



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

TUESDAY, JULY 16, 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. Please click to join the webinar: <https://us06web.zoom.us/j/87674804231> or join by phone at 669-900-9128, using Webinar ID 876-7480-4231. If joining by phone, use *9 to raise your hand, *6 to mute and unmute.*

ROLL CALL / PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PROCLAMATIONS AND PRESENTATIONS

MIDCOAST COMMUNITY COUNCIL UPDATE

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

1.B APPROVAL OF MINUTES

Staff Recommendation: Approve meeting minutes for the May 7, May 21, and June 26 City Council meetings.

[ATTACHMENT 1](#)

1.C RECEIPT OF LEGISLATIVE POSITION LETTER

Staff Recommendation: Receive and file letter to Governor Newsom regarding Vehicle License Fees.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

1.D STATE AND FEDERAL ADVOCACY SERVICES AGREEMENT WITH TOWNSEND PUBLIC AFFAIRS, INC.

Staff Recommendation: Adopt a resolution authorizing the City Manager to enter into an agreement with Townsend Public Affairs, Inc., to provide state and federal advocacy services for a period of one year at an amount of \$36,000.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

1.E AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BAY AREA GEOTECHNICAL GROUP (BAGG) FOR ADDITIONAL MATERIAL TESTING AND SPECIAL INSPECTION SERVICES FOR THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP NO. 0611)

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Bay Area Geotechnical Group (BAGG), for additional material testing and special inspection services for the John L. Carter Park Improvements Project (CIP No. 0611), increasing the contract by \$65,515 for a new total not-to-exceed amount of \$180,930.

[STAFF REPORT](#)

[RESOLUTION](#)

1.F CASELLE, INC. PROFESSIONAL SERVICES AGREEMENT

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional services agreement through June 30, 2025, with Caselle Inc. for Enterprise Resource Planning (ERP) software in the amount of \$47,580.

[STAFF REPORT](#)

[RESOLUTION](#)

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

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a new program services agreement with Abundant Grace for coastal cleanup services for FY 2024-25.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

2. ORDINANCES AND PUBLIC HEARINGS

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

Staff Recommendation: Conduct a protest hearing, consider any oral or written protests, and adopt a resolution assessing the levy for the Half Moon Bay Hotel Business Improvement District for Fiscal Year 2024-25.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

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

Staff Recommendation: Conduct a public hearing and adopt a resolution approving the Fiscal Year 2024-25 Sewer Service Assessments and charges, direct staff to file the assessment roll, and authorize the County Controller to place the assessment charges on the County of San Mateo Property Tax Roll and direct staff to bill assessments directly that are not on the tax roll.

[STAFF REPORT](#)

[RESOLUTION](#)

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

Staff Recommendation: 1) Hold a public hearing and consider adopting a resolution placing a measure on the November 5, 2024, general election ballot to amend provisions of Measure D, the City's voter approved Residential Growth Limitations Program, within the Zoning Code and Local Coastal Land Used Plan; and 2) determine if the City Council wishes to submit an argument in favor of the measure and who will write the argument in favor of the proposed measure.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

3. RESOLUTIONS AND STAFF REPORTS

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

Staff Recommendation: Consider adoption by a 4/5 vote of a Resolution setting the City of Half Moon Bay Transactions and Use (Sales) Tax Funding Measure on the November 5, 2024, General Election Ballot to seek voter approval of a proposed half-cent sales tax; and 2) determine if the City Council wishes to submit an argument in favor of the proposed ballot measure, and if so, which two Councilmembers would write it.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

3.B ADOPTION OF THE DOWNTOWN STREETScape MASTER PLAN

Staff Recommendation: By resolution, adopt the Downtown Streetscape Master Plan.

[STAFF REPORT](#)

[RESOLUTION](#)

3.C RESIDENTIAL RENTAL REGISTRY - EXTENSION OF FREE REGISTRATION

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

[STAFF REPORT](#)

[RESOLUTION](#)

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

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional service agreement with Loral Landscaping, Inc., to provide city-wide landscape maintenance services for Fiscal Year 2024-25 in an amount not to exceed \$51,564.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

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

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a professional service agreement with West Coast Arborists, Inc., to provide Urban Forest Management services for Fiscal Year 2024-25 in an amount not to exceed \$100,000.

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

COMMISSION / COMMITTEE REPORTS

CITY COUNCIL REPORTS

ADJOURNMENT



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

CONVENE SPECIAL MEETING

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

ROLL CALL

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

ABSENT: Councilmember Penrose

OPEN SESSION IDENTIFICATION OF CLOSED SESSION ITEMS

PUBLIC COMMENT ON CLOSED SESSION ITEMS

CLOSED SESSION

Conference Involving a Joint Powers Agency – Sewer Authority Mid-Coastside (Govt. Code section 54956.96):

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Govt. Code section 54956.9(d)(1))

Name of case: Ecological Rights Foundation vs. Sewer Authority Mid-Coastside, – U.S. District Court, Northern District of California: 3:18-CV-04413

City of Half Moon Bay representatives on SAM joint powers agency board: Deborah Penrose, Chair, and Debbie Ruddock, Director

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Govt. Code section 54956.9(d)(1))

Name of case: City of Half Moon Bay v. Granada CSD and Montara WSD, et al., – Santa Clara Superior Court Civil No. 17CIV316927; Court of Appeal Case No. H049896

ADJOURNMENT

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

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



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

CALL TO ORDER / ROLL CALL

Mayor Jimenez called the meeting to order at 7:08 p.m. and led the Pledge of Allegiance.

ROLL CALL

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

ABSENT: Councilmember Penrose

APPROVAL OF AGENDA

MOTION

Vice Mayor Rarback moved and Councilmember Brownstone seconded a motion to approve the Agenda. The motion carried 4-0-1, Councilmember Penrose absent.

PROCLAMATIONS AND PRESENTATIONS

MENTAL HEALTH AWARENESS MONTH PROCLAMATION

Mayor Jimenez read and presented the proclamation declaring May as Mental Health Awareness Month to Dr. Rona Hu.

Dr. Hu discussed the Farmworker Tragedy and efforts to assist the community.

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

Mayor Jimenez invited the community to the Wellness Fair at the Middle School and encouraged residents to visit the Opportunity Center on the Coastside.

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

City Attorney Engberg reported that the Council discussed the items on the agenda and took no reportable action.

CITY MANAGER UPDATES TO COUNCIL

SUSTAINABILITY UPDATES

Senior Management Analyst Wolter and Management Analyst Nichols explained transportation demand management (TDM); strategies for the Coastsides; and next steps for the project.

TRANSPORTATION GRANTS UPDATE

Management Analyst Nichols discussed other transportation grants including Class 1 Bike/Ped, Highway 1 South Corridor, and SS4A (USDOT Grant).

HEALTH SERVICES UPDATE

Administrative Service Director Lopez presented Age-Friendly Half Moon Bay Coastsides.

PUBLIC SERVICE WEEK RECOGNITION

Administrative Services Director Lopez announced May 5-11, 2024, as Public Service Recognition Week.

PUBLIC FORUM

The following individuals addressed the Council:

- Chloe Standez
- Chad Hooker
- Juliette Kulda
- George Muteff
- Derrick Culda
- Rocio Avila
- Joann Rokosky
- Mary Vega
- Carolina Carbajal

1. CONSENT CALENDAR

Item 1.D was pulled by Mayor Jimenez.

The Consent Calendar consisted of the following items:

- 1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES**
- 1.B TENANT PROTECTIONS ORDINANCE – SECOND READING**
- 1.C HOUSING DEFINITIONS ORDINANCE – SECOND READING**

- 1.E RECEIPT OF LEGISLATIVE POSITION LETTERS**
- 1.F DENY CLAIM OF MERRY KATHY RAILSBACK**
- 1.G PROFESSIONAL SERVICES AGREEMENT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. (ESRI) FOR LICENSING OF SMALL LOCAL GOVERNMENT CLOUD-BASED GIS SOFTWARE**

MOTION

Vice Mayor Rarback moved and Councilmember Ruddock seconded a motion to approve the Consent Calendar, with the exception of Item 1.D. The motion carried 4-0-1, Councilmember Penrose absent.

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

1.D RESIDENTIAL RENT STABILIZATION ORDINANCE – SECOND READING

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to waive second reading and adopt an ordinance creating a new Chapter 6.06 titled “Residential Rent Stabilization.” The question was called and the motion carried 3-1-1, Councilmember Ruddock dissenting and Councilmember Penrose absent.

2. ORDINANCES AND PUBLIC HEARINGS

None.

3. RESOLUTIONS AND STAFF REPORTS

3.A MUNICIPAL ENERGY IMPROVEMENTS – ENERGY SERVICE CONTRACT WITH WILLDAN ENERGY SOLUTIONS

Public Works Director Bozorginia and Senior Management Analyst Wolter presented the staff report.

The following individuals addressed the Council:

- Carlysle Ann Young

The Council asked questions of staff and discussed the item.

MOTION

Vice Mayor Rarback moved and Mayor Jimenez seconded a motion to, as required by California Government Code section 4217.12, adopt a resolution authorizing the City Manager to enter into an Energy Service Contract with Willdan Energy Solutions, for comprehensive solar photovoltaic (PV) system purchase and municipal energy related

improvements, to increase the energy efficiency of all municipal facilities and operations, with a total expenditure amount not to exceed \$1,485,000, which includes a 10% contingency. The question was called and the motion carried 4-0-1, Councilmember Penrose absent.

RECESS

Mayor Jimenez called a recess at 8:17 p.m. The meeting reconvened at 8:29 p.m. with all Councilmember Penrose absent.

3.B 2024 SUMMER BEACH UPDATE

Public Works Director Bozorginia presented the staff report.

The following individuals addressed the Council:

- Carlisle Young
- Rick Hernandez
- Hazel Joanes
- Bob Rogers

The Council asked questions of staff, discussed the item, and provided direction to staff.

3.C COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM

Community Services Analyst Acosta and Economic Community Vitality Manager Decker presented the staff report.

The Council asked questions of staff and discussed the item.

3.D APPOINTMENTS TO CITY COMMISSIONS

Mayor Jimenez thanked and discussed his consideration of the applicants.

MOTION

Mayor Jimenez moved and Councilmember Ruddock seconded a motion to nominate Tito Hernandez to the Parks and Recreation Commission. The question was called and the motion carried 4-0-1, Councilmember Penrose absent.

COMMISSION / COMMITTEE UPDATES

None.

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

None.

CITY COUNCIL REPORTS

None.

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 10:15 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
TUESDAY, MAY 21, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CONVENE SPECIAL MEETING

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

ROLL CALL

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

OPEN SESSION IDENTIFICATION OF CLOSED SESSION ITEMS

PUBLIC COMMENT ON CLOSED SESSION ITEMS

CLOSED SESSION

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

ADJOURNMENT

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

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



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

CALL TO ORDER / ROLL CALL

Mayor Jimenez called the meeting to order at 7:09 p.m. and led the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose (remote for just cause due to illness pursuant to AB2449) and Ruddock, Vice Mayor Rarback, and Mayor Jimenez

Councilmember Penrose participated remotely due to illness and pursuant to AB2449 indicated there was no one under 18 years of age in the room with her.

APPROVAL OF AGENDA

MOTION

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

PROCLAMATIONS AND PRESENTATIONS

NETWORK ENGAGE TRANSFORM (NET) CITIZENS ACADEMY GRADUATION

Communications Manager Lettire announced and commended the NET graduates.

The Council congratulated the graduates.

YOUTH LEADERSHIP SCHOLARSHIP AWARDS PRESENTATION

Community Services Analyst Acosta announced and commended the scholarship recipients.

Sustainability Analyst Nichols presented the sustainability awards.

PUBLIC WORKS WEEK PROCLAMATION

Mayor Jimenez read the proclamation declaring May 19-25, 2024, as Public Works Week and recognized the Public Works staff.

MIDCOAST COMMUNITY COUNCIL UPDATE

Kimberly Williams provided an update on the Midcoast Community Council.

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

Mayor Jimenez announced the Wine and Jazz Festival on June 1, 2024.

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

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

CITY MANAGER UPDATES TO COUNCIL

None.

PUBLIC FORUM

The following individuals addressed the Council:

- Ilsa Serrano
- Bella Bono
- Steve Hyman
- Rocio Avila
- Patrick Johnson
- Jennifer
- Patricia Stevenson
- Michael B
- Krystlyn Giedt
- Greg Fontana
- Sandra Sencion

1. CONSENT CALENDAR

Item 1.H was pulled for public comment.

The Consent Calendar consisted of followings items:

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

- 1.B WARRANTS FOR THE MONTH OF MARCH 2024**
- 1.C APPROVAL OF MINUTES**
- 1.D RESOLUTIONS CALLING FOR THE HOLDING OF THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION**
- 1.E RECEIPT OF LEGISLATIVE POSITION LETTERS**
- 1.F FINANCIAL REPORT AND TREASURER'S REPORT FOR THE QUARTER ENDED ON MARCH 31, 2024**
- 1.G SB 1 LOCAL STREETS AND ROAD IMPROVEMENT PROJECT LIST – FY 2024-25**

MOTION

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

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

1.H HIGHWAY 1 – NORTH (CIP PROJECT NO. 538) DESIGN AGREEMENT AMENDMENT

The following individuals addressed the Council:

- Paul Nagengast

Public Works Director Bozorginia presented the staff report.

MOTION

Councilmember Ruddock moved and Vice Mayor Rarback seconded a motion to adopt a resolution authorizing the City Manager to execute Amendment No. 6 to professional services agreement with Mark Thomas and Company, Inc. (MTCO) for a coordination of utility relocations and construction easements for the Highway 1 Safety and Operational Improvements Project – North (CIP Project No. 0538) in the amount of \$127,069.82. The question was called and the motion carried unanimously.

RECESS

Mayor Jimenez called a recess at 8:17 p.m. The meeting reconvened at 8:29 p.m. with all Councilmembers present.

2. ORDINANCES AND PUBLIC HEARINGS

2.A TWO APPEALS “CALTRANS APPEAL” AND “CARTER / ERICKSEN APPEAL”) OF THE PLANNING COMMISSION DECISION TO APPROVE THE CALTRANS SR-1 MULTI-ASSET MAINTENANCE PROJECT SUBJECT TO ADDITIONAL CONDITIONS OF APPROVAL (FILE NO. PDP-23-084)

City Attorney Engberg explained the Appeal process.

The Council provided their ex parte communications.

Interim Community Development Director McHarris and Project Planner Garrison presented the staff report.

Len Erickson presented his appeal.

Kelly Ma, Dillon Lennenbacker, and Fitz Mordor, Caltrans, presented their appeal.

The Council asked questions of Caltrans staff.

The following individuals addressed the Council:

- Paul Nagengast
- Anjuli Gupta
- Carlene Foldenauer
- Marin Holt

The Council asked questions of staff and discussed the item.

MOTION

Vice Mayor Rarback moved and Councilmember Brownstone seconded a motion to adopt a resolution concerning the appeal by Caltrans of the Planning Commission decision approving Coastal Development Permit PDP-23-084 approving deletion of Condition A.10, denying deletion or modifications to Conditions A.1, A.2, and A.11, and approving Condition A.6 as revised by the City Council and staff; and otherwise upholding the decision of the Planning Commission to allow Caltrans to implement the State Route 1 (SR 1) multi-asset roadway rehabilitation project. The question was called and the motion carried 4-0-1, Mayor Jimenez abstaining.

RECESS

Mayor Jimenez called a recess at 10:17 p.m. The meeting reconvened at 10:28 p.m. with all Councilmembers present, except Councilmember Penrose.

2.B RESIDENTIAL RENT STABILIZATION FEE AND RELATED MATTERS

City Manager Chidester presented the staff report.

The following individuals addressed the Council:

- JoAnn Rokosky

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to: Adopt a resolution: 1) establishing a new fee titled, "Residential Rent Stabilization Fee" in the amount of \$286 and adding the fee to the City user fee schedule as presented in Exhibit A to the resolution; 2) applying the annual automatic Consumer Price Index (CPI) adjustment beginning July 1, 2025; 3) allocating up to \$150,000 in City Affordable Housing Funds to cover initial start-up and implementation costs of the program; and 4) directing Staff to direct user fees and citations related to FY 2024-25 Residential Rent Stabilization Program to the City Affordable Housing Fund. The question was called and the motion carried 3-1-1, Councilmember Ruddock dissenting and Councilmember Penrose absent.

3. RESOLUTIONS AND STAFF REPORTS

3.A HALF MOON BAY HOTEL BUSINESS IMPROVEMENT DISTRICT 2023 ANNUAL REPORT AND RESOLUTION OF INTENT TO INCREASE THE PER NIGHT ASSESSMENT OF THE DISTRICT FOR FISCAL YEAR 2024-25

Administrative Analyst Acosta presented the staff report and Krystyn Giedt, Half Moon Bay Chamber of Commerce, provided the annual report.

MOTION

Councilmember Brownstone moved and Councilmember Ruddock seconded a motion to: 1) approve the Half Moon Bay Hotel Business Improvement District 2023 Annual Report from the Half Moon Bay Coastsides Chamber of Commerce, the designated managing agency for the District; and 2) adopt a resolution declaring the City Council's intention to levy an assessment for the Half Moon Bay Hotel Business Improvement District for Fiscal Year 2024-25; and directing the City Clerk to schedule a public meeting on June 18, 2024, and a public hearing on July 16, 2024, regarding increasing the nightly per room assessment rate from \$1 to \$2; and 3) approve an allocation of \$40,000 in support from the General Fund for Fiscal Year 2024-25. The question was called and the motion carried 4-0-1, Councilmember Penrose absent.

3.B SEWER AUTHORITY MID-COASTSIDE REVISED FISCAL YEAR 2024-25 OPERATIONS AND MAINTENANCE (GENERAL) BUDGET

Public Works Director Bozorginia presented the staff report.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a resolution approving the Sewer Authority Mid-Coastsides Revised General (Operations and Maintenance) Budget for FY 2024-25 (included as Exhibit A to the resolution), without waiving its current and prior votes under protest related to the capital improvements to the Integrated Pipeline System (IPS). The motion carried 4-0-1, Councilmember Penrose absent.

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

Public Works Director Bozorginia presented the staff report.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to adopt a resolution approving the FY 2024-25 Sewer Authority Mid-Coastside Collections Budget and authorizing the City Manager to execute Amendment No. 7 to the sewer collection system maintenance professional services agreement with the Sewer Authority Mid-Coastside establishing the FY 2024-25 annual cost at \$212,209 and extending the Agreement for one (1) additional year (expiration date of June 30, 2025). The question was called and the motion carried 4-0-1, Councilmember Penrose absent.

3.D STUDY SESSION OF THE FISCAL YEAR 2024-25 OPERATING BUDGET

Finance Manager Styles, Public Works Director Bozorginia, and City Manager Chidester presented the staff report.

The Council asked questions of staff, discussed the item and provided direction to staff.

COMMISSION / COMMITTEE UPDATES

City Manager Chidester referenced the recent Planning Commission meeting and upcoming Parks and Recreation Commission meeting.

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

Councilmember Ruddock requested a letter in opposition letter for SB2560. The Council concurred to direct staff to draft the letter.

CITY COUNCIL REPORTS

None.

ADJOURNMENT

Mayor Jimenez adjourned the meeting at 12:14 a.m. on May 22, 2024.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL
WEDNESDAY, JUNE 26, 2024
ADCOCK COMMUNITY/SENIOR CENTER, 535 KELLY AVENUE**

CONVENE SPECIAL MEETING

Vice Mayor Rarback called the meeting to order at 5:10 p.m.

ROLL CALL / PLEDGE OF ALLEGIANCE

Vice Mayor Rarback led the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Brownstone, Penrose and Ruddock (remote), and Vice Mayor Rarback

ABSENT: Mayor Jimenez

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

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

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

1. ORDINANCES AND PUBLIC HEARINGS

1.A. THREE APPEALS (“MOORE APPEAL”, “FERREIRA APPEAL”, AND “NAGENGAST APPEAL”) OF THE PLANNING COMMISSION DECISION FROM MAY 14, 2024, APPROVING THE COASTAL DEVELOPMENT PERMIT AND ARCHITECTURAL REVIEW OF THE 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT PROJECT, SUBJECT TO CONDITIONS OF APPROVAL (FILE NO. PDP-23-034)

The City Council disclosed ex parte communications.

Housing Programs Manager Noche presented the staff report.

Vice Mayor Rarback opened the public hearing.

The following individuals addressed the Council:

- Rania Dare, Mercy Housing, applicant
- Jennifer Moore, appellant
- Mike Ferreira, appellant
- Paul Nagengaast, appellant

RECESS

Vice Mayor Rarback called a recess at 6:05 p.m. The meeting reconvened at 6:12 p.m. with all Councilmembers present except Mayor Jimenez.

The following individuals addressed the Council:

- Sandra Sencion
- April Vargas
- Dan Hagerty
- Patricia Stevenson
- Jordan Grimes
- RJ Jennings
- David Gorn
- Jane Lewis
- Rabbi Moshe Heyn
- Lee Gray
- Sue Holland
- Sandi Winter
- Leslie Robertson
- Joanne Rokosky
- Lilli Rey
- Bill Heavlin
- Noreen Heavlin
- Teresa Jimenez
- Sophia Layne
- Rocio Avila
- Lourdes Patino
- Sandy Vella
- Kelly Delaney
- Carlisle Ann Young
- Lisa Warner-Caret
- Martina Carrillo
- Nancy Fantano
- Yaya Sonoqui
- Corie Schwabenland
- Carolina Carbajal

- Annie Behrens
- Cameron Zellers
- Ismael Sandez
- Doreen Gerrity
- Frank Gerrity
- Ellen Hage
- Vaughn Harrison
- Ed Vargas
- Antonio Lopez
- Suzanne Moore
- Belinda Arriaga

Kelly Hollywood, Mercy Housing, applicant, addressed comments made.

Vice Mayor Rarback closed the public hearing.

The Council discussed the item and asked questions.

MOTION

Councilmember Brownstone moved and Vice Mayor Rarback seconded a motion to deny the appeals and uphold and affirm the Planning Commission's conditional approval of a Coastal Development Permit and Architectural Review dated May 14, 2024. The question was called and the motion carried 4-0-1, Mayor Jimenez absent.

MOTION

Councilmember Penrose moved and Councilmember Ruddock seconded a motion to establish a subcommittee of Councilmember Penrose and Councilmember Ruddock to enter into negotiations with the applicant on the lease agreement. The question was called and the motion carried 3-1-1, Councilmember Brownstone dissenting and Mayor Jimenez absent.

ADJOURNMENT

Vice Mayor Rarback adjourned the meeting at 8:21 p.m.

Respectfully Submitted:

Approved:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council
VIA: Matthew Chidester, City Manager
FROM: Jessica Blair, Communications Director / City Clerk
TITLE: **RECEIPT OF LEGISLATIVE POSITION LETTER**

RECOMMENDATION:

Receive and file letter to Governor Newsom regarding Vehicle License Fees.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

STRATEGIC ELEMENT:

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

DISCUSSION:

Annually, the City adopts a Legislative Platform to allow staff to send position letters regarding various bills / issues of interest to the City. The 2024 Legislative Platform was adopted by the City Council on March 5, 2024. The platform provides staff direction and allows the City staff, on the Council's behalf, to respond in support of or opposition to bills and other legislative and administrative actions. The City Council has delegated its authority to the Mayor and / or City Manager to sign position letters consistent with the legislative platform. Townsend Public Affairs monitors legislation for the City and communicates frequently with staff on bills. Occasionally, the League of California Cities sends action alerts for bills affecting municipalities. Staff reviews those alerts as well and takes action on any that align with the City's Legislative Platform.

In the spirit of transparency, when position letters are sent by the City, staff includes them in a City Council agenda packet for viewing by the Council and the community.

ATTACHMENTS:

Letter to Governor Newsom regarding Vehicle License Fees



June 25, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Budget Request for San Mateo County and its Cities for FY 22-23 VLF In-Lieu Shortfall—SUPPORT

Dear Governor Newsom,

On behalf of the City of Half Moon Bay, we write in strong support for the \$73.5 million allocated in the Legislature's budget proposal (AB 107) to provide a one-time General Fund backfill to counties with insufficient Education Revenue Augmentation Funds (ERAF). This funding, \$70,048,152, will backfill San Mateo County and its twenty cities for their FY 22-23 in-lieu Vehicle License Fee (VLF) shortfall amount.

The in-lieu VLF payment is a significant, core funding source for Half Moon Bay. The in-lieu VLF payment for the City is approximately \$431,000. These funds are material and integral to Half Moon Bay's budget. Without it, public safety, health, housing, and other critical services would be at risk. The City is already facing a \$4M structural deficit heading into next fiscal year due to a sharp increase in public safety costs as well as decreased revenue.

The State's in-lieu VLF payment obligation arises from the VLF "Swap," which was an integral part of the 2004 Budget compromise. Under the terms of that compromise, the State permanently reduced the annual VLF rate, which significantly decreased counties' and cities' revenues and, for two fiscal years, shifted an additional \$1.3 billion in property taxes away from counties, cities, and special districts to pay the State's school funding obligations and address the State's budget deficit. In exchange, the State guaranteed counties and cities an "in-lieu" VLF payment for the lost revenues. This ongoing in-lieu VLF obligation is adjusted annually based on growth in the property's assessed value within local agency boundaries (Rev. & Tax. Code § 97.70).

In San Mateo County, the direct funding sources identified in the statute are insufficient to cover the full amount of the in-lieu VLF payment, causing a funding shortfall. The shortfall specifically arises because there are insufficient funds from ERAF and property taxes of the relatively few non-basic aid schools in San Mateo County to cover the State's total payment obligation. (The State backfills the school districts, so they do not suffer any loss from the in-lieu VLF payment.) As a result, these shortfalls are beyond the counties and cities' control and cause cash flow issues and significant fiscal harm until reimbursed by the State.

Historically, the State has always made counties and cities whole by reimbursing any in-lieu VLF shortfalls through a special appropriation in the State budget. This appropriation ensures that San Mateo County and its cities, including Half Moon Bay, like all other counties and cities in the state, receive their full in-lieu VLF payment required by law. Failing to fully backfill the in-lieu VLF payment will cause significant financial harm to our city, which, like other local governments, relies on these revenues to fund essential local public services. It would also be contrary to the 2004 Budget

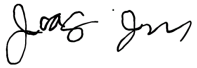
Compromise in which these payments were guaranteed by law in exchange for substantial financial contributions by local governments.

Half Moon Bay relies on its share of these funds to deliver critical services to its residents, for which costs are rising. Given that the State ensures every county and city in California receives its full in-lieu VLF payment, regardless of the amount, the County of San Mateo and its cities should not be singled out to suffer a loss of essential funding by declining to reimburse this shortfall.

As such, we request that you support the VLF in-lieu shortfall allocation of \$70,048,152 for San Mateo County and its 20 cities included in AB 107 to ensure there is no negative fiscal impact on our city.

We appreciate your consideration of this critical request.

Sincerely,



Joaquin Jimenez, Mayor
City of Half Moon Bay

CC: San Mateo County Delegation Members
Ann Patterson, Cabinet Secretary
Richard Figueroa, Deputy Cabinet Secretary
Joe Stephenhaw, Director, Department of Finance
Christian Griffith, Chief Consultant Assembly Budget
Chris Woods, Senate Budget Director
Jason Sisney, Assembly Budget Director

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Jessica Blair, Communications Director / City Clerk

TITLE: **STATE AND FEDERAL ADVOCACY SERVICES AGREEMENT WITH TOWNSEND PUBLIC AFFAIRS, INC.**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to enter into an agreement with Townsend Public Affairs, Inc. (TPA), to provide state and federal advocacy services for a period of one year at an amount of \$36,000.

FISCAL IMPACT:

The cost of the agreement is \$36,000. This amount has been included in the Adopted FY 2024-25 operating budget.

STRATEGIC ELEMENT:

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

BACKGROUND:

Since 2016, the City has contracted with Townsend Public Affairs, Inc. for a variety of legislative advocacy and grant writing services. In 2022, the agreement was modified to include federal advocacy in addition to state. Since then, grant monitoring, writing, tracking, and applications have been handled internally by staff, with Townsend continuing to coordinate with City staff to provide advocacy and support around grants as necessary.

