunity Center of the Coastside that will serve job seekers, small businesses, and entrepreneurs, and launched a nonprofit cohort which provided technical assistance to City grant recipients in support of a more coordinated and integrated approach to safety net services.
- Completed the draft Climate Action Plan, which included several public outreach events to engage with underrepresented groups and circulated the draft to the general public for input prior to formal adoption.
- Completed the pilot phase of the Crisis Assistance Response & Evaluation Services (CARES) mental health response program; applied for and awarded a \$150,000 grant as well as applied for an additional \$360,000 in grant assistance for the coming fiscal year.
- Initiated construction of the Carter Park Improvement Project, including securing of temporary access and permanent maintenance/operation access to the park and revision of designs to be more flood resilient.
- Conducted the November 2022 General Municipal Election for three district seats including public outreach campaigns around the new 503B district map, how to run for city council, how to vote, and hosted the first Elections Night Out event since the pandemic began.
- Initiated work on a cost allocation study and user fee analysis to ensure the city receives fair cost recovery on services provided to the public and other agencies.
- Continued work on a major upgrade and modernization of the City Corporation Yard facility at 880 Stone Pine Road.
- Conducted the first N.E.T. Citizens Academy since the pandemic began, graduating 18 new cohort members.
- Responded to the catastrophic winter storms that impacted the entire Coastside community, including 24/7 staffing of the Emergency Operations Center, coordinating multi-agency communications to ensure accurate and timely information to the public, and converting the community center into a temporary evacuation point for displaced residents.
- Responded to the tragic mass shootings including coordinating press requests, visits and press conferences with state and federal elected officials, coordinating vigil and memorial services, and a community remembrance dinner for the victims, partnered with the County and other agencies to address code violations at the two farms involved in the shooting and to establish a program for inspecting other farms to ensure farmworker safety, collaborated in intensive

case management including coordination of housing for 20 displaced families, and established the Coastside Victims Fund for survivors of the incident.

- Hosted a historic mobile visit from the Consulate of Mexico resulting in 220 residents receiving critical services.

FY 2023-24 COUNCIL PRIORITIES

Consistent with the past several years, in preparation for the upcoming budget the City Council hosted three community listening sessions, which provided the Council and staff the opportunity to listen directly to members of the community and gain additional insight into the community's priorities for the allocation of resources over the next year and beyond. Feedback was also collected through other means, including an online survey on the City's website.

The listening sessions culminated in a priority setting workshop on April 19, 2023. At this workshop, the City Council confirmed the following five broad priorities, which were carried forward from the previous year:

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

On June 6, 2023, staff presented a multi-year work plan that includes aggressive but realistic programs, projects, and tasks aligned with the five priorities. The Recommended Budget includes numerous funding allocations that will support implementation of this workplan over the coming fiscal year.

