



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

**TUESDAY, JUNE 18, 2024**

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

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

**7:00 PM**

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

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

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

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

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## **HYBRID MEETING PARTICIPATION PROTOCOLS**

*This meeting will be held in-person and via Zoom for public participation. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full participation. Public comments may be made in-person or remotely via Zoom, and interpretation will be available. All Councilmembers and staff will participate in person. During any public comment portions, attendees may use the “raise your hand” feature and will be called upon and unmuted when it is their turn to speak. The meeting will also be streamed on Channel 27, on pacificcoast.tv, and on Facebook at [www.facebook.com/cityofhalfmoonbay](https://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**

65TH ANNIVERSARY RECEPTION (6:00PM)

PRIDE MONTH PROCLAMATION

JUNETEENTH ACKNOWLEDGEMENT

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 JANITORIAL MAINTENANCE SERVICES CONTRACT AWARD**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to enter into a professional services agreement with Karla’s Janitorial & Suppliers, LLC for a one-year janitorial maintenance services for \$182,514 for Fiscal Year 2024-25 with up to two (2) optional one-year extensions.

[STAFF REPORT](#)

[RESOLUTION](#)

## **1.C PROFESSIONAL SERVICES AGREEMENT WITH AMERICAN DEBRIS BOX AND PORTABLES, INC.**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to execute a professional service agreement with American Debris Box and Portables, Inc., of Half Moon Bay, to provide city-wide portable toilet services for Fiscal Year 2024-25 in an amount not to exceed \$85,000.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

## **1.D PROFESSIONAL SERVICES AGREEMENT WITH SHARP BUSINESS SYSTEMS FOR A FOUR-YEAR LEASE OF MULTIFUNCTION PRINTERS**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to execute a professional services agreement with Sharp Business Solutions Inc., in an amount not to exceed \$50,000, for a term of four years beginning on the contract date, for the lease of multifunction printers and print allowance suitable to support City operations.

[STAFF REPORT](#)

[RESOLUTION](#)

## **1.E AGREEMENT WITH PACIFIC COAST TELEVISION FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS TELEVISION SERVICES**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to execute a two-year agreement with Pacific Coast Television for Public, Educational, and Governmental Access Television services for the City of Half Moon Bay.

[STAFF REPORT](#)

[RESOLUTION](#)

## **1.F COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to negotiate and execute grant agreements for the Community Services Financial Assistance (CSFA) grant program for Fiscal Year 2024-25 with the option to extend contracts a second year (through FY 2025-26), contingent on available funding.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

## **1.G LICENSE AGREEMENT WITH RED ROCK VOLLEYBALL CLUB**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to execute a License Agreement with Red Rock Volleyball Club for use of the seasonal beach volleyball courts at Poplar Beach for private tournaments.

[STAFF REPORT](#)

[RESOLUTION](#)

## **1.H LICENSE AGREEMENT WITH HMB BEACH VOLLEYBALL CLUB**

**Staff Recommendation:** Adopt a resolution authorizing the City Manager to execute a License Agreement with HMB Beach Volleyball Club for use of Poplar Beach for private practices and training for calendar year 2024.

[STAFF REPORT](#)

[RESOLUTION](#)

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

**Staff Recommendation:** Adopt a resolution approving the FY 2024-25 salary schedule representing a 3.0-percent increase to the base salary for the International Union of Operating Engineers Stationary Engineers Local 39 AFL-CIO, Represented Management Team Members, Confidential, and Non-Represented Employees, effective per the terms of the respective Memoranda of Understanding.

[STAFF REPORT](#)

[RESOLUTION](#)

2. ORDINANCES AND PUBLIC HEARINGS

3. RESOLUTIONS AND STAFF REPORTS

3.A INTENT TO INCREASE THE PER NIGHT ASSESSMENT OF THE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25

**Staff Recommendation:** Conduct a public meeting to review and discuss the intent to increase the per night assessment of the Half Moon Bay Business Improvement District.

[STAFF REPORT](#)

3.B STONE PINE COVE AFFORDABLE FARMWORKER HOUSING PROJECT

**Staff Recommendation:** Adopt a resolution: 1) allocating \$1.25 million in City Affordable Housing Funds (originating from State of California direct grant) to the Stone Pine Cove Project at 880 Stone Pine Road; and 2) authorizing the City Manager to expend the \$1.25 million for project related expenditures including an initial payment of \$487,000 to Coastside County Water District for priority water connections.

[STAFF REPORT](#)

[RESOLUTION](#)

3.C ANNUAL RENEWAL OF COMMUNITY DEVELOPMENT AGREEMENTS Staff

**Recommendation:** Adopt resolutions authorizing the City Manager to execute professional service agreements through June 30, 2025, with: 1) 4LEAF, Inc. for building plan check and inspection services in an amount not to exceed \$365,250; and 2) Metropolitan Planning Group (M-Group) for contract planning services in an amount not to exceed \$141,250.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

3.D CITY COUNCIL PRIORITIES WORKPLAN FOR FISCAL YEARS 2024-26

**Staff Recommendation:** By motion, receive and accept a report on the proposed staff workplan for the City Council Priorities for Fiscal Years 2024-26.

[STAFF REPORT](#)

[ATTACHMENT](#)

**3.E FISCAL YEAR 2024-25 RECOMMENDED OPERATING AND CAPITAL BUDGET**

**Staff Recommendation:** Review the Recommended FY 2024-25 Budget document and adopt resolutions to: 1) establish the GANN Appropriation Limit for FY 2024-25; 2) approve the City's Investment Policy; and 3) adopt the FY 2024-25 Annual Operating and Capital Budget.

[STAFF REPORT](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

**3.F DISCUSSION OF POTENTIAL MEASURES FOR THE NOVEMBER 5, 2024, GENERAL MUNICIPAL ELECTION**

**Staff Recommendation:** Receive a presentation from staff on a potential sales tax increase measure and a potential amendment to Measure D for the November 5, 2024, General Municipal Election and by motion, direct staff accordingly.

[STAFF REPORT](#)

**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 18, 2024**

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**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:** **JANITORIAL MAINTENANCE SERVICES CONTRACT AWARD**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to enter into a professional services agreement with Karla's Janitorial & Suppliers, LLC for a one-year janitorial maintenance services for \$182,514 for Fiscal Year 2024-25 with up to two (2) optional one-year extensions.

#### **FISCAL IMPACT:**

The cost for this agreement is included in the Proposed FY 2024-25 budget, which is \$182,514 for the upcoming fiscal year. The contract can be extended annually as part of the following year's operating budget.

#### **STRATEGIC ELEMENT:**

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

#### **BACKGROUND:**

City facilities require regular cleaning and maintenance services to meet the expectations of residents and visitors as well as serving as a form of preventative maintenance. For over the last decade, the City has contracted janitorial services in lieu of hiring dedicated City staff. Over the last six years, the City has contracted with Impec Group, Inc. for its janitorial maintenance services in City facilities and park restrooms. The agreement with Impec is set to expire on June 30, 2024. The performance of Impec Group, Inc. over the term of the contract has met expectations.

To secure a new contract for janitorial services, the City published a Request for Proposals (RFP) for Janitorial Maintenance Services on Thursday, April 11, 2024. Nine companies attended the mandatory facility tour on April 23, 2024. Of the companies that attended the mandatory tour, eight (8) submitted formal proposals by the deadline of Thursday, May 9, 2024, as follows:

- 1) Impec Group, Inc. (incumbent)
- 2) Karla's Janitorial & Suppliers LLC.
- 3) Quality Cleaning Professionals
- 4) CBJ Building Maintenance

- 5) Executive Facilities Services
- 6) West Coast Janitorial
- 7) EcoBrite Services, Inc.
- 8) Universal Building Services

Based on an initial review of the proposals and recommendations by a review committee comprised of City staff, four (4) firms were invited to interviews. Interviews were conducted between Wednesday, May 22<sup>nd</sup> and Thursday, May 23<sup>rd</sup>, 2024.

#### **DISCUSSION:**

The City's current janitorial service contract with Impec Group, Inc. expires at the end of the fiscal year and no additional administrative extensions are available. While the City has been satisfied with the level of service over the past three years, a public bidding process (as required by the Public Contract Code) is encouraged to ensure best pricing and service for janitorial maintenance services to the City of Half Moon Bay.

#### **Scope of Work**

The scope of work was developed with the end users and operators in mind, which includes janitorial services of park restrooms; and retains all other public buildings/facilities as previous years with the exception of the City's Administrative Annex. As part of office planning and budgeting efforts, staff from the Administrative Annex will be occupying City Hall at the end of this fiscal year and cleaning services for that facility will no longer be necessary. The scope of work includes the following:

- 1) City Hall (5 days per week)
- 2) EOC/Sheriff's Substation (5 days per week)
- 3) Ted Adcock Community Center (7 days per week)
- 4) Half Moon Bay Library (7 days per week)
- 5) Train Depot Facility (7 days per week)
- 6) Train Depot Restrooms (7 days per week)
- 7) City Corporation Yard Building (2 days per week)
- 8) Mac Dutra Plaza Restrooms (7 days per week; 1x/weekdays, 2x/weekend days)
- 9) Ocean View Park Restrooms (7 days per week)
- 10) Oak Park Restrooms (7 days per week)
- 11) Smith Field Restrooms (7 days per week)

#### **Initial Evaluation**

Each proposal was independently evaluated by members of the Evaluation Team, which consisted of three (3) City staff from three departments. Evaluators scored the proposals based on the following criteria: 1) Qualifications, 2) Technical Approach, 3) References, 4) Rates and Payments, and 5) Nature of Fit. As a result of the initial evaluation and the reference checks, the top four (4) companies were invited to interview with the City which included: Impec Group, Inc., Karlas Janitorial & Suppliers LLC., Universal Building Services, and Executive Facilities Services.

### **Interviews**

On May 22<sup>nd</sup> and 23<sup>rd</sup> 2024, the City conducted interviews with the four (4) top firms. These interviews were conducted by the City's Public Works Superintendent. Proposers were given 10 minutes to present proposals, followed by a 30-minute question and answer session. The firms were further evaluated on their Presentation and Approach, Capabilities and Qualifications, Experience, and Motivation. These interviews were conducted at the Public Works Corporation Yard and allowed for the Superintendent to assess the companies and ensure that they would be able to provide the City with high-level services while under contract with the City.

Following the interviews, Karla's Janitorial was identified as the preferred firm by the Public Works Superintendent. Independent staff evaluations of the proposals all had Karla's Janitorial as the highest scored proposal, and the decision to select Karla's Janitorial was based on the proposal, the quality of their interview, and their references. However, their pricing was not the lowest that was received so staff engaged in negotiations with Karla's Janitorial and were able to bring the proposed cost down from \$192,120 to \$182,514. This brought Karla's Janitorial within 5% of the lowest bid (Universal Building Services). The initial bids of the four firms selected to interview with the City are shown below:

| <b>Company</b>                | <b>Annual Cost</b> |
|-------------------------------|--------------------|
| Karla's Janitorial            | \$192,120.00       |
| Impec Group                   | \$204,120.00       |
| Universal Building Services   | \$173,784.00       |
| Executive Facilities Services | \$188,846.00       |

### **Recommendation**

All of the firms interviewed by the City submitted proposals that addressed each item in the City's RFP and showed a comprehensive understanding of the City's needs. These vendors also addressed how they would maintain a high level of service by conducting regular inspections, reporting, and regular meetings with City staff.

Karla's Janitorial estimates it will take three (3) full-time equivalents (FTE) to successfully perform the City's contract which is equivalent to 120 hours of work per week. This estimate is in line with City staff's estimates and similar to the other proposals. Karla's Janitorial main office is in San Francisco with smaller teams already performing janitorial work on the Coastsides. There are no concerns with Karla's Janitorial to scale operations in the area to meet the City's requirements. Staff are confident that their location and reputation in the industry make them an ideal fit as the City's janitorial vendor. The cost for the first year of this contract is also \$35,000 lower than last year's janitorial contract, so there will be an overall cost saving by contracting with Karla's Janitorial and Suppliers, LLC.

**Conclusion**

Based on the proposal received, recommendations, and interviews, staff are confident that Karla's Janitorial and Suppliers, LLC will provide the best value for the services requested. Although their annual costs are slightly higher than other proposers, Karla's detailed implementation and execution plan coupled with their history of performance in other locations will provide the City with the best option for janitorial service for the upcoming fiscal year and potentially beyond with opportunities to extend the contract for up to two (2) additional years.

**ATTACHMENT:**

Resolution

Resolution No. C-2024-\_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT  
WITH KARLA'S JANITORIAL & SUPPLIERS LLC. FOR JANITORIAL MAINTENANCE SERVICES**

**WHEREAS**, the City's current janitorial maintenance service contract expires June 30, 2024; and

**WHEREAS**, the City requires a new contract to provide these services for Fiscal Year 2024-25; and

**WHEREAS**, the City issued a Request for Proposals on April 11, 2024, and received eight (8) proposals by the deadline of May 9, 2024; and

**WHEREAS**, the City invited the top four (4) of the eight (8) proposers to interview with City representatives on May 22<sup>nd</sup> and 23<sup>rd</sup>, 2024; and

**WHEREAS**, the City's Evaluation Team found Karla's Janitorial & Suppliers LLC. to be the most qualified and responsive proposer to the RFP and interview process.

**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 service agreement with Karla's Janitorial & Suppliers LLC. for a one-year janitorial maintenance services for \$182,514 for Fiscal Year 2024-25 with up to two (2) one-year extensions.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**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:** **PROFESSIONAL SERVICES AGREEMENT WITH AMERICAN DEBRIS BOX AND PORTABLES, INC.**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to execute a professional service agreement with American Debris Box and Portables, Inc., to provide city-wide portable toilet services for Fiscal Year 2024-25 in an amount not to exceed \$85,000.

#### **FISCAL IMPACT:**

This contract amount is currently included in the draft Proposed Budget for FY 2024-25 (under the Public Works – Maintenance section).

#### **STRATEGIC ELEMENT:**

This action supports the *Infrastructure and Environment* and *Inclusive Governance* Elements of the Strategic Plan.

#### **BACKGROUND:**

The Half Moon Bay Public Works Department (Department) is responsible for the maintenance, replacement, and enhancement of City infrastructure, including development and implementation of the City's Five-Year Capital Improvement Program (CIP).

American Debris Box and Portables, Inc., of Half Moon Bay, has provided portable toilets at select City locations since 2017 and is a local vendor that has been quick to respond in emergency situations. The areas they service include some of the most popular destinations in Half Moon Bay, special events, and strategic locations during the summer beach season.

#### **DISCUSSION:**

The City provides several portable toilets throughout the City at Kelly Avenue, the Ocean Colony/Miramontes Point Road 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 and Portables, Inc. was selected to provide this service following a public proposal 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 increased services needed to respond to summer beach visitor influx 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. Staff will continue to monitor the contract funds for this contract.

**ATTACHMENTS:**

- 1) Resolution for American Debris Box and Portables, Inc.
- 2) Proposal

RESOLUTION NO. C-2024-\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT  
WITH AMERICAN DEBRIS BOX AND PORTABLES, INC. TO PROVIDE PORTABLE TOILET SERVICES  
FOR FY 2024-25 IN AN AMOUNT NOT TO EXCEED \$85,000**

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

**WHEREAS**, the City circulated a request for proposals for sanitation services for portable toilets in 2017 and American Debris Box and Portables, Inc., of Half Moon Bay, was selected as the contractor for these services; and

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

**WHEREAS**, adequate funds are available in the City's proposed FY 2024-25 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 and Portables, Inc. for sanitation services for portable toilets in an amount not to exceed \$85,000.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

**City of Half Moon Bay Cost Schedule - 2024 - 2025**

|                     | Kelly Ave  | Ocean Colony Trailhead | Poplar Beach | Smith Field | Total              |
|---------------------|------------|------------------------|--------------|-------------|--------------------|
| January             | \$195.65   | \$690.00               | \$956.06     | \$956.06    | \$2,797.77         |
| February            | \$195.65   | \$690.00               | \$956.06     | \$2,797.80  | \$4,639.51         |
| March               | \$195.65   | \$690.00               | \$956.06     | \$2,797.80  | \$4,639.51         |
| April               | \$195.65   | \$690.00               | \$956.06     | \$2,797.80  | \$4,639.51         |
| May                 | \$195.65   | \$1,301.01             | \$4,359.87   | \$2,797.80  | \$8,654.33         |
| June                | \$195.65   | \$1,301.01             | \$4,359.87   | \$2,797.80  | \$8,654.33         |
| July                | \$195.65   | \$1,301.01             | \$4,359.87   | \$2,797.80  | \$8,654.33         |
| August              | \$195.65   | \$1,301.01             | \$4,359.87   | \$2,797.80  | \$8,654.33         |
| September           | \$195.65   | \$1,301.01             | \$4,359.87   | \$956.06    | \$6,812.59         |
| October             | \$195.65   | \$690.00               | \$956.06     | \$956.06    | \$2,797.77         |
| November            | \$195.65   | \$690.00               | \$956.06     | \$956.06    | \$2,797.77         |
| December            | \$195.65   | \$690.00               | \$956.06     | \$956.06    | \$2,797.77         |
| Additional Services |            |                        |              |             | \$18,460.48        |
| <b>Totals</b>       | \$2,347.80 | \$11,335.05            | \$28,491.77  | \$24,364.90 | <b>\$85,000.00</b> |

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

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

**TITLE: PROFESSIONAL SERVICES AGREEMENT WITH SHARP BUSINESS SYSTEMS FOR A FOUR-YEAR LEASE OF MULTIFUNCTION PRINTERS**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to execute a professional services agreement with Sharp Business Solutions Inc., in an amount not to exceed \$50,000, for a term of four years beginning on the contract date, for the lease of multifunction printers and print allowance suitable to support City operations.

#### **FISCAL IMPACT:**

The fiscal impact of this professional services agreement will be \$12,500 per year for a four-year term. The City stands to benefit from a cost reduction of up to \$65,425 throughout the duration of the new lease agreement, in comparison to the costs incurred during the last four-year lease term.