DISCUSSION:

TPA's scope of work for legislative advocacy includes working closely with staff to develop legislative strategy, implement legislative strategy, build and leverage relationships, plan ordinance advocacy trips, track legislation, craft testimony and position letters, prepare and file lobbying disclosure reports, and draft bill language. TPA and staff also work closely with the City Council Legislative Affairs Subcommittee.

Staff spoke with the team at Townsend earlier this year about the City's budget deficit. Given the longstanding relationship between the City and Townsend, Townsend agreed to cut the City's fees for services from \$60,000 a year to \$36,000 a year, with no decrease in services. Staff appreciates their flexibility to work with us financially given the value of the services received.

Over the course of the past year, some of the high-level tasks TPA has assisted the City with include the following:

- On behalf of the City of Half Moon Bay, Townsend Public Affairs closely tracked and provided updates on legislation falling under the prescribed priority areas of the City's Adopted Legislative Platform.
- TPA worked with City staff to write formal letters with constructive feedback or suggestions on over 40 policy bills, where the City Council or the Legislative Subcommittee had instructed.
- TPA testified in Legislative Committee hearings on behalf of the City of Half Moon Bay for the bills in which the City took formal positions.
- TPA provided formal legislative reports every month for the Mayor and Council, through the City Clerk's office.
- TPA provided weekly legislative updates, including updates on all emergency and regulatory matters, to the City Manager's office and the Communications Director / City Clerk and often communicated via phone or email more frequently.
- TPA appeared before both the Legislative Subcommittee and the Full Council multiple times to present on State Legislation, Regulatory Proceedings, the Budget Process, and to answer questions or address relevant issues that Council and Staff has identified related to the State Legislature.
- TPA worked with City Staff on successful applications for state and federal earmarks.

Staff recommends the City Council authorize the City Manager to execute an agreement with TPA for an additional year of legislative advocacy services at an amount of \$36,000.

ATTACHMENTS:

1. Resolution authorizing the City Manager to enter into a one-year agreement with Townsend Public Affairs, Inc. to provide services in an amount of \$36,000
2. Scope of Services

Resolution No. C-2024-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TOWNSEND PUBLIC AFFAIRS, INC. FOR FEDERAL AND STATE LEGISLATIVE ADVOCACY SERVICES

WHEREAS, since 2016, the City of Half Moon Bay has contracted with Townsend Public Affairs, Inc. for federal and state legislative advocacy and grant support services; and

WHEREAS, the City Council has expressed an interest in continuing legislative advocacy services; and

WHEREAS, Townsend has prepared a scope of work similar to years past at an annual amount of \$36,000; and

WHEREAS, adequate funds are available in the FY 2024-25 for this agreement.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to enter into a one-year agreement with Townsend Public Affairs, Inc. for legislative advocacy services in the amount of \$36,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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

TOWNSEND

PUBLIC AFFAIRS

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NORTHERN CALIFORNIA • CENTRAL CALIFORNIA
SOUTHERN CALIFORNIA



**Proposal for
State Legislative Advocacy
Services**

June 14, 2024

June 14, 2024

Matthew Chidester, City Manager
City of Half Moon Bay
501 Main St.
Half Moon Bay, CA 94019

Dear Mr. Chidester:

Thank you for the opportunity for Townsend Public Affairs, Inc. ("TPA") to submit our proposal for State Legislative Advocacy Services to the City of Half Moon Bay ("City"). As the City's advocate, TPA has achieved significant legislative and funding successes, including securing **\$11 million** in funding for the City's priority projects.

Since its inception in 1998, TPA has earned the reputation as a ***Champion for Better Communities*** by providing the experience, resources, and relationships expected from a premier legislative advocacy and grant writing firm while also giving clients the unique brand of customer service they deserve: personal attention, maximum accessibility, and passion for their mission.

Our strategic approach to advocacy and funding is tailored to meet the individual needs of each client by leveraging the breadth and depth of our team as well as our vast network of relationships with key stakeholders and decision makers.

Utilizing this method on behalf of our clients, TPA has shepherded over 150 legislative and regulatory proposals into law and secured over \$3.1 billion in competitive funding from state, federal, and local government agencies as well as nonprofit foundations and private companies.

Thank you again for your interest in our firm and your consideration of this proposal. Please contact us if you have any questions or need additional information. We would be honored to continue to serve the City of Half Moon Bay.

Yours truly,



Christopher Townsend
President

FIRM OVERVIEW

TPA is a state and federal legislative advocacy and grant writing firm that provides lobbying and funding services to public agencies and nonprofit organizations throughout California.

- **Founder/Owner/President:** Christopher Townsend
- **Advocacy Success:** Shepherded **over 150** client-sponsored legislative proposals into law
- **Funding Success:** Over **\$3.1 billion** in state, federal, and local government grants as well as grants from nonprofit organizations and private companies
- **Longevity:** 25 years (founded in 1998)
- **Number of Employees:** 22
- **Number of Registered State Lobbyists and Grant Writers:** 18
- **Number of Offices: Five**
 - TPA State Capitol Office, Sacramento
 - TPA Federal Office, Washington, DC
 - TPA Northern California Office, Oakland
 - TPA Central California Office, Fresno
 - TPA Southern California Office, Newport Beach
- **Types of Clients:**
 - City Governments
 - County Governments
 - Water and Sanitation Districts
 - Transportation Districts
 - K–12 School Districts
 - Community College Districts
 - Parks and Recreation Districts
 - Fire Protection Districts
 - Museums, Science Centers, and Cultural Facilities
- **Areas of Specialization:**
 - Local Governance (Cities, Counties, Special Districts)
 - Transportation Policy and Infrastructure
 - Water and Sanitation Policy and Infrastructure
 - Education Policy and Infrastructure
 - Housing and Economic Development
 - Parks and Community Facilities (Recreational, Cultural, Historical)
 - Energy, Environment, and Natural Resources
 - Public Safety
 - Budget and Finance
- **Ranking by Revenue Reported to the California Secretary of State:**
 - 8th of 491 Firms Registered for the 2022–23 Legislative Session
 - 99th Percentile



LEGISLATIVE ADVOCACY ACHIEVEMENTS

Policy Sector	Issue	Outcome Of Lobbying Efforts
Transportation	Local Streets & Roads	- State Highway Relinquishments - Local Venue Signage on State Highways
	State Highway System	- State Bond Funding for Highway Projects - Expansion of Toll Lanes/Toll Roads
	Public Transit	- Taxing Authority - Board Structure - State Funding
Local Governance	Local Control & Finance	- Public Facilities and Finance - Public Employee Programs - Contractual Assessment Programs - Infrastructure Financing Opportunities
	Public Employee Benefits	- PEPRA Compliance - JPA Benefits - Medical Benefits Vesting
	Cannabis	- Drafting Local and State Cannabis Regulations - Local Control
Water and Sanitation	Water Quality	- Drinking Water Public Health Regulations - Groundwater Pollution Liability - Groundwater Management Plans - Direct/Indirect Potable Reuse
	Water Infrastructure	- State Bond Funding for Water Projects - Local Reliability Projects - Water Conservation Programs
	Sanitation Infrastructure	- Integrated Regional Watershed Projects - Advanced Water Treatment Facilities
Housing & Community Development	Affordable Housing	- Developing Funding for Affordable Housing - Expanding Affordable Housing Eligibility
	Economic Development	- Capital Investment Incentive Program Expansion - Enterprise Zone Program Regulations - Military Base Reuse Land Planning
	Redevelopment	- Agency Dissolution Process - Developing Post-RDA Funding Sources - State Liability Reduction
Recreation & Natural Resources	Park Facilities	- Joint-Use Projects with School Districts - State Bond Funding for Local Park Projects (Propositions 11, 68, and 84)
	Greenhouse Gas Reduction	- TOD Housing to Support Cap and Trade Objectives - Increase Transit Accessibility for Active Transportation
Cultural Resources	Cultural Facilities	- CA Cultural and Historical Endowment - CA Nature Education Facilities Program
Public Safety	Public Health	- Air Pollution Reduction Methods - Treatment of the Remains of a Deceased - Veteran Resources
	Crime Reduction	- Sex Trafficking Control - Gun Control
	Local Law Enforcement	- Increasing Local Police Presence/COPS - Police Body Cameras - Regional Public Safety Task Force Initiatives
Education	Community College Districts	- Veterans Resources - Alternative Energy Job Training - ADA Reform
	K–12 School Districts	- K–12 Safety Planning Programs - Joint Use Projects with Civic Agencies
	School Facilities	- Charter School Facilities Funding - Community College Facilities Funding - K–12 School District Facilities Funding

A DETAILED SCHEDULE OF OUR STATE, FEDERAL, AND LOCAL LEGISLATIVE ADVOCACY ACHIEVEMENTS CAN BE PROVIDED UPON REQUEST



EXAMPLES OF SUCCESSFUL STATE & FEDERAL EARMARKS

The following charts detail TPA's success in securing state and federal earmarks over the past several years. For each award, TPA strategized with our clients to identify priority projects and transform them into budget requests. TPA then worked closely and diligently with state and federal legislators and their staff, relevant committee members, and other key stakeholders to ensure our client projects were included in the final official budget.

FY 2023–24 STATE BUDGET EARMARKS		
Client Name	Project	Amount Awarded
City of Agoura Hills	Bikeway Master Plan Implementation	\$500,000
City of Anaheim	Haskett Library Makerspace	\$300,000
	Store One Upgrades	\$1,000,000
	Mobile Family Resource Center Operations	\$1,500,000
City of Avalon	Cabrillo Mole Phase II	\$2,000,000
City of Costa Mesa	Behavioral Health Unit	\$750,000
City of Del Mar	Sand Replenishment	\$500,000
City of El Monte	Pioneer Park	\$500,000
City of Emeryville	40th Street Corridor Improvement	\$750,000
City of Fremont	Multi-Service Community Center At Central Park	\$1,000,000
	Housing Navigation Center	\$500,000
	Commercial District Wi-Fi Access Expansion Project	\$1,500,000
City of Gardena	Rowley Park Gymnasium Renovation	\$3,000,000
	Mas Fukai Park	\$2,000,000
City of Half Moon Bay	Coastside Farmworker Housing Development	\$2,000,000
	Affordable Housing Projects	\$1,250,000
City of Hayward	St. Rose Hospital Sub-Acute Facility	\$2,000,000
	Stack Youth and Family Center Phase II	\$2,500,000
	Hayward Evaluation and Response Teams (HEART)	\$1,212,000
City of Irvine	Real-Time Crime Center	\$2,000,000
	Public Safety Enhancements	\$990,000
City of Kingsburg	Fire Department Ladder Truck	\$350,000
City of La Habra	Vista Grande Park	\$2,000,000
City of La Verne	EOC Upgrades	\$200,000
City of Laguna Beach	Moss Street Beach Access Improvements	\$1,225,000
	Moulton Meadows Dog Play Area	\$300,000
City of Mendota	Community Center	\$8,000,000
City of Modesto	Downtown Streets Teams	\$1,000,000
	Awesome Spot Playground	\$400,000
	Modesto MoBeautiful	\$250,000
City of Monterey Park	Fire Station Rehab	\$2,000,000
City of Morro Bay	Storm Drain Replacement - Sequoia Court	\$300,000
City of Newport Beach	Trash Interceptor	\$1,600,000
City of Oakley	East Cypress Road Widening	\$2,000,000
City of Oceanside	OFD Training Center - Portable Buildings/Pump Facility	\$500,000
City of Orange	Homeless Resource Center, Phase I	\$1,000,000
	Homeless Resource Center, Phase II	\$2,000,000
City of Parlier	Indoor/Outdoor Regional Sports Park	\$1,000,000
City of Pleasanton	PFAS Water Treatment Project	\$1,000,000



FIRM OVERVIEW

City of Reedley	Transitional Housing Facility Improvements	\$150,000
	Sports Park Field Lighting	\$350,000
	EV Charging Facilities	\$100,000
City of San Leandro	Nimitz Motel Acquisition	\$2,500,000
City of San Pablo	San Pablo Recreation/Space Project	\$3,000,000
City of Santa Clara	SC Overnight Care Locations	\$1,800,000
	Regional Public Safety Interoperable Radio Communications	\$1,750,000
City of South San Francisco	Great America Parkway	\$200,000
City of Temecula	Ynez Road Improvements	\$1,000,000
City of Tulare	Tulare Fire Department Equipment	\$1,000,000
City of Tustin	Tustin Legacy Park	\$750,000
Consumnes Community Services District	Elk Grove Regional Veterans Memorial Wall	\$1,000,000
Contra Costa County Fire Protection District	Firefighter Peer Support & Crisis Referral Pilot	\$2,500,000
Discovery Cube Los Angeles	STEM Walk and Ride Trails Project	\$933,000
Hesperia Parks and Recreation District	Corporation Yard Relocation/Construction	\$2,000,000
Orange County Pacific Symphony	Education and Enrichment	\$2,000,000
TOTAL FY 2023–24 STATE BUDGET EARMARKS		\$73,910,000

FY 2021–22 STATE BUDGET EARMARKS		
Client Name	Project	Amount Awarded
City of Costa Mesa	Regional Fire and Rescue Facility Improvements	\$2,500,000
City of Del Mar	Del Mar Fairgrounds Operating Shortfall	\$3,500,000
City of Emeryville	Affordable Housing Site Remediation	\$2,500,000
City of Farmersville	Fire Engine Acquisition	\$750,000
City of Fremont	Mission Blvd Interchange Modernization Project	\$7,200,000
City of Fullerton	Hunt Library Restoration	\$2,750,000
	Homelessness Recuperative Center	\$4,000,000
City of Half Moon Bay	Carter Park Renovation Project	\$4,750,000
City of Hayward	Hayward Navigation Center	\$662,000
	South Hayward Youth Family Center Project	\$1,000,000
City of Irvine	Bommer Canyon Fire Prevention Efforts	\$1,000,000
City of Lafayette	Safe Pathway for Children Trail	\$238,000
City of Modesto	Infrastructure Improvements to County Islands	\$5,000,000
City of Oakland	Oakland Fund for Public Innovation for the California Entrepreneurship Capital in the Community Initiative	\$8,000,000
	Local Jurisdiction Assistance for Cannabis Equity Program	\$9,905,020
	Oakland MACRO Project	\$10,000,000
	Port of Oakland Freight and Passenger Infrastructure Enhancements	\$280,000,000



FIRM OVERVIEW

City of Pismo Beach	Public Safety Communications Equipment	\$470,000
City of Reedley	Olson/Kings River Sewer Main Replacement	\$2,800,000
City of San Leandro	Memorial Park Rehabilitation Project	\$2,750,000
City of San Pablo	Alternative Policing and Mental Health Program	\$2,000,000
City of Santa Ana	Youth Facilities Improvements	\$4,000,000
City of South San Francisco	Vehicle License Fee Adjustment	\$3,000,000
City of Tracy	Multi-Generational Recreation Center	\$5,000,000
City of Tustin	New Emergency Backup Generator	\$1,500,000
Discovery Science Foundation	Discovery Cube of Orange County Re-Opening Operating Expenses	\$2,040,000
	Discovery Cube of Los Angeles Re-Opening Operating Expenses	\$2,600,000
North Orange County Public Safety Task Force	North Orange County Public Safety and Homelessness Task Force Program Extension	\$7,800,000
TOTAL FY 2021–22 STATE BUDGET EARMARKS		\$377,715,020

FY 2024 FEDERAL APPROPRIATIONS EARMARKS		
Client Name	Project	Amount Awarded
City of Agoura Hills	Microgrid Project	\$1,383,068
	Bikeway Master Plan	\$1,616,279
City of Avalon	Cabrillo Mole Phase II	\$500,000
City of Brea	Arovista Park	\$2,000,000
City of Buena Park	Water Well	\$1,000,000
City of Compton	Pearl Ave Sewer Replacement	\$959,752
City of Compton	Street Safety Improvement Projects (Wilmington Ave and Compton Blvd)	\$500,000
City of Del Mar	Sewer/Stormwater Project	\$959,752
City of Dinuba	Sewer Improvements	\$959,752
City of Emeryville	40th Streets Improvements	\$850,000
City of Farmersville	City Streetlight Additions for Public Safety	\$500,000
City of Fullerton	Well 7A	\$959,752
	Police Station Remediation and Rehabilitation	\$2,500,000
City of Half Moon Bay	Eastside Parallel Trail - South	\$1,000,000
City of Huron	City of Huron Domestic Violence Shelter	\$95,000
City of La Habra	Vista Grande Park	\$500,000
City of La Verne	Emergency Operations Center Upgrades	\$169,000
City of Lafayette	West Reach Creek Public Access Project	\$900,000
City of Mendota	Mendota Pavement Management Project	\$5,000,000
City of Mission Viejo	Public Safety Operating System	\$906,000
City of Monterey Park	Monterey Park Fire Station 61 Renovation Project	\$1,500,000
City of Murrieta	Mobile Emergency Operations Center and Command Center	\$900,000
City of Oakland	Cyber Security Upgrades	\$963,000
	Lake Merritt Water Quality Management Plan Development and Implementation - Healthy Lake Initiative	\$959,757



FIRM OVERVIEW

City of Oakley	Oakley's Enrico Cinquini Park Construction Project	\$850,000
City of Ontario	Euclid Ave Recycled Water System Expansion	\$200,000
City of Palm Springs	Regional Flood Transport Project	\$673,872
	Navigation Center	\$2,005,961
City of Palmdale	Emergency Operations Center Improvement Project	\$1,312,500
City of Palo Alto	Low-Income Housing and Greenhouse Gas Reductions	\$850,000
City of Paso Robles	Paso Robles Regional Fire and Emergency Services Training Facility	\$500,000
City of Placentia	Public Safety Center 911 Technology Upgrades	\$750,000
City of Pleasanton	Interstate 680/Sunol Interchange	\$850,000
City of San Pablo	San Pablo Avenue Bridge Replacement	\$850,000
City of Santa Clara	Public Safety Communications Infrastructure	\$963,000
City of South El Monte	New Park Facility	\$850,000
City of Stanton	Public Safety Center Improvements	\$1,000,000
City of Tulare	International Agri-Center Way Extension	\$4,000,000
	Regional Business Accelerator	\$2,500,000
City of Turlock	Golden State Sewer Extensions	\$1,200,000
	Storm Drain Upsize (Positive Drainage)	\$1,000,000
Cosumnes Community Services District	Fire Training/Fire Station 46 Expansion	\$850,000
County of Mariposa	Wawona Ambulance Bay	\$375,000
County of Orange	West Orange Park	\$850,000
	Public Safety Software	\$825,000
Desert Recreation District	Oasis Park Community Center/ and Playground Shade Structures	\$500,000
East Orange County Water District	Advanced Metering Infrastructure	\$1,000,000
Long Beach Community College District	Student Housing & Higher Ed Complex	\$1,000,000
	Space Beach Research and Innovation Equipment	\$963,000
Santa Clara Valley Open Space Authority	ADA-Interpretive Trail Improvements	\$800,000
SunLine Transit Agency	Batteries for Microgrid	\$500,000
Yosemite Community College District	Fire Technology Program	\$2,000,000
TOTAL FY 2024 FEDERAL APPROPRIATIONS EARMARKS		\$57,599,445

FY 2023 FEDERAL APPROPRIATIONS EARMARKS

Client	Project	Amount Awarded
City of Avalon	Pebbly Beach Road	\$2,000,000
Affordable Community Living	Veteran Housing Project	\$1,000,000
City of Berkeley	Martin Luther King Junior Youth Services Center Renovation	\$750,000
City of Del Mar	Shoreline Access Improvement Project	\$750,000
Discovery Cube Los Angeles	Community Pavilion and Gardens	\$2,000,000
Discovery Cube Orange County	Santiago Creek Festival Grounds Sustainability Park	\$2,000,000
City of Dinuba	Well 21	\$1,500,000



FIRM OVERVIEW

City of Emeryville	Intergenerational Affordable Housing Project on San Pablo Avenue	\$500,000
City of Gardena	Rosecrans Community Center	\$1,000,000
Guadalupe Union School District	Early Childhood Education Center	\$2,000,000
City of Half Moon Bay	Highway 1/ Frenchman Creek Intersection and Bike/Ped Improvements	\$2,000,000
City of Hesperia	Cedar Street	\$2,000,000
City of Lafayette	School Street Safe Routes to Schools	\$3,100,000
Merced County Association of Governments	YARTS Fleet Replacement Project	\$3,680,000
City of Murrieta	Keller Ave Interchange	\$2,600,000
North Orange County Public Safety Collaborative	Homelessness and Mental Health Recovery Services	\$5,000,000
City of Oakland	Coliseum Place Affordable Housing Project	\$750,000
	Procedural Justice/Community Police Trust	\$646,000
	Lincoln Center Resilience Hub	\$2,000,000
Orange County Housing Finance Trust	Funding to Support Permanent Supportive and Low-Income Housing	\$3,000,000
City of Ontario	Active Seniors on the Go	\$439,094
City of Pleasanton	PFAS Treatment and Well Rehabilitation Project	\$2,000,000
City of Palmdale	Ave. M Grade Separation Project	\$2,000,000
	Ave. M Grade Separation Project	\$1,500,000
City of Parlier	Police Station Rehabilitation and Improvements	\$875,000
Rancho Santiago Community College District	Workforce Development Pathways Targeting Dislocated and At-Risk Populations	\$2,000,000
City of Santa Clara	Fire Station Microgrid Project	\$500,000
	Anna Drive Neighborhood Flood Protection Project	\$3,000,000
City of South El Monte	Merced Avenue Greenway Project	\$3,000,000
Sunline Transit Agency	Fueling Infrastructure Expansion	\$2,500,000
City of Tulare	Water Delivery System	\$500,000
	Emergency Homeless Shelter	\$1,500,000
Yorba Linda Water District	Green Crest Lift Station	\$300,000
Yosemite Community College District	Modesto Junior College Regional Fire Training Facility Apparatuses and Props	\$2,000,000
TOTAL FY 2023 FEDERAL APPROPRIATIONS EARMARKS		\$60,390,094



CLIENT SERVICE TEAM

PROFESSIONALS

With a team of 18 registered state and federal legislative and funding advocates, TPA has the breadth and depth of experience AND the ability to deploy as many advocates as needed to maximize success for the City while minimizing the burden on City staff. TPA will work collectively to leverage relationships, identify key legislative opportunities, and ensure all funding opportunities are identified.

TPA proposes the following project managers to perform state legislative advocacy services for the City.

Niccolo De Luca

Vice President

Role: State Legislative Advocate

Carlin Shelby

Associate

Role: State Legislative Advocate

The proposed team will also be supported by an additional 13 TPA advocates, each with specific areas of expertise and valuable networks.

Resumes for each member of the proposed team can be found on the following pages.





Niccolo De Luca, Vice President: Niccolo brings 27 years of legislative and public policy experience to TPA. Niccolo has expertise in the policy sectors of local governance, parks and natural resources, housing and homelessness, public safety, cultural resources, and cannabis.

Townsend Public Affairs, Inc.
Vice President

2008–Present

Throughout his tenure at TPA, Niccolo has been responsible for dozens of legislative proposals that have been signed into law and has secured millions in competitive grant funds for local public agency clients. In addition to his public policy expertise, Niccolo has widespread bipartisan relationships with Members and staff of the State Legislature including the Senate and Assembly Budget Chairs and the Budget Committee staff, Governor Newsom's Administration, and numerous policy committee staff. Some of Niccolo's accomplishments include:

- Niccolo worked with Freedom West Homes to sponsor **SB 593**, which gives the City and County of San Francisco's redevelopment successor agency the authority to finance up to 5,842 affordable housing units using the successor agency's property tax revenue. This is one of the few Redevelopment Agency (RDA) successor agency bills signed into law by Governor Newsom and one of the few RDA successor agency bills signed into law since 2015, almost 10 years ago. Niccolo helped create and lead the coalition in drafting language, organizing letters of support, securing witnesses to testify, and working closely with legislative leadership and the Governors. Ultimately, the Governor signed the measure into law. To commemorate the achievement, Niccolo worked with Freedom West and other stakeholders on media strategy.
- Niccolo was a major part of the coalition to help pass the state's first-ever automated speed enforcement legislation. Niccolo worked with the City of Oakland along with a coalition of five additional local governments on **AB 645**, which established a pilot program to give local transportation authorities in six cities the authority to install speed safety systems. To garner momentum for its success, Niccolo worked with Oakland City staff to highlight the need, provide data on the number of accidents and collisions, and provide technical support to the author and her office. Throughout AB 645's progress through the Legislature, Niccolo provided lead testimony in multiple policy committees in support, drafted coalition letters, worked with the Author's office and committee leaders on various iterations of amendments, and orchestrated support and testimony to counteract the opposition's efforts.
- Niccolo worked with the City of Oakland to secure a **\$280 million** FY 2021–2022 State Budget earmark for critical maritime infrastructure. Niccolo coordinated directly with Senate Budget Chair Nancy Skinner, the Oakland Mayor, and appropriate Senate and Assembly Budget Committee staff to draft the language for inclusion into the State Budget. Niccolo's strategy, execution, and relationships led to one of the highest budget earmarks in State history and a massive significant financial win for the City and Port of Oakland.
- Niccolo led the TPA efforts to secure **\$33.1 million** in critically needed park funding for cities and nonprofits in the Bay Area, Central Valley, and Southern California. These efforts included working on the funding guidelines, drafting the applications, lobbying for

the applications, and working hand in hand with the funding agency. Niccolo was the team lead and instrumental in the many victories of our clients spanning throughout California

- Niccolo spearheaded efforts to secure **\$15 million** in an FY 2022–2023 State Budget earmark to the City of Berkeley for the Berkeley Marina and Pier. This year-long effort included creating a local, grassroots effort, strategizing with the Mayor and City Council, drafting letters of support and speaking points, helping to draft a budget, and working in partnership with Senate Budget Chair Nancy Skinner and Assembly Member Buffy Wicks.
- Niccolo worked with the Cities of Berkeley, Concord, Emeryville, and Fremont to pass multiple pieces of state legislation that granted these cities the ability to create and enhance local revenue measures. Niccolo led the advocacy efforts on behalf of these cities which included drafting and implementing and plan of action, working closely with the author's offices to draft the legislation, building coalitions, testifying in committees, meeting with impacted state agencies and the Governor's Administration, and other efforts. Due to these efforts, Niccolo has been recognized as a policy expert on **Transactions and Use Taxes (TUT)** and TPA has been hired specifically to run these legislative efforts on behalf of local governments throughout the Bay Area.
- Niccolo worked closely with the City of Oakland to secure four grants in the combined amount of **\$18.9 million** from the Community Oriented Policing Services (COPS) Hiring Program. Niccolo developed the applications and shepherded them through the grant process, including leveraging relationships with the US Department of Justice and COPS staff, which resulted in critical federal funding for the City to hire additional police officers.

City of Oakland

Deputy City Administrator

2004–2007

Niccolo was responsible for the daily operations and decision-making for the two largest departments (public works and police department), overseeing a combined annual budget of \$323 million. Niccolo also directly supervised four different divisions with 45 employees. Niccolo provided direct organizational leadership to create a standard operating procedure for a multi-faceted crime reduction initiative, which was adopted by the City Council and resulted in crime reduction. Additionally, Niccolo expanded the number of organized neighborhood public safety gatherings for three consecutive years, with an average of nearly 100 percent annual increase.

City of Oakland

Assistant Director, Public Works Agency

2001–2004

Niccolo was responsible for three divisions of the public works department (including finance and human relations), five direct reports, and 40 staff members. Niccolo oversaw the financial operations of the entire public works department, including revenues and expenditures. Niccolo implemented procedures to reduce the number of workers' compensation claims subsequently adopted for the entire City. Niccolo also served as the spokesperson of the public works department and maintained all media relations.

City of Oakland

Assistant to Councilmember Richard Speeds

1998–2001

Niccolo served as lead spokesperson for the Council Member within the district. Niccolo improved the overall district-wide public approval rating of the Council Member through

grassroots marketing campaigns and new information dissemination strategies. Additionally, Niccolo led constituent services for the district, ensuring efficient service delivery for 58,000 residents.