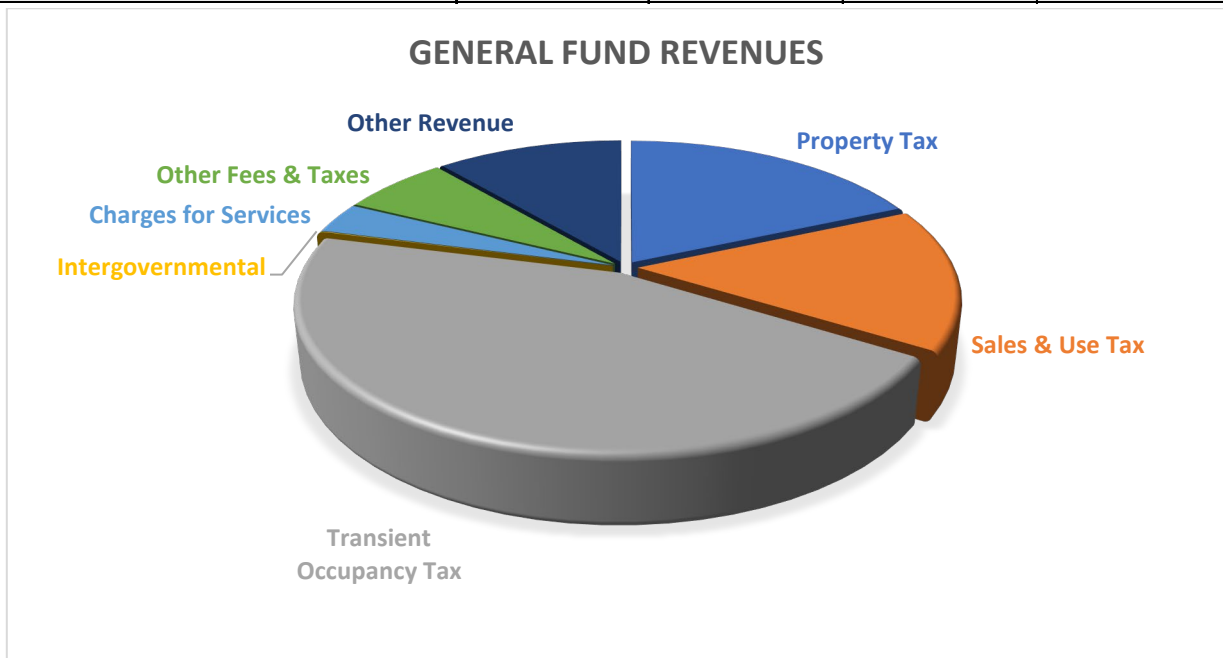
BUDGET AT A GLANCE

The City's total estimated revenue for all funds for FY 2023-24 is \$50.9 million. This amount represents an 8.6% increase from FY 2022-23. This is primarily due to an increase in special revenue funding of a \$2.5 million grant for the Opportunity Coastside Center and other grants for capital projects.

General Fund revenues are approximately 41.7% percent of total revenues, and the primary three sources of General Fund revenues are Property Tax, Sales Tax, and Transient Occupancy Tax (TOT), as seen on the pie chart below. As economic activity is expected to stagnate, these primary three sources are expected to decrease by approximately 1% from FY 2022-23. These projections are based on staff analysis of local conditions and reflect information received from several sources, including the City's Sales and Transient Occupancy Tax consultants. The total decrease of general fund revenues from the

year prior is 8%, mostly due to the discontinuance of ARPA funding received from the Federal Government in the past two years.

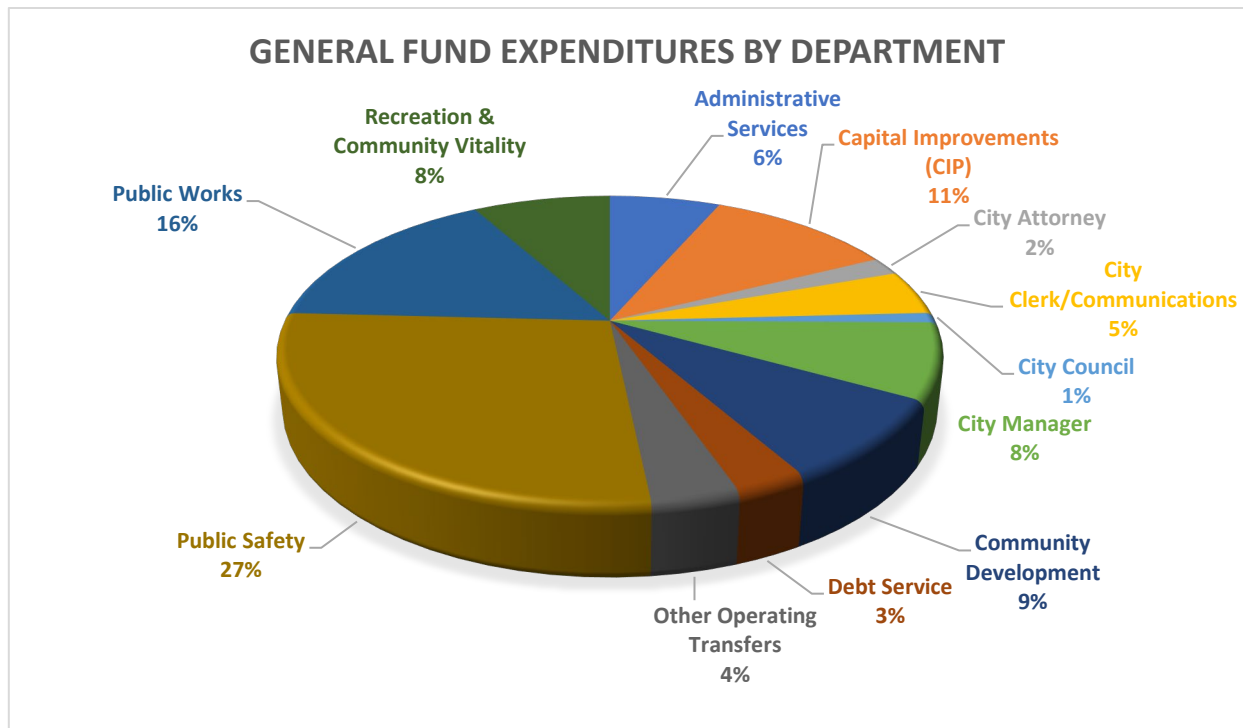
Revenues and Transfers All Funds				
Fund Name	Actual 2020-21	Actual 2021-22	Revised 2022-23	Recommended 2023-24
General Fund	16,601,802	24,534,744	23,075,847	21,259,541
Enterprise Funds	5,872,894	6,689,682	8,936,201	7,740,674
Special Revenue and Capital Projects	13,802,035	7,066,213	12,410,947	19,651,512
Internal Service Funds	1,933,311	2,282,530	2,459,447	2,284,008
Debt Service	337	(180)	-	100
Grand Totals	38,210,378	40,572,988	46,882,441	50,935,836