#### **STRATEGIC ELEMENT:**

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

#### **BACKGROUND:**

City staff employs multifunction printer solutions to facilitate essential daily activities. These devices are occasionally utilized for interfacing with the public and are crucial for providing uninterrupted informational flow to the community. Traditionally, the City has engaged in lease agreements with Konica Minolta Business Solutions U.S.A., Inc., which included comprehensive printing and maintenance services. The City's multifunction printers are strategically situated at the Ted Adcock Community Center, Emergency Operations Center, Annex, and City Hall to support various operational needs.

#### **DISCUSSION:**

To reduce expenditures, staff conducted a thorough analysis and discovered strategies to decrease the financial obligations associated with future lease agreements. In addition, staff identified that printer use has significantly reduced over the last three years through the move

to digital processes. With the anticipated elimination of the Annex location and determination that a leased printer is no longer necessary at the Emergency Operations Center, future lease agreements can be reduced to three multifunction printers.

During our research, Sharp Business Systems proposed a leveraged agreement via Sourcewell, which the City could adopt to streamline the acquisition process and lower costs for a new lease contract. Given that this is a nationally leveraged and competitively bid agreement, there would be no need for a request for proposal (RFP) process. Sourcewell is a member-focused public cooperative of more than 50,000 participating agencies, including local Government, Educational and Non-Profit organizations, throughout the United States that operates as a public entity under legislative authority. Sharp's contract with Sourcewell offers national volume pricing on Sharp's complete line of award-winning digital multifunction printers.

The forthcoming agreement promises to offer the City more competitive pricing compared to other vendors, alongside conferring supplementary advantages.

**ATTACHMENT:**  
Resolution

**RESOLUTION NO. C-2024-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT  
WITH SHARP BUSINESS SOLUTIONS INC.**

**WHEREAS**, the City of Half Moon Bay uses multifunction printers in its daily operations; and

**WHEREAS**, the City of Half Moon Bay has the need for continued multifunction printer lease solutions; and

**WHEREAS**, the City has engaged in lease agreements with Konica Minolta Business Solutions U.S.A., Inc., which included comprehensive printing and maintenance services.; and

**WHEREAS**, to reduce expenditures, staff conducted a thorough analysis and discovered strategies to decrease the financial obligations associated with future lease agreements; and

**WHEREAS**, Sharp Business Systems proposed a leveraged agreement via Sourcewell, which would present significant savings to the City.

**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 in an amount not to exceed \$50,000, for a four-year term, with Sharp Business Solutions Inc.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18<sup>th</sup>, 2024**

---

**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** Lisa Rossi, Administrative Services Director

**TITLE:** **AGREEMENT WITH PACIFIC COAST TELEVISION FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS TELEVISION SERVICES**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to execute a two-year agreement with Pacific Coast Television for Public, Educational, and Governmental Access Television services for the City of Half Moon Bay.

#### **FISCAL IMPACT:**

The City will pay \$45,320 this fiscal year to Pacific Coast Television (PCT) to provide Public, Educational, and Governmental Access Television (PEG) services. Each subsequent year of the contract will include a 3% cost of living increase. The City will pay an additional \$300 to record and broadcast ad hoc meetings, with an additional \$100 per hour for production costs. Funds for this agreement are included in the Fiscal Year 2024-25 Recommended Budget.

#### **STRATEGIC ELEMENT:**

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

#### **BACKGROUND:**

Cable video service providers operating in the City of Half Moon Bay do so pursuant to a State Video Franchise, issued in accordance with the California Digital Infrastructure and Video Competition Act of 2006 (Public Utilities Code section 5800 et. Seq.) and Half Moon Bay Municipal Code Chapter 3.97. Those provisions require the cable video providers to provide channel capacity for PEG access programming. The PEG access provider operates pursuant to a franchise issued by the City of Half Moon Bay and is responsible for recording and broadcasting meetings of the City Council and Planning Commission. Since September 2011, the City has maintained agreements designating PCT as its PEG provider. PCT is a nonprofit cable television organization that specializes in local origination programming and encourages public access through the use of broadcasts and training.

**DISCUSSION:**

The City and PCT have engaged in discussions regarding the continuation of PCT as the PEG provider. As a result of these conversations, key changes to the previous agreement were made, and it was decided a new two-year agreement would be practical and will take effect starting the Fiscal Year 2024-25. Notable changes include providing a monthly summary of PCT's programming activities, inventory and financial statements/budgets for Half Moon Bay and an annual 3% COLA to support PCT's ongoing growth and programming.

Highlighted are some key requirements for PCT as set forth in the proposed agreement:

- Broadcast live meetings, study sessions, City Council meetings, Planning Commission meetings.
- Record other meetings as needed.
- Produce promotional videos to be distributed by the City and aired on channel 27, upon request from the City.
- Broadcast over Channel 27 and simultaneously web stream all programming.
- Maintain copyright and distribution rights that allow for the distribution of PCT produced programming to the public upon request.

**ATTACHMENT:**

Resolution

Resolution No. C-2024-\_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH PACIFIC COAST TELEVISION FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS SERVICES FOR THE PERIOD BEGINNING JULY 1, 2024, THROUGH JUNE 30, 2026.**

**WHEREAS**, pursuant to the Digital Infrastructure and Video Competition Act of 2006 (California Public Utilities Code section 5800 et. seq.) and Chapter 3.97 of the Half Moon Bay Municipal Code, cable service providers operating in the City of Half Moon Bay are required to provide channel capacity for Public, Educational, and Governmental (PEG) access programming; and

**WHEREAS**, the City of Half Moon Bay is the franchising authority for PEG access television service providers serving the City of Half Moon Bay; and

**WHEREAS**, since 2011, the City has contracted with Pacific Coast Television (PCT) for PEG access services; and

**WHEREAS**, the current contract for with PCT expires on June 30, 2024; and

**WHEREAS**, the City has received a proposal from PCT to renew its contract and provide services to the City for a period of two years from July 1, 2024 through June 30, 2026; and

**WHEREAS**, the City has reviewed the scope of work and fee proposed by PCT and determined it reasonable but found it necessary to develop a new agreement in which PCT would provide PEG access services to the City.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Half Moon Bay hereby approves and authorizes the City Manager to execute the agreement between the City and Pacific Coast Television.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

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Jessica Blair, City Clerk

APPROVED:

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Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

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

**TITLE:** **COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to negotiate and execute grant agreements for the Community Services Financial Assistance (CSFA) grant program for Fiscal Year 2024-25 with the option to extend contracts a second year (through FY 2025-26), contingent on available funding.

#### **FISCAL IMPACT:**

The Fiscal Year 2024-25 Recommended Budget includes \$300,000 for the CSFA grant program.

#### **STRATEGIC ELEMENT:**

This action supports all Elements of the Strategic Plan.

#### **BACKGROUND:**

The City piloted the Community Services Financial Assistance (CSFA) grant program in FY 2018-19 with the purpose of supporting important community programs and services. The first iteration of CSFA resulted in small grants with a broad focus to 15 local nonprofit organizations totaling \$100,000. Funded services ranged from education, cultural dance, animal services, homelessness and housing support, food security and dental care.

CSFA has evolved through the years with the creation of a subcommittee, and several strategic enhancements. First, Council progressively increased the total funding allocation for the CSFA program to \$300,000 to facilitate larger grants to organizations responding to the tremendous economic and public health needs brought on by the COVID-19 pandemic. The second strategic enhancement was to narrow the focus of services eligible for CSFA funding consistent with recommendations coming out of the Coastside Recovery Initiative. Those recommendations were to:

- Develop a more coordinated and integrated approach to providing safety net services for vulnerable individuals and families.
- Increase and strengthen capacity of providers to connect vulnerable residents to rental, financial and other public benefits assistance for which they may be eligible.

Council approved a final strategic enhancement based on staff's recommendation, which was to adopt a cohort funding model (a recognized best practice in grantmaking) that would support peer learning, capacity building, and collective impact. Executive leaders from each of the CSFA-funded organizations participate in quarterly convenings during the grant cycle, received technical assistance and work on integrated strategies for delivering critical safety net service – all in a supportive peer learning environment that emphasizes collaboration over competition.

The cohort model has resulted in greater impact for the CSFA program than has been true in the past. For the first time since its creation, CSFA-funded organizations are working toward shared goals rather than simply focusing on their individual programs. In FY 2022-23, they developed a shared messaging and communication platform with technical assistance provided through the Lightbox Collaborative. This messaging was used in a successful grant application to the State Commission on Mental Health that will support allcoveHMB, a youth-led center that will provide primary and behavioral health services to youth and young adults. Another grantee was inspired by the cohort model and replicated the approach with out-of-school providers to improve service coordination.

Currently, CSFA grantees have furthered their understanding of collective impact practices, learned from the successes of the Si Se Puede collaborative in East San Jose, and have narrowed their focus to refining the structure of the cohort and improving healthcare access for Coastside residents as a critical need. Building on the momentum of the Health Care Advocacy Committee and Age-Friendly Initiative, CSFA-funded organizations opted to submit a joint Measure K application in January 2024 to expand healthcare access on the Coast. Healthcare access needs have only been exacerbated by the temporary closure of Seton Coastside in Moss Beach. The results of the Measure K application are pending. The cohort requested a retreat to deepen their collaboration efforts around healthcare access where they also received updates from Supervisor Mueller and staff from Health Plan of San Mateo and San Mateo County Health.

#### **DISCUSSION:**

The CSFA Subcommittee met on April 9, 2024, to receive a mid-year update, review the program's progress, and provide direction for FY 2024-25. Staff reported that the annual grant cycle posed challenges administratively for the City and for the funded organizations who are required to pivot from collaborator to competitor mid-way through the grant cycle when the momentum of the cohort is at its highest and they need to prepare for their next funding request. The cohort's focus on community issues and needs, such as the expansion of healthcare, also requires more time than what an annual grant cycle allows.

Based on the program's progression, evidence of greater impact and collaboration, and continued need for basic and essential services, staff brought the following recommendations for consideration before the subcommittee:

- Maintain focus on the safety net
- Continue support of the cohort model including technical assistance at a funding level of \$300,000 annually, contingent on funding
- Consider a two-year grant cycle, contingent on funding

At the May 7, 2024, City Council Meeting, the Council affirmed the staff and subcommittee recommendations and directed staff to continue the CSFA program with the existing Grantees (see attached), at the same funding levels, for an additional two years, contingent on funding in FY 2025-26. Staff recommends authorizing the City Manager to negotiate and enter into new grant agreements, including updated scopes of work and performance measures, with each grantee, effective July 1, 2024.

**ATTACHMENT:**

1. Funding allocations
2. Resolution

**Attachment**  
**Funding Allocations**

| <b>Organization</b>               | <b>Program</b>                                                     | <b>Funding Allocation</b> |
|-----------------------------------|--------------------------------------------------------------------|---------------------------|
| Abundant Grace CW                 | Workforce Development Center Community Programs & Services         | \$ 30,000.00              |
| ALAS                              | Mental Health Services & Crisis Response Fund                      | \$ 35,000.00              |
| BGCC                              | Youth After School Support & Out of School Time Cohort Development | \$ 30,000.00              |
| Coast PRIDE                       | Health and Wellness                                                | \$ 10,000.00              |
| Coastside Adult Day Health Center | Aging in Place                                                     | \$ 20,000.00              |
| Coastside Hope                    | Critical Family Needs Safety Net Program                           | \$ 50,000.00              |
| El Centro de Libertad             | El Centro Coastside Essential Services Mental Health Initiative    | \$ 20,000.00              |
| Senior Coastsiders                | Promoting successful aging for Coastside Seniors                   | \$ 50,000.00              |
| Sonrisas Dental                   | Equitable Access to Oral Health Care                               | \$ 25,000.00              |
|                                   | Cohort Support                                                     | \$ 30,000.00              |
| <b>Total</b>                      |                                                                    | <b>\$ 300,000.00</b>      |

**Resolution No. C-2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS FOR THE COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM IN AN AMOUNT NOT-TO-EXCEED \$50,000 FOR EACH ORGANIZATION FOR FY 2024-25 WITH THE OPPORTUNITY TO EXTEND TO A TWO-YEAR CYCLE CONTINGENT ON AVAILABLE FUNDING.**

**WHEREAS**, in FY 2018-19, the City of Half Moon Bay piloted the Community Services Financial Assistance (CSFA) grant program distributing \$100,000 to 15 local non-profit organizations; and

**WHEREAS**, City Council implemented several strategic enhancements including the creation of a subcommittee and progressively increased the total funding allocation for the CSFA program to \$300,000; and

**WHEREAS**, for FY 22-23 City Council approved funding \$300,000 to facilitate larger grants to nonprofit organizations responding to the continued impacts of the COVID-19 pandemic, including economic and mental health impacts, and based on the findings from the Coasts Recovery Initiative; and

**WHEREAS**, funding for FY 22-23 included implementation of a cohort model where grant recipients met regularly to learn best practices, share in a supportive peer learning environment and received technical assistance to address a collectively identified area; and

**WHEREAS**, the current grant recipients have expressed the cohort model has brought extreme value collectively and individually, deepened personal relationships and encouraged collaboration over competition; and

**WHEREAS**, the shared messaging produced from the first cohort's technical assistance resulted in a successful grant application to the State Commission of Mental Health that supports youth behavioral services; and

**WHEREAS**, in collaboration with the Age-Friendly Initiative and the Health Care Advocacy Committee, CSFA funded organizations unanimously opted to submit a joint grant application for Measure K funds to address health care access on the Coast; and

**WHEREAS**, the City encourages collaboration among nonprofit organizations and understands continued support is needed to address basic needs for the residents of Half Moon Bay.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute agreements for the Community Services Financial Assistance program in an amount not to exceed \$50,000 for each organization for FY 2024-25 with the opportunity to extend to a two-year cycle contingent on available funding.

.....  
I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:       Brownstone, Jimenez, Rarback, Penrose, Ruddock

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 4, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** John Doughty, Assistant City Manager  
Eddie Behle, Recreation Supervisor

**TITLE:** **LICENSE AGREEMENT WITH RED ROCK VOLLEYBALL CLUB**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to execute a License Agreement with Red Rock Volleyball Club for use of the seasonal beach volleyball courts at Poplar Beach for private tournaments.

#### **FISCAL IMPACT:**

There is a small positive fiscal impact associated with this action. Entering into a License Agreement will require payment of \$1,905 by Red Rock Volleyball Club for part time use of seasonal beach volleyball courts at Poplar Beach.

#### **STRATEGIC ELEMENTS:**

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

#### **BACKGROUND:**

Four beach volleyball courts have been installed at Poplar Beach near the extension of Kelly Avenue. Seasonal beach volleyball courts have been installed at the north end of Poplar Beach over the last three years as a seasonal pilot activity under a Coastal Development Permit Exemption. Installation of the courts has been through an informal collaboration with the City and HMB Beach Volleyball Club and Red Rock Beach Volleyball Club.

The Municipal Code prohibits commercial use and operations on City beaches except where approved and licensed by the City. The City Council may recall reviewing license agreements for the Surf Schools at Surfer's Beach.

Following installation of the courts last month, the City received information from Red Rock Volleyball Club regarding proposed beach volleyball tournaments at the Poplar Beach courts. On May 7, 2024, staff met with Red Rock, to better understand their activities and to discuss schedule and costs.

Public beaches are generally intended to be open to the public and not typically privatized. In this instance, the City is trying to ensure public access to the courts while balancing the benefits of providing individuals (including some from Half Moon Bay, the greater Coastsides, and San Mateo County) the opportunity to compete in tournament play. Many of these participants will shop and eat in Half Moon Bay as part of their visit which serves as a further benefit to the community.

On May 22, 2024, the Parks and Recreation Commission affirmed their support for allowing tournament play on Poplar Beach provided that the activity did not significantly impact public access to the courts.

**DISCUSSION:**

Staff have negotiated a license agreement with Red Rock Volleyball Club to cover the 2024 season only, given that the City is working on a permanent seasonal Coastal Development Permit (CDP) for the volleyball courts. Staff would like the opportunity to further refine the public-private use of the courts as part of the CDP process.

Attachment C to the License Agreement includes the dates of the planned tournaments for 2024.

**ATTACHMENT:**

Resolution

**Resolution No. C-2024-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT BETWEEN THE CITY AND RED ROCK VOLLEYBALL CLUB TO HOLD PRIVATE BEACH VOLLEBALL TOURNAMENTS AT POPLAR BEACH DURING SUMMER 2024**

**WHEREAS**, the City of Half Moon Bay Municipal Code prohibits commercial sale of goods or services on city beaches except as licensed by the city; and

**WHEREAS**, Red Rock Volleyball Club wishes to hold beach volleyball tournaments on city-owned Poplar Beach; and

**WHEREAS**, Red Rock Volleyball Club charges an entrance fee to hold these beach volleyball tournaments; and

**WHEREAS**, Red Rock Volleyball Club has agreed to meeting all requirements to receive a License Agreement from the City of Half Moon Bay to hold tournaments on Poplar Beach.

**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 the attached License Agreement with Red Rock Volleyball Club including a monthly fee of \$635 for the months of June through August 2024.

\*\*\*\*\*

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on this 18<sup>th</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

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Jessica Blair, City Clerk

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Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** John Doughty, Assistant City Manager  
Eddie Behle, Recreation Supervisor

**TITLE:** **LICENSE AGREEMENT WITH HMB BEACH VOLLEYBALL CLUB**

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#### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to execute a License Agreement with HMB Beach Volleyball Club for use of Poplar Beach for private practices and training for calendar year 2024.

#### **FISCAL IMPACT:**

There is a small positive fiscal impact associated with this action. Entering into a License Agreement will require total payment of \$1,376 by HMB Beach Volleyball Club for part time use of Poplar Beach in calendar year 2024.