University of Oregon

Bachelor of Arts, American History

1997





Carlin Shelby, Associate: Carlin brings over seven years of government affairs experience to TPA. Carlin has state legislative experience in areas such as municipal finance, housing and land use, community services, pension reform, environmental sustainability, and budget. Carlin maintains strong relationships with members of the legislature, committee consultants, staff, and local government stakeholders.

Townsend Public Affairs, Inc.
Associate

2021–Present

Since joining TPA, Carlin has worked diligently with clients to implement their legislative advocacy agendas in Sacramento. Some of her work includes:

- Carlin worked with Assembly and Senate leadership and Budget Chairs to advance over **\$20 million** in community project funding requests for clients in the 2022 and 2023 State Budget Acts.
- Carlin has worked with clients on strategies to secure funding within numerous statewide bond proposals related to climate resiliency, housing production, and behavioral healthcare infrastructure. These efforts include work with Legislators, staff, the Governor's Administration, and various stakeholders to highlight client priorities and position clients as thought leaders for the effective implementation of these massive spending proposals.
- Carlin has provided strategic advocacy and advisory services for clients regarding municipal finance policy and potential changes to revenue-generating local tax regimes.
- Carlin was instrumental in convening a regional task force of law enforcement officials to discuss the public safety impacts of reckless electric bicycle usage. She used the information and insights gathered to work with legislators to develop a measure intended to generate data on e-bike usage and incidents and to inform future policies on safety regulations.
- Carlin has worked to build advocacy tools for clients such as detailed legislative analyses, tracking matrices, position letters, and verbal presentations of priority policy proposals.
- Carlin has provided expert analysis and feedback on a variety of policy issues for clients. She has written letters and official correspondence to bring client concerns to the attention of decision-makers in Sacramento while helping navigate the legislative process.

League of California Cities
Legislative and Policy Development Analyst

2017–2020

Carlin was responsible for analyzing legislation and developing strategic policy positions to benefit cities throughout California. Carlin also maintained stakeholder relations with various

government agencies and government-proxy organizations to implement policy agendas crucial to local government clients.

Press Office of Assembly Speaker Anthony Rendon

Press Assistant

2017

Carlin worked for Assembly Speaker Anthony Rendon and was responsible for maintaining communications between the legislature and major news outlets as well as communicating the Speaker and Democratic Caucus' policy agendas.

The California Building Industry Association (CBIA)

Government Affairs Intern

2016

Carlin worked to implement CBIA's policy agenda with emphasis on the issue areas of housing and land use. Carlin also provided strategic campaign support on the CBIA-sponsored school bond initiative.

California State University, Sacramento

Bachelor of Arts, Political Science

2021

LEGISLATIVE ADVOCACY SCOPE OF SERVICES

TPA will utilize the following strategic and comprehensive approach to provide state legislative advocacy services to the City:

- **Conduct Detailed Orientation:** TPA utilizes a comprehensive onboarding process that includes extensive meetings with various relevant members of City leadership and key City departments to help develop a strategic plan that is carefully tailored to satisfy the needs of the City and is designed for maximum success in the current political climate and funding environment.
- **Develop Legislative Strategy:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the City to develop an official legislative platform and strategy that represents the City's priorities in Sacramento. This blueprint will be shared with key stakeholders in the State Legislature and Governor's Administration .
- **Implement the Legislative Strategy:** TPA will advocate for the City's legislative agenda utilizing the following methods:
 - **Build and Strengthen Relevant Relationships:** TPA has cultivated a network of valuable relationships that will be leveraged to promote the City's legislative agenda.
 - **Leverage Relationships for Strategic Advocacy Plan:** TPA will engage various techniques to leverage our network of key relationships on behalf of the City:
 - Schedule meetings for the City to discuss relevant legislation
 - Prepare all briefing materials and talking points for the City
 - Brief legislative offices and stakeholders on the City's legislative agenda
 - Follow-up on meetings to ensure commitments and deliverables are being met
 - **Coordinate Advocacy Trips:** TPA will work with the City to coordinate advocacy trips to Sacramento to meet with the City's legislative delegation, as well as legislators that serve on committees relevant to the City's agenda. Furthermore, whenever possible, TPA will also schedule site visits by legislators to the City.
 - **Track Legislation:** TPA will identify, analyze, and monitor all bill introductions and amendments relevant to the City's legislative platform and assess their potential impact on the City.
 - **Craft Testimony and Position Letters:** TPA will prepare and submit written and verbal testimony regarding legislation relevant to the City. TPA will also draft and deliver position letters to legislators and key officials on specific bill language.
 - **Draft Bill Language:** TPA will draft language and amendments for relevant legislation, as required to protect and promote the City's agenda.



- **State Budget Funding Opportunities:** To maximize state funding, TPA will work with the City to identify projects and other funding priorities that may be suitable for funding through the State Budget. TPA will coordinate with the City to develop supporting materials for the budget request. TPA will also work with members of the City's state legislative delegation, along with the Assembly and Senate Budget Committees, to gain support for the inclusion of the City's project in the final State Budget approved by the Legislature.
- **Provide Progress Reports:** TPA will confer regularly with the City on our activities. TPA will provide timely electronic reports on the status of all legislative activity, such as bill language, amendments, and committee analyses. In addition to written reports, TPA will be available to the City for conference calls, in-person briefings, and meetings.
- **Prepare and File Lobbying Disclosure Reports:** TPA will prepare and file, on behalf of the City, all applicable state lobbying disclosure reports.

FEE SCHEDULE

ALL-INCLUSIVE RETAINER:

DESCRIPTION OF SERVICES	MONTHLY FEE
State Legislative Advocacy Services	\$3,000*
• Conduct Detailed Orientation	Included
• Develop Legislative Strategy	Included
• Implement the Legislative Strategy	Included
• Build and Strengthen Relevant Relationships	Included
• Leverage Relationships for Strategic Advocacy Plan	Included
• Coordinate Advocacy Trips	Included
• Track Legislation	Included
• Craft Testimony and Position Letters	Included
• Draft Bill Language	Included
• State Budget Funding Opportunities	Included
• Provide Progress Reports	Included
• Prepare and File Lobbying Disclosure Reports	Included
<i>*The monthly fee includes all reasonable business and travel expenses.</i>	



BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

TITLE: **AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BAY AREA GEOTECHNICAL GROUP (BAGG) FOR ADDITIONAL MATERIAL TESTING AND SPECIAL INSPECTION SERVICES FOR THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP NO. 0611)**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Bay Area Geotechnical Group (BAGG), for additional material testing and special inspection services for the John L. Carter Park Improvements Project (CIP No. 0611), increasing the contract by \$65,515 for a new total not-to-exceed amount of \$180,930.

FISCAL IMPACT:

The Capital Improvement Program, Carter Park Improvements Project (CIP Project No. 0611), has adequate funding to support this action increasing the contract not-to-exceed amount by \$65,515.

STRATEGIC ELEMENT:

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

BACKGROUND:

The Parks Master Plan, adopted by the City Council on February 5, 2019, identified John L. Carter Memorial Park (Carter Park) as an opportunity to increase community recreation at an underutilized City park. The design for the John L. Carter Park Improvements Project (Project) includes a new performing arts amphitheater including terraced seating, a performance stage with storage space and changing room, a children's play area, picnic area, restroom and concession stand building, park access improvements, a nature trail, landscaping, lighting, and utility improvements.

On April 19, 2022, the City Council adopted Resolution No. C-2022-21 approving the award of a construction contract to Wickman Development and Construction of San Francisco, California, in the bid amount of \$4,971,000 and a construction contingency amount of 15% (\$745,650), as well as contracts for biological monitoring and material testing and inspection services from qualified professionals, SWCA Inc., in the amount of \$35,079 (C-2022-22), and Bay Area Geotechnical Group, in the amount of \$115,415 (C-2022-23), respectively.

On February 20, 2024, the City Council adopted Resolution No. C-2024-10 authorizing the Administrative Services Director to transfer \$1,250,000 from various Capital Improvement Projects to the Project due to escalated costs related to the delays and other unanticipated changes. The approved budget increase also provided a contingency of approximately \$622,000 for the remainder of construction.

On March 29, 2024, City Staff administratively entered into Amendment 1 to the Professional Services Agreement with BAGG that only extended the time of performance of the contract.

DISCUSSION:

As described in the February 20, 2024, Council meeting, this project has been subjected to several delays due to unforeseen circumstances, including access constraints, adverse weather delays, and design changes. With these delays, the general contractor (Wickman) is providing monthly updates to their construction schedule based on progress and seasonal weather impacts. Per the latest construction schedule, the contractor anticipates completion of the Project in October 2024.

BAGG anticipates an additional \$65,515 for this Amendment, which would provide the necessary material testing and special inspection services through October 2024. BAGG's role is crucial for the constructability and the durability of the infrastructure proposed as part of this project. BAGG ensures that the materials used for the project and the infrastructure are built to the specifications created by the designer.

Staff recommends the City Council to authorize the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Bay Area Geotechnical Group (BAGG), for additional material testing and special inspection services for the John L. Carter Park Improvements Project (CIP No. 0611), increasing the contract by \$65,515 for a new total not-to-exceed amount of \$180,930.

ATTACHMENTS:

Resolution

Resolution No. C-2024-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BAY AREA GEOTECHNICAL GROUP (BAGG) FOR MATERIAL TESTING AND SPECIAL INSPECTION SERVICES INCREASING THE CONTRACT BY \$65,515 FOR A NEW TOTAL NOT-TO-EXCEED AMOUNT OF \$180,930 FOR THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP PROJECT NO. 0611)

WHEREAS, the John L. Carter Park Improvements Project includes a new amphitheater including terraced seating, a new stage with storage space and changing room, a children's play area, picnic area, restroom and concession stand building, park access improvements, a solidarity trail, landscaping, lighting, and utility improvements; and

WHEREAS, on April 19, 2022, the City Council adopted Resolution No. C-2022-21 awarding the contract to Wickman Development and Construction with contingency, Resolution No. C-2022-22 contracting with SWCA, Inc. for biological monitoring services, and Resolution No. C-2022-23 contracting with BAGG for material testing and special inspection services; and

WHEREAS, on February 20, 2024, the City Council adopted Resolution No. C-2024-10 authorizing the Administrative Services Director to transfer \$1,250,000 to the Carter Park Project Fund due to escalated costs related to delays and other unanticipated changes; and

WHEREAS, on March 29, 2024, City Staff administratively entered into Amendment No. 1 to the Professional Services Agreement with BAGG that extended the time of performance of the contract; and

WHEREAS, the project has encountered significant delays, including access constraints, adverse weather, and design changes, which has moved the anticipated construction completion to October 2024; and

WHEREAS, additional material testing and special inspection services are necessary for the completion of the project.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to enter into Amendment No. 2 to the Professional Services Contract for material testing and special inspection services with Bay Area Geotechnical Group (BAGG) increasing the contract amount by \$65,515 for a new total not-to-exceed amount of \$180,930 for the John L. Carter Park Improvements Project (CIP No. 0611).

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

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

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional services agreement through June 30, 2025, with Caselle Inc., for Enterprise Resource Planning (ERP) software in the amount of \$47,580.

FISCAL IMPACT:

The agreement has been included in the Adopted Fiscal Year 2024-25 as part of the Equipment Fund Budget. This budget is a part of the Internal Service Funds.

STRATEGIC ELEMENT:

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

BACKGROUND:

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

DISCUSSION:

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

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

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

This agreement continues to serve the City well. The ERP System assists the department in recording and delivering timely financial information to other departments and Council, which is necessary for the City's operations.

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
THROUGH JUNE 30, 2025, WITH CASELLE INC, FOR CITYWIDE ENTERPRISE RESOURCE
PLANNING (ERP) ON-GOING SUPPORT AND MAINTENANCE IN AN AMOUNT OF \$47,580**

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

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

WHEREAS, these services are necessary to maintain timely financial recordkeeping, reporting and operational efficiency across citywide functions; and

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

WHEREAS, adequate funds are available in the City's Adopted Budget for FY 2024-25 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 Caselle Inc. for ERP software-as-a-service, on-going maintenance, and support, at a cost of \$47,580 through June 30, 2025.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

TITLE: AGREEMENT WITH ABUNDANT GRACE FOR THE FY 2024-25 COASTAL CLEANUP PROGRAM

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a new program services agreement with Abundant Grace for coastal cleanup services for FY 2024-25.

FISCAL IMPACT:

The Fiscal Year 2024-25 Adopted Budget includes \$69,026 for the Coastal Cleanup Program.

STRATEGIC ELEMENT:

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

BACKGROUND:

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

On December 5, 2017, the City Council considered a plan put forth by staff to address coastal clean-up through a collaboration with Abundant Grace Coastside Worker. At this meeting, the City Council directed staff to enter into negotiations with Abundant Grace for a one-year pilot program.

On February 6, 2018, the City Council authorized an agreement with Abundant Grace Coastside Worker for \$59,562 and amended on June 4, 2019, to a total of \$80,000 for clean-up services along the Coastal Trail and beach between Seymour Bridge and Kelly Avenue. The scope of work included emptying trash cans, cleaning and clearing the area around the trash cans, removing graffiti, picking up trash on the beach and trail, and removing horse manure three times per week on Fridays, Sundays and Mondays. The pilot program created work opportunities for dozens of participants, many of whom identify as homeless or low-income.

The Clean Team program is one of a number of programs run by Abundant Grace focused on workforce development activities.

The City Council has progressively increased the Coastal Cleanup program budget since the initial pilot, and in FY 2023-24 the contract was increased to \$125,000. This increase resulted in expanded service days to four days per week, and between seven and eight participants for “off-peak” and “peak” seasons respectively.

DISCUSSION:

Abundant Grace’s work has been valuable to the City as both an enhancement to the City’s maintenance operations and as a social service. Due to the program’s overall success and positive response from the community, Council has continued to support this program. The ability to offer work opportunities to a greater number of candidates and expansion of services have led to environmental and social benefits for the community. Staff recommends authorizing the City Manager to execute an agreement for FY 2024-25 with Abundant Grace requested for the Coastal Cleanup Program.

The work of Abundant Grace is supplemental to the work of the Public Works Maintenance and has been carefully developed to ensure limited or no duplication of efforts. The scope of work includes litter clean-up in areas impacted by beachgoers and areas that are not typically covered by City staff due to the limits of bandwidth, prioritization of life safety and health issues, and regular maintenance and repair of City parks and facilities.

The Coastal Cleanup Program contract for FY 2024-25 has been adjusted to align with the City’s budgetary reductions, resulting in a decrease of both scope and overall cost. However, the program remains committed to continue providing cleanup services throughout the year, supplementing City efforts to maintain the areas listed in the scope of work. Additionally, the City Manager entered into a separate agreement with Abundant Grace for \$7,224 to ensure cleanup operations were sustained for the month of July 2024. Consequently, the current proposal for FY 2024-25 encompasses services for 11 months (August 2024 through June 2025), reflecting the adjusted scope and budget for the period.

ATTACHMENTS:

1. Scope of Work
2. Fee Schedule
3. 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 ABUNDANT GRACE IN THE AMOUNT OF \$69,026 FOR THE COASTAL CLEAN-UP
PROGRAM**

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

WHEREAS, City Council has progressively increased funding that has resulted in an expansion of services that include cleanups along the Coastal Trail, Poplar Beach, Seymour Bridge and other priority areas that supplement the Public Works Maintenance work; and

WHEREAS, the Coastal Cleanup Program has offered work opportunities to a greater number of participants, many of whom identify as homeless or low-income, and many of whom have transitioned to non-subsidized employment in the community and elsewhere; and

WHEREAS, the City Council continues to value this program and the environmental and social benefits it brings to 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 a professional services agreement with Abundant Grace in the amount of \$69,026 for the Coastal Cleanup Program for FY 2024-25.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th of July 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

Scope of Work

Scope of Work

Consultant will provide clean-up support in the following areas:

- 1) **Poplar Beach from Kelly Avenue to Seymour Watercourse**
- 2) **Poplar Beach parking lot and beach access**
- 3) **California Coastal Trail from Kelly Avenue to Seymour Bridge**
- 4) **Poplar Avenue from the Poplar Beach parking lot to Highway 1**
- 5) Filbert Street from Railroad Avenue to Highway 1
- 6) Myrtle Street from Railroad Avenue to First Street
- 7) Spruce Street from Railroad Avenue to First Street
- 8) First, Second, Third and Railroad Avenues between Filbert and Poplar Street
- 9) **Kelly Avenue from the Coastal Trail to Purissima Street**
- 10) Pilarcitos Avenue from Kelly Avenue to Oak Avenue
- 11) Oak Avenue Park
- 12) **Heskin Avenue (Strawflower Access) focused on south side adjacent to Pilarcitos Creek**
- 13) Miramontes Beach
- 14) Miramontes Beach parking lot and beach access
- 15) Surfer's Beach
- 16) Special On-Call Projects

Notes: **Bolded** areas are priority clean-up sites.

Clean-up support includes, but is not limited to:

- Cleaning and clearing the areas around the trash cans and dumpsters
- Graffiti removal
- Picking up litter and trash
- Recycling cigarette butts through Terracycle

Clean-ups will take place a maximum of three times per week (3x/week). During the “peak season” (June 1 – October 31) there shall be a maximum of 6 workers per session and during the “off-peak season” (November 1- May 31), there be a maximum of 4 workers per session. Clean-up days must be scheduled in coordination with the City at least 15 working days in advance. Weekly clean-ups shall not exceed the maximum number of days per week as defined above, unless express written consent is provided by the City. Special on-call clean-ups will be scheduled in advance with the City.

Clean-ups may take place on Mondays, Fridays, and Sundays during “peak season” and Mondays, Wednesdays, and Fridays during “off-peak season” with an emphasis on Monday mornings. Clean-ups will not exceed the time it takes to complete the scope of work under the adopted budget of \$69,026 for all services and supplies. Abundant Grace shall not be

compensated for work conducted outside the designated days and times unless express written consent is provided by the City (administrative work excluded).

Table 1 below provides a sample clean-up schedule for peak season and for off-peak season.

TABLE 1

Dates	Clean-Up Days	Hours
Peak Season	Mondays	11:00am – 2:00pm (3)
Up to six workers per session	Fridays	9:00am –12:00 noon (3)
	Sundays	
Off-Peak Season	Monday	10:00am – 1:00pm (3)
Up to four workers per session	Wednesday	
	Friday	

Abundant Grace will recruit, train, transport, and pay their team members.

Abundant Grace will provide monthly reports and invoices to the City detailing the number of bags filled each workday, the number of individuals that worked each day, and the total number of hours accrued.

Abundant Grace will also provide comprehensive Quarterly Reports to the City. The Quarterly Report will include, at minimum, the following information:

1. Work Performance
 - a. Total hours worked broken down by job title
 - b. Summary of days worked
 - c. Total amount of garbage removed
 - d. Obstacles faced and recommended solutions
2. Social Services
 - a. Number of individuals participating in the work program
 - b. Number of participants that have transitioned to full-time/part-time employment
 - c. Number of participants that have moved into temporary housing
 - d. Number of participants that have moved into to permanent housing
 - e. Number of participants receiving medical care through street medical team
 - f. Number of participants entering sobriety/recovery programs
3. Any other relevant information

Abundant Grace may be requested to present information from the Quarterly report to the City Council.

The scope of services may be amended with written consent of City and Abundant Grace provided total fiscal year costs do not exceed \$69,026

Fee Schedule

Consultant will provide the community clean-up services for an amount not to exceed \$69,026 in accordance to the fee schedule below:

Personnel Classification	Billing Rate
Worker	\$60.00/day*
Administration	
Transportation	\$0.58 per mile up to \$486 for contract
Supplies and Laundry	Up to \$1,100 total for FY 2024-25
Admin & Overhead	\$2,400/month

*Workers are required to work a minimum of 3-hours to receive a daily stipend.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

**TITLE: RESOLUTION TO APPROVE AND INCREASE THE LEVY FOR THE HALF MOON BAY
HOTEL BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25**

RECOMMENDATION:

Conduct a protest hearing, consider any oral or written protests, and adopt a resolution assessing the levy for the Half Moon Bay Hotel Business Improvement District for Fiscal Year 2024-25.

FISCAL IMPACT:

There is no fiscal impact to the City associated with this action. Any revenue generated through the levy will be transferred to the District.

STRATEGIC ELEMENT:

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

DISCUSSION:

The attached Half Moon Bay Hotel Business Improvement District ("BID") report was filed with the City Clerk as required by California Streets and Highways Code Section 36533. The report was prepared by the Chamber of Commerce acting as the Managing Agency for the BID.

On May 21, 2024, the Council passed a resolution accepting the 2023 Annual Report and declared its intention to continue to levy an assessment for the BID. For additional background a copy of that meeting's staff report can be found on the City's [website](#). This action also recommended increasing the levy rate to \$2 per rented room night. A Protest Hearing date was set for July 16, 2024, inviting any written and oral protests as prescribed in Sections 36525 and 36526 of the California Streets and Highway Code up until the close of the public hearing.

ATTACHMENTS:

1. Resolution to assess and increase the levy for the Half Moon Bay Hotel Business Improvement District for Fiscal Year 2024-25
2. Half Moon Bay hotel Business Improvement District 2023 Annual Report

Resolution No. 24-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
TO CONTINUE THE BASIS FOR AND INCREASE THE LEVY ASSESSMENT FOR THE HALF MOON
BAY HOTEL BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25**

WHEREAS, the Parking and Business Improvement Area Law of 1989 Section 36500 et seq. of the California Streets and Highway Code authorizes cities to establish and renew business improvement areas for the purpose of promoting tourism; and

WHEREAS, the City Council approved Resolution C-10-04 on April 6, 2004, to establish the Half Moon Bay Hotel Business Improvement District (BID) and on June 15, 2004, approved an Ordinance establishing the Half Moon Bay Hotel Business Improvement District; and

WHEREAS, in accordance with the requirements of Health and Safety Code Section 36530 and Half Moon Bay Municipal Code Chapter 3.100, the City Council appointed the Half Moon Bay Coastside Chamber of Commerce and Visitors' Bureau (Chamber) as the managing agency of the BID to provide oversight and recommendations regarding the use of the assessment funds; and

WHEREAS, the Half Moon Bay Municipal Code and the Parking and Business Improvement Area Law requires that the managing agency prepare and submit an annual report stating the proposed changes, improvements and activities for the fiscal year; and

WHEREAS, on April 9, 2024, the Chamber submitted the 2023 Annual Report; and

WHEREAS, on May 21, 2024, the City Council adopted a resolution approving the Annual Report and declaring intention to continue the BID program and to increase the levy to \$2 per room per night for Fiscal Year 2024-25 followed by a public meeting on June 18, 2024, and a protest hearing on July 16, 2024, at 7:00 p.m.; and

WHEREAS, the City Clerk provided simultaneous notice of both events by publishing in a newspaper of general circulation at least seven days before the public as required by California Streets and Highways Code section 36534; and

WHEREAS, at the public meeting, the City Council allowed for public testimony regarding the proposed new assessment.

WHEREAS, at the public hearing, the City Council heard and considered all protests the Fiscal Year 2024-25 levy of assessments for the BID, and the rules and procedures used in receiving and considering protests complied with those set forth in the California Streets and Highways Code Sections 36524, 36525, 36534 and 36535; and

WHEREAS, the City Council desires to adopt this resolution to continue the program and to increase the assessment to \$2 per rented room night for Fiscal Year 2024-25.

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

- Section 1. The Annual Report is on file with the City Clerk and contains a full and detailed description of activities provided in 2023. There is a proposed change to the assessment, to \$2 per room per night. No changes to the District boundaries are proposed.
- Section 2. The assessment levied by the BID shall be used for activities and programs promoting lodging within the district and administer marketing programs that increase overnight lodging.
- Section 3. The City hereby levies the assessment for Fiscal Year 2024-25 in the amount of \$2 per rented room night on all hotels within the BID.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

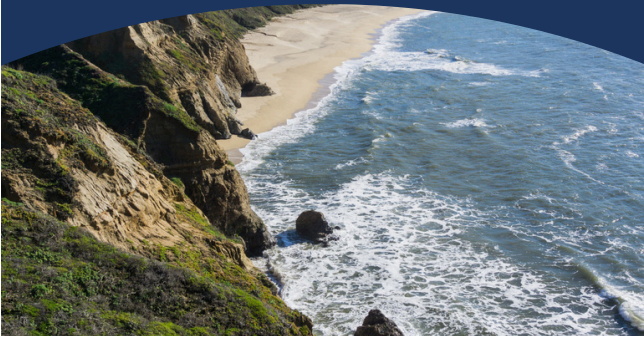
APPROVED:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor

HOTEL BUSINESS IMPROVEMENT DISTRICT - 2023

Annual Report



The \$1 per room night assessment levied on travelers through the hotels, by the Business Improvement District shall be used to promote lodging within the district and administer marketing programs that increase overnight lodging. The district region is Coastside from Montara through Pescadero, with the interior land boundary being Skyline/Highway 35.

Priorities & Outcomes

MID-WEEK STAYS

Re-engage Corporate Planners from the Bay Area & Silicon Valley.

- Slower than anticipated due to the mass layoffs happening across the region in the tech sector.

Meeting Planner FAM Trip to showcase HMB as a meeting destination.

- New team member will facilitate the FAM trip and reboot our corporate engagement.

DIGITAL & PRINT MARKETING

Update/refresh the Visit HMB brand.

- A new logo was finalized in Q3. A new website build began in Q4. The new website solidifies the new brand, utilizes a more flexible platform, and will be easier to update and refresh in the future. As the website is built, existing content is being refreshed and new content being created.

Continue to diversify marketing channels.

- Performed well with online advertising. Print advertising has become increasingly expensive and cost prohibitive with the current budget. The BID has assessed the need to increase the budget by increasing the \$1 per room night to \$2 per room night. This would take effect in July 2024.

GENERATE MEDIA

Proactively pitch and respond to media.

- In June of 2023, the BID began a media audit to better understand the organic articles written versus pitched articles. An in-house team member will be hired in 2024 to support media requests and seek out media opportunities.

Coordinate and host travel writers.

- Worked with a local PR Consultant from Fattoria e Mare Restaurant and with Visit California to host multiple travel writers and influencers.

DIGITAL

All Users

- 425k (+0.8%)

Total Page Views

- 752k (-12%)

Avg. Session

- 45s (-16s)

Top Countries

- USA 357k
- Canada 14k
- India 6.2k

Top Pages

- Stay 197k
- Main St 28k
- Trails 22k

Top Acquisitions

- Search 333k
- Ads 93k
- Direct 60k
- Referral 8.9k

MEDIA

Print Ads

- 2 (CoOps)

Articles Written

- 60 (+2)

Hosted Writers

- 9 (+1)

Notable

- NPR Travel

HOTEL BUSINESS IMPROVEMENT DISTRICT - 2023

Annual Report



Occupancy

	2023	2022	2021
• Aristocrat	54.11%	47.11%	56.84%
• Beach House Half Moon Bay	71.43%	79.96%	78.67%
• Cameron's Inn	10.59%	13.33%	13.52%
• Cypress Inn on Miramar Beach	70.09%	75.34%	82.66%
• Half Moon Bay Inn	27.75%	35.52%	35.38%
• Half Moon Bay Lodge	69.09%	61.91%	58.15%
• Harbor View Inn	73.51%	102.69%	41.11%
• Inn at Mavericks	93.74%	88.95%	74.89%
• Mill Rose Inn & Garden	55.80%	19.95%	36.76%
• Miramar Inn & Suites	35.48%	45.77%	41.31%
• Nantucket Whale Inn	61.58%	57.12%	37.98%
• Ocean View Inn	0.00%	84.93%	77.30%
• Oceano Hotel & Spa	59.73%	63.65%	61.02%
• Quality Inn	52.56%	64.03%	50.24%
• Ritz Carlton	58.19%	63.46%	47.87%
• San Benito House	0.00%	0.00%	1.62%
• Seal Cove Inn	0.00%	43.53%	77.67%
• Zaballa House	3.06%	4.48%	5.45%

Total Available
Rooms a Night
739

Total Available
Room Nights
269,735

Total Occupied
Room Nights
149,588*

Occupancy
55%* (-5%)

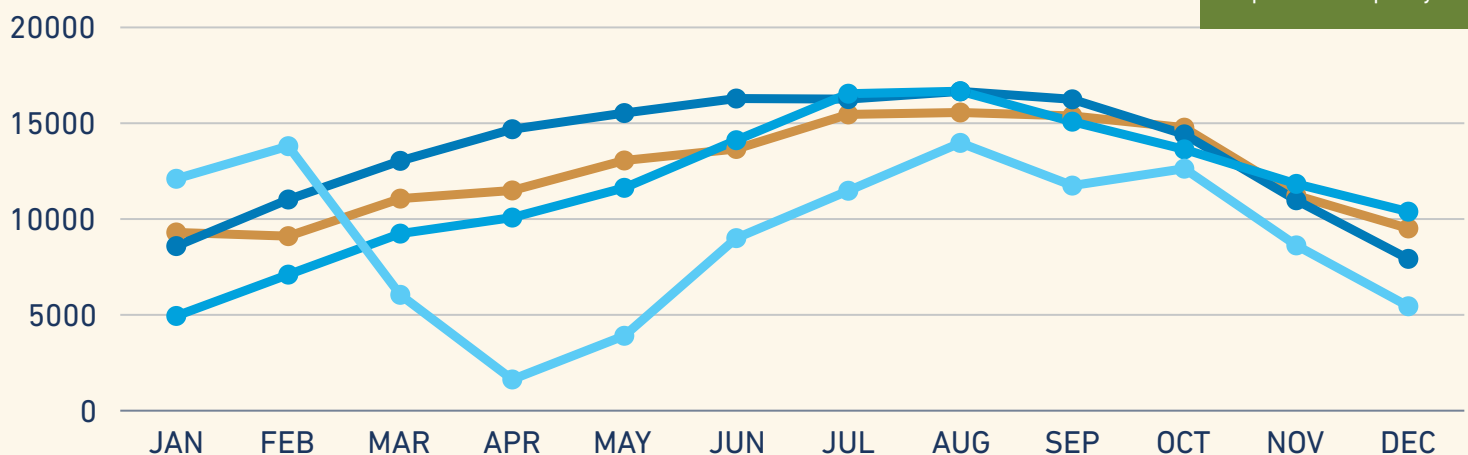
Ave. Room Rate
\$327 (-\$43)

TOT Revenue
\$8,626,313

Estimated
Economic Impact
\$7.2B (-\$1.2B)

BOOKED ROOM NIGHTS

2023 2022 2021 2020



*Two hotels have not
reported occupancy.