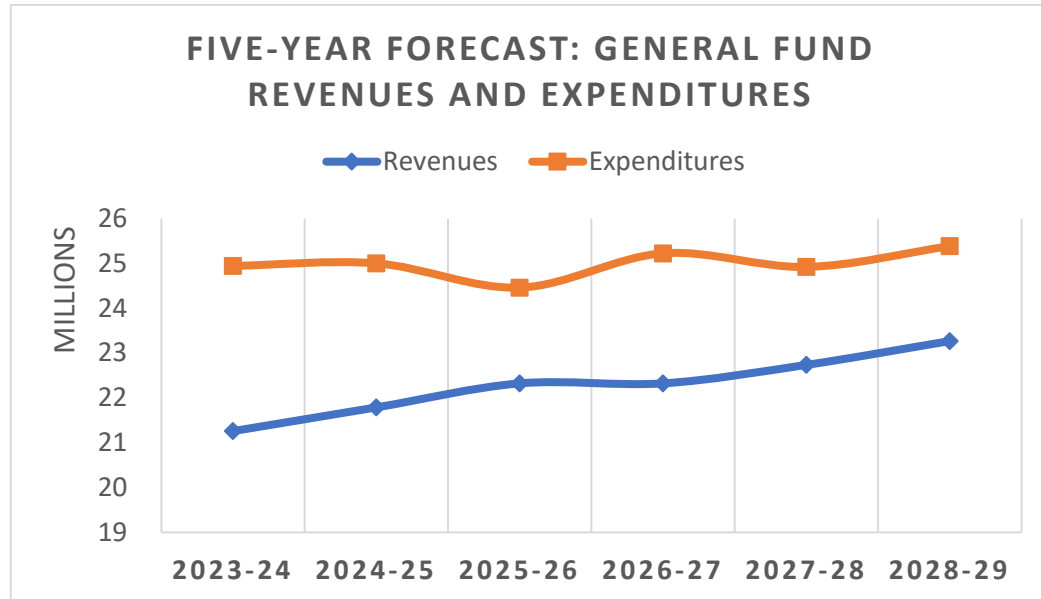
The City's total proposed budget expenditures for FY 2023-24 are \$63.4 million, which represents an 11.2% increase over FY 2022-23. This increase is primarily due to increased spending with special revenue funds and capital projects. Capital improvements are approximately 33% of total expenditures, or \$20.8 million. The General Fund accounts for 39% of the budget, and of these expenditures, the largest departmental budget is for public safety, as shown in the pie chart on the following page.