#### **STRATEGIC ELEMENTS:**

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

#### **BACKGROUND:**

Four beach volleyball courts have been installed at Poplar Beach near the extension of Kelly Avenue. Seasonal beach volleyball courts have been installed at the north end of Poplar Beach over the last three years as a seasonal pilot activity under a Coastal Development Permit Exemption. Installation of the courts has been through an informal collaboration with the City and HMB Beach Volleyball Club and Red Rocks Beach Volleyball Club.

The Municipal Code prohibits commercial use and operations on City beaches except where approved and licensed by the City. The City Council may recall reviewing license agreements for the Surf Schools at Surfer's Beach.

Following installation of the courts last month, the City received information from Mike Inglis of HMB Beach Volleyball Club regarding use of Poplar Beach year-round for private practices and training. Staff met with Mr. Inglis, to better understand their activities and to discuss schedule and costs.

Public beaches are generally intended to be open to the public and not typically privatized. In this instance, the City is trying to ensure public access to the courts while balancing the benefits of providing individuals (including many from Half Moon Bay and the greater Coastsides) the opportunity to train on Poplar Beach.

On May 22, 2024, the Parks and Recreation Commission affirmed their support for allowing Mr. Inglis and his beach volleyball club activities to occur on Poplar Beach provided that the activity did not significantly impact public access to the courts.

**DISCUSSION:**

Staff and Mr. Inglis have negotiated the terms of the License Agreement. Staff is recommending the Agreement cover the period between June 2024 through December 2024 given that the City is working on a permanent seasonal Coastal Development Permit (CDP) for the volleyball courts. Staff would like the opportunity to further refine the public-private use of the courts as part of the CDP process.

Attachment C to the License Agreement includes a description of the schedule of activities during the License term.

**ATTACHMENT:**

Resolution

**Resolution No. C-2024-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY  
MANAGER TO EXECUTE A LICENSE AGREEMENT BETWEEN THE CITY AND HMB BEACH  
VOLLEYBALL CLUB TO HOLD PRIVATE BEACH VOLLEBALL TRAINING AND CLASSES BETWEEN  
JUNE 2024 AND DECEMBER 2024**

**WHEREAS**, the City of Half Moon Bay Municipal Code prohibits commercial sale of goods or services on City beaches except as licensed by the City; and

**WHEREAS**, HMB Beach Volleyball Club wishes to train and hold private classes on city-owned Poplar Beach; and

**WHEREAS**, HMB Beach Volleyball Club limits the number of participants and charges fees for training and classes at Poplar Beach; and

**WHEREAS**, HMB Beach Volleyball Club has agreed to meet all requirements to receive a License Agreement from the City of Half Moon Bay to train and hold private classes and training on Poplar Beach.

**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 the attached License Agreement with HMB Beach Volleyball Club including a total fee of \$1,376 for calendar year 2024 (June though December).

\*\*\*\*\*

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on this 18<sup>th</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

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Jessica Blair, City Clerk

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Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** Lisa Rossi, Administrative Services Director

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

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#### **RECOMMENDATION:**

Adopt a resolution approving the FY 2024-25 salary schedule representing a 3.0-percent increase to the base salary for the International Union of Operating Engineers Stationary Engineers Local 39 AFL-CIO, Represented Management Team Members, Confidential, and Non-Represented Employees, effective per the terms of the respective Memoranda of Understanding.

#### **FISCAL IMPACT:**

The salary adjustments are estimated to have a total fiscal impact of \$182,004. Funding for the adjustments to salary is included in the Recommended Budget for FY 2024-25.

#### **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 2023-24 equaling or exceeding ninety percent (90%) of the FY 2022-23 TOT revenue.

The Salary Schedule includes one note: a single asterisk, which 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-2024-**

**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 2024-25**

**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, 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, 2024.

\*\*\*\*\*

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

**City of Half Moon Bay  
Salary Schedule  
Effective July 1, 2024 (3%)**

|                                            |        | Steps                     |        |        |        |        |
|--------------------------------------------|--------|---------------------------|--------|--------|--------|--------|
| Position                                   | Class  | A                         | B      | C      | D      | E      |
|                                            |        | Monthly Salary Ranges (e) |        |        |        |        |
| Exempt - Non Represented Management        |        |                           |        |        |        |        |
| City Manager                               | 99-999 | Only one step             |        |        |        | 22,746 |
| Assistant City Manager                     | 10-500 | 17,171                    | 18,030 | 18,932 | 19,879 | 20,873 |
| Public Works Director                      | 10-520 | 17,171                    | 18,030 | 18,932 | 19,879 | 20,873 |
| Community Development Director             | 10-505 | 15,803                    | 16,593 | 17,423 | 18,294 | 19,209 |
| Finance Director*                          | 10-490 | 15,657                    | 16,440 | 17,262 | 18,125 | 19,031 |
| Administrative Services Director           | 10-490 | 15,657                    | 16,440 | 17,262 | 18,125 | 19,031 |
| Deputy City Manager*                       | 10-500 | 14,235                    | 14,947 | 15,694 | 16,479 | 17,303 |
| Communications Director/City Clerk         | 10-412 | 13,501                    | 14,176 | 14,885 | 15,629 | 16,410 |
| Contract Services Manager*                 | 10-430 | 11,134                    | 11,691 | 12,276 | 12,890 | 13,535 |
| Assistant to the City Manager              | 10-420 | 10,033                    | 10,535 | 11,062 | 11,615 | 12,196 |
| Exempt - Confidential                      |        |                           |        |        |        |        |
| Finance Manager                            | 10-485 | 11,473                    | 12,047 | 12,649 | 13,281 | 13,945 |
| Administrative Services Manager *          | 10-525 | 11,367                    | 11,935 | 12,532 | 13,159 | 13,817 |
| Management Analyst - Human Resources       | 10-721 | 8,509                     | 8,934  | 9,381  | 9,850  | 10,343 |
| Executive Assistant to the City Manager    | 10-715 | 7,220                     | 7,581  | 7,960  | 8,358  | 8,776  |
| Senior Accountant*                         | 10-745 | 9,537                     | 10,014 | 10,515 | 11,041 | 11,593 |
| Exempt - Represented Management            |        |                           |        |        |        |        |
| City Engineer                              | 10-750 | 13,871                    | 14,565 | 15,293 | 16,058 | 16,861 |
| Planning and Development Services Manager* | 10-748 | 12,606                    | 13,236 | 13,898 | 14,593 | 15,323 |
| Senior Planner                             | 10-724 | 9,970                     | 10,469 | 10,992 | 11,542 | 12,119 |
| Associate Engineer                         | 10-746 | 9,825                     | 10,316 | 10,832 | 11,374 | 11,943 |
| Public Works Superintendent                | 10-525 | 11,367                    | 11,935 | 12,532 | 13,159 | 13,817 |
| Community & Economic Vitality Manager      | 10-527 | 11,367                    | 11,935 | 12,532 | 13,159 | 13,817 |
| Assistant City Clerk                       | 10-725 | 9,311                     | 9,777  | 10,266 | 10,779 | 11,318 |
| Communications Specialist                  | 10-727 | 9,311                     | 9,777  | 10,266 | 10,779 | 11,318 |
| Senior Management Analyst                  | 10-727 | 9,311                     | 9,777  | 10,266 | 10,779 | 11,318 |
| Housing Coordinator                        | 10-726 | 9,311                     | 9,777  | 10,266 | 10,779 | 11,318 |
| Public Works Supervisor                    | 10-528 | 8,835                     | 9,277  | 9,741  | 10,228 | 10,739 |
| Associate Planner                          | 10-728 | 8,509                     | 8,934  | 9,381  | 9,850  | 10,343 |
| Management Analyst                         | 10-721 | 8,509                     | 8,934  | 9,381  | 9,850  | 10,343 |
| Assistant Engineer                         | 10-719 | 7,950                     | 8,348  | 8,765  | 9,203  | 9,663  |
| Recreation Coordinator*                    | 10-200 | 6,364                     | 6,682  | 7,016  | 7,367  | 7,735  |
| Recreation Supervisor                      | 10-201 | 8,071                     | 8,475  | 8,899  | 9,344  | 9,811  |
| Non-Exempt Operating Engineers Local 39    |        |                           |        |        |        |        |
| Assistant Planner                          | 39-159 | 7,915                     | 8,311  | 8,727  | 9,163  | 9,621  |
| Deputy City Clerk*                         | 39-160 | 7,545                     | 7,922  | 8,318  | 8,734  | 9,171  |
| Administrative Analyst                     | 39-158 | 7,067                     | 7,420  | 7,791  | 8,181  | 8,590  |
| Community Preservation Specialist          | 39-158 | 7,067                     | 7,420  | 7,791  | 8,181  | 8,590  |
| Permit Technician                          | 39-250 | 6,607                     | 6,937  | 7,284  | 7,648  | 8,030  |
| Administrative Assistant                   | 39-155 | 6,311                     | 6,627  | 6,958  | 7,306  | 7,671  |
| Senior Accounting Technician*              | 39-150 | 6,092                     | 6,397  | 6,717  | 7,053  | 7,406  |
| Senior Maintenance Worker                  | 39-280 | 7,050                     | 7,403  | 7,773  | 8,162  | 8,570  |
| Maintenance Worker II                      | 39-275 | 5,987                     | 6,286  | 6,600  | 6,930  | 7,277  |
| Maintenance Worker I                       | 39-255 | 5,309                     | 5,574  | 5,853  | 6,146  | 6,453  |
| Maintenance Assistant                      | 39-131 | 4,411                     | 4,632  | 4,864  | 5,107  | 5,362  |
| Payroll Technician                         | 39-144 | 5,438                     | 5,710  | 5,996  | 6,296  | 6,611  |
| Accounting Technician                      | 39-145 | 5,438                     | 5,710  | 5,996  | 6,296  | 6,611  |
| Office Assistant II                        | 39-135 | 5,033                     | 5,285  | 5,549  | 5,826  | 6,117  |
| Office Assistant I                         | 39-130 | 4,411                     | 4,632  | 4,864  | 5,107  | 5,362  |
| Recreation Leader III                      | 39-165 | 3,621                     | 3,802  | 3,992  | 4,192  | 4,402  |
| Recreation Leader II                       | 39-140 | 3,293                     | 3,458  | 3,631  | 3,813  | 4,004  |
| Recreation Leader I                        | 39-115 | 2,914                     | 3,060  | 3,213  | 3,374  | 3,543  |

\*Approved Classifications, unbudgeted

| Steps                    |         |         |         |         |
|--------------------------|---------|---------|---------|---------|
| A                        | B       | C       | D       | E       |
| Annual Salary Ranges (e) |         |         |         |         |
|                          |         |         |         | 272,950 |
| 206,052                  | 216,360 | 227,184 | 238,548 | 250,476 |
| 206,052                  | 216,360 | 227,184 | 238,548 | 250,476 |
| 189,636                  | 199,116 | 209,076 | 219,528 | 230,508 |
| 187,884                  | 197,280 | 207,144 | 217,500 | 228,372 |
| 187,884                  | 197,280 | 207,144 | 217,500 | 228,372 |
| 170,820                  | 179,364 | 188,328 | 197,748 | 207,636 |
| 162,012                  | 170,112 | 178,620 | 187,548 | 196,920 |
| 133,608                  | 140,292 | 147,312 | 154,680 | 162,420 |
| 120,396                  | 126,420 | 132,744 | 139,380 | 146,352 |
|                          |         |         |         |         |
| 137,676                  | 144,564 | 151,788 | 159,372 | 167,340 |
| 136,404                  | 143,220 | 150,384 | 157,908 | 165,804 |
| 102,108                  | 107,208 | 112,572 | 118,200 | 124,116 |
| 86,640                   | 90,972  | 95,520  | 100,296 | 105,312 |
| 114,444                  | 120,168 | 126,180 | 132,492 | 139,116 |
|                          |         |         |         |         |
| 166,452                  | 174,780 | 183,516 | 192,696 | 202,332 |
| 151,272                  | 158,832 | 166,776 | 175,116 | 183,876 |
| 119,640                  | 125,628 | 131,904 | 138,504 | 145,428 |
| 117,900                  | 123,792 | 129,984 | 136,488 | 143,316 |
| 136,404                  | 143,220 | 150,384 | 157,908 | 165,804 |
| 136,404                  | 143,220 | 150,384 | 157,908 | 165,804 |
| 111,732                  | 117,324 | 123,192 | 129,348 | 135,816 |
| 111,732                  | 117,324 | 123,192 | 129,348 | 135,816 |
| 111,732                  | 117,324 | 123,192 | 129,348 | 135,816 |
| 111,732                  | 117,324 | 123,192 | 129,348 | 135,816 |
| 106,020                  | 111,324 | 116,892 | 122,736 | 128,868 |
| 102,108                  | 107,208 | 112,572 | 118,200 | 124,116 |
| 102,108                  | 107,208 | 112,572 | 118,200 | 124,116 |
| 95,400                   | 100,176 | 105,180 | 110,436 | 115,956 |
| 76,368                   | 80,184  | 84,192  | 88,404  | 92,820  |
| 96,852                   | 101,700 | 106,788 | 112,128 | 117,732 |
|                          |         |         |         |         |
| 94,980                   | 99,732  | 104,724 | 109,956 | 115,452 |
| 90,540                   | 95,064  | 99,816  | 104,808 | 110,052 |
| 84,804                   | 89,040  | 93,492  | 98,172  | 103,080 |
| 84,804                   | 89,040  | 93,492  | 98,172  | 103,080 |
| 79,284                   | 83,244  | 87,408  | 91,776  | 96,360  |
| 75,732                   | 79,524  | 83,496  | 87,672  | 92,052  |
| 73,104                   | 76,764  | 80,604  | 84,636  | 88,872  |
| 84,600                   | 88,836  | 93,276  | 97,944  | 102,840 |
| 71,844                   | 75,432  | 79,200  | 83,160  | 87,324  |
| 63,708                   | 66,888  | 70,236  | 73,752  | 77,436  |
| 52,932                   | 55,584  | 58,368  | 61,284  | 64,344  |
| 65,256                   | 68,520  | 71,952  | 75,552  | 79,332  |
| 65,256                   | 68,520  | 71,952  | 75,552  | 79,332  |
| 60,396                   | 63,420  | 66,588  | 69,912  | 73,404  |
| 52,932                   | 55,584  | 58,368  | 61,284  | 64,344  |
| 43,452                   | 45,624  | 47,904  | 50,304  | 52,824  |
| 39,516                   | 41,496  | 43,572  | 45,756  | 48,048  |
| 34,968                   | 36,720  | 38,556  | 40,488  | 42,516  |

**City of Half Moon Bay  
Salary Schedule  
Effective July 1, 2024 (3%)**

| Part-Time              | Pay Cd/Range | 2024 RATES Hourly Wage Steps |       |       |       |       |
|------------------------|--------------|------------------------------|-------|-------|-------|-------|
| Building Attendant I   | 890/012      | 17.56                        | 18.44 | 19.36 | 20.33 |       |
| Building Attendant II  | 890/015      | 19.36                        | 20.33 | 21.35 | 22.42 | 23.54 |
| Building Attendant III | 890/018      | 23.53                        | 24.71 | 25.95 | 27.25 | 28.61 |
| Maintenance Assistant  | 890/015      | 19.36                        | 20.33 | 21.35 | 22.42 | 23.54 |
| Intern                 | 02-100       | 22.48                        | 23.6  | 24.78 | 26.02 | 27.32 |

|              |          |                                                                         |  |  |  |  |
|--------------|----------|-------------------------------------------------------------------------|--|--|--|--|
| 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 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** Karen Decker, Economic and Community Vitality Manager  
Irma Acosta, Administrative Analyst

**TITLE:** **INTENT TO INCREASE THE PER NIGHT ASSESSMENT OF THE BUSINESS  
IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25**

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#### **RECOMMENDATION:**

Conduct a public meeting to review and discuss the intent to increase the per night assessment of the Half Moon Bay Business Improvement District.

#### **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.

#### **BACKGROUND:**

In 2004, the City of Half Moon Bay established the Half Moon Bay Hotel Business Improvement District (BID) pursuant to Part 6 Division 18 of the under the California Streets and Highways Code Section 36533. The purpose of this BID is to promote lodging at hotels within the City, administer marketing programs that increase overnight lodging, and fund BID-related activities. In 2017, the San Mateo County Board of Supervisors allowed the BID to expand its boundaries to include 10 additional commercial lodging establishments operating in the unincorporated areas of the Coastsides, believing that adding these establishments would further its purpose of promoting tourism and lodging along the Coastsides. The 2004 assessment rate was set at \$1 per room per night to provide a funding mechanism to market tourism for Half Moon Bay and the San Mateo County Coastsides. The assessment applies to a total of 18 hotels.

The Half Moon Bay Coastsides Chamber of Commerce (Chamber) was designated as the managing agency for BID-related activities and, pursuant to Section 36533 of the Code, prepares an annual report which summarizes the BID's priorities, outcomes, and expenditures from the previous calendar year. The report is to be reviewed and approved by the Council

(which took place on May 21, 2024) and, following approval, the Council must adopt a resolution of intent to levy the annual assessment for the following fiscal year. The resolution of intent also sets a protest hearing to receive any written or oral protests for the continuation of the BID.

**DISCUSSION:**

Per the 2023 annual report, Coastside hotels have not fully rebounded from the COVID-19 pandemic. The City itself has experienced a slight reduction/flattening of Transient Occupancy Taxes (TOT) over the last 18 months. TOT represents 40-percent of the City's General Fund revenues and has generated \$8.6 million this Fiscal Year, to date.

The Chamber is seeking to increase the per night assessment to \$2 beginning in FY 2024-25. The assessment has not increased since 2004 and the cost of marketing the Coast has far outpaced the \$1 per night set 20 years ago. Over the course of the years, the marketing budget has remained static, while advertising and print media costs have increased substantially. The Chamber has discussed the proposed increase in assessment with affected hotel properties. Many of the parties have agreed, in principle, to the increase in assessment. The City sees this as an opportunity to assist our local Coastside businesses which in turn will result in positive returns from the TOT perspective.