HOTEL BUSINESS IMPROVEMENT DISTRICT - 2023

Annual Report



Budget

ITEM	CARRYOVER	INCOME	EXPENSE	NET
Assessments		\$149,588	\$0	\$149,588
Management			\$53,500	-\$53,500
Software			\$565	-\$565
Marketing Firm			\$45,000	-\$45,000
Website			\$23,000	-\$23,000
Digital Ads	\$25,822	\$15,000	\$31,933	\$8,889
Print Ads		\$15,000	\$9,500	\$5,500
PR Firm			\$27,000	-\$27,000
Media Aquisition	\$20,808	\$2,500	\$4,627	\$18,681
Corp. Group Coordinator	\$10,559	\$7,500	\$0	\$18,059
Corp. Group Aquisitions			\$0	\$0
TOTALS	\$57,189	\$189,588	\$195,125	\$51,652
RESERVE	\$21,587	\$0	\$0	\$21,587

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Lopez Rossi, Administrative Services Director
Kenneth Stiles, Finance Manager
Maz Bozorginia, Public Works Director/City Engineer

TITLE: **FISCAL YEAR 2024-25 SEWER SERVICE CHARGES AND ASSESSMENTS**

RECOMMENDATION:

Conduct a public hearing and adopt a resolution approving the Fiscal Year 2024-25 Sewer Service Assessments and charges, direct staff to file the assessment roll, and authorize the County Controller to place the assessment charges on the County of San Mateo Property Tax Roll and direct staff to bill assessments directly that are not on the tax roll.

FISCAL IMPACT:

In June 2020, the City Council adopted new sewer service charges for Fiscal Year 2020 – 2021 (FY21) through FY25 (five years) as part of its California Proposition 218 sewer services charges study and protest process. The adjustments were necessary to address the increasing costs of the Sewer Authority Mid-Coastside and the need to maintain and improve the City's sewer collection system. The total FY 2024-25 revenues are projected to be approximately \$7.2 million.

Due to inflation and deferred capital improvements, Sewer Authority Mid-Coastside (SAM) related costs in FY 2024-25 are budgeted at \$5.8 million, representing a 1% increase from the prior year. The total City sewer operation costs are budgeted at \$6.8 million, representing a 4.5% increase overall. As was identified in the adopted rate study, the City is utilizing funds derived from assessments and charges for service past and present to meet annual operational funding. Annual operational funding includes capital expenses and operational expenses by both the City and SAM.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability* and *Inclusive Governance* elements of the City's Strategic Plan.

ENVIRONMENTAL REVIEW:

As set forth in California Code of Regulations Section 15273, the California Environmental Quality Act does not apply to the establishment, modification, structuring, restructuring, or approval of rates and other charges by a public agency provided the purpose is to maintain and operate services within the existing service area boundary.

BACKGROUND AND OVERVIEW:

The City's collection system includes approximately 35 miles of gravity sewer lines, three (3) pump stations and three (3) force mains. Wastewater from residences, businesses, schools, restaurants, and other buildings and uses is conveyed through sewer mains owned by the City of Half Moon Bay to the sewer treatment plant operated by Sewer Authority Mid-Coastside (SAM). The City collection system serves residences, businesses, and public uses from Frenchman's Creek in the north to Miramontes Point Road in the south. The City primarily serves properties located in the incorporated area; however, the City serves some adjacent areas outside City limits including the Moonridge Affordable Housing Development.

The City, Granada Community Services District (Granada), and Montara Water and Sanitary District (Montara) form the Sewer Authority Mid-Coastside via an exercise of Joint Powers Authority (JPA). SAM facilities include a conventional wastewater treatment plant (located at 1000 N. Cabrillo Highway, Half Moon Bay) and the Intertie Pipeline System (IPS), which conveys flows through pumping facilities, force mains, and interceptor pipelines from Granada and Montara service areas to the wastewater treatment plant. Under the current JPA, the City is responsible for paying a proportional share of the plant flow for operations, maintenance, and capital costs of the wastewater treatment plant. For Fiscal Year 2024-25, the City's proportional share of operations and maintenance is set at 60.82%.

The regional wastewater treatment plant was originally constructed in the late 1970s, following the formation of the JPA. The treatment plant was substantially upgraded in late 1999/early 2000 and has sufficient capacity to receive and treat anticipated wastewater flows. The treatment plant requires major capital repair/replacement efforts which have been estimated between \$30 and \$40 million. This rate study assumes funding of capital repair and replacement on a pay-as-you-go basis for the foreseeable horizon. The rate study anticipated holding at roughly \$2.5 million in combined annual contributions for capital repair/replacement from the City, Granada, and Montara; in FY 2023-24 this figure was \$1.7 million. In FY 2024-25, SAM has budgeted \$3 million in combined capital funding, of which SAM has directed the City to pay 60.82%, or \$1.8 million. These amounts are the subject of litigation, and the City has agreed to pay these and other IPS-related costs under protest, with trial scheduled for early 2025.

The IPS was constructed in the late 1970s and is, for the most part, comprised of original system components. In 2017, the Granada Force Main suffered a major break and resulted in a significant sanitary sewer spill (SSO). Two smaller SSO events occurred on other sections of the Granada Force Main. As a result, SAM completed replacement of approximately 5,700 feet of the Granada Force Main at a cost of almost \$2 million. SAM recently completed work on an additional 1,500 feet of the Granada Force Main. Pursuant to settlement terms with the Ecological Resource

Foundation (ERF), SAM remains committed to a series of studies and possible replacements of the IPS over the coming years totaling an estimated \$10 million. Total IPS repair and replacement is conservatively estimated between \$20 and \$25 million. City ratepayers have contributed under protest toward IPS related repair/replacement since 2017.

Additionally, due to the 2022/2023 Winter Storms, the Montara Force Main had a spot failure in a critical segment in Moss Beach that resulted in SSO's and a shutdown of the system to repair. This failure was surprising, given that SAM staff and their consultant engineer (SRT) prepared a condition assessment for the Montara Force Main back in 2021 that stated that the pipe was in good condition and no immediate replacement was necessary. After the atmospheric rivers, SAM staff and member agencies started to look closely at the condition and are awaiting results of a forensic assessment. SAM did authorize a contract with SRT to start design and environmental work, and the City awaits an update on that progress.

SEWER ENTERPRISE FUND OVERVIEW:

The City's Sewer Fund is a government enterprise fund. An enterprise fund is a self-supporting government fund that provides a specialized service. In this instance, City sewer services represent the specialized service; the Sewer Fund is the City's only enterprise fund. The Sewer Fund is shown in the City's Annual Operations Budget as two separate accounts: Fund 201 (Operating Fund); and 202 (Sewer Capital Fund). The separation exists primarily to ensure that sewer capacity fees paid by private development are accounted for and utilized solely for their intended capital purposes. The two funds also provide a basis for annual budgeting toward operating and capital expenditures. Per the Rate Study, the City Council committed to maintaining an Operating Reserve equal to 75 days (app. 20.5% of budget) as well as a Capital Improvements Reserve of up to 2% of Net Total Capital Assets.

99% of sewer system (utility) revenues are derived directly from rates charged to the users of the sewer system. Per state law, sewer service charges are permitted to recover only revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures including maintenance of emergency and capital reserves. As noted, the City's sewer service charges include not only the operation and maintenance of the City collection system, but also the proportional costs of operating and maintaining the Sewer Authority Mid-Coastside (SAM) (including the treatment plant and intertie pipeline system).

Operations and maintenance costs for sewer services have increased significantly over the last seven years. Between FY 2015-16 (\$2,299,898) and FY 2019-20 (\$4,131,899), Half Moon Bay's proportion of SAM budgeted costs alone have almost doubled. Additionally, the City's share of the costs during this same time-period has increased. As noted above, the City's FY 2024-25 SAM related costs increased by approximately 1% over FY 2023-24 assessments. SAM related increases are attributable to many factors including added staffing and related cost increases, addressing deferred maintenance at the plant, and the rapidly increasing cost of materials and labor for capital construction and maintenance.

The City's collection system operating costs have also risen in response to statutory oversight

obligations, addressing long deferred maintenance, providing oversight of operations and maintenance, and to account for the rapidly increasing cost of materials and labor for capital construction and maintenance. In 2021, the City Council completed construction of the Ocean Colony Pump Station and Force Main Project (app. \$2.5 million total cost). This project was identified by the City and funded by all ratepayers to replace aging infrastructure/technology and protect the environment in the Ocean Colony community. Additional capital maintenance and repair will continue to be needed to protect the environment, limit liability, and meet statutory obligations. The City is actively engaged in identifying and addressing inflow and infiltration (I & I) within the system including annual manhole repair/replacement and smoke testing. The City is also proactively managing and maintaining its sewer collection assets through the cleaning and maintenance activities as well as through in annual CCTV inspections of in-ground pipes (CCTV also serves to evaluate potential I & I related issues). Since FY 2018-19, the costs of providing services exceeded the revenues derived from sewer service charges.

Beginning in September 2019, the City initiated work with Municipal Financial Services (MFS) to prepare a sewer service charges study for the City sewer system. The “2020 Sewer Service Charges Study”, dated April 7, 2020 (the Study), was accepted and adopted by City Council in conjunction with the Proposition 218 protest hearing on June 2, 2020. MFS financial modeling indicated that by FY 2022-23, without rate adjustments, the Sewer Fund (Funds 201 and 202) would be exhausted, and revenues would not be sufficient for day-to-day operations of the sewer enterprise. The Study assumed the terms of the then anticipated (and since failed) Settlement Agreement with Granada and Montara. The Study also incorporated the annual transfer of funds from Fund 202 to Fund 201 over the course of the five fiscal years. Given the failure of settlement, inflation and overall increasing costs of SAM, the City is contemplating a new rate study to commence later this fiscal year.

On June 2, 2020, the City Council conducted a required public protest hearing on proposed sewer charges adjustments. Following the hearing, the City Council adopted new sewer service charges and methodology for calculating residential charges. In approving the new rates the City Council found the following: 1) All provisions set forth above are true and correct, and are hereby incorporated herein as findings of this City Council by reference; 2) The purposes of the fees and reserves set forth herein are to finance the wastewater system service costs; 3) There is a need for wastewater system services to protect the public’s health, safety, and welfare; 4) The charges do not exceed the cost of providing wastewater system services including basic costs, proportional costs, and allocated costs, and do not exceed the proportional cost of service attributable to the customer’s parcel; and 5) The City did not receive a majority protest of the parcels currently receiving wastewater services.

In July 2021, 2022, and 2023, the City Council Conducted public hearings and adopted resolutions approving the annual Sewer Service Assessments and charges per the adopted rate study.

DISCUSSION:

Sewer service charges are utilized to maintain and operate the City’s sewer collection system and to fund the City’s portion of the SAM operations. As noted earlier, the City is directly responsible

for maintaining the system which collects and conveys wastewater, while SAM provides treatment services. The sewer service charges include funding of capital repairs, replacements and improvements both within the City system and the SAM treatment plant. Over the last seven years the cost of SAM JPA services has increased substantially. Additionally, the City has programmed necessary capital projects that have grown increasingly more expensive (due to increased material costs, size of the projects and limited capacity of contractors in Bay Area).

The FY 2024-25 assessments represent the fifth assessment under the 2020 adopted sewer service charges. FY 2024-25 includes an increase in rates of 13% over the prior year, with the single-family rate at \$1,344. The table below highlights the sewer services charges for all residential classes.

Classes of Premises	2020-21	2021-22	2022-23	2023-24	2024-25
Residential/Mobile Home/ Retirement	Per Account or Unit Per Year				
Residential Single Family	\$ 828	\$ 936	\$ 1,056	\$ 1,188	\$ 1,344
Residential Single Family w/ADU	1,212	1,380	1,560	1,752	1,980
Residential Multiple Family	828	936	1,056	1,188	1,344
Mobile Home	504	576	648	732	828
Senior Apartments	504	576	648	732	828

The rates for nonresidential classes and detailed discussion of the rate setting process can be found in the City Clerk archives for City Council agendas and packets for March 17, 2020, April 7, 2020, and June 2, 2020. Additional background can be found on the City's website.¹

The City of Half Moon Bay collects sewer service revenues in two ways:

1. Property owners' sewer assessments are added to the tax roll by the San Mateo County Tax Collector (pursuant to Section 5473 of the Health and Safety Code of the State of California). This year, individual assessments of 3,292 parcels are projected to generate \$6,930,046.20 in revenues which will be forwarded to the City of Half Moon Bay as part of the San Mateo County tax roll collection.
2. The City also directly bills property owners who are connected to the City sewer system but are not included in the City of Half Moon Bay's assessments which are collected through the San Mateo County Property Tax Roll. This applies to unassessed government properties and to properties outside of Half Moon Bay city limits that use the City's sewer system. Another \$314,610.62 in revenue is projected by billing 172 properties directly.

Staff recommends that the City Council conduct a public hearing and upon closing of the hearing, direct staff to file the assessment roll; authorize the County Controller to place the assessment charges on the San Mateo County Property Tax Roll this year; and direct staff to bill sewer users directly if they are not assessed on the tax roll.

¹ See <https://www.half-moon-bay.ca.us/680/2020-Sewer-Rate-Adjustments>

The 2024-25 Sewer Assessment increase is the final one as part of the 2020 Sewer Rate Study. During the current fiscal year, staff will review upcoming SAM costs, including additional deferred capital improvements and maintenance, to determine if an additional rate study would be needed for future years and will come back to council for discussion.

ATTACHMENT:

Resolution adopting FY 2024-25 Sewer Service Charges

RESOLUTION NO. C-2024-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ADOPTING THE FISCAL YEAR 2024-25 SEWER SERVICE CHARGES FOR PROPERTIES SERVED BY THE HALF MOON BAY SANITARY SEWER SYSTEM

WHEREAS, the City of Half Moon Bay is a public entity that owns and operates a sanitary sewer system; and

WHEREAS, Article XIID of the California Constitution specifically authorizes a wastewater system service provider to adopt wastewater system service fees for its customers that do not exceed the cost of providing the service and are proportionate to the cost of service for all customers; and

WHEREAS, the City of Half Moon Bay funds sewer operations via sewer service charges; and

WHEREAS, the City is committed to maintain its sewer system to ensure protection of the public health and safety; and

WHEREAS, the Sewer Authority Mid-Coastside (SAM) has identified significant infrastructure needs that could exceed \$50 million over the next 5-10 years; and

WHEREAS, the City, as a member of SAM, is obligated to pay a proportional share of SAM operational and maintenance costs to ensure proper conveyance and treatment of wastewater; and

WHEREAS, without update of the current rates, the City does not have the financial resources needed to fund operations or continue upgrades of the City's system and the SAM treatment plant and Intertie Pipeline System; and

WHEREAS, pursuant to Section 5473 of the California Health and Safety Code, the City Council received and duly considered a report of sewer service charges covering fiscal years (FY) 2020-21 through 2024-25, computed in conformity with a Sewer Service Rate Study prepared by Municipal Financial Services (MFS); and

WHEREAS, on June 2, 2020, the City Council held a public protest hearing and upon not receiving a majority protest adopted new sewer charges for FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 and FY 2024-25; and

WHEREAS, on June 2, 2020, the City Council introduced and subsequently on June 16 adopted revisions to the Half Moon Bay Municipal Code, Title 13 to implement City Council approved residential flat rate structure and related revisions; and

WHEREAS, the Half Moon Municipal Code establishes sewer fee collection via the San Mateo County Tax Roll; and

WHEREAS, the City Clerk published two public hearing notices in the Half Moon Bay Review in advance of the July 16, 2024, hearing; and

WHEREAS, the City Council held a noticed public hearing on July 16, 2024, adopting the Fiscal Year (FY) 2024-25 sewer service assessments.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of Half Moon Bay hereby adopts the sanitary sewer service summary entitled, "City of Half Moon Bay – FY 2024-25 Sanitary Sewer Assessments Summary" totaling \$7,244,656.82 included as Exhibit A and that the City Council hereby directs staff to: 1) file the FY 2024-25 assessment roll for the City of Half Moon in the amount of \$6,930,046.20 and 2) authorizes the County Controller to place these assessment charges on the County of San Mateo County Property Tax Roll; and 3) bill \$314,610.62 for the 172 directly billed properties for assessments not included on the tax roll.

.....
I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 2024 by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor

Exhibit A

City of Half Moon Bay FY 2024-25 Sanitary Sewer Assessments Summary

San Mateo County Property Tax Roll and Half Moon Bay Manual Billing Assessments

San Mateo County Property Tax Roll Sanitary Sewer Assessments for City of Half Moon Bay

Half Moon Bay Sanitary Sewer Service Charges

	Assessment/Charge Code: 721S
Total Number of Parcels Assessed:	3,292
Total Dollar Assessment:	\$6,930,046.20
Lowest Parcel Assessment	\$298.00
Highest Parcel Assessment	\$359,943.02
Person Responsible for Submitting the Data:	Kenneth Stiles City of Half Moon Bay 507B Purissima Street Half Moon Bay, CA 94019 Phone: 650-435-8257 Fax: 650-726-4550 Email: kstiles@hmbcity.com
Tax Payer Contact:	Margaret Jeanne Geiger 650-459-5517
Person Responsible for Review and Sign Off the Proof List:	Matthew Chidester Email: mchidester@hmbcity.com

Sanitary Sewer Assessments Manual Billing Summary for the City of Half Moon Bay

Class Type	Total (Grouped by Class)
Commercial (6 parcels)	\$34,915.04
Recreational (4 parcels)	\$62,946.56
Residential (160 Parcels)	\$215,040.00
School (2 parcels)	\$1,709.02
Total Manual Billing Assessments (172 Parcels)	\$314,610.62

FY 2024-25 Sanitary Sewer Assessments for City of Half Moon Bay

Total Sewer Assessments on SM County Property Tax Roll	\$6,930,046.20
Sewer Assessments Manual Billings	\$314,610.62
Total FY 2024-25 Half Moon Bay Sanitary Sewer Assessments	\$7,244,656.82

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

**TITLE: BALLOT MEASURE AMENDING MEASURE D, THE CITY'S VOTER-APPROVED
RESIDENTIAL GROWTH LIMITATIONS PROGRAM (PDP-24-035)**

RECOMMENDATION:

1. Hold a public hearing and consider adopting a resolution placing a measure on the November 5, 2024, general election ballot to amend provisions of Measure D, the City's voter approved Residential Growth Limitations Program, within the Zoning Code and Local Coastal Land Used Plan.
2. Determine if the City Council wishes to submit an argument in favor of the measure and who will write the argument in favor of the proposed measure.

Two potential ballot measure options are presented for City Council consideration, as follows:

Option 1: Place a measure to exempt Accessory Dwelling Units (ADUs) and deed restricted housing units affordable to lower income households from Measure D, and adopt the Town Center Map (Figure 2-2) of the certified Land Use Plan as the designated "downtown area" under Measure D.

As originally recommended by staff to the Planning Commission, this option would propose the following:

- Amend Policy 2-16 e. of the Local Coastal Land Use Plan (LUP) by adding an exemption for Accessory Dwelling Units and an exemption for deed restricted housing units affordable to lower income households; and
- Amend Policy 2-16 f. of the Local Coastal Land Use Plan (LUP) adopting the Town Center Map (Figure 2-2) as the designated "downtown area"; and
- Amend Half Moon Bay Municipal Code Section 18.04.010 E. designating the Town Center (Figure 2-2 of the LUP) as the designated "downtown area"; and
- Amend Half Moon Bay Municipal Code Section 18.04.030 (Exempt developments) by adding a subsection C. adding an exemption for Accessory Dwelling Units, and adding a

subsection D. adding an exemption for deed restricted housing units affordable to lower income households.

Option 2: Place a measure to adopt the Town Center Map (Figure 2-2) of the certified Land Use Plan as the designated “downtown area” under Measure D.

As recommended by the Planning Commission, this option would only change the existing Town Center map designation, as follows:

- Amend Policy 2-16 f. of the Local Coastal Land Use Plan (LUP) adopting the Town Center Map (Figure 2-2) as the designated “downtown area”; and
- Amend Half Moon Bay Municipal Code Section 18.04.010 E. designating the Town Center (Figure 2-2 of the LUP) as the designated “downtown area.”

Following voter approval, either of the two proposed options would require certification by the Coastal Commission before the amendments take effect.

FISCAL IMPACT:

Placing either measure on the November 5, 2024, general election ballot would incur approximately \$10,000 in additional elections cost for Fiscal Year 2024-25. This impact would be increased if additional competing measures were to be placed on the ballot.

STRATEGIC ELEMENT:

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

OVERVIEW:

Under direction from the City Council, staff presented a draft ADU and Affordable Housing Ballot Measure to the Planning Commission on June 11 and June 25, 2024, comprised of Option One, cited above. The Planning Commission recommended that the Council not place the proposed Measure on the ballot. Instead, the Planning Commission recommended that the Council consider placing a measure on the ballot amending only the downtown area map associated with Measure D to align with the Town Center, Figure 2-2, Map within the Local Coastal Land Use Plan, comprised of Option 2, cited above.

Two draft measures are included as attachments to the Staff Report. Attachment 1 includes the originally proposed draft measure presented to the Planning Commission, and Attachment 2 includes Planning Commission's recommended ballot measure to consider. Both ballot measure options are further analyzed within the Discussion section of this staff report.

The City Council is under no specific obligation to place a measure on the ballot. If the City Council is inclined to place a measure on the ballot this must be done by resolution following a duly noticed public hearing which was noticed for tonight’s meeting (July 16, 2024). If directed by City

Council a measure to amend the provisions of Measure D would be placed on the Ballot for the November 5, 2024, general election.

BACKGROUND:

Measure D

Measure D is a voter-approved residential growth limitations program for the City of Half Moon Bay, which was adopted by voters in 1999. Measure D went into effect in 2009 following California Coastal Commission certification of the measure as an amendment to the 1993 Local Coastal Land Use Plan (LCLUP). Measure D accommodates 1% population growth annually, which is split between Downtown and Outside of Downtown. The Downtown Area is defined as the Half Moon Bay redevelopment survey area adopted in November 1998, and within this area the number of dwelling units may be increased by another 0.5% at the discretion of the City Council. The full text of Measure D is included as Attachment 2.

Measure D – Potential Amendments

The City Council included exploring potential amendments to Measure D in their priorities for FY 2024-25, and on March 19, 2024, staff provided options and preliminary analysis for potential amendments to Measure D. As a result, Council directed staff to prepare a proposed ballot measure, identified as option 3 of the March 19th staff report which included the following:

1. Amendments exempting ADUs and lower income affordable housing units; and
2. Amending the downtown map associated with Measure D.

The agenda packet, including the staff report, for this meeting can be found [here](#).

Following the March 19, 2024, Council meeting, staff prepared a draft ADU and Affordable Housing Ballot Measure which was presented to the Planning Commission June 11, 2024. At the meeting the Commission expressed concerns as it relates to the impacts that exempting ADUs and affordable housing units may have on the City, specifically as it relates to buildout and infrastructure. Therefore, this item was continued to June 25, 2024, with direction to staff to return with additional data and analysis to better understand potential impacts of the proposed measure. On June 25th, staff returned to the Planning Commission with additional information. At the meeting the Commission was in agreement regarding the benefits of amending the downtown map, but continued to debate the merit of exempting ADUs and lower income affordable housing units. Ultimately, the Planning Commission recommended the City Council not place the proposed measure on the ballot. Instead, the Planning Commission recommended the City Council consider placing a measure on the ballot to amend only the downtown area map associated with Measure D to align with the Town Center, Figure 2-2, Map within the Local Coastal Land Use Plan.

The Planning Commission staff report and attachments for the June 11th and June 25th meetings provide initial and follow-up background and analysis requested by the Planning Commission.

[\(June 11, 2024, Planning Commission Agenda Link\)](#); [June 25, 2024, Planning Commission Agenda Link\)](#)

DISCUSSION:

Option 1

The ballot measure initially proposed on June 11th amends the provisions of Measure D to exempt accessory dwelling units and deed-restricted lower-income affordable units, as well as amend the downtown area map associated with Measure D. This proposed measure was originally prepared as a result of the options directed for consideration by the City Council for amending Measure D during the March 19th, 2024, Council Meeting. The amendments, if approved by voters and certified by the Coastal Commission, are anticipated to increase the production of ADUs and Affordable Housing Units by removing what has become a barrier to developing these important types of housing. The proposed measure may also lead to a slight increase in the development of other unit types, due to an increased availability of Measure D allocations to market rate housing. The increased availability would be the result of a decrease in units competing for available allocations since ADU's and affordable units would be exempt. The exemption of these unit types from Measure D would not exempt these units from any other permits or permitting requirements. Additionally, this measure would include amending the downtown area map as further described below.

More detailed information and analysis on this specific measure and these amendments can be found within the agendas linked within the background section of this report.

Option 2

Option 2 is a similar measure but does not include the ADU and lower-income housings exemptions provided in Option 1, described above. As recommended by the Planning Commission on June 25th, this option amends only the designated "Downtown Area" of Measure D to align with the Town Center area shown on Figure 2-2 of the City's existing Local Coastal Land Use Plan. This would require text amendments to both the Zoning Code and the Local Coastal Land Use Plan. The Planning Commission's recommendation via resolution can be found as Attachment 3.

Currently the Downtown area of Measure D is based on the 1998 Redevelopment Survey Area. The Town Center map is a more accurate and current representation of what the community perceives as downtown. It consists of a more pedestrian friendly, walkable, core area and encourages infill development within the area. Thus, the Town Center map would continue to align with the intent of the authors of Measure D to support compact downtown development and would create consistency between the provisions of Measure D with the LCLUP. Measure D currently allows for an additional .5% population growth annually, at the discretion of the City Council. The proposed amendments would expand the area covered by the downtown designation within Measure D to be applicable to more infill properties. The differences between the existing Measure D downtown designation (the 1998 Redevelopment Survey) and the Town Center Map can be seen in Figure 1 below. The Town Center Map, Figure 2-2 of the Local Coastal Land Use Plan can be seen as Figure 2 below.