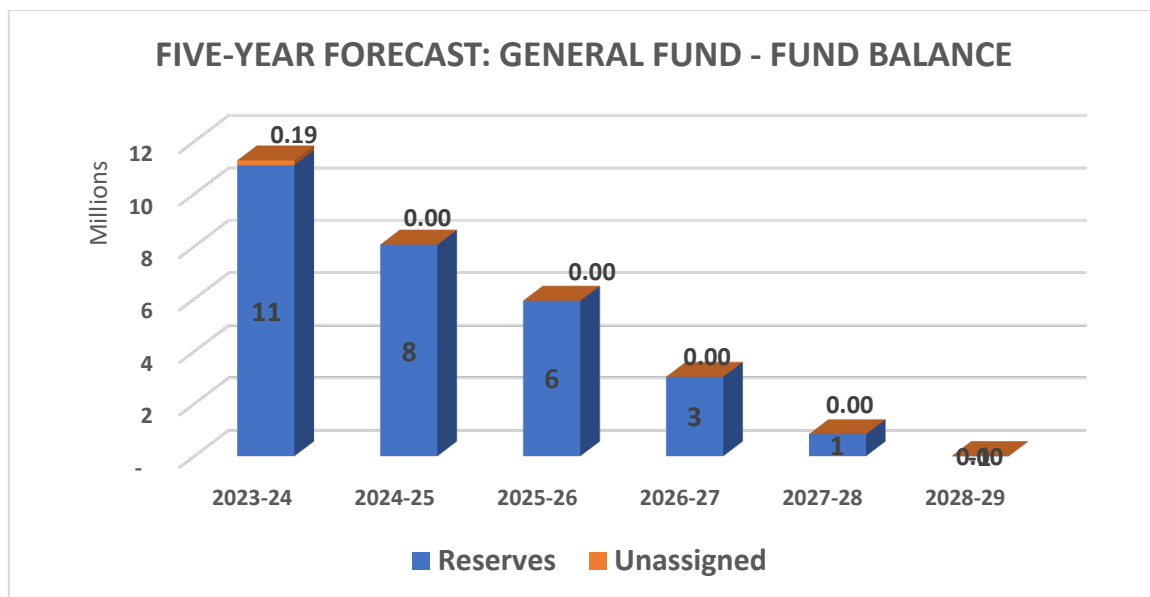
Expenditures and Transfers All Funds				
Fund Name	Actual 2020-21	Actual 2021-22	Revised 2022-23	Recommended 2023-24
General Fund	16,096,447	20,089,107	23,697,444	24,946,173
Enterprise Funds	7,051,945	8,722,888	11,061,171	9,742,851
Special Revenue and Capital Projects	10,053,726	6,378,523	19,548,427	26,051,403
Internal Service Funds	1,807,936	2,056,699	2,698,806	2,677,608
Debt Service	30,000	-	-	-
Grand Totals	35,040,054	37,247,216	57,005,848	63,418,036



Based on conservative staff assumptions, known future costs, and historical information, we've prepared a five-year forecast for general fund revenues and expenditures. Forecasts are generally used to anticipate any significant fiscal issues in future years. The chart below shows revenues and expenditures during the upcoming five-year period.



Based on the forecast, expenditures will likely exceed revenues in future years, resulting in deficits. If so, these deficits would need to be mitigated by either using unassigned fund balances (savings from the prior year), reserves, making cuts to expenditures, and/or increasing revenues. The chart below details the city's reserve balances during the same five-year period, including decreasing balances if mitigation of the deficit isn't addressed through other means.