California law, specifically the California Government Code, Section 54954.6 mandates certain procedures before adopting any new or increased general tax or any new or increased assessment. Section 54954.6 states that the City Council must hold at least one public meeting where local officials receive public input on the proposed new assessment, in addition to the scheduled public hearing during which the legislative body considers enacting the assessment.

On May 21, 2024, the Council adopted Resolution No C-2024-28, declaring their intent to Increase the per room per night assessment to \$2. The Council instructed the City Clerk to schedule a public meeting on June 18, 2024, and a protest hearing on July 16, 2024, to discuss the increase of the assessment. Staff provided simultaneous notice of both events by mailing a Joint Notice to all impacted businesses within the district, as provided by Section 54954.6 of the Government Code. The same notice of the proposed increase in assessment was published in the San Mateo Daily Journal three consecutive weeks beginning on May 22, 2024.

**ATTACHMENTS:**

Resolution of Intent to Increase the Per Night Assessment, Resolution No. C-2024-28, May 21, 2024

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 4, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** John Doughty, Assistant City Manager  
Mike Noce, Housing Programs Manager

**TITLE: STONE PINE COVE AFFORDABLE FARMWORKER HOUSING PROJECT FUNDING**

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#### **RECOMMENDATION:**

Adopt a resolution: 1) allocating \$1.25 million in City Affordable Housing Funds (originating from State of California direct grant) to the Stone Pine Cove Project at 880 Stone Pine Road; and 2) authorizing the City Manager to expend the \$1.25 million for project related expenditures including an initial payment of \$487,000 to Coastside County Water District (CCWD) for priority water connections.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this action. Staff is seeking to allocate \$1.25 million in State grant funds which was designated specifically for construction of the Stone Pine Cove project.

#### **STRATEGIC ELEMENTS:**

This action supports all the Strategic Plan Elements.

#### **OVERVIEW/BACKGROUND:**

The Half Moon Bay City Council has identified affordable housing as a multi-year City priority. The City Council has specifically cited their desire to help facilitate development of new multi-family rental development affordable to extremely low-, very low-, and low-income households. To that end, the City Council adopted, and the Coastal Commission certified, a new Local Coastal Land Use Plan (LCLUP), which reduced the constraints to preserving existing affordable housing and created new affordable housing land use opportunities. This work has been followed by the preparation of the Cycle 6 (2023-2031) Housing Element which identifies various affordable housing opportunity sites and policy initiatives to protect and create new housing throughout the City in alignment with the LCLUP. During Cycle 6, the City is required to demonstrate housing production capacity beyond the regional housing needs allocation (RHNA) assigned to the City of 480 housing units. The production of housing units, especially units for lower-income households, is a vital component of supporting the local community with stable housing options. The [Draft Housing Element](#) is nearing completion and available on the City

website for public viewing. The items being discussed in this report reflect many of the implementation programs contained in the Draft Housing Element. The Draft Housing Element outlines numerous pipeline housing projects including Stone Pine Cove affordable farmworker housing project located at 880 Stone Pine Road.

Following the January 23, 2023 shooting at two local farms, Governor Newsom and State Assembly Member Berman committed to assisting create permanent replacement housing for those farmworkers directly impacted by the shooting incident. The City received two separate State grants: 1) a \$1.25 million grant specifically for construction of the Stone Pine Cove neighborhood; and 2) \$2.0 million for farmworker housing (555 Kelly Avenue or alternate project).

On July 18, 2023, the City Council authorized the City Manager to enter into a Memorandum of Understanding (MOU) with San Mateo County to plan for, finance and ultimately construct farmworker housing on approximately 5 acres of 880 Stone Pine Road.

On December 11, 2023, the City issued an Emergency Coastal Development Permit (PDP-23-090) for the development of a new neighborhood (referred to as “Stone Pine Cove”). Stone Pine Cove will be comprised of manufactured homes for low-income farmworker households located on the westerly 5 acres of the City-owned 880 Stone Pine Road property. The project includes the development of 28 owner-occupied units under the Joe Serna Farmworker Grant Program which will be made available to qualified (very low-income) farmworkers including the households displaced by the January 23, 2023, shooting incident.

Over the course of the last six months (consistent with the MOU), the City and County have been refining design and preparing construction drawings and completing technical studies for public bid of the project. Concurrently, the City and County have been preparing the environmental document and related materials for presentation to the Planning Commission as the “follow-up” Coastal Development Permit required by the Half Moon Bay Municipal Code. The CEQA document is being prepared for release and the CDP is anticipated to be considered by the Planning Commission by September.

On May 7, 2024, the Board of Supervisors authorized a \$6 million contract with Bigfoot Homes, Inc. for fabrication of 45 to 50 one, two and three-bedroom manufactured homes for the project. Those units will be available for installation on the site, estimated to begin in late January 2025.

As part of the development process, the City submitted a letter to the Coastsides County Water District (CCWD) allocating 30 priority water connections. As a condition of the development permit from CCWD, fees are due for water connections and plan review.

On May 21, 2024, the Board of Supervisors awarded a contract in the amount of \$11.5 million to Interstate Grading for construction of Stone Pine Cove site improvements. Site work commenced on May 22, 2024. The project is being constructed by a private contractor, with

construction and budget oversight by a County contracted project management firm, CPM. The City's role in development is primarily inspection and ensuring compliance with Conditions of Approval and applicable mitigation measures.

**DISCUSSION:**

As was previously noted, the City received a \$1.25 million grant from the State of California through the office of Assemblymember Marc Berman, which was earmarked for construction of the Stone Pine Cove Neighborhood at 880 Stone Pine Road. The funds were placed into the City Affordable Housing Fund in anticipation of use for construction-related costs. The overall project budget has noted the \$1.25 million City contribution (via grant funds), but the specific purpose of the funds has not been previously identified.

As a condition of their approval, the Coastside County Water District is requiring the purchase of 30 priority water connections for the project. The total cost of the purchase is \$480,900. Additionally, a total of \$10,165.32 in plan check fees are due to CCWD. In light of the \$1.25 million in available project funds, the County has requested the City purchase the priority water connections and pay the remaining plan check fees for the Stone Pine Cove project. In that this amount exceeds City Manager signature authority, staff is seeking authorization from the City Council to utilize the grant funds for this purpose.

Staff are also seeking City Council authorization to expend the remaining \$758,934.68 for construction-related costs associated with the Stone Pine Cove project. Given the current schedule, it is anticipated that remaining funds will be expended by the second quarter of Fiscal Year 2024-25. All subsequent expenditures will be fully documented for grant tracking purposes and only related to project fees and other construction costs.

**ATTACHMENT:**

Resolution

**Resolution No. C-2024-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY GRANTING THE CITY MANAGER AUTHORITY TO EXPEND UP TO \$1.25 MILLION IN AFFORDABLE HOUSING FUNDS FOR THE STONE PINE COVE PROJECT AT 880 STONE PINE ROAD**

**WHEREAS**, on January 23, 2023, the Coastside community experienced a mass shooting incident which resulted in the death of seven farmworkers and the critical injury of an eight individual; and

**WHEREAS**, a total of 18 households were directly relocated as a result of the incident; and

**WHEREAS**, the City and County immediately following the incident began discussing means to find emergency and ultimately permanent housing for the displaced households; and

**WHEREAS**, on July 18, 2023, the City and County jointly entered into a Memorandum of Understanding agreeing to pursue permanent farmworker housing development on 880 Stone Pine Cove Road; and

**WHEREAS**, the City received \$1.25 million in grant funds from the State of California for the construction of a permanent farmworker housing community at 880 Stone Pine Road (Stone Pine Cove affordable housing project); and

**WHEREAS**, the funds were placed in the City's Affordable Housing Fund and earmarked to the Stone Pine Cove project at 880 Stone Pine Road; and

**WHEREAS**, on May 22, 2024, site development work commenced on Stone Pine Cove following award of a construction bid by the San Mateo County Board of Supervisors; and

**WHEREAS**, the Coastside County Water District (CCWD) has requested priority water connection fees in the amount of \$480,900,000 for the project; and

**WHEREAS**, the County has requested the City pay the CCWD plan check fees in the amount of \$10,165.32 from the State grant funds for the Stone Pine Cove affordable housing project; and

**WHEREAS**, the City Manager is seeking Council authority to utilize the entire \$1.25 million in State grant funds held in the City's Affordable Housing fund for the purposes intended by the State—construction of the Stone Pine Cove affordable housing project.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Half Moon Bay hereby allocates the \$1.25 million in State grant funds held in the City's Affordable Housing Fund and authorizes the City Manager to expend \$480,900 for CCWD priority water connections, \$10,165.32 in CCWD plan check review fees, and the remaining \$758,934.68 for construction-related expenses for the Stone Pine Cove affordable housing project.

\*\*\*\*\*

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2023**

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**TO:** Honorable Mayor and City Council

**VIA:** Mathew Chidester, City Manager

**FROM:** Steve McHarris, Interim 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, 2025, with:

1. 4LEAF, Inc. (4Leaf) for building plan check and inspection services in an amount not to exceed \$365,250; and
2. Metropolitan Planning Group (M-Group) for contract planning services in an amount not to exceed \$141,250.

#### **FISCAL IMPACT:**

These contracts have been included in the Recommended Community Development Department Operating Budget and CIP for FY 2024-25. 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 will 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, based on the ebb and flow of project applications and associated staff bandwidth limitations.

**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 contract of \$365,250. will utilize funds included in the FY 2024-25 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, 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 \$141,250 budget for the next fiscal year is the similar to this year's budget.

These professional service providers continue to serve the City well. 4Leaf and M-Group work with staff to 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-2024-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
AUTHORIZING THE CITY MANAGER TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT  
WITH 4LEAF, INC. FOR BUILDING CONTRACT SERVICES THROUGH JUNE 30, 2025, IN AN  
AMOUNT NOT TO EXCEED \$365,250.**

**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, 2024; 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 \$365,250, for the needed services; and

**WHEREAS**, adequate funds are available in the City's proposed FY 2024-25 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 through June 30, 2025, in the amount of \$365,250.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18th day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

**RESOLUTION NO. C-2024-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT  
WITH METROPOLITAN PLANNING GROUP FOR CONTRACT PLANNING SERVICES THROUGH  
JUNE 30, 2025, IN AN AMOUNT NOT TO EXCEED \$141,250.**

**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**, the current agreement with M-Group will expire on June 30, 2024, and

**WHEREAS**, the Community Development Director has 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 \$141,250 for the needed services; and

**WHEREAS**, adequate funds are available in the City's proposed FY 2024-25 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 through June 30, 2025, at a cost of \$141,250.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18<sup>th</sup> day of June 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

---

Jessica Blair, City Clerk

---

Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

---

**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**TITLE:** **CITY COUNCIL PRIORITIES WORKPLAN FOR FISCAL YEARS 2024-26**

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#### **RECOMMENDATION:**

By motion, receive and accept a report on the proposed staff workplan for the City Council Priorities for Fiscal Years 2024-26.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this item. Appropriate funding for implementation of the workplan has been included in the Recommended Budget for FY 2024-25.

#### **STRATEGIC ELEMENT:**

This update supports all Elements of the Strategic Plan.

#### **BACKGROUND:**

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

In preparation for the FY 2024-25 budget, the City Council hosted three listening sessions in February 2024, which allowed the Council to hear directly from members of the community in an open format. The purpose of the sessions was to gain additional insight into the community's priorities, for consideration by the Council and staff as they identify how resources will be allocated over the next year and beyond.

After the completion of the listening sessions, the City Council held a priority setting workshop on March 13, 2024, for the purpose of identifying priorities for the upcoming fiscal year. The workshop was attended by staff and the public, and the Council received updates on the prior

year's priorities. At the conclusion of the workshop, the Council confirmed the five priority areas for FY 2024-25 and beyond:

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

Based on the discussion of the Council at the workshop, staff is recommending a the attached workplan which supports each of the five priority areas and includes ongoing projects which will carry over from the previous workplan. Staff has worked to define ambitious but realistic expectations for work to be completed in Fiscal Years 2024-26, taking into account staffing and financial constraints.

**DISCUSSION:**

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

If accepted, staff will organize the workplan into a simplified format, provide regular updates to the Council on the progress of the Priorities and provide updates to the community on the City's Strategic Plan webpage.

**ATTACHMENTS:**

FY 2024-26 Priorities Workplan

## **FY 2024-26 City Council Priorities Workplan**

### **Affordable Housing**

1. Housing Element Completion
  - a. CEQA – Mitigated Negative Declaration (Q1 2024-25)
  - b. Planning Commission and City Council hearings (Q1 2024-25)
  - c. HCD Certification (Q2 2024-25)
  - d. Multifamily Housing Design Standards (Q2 2024-25)
  - e. AB 1332 ADU Design Standards (Q2 2024-25)
2. Housing Element Implementation (Q1 2025-26)
  - a. Process LUP Post-Certification Clean-up
  - b. Prepare New Zoning Map
  - c. Draft New Zoning Districts
  - d. Update Zoning per LUP and Housing Element
  - e. Complete CEQA Review
  - f. Planning Commission and City Council hearings
  - g. Submit to Coastal Commission
3. Housing Development Projects
  - a. Public Properties
    - i. 555 Kelly Project– Continue work on funding and affordability terms, finalize development agreement (Q1 2024-25 and ongoing)
  - b. Stone Pine Cove – Finalize follow up Coastal Development Permit, parcel map, and property transfer and loan renegotiation (Q1 2024-25)
  - c. Private Properties
    - i. Hilltop Mobile Home Park - Process application for entitlements; prepare noise study and CEQA exemption (Q1 2024-25)
    - ii. CUSD School District Site – Continue to work with the School District as they refine their designs and plans (ongoing)
    - iii. Bay City Flower Site – Continue to collaborate with County on planning for the future development of the former agricultural property (ongoing)
    - iv. Other Opportunity Sites - Continue to engage with property owners (ongoing)
4. Support for Renters
  - a. Rental Registry
    - i. Finalize program implementation (Q1 2024-25)
    - ii. Initiate compliance (Q2 2024-25)
    - iii. Evaluate, refine, and manage Program (Ongoing)
  - b. Rent Stabilization
    - i. Implement program (Q1 2024-25)
    - ii. Initiate compliance (Q2 2024-25)
    - iii. Evaluate, refine, and manage Program (Ongoing)
  - c. Code Enforcement Related Relocation Ordinance
    - i. Finalize draft ordinance (Q1 2024-25)
    - ii. Adopt ordinance (Q2 2024-25)

- iii. Implementation (Ongoing)
  - d. Tenant Protections Program
    - i. Contract with non-profits for tenant resources and support, including assistance with evictions (Q1 2024-25 and ongoing)
    - ii. Collaborate with partner agencies to provide information to tenants and agencies regarding tenant rights under new Chapter 6.12 and rent stabilization program (Q1 2024-25)
    - iii. Host a renter's rights information session; determine need for future sessions and/or other approaches to outreach (Q3 2024-25)
    - iv. Provide updated multilingual resource and referral information (Q2 2024-25)
    - v. Develop standardized multi-lingual lease agreement and amend Chapter 6.12 as needed (Q3 2024-25)
    - vi. Manage program (Ongoing)
- 5. Measure D Modifications to Exempt ADUs and Affordable Housing
  - a. Finalize ballot measure for November 2024 election (Q1 2024-25)
  - b. Implement changes if approved by voters (Q3 2024-25)

### **Public Health, Safety and Emergency Preparation**

- 1. Age Friendly Initiative (*in support of Senior Coastsiders and other Coastsiders agencies*)
  - a. Continue development of AFC Action Plan in accordance with the AARP Network of Age Friendly States and Communities (Q1 2024-25)
  - b. Facilitate Coastsiders Healthcare Access Advocacy Committee (ongoing)
    - i. Continue Coastsiders Emergency care/Urgent care/Radiology collaborative project (Q1 2024-25)
  - c. Age Friendly Business training and recognition (Q3 2024-25)
- 2. Mental Health Support
  - a. CARES mental health responder program
    - i. Engage with County on new Countywide response program (Q1 2024-25)
    - ii. Identify and secure ongoing funding sources (Q3 2024-25)
    - iii. Outreach and education to support regional expansion of services (ongoing)
  - b. Support community mental health initiatives through CSFA program, Mental Health Workgroup, Substance Abuse Workgroup, CUSD mental health fair, and Mental Health First Aid training (ongoing)
- 3. Emergency Preparedness
  - a. Evacuation Planning
    - i. Collaborate with County and regional agencies on Countywide Evacuation Plan, including tsunami, wildfire, dam inundation, and shelter-in-place (Q4 2024-25)
    - ii. Community outreach and education (Q1 2025-26)
  - b. Emergency Operations Plan Update-EOP (Q1 2024-25)
  - c. Emergency Public Information Plan-EPIP (Q1 2024-25)
  - d. Tabletop and community exercises (ongoing)

- e. Outreach and education
    - i. Community Prep Day (Q4 2024-25)
    - ii. CERT and Listos Outreach (ongoing)
- 4. Safety Element preparation and adoption (Q2 2025-26)
- 5. Minimum Wage
  - a. Explore potential exemptions to worker and industry categories related to minimum wage (Q1 2024-25)
  - b. Continue to engage with County and State staff to better understand the impacts of raising the minimum wage on public assistance programs (Ongoing)
  - c. Continue to engage with community, including local business owners and legislators to provide public input (Ongoing)
- 6. Automated License Plate Reader Pilot Program
  - a. Finalize contract with FLOCK and return to City Council (Q1 2024-25)
  - b. Implement pilot program (Q1 2024-25)
  - c. Monitor and provide regular reporting (ongoing)
- 7. Parks and Recreation
  - a. Survey existing users and potential users about current and desired parks and rec offerings (Q3 2024-25)
  - b. Hold 2024 Summer's End Music Festival and work with Mavericks Big Wave Invitational organizers to partner in 2025 (Q1 2024-25)
  - c. Re-engage discussions with BGCC and new CUSD Superintendent on expanded facilities use agreement (Q1 2024-25)
  - d. Evaluate and implement new offerings including beach volleyball, adult basketball, adult volleyball and Tiny Tot basketball (Q3 2024-25)
  - e. Evaluate shifting Dog Park and Horseshoe facility to Train Depot to open up interim active sport opportunities at Smith Field (Q3 2024-25)
  - f. Evaluate course and activity offerings (Ongoing)