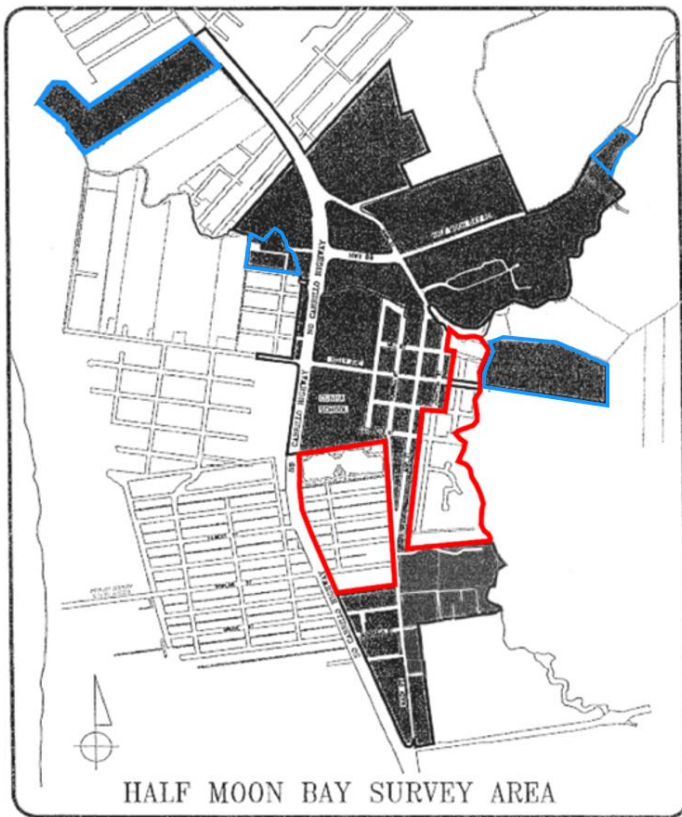


Figure 1: Downtown Half Moon Bay Redevelopment Survey Area, City Resolution No. C-91-98

Figure 1. The existing Downtown Area based on the 1998 redevelopment survey area. The mark ups indicate areas, which differ from the Town Center Map. Blue indicates areas which are not included in the Town Center. Red indicates areas which would be included within the Town Center.

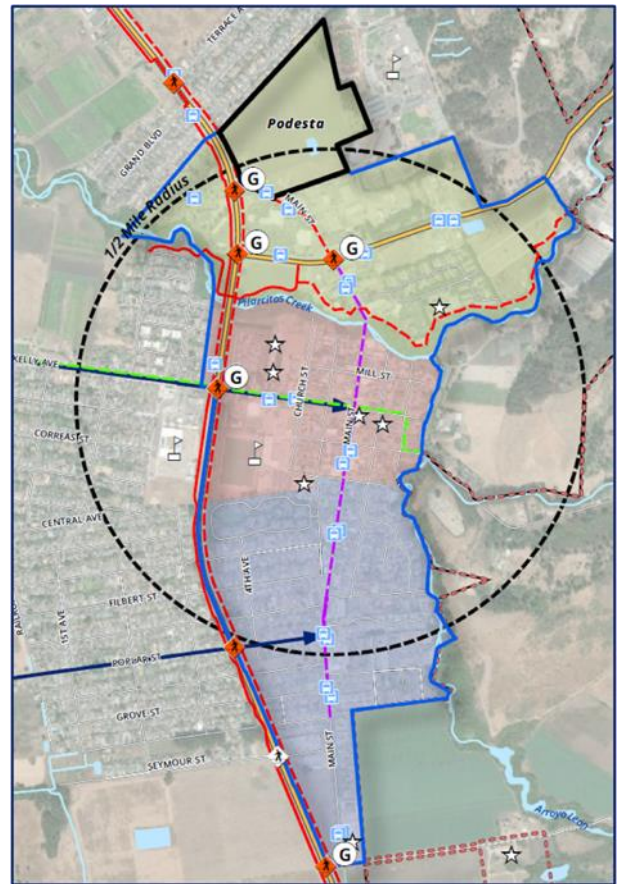


Figure 2. The Town Center as seen in Figure 2-2 of the LCLUP.

To review the potential impacts of amending the map, staff analyzed the locations of applications for Measure D from previous years. Based on Measure D applications from 2022 through 2024 and considering the differences between the boundaries of the current boundaries of the Measure D Downtown Area to the boundaries of the Town Center, approximately, 14 allocations applied for within the outside of downtown designation would have fallen within the boundaries of the Town Center designation. Conversely, 3 allocations within the existing downtown designation would be outside of the downtown boundaries based on the Town Center map. Based on this information, this would have opened up an approximately 17 percent increase of allocation availability over the last 3 years, outside of downtown. However, this would also have increased the amount of competition within the Downtown area, which in 2022 and 2023 all or nearly all allocations were issued, without exceeding the amount available, due to a few larger affordable housing projects.

Property owners whose potential property rights would be impacted by being removed from the downtown Measure D area were notified directly via mailing notice. Staff is also looking at options for additional noticing opportunities.

Proposed Amendments:

The draft ballot measures include amendments to both the Local Coastal Land Use Plan (Policy 2-16) and Zoning Ordinance Sections 18.04.010 and/or 18.04.030. The draft measures are attached as Attachments 1 (Option 1) and Attachment 2 (Option 2). The measures include ~~striketroughs~~ (deletions) and **bold underlines** (insertions) showing proposed changes to the LUP and Zoning Code.

Key Amendments to both Recommendation 1 are as follows:

Option 1 - Local Coastal Land Use Plan (LCP) Proposed Amendment

Policy 2-16. Residential Growth Management.

e. The limitations in the Section shall not apply to **(1) replacement of existing dwelling units on a one-for-one basis, ~~nor shall it apply to~~ (2) density bonuses for the provision of low and moderate income housing to the extent required by State law, (3) any Accessory Dwelling Unit (ADU), including Junior Accessory Dwelling Units (JADU), as defined in Title 18 (Zoning Ordinance) of the Half Moon Bay Municipal Code, or (4) any unit that is deed restricted for a lower income household, defined as a household making 80 % or less of the Area Median Income (AMI).**

f. The Downtown Area is **the area designated as the Town Center in Figure 2-2 of this Local Coastal Land Use Plan.** ~~the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C 91 98, November 3, 1998.~~

Option 1 - Zoning Ordinance Proposed Amendments

18.04.010 Maximum number of new dwellings.

E. The "downtown area" is the area designated as **the Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~the Downtown Half Moon Bay redevelopment survey area in city Resolution No. C 91 98, November 3, 1998, which is incorporated herein by this reference.*~~

~~* Editor's note: The Half Moon Bay Redevelopment Survey Area Map is incorporated into this code at Section 17.06.020.~~

18.04.030 Exempt developments.

The limitations in Section 18.04.010 shall not apply to:

- A. Replacement of existing dwelling units on a one-for-one basis.
- B. Density bonuses for the provision of low- and moderate-income housing as required by state law. (Ord. C-2-09 §1(part), 2009: Ord. 5-05 §3(part), 2005: 1996 zoning code (part)).
- C. **Any Accessory Dwelling Unit (ADU), including Junior Accessory Dwelling Units (JADU), as defined in Title 18 (Zoning Ordinance) of this Half Moon Bay Municipal Code.**
- D. **Any unit that is deed restricted for a lower income household, defined as a household making 80 % or less of the Area Median Income (AMI).**

Key Amendments to Recommendation 2 are as follows:

Option 2 - Local Coastal Land Use Plan (LCP) Proposed Amendment

Policy 2-16. Residential Growth Management.

- e. *The limitations in the Section shall not apply to **(1)** replacement of existing dwelling units on a one-for-one basis, ~~nor shall it apply to~~ **(2)** density bonuses for the provision of low and moderate income housing to the extent required by State law.*
- f. *The Downtown Area is **the area designated as the Town Center in Figure 2-2 of this Local Coastal Land Use Plan.** ~~the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C 91-98, November 3, 1998~~*

Option 2 - Zoning Ordinance Proposed Amendment

18.04.010 Maximum number of new dwellings.

- E. *The "downtown area" is the area designated as **the Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~the Downtown Half Moon Bay redevelopment survey area in city Resolution No. C 91-98, November 3, 1998, which is incorporated herein by this reference.*~~*

~~* Editor's note: The Half Moon Bay Redevelopment Survey Area Map is incorporated into this code at Section 17.06.020.~~

Proposed Resolution:

Staff has prepared for consideration a Resolution of the City Council of the City of Half Moon Bay Setting a Measure on the November 5, 2024 General Municipal Election Ballot Seeking Voter Approval of Amendments to Measure D, the City's Voter-Approved Residential Growth Limitations Program. The ballot question that would appear before the voters is as follows, depending on which ballot measure option the Council selects:

Option 1:

To remove potential constraints on the development of Accessory Dwelling Units (ADUs) and affordable housing, and to prioritize residential development in the Town Center, shall a measure amending the City of Half Moon Bay's residential growth limitations to (1) exempt from the limits ADUs and units deed-restricted for lower-income households, and (2) align the "Downtown Area" that receives additional unit allocations, with the City's Town Center boundaries, be adopted?	YES
	NO

Option 2:

To prioritize residential development in the Town Center, shall a measure amending the City of Half Moon Bay's residential growth limitations to align the "Downtown Area," that receives additional unit allocations, with the City's Town Center boundaries, be adopted?	YES
	NO

If adopted by the Council, the Resolution would set the proposed Measure before the voters in the November 5, 2024, election.

Because the municipal election on November 5, 2024, has been consolidated with the statewide election on the same date, the Resolution would request that the County of San Mateo Board of Supervisors submit this ballot measure to the City's voters in the consolidated election.

Because the proposed Ordinance includes color maps of the Downtown Area and Town Center, in accordance with Elections Code section 9280, the Measure Resolution provides that the text of the measure would not be placed in the voter information sample ballot and would instead be available without charge at City Hall, on the City website, and by mail upon request.

In addition, the Resolution would request that the County of San Mateo Board of Supervisors order the County Clerk mail with the sample ballots printed copies of the Ordinance, together with the primary arguments for and against the ballot measure.

The Resolution would direct the City Attorney to prepare an impartial analysis showing the effect of the ballot measure on existing law and the operation of the measure.

Ballot Arguments

The Resolution includes two options for Council consideration related to ballot arguments:

- First, the Council may authorize two members of its body to draft and submit a ballot argument in favor of the measure. The two members would sign the argument on their own behalf and could invite up to three additional individuals (other than Councilmembers) to sign the argument. The authorization would apply to rebuttal arguments, as well.
- Second, the Council may opt not to submit an argument in favor of the measure. Other individuals and organizations would still have an opportunity to submit arguments for and against the ballot measure.

Primary arguments for and against the measure would be due on August 13, 2024, and rebuttal arguments would be due on August 20, 2024.

CEQA:

The adoption and implementation of the proposed Ordinances are statutorily exempt from the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq., "CEQA," and 14 Cal. Code Regs. Sections 15000 et seq., "CEQA Guidelines"), under CEQA Guidelines section 15265 (adoption of coastal plans and programs).

CONCLUSION:

The proposed Measure D amendment options 1 and 2 are drafted to be in conformance with the Local Coastal Land Use Plan, Zoning Code, and General Plan. This staff report presents two

potential ballot measure options and analysis that would amend Measure D, consistent with City Council direction, along with analysis. The Resolution to place a measure on the ballot is included as Attachment 3 to this staff report, and Council should select which measure (Option 1 or 2) to attach to the Resolution. In addition, the Council should determine if the City Council wishes to submit arguments in favor of the proposed measure and who will write the arguments.

NEXT STEPS:

If directed by the City Council, the selected Measure will be placed on the November ballot. If adopted by the voters, it would then be forwarded to the California Coastal Commission for certification, along with any conforming amendments that the City makes to the Municipal Code.

Any newly proposed options would be required to first go back to the Planning Commission for review.

ATTACHMENT:

1. Option 1, City of Half Moon Bay Accessory Dwelling Units and Affordable Housing Measure
2. Option 2, City of Half Moon Bay Measure to Amend the Downtown Area for Residential Growth Management Policies
3. Resolution Setting a Measure on the Ballot to Amend Measure D
4. Planning Commission Signed Resolution
5. Measure D 1999 – Full Text

City of Half Moon Bay Accessory Dwelling Units and Affordable Housing Measure

The People of the City of Half Moon Bay do ordain as follows:

Section 1. Purpose and Findings.

- A. There is an acute and chronic shortage of affordable housing opportunities within the City of Half Moon Bay.
- B. Affordable housing is critical to maintaining local farming, local businesses, and the coastside tourism industry that supports programs and facilities enjoyed by all.
- C. Accessory Dwelling Units (ADUs), including Junior ADUs, have become a popular and effective means to provide sustainable and affordable infill housing in Half Moon Bay.
- D. Measure D, approved by the voters in 1999, limits the number of residential units that can be built annually, which negatively impacts local property owners who seek to contribute affordable housing by building ADUs, some of which will be for family members and caregivers.
- E. Measure D also risks contributing to delays in the creation of deed-restricted affordable housing for local essential workers, seniors, and other community members.
- F. Measure D incentivizes development in a “Downtown Area,” but the current boundaries are inconsistent with the City’s adopted Town Center and retaining them reduces opportunities for infill development in areas encouraged by City.
- G. The purpose of this Measure is to remove potential constraints on the development of ADUs, Junior ADUs, and deed-restricted affordable housing by exempting these units from Measure D.
- H. A secondary purpose of this Measure is to align the “Downtown Area” with the City’s Town Center boundaries, which includes neighborhoods traditionally considered a part of the downtown.

Section 2. Amendments to Half Moon Bay Local Coastal Land Use Plan.

The Half Moon Bay Local Coastal Land Use Plan is hereby amended as shown below. Text in strikethrough (~~example~~) is deleted and text in bold underline (**example**) is added. Text in standard font is not amended by this Measure. Amendments to the Local Coastal Land Use Plan require certification by the California Coastal Commission before they may take effect. Figure 2-2, referenced in these amendments, is included as Attachment A to this Measure. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Measure. The Zoning Ordinance definitions of Accessory Dwelling Unit and Junior Accessory Dwelling Unit, referenced in these amendments, as they currently exist, are included as Attachment C to this Measure. The language adopted in the following amendments may be repealed or amended only by a vote of the people.

2-16. Residential Growth Management. Provide for compatible and orderly residential growth at a managed pace and ensure that future development is consistent with the city's growth management standards. Measure D (Residential Growth Limitation Ordinance) **and a voter-approved amendment to Measure D** added the following provisions to the Land Use Plan and they may not be amended or repealed except by a majority vote of the people of Half Moon Bay as follows:

- a. The number of dwelling units which the City may authorize each calendar year may not exceed the number of units which would result in a growth of 1 percent in the City's population as of January 1 of that year. In determining the number of permissible units, the City shall use the most recent United States Census figures for Half Moon Bay to calculate the average number of persons per household.
- b. The number of dwelling units authorized each year under subsection a. may be increased by 50 percent for additional dwelling units in the Downtown Area.
- c. Applications for new units from areas of the City outside the Downtown Area have priority for one-half of the units authorized under subsection a. If fewer applications are received, the remainder of these units may be authorized in the Downtown Area.
- d. Subject to subsections b. and c., the city shall allocate permissible dwelling units among applications under the existing allocation system in the Municipal Code, to the extent feasible, and subsequent modifications by the City Council.
- e. The limitations in the Section shall not apply to **(1) replacement of existing dwelling units on a one-for-one basis, nor shall it apply to (2) density bonuses for the provision of low and moderate income housing to the extent required by State law, (3) any Accessory Dwelling Unit (ADU), including Junior Accessory Dwelling Units (JADU), as defined in Title 18 (Zoning Ordinance) of the Half Moon Bay Municipal Code, or (4) any unit that is deed restricted for a lower income household, defined as a household making 80 % or less of the Area Median Income (AMI).**
- f. The Downtown Area is **the area designated as the Town Center in Figure 2-2 of this Local Coastal Land Use Plan.** ~~the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C 91-98, November 3, 1998.~~

Section 3. Amendments to the Half Moon Bay Zoning Ordinance.

The Half Moon Bay Zoning Ordinance is hereby amended as shown below. Text in strikethrough (~~example~~) is deleted and text in bold underline (**example**) is added. Text in standard font is not amended by this Measure. The Zoning Ordinance is part of the Half Moon Bay Local Coastal Implementation Plan (LCIP). Amendments to the LCIP require certification by the California Coastal Commission before they may take effect. Figure 2-2, referenced in these amendments, is included as Attachment A to this Measure. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Measure. The Zoning Ordinance definitions of Accessory Dwelling Unit and Junior Accessory Dwelling Unit, referenced in these amendments, as they currently exist, are included as Attachment C to

this Measure. The language adopted in the following amendments may be repealed or amended only by a vote of the people.

18.04.010 Maximum number of new dwellings.

A. The number of dwelling units which the city may authorize each calendar year shall not exceed the number of units which would result in a growth of one percent in the city's population as of January 1st of that year. In determining the number of permissible units, the city shall use the most recent U.S. Census figures for Half Moon Bay to calculate the average number of persons per household.

B. The number of dwelling units authorized each year under subsection A of this section may be increased by fifty percent for additional dwelling units in the downtown area.

C. Applications for new units from areas of the city outside the downtown area shall have priority for one-half of the units authorized under subsection A of this section. If fewer applications are received, the remainder of these units may be authorized in the downtown area.

D. Subject to subsections B and C of this section, the city shall allocate permissible dwelling units among applications on the basis of the existing allocation system in Chapter 17.06 of this code, or a subsequently modified allocation system.

E. The "downtown area" is the area designated as **the Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~the Downtown Half Moon Bay redevelopment survey area in city Resolution No. C-91-98, November 3, 1998, which is incorporated herein by this reference.*~~

• ~~Editor's note: The Half Moon Bay Redevelopment Survey Area Map is incorporated into this code at Section 17.06.020.~~

18.04.030 Exempt developments.

The limitations in Section 18.04.010 shall not apply to:

A. Replacement of existing dwelling units on a one-for-one basis.

B. Density bonuses for the provision of low- and moderate-income housing as required by state law.

C. Any Accessory Dwelling Unit (ADU), including Junior Accessory Dwelling Units (JADU), as defined in Title 18 (Zoning Ordinance) of this Half Moon Bay Municipal Code.

D. Any unit that is deed restricted for a lower income household, defined as a household making 80 % or less of the Area Median Income (AMI).

Section 4. Conforming Amendments to Half Moon Bay Local Coastal Land Use Plan.

In light of the Local Coastal Land Use Plan amendments set forth above in Section 2 of this Measure, the Local Coastal Land Use Plan is hereby further amended as set forth below in order to promote internal consistency. Text in strikethrough (~~example~~) is deleted and text in bold

underline (**example**) is added. Text in standard font is not amended or readopted by this Measure. Amendments to the Local Coastal Land Use Plan require certification by the California Coastal Commission before they may take effect. The language in the following amendments may be further amended without a vote of the people in the course of future updates and revisions to the Local Coastal Land Use Plan, provided that any such amendments do not conflict with any provisions of Section 2 of this Measure.

- A. To the List of Figures in the Table of Contents add the following bold underline text:

Figure 1-7: **1999** Measure D Downtown Area

- B. To the Changed Land Use Circumstances discussion on page 1-26, add the following bold underline text after the first paragraph:

In 2024, City voters passed an amendment to Measure D that further exempted from the growth limitation Accessory Dwelling Units, including Junior Accessory Dwelling Units, and units that are deed restricted for lower income households. The voter-approved amendment also redefined the “Downtown Area” to be the area designated as the Town Center in Figure 2-2 of this Plan.

- C. To the title of Figure 1-7 on page 1-27, add the following bold underline text:

FIGURE 1-7. **1999** MEASURE D DOWNTOWN AREA

- D. To the text box next to Figure 1-7 on page 1-27 add the following bold underline text:

A voter-approved amendment to Measure D in 2024 redefined the downtown area to be the area designated as the Town Center in Figure 2-2 of this Plan.

- E. To the Growth Management discussion on page 2-15, make the following changes:

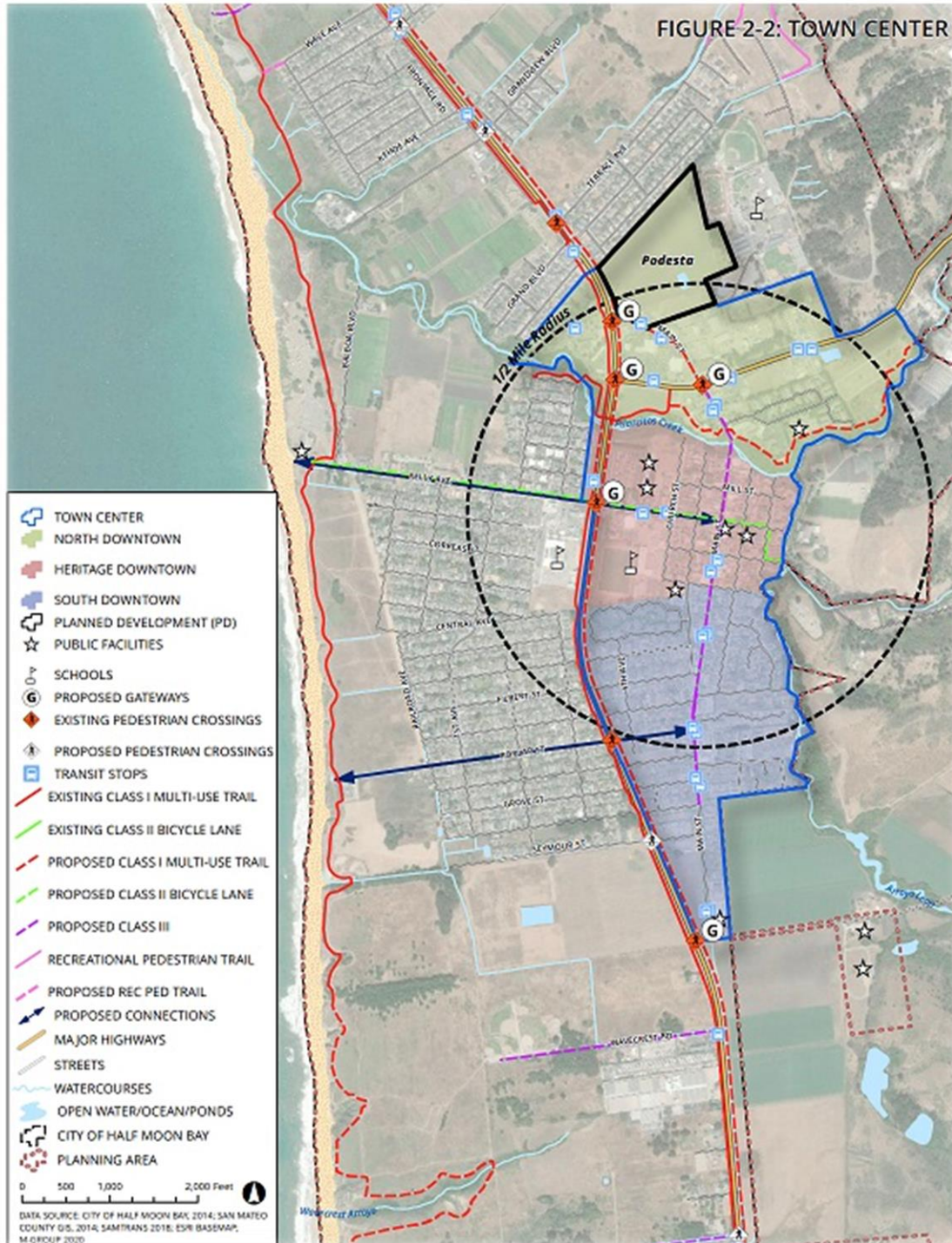
As discussed in Chapter 1, Measure D was passed in 1999 to control the pace of residential development in Half Moon Bay and to reduce pressure on public infrastructure systems including water, sewer, and traffic. **Measure D was amended in 2024 to ease restrictions on the development of Accessory Dwelling Units and affordable housing.** Measure D incentivizes development in a defined Downtown Area, which ~~overlaps with but differs from~~ **is** the boundary of the Town Center emphasized in this Plan, by providing additional allocations each year in this area. To further support this measure, LUP policies address the impacts of residential development through growth management strategies including lot retirement, lot mergers, and transfer of development rights. The intent of these policies is to concentrate development in existing developed areas, specifically the Town Center, while limiting development in areas where coastal resources, environmental hazards, and public infrastructure constraints are present.

Section 5. Implementation.

- A. Within a reasonable period following the effective date of this Measure, the City Council shall amend the Half Moon Bay Municipal Code Title 17 (Subdivisions) to incorporate the provisions of this Measure into the Residential Dwelling Unit Allocation System. The City Council is authorized to adopt further implementing ordinances, guidelines, rules, and/or regulations, as necessary, to further the purposes of this Measure.
- B. Following the effective date of this Measure and implementing amendments to the Half Moon Bay Municipal Code Title 17 (Subdivisions), the City of Half Moon Bay is hereby authorized and directed to submit the Measure's amendments to the Local Coastal Land Use Plan and the Zoning Ordinances, along with implementing amendments to the Subdivision Ordinance and any necessary supporting documents, to the California Coastal Commission for certification as an amendment to the City of Half Moon Bay Local Coastal Program. The voters further wish to submit the Measure's amendment to the Local Coastal Program as an amendment that will take effect automatically upon the California Coastal Commission's approval.
- C. The Local Coastal Land Use Plan and Zoning Ordinance may be reorganized or readopted in different format, and individual provisions may be renumbered or reordered, in the course of ongoing updates, provided that the provisions of Section 2 and 3 of this Measure shall remain, unless earlier repealed or amended by vote of the people of the City.
- D. It is the intent of the voters that the provisions of this Measure shall be broadly construed in a manner that facilitates the purposes set forth herein and that this Measure be interpreted so as to be consistent with all federal and state laws, rules, and regulations. The provisions of this Measure shall not be applicable to the extent, but only to the extent, that they would violate the constitution or laws of the United States or of the State of California. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion of this Measure is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Measure. The voters hereby declare that this Measure, and each section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, parts, or portions are declared invalid or unconstitutional. If any provision of this Measure is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Measure that can be given effect without the invalid application.
- E. Except as otherwise provided herein, this Measure may be amended or repealed only by the voters of the City.