BUDGETARY HIGHLIGHTS/SIGNIFICANT CHANGES

- The law enforcement contract with the County Sheriff is estimated to increase by approximately \$1.5 million, which is 35% more than FY 2022-23. This increase is the result of the County's effort to better recover the costs of its contract services to cities and should stabilize following this fiscal year. Staff are working with the Sheriff to minimize impacts on the City's budget and will return to the Council with more details during the first quarter of FY 2023-24.
- The 911 dispatch contract with the County Department of Public Safety Communications is increasing by \$498,000, which almost triples the cost from FY 2022-23. This increase is due to the same changes at the County and should stabilize following this fiscal year.
- The CARES program is fully funded for FY 2023-24, with \$150,000 from an awarded BHJIS grant and \$360,000 in General Funds, which we hope to backfill from the State's new CRISIS grant program, which will be awarded in August.
- The Community Services Financial Assistance Grant Program continues at the previous year's \$300,000 allocation, as well as continues the cohort approach in response to CRI recommendations.
- \$2.7 million from the General Fund has been allocated to capital improvements. This is a \$1.4 million decrease from the FY 2022-23 Adopted Budget, reflects the actual work the City anticipates completing this fiscal year, and is focused on ongoing projects, critical work related to traffic, transportation and economic development, and grant funded projects that require a local match.
- Staff levels will remain materially unchanged in this fiscal year – with some positions changing to adapt to the needs of the community, but no significant impact to position counts or costs.
- The Reserve Policy establishes an Operating Reserve at 30% of annual General Fund expenditures, and a Reserve for Economic Uncertainty at 20% of annual General Fund Expenditures. With the approval of this budget, these reserves will remain fully funded at 50% of General Fund operating expenditures. The two reserves are estimated to total \$11.1 million, which is a \$1.2 million increase over FY 2022-23.

CAPITAL IMPROVEMENT PROGRAM

The Five-Year Capital Improvement Program (CIP) has been updated along with preparation of the operating budget. The CIP document, which is presented separately, is an important element of the City's budget as it guides the City's infrastructure and facilities work for current and future efforts to enhance the quality of life and experience of the community. The development of the CIP has also utilized an iterative process. The City Council has seen this plan several times and has offered input

and feedback at each stage, consistently providing guidance with an emphasis on investing in the community through capital improvements.

CONCLUSION

The FY 2023-24 Recommended Budget is a balanced budget that reflects the core services of the City, priorities of the City Council, and needs of the community. This balanced budget is possible due to prudent fiscal policies over the last several years, but fund balances and reserves will not be enough to sustain the City in the future unless revenues increase, or services and expenditures are decreased. A key priority for staff and the Council in the coming fiscal year will be to identify strategies to balance the budget for the future, including additional sources of ongoing revenue, increased pursuit of grants and philanthropic support for community projects and programs, and finding new efficiencies and cutting costs wherever possible. These are all important practices for any organization, but especially now for the City of Half Moon Bay.

For more detailed information than what is stated here, the reader is encouraged to start with the Budget Overview. Departmental budgets follow and are clearly tabbed for ease of finding specific costs and services for each department.

I am pleased to report that the City's FY 2022-23 Budget received the Excellence Award from the Government Finance Officers Association. This award is presented to cities whose budget documents meet program criteria as a policy document, operational guide, financial plan, and communication device. We believe the FY 2023-24 budget will continue to meet the criteria for this award.

Development of the budget must be completed in a very compressed timeline and is a substantial amount of work for the entire organization. I want to acknowledge Council's leadership, the department directors and their staff, but especially thank the dedicated budget team who completed this document, which includes Lisa Lopez Rossi, Kenneth Stiles, Bryan Lopez, Raymond Cruz, and Carol Kim.

Respectfully submitted,



Matthew Chidester
City Manager

RESOLUTION No. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL OPERATING AND CAPITAL BUDGET**

WHEREAS, the City Council of the City of Half Moon Bay has received and completed its review of the proposed FY 2023-24 Operating and Capital Improvement Program Budgets during the budget hearing held on June 6, 2023 and gave general direction on the recommendations contained therein during a public meeting; and

WHEREAS, the City Council of the City of Half Moon Bay has held a public hearing on June 6, 2023 for consideration of adoption of the proposed FY 2023-24 Operating and Capital Budget; and

WHEREAS, the proposed budget was prepared in accordance with the financial policies of the City; and