### **Community and Climate Resilience and Sustainability ("Environmental Sustainability")**

- 1. Climate Action and Adaptation Plan - Phase 2
  - a. Climate Adaptation Plan
    - i. Finalize vulnerability assessment (Q1 2024-25)
    - ii. Draft adaptation plan (Q2 2024-25)
    - iii. Public Outreach (ongoing)
    - iv. Finalize and Adopt Adaptation Plan (Q4 2024-25)
- 2. Senate Bill 1383: Short-Lived Climate Pollutants
  - a. Procurement of Recovered Organic Waste Materials
    - i. Update Sustainable Purchasing and Practices Policy as needed (ongoing)
    - ii. Revise template construction contracts to require use of recovered organic waste materials (Q1 2024-25)
    - iii. Provide training to staff and contractors on new procurement regulations as needed (ongoing)

- iv. Explore other opportunities to meet the City's annual procurement target through compost broker program, partnering with State Parks on restoration work and creation of a free compost hub (Ongoing)
  - b. Universal Organics Collection
    - i. Conduct audits to ensure new generators have organics collection services (Ongoing)
    - ii. Code Enforcement for any generators that have yet to comply with the organics collection service requirements (ongoing)
    - iii. Administer program to provide organic bins to help businesses comply with new indoor container requirements (ongoing)
  - c. Tracking and Enforcement
    - i. Assess, purchase, and implement solid waste tracking system (Q1 2024-25)
    - ii. Conduct route reviews for both commercial and residential customers (Ongoing)
    - iii. Cite and educate violators (Ongoing)
  - d. Outreach and Education
    - i. Provide community workshops on new organics recycling requirements (Ongoing)
    - ii. Continue partnership with OOS for countywide Compost Quality Education Campaign (ongoing)
  - e. Edible Food Recovery Program (provided by OOS) (Ongoing)
3. Stormwater
- a. Continue Venice Beach TMDL study and reporting
    - i. Pet waste education and outreach campaign (Ongoing)
    - ii. Continue CCTV stormwater inspections and testing (Ongoing)
    - iii. Coordinate with other participating agencies (Ongoing)
    - iv. Work on pet waste hot spot tracking app (Q4 2024-25)
  - b. Implement Stormwater Projects and Programs from the adopted Capital Improvement Program
    - i. Start work on the Urban Watershed Management Plan (Q1 2024-25)
    - ii. Start design and environmental on Kehoe Watershed Enhancement and Environmental Stewardship Project (Q3 2024-25)
  - c. Seek grant funding to implement recommendations of the Urban Watershed Management Plan and elements of the Storm Water Management Program (Ongoing)
  - d. Integrate stormwater asset management into new GIS database (Q1 2024-25)

### **Economic Recovery and Development**

- 1. Recovery Initiative Implementation
  - a. Continue OCC implementation; collaborate with other similar programs to explore revenue sources for sustainable operation (Q1 2024-25)
  - b. Complete OCC/Economic Advancement Centers program evaluation (Q3 2024-25)

- c. Continue implementation of Coastside Venture Studios incubator (Q1 2024-25)
  - d. Initiate Coastside Lands Network development (Q2 2024-25)
  - e. Convene regenerative agriculture forum (Q3 2024-25)
  - f. Farming and other new business exploration (Q3 2024-25)
  - g. Develop Community Lending Strategy (Q3 2024-25)
  - h. Support College of San Mateo Coastside Initiative (Ongoing)
  - i. Marketing, outreach, networking, grants exploration (Ongoing)
- 2. Downtown Improvements
  - a. Finalize Downtown Streetscape Master Plan (Q1 2024-25)
  - b. Identify and pursue funding for Phase 2 of the Master Plan – studies, engineering, entitlement work (Ongoing)
  - c. Downtown/Hwy 92 Wayfinding Signage (Q1 2024-25)
- 3. Economic Development
  - a. Hotel Business Improvement district
    - i. Update HBID assessment (Q1 2024-25)
    - ii. Support Coastside Visitors Study (Q1 2024-25)
    - iii. Explore promotional support and new marketing strategies for tourism (Q2 2024-25)
- 4. Digital infrastructure
  - a. Work with telecom providers on 5G installations and standards (Q1 2024-25)
  - b. Coordinate with the Midcoast Community Council Telecommunications Work Group on the Improving Coastside Communication Resilience effort (Ongoing)
  - c. Seek federal and state funding opportunities for Broadband and telecommunications access and infrastructure Last Mile (Ongoing)
- 5. Farmworker Memorial
  - a. Release Artist RFQ and make selection (Q1 2024-25)
  - b. Seek grant funds for design of memorial and related site improvements (Q1 2024-25)
  - c. Obtain permits and environmental clearances (Q3 2024-25)
  - d. Seek philanthropic and individual funding for construction of memorial (Q3 2024-25)
  - e. Complete memorial (Q1 2025-26)
- 6. Carter Park
  - a. Establish event process and fee schedule for rentals (Q1 2024-25)
  - b. Initiate fundraising efforts for audio/visual equipment and children’s play area (Q1 2024-25)
  - c. Finalize Construction (Q2 2024-25)
  - d. Hold Grand Opening Event (Q2 2024-25)
  - e. Coordinate with Shakespeare Company and other likely users on annual schedule of events and activities (Q3 2024-25)

## **Transportation, Circulation and Mobility**

- 1. Bike/Ped Transport
  - a. Implement Capital Improvement Programs and Projects

- i. Highway 1 Safety – North (Q3 2024-25)
    - ii. Eastside Parallel Trail - North Segment 4 (Q2 2024-25)
    - iii. Commence Eastside Parallel Trail - North Segment 2 design and environmental phase (Q2 2024-25)
    - iv. Coastal Trail and Naomi Patridge Trail Maintenance and Improvements (ongoing)
    - v. Complete Construction of Poplar Street Traffic Calming and Safety Project Phase 1 (Q2 2024-25)
    - vi. Identify and pursue grant opportunities (ongoing)
    - vii. Commence work on the Local Roads Safety Plan funded through DOT SS4A grant (Q4 2024-25)
    - viii. Commence work on the Highway 1 South Corridor Study, including review of the intersection at Highway 1 and Redondo Beach Road among others (Q2 2024-25)
  - b. Implement improvements identified in Bike/Ped Master Plan
    - i. Work with BPAC, PRC, and community stakeholders (ongoing)
    - ii. Identify and pursue grant opportunities (ongoing)
  - c. Adopt Ordinance for Multi-Use Trail speed limits; install etiquette and speed limit signs (Q2 2024-25)
2. Weekend and Holiday traffic control
- a. Collaborate with law enforcement and Caltrans on feasibility of hired traffic control experts to manage traffic flow on high intensity weekends and holidays (ongoing)
  - b. Seek Federal grant for Highway 1/92 signal coordinator and ITS implementation (ongoing)
3. Transportation Demand Management
- a. Explore opportunities to expand SamTrans Rideplus limits and hours (ongoing)
  - b. Continue to work with Commute.org on various strategies (ongoing)
  - c. Complete joint TDM study with San Mateo County (Q3 2024-25)

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

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

**TITLE:** **FISCAL YEAR 2024-25 RECOMMENDED OPERATING AND CAPITAL BUDGET**

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#### **RECOMMENDATION:**

Review the Recommended FY 2024-25 Budget document and adopt resolutions to:

1. Establish the GANN Appropriation Limit for FY 2024-25; and
2. Approve the City's Investment Policy; and
3. Adopt the FY 2024-25 Annual Operating and Capital Budget.

#### **FISCAL IMPACT:**

The Recommended Fiscal Year 2024-25 General Fund operating budget expenditures are \$25,150,475. The FY 2024-25 Other Funds expenditures total \$34,418,250. The total One-Year Capital Improvement Plan (CIP) Budget is \$18.7 million.

#### **STRATEGIC ELEMENT:**

This recommendation supports all Elements of the Strategic Plan.

#### **BACKGROUND:**

During the budget development process for FY 2023-24, concerns about a significant ongoing structural deficit were identified, primarily caused by new increases in existing contracted public safety costs, accelerating increases in costs to deliver other services, and decreases/flattening of major revenues. In response to this forecast, staff have been exploring and implementing cost-cutting measures, investigating available revenue enhancement options, and identifying possible one-time grants and other funds to mitigate the anticipated deficit.

After the mid-year review in March 2024, the City entered the FY 2024-25 budget cycle predicting a structural deficit of \$5.4 million. The primary objective of budget development has been to reduce the deficit as much as possible while preserving current service levels. The recommend budget for FY 2024-25 has been developed, which reflects a remaining deficit of \$4 million. On May 21, 2024, the draft budget was presented to the City Council to gather

feedback on the budget, budget balancing options and longer-term strategies. Staff proceeded completion of the budget utilizing the feedback to use unassigned funds and the Economic Uncertainty reserve to balance the FY 2024-25 Budget.

This report will detail the final recommended budget for FY 2024-25 to conduct a public hearing and for final approval by the City Council.

## DISCUSSION:

### Revenues

The FY 2024-25 recommended budget includes General Fund revenues totaling \$21.1 million, \$656,295 (3%) higher than the prior-year revised budget of \$20.4 million. This increase is primarily due to increases in base property taxes and other revenues. All other revenues are assumed to have little to no growth next year.

The following table illustrates the FY 2024-25 revenue budget:

|                         | Revised<br>Budget | <u>FY 2024-25</u><br>Draft Budget | %<br>Change | \$<br>Change   |
|-------------------------|-------------------|-----------------------------------|-------------|----------------|
| Transient Occupancy Tax | 8,626,313         | 8,626,313                         | 0%          | 0              |
| Property Tax            | 3,748,738         | 3,845,734                         | 3%          | 96,996         |
| Sales & Use Tax         | 3,239,200         | 3,283,100                         | 1%          | 43,900         |
| All other revenues      | 4,839,978         | 5,355,377                         | 11%         | 515,399        |
| <b>Totals</b>           | <b>20,454,229</b> | <b>21,110,524</b>                 | <b>3%</b>   | <b>656,295</b> |

### Expenditures

The draft expenditures budget is \$25.1 million, a 1% decrease from the prior year. While operational departments were able to achieve a reduction of \$532 thousand (10% average reduction by Department), these savings were partially outweighed by increases in obligatory expenditures such as public safety, pension, and debt service costs.

The table below shows a summary of expenditures by type and department:

|                                       | <b>FY 2023-24<br/>Revised Budget</b> | <b>FY 2024-25<br/>Draft Budget</b> | <b>\$<br/>Change</b> | <b>%<br/>Change</b> |
|---------------------------------------|--------------------------------------|------------------------------------|----------------------|---------------------|
| <b>Salaries and Benefits</b>          | 7,169,712                            | 7,259,760                          | 90,047               | 1%                  |
| <b>Operations</b>                     |                                      |                                    |                      |                     |
| <u>Departments</u>                    |                                      |                                    |                      |                     |
| Administrative Services               | 428,675                              | 358,080                            | (70,595)             | -16%                |
| City Clerk / Communications           | 485,500                              | 433,000                            | (52,500)             | -11%                |
| City Manager's Office                 | 1,631,942                            | 1,294,888                          | (337,054)            | -21%                |
| Community Development                 | 704,223                              | 753,000                            | 48,777               | 7%                  |
| Public Works                          | 1,771,561                            | 1,644,800                          | (126,761)            | -7%                 |
| <u>Other Operational Expenditures</u> |                                      |                                    |                      |                     |
| City Attorney                         | 969,250                              | 1,043,223                          | 73,973               | 8%                  |
| City Council                          | 171,500                              | 160,500                            | (11,000)             | -6%                 |
| Debt Service                          | 736,610                              | 945,778                            | 209,168              | 28%                 |
| Public Safety                         | 6,860,462                            | 7,237,728                          | 377,266              | 5%                  |
| <b>Transfers</b>                      |                                      |                                    |                      |                     |
| Internal Service Funds                | 840,264                              | 913,187                            | 72,923               | 9%                  |
| Pension                               | 913,474                              | 1,346,432                          | 432,958              | 47%                 |
| Capital Transfers                     | 2,763,000                            | 1,760,100                          | (1,002,900)          | -36%                |
| <b>Totals</b>                         | <b>25,446,173</b>                    | <b>25,150,475</b>                  | <b>(295,698)</b>     | <b>-1%</b>          |

### Fund Balance Structure

Should the Council approve the recommended budget, the City will have a structural deficit of \$4 million going into Fiscal Year 2024-25. This deficit is to be met with the use of unassigned fund balances and the partial use of the Economic Uncertainty Reserve.

The fund balance structure estimated at June 30, 2025, is shown below:

|                                       | <b>FY 2024-25<br/>Recommended<br/>Budget</b> |
|---------------------------------------|----------------------------------------------|
| <b><i>Beginning Fund Balance</i></b>  | <b>\$ 12,691,700</b>                         |
| +Revenues                             | 21,110,524                                   |
| -Operating Expenditures               | (23,390,375)                                 |
| -Capital Expenditures                 | (1,760,100)                                  |
| <b><i>Surplus / (Deficit)</i></b>     | <b>\$ (4,039,951)</b>                        |
| <b><i>Ending Fund Balance</i></b>     | <b>8,651,749</b>                             |
| <i>General Fund Reserve</i>           | 7,017,113                                    |
| <i>Economic Uncertainty</i>           | 1,634,636                                    |
| <b><i>Unassigned Fund Balance</i></b> | <b>\$ -</b>                                  |

At the end of FY 2024-25 the City will have a fund balance of \$8.6 million which will be classified as all reserves. Between both reserves, they total 37% of operating expenditures.

### Financial Outlook

While the deficit can be mitigated in FY 2024-25 without significant impacts, it is structural in nature and will require permanent changes to either ongoing revenues and/or ongoing expenditures. At the May 21, 2024, City Council meeting, staff presented longer-term options that included a sales tax measure, investment in tourism, and investment in economic development. Staff received direction to commence community outreach on the sales tax measure and will present the findings to the Council. Without increased ongoing revenues, the City will need to make significant cuts that will affect valued programs and services, and potentially impact the health, safety, and quality of life in Half Moon Bay.

### Master Fee Schedule

Due to the ongoing fee/nexus study the City has undertaken with NBS, the Master Fee Schedule will not include any fee changes/increases as presented in the FY 2024-25 budget book. With the goal of project completion by Fall 2024, staff will then return to council with recommendations regarding our cost recovery structure.

### **CONCLUSION:**

The City faces a significant ongoing structural deficit primarily driven by increased costs in public safety and other services, coupled with flattening revenues. Despite efforts to implement cost-cutting measures, the recommended budget for FY 2024-25 reflects a remaining deficit of \$4 million. This deficit will be addressed through the use of unassigned funds and the Economic Uncertainty Reserve.

Staff have initiated community outreach on a proposed sales tax measure and will continue to explore long-term strategies to ensure fiscal sustainability. The final recommended budget, detailed in this report, is now ready for public hearing and approval by the City Council.

### **ATTACHMENTS:**

1. FY 2024-25 Recommended Operating and Capital Budgets (posted [online](#) only)
2. City Manager's Budget Message

3. Resolution Adopting the FY 2024-25 Annual Operating and Capital Budget
4. Resolution Establishing the GANN Appropriation Limit for FY 2024-25
5. Resolution Approving the City's Investment Policy (No change for FY 2024-25)

June XX, 2024

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) 2024-25. 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.

Increasing costs of providing services, due to the highest inflation in over 30 years and significant rate increases for public safety services provided by the County (51% over the last two years), coupled with stagnant and falling tax revenues, have pushed the City into a *structural deficit*, where ongoing costs outpace revenues. The FY 2023-24 budget was structurally imbalanced, but prior years' savings were used to balance the budget and allowed operations to continue with only minor modifications. Unfortunately, the outlook has not improved, and the City is facing multi-million-dollar deficits for the foreseeable future. This past fiscal year has been a time of cutting back and evaluating the services and programs the City provides to the community. Staff and the Council have worked to eliminate discretionary spending, focusing expenditures on only the necessities to provide services and invest in important programs and projects. Staff have updated practices and procedures to be more efficient and effective, with some investments in technology and tools that will save costs going forward, while improving service to the community.

The budget we present to you is balanced, through spending reductions, grants and one-time support for special projects, and the use of a portion of the City's Economic Uncertainty Reserve, which was established in 2019 to help the City through challenging times. This approach is unsustainable over the long-term, and without new ongoing revenues and the recovery of existing tax sources, the City will face painful reductions in services and programs that help maintain a high quality of life for residents, and may even jeopardize the health, safety, and wellbeing of our community. The past prudence and foresight of the Council has provided the opportunity to be thoughtful and methodical in finding ways to sustainably balance the City's budget, but ultimately the community will need to decide what services the City provides that are most important, and work with the City to ensure there are resources necessary to provide those services.