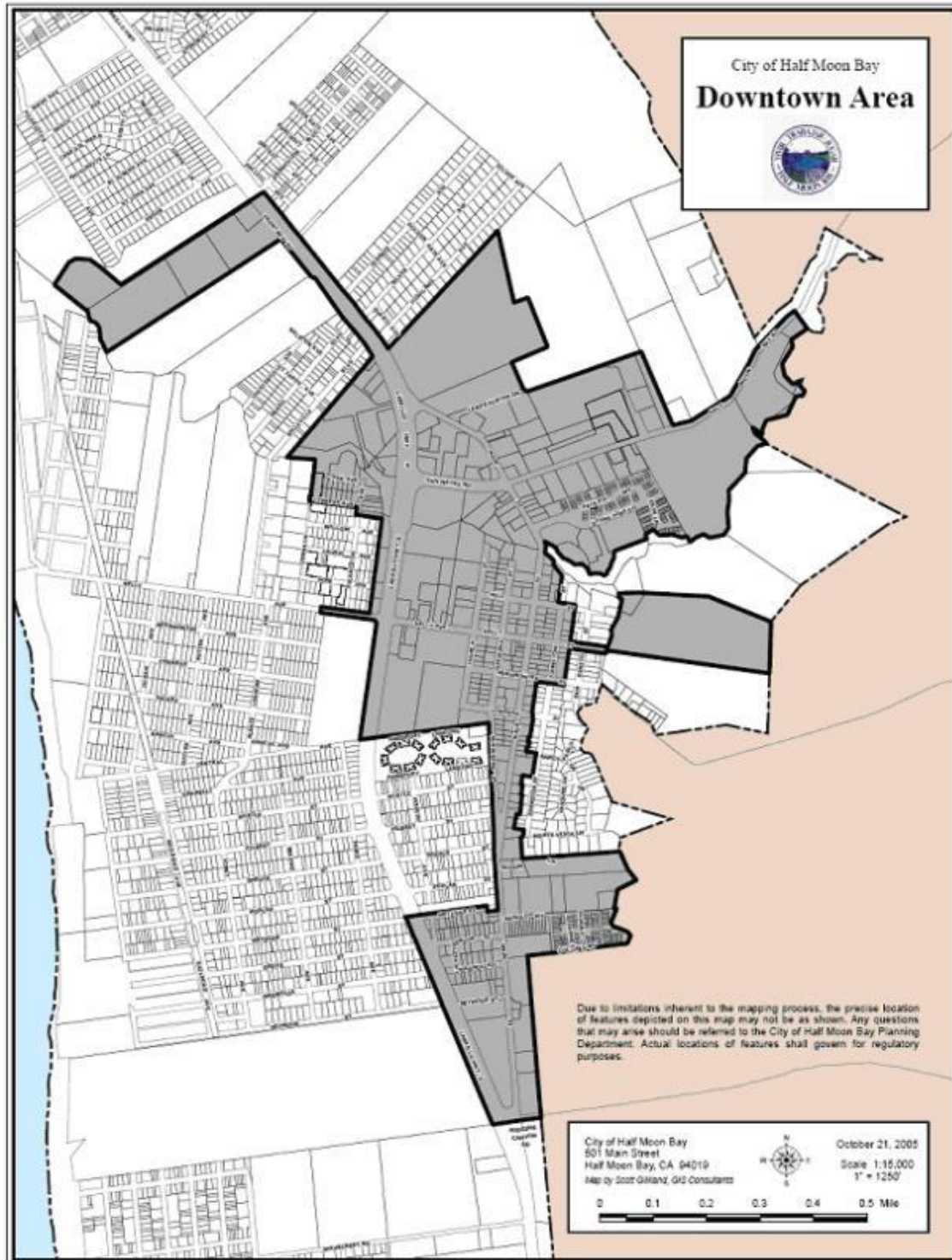
Attachment A

Figure 2-2 of the Local Coastal Land Use Plan



Attachment B

The Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C-91-98, November 3, 1998



Attachment C

Current definition of Accessory Dwelling Unit and Junior Accessory Dwelling Unit in Title 18 (Zoning Ordinance) of the Half Moon Bay Municipal Code.

“Accessory dwelling unit” means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons on the same parcel as a primary dwelling unit. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation. An accessory dwelling unit also includes the following: (1) an efficiency unit, as defined in Health and Safety Code Section 17958.1, and (2) a manufactured home, as defined in Health and Safety Code Section 18007.

“Junior accessory dwelling unit” means a unit that is no more than five hundred square feet in size and contained entirely within an existing single-family structure, including an attached garage. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure, as defined in California Government Code Section 65852.22.

City of Half Moon Bay Measure to Amend the Downtown Area for Residential Growth Management Policies

The People of the City of Half Moon Bay do ordain as follows:

Section 1. Purpose and Findings.

- A. Measure D, approved by the voters in 1999, limits the number of residential units that can be built annually.
- B. Measure D incentivizes development in a “Downtown Area,” but the current boundaries are inconsistent with the City’s adopted Town Center and retaining them reduces opportunities for infill development in areas encouraged by City.
- C. The purpose of this Measure is to align the “Downtown Area” with the City’s Town Center boundaries, which includes neighborhoods traditionally considered a part of the downtown.

Section 2. Amendments to Half Moon Bay Local Coastal Land Use Plan.

The Half Moon Bay Local Coastal Land Use Plan is hereby amended as shown below. Text in strikethrough (~~example~~) is deleted and text in bold underline (**example**) is added. Text in standard font is not amended by this Measure. Amendments to the Local Coastal Land Use Plan require certification by the California Coastal Commission before they may take effect. Figure 2-2, referenced in these amendments, is included as Attachment A to this Measure. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Measure. The language adopted in the following amendments may be repealed or amended only by a vote of the people.

2-16. Residential Growth Management. Provide for compatible and orderly residential growth at a managed pace and ensure that future development is consistent with the city’s growth management standards. Measure D (Residential Growth Limitation Ordinance) **and a voter-approved amendment to Measure D** added the following provisions to the Land Use Plan and they may not be amended or repealed except by a majority vote of the people of Half Moon Bay as follows:

- a. The number of dwelling units which the City may authorize each calendar year may not exceed the number of units which would result in a growth of 1 percent in the City’s population as of January 1 of that year. In determining the number of permissible units, the City shall use the most recent United States Census figures for Half Moon Bay to calculate the average number of persons per household.
- b. The number of dwelling units authorized each year under subsection a. may be increased by 50 percent for additional dwelling units in the Downtown Area.
- c. Applications for new units from areas of the City outside the Downtown Area have priority for one-half of the units authorized under subsection a. If fewer applications are received, the remainder of these units may be authorized in the Downtown Area.

d. Subject to subsections b. and c., the city shall allocate permissible dwelling units among applications under the existing allocation system in the Municipal Code, to the extent feasible, and subsequent modifications by the City Council.

e. The limitations in the Section shall not apply to replacement of existing dwelling units on a one-for-one basis, nor shall it apply to density bonuses for the provision of low and moderate income housing to the extent required by State law.

f. The Downtown Area is **the area designated as the Town Center in Figure 2-2 of this Local Coastal Land Use Plan.** ~~the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C 91-98, November 3, 1998.~~

Section 3. Amendments to the Half Moon Bay Zoning Ordinance.

The Half Moon Bay Zoning Ordinance is hereby amended as shown below. Text in strikethrough (~~example~~) is deleted and text in bold underline (**example**) is added. Text in standard font is not amended by this Measure. The Zoning Ordinance is part of the Half Moon Bay Local Coastal Implementation Plan (LCIP). Amendments to the LCIP require certification by the California Coastal Commission before they may take effect. Figure 2-2, referenced in these amendments, is included as Attachment A to this Measure. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Measure. The language adopted in the following amendments may be repealed or amended only by a vote of the people.

18.04.010 Maximum number of new dwellings.

A. The number of dwelling units which the city may authorize each calendar year shall not exceed the number of units which would result in a growth of one percent in the city's population as of January 1st of that year. In determining the number of permissible units, the city shall use the most recent U.S. Census figures for Half Moon Bay to calculate the average number of persons per household.

B. The number of dwelling units authorized each year under subsection A of this section may be increased by fifty percent for additional dwelling units in the downtown area.

C. Applications for new units from areas of the city outside the downtown area shall have priority for one-half of the units authorized under subsection A of this section. If fewer applications are received, the remainder of these units may be authorized in the downtown area.

D. Subject to subsections B and C of this section, the city shall allocate permissible dwelling units among applications on the basis of the existing allocation system in Chapter 17.06 of this code, or a subsequently modified allocation system.

E. The "downtown area" is the area designated as **the Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~the Downtown Half Moon Bay redevelopment survey area in city Resolution No. C 91-98, November 3, 1998, which is incorporated herein by this reference.*~~

• ~~Editor's note: The Half Moon Bay Redevelopment Survey Area Map is incorporated into this code at Section 17.06.020.~~

Section 4. Conforming Amendments to Half Moon Bay Local Coastal Land Use Plan.

In light of the Local Coastal Land Use Plan amendments set forth above in Section 2 of this Measure, the Local Coastal Land Use Plan is hereby further amended as set forth below in order to promote internal consistency. Text in strikethrough (~~example~~) is deleted and text in bold underline (**example**) is added. Text in standard font is not amended or readopted by this Measure. Amendments to the Local Coastal Land Use Plan require certification by the California Coastal Commission before they may take effect. The language in the following amendments may be further amended without a vote of the people in the course of future updates and revisions to the Local Coastal Land Use Plan, provided that any such amendments do not conflict with any provisions of Section 2 of this Measure.

- A. To the List of Figures in the Table of Contents add the following bold underline text:

Figure 1-7: **1999** Measure D Downtown Area

- B. To the Changed Land Use Circumstances discussion on page 1-26, add the following bold underline text after the first paragraph:

In 2024, City voters passed an amendment to Measure D that redefined the “Downtown Area” to be the area designated as the Town Center in Figure 2-2 of this Plan.

- C. To the title of Figure 1-7 on page 1-27, add the following bold underline text:

FIGURE 1-7. **1999** MEASURE D DOWNTOWN AREA

- D. To the text box next to Figure 1-7 on page 1-27 add the following bold underline text:

A voter-approved amendment to Measure D in 2024 redefined the downtown area to be the area designated as the Town Center in Figure 2-2 of this Plan.

- E. To the Growth Management discussion on page 2-15, make the following changes:

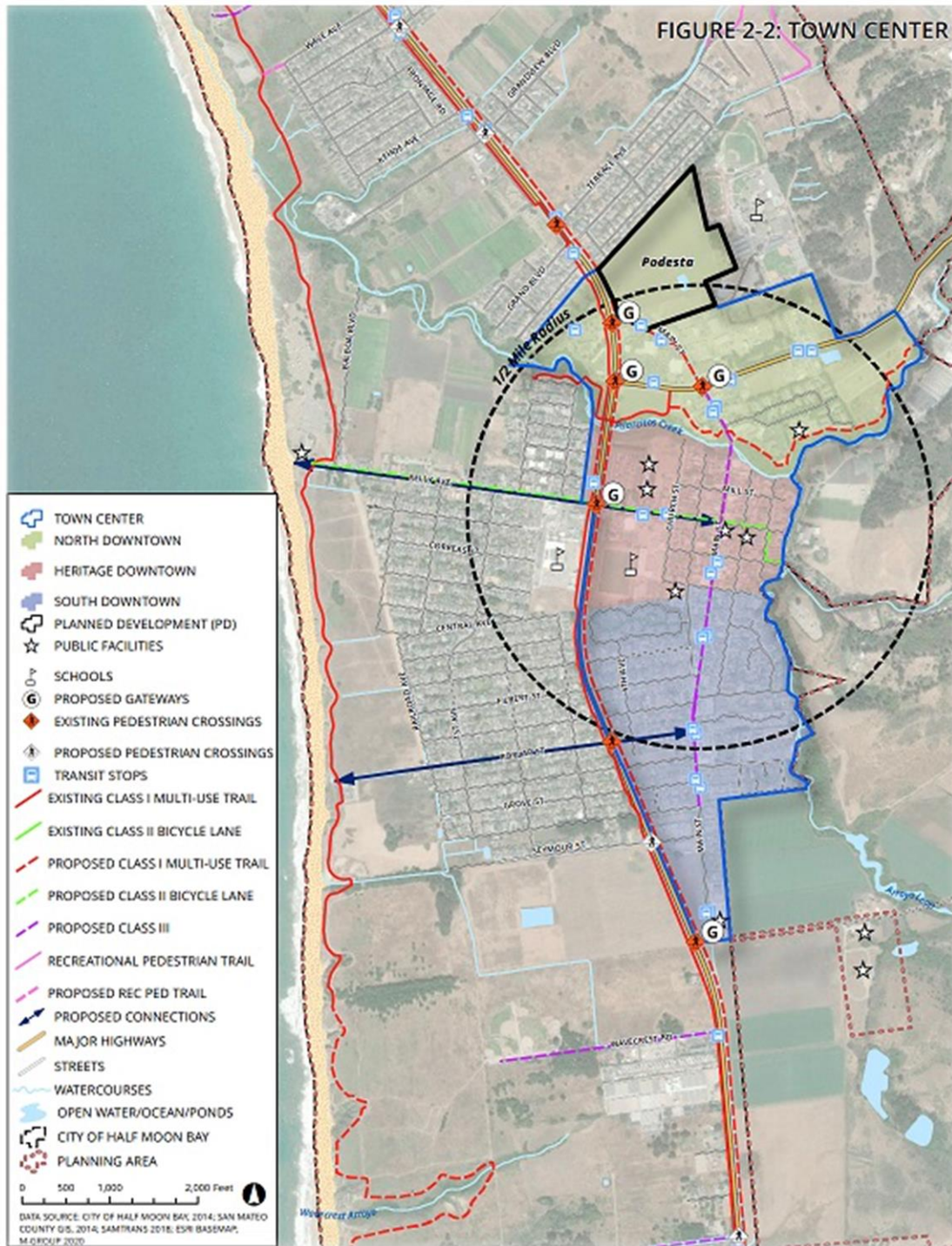
As discussed in Chapter 1, Measure D was passed in 1999 to control the pace of residential development in Half Moon Bay and to reduce pressure on public infrastructure systems including water, sewer, and traffic. Measure D incentivizes development in a defined Downtown Area, which ~~overlaps with but differs from~~ **is** the boundary of the Town Center emphasized in this Plan, by providing additional allocations each year in this area. To further support this measure, LUP policies address the impacts of residential development through growth management strategies including lot retirement, lot mergers, and transfer of development rights. The intent of these policies is to concentrate development in existing developed areas, specifically the Town Center, while limiting development in areas where coastal resources, environmental hazards, and public infrastructure constraints are present.

Section 5. Implementation.

- A. Within a reasonable period following the effective date of this Measure, the City Council shall amend the Half Moon Bay Municipal Code Title 17 (Subdivisions) to incorporate the provisions of this Measure into the Residential Dwelling Unit Allocation System. The City Council is authorized to adopt further implementing ordinances, guidelines, rules, and/or regulations, as necessary, to further the purposes of this Measure.
- B. Following the effective date of this Measure and implementing amendments to the Half Moon Bay Municipal Code Title 17 (Subdivisions), the City of Half Moon Bay is hereby authorized and directed to submit the Measure's amendments to the Local Coastal Land Use Plan and the Zoning Ordinances, along with implementing amendments to the Subdivision Ordinance and any necessary supporting documents, to the California Coastal Commission for certification as an amendment to the City of Half Moon Bay Local Coastal Program. The voters further wish to submit the Measure's amendment to the Local Coastal Program as an amendment that will take effect automatically upon the California Coastal Commission's approval.
- C. The Local Coastal Land Use Plan and Zoning Ordinance may be reorganized or readopted in different format, and individual provisions may be renumbered or reordered, in the course of ongoing updates, provided that the provisions of Section 2 and 3 of this Measure shall remain, unless earlier repealed or amended by vote of the people of the City.
- D. It is the intent of the voters that the provisions of this Measure shall be broadly construed in a manner that facilitates the purposes set forth herein and that this Measure be interpreted so as to be consistent with all federal and state laws, rules, and regulations. The provisions of this Measure shall not be applicable to the extent, but only to the extent, that they would violate the constitution or laws of the United States or of the State of California. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion of this Measure is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Measure. The voters hereby declare that this Measure, and each section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, parts, or portions are declared invalid or unconstitutional. If any provision of this Measure is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Measure that can be given effect without the invalid application.
- E. Except as otherwise provided herein, this Measure may be amended or repealed only by the voters of the City.

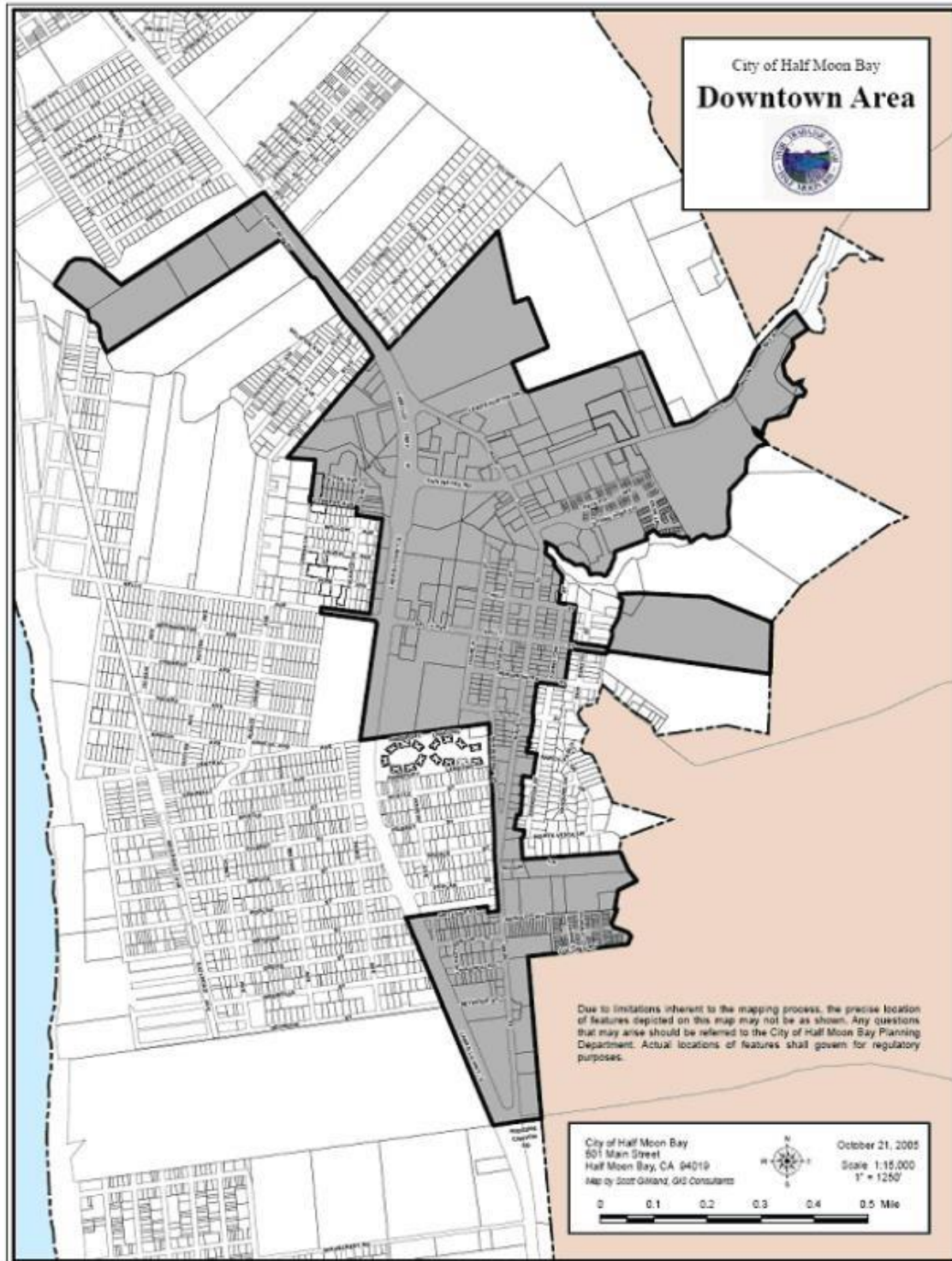
Attachment A

Figure 2-2 of the Local Coastal Land Use Plan



Attachment B

The Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C-91-98, November 3, 1998



Resolution No. C-2024-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY SETTING A MEASURE ON THE NOVEMBER 5, 2024, GENERAL MUNICIPAL ELECTION BALLOT SEEKING VOTER APPROVAL OF AMENDMENTS TO MEASURE D, THE CITY'S VOTER-APPROVED RESIDENTIAL GROWTH LIMITATIONS PROGRAM

WHEREAS, Measure D, approved by the voters in 1999, limits the number of residential units that can be built annually, with limited exceptions.

WHEREAS, Measure D incentivizes development in a "Downtown Area," but the current boundaries are inconsistent with the City's adopted Town Center and retaining them reduces opportunities for infill development in areas encouraged by City.

WHEREAS, the City Council desires the ability to amend Measure D as indicated in the Ordinance attached to this Resolution as Exhibit A [the City Council Should determine whether Exhibit A is Attachment 1 to the staff report, the City of Half Moon Bay Accessory Dwelling Units and Affordable Housing Measure, or Attachment 2 to the staff report, the City of Half Moon Bay Measure to Amend the Downtown Area for Residential Growth Management Policies], which is also referred to herein as the "measure;" and

WHEREAS, if approved by voters, the amendments proposed by the Ordinance to the Half Moon Bay Local Coastal Land Use Plan, and the Zoning Ordinance (which is part of the Half Moon Bay Local Coastal Implementation Plan), require certification by the California Coastal Commission before they may take effect; and

WHEREAS, at a public hearing on June 11 and continued to June 25, 2025, the Planning Commission considered a proposed ordinance to amend Measure D to (1) add exemptions from the residential growth limitations for Accessory Dwelling Units (ADUs) and lower income affordable housing units, and (2) amend the downtown map associated with Measure D to be the area designated as the Town Center in in Figure 2-2 of the Local Coastal Land Use Plan; and

WHEREAS, the Planning Commission recommended that the City Council City Council not place the proposed ordinance on the November 5, 2024 ballot, and also recommended that the City Council consider placing a measure on the November 5, 2024 ballot seeking voter approval to amend the Measure D downtown area to be the area designated as the Town Center in Figure 2-2 of the Local Coastal Land Use Plan; and

WHEREAS, on May 21, 2024, the City Council adopted Resolution No. C-2024-23, calling a general municipal election on November 5, 2024, and adopted Resolution No. C-2024-24, requesting that the Board of Supervisors of the County of San Mateo consolidate the City's

general municipal election with the statewide general election to be held on the same date; and

WHEREAS, the Half Moon Bay City Council is authorized by California Elections Code Section 9222 to submit to the voters propositions for the enactment or amendment of any ordinance; and

WHEREAS, on the basis of the foregoing, the City Council has determined it is appropriate to place a measure amending Measure D before the voters at the general municipal election consolidated with the statewide general election on November 5, 2024; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Half Moon Bay does hereby declare, determine and order as follows:

Section 1. Ballot Measure

(a) Pursuant to Government Code Section 53724 and Elections Code Section 9222, the City Council orders that the following measure be submitted to the voters of the City of Half Moon Bay on the ballot at the general municipal election on November 5, 2024:

[THE CITY COUNCIL MAY SELECT ONE OF THE FOLLOWING TWO OPTIONS:]

To remove potential constraints on the development of Accessory Dwelling Units (ADUs) and affordable housing, and to prioritize residential development in the Town Center, shall a measure amending the City of Half Moon Bay’s residential growth limitations to (1) exempt from the limits ADUs and units deed-restricted for lower-income households, and (2) align the “Downtown Area” that receives additional unit allocations, with the City’s Town Center boundaries, be adopted?	YES
	NO

To prioritize residential development in the Town Center, shall a measure amending the City of Half Moon Bay’s residential growth limitations to align the “Downtown Area,” that receives additional unit allocations, with the City’s Town Center boundaries, be adopted?	YES
	NO

(b) As the City Council by resolution on May 21, 2024, requested that the County of San Mateo Board of Supervisors consolidate the City’s general municipal election with the statewide general election to be held on November 5, 2024, pursuant to the requirements of Elections Code Section 10403, the City Council hereby requests that the County of San Mateo Board of Supervisors authorize the submission of this ballot measure to the voters of the City of Half Moon Bay in the consolidated municipal and statewide election held on November 5, 2024.

(c) This ballot measure requires the approval of a majority (50% +1) vote of the City of Half Moon Bay electorate voting on the measure at the November 5, 2024 election in order to become effective.

Section 2. Proposed Ordinance

(a) The full text of the proposed Ordinance to be submitted to the voters is attached to this Resolution as Exhibit A.

(b) The City Council hereby approves the submission of the proposed Ordinance, attached to this Resolution as Exhibit A, to the voters of the City at the November 5, 2024 general municipal election.

(d) Because the proposed Ordinance includes color maps of the Downtown Area and Town Center, in accordance with Elections Code section 9280, the entire text of the measure shall not be placed in the voter information sample ballot and shall instead be available without charge at City Hall, on the City website, and by mail upon request.

(d) The City Council requests the County of San Mateo Board of Supervisors to order the County Clerk to mail with the sample ballots the primary arguments for and against the measure, and to provide absent voter ballots for the election for use by qualified electors of the City who are entitled thereto in the manner provided by law.

(e) If the above ballot measure is approved by the City of Half Moon Bay electorate as outlined above, then the Ordinance shall become effective immediately upon adoption. The amendments proposed by the Ordinance to the Half Moon Bay Local Coastal Land Use Plan, and the Zoning Ordinance (which is part of the Half Moon Bay Local Coastal Implementation Plan), however, require certification by the California Coastal Commission before they may take effect.

Section 3. Publication of Synopsis

The City Clerk is directed to publish a synopsis of the ballot measure in an official newspaper of general circulation as required by Elections Code Section 12111 at least one week before the November 5, 2024 election.

Section 4. Submission to County Officials

The City Clerk is directed to file a certified copy of this Resolution, with Exhibits, with the County of San Mateo Board of Supervisors and the County Elections Official no later than close of business on August 9, 2024.

Section 5. Impartial Analysis

In accordance with Elections Code Section 9280, the City Clerk is directed to transmit a copy of the ballot measure to the City Attorney, who is directed to prepare an impartial analysis not exceeding 500 words showing the effect of the measure on existing law and the operation of the measure. The analysis shall include a statement indicating that the measure was placed on the ballot by the City Council. The impartial analysis shall be filed with the City Clerk by 5:00 p.m. on August 20, 2024.

.

Section 6. Ballot Arguments

[THE CITY COUNCIL SHOULD SELECT ONE OF THE FOLLOWING OPTIONS FOR SUB-SECTION (a) AND DELETE THE OTHER:]

[OPTION 1]

(a) The primary arguments for and against the measure shall be submitted to the City Clerk by 5:00 p.m. on August 13, 2024 and shall not exceed 300 words. The City Council authorizes the following two members of its body, _____ and _____, to file a written argument in favor of the measure as specified above. The argument should not exceed 300 words and should be accompanied by the printed names and signatures of the persons submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code. The council member authors may identify additional individuals to sign the argument in favor, as long as no more than five total authors sign. The foregoing authorization also applies to the rebuttal argument. Rebuttal arguments concerning

the measure may be submitted to the City Clerk by 5:00 p.m. on August 20, 2024 and shall not exceed 250 words.

[OPTION 2]

(a) The primary arguments for and against the measure shall be submitted to the City Clerk by 5:00 p.m. on August 13, 2024, and shall not exceed 300 words. Pursuant to a separate resolution, the City Council has provided for the filing of rebuttal arguments concerning City ballot measures. Rebuttal arguments concerning the measure shall be submitted to the City Clerk by 5:00 p.m. on August 20, 2024, and shall not exceed 250 words.

(b) All arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. No more than five signatures shall appear with any submitted argument. An organization or association submitting an argument shall submit with its argument a copy of one of the organizational documents listed in California Elections Code section 9287(b). The arguments shall be accompanied by the Form of Statement to Be Filed by Authors of Argument to be provided by the City Clerk.

Section 7. Severability

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

Section 8. CEQA

The City Council hereby finds that the adoption and implementation of the proposed Ordinance is statutorily exempt from the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq., "CEQA," and 14 Cal. Code Regs. Sections 15000 et seq., "CEQA Guidelines"), under CEQA Guidelines section 15265 (adoption of coastal plans and programs).