WHEREAS, the proposed budget is a balanced expenditure plan that ensures the maintenance of adequate reserves during FY 2023-24; and

WHEREAS, in accordance with Section 65103 of the State Government Code, the City's Planning Commission held a hearing on June 13, 2023, and determined that the Five-Year Capital Improvement Plan is consistent with the City's General Plan; and

WHEREAS, the City of Half Moon Bay now desires to adopt the 2023-24 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets for FY 2023-24;

NOW THEREFORE, the City Council of the City of Half Moon Bay does hereby resolve as follows:

1. The City Council does hereby approve and adopt the City's budget of \$63,418,036, including CIP allocation of \$20,845,566, for fiscal year 2023-24 consisting of appropriations, inter-fund transfers and General Fund expenditures of \$24,946,173 is set forth within the Fiscal Year 2023-24 Budget.
2. The City Council does hereby approve and adopt the City's budgeted revenue of \$50,935,836 for fiscal year 2023-24 and General Fund revenues of \$21,259,541 is set forth within the Fiscal Year 2023-24 Budget.
3. The amount of the 2023-24 Fiscal Year Budget for each account area of the budget may be drawn upon in the form of warrants issued for payment of demands and certified in accordance with the provisions of California Government Code Sections 37208 and 37209.
4. The City Manager is hereby authorized to prepare an administrative budget document which further specifies the accounts for the expenditure of appropriations approved by the City Council and set forth in GANN Appropriation Limit Calculation section. The City Manager shall provide the Council with copies of this budget.

5. A copy of the adopted budget, signed by the Mayor and attested to by the City Clerk, shall be kept on file with the City Clerk of the City of Half Moon Bay, as the official budget of the City of Half Moon Bay for the 2023-24 fiscal year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION NO. C-2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY, CALIFORNIA,
ESTABLISHING THE APPROPRIATION LIMIT PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE
XIII B, AND SECTION 7900 ET. SEQ OF THE CALIFORNIA GOVERNMENT CODE
FOR FISCAL YEAR 2023-24**

WHEREAS, Article XIII B is an amendment to the California Constitution placing a restriction on the amount of proceeds of tax revenue which can be appropriated by state and local governments during a fiscal year; and

WHEREAS, the total appropriation subject to limitation shall not exceed the appropriation limit of the City of Half Moon Bay for the prior fiscal year, as adjusted for inflationary and population changes; and

WHEREAS, the City Council is required to elect which adjustment factors will be used to calculate the limit: (1) either the annual growth in California per capita personal income or the growth in non-residential assessed valuation due to new construction within the City, and (2) either the population growth in the City of Half Moon Bay or population growth in the County of San Mateo, as provided by the State Department of Finance; and

WHEREAS, the City Council has considered the matter at a regular scheduled City Council meeting.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby adopts the appropriations limit for the Fiscal Year 2023-24, as calculated in Exhibit A, and hereby determines the amount to be thirty-nine million, one hundred seventy-nine thousand, four hundred thirty-four dollars (\$39,179,434) for the City of Half Moon Bay, pursuant to Article XIII B of the California Constitution.

The City selected the following adjustment factors for the calculation of this amendment to the appropriations limit for the 2023-24 fiscal year: (1) the population factor of the City of Half Moon Bay; and (2) the Percentage Change in Per Capita Personal Income over prior year, which were provided by the State of California Department of Finance in May 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor

RESOLUTION No. C-2023-

**A RESOLUTION OF THE CITY OF HALF MOON BAY APPROVING THE
CITY OF HALF MOON BAY INVESTMENT POLICY**

WHEREAS, the investment policy is reviewed each year by City Council in accordance with the City of Half Moon Bay's Investment Policy;

WHEREAS, the investment policy has been reviewed to ensure any necessary updates have been incorporated;

WHEREAS, there is no change in the investment policy at this time.

NOW, THEREFORE, BE IT RESOLVED THAT

The City Council of the City of Half Moon Bay hereby approves the City of Half Moon Bay's Investment Policy as contained in Exhibit A attached hereto.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 20th day of June, 2023 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Deborah Penrose, Mayor