## **PRIOR YEAR ACCOMPLISHMENTS**

Despite the challenges we've faced over the past year, which 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 2023-24 Priorities, making significant progress on the adopted priorities workplan. Some of our key accomplishments are summarized below:

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- Negotiated an MOU with San Mateo County, helped to secure an Emergency CDP, and facilitated commencement of construction of 47 affordable manufactured homes for farmworkers at the new Stone Pine Cove neighborhood.
  - Launched the Opportunity Center of the Coastsides to support small businesses, entrepreneurs, job seekers, and job growth; launched a new business incubator, Coastsides Venture Studio, with a focus on resiliency tech.
  - Completed a Downtown Streetscape Master Plan which will serve as a road map for downtown revitalization efforts and assist in applying for funding.
  - Completed the second Public Review Draft of the Cycle 6 Housing Element; certification from the California Department of Housing and Community Development (HCD) is expected fall of 2024.
  - Convened a new Farmworker Memorial and Remembrance Advisory Committee (FMRAC) and held a one-year remembrance ceremony to celebrate the seven lives lost from the January 2023 mass shooting. Attended by 250+ community members.
  - Secured \$785,000 in private, public, and philanthropic donations for short-term housing for forty individuals displaced from the January 2023 mass shooting.
  - Hosted a historic visit of the Mexican Consulate that served 200 Coastsides residents / Mexican Nationals.
  - Completed work on new Rental Registry Program, Rent Stabilization Program, and enhanced Tenant Protections provisions.
  - Planned and executed the fourth annual Summer's End Music Festival Event.
  - Continued to support the Make It Main Street first Thursday events in downtown Half Moon Bay, bringing Coastsides artists, creators, and makers together with non-profits and community to connect, exchange, and share while stimulating the downtown economy on a monthly basis from Spring through Fall of each year.
  - Implemented the Short-Term Rental and Home Occupation Ordinance following the June 2023 City Council adoption.
  - Completed numerous building permit inspections to help facilitate the Main and Kelly Mixed-Use Project currently under construction with expected completion fall 2024.
  - Conducted both the N.E.T and FLCA civics and leadership academies for adults and youth.
  - Received Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the FY 22-23 Operating and Capital Budget documents, representing compliance with best practices in budgeting.
  - Remodeled Mac Dutra Restrooms.
  - Implemented the County's first disposable food ware ordinance.
  - Hosted two community recycling days offering free paper shredding, compost pick-up, and e-waste recycling.
-

- Adopted the City's Fats, Oils, and Grease (FOG) ordinance and implemented the inaugural program.
- Piloted the use of Automated License Plate Reader (ALPR) technology in the Pilarcitos (Oak Avenue Park) neighborhood in response to community requests following several high-profile crimes.
- Initiated Mounted Patrol and additional Sheriff beach patrols on Poplar Beach to enforce dogs on leash every weekend daytime for the whole summer.

## **FY 2024-25 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 March 14, 2024. 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

Staff presented a multi-year work plan that includes 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.

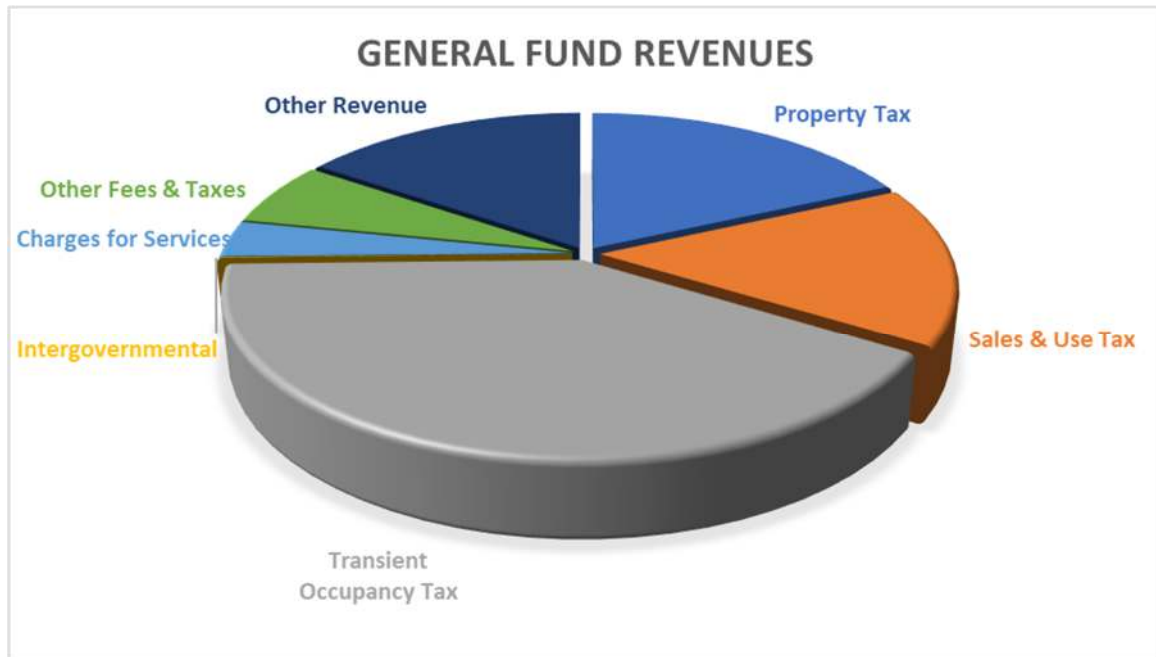
## **BUDGET AT A GLANCE**

The City's total estimated revenue for all funds for FY 2024-25 is \$48.4 million. This amount represents an 12% decrease from FY 2023-24. This is primarily due to a decrease in special revenue funding and capital grant reimbursements.

General Fund revenues are approximately 43.5% percent of total revenues, and the primary three sources of General Fund revenues are Transient Occupancy Tax (TOT), Property Tax, and Sales Tax, as seen on the pie chart below. As economic activity is expected to stagnate, these primary three sources are expected to increase by approximately 1% from FY 2023-24. 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 increase of general fund revenues from the year prior is 3%, mostly due to gains in base property taxes.

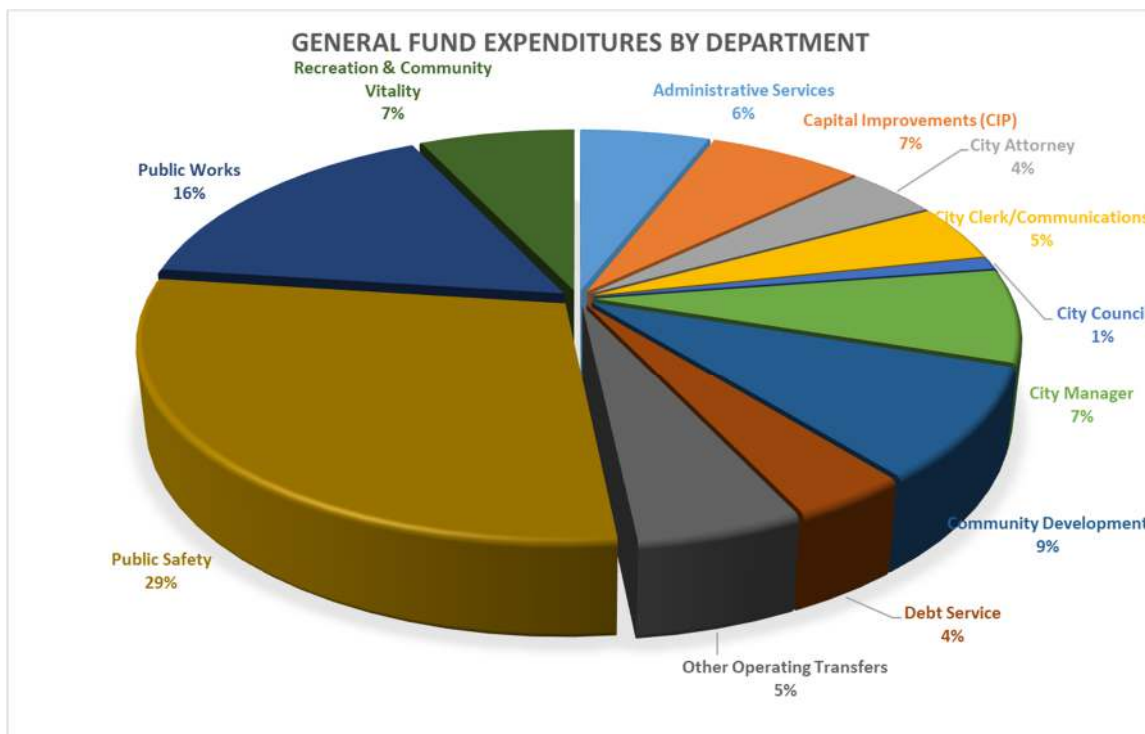
| Revenues and Transfers All Funds     |                   |                   |                    |                        |
|--------------------------------------|-------------------|-------------------|--------------------|------------------------|
| Fund Name                            | Actual<br>2021-22 | Actual<br>2022-23 | Revised<br>2023-24 | Recommended<br>2024-25 |
| General Fund                         | 24,534,744        | 22,870,180        | 20,454,229         | 21,110,524             |
| Enterprise Funds                     | 6,689,682         | 7,523,898         | 7,609,801          | 9,145,561              |
| Special Revenue and Capital Projects | 7,066,213         | 10,012,755        | 24,563,553         | 15,299,438             |
| Internal Service Funds               | 2,282,530         | 2,530,975         | 2,377,142          | 2,943,112              |
| Debt Service                         | (180)             | 136               | 100                | -                      |
| <b>Grand Totals</b>                  | <b>40,572,988</b> | <b>42,937,945</b> | <b>55,004,826</b>  | <b>48,498,635</b>      |



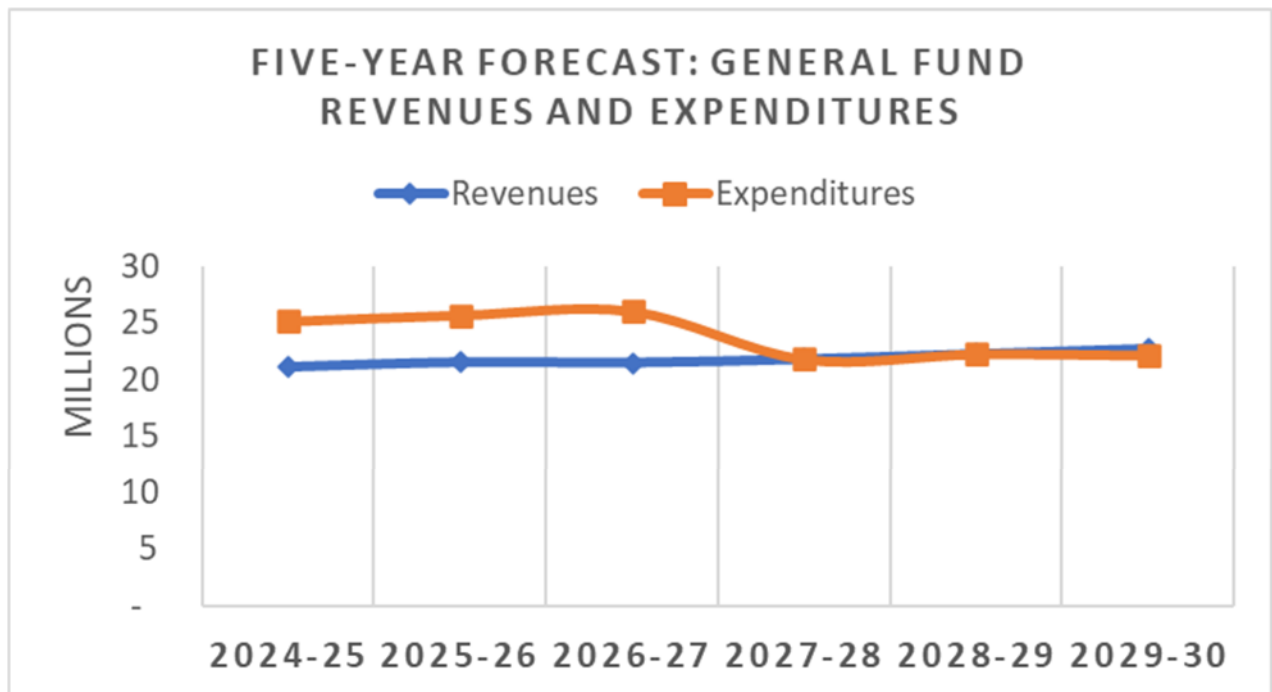
The City's total proposed budgeted expenditures for FY 2024-25 are \$59.5 million, which represents a 13% decrease from FY 2023-24. This decrease is primarily due to decreased spending with special revenue funds and capital projects. Capital improvements are approximately 29% of total expenditures, or \$17.4 million. The General Fund accounts for 42% 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<br>2021-22 | Actual<br>2022-23 | Revised<br>2023-24 | Recommended<br>2024-25 |
| General Fund                         | 20,089,107        | 22,227,428        | 25,446,173         | 25,150,475             |
| Enterprise Funds                     | 8,722,888         | 7,817,793         | 9,782,751          | 10,862,691             |
| Special Revenue and Capital Projects | 7,326,752         | 6,188,871         | 30,436,818         | 20,458,771             |
| Internal Service Funds               | 2,056,699         | 2,428,948         | 2,677,608          | 3,096,787              |
| Debt Service                         | -                 | -                 | -                  | -                      |
| <b>Grand Totals</b>                  | <b>38,195,445</b> | <b>38,663,040</b> | <b>68,343,351</b>  | <b>59,568,725</b>      |

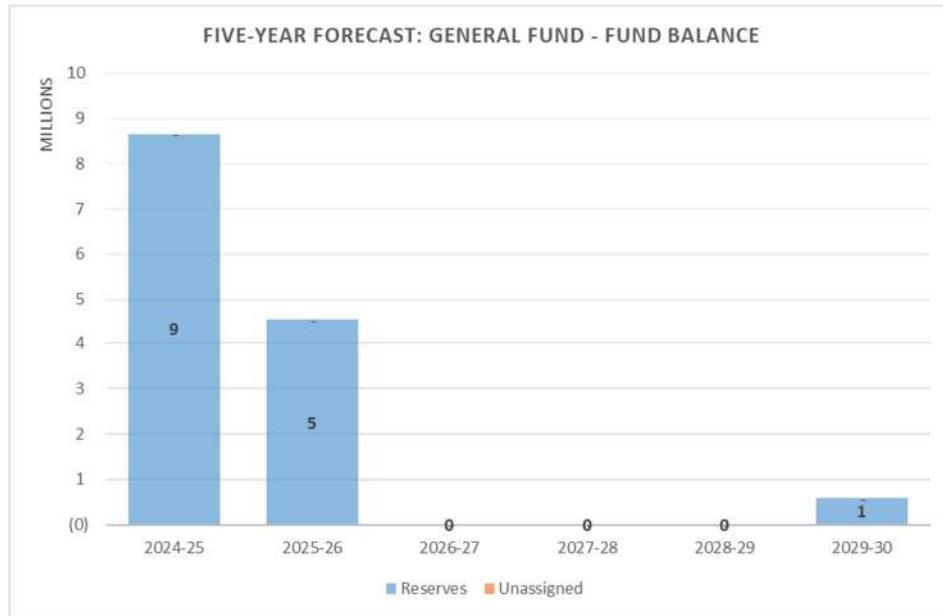


Based on conservative staff assumptions, known future costs, and historical information, we've prepared a five-year forecast for general fund revenues and expenditures. Forecasts are generally used to anticipate any significant fiscal issues in future years. The chart below shows revenues and expenditures 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 years), reserves, making cuts to expenditures, and/or increasing revenues. If unchanged, the City is projected to deplete its reserves by approximately FY 2027-28, leading to an adverse financial position. In this forecast, if the City is unsuccessful in generating additional revenues, multi-million-dollar cuts would have to occur beginning no later than FY 2027-28.

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 \$376 thousand, which is 6% more than FY 2023-24. This increase is in addition to a \$1.5 million increase the prior year, the result of the County's effort to better recover the costs of its contract services to cities.
- The 911 dispatch contract with the County Department of Public Safety Communications is increasing by \$23,000 an increase of 3%. This is in addition to a \$505 thousand increase in the prior year, due to the same changes at the County.
- Operational cuts have been made averaging nearly 10% per department, for a total of \$540 thousand, and include strategies such as: the elimination of the leased Annex facility, which has housed the Administrative Services Staff since 2016, and consolidation of those staff into City Hall; holding several recently vacated positions open to allow for evaluation of staff responsibilities and redistribution of core services to existing staff; and elimination of discretionary spending.
- The CARES program is fully funded through March 30, 2025, through ongoing support from the BHJIS grant program. If the grant is not further extended, or additional grants aren't received, the City may be forced to terminate the services and end the program.
- 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.

- \$1.7 million from the General Fund has been allocated to capital improvements. This is a \$1 million decrease from the FY 2023-24 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 on position counts or costs.
- The Reserve Policy establishes an Operating Reserve at 30% of annual General Fund expenditures, and an Economic Uncertainty Reserve at 20% of annual General Fund Expenditures. With the approval of this budget, the Operating Reserve will remain fully funded, but the Economic Uncertainty Reserve will be reduced to \$1.6 million, or 7%. The two reserves are estimated to total \$8.6 million, which is a \$2.4 million decrease from FY 2023-24.

## **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 2024-25 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 drastically 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 continuing to find new efficiencies and cost savings 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.

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I am pleased to report that the City's FY 2023-24 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 2024-25 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 Rossi, Kenneth Stiles, Bryan Lopez, Ernest Azevedo, Raymond Cruz, Margaret Jeanne Geiger, Whitney Rescino, and Julissa Acosta.

Respectfully submitted,



Matthew Chidester  
City Manager

XX de junio de 2024

Honorable Alcalde, Concejales y Comunidad,

En nombre del personal de la Ciudad, tengo el privilegio de presentar el Presupuesto Operativo Recomendado para el Año Fiscal (FY) 2024-25. El Presupuesto Recomendado es una declaración de la posición financiera actual de la Ciudad, una herramienta que proyecta ingresos y gastos futuros, y un plan de trabajo para comunicar, implementar y monitorear las operaciones de la Ciudad, los gastos de capital y las prioridades del Concejo.

El aumento de los costos de prestación de servicios, debido a la inflación más alta en más de 30 años y los aumentos significativos de tarifas para los servicios de seguridad pública proporcionados por el Condado (51% en los últimos dos años), junto con el estancamiento y la caída de los ingresos fiscales, han empujado a la Ciudad a un *déficit estructural*, donde los costos continuos superan los ingresos. El presupuesto del año fiscal 2023-24 estaba estructuralmente desequilibrado, pero los ahorros de años anteriores se utilizaron para equilibrar el presupuesto y permitieron que las operaciones continuaran con solo modificaciones menores. Desafortunadamente, el panorama no ha mejorado, y la Ciudad enfrenta déficits multimillonarios en el futuro previsible. Este último año fiscal ha sido un tiempo de recortes y evaluación de los servicios y programas que la Ciudad provee a la comunidad. El personal y el Concejo han trabajado para eliminar el gasto discrecional, enfocando los gastos solo en las necesidades para brindar servicios e invertir en programas y proyectos importantes. El personal ha actualizado las prácticas y los procedimientos para ser más eficientes y eficaces, con algunas inversiones en tecnología y herramientas que ahorrarán costos en el futuro, al tiempo que mejorarán el servicio a la comunidad.