Section 9. Certification

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 16th day of July, 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

1801086.1

Resolution No. 24-08

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HALF MOON BAY RECOMMENDING THE CITY COUNCIL CONSIDER PLACING A BALLOT MEASURE ON THE NOVEMBER 5, 2024 GENERAL ELECTION BALLOT SEEKING VOTER APPROVAL TO AMEND THE MEASURE D DOWNTOWN AREA TO BE THE AREA DESIGNATED AS THE TOWN CENTER IN FIGURE 2-2 OF THE LOCAL COASTAL LAND USE PLAN (PDP-24-035)

WHEREAS, The purposes of the measure are to protect the public health, safety and welfare of residents of Half Moon Bay; to provide for development that is orderly, sustainable, and fiscally responsible; to respond to the worsening traffic situation; and to protect the City's unique scenic and rural coastal character by managing the rate, location and density of residential development; and

WHEREAS, Measure D encourages compact development by providing additional allocations to the Downtown Area; and

WHEREAS, the Downtown Area is currently defined as the Half Moon Bay redevelopment survey area adopted by the City Council in November 1998; and

WHEREAS, original Measure authors have acknowledged that the redevelopment survey area was chosen primarily due to being the best available reasonable approximation of the downtown focus area in 2001 and

WHEREAS, the 2020 Local Coastal Land Use Update “identifies a Town Center within which future development should be concentrated to support a vibrant, walkable core area...” It was recommended by the City Council that this defined area be utilized as the “downtown area” under Measure D; and

WHEREAS, on March 19, 2024, the City Council directed staff to prepare a ballot measure to allow voters of Half Moon Bay to decide on amendments to Measure D on the November 5, 2024 general election; and

WHEREAS, the City Council requested that the measure seek voter approval on the following modifications of Measure D

- Exempt ADUs and Junior ADUs
- Exempt deed-restricted affordable units
- Amend the “downtown area” map to better reflect downtown boundaries

WHEREAS, the proposed Measure (Exhibit A) includes voter amendment of the 2020 Local Coastal Land Use Plan (LCLUP) and Zoning Ordinance Amendment to incorporate exemptions for ADUs and deed restricted affordable units and to adopt the Town Center (Figure 2 of the LCLUP) as the downtown area under Measure D; and

WHEREAS, Measure D added its residential growth limitations to both the LCLUP and Zoning Ordinance and the proposed measure would amend both of these provisions, with the Zoning Ordinance amendments being consistent with the LCLUP, as amended; and

WHEREAS, the proposed Measure will not change the location, density or intensity of development permitted under the 2020 Local Coastal land Use Plan or the General Plan including the Cycle 5 certified Housing Element; and

WHEREAS, if approved by the voters, the Local Coastal Land Use Plan and Zoning Ordinance amendments will be subject to review by the California Coastal Commission; and

WHEREAS, the Local Coastal Land Use Plan and Zoning Ordinance amendments would not become effective until certified by the California Coastal Commission; and

WHEREAS, the Planning Commission, as the Advisory Board to the City Council, conducted a duly noticed public hearing on June 11, 2024 where all those in attendance desiring to be heard were given an opportunity to speak on this ; and

WHEREAS, the item was continued to a date certain of June 25th, 2024; and

WHEREAS, at the June 25, 2024 continued hearing the Planning Commission approved a motion to recommend that the City Council not place the proposed Measure on the November 5, 2023 General Election Ballot, for the reasons stated in the video recording of the June 25, 2024 hearing available at <https://www.half-moon-bay.ca.us/314/Planning-Commission-Agendas>, by a vote of three (3) in favor of the motion and two (2) opposed to the motion.

NOW, THEREFORE, BE IT RESOLVED THAT the Planning Commission of the City of Half Moon Bay hereby recommends that the City Council possibly consider changing the downtown map through a ballot vote. Where the Measure D downtown area would be designated as the Town Center Map in Figure 2-2 of the Local Coastal Land Use Plan.

NOW, BE IT FURTHER RESOLVED THAT the Planning Commission acknowledges that any voter-approved Local Coastal Land Use Plan and Zoning Ordinance Amendments be subject to review, approval and certification by the California Coastal Commission.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 25th day of June, 2024 by the Planning Commission of the City of Half Moon Bay by the following vote:

AYES, Commissioners: Gorn, Gossett, Hernandez, Joanes, Ruddock

NOES, Commissioners:

ABSENT, Commissioners:

ABSTAIN, Commissioners:

ATTEST:

APPROVED:

Steve McHarris
Steve McHarris, Interim Community
Development Director

Margaret Gossett
Margaret Gossett, Chair

CITY OF HALF MOON BAY

MEASURE D

Shall the Ordinance amending the Residential Growth Limitation Ordinance be adopted?

FULL ORDINANCE

RESIDENTIAL GROWTH LIMITATIONS

The people of the City of Half Moon Bay do ordain as follows:

SECTION 1: PURPOSES

The purposes of this ballot measure are to protect the public health, safety and welfare of the residents of Half Moon Bay; to provide for development which is orderly, sustainable, and fiscally responsible; to respond to the worsening traffic situation; and to protect the City's unique scenic and rural coastal character by managing the rate, location, and density of residential development.

SECTION 2: FINDINGS

- (a) Accelerated population growth: According to the California Department of Finance's January 1998 population estimates, Half Moon Bay's residential population grew 22% during a six-year period, making Half Moon Bay the fastest growing jurisdiction in San Mateo County. Statistics show an average population growth of 0.9% for San Mateo County in 1998, compared to the 3% maximum annual growth now permitted by the City of Half Moon Bay Local Coastal Program/Land Use Plan.
- (b) Services: Property taxes generated by residential development in the City do not cover the cost of basic services for that development. Projected residential development, combined with limits on public works and finances, creates a public health and safety crisis for residents.
- (c) Traffic: State Highways 1 and 92 experience prolonged gridlock. According to the 1997 Traffic Modeling Study conducted by the San Mateo County City and County Association of Governments, these highways experience Level of Service F, the worst ("speed approaches zero"), for several hours each day. The study projects Highways 1 and 92 to have the highest volume/capacity ratios in the County when current growth projections are achieved. No highway capacity improvements are planned by Caltrans.
- (d) Jobs-Housing Imbalance: Half Moon Bay's main role within the region has been commuter housing, and the Coastside is the only area within San Mateo County that will add more housing than jobs through 2020. This situation exacerbates congestion on Highways 1 and 92.
- (e) Water: Half Moon Bay's future water supply depends on the ability to get more water from the Crystal Springs Pipeline. This is a precarious situation since in times of water shortage San Francisco has the right to restrict this supply.
- (f) Schools: The recent assessment bond study conducted by the Cabrillo Unified School District reports that State maximum school fees on new residential development cover only about one-third of school facility costs. With a general state limit of about \$1.90 per square foot for new houses (with exceptions only for fees which may be negotiated for projects requiring special legislative approvals), that translates into a school district loss of \$3.80 per square foot, or \$9,500 for a 2,500 square-foot house.
- (g) Character: Mounting growth pressures endanger Half Moon Bay's remaining open spaces. Development densities currently allowed for several large, undeveloped tracts in the City threaten the community's character with destruction of important coastal, rural, and hillside views.

SECTION 3: ANNUAL LIMITS ON NEW DWELLING UNITS

- (1) The Local Coastal Program and Land Use Plan of the City of Half Moon Bay, Chapter 9, Section 9.4, is amended to read as follows:

Section 9.4 Residential Growth Limitations

- (a) The number of dwelling units which the City may authorize each calendar year may not exceed the number of units which would result in a growth of one percent (1%) in the City's population as of January 1 of that year. In determining the number of permissible units, the City shall use the most recent United States Census figures for Half Moon Bay to calculate the average number of persons per household.
- (b) The number of dwelling units authorized each year under subsection (a) may be increased by fifty percent (50%) for additional dwelling units in the Downtown Area.
- (c) Applications for new units from areas of the City outside the Downtown Area shall have priority for one-half (1/2) of the units authorized under subsection (a). If fewer applications are received, the remainder of these units may be authorized in the Downtown Area.
- (d) Subject to subsections (b) and (c), the City shall allocate permissible dwelling units among applications under the existing allocation system in the Municipal Code, to the extent feasible, and subsequent modifications by the City Council.
- (e) The limitations in this Section shall not apply to replacement of existing dwelling units on a one-for-one basis, nor shall it apply to density bonuses for the provision of low and moderate income housing to the extent required by State law.
- (f) The Downtown Area is the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C-91-98, November 3, 1998.

- (2) The Zoning Code of the City, Section 18.04.010, is amended to read as follows:

Section 18.04.010: Maximum Number of New Dwellings

- A. The number of dwelling units which the City may authorize to be built each calendar year shall not exceed the number of units which would result in a growth of one percent (1%) in the City's population as of January 1 of that year. In determining the number of permissible units, the City shall use the most recent U.S. Census figures for Half Moon Bay to calculate the average number of persons per household.
- B. The number of dwelling units authorized each year under subsection A. may be increased by fifty percent (50%) for additional dwelling units in the Downtown Area.
- C. Applications for new units from areas of the City outside the Downtown Area shall have priority for one-half of the units authorized under subsection A. If fewer applications are received, the remainder of these units may be authorized in the Downtown Area.
- D. Subject to subsections B. and C., the City shall allocate permissible dwelling units among applications on the basis of the existing allocation system in Municipal Code Section 1730 or a subsequently modified allocation system.

CITY OF HALF MOON BAY

E. The "Downtown Area" is the area designated as the Downtown Half Moon Bay Redevelopment Survey Area in City Resolution No. C-91-98, November 3, 1998.

- (3) Section 18.04.030 of the Zoning Code is amended to read:

Section 18.04.030: Exempt Developments

The limitations in Section 18.04.010 shall not apply to:

- A. Replacement of existing dwelling units on a one-for-one basis.
- B. Density bonuses for the provision of low and moderate income housing as required by State law.

SECTION 4: OPEN SPACE RESERVE PRESERVATION.

- (1) Section 18.11.020 2 b of the Zoning Code is amended to read as follows:

2b. Single-Family. On lands in the Open Space Reserve Districts (as demarcated on the City's Land Use Plan Map on May 15, 1999), one dwelling is permitted on each 50 acres of land, subject to the approval of a Use Permit in each case. North of Highway 92, and south of Highway 92 above the one hundred and thirty (130) foot elevation line, two or more dwellings on a parcel or contiguous parcels in common ownership on May 15, 1999, shall be clustered on contiguous lots or parcels, not to exceed one acre each, as near as possible to existing development, to minimize harmful impact on natural and visual resources.

- (2) The numbers in the Table B, Section 18.11.025 of the Zoning Code shall be changed to comply with Section 18.11.020 2b as amended by this Section.

- (3) Section 18.11.035 of the Zoning Code is amended by adding at the end:

Provided further, Open Space Reserve lands (as demarcated on the City's Land Use Plan Map on May 15, 1999) north of Highway 92, and south of Highway 92 above the one hundred and thirty (130) foot elevation line, may not be approved for development, except as authorized by Section 18.11.020 2b, as amended by this Section, or as "allowed by Zoning" without a use permit under Section 18.11.015 (Table A) on May 15, 1999, or except to the extent approved by the voters of Half Moon Bay at a regularly scheduled election.

SECTION 5: ANNEXATIONS

Any land annexed to the City after May 15, 1999 shall be subject to the same zoning and other prohibitions, restrictions and conditions on use or development as applied to the land on May 15, 1999 under County jurisdiction, except as approved by a majority of the voters of the City.

SECTION 6: DUTIES OF CITY OFFICIALS

It is the intent of the people of Half Moon Bay that the provisions of this initiative ordinance be carried out in full good faith and diligently by the City Council and other officials of the City.

SECTION 7: GENERAL PLAN CONSISTENCY.

If any provision in the General Plan, zoning ordinance or other ordinances or resolutions of the City of Half Moon Bay is inconsistent with this ordinance, that provision is superseded and nullified to the extent, but only to the extent, that it is inconsistent. The population, housing and job projections in the General Plan, including but not limited to citywide totals and allocations to areas and to income levels, are amended to be consistent with this ordinance. Accordingly, City officials shall make necessary calculations and change the numbers in the Plan.

SECTION 8: CONSISTENCY WITH FEDERAL AND STATE LAW.

The provisions of this ordinance are not applicable to the extent, but only to

the extent, that it is judicially determined that they would violate the constitution or law of the United States or the State of California. The provisions shall not be applied to deprive any person of constitutional or other legal rights. To the extent that a provision or provisions of this ordinance are not applicable because of this section, then the minimum development required by law which is most consistent with the provisions and purposes of this proposed ordinance shall be permitted by the City Council.

SECTION 9: EFFECTIVE DATES.

This ordinance shall become effective according to statute, except if all of the General Plan amendments allowed by law during the year in which the ordinance is enacted have been made, the provisions of the ordinance shall be operative on January 1 of the following year.

SECTION 10: AMENDMENT.

This ordinance shall not be amended or repealed except by a majority vote of the people of Half Moon Bay.

SECTION 11: SEVERABILITY.

If any provision or application of this ordinance is held to be invalid, the invalidation shall not affect the validity of any other provision or the application of any provision. The voters of Half Moon Bay expressly declare that this ordinance and each section, sentence, clause and phrase hereof would have been prepared, adopted, and approved irrespective of the fact that one or more other sections, sentences, clauses or phrases is declared unconstitutional or otherwise violative of law.

IMPARTIAL ANALYSIS OF MEASURE D

"In 1991, the people of Half Moon Bay adopted Measure A. Measure A amended the General Plan and Zoning Ordinance to limit the construction of new dwelling units to a number which would limit annual population growth to no more than three percent. Measure A also provides limited exceptions. Measure A also required the City Council to adopt an Allocation System. After adoption, the Measure was approved by the California Coastal Commission and is part of the City's Local Coastal Program. This proposed measure would, if adopted by the people and approved by the Coastal Commission, amend provisions of the City's land use regulations including some of the provisions of Measure A.

This measure limits construction of new dwelling units to a number which will result in population growth of no more than one percent annually. It permits the amount of annually permitted dwelling units to increase by fifty percent in the "Downtown Area." The "Downtown Area" is that area approved as a redevelopment survey area by the City in November 1998.

Measure A required the adoption of an Allocation System to implement its provisions. This measure provides that that allocation system, or a subsequently modified one, would be used to allocate each year's authorized units. The measure modifies the allocation system so that priority for one-half of the dwelling units authorized each year would go to new units built outside the Downtown Area; if fewer applications are received than necessary to satisfy this priority, remaining unused priority units can be authorized in the Downtown Area.

The maximum annual residential growth limit would not apply to one-for-one replacement of existing dwellings, nor would it apply to bonus dwellings authorized by state law as a result of the construction of low and moderate income housing.

The measure would also adopt new zoning regulations pertaining to all Open Space Reserve (OSR) zoned parcels north of Highway 92, and those located above the 130 foot elevation line south of Highway 92. The new

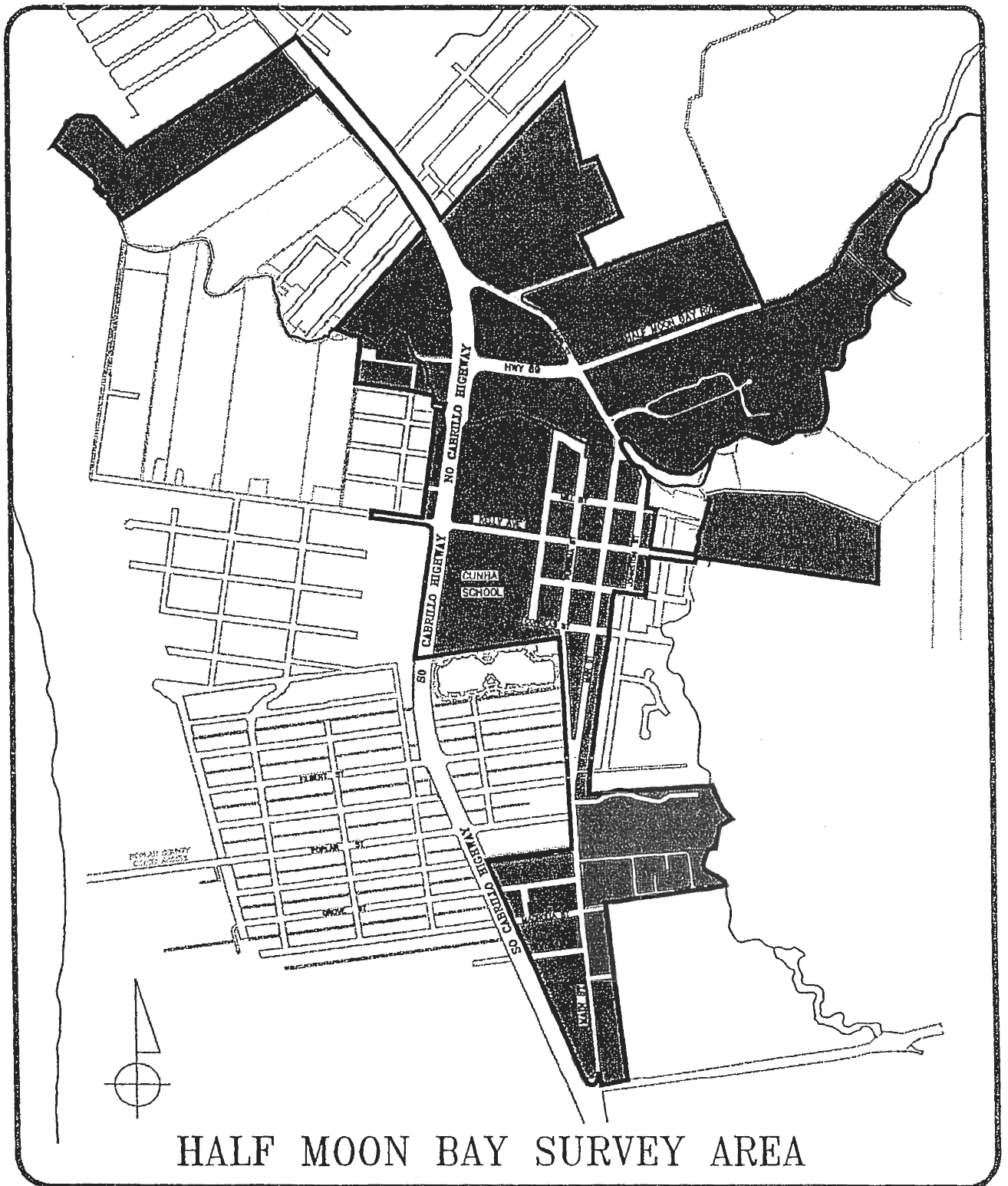


Figure 1: Downtown Half Moon Bay Redevelopment Survey Area,
City Resolution No. C-91-98

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

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

RECOMMENDATION:

Consider adoption by a 4/5 vote of a Resolution setting the City of Half Moon Bay Transactions and Use (Sales) Tax Funding Measure on the November 5, 2024, General Election Ballot to seek voter approval of a proposed half-cent sales tax.

Determine if the City Council wishes to submit an argument in favor of the proposed ballot measure, and if so, which two Councilmembers would write it.

FISCAL IMPACT:

The San Mateo County Elections Office estimate for the November General Municipal Election is approximately \$45,000. An additional \$5,000 is required for advertising, translation services, and printing of election manuals and other candidate materials. The addition of a ballot measure will cost an estimated \$10,000.

If approved by the voters, the proposed half-cent transactions and use (sales) tax will generate approximately \$2,000,000 annually in unrestricted general revenue to be deposited in the City's General Fund.

BACKGROUND:

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 51% 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.

On June 18, 2024, the City Council authorized staff to prepare a resolution and associated ordinance for the July 16, 2024, meeting placing a measure on the November 5, 2024, ballot that would increase the sales tax by one-half cent per dollar.

DISCUSSION:

A transactions and use tax, like a sales tax, is a tax on certain business transactions occurring in the City. Transactions and use taxes are commonly referred to as sales taxes, but the two types of taxes apply to different transactions and are technically distinct under State law. The voter approval threshold for adopting a general transactions and use tax—i.e., a tax for which the revenues generated are deposited into the city’s general fund and may be used for any proper municipal purpose, without restriction—is a simple majority (50% +1).

A ½-cent transactions and use tax, also known as a 0.5% tax, would yield approximately \$1.8-2 million per year until the tax is terminated by the voters. Data shows that a high proportion (roughly 40%) of the City’s sales tax is paid by visitors.

Currently, the City’s sales tax is 9.375% and the highest sales tax in the county is 9.875%. Staff worked with the City’s sales tax consultant and determined that it is feasible to raise the City’s sales tax rate to 9.875% by adopting a 0.5% transactions and use tax.

The following table shows the current sales tax rates of various cities in the County:

Current Sales Tax Rates in San Mateo County			
9.375%		9.625%	9.875%
Atherton	Portola	Burlingame San Mateo	Belmont
Colma	Valley		Brisbane
Foster City	San Carlos		Daly City
Half Moon	San Mateo		East Palo Alto
Bay	County		Pacifica
Hillsborough	Woodside		Redwood City

Menlo Park Millbrae		San Bruno South San Francisco
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The City’s consultants conducted polling for three weeks. Overall, the transactions and use (sales) tax polled well. Moreover, City residents identified various service priorities, including maintaining 911 emergency response times; maintaining local sheriff patrols; maintaining youth and recreation programs; keeping beaches, parks, and other public spaces healthy, safe, and clean; reducing local traffic congestion; and maintaining the City’s financial stability.

Under California Revenue and Taxation Code section 7285.9, the City Council may levy a transactions and use (sales) tax for general revenue purposes upon a two-thirds vote of the City Council and a majority vote of the voters of the City.

If the Half Moon Bay Municipal Code were amended to establish a 0.5% (half-cent) transactions and use (sales) tax,¹ this would generate approximately \$2,000,000 annually for the City’s general fund that could be used for unrestricted general revenue purposes, including but not limited to those purposes that align with recent polling results and priorities specified above.

The proposed ordinance would also require that the revenues generated by the proposed measure be included in the annual audit of the city’s financial operations, and that the results of the audit related to the ordinance be reported to the Council and made publicly available.

Proposed Resolution

Staff has prepared for consideration a Resolution Setting a Measure on the November 5, 2024, General Election Ballot Seeking Voter Approval of a Proposed Half-Cent Transactions and Use (Sales) Tax (“Resolution”). The Resolution is attached as Attachment 1, and the proposed half-cent transactions and use (sales) tax ordinance is attached as Attachment 2. The ballot question that would appear before the voters is as follows:

To help the City of Half Moon Bay maintain financial stability and essential services, such as maintaining 911 emergency response	YES

¹ The City adopted a Transactions and Use tax in 2012 as Chapter 3.10 of the Municipal Code. By its terms, that Transaction and Use tax was automatically repealed after three years, in approximately 2015. As a result, the proposed ordinance would add a new Chapter 3.10 to the Code, rather than amend any existing Chapter 3.10.

times, sheriff patrols, and disaster/emergency preparedness; keeping public places safe, healthy, and clean; reducing traffic congestion; and maintaining youth and recreation programs, shall a measure establishing a half-cent (0.5%) sales tax, providing approximately \$2,000,000 annually for general revenue purposes until ended by voters, with annual audits/locally controlled funding, be adopted?	NO
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If adopted by a two-thirds vote of the Council, the Resolution would set the proposed City of Half Moon Bay sales tax measure before the voters in the November 5, 2024, election.

Because the municipal election on November 5, 2024, has been consolidated with the statewide election on the same date, the Resolution would request that the County of San Mateo Board of Supervisors submit this ballot measure to the City’s voters in the consolidated election.

Because the proposed Ordinance is lengthy, in accordance with Elections Code section 9280, the Measure Resolution provides that the text of the measure would not be placed in the voter information sample ballot and would instead be available without charge at City Hall, on the City website, and by mail upon request. the primary arguments for and against the ballot measure.

The Resolution would direct the City Attorney to prepare an impartial analysis showing the effect of the ballot measure on existing law and the operation of the measure.

Ballot Arguments

The Resolution includes two options for Council consideration related to ballot arguments:

- First, the Council may authorize two members of its body to draft and submit a ballot argument in favor of the measure. The two members would sign the argument on their own behalf and could invite up to three additional individuals (other than Councilmembers) to sign the argument. The authorization would apply to rebuttal arguments, as well.
- Second, the Council may opt not to submit an argument in favor of the measure. Other individuals and organizations would still have an opportunity to submit arguments for and against the ballot measure.

Primary arguments for and against the measure would be due on August 13, 2024, and rebuttal arguments would be due on August 20, 2024.

CEQA

Adoption of the proposed resolution and ordinance would be exempt from the provisions of the California Environmental Quality Act (Public Resources Code sections 21000 et seq., "CEQA," and 14 Cal. Code Regs. Sections 15000 et seq., "CEQA Guidelines") because (1) it involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4), and (2) it involves an organizational or administrative activity of government that will not result in a direct or indirect physical change in the environment pursuant to CEQA Guidelines Section 15378(b)(5).

CONCLUSION:

The City Council is asked to consider the following two actions:

1. Adopt a resolution setting a measure on the November 5, 2024 general election ballot seeking voter approval of a proposed half-cent transactions and use (sales) tax; and
2. Determine if the City Council wishes to submit arguments in favor of the proposed measure and who will write the arguments.

ATTACHMENTS:

1. Resolution Setting a Measure on the November 5, 2024, General Election Ballot Seeking Voter Approval of a Proposed Half-Cent Transactions and Use (Sales) Tax
2. Proposed Ordinance No. ____ - An Ordinance of the City of Half Moon Bay Imposing a Transactions and Use (Sales) Tax to be Administered by the California Department of Tax and Fee Administration

1800032.2

Resolution No. C-2024-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY SETTING A MEASURE
ON THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION BALLOT SEEKING VOTER
APPROVAL OF A PROPOSED HALF-CENT TRANSACTIONS AND USE (SALES) TAX**

WHEREAS, the City contracts with the County of San Mateo Sheriff's Office and 911 Dispatch for law enforcement and public safety services; and

WHEREAS, rates for public safety services provided by the County have increased by 51% over the last two years, amounting to nearly \$2.5 million in additional annual costs to the City's General Fund; and

WHEREAS, the City has studied the potential impacts of sea level rise and coastal erosion, finding risks to local infrastructure, trails, coastal access, parks, and other local assets; and

WHEREAS, service priorities identified by residents through a recent survey include: maintaining 911 emergency response times; maintaining local sheriff patrols; maintaining youth and recreation programs; keeping beaches, parks, and other public spaces healthy, safe, and clean; reducing local traffic congestion; and maintaining the City's financial stability; and

WHEREAS, the City has worked to manage its finances, making operational cuts averaging nearly 10% per department, including eliminating discretionary spending and leases and holding staff vacancies open; and

WHEREAS, despite efforts to reduce costs, the City's annual deficit is roughly \$4,000,000 this fiscal year alone, which represents roughly 15 percent of Half Moon Bay's general fund budget; and

WHEREAS, to fund general City services, including those items discussed herein, the City Council is proposing this measure as a long-term source of locally-controlled funding that can only be used for local Half Moon Bay services and to address local priorities; and

WHEREAS, this measure could maintain funding for City services and help implement the plans of the City by establishing a general tax in which the proceeds will be deposited in the City's General Fund for general government use; and

WHEREAS, this measure incorporates accountability requirements such as public disclosure of all spending, local control, and annual independent financial audits that ensure funds are spent appropriately; and

WHEREAS, pursuant to Section 7285.9 of the California Revenue and Taxation Code, the legislative body of a city may levy a transactions and use (sales) tax for general revenue

purposes, upon a two-thirds vote of the City Council and a majority vote of its qualified voters; and

WHEREAS, the City Council desires the ability to adopt an ordinance to levy a half-cent per dollar (0.5%) transactions and use tax on businesses operating in the City; and

WHEREAS, if approved by voters, a one-cent transactions and use tax would be levied until ended by the voters and would generate approximately \$2,000,000 annually; and
ess

WHEREAS, California Constitution Article XIII C, Section 2, provides that no local government may increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote, and that a measure proposing to adopt a general tax must be consolidated with a regularly scheduled general municipal election for members of the City Council; and

WHEREAS, on May 21, 2024, the City Council adopted Resolution No. C-2024-23, calling a general municipal election on November 5, 2024, and adopted Resolution No. C-2024-24, requesting that the Board of Supervisors of the County of San Mateo consolidate the City's general municipal election with the statewide general election to be held on the same date; and

WHEREAS, the Half Moon Bay City Council is authorized by California Elections Code Section 9222 to submit to the voters propositions for the enactment or amendment of any ordinance, including tax measures; and

WHEREAS, California Government Code Section 53724(b) authorizes the City Council to place a general tax measure before the voters upon a two-thirds vote of all members of the City Council; and

WHEREAS, on the basis of the foregoing, the City Council has determined it is appropriate to place a measure levying a half-cent per dollar (0.5%) transactions and use (sales) tax before the voters at the general municipal election consolidated with the statewide general election on November 5, 2024; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Half Moon Bay does hereby declare, determine and order as follows:

Section 1. Ballot Measure

(a) Pursuant to Government Code Section 53724 and Elections Code Section 9222, the City Council orders that the following measure be submitted to the voters of the City of Half Moon Bay on the ballot at the general municipal election on November 5, 2024:

To help the City of Half Moon Bay maintain financial stability and essential services, such as maintaining 911 emergency response times, sheriff patrols, and disaster/emergency preparedness; keeping public places safe, healthy, and clean; reducing traffic congestion; and maintaining youth and recreation programs, shall a measure establishing a half-cent (0.5%) sales tax, providing approximately \$2,000,000 annually for general revenue purposes until ended by voters, with annual audits/locally controlled funding, be adopted?	YES
	NO

(b) As the City Council by resolution on May 21, 2024, requested that the County of San Mateo Board of Supervisors consolidate the City’s general municipal election with the statewide general election to be held on November 5, 2024, pursuant to the requirements of Elections Code Section 10403, the City Council hereby requests that the County of San Mateo Board of Supervisors authorize the submission of this ballot measure to the voters of the City of Half Moon Bay in the consolidated municipal and statewide election held on November 5, 2024.