El presupuesto que les presentamos está equilibrado, a través de reducciones de gastos, subvenciones y apoyo único para proyectos especiales, y el uso de una parte de la Reserva de Incertidumbre Económica de la Ciudad, que se estableció en 2019 para ayudar a la Ciudad en tiempos difíciles. Este enfoque es insostenible a largo plazo, y sin nuevos ingresos continuos y la recuperación de las fuentes tributarias existentes, la Ciudad enfrentará dolorosas reducciones en los servicios y programas que ayudan a mantener una alta calidad de vida para los residentes, e incluso pueden poner en peligro la salud, la seguridad y el bienestar de nuestra comunidad. La prudencia y previsión del Concejo en el pasado ha brindado la oportunidad de ser reflexivos y metódicos en la búsqueda de formas de equilibrar de manera sostenible el presupuesto de la Ciudad, pero en última instancia, la comunidad tendrá que decidir qué servicios proporciona la Ciudad que son más importantes, y trabajar con la Ciudad para garantizar que haya los recursos necesarios para proporcionar esos servicios.

## LOGROS DEL AÑO ANTERIOR

A pesar de los desafíos que hemos enfrentado durante el año pasado, que se sumaron a una carga de trabajo ya pesada, el personal mantuvo altos niveles de servicio en nuestras áreas de trabajo principales. Además, el personal continuó implementando las prioridades del Consejo para el año fiscal 2023-24, logrando un progreso significativo en el plan de trabajo de prioridades adoptado. A continuación se resumen algunos de nuestros principales logros:

- Se negoció un memorando de entendimiento con el condado de San Mateo, ayudó a asegurar un permiso de emergencia y facilitó el comienzo de la construcción de 47 casas prefabricadas asequibles para los trabajadores agrícolas en el nuevo vecindario de Stone Pine Cove.
- Se lanzó el Centro de Oportunidades de la Costa para apoyar a las pequeñas empresas, emprendedores, solicitantes de empleo y crecimiento laboral; lanzó una nueva incubadora de negocios, Coastside Venture Studio, con un enfoque en la tecnología de resiliencia.
- Se completó un Plan Maestro de Paisaje Urbano del Centro que servirá como hoja de ruta para los esfuerzos de revitalización del centro de la ciudad y ayudará a solicitar fondos.
- Se completó el segundo Borrador de Revisión Pública del Elemento de Vivienda del Ciclo 6; La certificación del Departamento de Vivienda y Desarrollo Comunitario de California (HCD, por sus siglas en inglés) se espera para el otoño de 2024.
- Se convocó a un nuevo Comité Asesor del Memorial y Recuerdo de los Trabajadores Agrícolas (FMRAC, por sus siglas en inglés) y celebró una ceremonia de conmemoración de un año para celebrar las siete vidas perdidas por el tiroteo masivo de enero de 2023. Con la asistencia de 250+ miembros de la comunidad.
- Se aseguraron \$785,000 en donaciones privadas, públicas y filantrópicas para viviendas a corto plazo para cuarenta personas desplazadas por el tiroteo masivo de enero de 2023.
- Organizó una visita histórica del Consulado Mexicano que atendió a 200 residentes costeros / ciudadanos mexicanos.
- Se completó el trabajo en el nuevo Programa de Registro de Alquileres, el Programa de Estabilización de Alquileres y las disposiciones mejoradas de Protección de Inquilinos.
- Se planeó y ejecutó el cuarto evento anual del Festival de Música de Fin de Verano.
- Se continuó apoyando los eventos del primer jueves de Make It Main Street en el centro de Half Moon Bay, reuniendo a artistas y creadores de la costa con organizaciones sin fines de lucro y la comunidad para conectarse, intercambiar y compartir mientras estimula la economía del centro mensualmente desde la primavera hasta el otoño de cada año.
- Se implementó la Ordenanza de Alquiler a Corto Plazo y Ocupación de Viviendas luego de la adopción del Concejo Municipal en junio de 2023.

- Se completaron numerosas inspecciones de permisos de construcción para ayudar a facilitar el Proyecto de Uso Mixto Main y Kelly, actualmente en construcción, cuya finalización se espera para el otoño de 2024.
- Se llevaron a cabo las academias de educación cívica y liderazgo de N.E.T. y FLCA para adultos y jóvenes.
- Se recibió el Premio a la Presentación Presupuestaria Distinguida de la Asociación de Funcionarios de Finanzas Gubernamentales (GFOA) por los documentos del Presupuesto Operativo y de Capital del Año Fiscal 22-23, que representan el cumplimiento de las mejores prácticas en la elaboración de presupuestos.
- Se finalizó la remodelación de los baños Mac Dutra.
- Se implementó la primera ordenanza de utensilios de comida desechables del condado.
- Se organizaron dos días de reciclaje comunitario que ofrecieron trituración de papel gratuita, recolección de compost y reciclaje de desechos electrónicos.
- Se adoptó la ordenanza de Grasas, Aceites y Grasas (FOG, por sus siglas en inglés) de la Ciudad e implementó el programa inaugural.
- Se puso a prueba el uso de la tecnología de Lector Automático de Matrículas (ALPR) en el vecindario de Pilarcitos (Oak Avenue Park) en respuesta a las solicitudes de la comunidad después de varios delitos de alto perfil.
- Se inició la Patrulla Montada y patrullas adicionales de la playa del Sheriff en Poplar Beach para hacer cumplir a los perros con correa todos los fines de semana durante todo el día.

## **PRIORIDADES DEL CONSEJO PARA EL AÑO FISCAL 2024-25**

De acuerdo con los últimos años, en preparación para el próximo presupuesto, el Concejo Municipal organizó tres sesiones de escucha comunitaria, que brindaron al Concejo y al personal la oportunidad de escuchar directamente a los miembros de la comunidad y obtener información adicional sobre las prioridades de la comunidad para la asignación de recursos durante el próximo año y más allá. También se recopilaron comentarios a través de otros medios, incluida una encuesta en línea en el sitio web de la Ciudad.

Las sesiones de escucha culminaron con un taller de establecimiento de prioridades el 14 de marzo de 2024. En este taller, el Ayuntamiento confirmó las siguientes cinco grandes prioridades, que se mantuvieron desde el año anterior:

- Vivienda asequible
- Salud Pública, Seguridad y Preparación para Emergencias
- Resiliencia y sostenibilidad comunitaria y climática
- Recuperación y Desarrollo Económico

- Transporte, Circulación y Movilidad

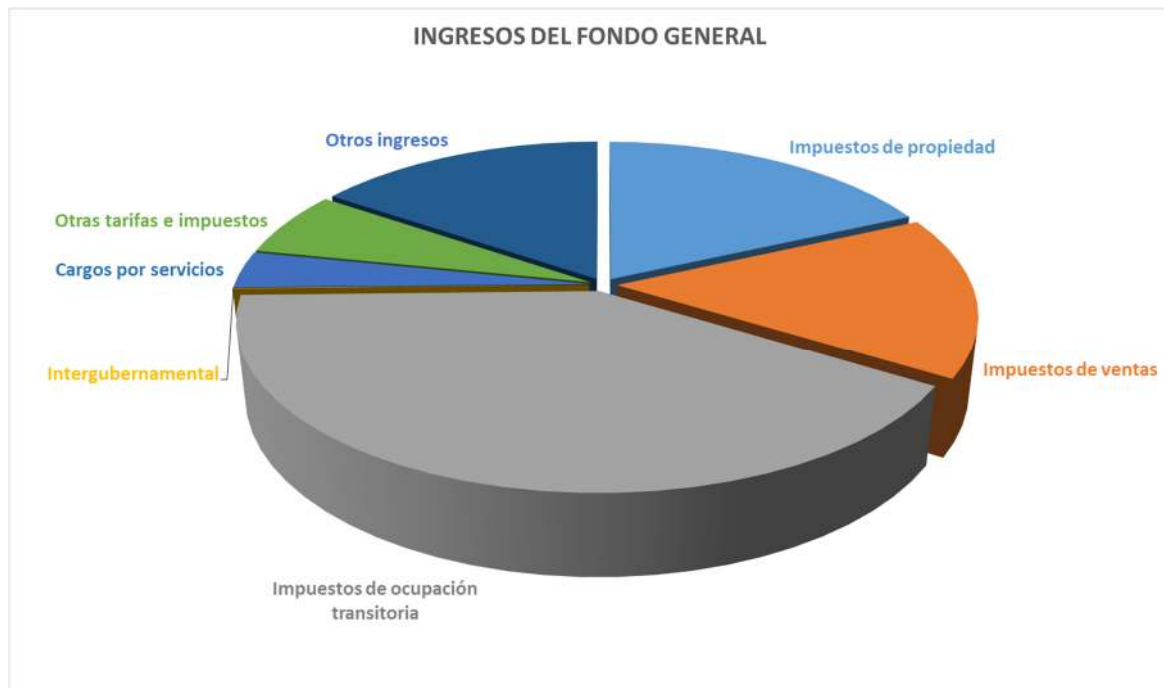
El personal presentó un plan de trabajo plurianual que incluye programas, proyectos y tareas realistas alineados con las cinco prioridades. El Presupuesto Recomendado incluye numerosas asignaciones de fondos que apoyarán la implementación de este plan de trabajo durante el próximo año fiscal.

## PRESUPUESTO DE UN VISTAZO

Los ingresos totales estimados de la Ciudad para todos los fondos para el año fiscal 2024-25 son de \$48.4 millones. Esta cantidad representa una disminución del 12% con respecto al año fiscal 2023-24. Esto se debe principalmente a una disminución de la financiación de ingresos especiales y de los reembolsos de subvenciones de capital.

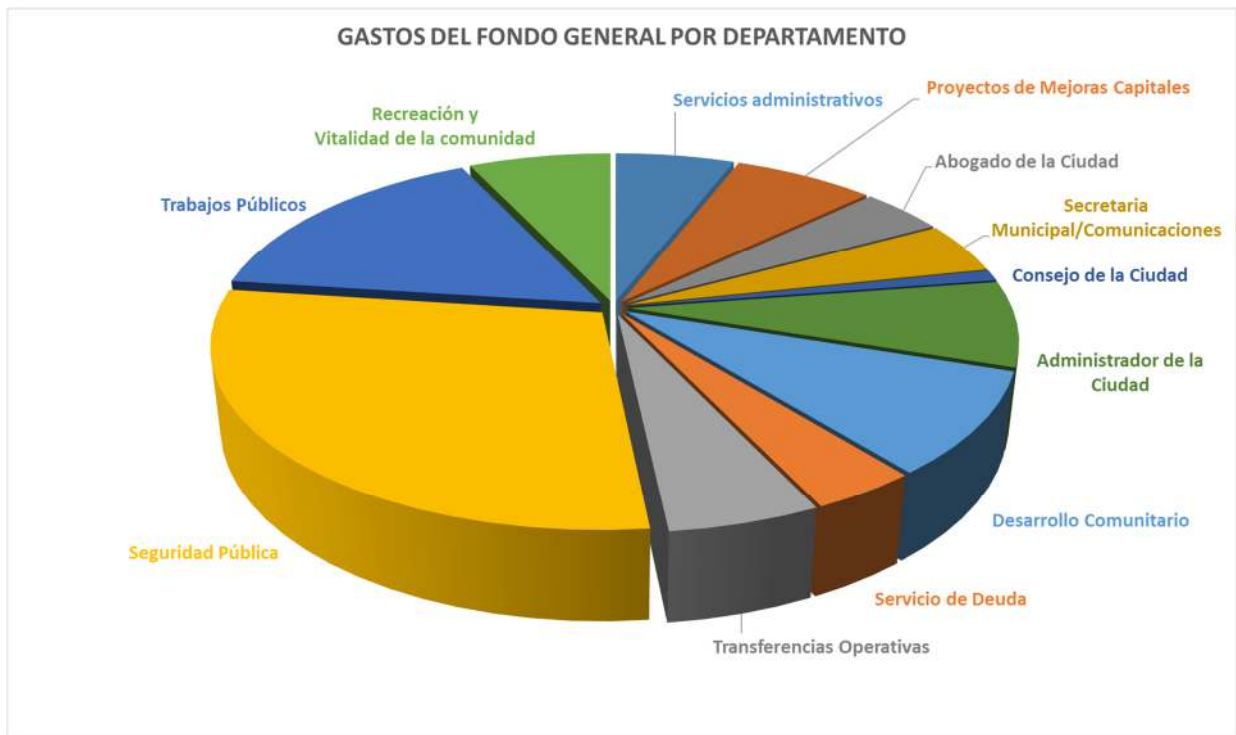
Los ingresos del Fondo General son aproximadamente el 43.5% por ciento de los ingresos totales, y las tres fuentes principales de ingresos del Fondo General son el Impuesto de Ocupación Transitoria (TOT), el Impuesto a la Propiedad y el Impuesto sobre las Ventas, como se ve en el gráfico circular a continuación. Dado que se espera que la actividad económica se estanque, se espera que estas tres fuentes primarias aumenten aproximadamente un 1% a partir del año fiscal 2023-24. Estas proyecciones se basan en el análisis del personal de las condiciones locales y reflejan la información recibida de varias fuentes, incluidos los consultores de Impuestos sobre las Ventas y la Ocupación Transitoria de la Ciudad. El aumento total de los ingresos del fondo general con respecto al año anterior es del 3%, principalmente debido a las ganancias en los impuestos básicos sobre la propiedad.

| Ingresos y tranferencia de todos los fondos             |                   |                   |                     |                        |
|---------------------------------------------------------|-------------------|-------------------|---------------------|------------------------|
| Nombre Del Fondo                                        | Actual<br>2021-22 | Actual<br>2022-23 | Revisado<br>2023-24 | Recomendado<br>2024-25 |
| Fondo General                                           | 24,534,744        | 22,870,180        | 20,454,229          | 21,110,524             |
| Fondos Empresariales                                    | 6,689,682         | 7,523,898         | 7,609,801           | 9,145,561              |
| Fondos de ingresos especiales y de proyectos de capital | 7,066,213         | 10,012,755        | 24,563,553          | 15,299,438             |
| Fondos de servicio interno                              | 2,282,530         | 2,530,975         | 2,377,142           | 2,943,112              |
| Servicio de deudas                                      | (180)             | 136               | 100                 | -                      |
| <b>Gran Total</b>                                       | <b>40,572,988</b> | <b>42,937,945</b> | <b>55,004,826</b>   | <b>48,498,635</b>      |

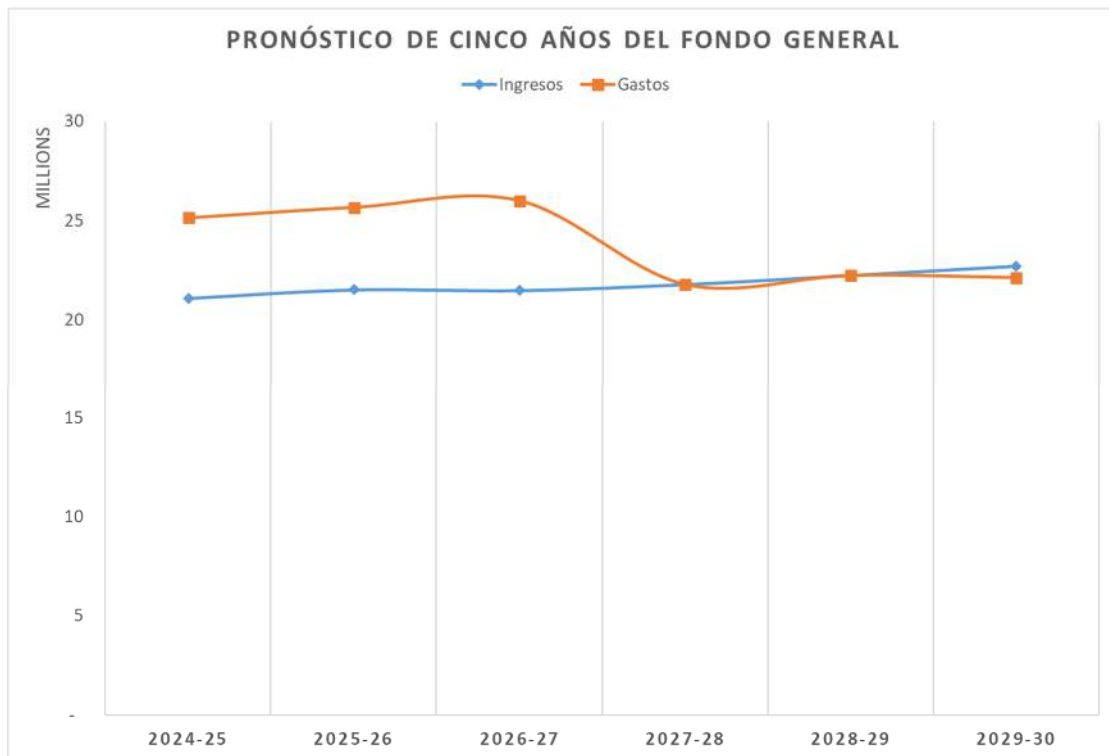


Los gastos presupuestados totales propuestos por la Ciudad para el año fiscal 2024-25 son de \$59.5 millones, lo que representa una disminución del 13% con respecto al año fiscal 2023-24. Esta disminución se debe principalmente a la disminución del gasto con fondos de ingresos especiales y proyectos de capital. Las mejoras de capital representan aproximadamente el 29% de los gastos totales, o \$17.4 millones. El Fondo General representa el 42% del presupuesto, y de estos gastos, el mayor presupuesto departamental es para la seguridad pública, como se muestra en el gráfico circular de la página siguiente.

| Gastos y transferencias de todos los fondos             |                   |                   |                   |                     |
|---------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|
| Nombre Del Fondo                                        | Actual 2021-22    | Actual 2022-23    | Revisado 2023-24  | Recomendado 2024-25 |
| Fondo general                                           | 20,089,107        | 22,227,428        | 25,446,173        | 25,150,475          |
| Fondos empresariales                                    | 8,722,888         | 7,817,793         | 9,782,751         | 10,862,691          |
| Fondos de ingresos especiales y de proyectos de capital | 7,326,752         | 6,188,871         | 30,436,818        | 20,458,771          |
| Fondos de servicio interno                              | 2,056,699         | 2,428,948         | 2,677,608         | 3,096,787           |
| Servicio de deudas                                      | -                 | -                 | -                 | -                   |
| <b>Gran Total</b>                                       | <b>38,195,445</b> | <b>38,663,040</b> | <b>68,343,351</b> | <b>59,568,725</b>   |

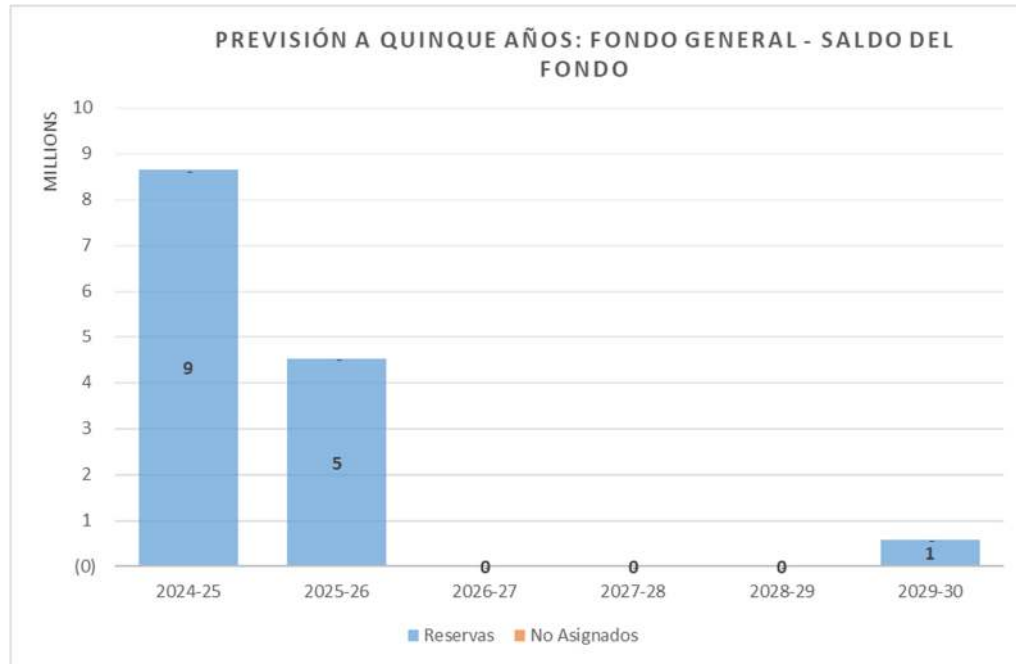


Sobre la base de supuestos conservadores del personal, costos futuros conocidos e información histórica, hemos preparado un pronóstico a cinco años para los ingresos y gastos del fondo general. Por lo general, las previsiones se utilizan para anticipar cualquier problema fiscal importante en los próximos años. El siguiente gráfico muestra los ingresos y gastos durante el próximo quinquenio.



Según las previsiones, es probable que los gastos superen los ingresos en los próximos años, lo que dará lugar a déficits. De ser así, estos déficits tendrían que mitigarse utilizando los saldos de los fondos no asignados (economías de los años anteriores), las reservas, los recortes en los gastos y/o el aumento de los ingresos. Si no se modifica, se proyecta que la Ciudad agote sus reservas aproximadamente para el año fiscal 2027-28, lo que conducirá a una posición financiera adversa. En este pronóstico, si la Ciudad no tiene éxito en generar ingresos adicionales, los recortes multimillonarios tendrían que ocurrir a partir del año fiscal 2027-28 a más tardar.

La siguiente tabla detalla los saldos de reserva de la ciudad durante el mismo período de cinco años, incluidos los saldos decrecientes si la mitigación del déficit no se aborda por otros medios.



### ASPECTOS PRESUPUESTARIOS DESTACADOS/CAMBIOS SIGNIFICATIVOS

- Se estima que el contrato de aplicación de la ley con el Sheriff del Condado aumentará en aproximadamente \$376 mil, que es un 6% más que el año fiscal 2023-24. Este aumento se suma a un aumento de \$1.5 millones el año anterior, como resultado del esfuerzo del Condado para recuperar mejor los costos de sus servicios contractuales a las ciudades.
- El contrato de despacho del 911 con el Departamento de Comunicaciones de Seguridad Pública del Condado aumentará en \$23,000, un aumento del 3%. Esto se suma a un aumento de \$505 mil en el año anterior, debido a los mismos cambios en el Condado.
- Se han realizado recortes operativos en promedio de casi 10% por departamento, para un total de \$540 mil, e incluyen estrategias como: la eliminación del arrendamiento del Anexo, que ha albergado al personal de Servicios Administrativos desde 2016, y la consolidación de ese personal en el Ayuntamiento; mantener desocupados varios puestos vacantes recientemente para permitir la evaluación de las responsabilidades del personal y la redistribución de los servicios básicos al personal existente; y la eliminación del gasto discrecional.
- El programa CARES está totalmente financiado hasta el 30 de marzo de 2025, a través del apoyo continuo del programa de subvenciones BHJIS. Si la subvención no se extiende más, o no se reciben subvenciones adicionales, la Ciudad puede verse obligada a cancelar los servicios y finalizar el programa.

- El Programa de Subvenciones de Asistencia Financiera para Servicios Comunitarios continúa con la asignación de \$300,000 del año anterior, así como continúa con el enfoque de cohorte en respuesta a las recomendaciones del CRI.
- Se han asignado \$1.7 millones del Fondo General para mejoras de capital. Esta es una disminución de \$1 millón del presupuesto adoptado para el año fiscal 2023-24, refleja el trabajo real que la Ciudad anticipa completar este año fiscal y se enfoca en proyectos en curso, trabajo crítico relacionado con el tráfico, el transporte y el desarrollo económico, y proyectos financiados por subvenciones que requieren una contrapartida local.
- Los niveles de personal se mantendrán sustancialmente sin cambios en este año fiscal, con algunos puestos cambiando para adaptarse a las necesidades de la comunidad, pero sin un impacto significativo en el número de puestos o los costos.
- La Política de Reservas establece una Reserva Operativa del 30% de los gastos anuales del Fondo General y una Reserva de Incertidumbre Económica del 20% de los gastos anuales del Fondo General. Con la aprobación de este presupuesto, la Reserva Operativa seguirá estando totalmente financiada, pero la Reserva de Incertidumbre Económica se reducirá a 1,6 millones de dólares, o el 7%. Se estima que las dos reservas suman un total de \$8.6 millones, lo que representa una disminución de \$2.4 millones con respecto al año fiscal 2023-24.

## PROGRAMA DE MEJORAS DE CAPITAL

El Programa Quinquenal de Mejoras de Capital (CIP, por sus siglas en inglés) se ha actualizado junto con la preparación del presupuesto operativo. El documento CIP, que se presenta por separado, es un elemento importante del presupuesto de la Ciudad, ya que guía el trabajo de infraestructura e instalaciones de la Ciudad para los esfuerzos actuales y futuros para mejorar la calidad de vida y la experiencia de la comunidad. El desarrollo del CIP también ha utilizado un proceso iterativo. El Concejo Municipal ha visto este plan varias veces y ha ofrecido aportes y comentarios en cada etapa, brindando orientación constante con énfasis en invertir en la comunidad a través de mejoras de capital.

## CONCLUSIÓN

El presupuesto recomendado para el año fiscal 2024-25 es un presupuesto equilibrado que refleja los servicios básicos de la Ciudad, las prioridades del Concejo Municipal y las necesidades de la comunidad. Este presupuesto equilibrado es posible gracias a las políticas fiscales prudentes de los últimos años, pero los saldos de fondos y las reservas no serán suficientes para sostener a la Ciudad en el futuro a menos que aumenten los ingresos o se reduzcan drásticamente los servicios y gastos. Una prioridad clave para el personal y el Concejo en el próximo año fiscal será identificar estrategias para equilibrar el presupuesto para el futuro, incluyendo fuentes adicionales de ingresos continuos, una mayor búsqueda de subvenciones y apoyo filantrópico para proyectos y programas

comunitarios, y continuar encontrando nuevas eficiencias y ahorros de costos siempre que sea posible. Todas estas son prácticas importantes para cualquier organización, pero especialmente ahora para la ciudad de Half Moon Bay.

Para obtener información más detallada que la que se indica aquí, se recomienda al lector que comience con el Resumen del presupuesto. Los presupuestos departamentales siguen y están claramente etiquetados para facilitar la búsqueda de costos y servicios específicos para cada departamento.

Me complace informar que el Presupuesto de la Ciudad para el año fiscal 2023-24 recibió el Premio a la Excelencia de la Asociación de Funcionarios de Finanzas del Gobierno. Este premio se otorga a las ciudades cuyos documentos presupuestarios cumplen con los criterios del programa como documento de política, guía operativa, plan financiero y dispositivo de comunicación. Creemos que el presupuesto del año fiscal 2024-25 continuará cumpliendo con los criterios para esta adjudicación.

El desarrollo del presupuesto debe completarse en un plazo muy comprimido y supone una cantidad sustancial de trabajo para toda la organización. Quiero reconocer el liderazgo del Concejo, a los directores de departamento y a su personal, pero especialmente agradecer al dedicado equipo de presupuesto que completó este documento, que incluye a Lisa Rossi, Kenneth Stiles, Bryan López, Ernest Azevedo, Raymond Cruz, Margaret Jeanne Geiger, Whitney Rescino y Julissa Acosta.

Respetuosamente presentado,



Mateo Chidester  
Administrador de la ciudad

## **RESOLUTION NO. C-2024-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ADOPTING THE FISCAL YEAR 2024-2025 ANNUAL OPERATING AND CAPITAL BUDGET**

**WHEREAS**, the City Council of the City of Half Moon Bay held a Budget Study Session on May 21, 2024, and has received and completed its review of the proposed FY 2024-25 Operating and Capital Improvement Program and gave general direction on the recommendations contained therein; and

**WHEREAS**, the City Council of the City of Half Moon Bay has held a public hearing on June 18, 2024, for consideration of adoption of the proposed FY 2024-25 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 2024-25; and

**WHEREAS**, in accordance with Section 65103 of the State Government Code, the City's Planning Commission held a hearing on June 11, 2024, 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 2024-25 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets for FY 2024-25.

**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 \$59,568,725, including CIP allocation of \$18,793,097, for fiscal year 2024-25 consisting of appropriations, inter-fund transfers, and General Fund expenditures of \$25,150,475, as set forth within the Fiscal Year 2024-25 Budget.
2. The City Council does hereby approve and adopt the City's budgeted revenue of \$48,498,635 for Fiscal Year 2024-25 and General Fund revenues of \$21,110,524, as set forth within the Fiscal Year 2024-25 Budget.
3. The amount of the Fiscal Year 2024-25 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 2024-25 Fiscal Year.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the XX<sup>th</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

**RESOLUTION NO. C-2024-**

**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 2024-25**

**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 2024-25, as calculated in Exhibit A, and hereby determines the amount to be forty million, three hundred ninety-four thousand, seven hundred forty one dollars (\$40,394,741) 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 2024-25 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 2024.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the XX<sup>th</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

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Jessica Blair, City Clerk

APPROVED:

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Joaquin Jimenez, Mayor

**RESOLUTION No. C-2024-**

**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; and

**WHEREAS**, the investment policy has been reviewed to ensure any necessary updates have been incorporated; and

**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 18<sup>h</sup> day of June, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

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Jessica Blair, City Clerk

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Joaquin Jimenez, Mayor

## BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

### AGENDA REPORT

For meeting of: **June 18, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** John Doughty, Assistant City Manager  
Jessica Blair, Communications Director / City Clerk  
Kenneth Stiles, Finance Manager  
Heather Minner, Assistant City Attorney

**TITLE: DISCUSSION OF POTENTIAL MEASURES FOR THE NOVEMBER 5, 2024, GENERAL MUNICIPAL ELECTION**

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#### **RECOMMENDATION:**

Receive a presentation from staff on a potential sales tax increase measure and a potential amendment to Measure D for the November 5, 2024, General Municipal Election and by motion, direct staff accordingly.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this discussion, however, if directed to move forward with either measure, there will be outreach and election costs. These costs have been included in the proposed FY 2024-25 budget.

#### **BACKGROUND:**

##### Revenue Enhancement

Last spring, the City was informed by the County of San Mateo that following an internal audit of its programs and services, contracts with the Sheriff's Office and 911 Dispatch would be increased. For Half Moon Bay, total public safety costs (our largest expenditure) increased approximately 43% heading into the current fiscal year. This increase, along with other inflation based increased expenses and lagging tourism revenues, resulted in a multi-million-dollar annual structural deficit that is projected to continue into the foreseeable future. Staff immediately began meeting internally to develop a strategy and identify areas in the budget for cost-cutting measures to narrow the gap. Staff has identified a number of cost-saving measures which have been included in the FY 2024-25 Proposed Budget. In addition to looking for ways to reduce expenses, staff explored ways to increase revenue as well.

In November 2023, an internal team was formed to assess potential revenue enhancement measures. After research and information-gathering, staff scheduled a City Council Finance

Subcommittee meeting to discuss the potential measures and seek direction. The Finance Subcommittee met on December 20, 2023, provided feedback to staff, then met again on February 6, 2024, and provided a final recommendation.

On March 5, 2024, the City Council authorized staff to proceed with polling and feasibility analyses on both a Parcel Tax Measure and a Sales Tax Measure.

#### Measure D

At the January 17, 2024, regular meeting, the City Council requested staff schedule an item to discuss possible amendments to Measure D related to development of accessory dwelling units (ADUs).

In February 2024, the City Council held “Listening Sessions” as the first step in preparing the City’s budget. At these meetings, several individuals requested modification of Measure D to facilitate development of ADUs.

On March 14, 2024, the City Council held its annual Priority Setting workshop. At this meeting, the City Council identified a ballot measure for amending Measure D as a FY 2024-25 priority.

On [March 19, 2024](#), the City Council received a report on potential options for amending Measure D. The options included exempting ADUs, amending the Measure D Downtown Area, and other related options to further affordable housing production within Half Moon Bay. At the conclusion of this discussion, the City Council provided direction to staff to prepare a ballot measure for the November 5, 2024, election; including exemptions of ADUs and deed restricted affordable units from Measure D and modifying the boundaries of the Downtown Area to be consistent with the Town Center in the LUP (Figure 2-2). Additionally, the City Council authorized staff to evaluate potential administrative action(s) to provide relief to those seeking to build ADUs should the ballot measure fail.

On June 11, 2024, staff presented the draft measure to the Planning Commission. After lengthy discussion, the item was continued to June 25, 2024.

#### **DISCUSSION:**

##### Revenue Enhancement

Following a feasibility analysis, an internal decision was made to move forward with only a potential sales tax increase. Sales tax has a lower threshold at a simple majority, and a ½ cent increase would yield approximately \$1.8-2 million. Additionally, data shows that a high proportion (roughly 40%) of the City’s sales tax is paid by visitors.

Polling was conducted for three weeks and results of that polling will be presented as part of this item. Overall, the measure polled well and there was useful feedback in terms of what the community feels are the City’s biggest challenges and priorities currently.

Staff is seeking direction from the City Council whether to prepare the ordinance and associated resolution placing the measure on the ballot. This resolution would come before the Council for adoption at the July 16, 2024, meeting.

#### Measure D

As noted, staff presented the draft Accessory Dwelling Unit and Affordable Housing Ballot Measure to the Planning Commission to be fully transparent to the Commission and community in advance of City Council consideration. The Planning Commission was split on the issue with three Commissioners indicating reservations about the need for the measure, concern about “opening floodgates” for ADUs, and a lack of options to consider. The other two commissioners indicated there was sufficient evidence and data to support allowing the voters to decide on the merits of the measure. The Commission ultimately continued the item to June 25<sup>th</sup> to allow staff additional time to provide data to support the measure.

Community members have expressed their dissatisfaction with Measure D as it relates to ADU and residential home production. In recent years, allocation requests have exceeded the number of Measure D allocations available. Some property owners have been waiting years for an allocation. At the local and state level, ADUs represent a major component of the housing affordability strategy. In recent years, the City Council has identified development of new deed-restricted affordable housing as a moral imperative. Developers of deed restricted affordable housing, whether created as an inclusionary unit (within a market rate development) or as a stand-alone affordable project, have indicated that the Measure D allocation requirement represents a significant constraint to their ability to secure land, permits, and funding. Under the Cycle 6 Regional Housing Needs assessment (RHNA), the City has an obligation to facilitate creation of 285 low and lower-income units. ADUs and affordable units including inclusionary units represent the only feasible means to meet the RHNA obligations.

In March, the City Council identified seeking voter approval of an amendment to Measure D as a priority. Subsequently, the City Council, upon consideration of options, directed staff to prepare the attached ballot measure. Staff is seeking affirmation of the City Council’s desire to place a measure on the November ballot.

#### **CONCLUSION:**

The City Council is asked to provide direction to staff, by motion, on the following two actions:

1. Prepare a resolution and associated ordinance for the July 16, 2024, meeting placing a measure on the November 5, 2024, ballot which would increase sales tax by ½ cent; and / or
2. Prepare a resolution and associated ordinance for the July 16, 2024, meeting placing a measure on the November 5, 2024, ballot which would amend Measure D to include exemptions of ADUs and deed restricted affordable units from Measure D, and to modify the boundaries of the Downtown Area to be consistent with the Town Center in the LUP (Figure 2-2).