(c) This ballot measure requires the approval of a majority (50% +1) vote of the City of Half Moon Bay electorate voting on the measure at the November 5, 2024 election in order to become effective.

Section 2. Proposed Ordinance

(a) The full text of the proposed Ordinance to be submitted to the voters is attached to this Resolution as Exhibit A.

(b) The City Council hereby approves the submission of the proposed Ordinance, as set forth in Exhibit A, to the voters of the City at the November 5, 2024 general municipal election.

(c) The proposed Ordinance levies a one-half cent transactions and use (sales) tax, which will become operative on the first date of the first calendar quarter commencing more than 110 days after the adoption of the ordinance, and which will continue in effect until ended by the voters. The City of Half Moon Bay will contract with the California Department of Tax and Fee Administration to collect the tax from businesses operating in the City. The proposed tax is for general City purposes and revenues will be deposited in the City’s general fund.

(d) (d) Because the proposed Ordinance is lengthy, in accordance with Elections Code section 9280, the entire text of the measure shall not be placed in the voter information sample ballot and shall instead be available without charge at City Hall, on the City website, and by mail upon request. The City Council requests the County of San Mateo Board of Supervisors to order the County Clerk to mail with the sample ballots the primary arguments for and against the measure,

and to provide absent voter ballots for the election for use by qualified electors of the City who are entitled thereto in the manner provided by law.

(e) If the above ballot measure is approved by the City of Half Moon Bay electorate as outlined above, then the Ordinance shall become effective immediately upon adoption.

Section 3. Publication of Synopsis

The City Clerk is directed to publish a synopsis of the ballot measure in an official newspaper of general circulation as required by Elections Code Section 12111 at least one week before the November 5, 2024 election.

Section 4. Submission to County Officials

The City Clerk is directed to file a certified copy of this Resolution, with Exhibits, with the County of San Mateo Board of Supervisors and the County Elections Official no later than close of business on August 9, 2024.

Section 5. Impartial Analysis

In accordance with Elections Code Section 9280, the City Clerk is directed to transmit a copy of the ballot measure to the City Attorney, who is directed to prepare an impartial analysis not exceeding 500 words showing the effect of the measure on existing law and the operation of the measure. The analysis shall include a statement indicating that the measure was placed on the ballot by the City Council. The impartial analysis shall be filed with the City Clerk by 5:00 p.m. on August 20, 2024.

Section 6. Ballot Arguments

[THE CITY COUNCIL SHOULD SELECT ONE OF THE FOLLOWING OPTIONS FOR SUB-SECTION (a) AND DELETE THE OTHER:]

[OPTION 1]

(a) The primary arguments for and against the measure shall be submitted to the City Clerk by 5:00 p.m. on August 13, 2024 and shall not exceed 300 words. The City Council authorizes the following two members of its body, _____ and _____, to file a written argument in favor of the measure as specified above. The argument should not exceed 300 words and should be accompanied by the printed names and signatures of the persons submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code. The council member authors may identify additional individuals to sign the argument in favor, as long as no more than five total authors sign. The foregoing authorization also applies to the rebuttal argument. Rebuttal arguments concerning

the measure may be submitted to the City Clerk by 5:00 p.m. on August 20, 2024 and shall not exceed 250 words.

[OPTION 2]

(a) The primary arguments for and against the measure shall be submitted to the City Clerk by 5:00 p.m. on August 13, 2024, and shall not exceed 300 words. Pursuant to a separate resolution, the City Council has provided for the filing of rebuttal arguments concerning City ballot measures. Rebuttal arguments concerning the measure shall be submitted to the City Clerk by 5:00 p.m. on August 20, 2024, and shall not exceed 250 words.

(b) All arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. No more than five signatures shall appear with any submitted argument. An organization or association submitting an argument shall submit with its argument a copy of one of the organizational documents listed in California Elections Code section 9287(b). The arguments shall be accompanied by the Form of Statement to Be Filed By Authors Of Argument to be provided by the City Clerk.

Section 7. Severability

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

Section 8. CEQA

The City Council hereby finds that the adoption and implementation of the proposed half-cent transactions and use (sales) tax ordinance is exempt from the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq., "CEQA," and 14 Cal. Code Regs. Sections 15000 et seq., "CEQA Guidelines"), because it involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378(b)(4), and because it is an organizational and administrative activity of government that will not result in a direct or indirect physical change in the environment pursuant to CEQA Guidelines Section 15378(b)(5).

Section 9. Certification

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 16th day of July, 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

1799223.2

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF HALF MOON BAY IMPOSING A TRANSACTIONS AND USE
(SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION**

The people of the City of Half Moon Bay do ordain as follows:

Section 1. Half Moon Bay Municipal Code Amended

A new Chapter 3.10 – TRANSACTIONS AND USE TAX is hereby added to Title 3 – REVENUE AND FINANCE of the City of Half Moon Bay Municipal Code and replaces the previous Chapter 3.10 Transactions and Use Tax, which was automatically repealed by its own terms. The new chapter is added as follows:

Section 3.10.010 – Title.

This ordinance shall be known as the City of Half Moon Bay Half-Cent Transactions and Use Tax Ordinance. The city of Half Moon Bay hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

Section 3.10.020 – Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3.10.030 – Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the

least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 3.10.040 – Contract with State.

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 3.10.050 – Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Section 3.10.060 – Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

Section 3.10.070 – Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 3.10.080 – Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 3.10.090 – Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

Section 3.10.100 – Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 3.10.110 – Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 3.10.120 – Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 3.10.130 – Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 3.10.140 – Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 3.10.150 – Effective Date.

This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 3.10.160 – Termination Date.

The authority to levy the tax imposed by this ordinance shall extend until ended by the voters.

Section 2. Expenditure of Revenues

The revenues from the transactions and use (sales) tax imposed by this ordinance shall be spent for unrestricted general revenue purposes of the City. Nothing herein shall bind the City to use the proceeds for any specific purpose or function.

Section 3. Amendment

The tax adopted herein may be extended or increased only by a vote of the people of the City of Half Moon Bay in accordance with California Constitution Article XIIC, Section 2(b).

Section 4. Fiscal Accountability Provisions

The amount generated by this new general purpose revenue source and how it was used shall be included in the annual audit of the city's financial operations by an independent certified public accountant. The results of the audit related to this ordinance shall be reported to the City Council and made publicly available.

Section 5. Publication

The City Clerk is directed to cause this ordinance to be published in a newspaper of general circulation within 15 days after passage in the manner required by Government Code section 36933.

This ordinance was approved and adopted by a majority vote of the People of the City of Half Moon Bay at the municipal election consolidated with the November 5, 2024, statewide election.

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Joaquin Jimenez, Mayor

1799082.2

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: John Doughty, Assistant City Manager
Karen Decker, Economic and Community Vitality Manager

TITLE: **ADOPTION OF THE DOWNTOWN STREETScape MASTER PLAN**

RECOMMENDATION:

By resolution, adopt the Downtown Streetscape Master Plan.

FISCAL IMPACT:

The Downtown Streetscape Master Plan was funded in the FY 2023-24 Capital Improvement Program (CIP). There is no additional fiscal impact related to this action. Implementation of the overall Master Plan is not currently budgeted, and staff will identify appropriate funding opportunities to move forward the enclosed recommendations.

STRATEGIC ELEMENT:

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

BACKGROUND:

In 2022, the Coastsides Recovery Initiative report, “Building a More Equitable, Vibrant, and Resilient Coastsides Economy,” recommended a redesign of downtown Main Street to improve the mobility, economic activity, and vibrancy of the downtown core.

City Council approved the Downtown Streetscape Master Plan as part of the FY 2023-24 Capital Improvement Program. This initial phase of work had a primary deliverable of producing a Master Plan that would:

- Create a more attractive, accessible, and economically vibrant downtown
- Preserve and enhance the existing character of downtown
- Prioritize improvements that benefit residents and visitors alike

The project's broad geographic scope is Main Street, from Highway 1 North (North Main Street) to Highway 1 South (South Main Street) with a concentrated focus on the four central blocks of downtown from the Main Street Bridge to Correas Street.

The Council approved a professional services agreement with Toole Design on April 18, 2023. The project schedule included an existing conditions review, an extensive community engagement process through charettes, open studios and popups, and public meeting opportunities.

Robust Community Engagement

A broad range of people who live, work, and play in Half Moon Bay, including community members who do not typically engage and / or have been historically left out of the decision-making process, have contributed meaningful ideas that have informed the Plan. In addition, subject matter experts such as architects, planners, engineers, age-friendly initiative advocates, realtors, Rotarians, and many other stakeholders have engaged in this process.

In September 2023, the project kicked off with discovery workshops focused on general feedback of the current streetscape and “starter” ideas from over 150 community members. City Council, the Architectural Advisory Committee, Planning Commission, Bicycle and Pedestrian Advisory Committee, and a Community Stakeholder Group all engaged in Discovery Week. A month later, a second round of community engagement served as a feedback loop where the design team built on the concepts they heard by re-convening the Community Stakeholder Group, hosting another public meeting, and offering six open studio sessions where participants could drop by and have conversations with the design team. These engagement opportunities resulted in feedback from 240 community members and included 25 focus groups discussions. Some of these convenings were conducted in Spanish, and Spanish-speaking staff were available on hand during all engagements. A complete schedule of events and community engagement activities can be found in the Appendices (Attachment II, Appendix B).

The City received feedback from an additional 164 participants through a survey that was made available online and on paper. For more information about the data gleaned from the survey, please refer to Attachment II, Appendix C.

Engagement opportunities for this project were heavily promoted. City staff distributed over 200 flyers to local businesses and organizations and spread the word to over 4,580 subscribers through the City's weekly eNews listserv. Additionally, over 24 social media posts were generated to promote the project and invite input. Media coverage included a radio ad on KHMB and print media coverage from the San Mateo Daily Journal, Coastside Buzz, and Half Moon Bay Review.

City staff made presentations at a joint meeting of the Architectural Advisory Committee and Planning Commission on February 27 and at a joint meeting of the Parks and Recreation Commission and Bicycle and Pedestrian Advisory Committee on February 28. Commissioners

and Committee members received a refresh on the project's status and received updates on the direction of the overall design aesthetics, safety, parking, sustainability, pedestrian and bicycle improvements, and potential for more park space and less hardscape. On March 5, staff provided a similar update to the City Council and highlighted design elements emphasized in the Plan that resulted from the extensive community outreach campaign. Staff also projected that the Plan would be delivered on time (in June / July) and on budget.

DISCUSSION:

The Downtown Streetscape Master Plan is a framework that incorporates community feedback and existing conditions to inform conceptual design and design guidelines. It is a blueprint that informs design decisions for future phasing such as detailed design and construction drawings, environmental review, funding, and implementation.

The Master Plan presents a design vision for Main Street that is cohesive, safe, accessible, and enjoyable to experience that considers all ages and abilities. Design options proposed in the Plan provide the City with flexibility to accommodate future uses such as street closures for festivals and parades. Main Street as it is presented in the Plan is divided into three segments:

Heritage Main Street (Historic Main Street Bridge south to Correas Street)

The Plan focuses on functionality, flexibility, and attractiveness when designing solutions for Heritage Main Street. Features include a flush, curbless street which allows for better accessibility for anyone with mobility impairments. Parking shifts from angled to parallel, allowing for widened sidewalks and ample room for café and retail spillover space. This design incorporates better tree planting conditions and additional vegetation and green infrastructure. The shift from angled to parallel parking for these four blocks results in fewer parking spaces, but ample on-street parking on adjacent downtown side streets is available. Reorganizing adjacent street parking (i.e. shifting from parallel parking to angled parking on Kelly Avenue at Main Street) creates additional parking. More information on the parking strategy can be found on page 49 of Attachment I. Additional bicycle parking with racks is featured throughout the Heritage Main Street proposed design.

South Main Street (Correas Street to Highway One South)

The pedestrian experience along South Main Street is challenged by narrow sidewalks and extensive hardscape. The Plan proposes better integration between South and Heritage Main Street by improving the tree canopy, introducing green infrastructure, implementing traffic calming measures such as bulb outs to shorten crossing distances and narrowing some portions of travel lanes which help vehicles slow down. High visibility crosswalks with curb ramps increase accessibility and safety at intersections.

Kitty Fernandez Plaza is the second largest gathering space on Main Street, nearly three times the size of Mac Dutra Plaza. There is tremendous potential to better integrate and activate this space while also providing privacy to adjacent residential areas. Design concepts include a porch swing for all ages, seat wall with the park name, lawn areas for informal seating and play,

continuous walkway loop to easily move through the plaza, and a “flex area” that can accommodate pop-up events and food trucks.

North Main Street (Historic Main Street Bridge to Highway One North)

The strategy for North Main Street focuses on creating a safer walking and biking experience while also respecting the scale and uses that exist in this area. Design solutions include relocating tree pits to improve mobility, installing public art and murals, a lane width reduction, and new curb extensions at proposed key intersections will help slow vehicular travel and shorten crossing distances for pedestrians and cyclists. A major pain point for community members was the intersection of Main Street and Lewis Foster Drive, which the Plan reorients to be 90 degrees. This improves pedestrian visibility, shortens the crossing, and reclaims pedestrian space. The Plan also suggests consolidating the access road and driveway at Hassett Ace Hardware, so a single right-out driveway creates separation between the commercial strip driveway to the north without losing parking.

Another intersection of great interest to the community was the “arrival experience” at the intersection of Highway 92 and Main Street where a new landmark in the form of a gateway arch addresses visitors’ tendency to bypass downtown Main Street unknowingly. The arch also signals the arrival into Downtown Half Moon Bay and creates a welcoming entrance for residents and visitors.

The Plan includes furnishing and landscaping palettes that draw inspiration from the Coast in response to community preferences and that focus on sustainability. Selections prioritized materials with minimal environmental impact and durable designs that can better withstand the Coastal climate. Further details including street trees, green infrastructure, and stormwater management can be found in Section 5 of the Master Plan (Attachment I).

In Summary

Recognizing that implementation of the Plan is a multi-phase, million-dollar endeavor, the Plan also identifies shorter-term wins that reflect community priorities learned from the survey. Some of those shorter-term improvements include reviving the hanging flower baskets, a more coordinated street pole banner program that highlights seasonal themes or events, an information kiosk, more public art, and water bottle filling stations.

The Downtown Streetscape Master Plan better positions the City to compete for downtown revitalization funding and several sources of potential funding have been identified, including federal and state grant programs. Staff are also engaging with local institutions and individuals who have expressed an interest in providing financial support for discrete projects, such as the gateway arch that would direct people downtown.

Staff considers the Downtown Streetscape Master Plan substantially complete and recommends adoption by the City Council. If additional comments require modification to the Plan, staff will evaluate the resources and funding needed to modify the Plan and bring back to Council at a future date.

ATTACHMENTS:

1) [Downtown Streetscape Master Plan](#)

(available at [https://www.half-moon-bay.ca.us/DocumentCenter/View/6763/HMB-Streetscape-Plan?bidId=Half Moon Bay](https://www.half-moon-bay.ca.us/DocumentCenter/View/6763/HMB-Streetscape-Plan?bidId=Half%20Moon%20Bay))

2) [Appendices](#)

(available at https://www.half-moon-bay.ca.us/DocumentCenter/View/6759/HMB-Streetscape-Plan_Appendices-07-09-24?bidId=)

Resolution No. C-2024-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE
ADOPTION OF THE DOWNTOWN STREETScape MASTER PLAN UNDER CAPITAL
IMPROVEMENT PROJECT NO. 1024**

WHEREAS, The Coastside Recovery Initiative (CRI) is a comprehensive economic recovery effort sponsored by the City of Half Moon Bay in partnership and collaboration with the Half Moon Bay Coastside Chamber of Commerce and San Mateo County. It launched in 2021 with the purpose of providing immediate relief to individuals and businesses impacted by COVID and positioning the Coastside economy for long-term resiliency; and

WHEREAS, CRI task force members participating on Team Vibrant identified several business districts on the Coastside as not meeting their full potential of being vibrant places, including Main Street in downtown Half Moon Bay, and produced a recommendation calling for a redesign of Heritage Main Street to improve mobility, economic activity, and vibrancy; and

WHEREAS, in response to the recommendation, the City Council adopted a new project in the FY 2022-23 Capital Improvement Program entitled Main Street Revitalization Project; and

WHEREAS, the FY 2022-23 and FY 2023-24 Capital Budgets included funding to initiate Phase 1 of the renamed Downtown Streetscape Master Plan, which included extensive community outreach, an existing conditions review, and a design vision for Main Street from Highway 1 / North Main Street to South Main Street with emphasis on the four heritage blocks of Downtown Main Street from the Main Street Bridge to Correas Street; and

WHEREAS, on April 18, 2023, City Council authorized the City Manager to execute a professional services agreement with TDG Design Group (dba Toole Design) to prepare a Downtown Streetscape Master Plan; and

WHEREAS, Toole Design and City staff conducted robust community engagement to a broad range of residents, local commissions and committees throughout all phases of the project; and

WHEREAS, a Master Plan has been produced that presents a vision for Main Street designed for all ages and abilities; that is divided into segments: Heritage Main Street, South Main Street, and North Main Street; and includes furnishing and landscaping palettes and details on street trees, green infrastructure, and stormwater management.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby adopts the Downtown Streetscape Master Plan.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 16th day of July 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

Jessica Blair, City Clerk

APPROVED:

Joaquin Jimenez, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Mike Noce, Housing Programs Manager
Irma Acosta, Management Analyst

TITLE: **RESIDENTIAL RENTAL REGISTRY—EXTENSION OF FREE REGISTRATION**

RECOMMENDATION:

Adopt a resolution extending the “no fee” registration period for the Residential Rental Registration Program from June 30, 2024, to July 31, 2024, with the \$75 per unit fee commencing on August 1, 2024.

Note: Staff additionally requests the City Council affirm, based upon the definition of a “Residential Rental Unit” and “Tenant” included in Chapter 6.02 of the Municipal Code, that landlords are required to register any rental unit regardless of whether rent is charged or not (Chapter 6.04 of the Municipal Code).

FISCAL IMPACT:

First year implementation costs for the program were allocated from the City Affordable Housing Fund (AHF) at \$150,000. This figure represents the best estimate based upon the costs of developing the online registration portal, rental unit database, City staffing related costs, compliance efforts, and legal assistance. This program does not utilize any General Fund dollars.

STRATEGIC ELEMENTS:

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

OVERVIEW/BACKGROUND:

On November 7, 2023, the City Council held a work session on tenant protections. At that meeting, staff presented potential mechanisms to assist renters within the City ([Staff Report](#)). The work session was an opportunity for landlords and tenants to provide their observations and recommendations. Following community input and City Council discussion, staff was directed to immediately initiate work on: 1) a rental registration ordinance; 2) a rent control ordinance; 3) an enhanced tenant protections and relocation assistance ordinance; and 4) a code enforcement related relocation assistance ordinance.

On February 6, 2024, the City Council adopted the Residential Rental Registration ordinance, which can be found in the Half Moon Bay Municipal Code under Title 6 Housing, Chapter 6.04 (Attachment 2). The ordinance requires Landlords to register their residential rental units and provide related information to the City on an annual basis. The registration process allows the City to collect, monitor, and analyze the characteristics of the residential rental units and actual rents in Half Moon Bay to inform future policy decisions. It is important to note that the responsibility for residential rental registration lies with the landlord, not the tenant. The ordinance explicitly prohibits the transfer of registration fees, late fees, or citations to tenants.

As part of the process, the City entered into an agreement with a contractor, Tolemi, to create a registration portal for landlords. The portal was opened and available to landlords on June 1, 2024. Staff have created a program webpage (www.hmbcity.com/rentalregistry) that provides information and resources about the program such as, a registration link to the Tolemi portal, registration support, a Frequently Asked Questions section, and contact information for staff. The portal is fully compliant with State law.

Data collected by the City and its contractor for this program will remain confidential. Implementation is intended to protect the privacy of individual tenants and the proprietary information of landlords and owners, the public release of which could result in a competitive disadvantage. Staff informed landlords that all information provided in the registration process will be kept confidential in accordance with applicable laws and regulations.

DISCUSSION:

In February the City Council adopted a resolution establishing the Fiscal Year 2024-25 fee for rental registration at \$75.00 per unit. The City Council agreed to a one-month (June 1 to June 30, 2024) no fee period for registration. This no fee period for the registry was authorized to incentivize early registration and reduce the need for compliance efforts.

No fee registrations began on June 1, 2024. A total of 573 units were registered as of July 12, 2024. Significant efforts were taken by the City to inform landlords of the registration requirements and the no fee opportunity since February. However, it was not until the second week of June that the City was able, with assistance of Tolemi, to create a database and mailing list for most rental units. This no fee period was extended by the City Manager through July 16, 2024, with the intent of City Council making the determination, at their earliest opportunity, to confirm that extension and consider further extension to July 31, 2024. The fee of \$75.00 per unit would then be charged starting on August 1, 2024. If the City Council chooses to extend, staff is recommending (see Table 1) to commence applying late fees and initiating compliance efforts beginning September 1, 2024.

Table 1: Proposed Fee Structure and Extension Timeline

Tier	Fee
Tier 1: 6/1/24 to 7/31/24	No fee "First Year Early Registration" (All units will be required to pay the registration fee annually following this initial early registration)
Tier 2: Beginning 8/1/24*	\$75 per unit
Tier 3: Beginning 9/1/24	\$75 and subject to late fees, penalties, and administrative citations

**Staff will use reasonable discretion regarding enforcement, especially during the first 30 days that the per unit fee is charged.*

Justification for Extension:

Prior to opening registrations on June 1, 2024, staff began working with Tolemi to build an inventory of suspected rental units within Half Moon Bay. While this coordination with Tolemi was taking place, staff utilized the City's weekly eNews, social media accounts, Currents publication, and website to publicize the launch of the rental registry and inform as many landlords and other community members of the new program requirements. A compiled list of suspected rental units, provided by the Tolemi platform, became available to staff in early June. This was not information that was easily available through the City's existing assessor parcel based software; therefore, more detailed outreach became available to staff with this new information.

Approximately 1,300 suspected units were identified by Tolemi, and staff sent mailed notices directly to the owners of those properties. Letters were likely received as early as June 15th, and staff began to receive a large influx of phone calls and emails regarding the program. Staff has strived to be timely and responsive to all inquiries; however, many of the inquiries required sizable amounts of staff time to discuss the ordinance with interested landlords and assist with requested in-person or over the phone registration assistance for landlords that are not as familiar with online registration. A limited number of paper copy registrations were used by administrative staff to assist with registrations; however, all information ultimately must be entered into the Tolemi online database. Staff have referred landlords to Tolemi's support staff for technical assistance in addition to the hands-on aid staff is providing.

As of July 12, 2024, approximately 573 units have been registered through the rent registry portal. Staff has been empathetic to this being a new process for landlords as required by the ordinance. Staff are taking steps to improve efficiency regarding inquiries; however, an extension of the no fee period will likely encourage more registrations. If more registrations are captured during this time, it should have an inverse effect on the number of noncompliant units the City will be required to investigate. Therefore, staff's recommendation to extend the free registrations to July 31, 2024, will optimistically incentivize more landlords to register and reduce enforcement activities beginning August 1st.

Ordinance Interpretation:

One common question that multiple landlords have identified to staff is regarding a family member(s) occupying a unit that is not the landlord's primary residence, in most cases adult children. In some instances, the owner claims they do not charge rent to the tenant or they charge below market rate rent.

Staff have instructed these landlords to register their unit(s), even if a family member is a tenant of the unit. Regardless of whether rent is charged or heavily subsidized by a family member, the unit still constitutes a "residential rental unit" and those occupying are considered a "tenant", as defined in the [Municipal Code Chapter 6.02](#). Again, this only applies to units where the property is not occupied by the owner of record.

AA. "Residential rental unit" means a habitable structure or portion thereof (as defined in Title 18), offered for rent and used as a place of permanent or customary and usual abode of a tenant. Residential rental units include a single-family residence, an accessory dwelling unit, a mobile or manufactured home, a building, a group of buildings, or a portion of a building including a specific room used and/or designed as dwellings. A residential rental unit shall not include:

1. A building, structure or unit not intended for human habitation or lacking appropriate permits and improvements required for human habitation. This includes unpermitted conversions of garages, sheds, or other accessory structures for human habitation.
2. Transient housing accommodations including hotels, motels, bed and breakfast inns, recreational vehicles within or outside a park, and short-term vacation rentals as found in Title 18.
3. Group residential, supportive housing, transitional housing, and similar congregate uses as may be defined in Title 18.
4. Dormitories owned and operated by an institution of higher education or a kindergarten and grades one to twelve, inclusive, school.

DD. "Tenant" means any renter, tenant, subtenant, lessee or sublessee of a residential rental unit, or any group of renters, tenants, subtenants, lessees, or sublessees of a residential rental unit, or any other person entitled to the use of occupancy of all or a portion of such residential rental unit, or any successor of any of the foregoing.

These definitions purposely omit the collection of monetary rent payment so that the City can appropriately assess the true quantity of rental units within Half Moon Bay. Staff also believes without all residential rental units being required to register some landlords may falsely-claim a family member lives in their unit to avoid compliance with the ordinance.

CONCLUSION:

The registration process provides a means for the City to collect, monitor and analyze the characteristics of all rental units in Half Moon Bay. The data collected will serve to inform the City Council and staff on housing policies and programs now and in the future. The registration

of units and collection of this data is critical to the City Council's stated intent to establish a Costa Hawkins based rent control program. Registration and data collection will also assist the City in directing resources to tenant/landlord relations, education and mediation.

Staff recommends that the City Council extends the no-fee registration period through July 31, 2024, to allow ample opportunity for all landlords to register their properties without financial barrier. This is strictly a mechanism for the launch of the program to promote registration. This extension will not only benefit our regulatory efforts, but also enhance the overall effectiveness of the Rental Registry Program in our community. The City's intent is to demonstrate our commitment to supporting landlords and tenants in meeting regulatory requirements while promoting safe and equitable housing practices. By including all rental units, staff can ensure the data collected accurately reflects the conditions of Half Moon Bay's rental market, including units that are being offered to tenants well below market rate rents.

ATTACHMENT:

1. Resolution
2. Link to Half Moon Bay Municipal Code Title 6 Housing, see Chapter 6.06 Residential Rental Regulation:
<https://www.codepublishing.com/CA/HalfMoonBay/#!/HalfMoonBay06/HalfMoonBay06.html>

RESOLUTION NO. C-2024-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY EXTENDING THE “NO FEE” REGISTRATION PERIOD FOR THE RESIDENTIAL RENTAL REGISTRATION PROGRAM FROM JUNE 30, 2024, TO JULY 31, 2024, WITH THE \$75 PER UNIT FEE COMMENCING ON AUGUST 1, 2024.

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Half Moon Bay ("City") has broad authority to maintain the public peace, health and safety of its community and preserve the quality of life for its residents and may make and enforce all regulations and ordinances using its police powers to do so; and

WHEREAS, the City, with direction from the City Council, has developed goals, objectives, policies, and action programs that directly address the City's housing needs; and

WHEREAS, the City Council has identified an acute rental housing shortage within the City limits and on the greater Coastsides; and

WHEREAS; the community has testified that the cost of rental housing is increasing faster than wages and that this affects all renters in the City limits and the greater Coastsides; and

WHEREAS, on January 16, 2024, the City Council conducted a Public Hearing and introduced an ordinance creating a Residential Rental Registration program as a new Chapter 6.04 to the Half Moon Bay Municipal Code; and

WHEREAS, on February 6, 2024, the City Council adopted an ordinance creating a Residential Rental Registration program as a new Chapter 6.04 to the Half Moon Bay Municipal Code; and

WHEREAS, rental registration is currently assisting the City to identify units subject to any subsequently adopted Costa Hawkins based rent control program; and

WHEREAS, the City had not previously required registration or licensing of rental units which makes it difficult to identify tenants, landlords, and property managers regarding regulations and available assistance; and

WHEREAS, the City wants to encourage all landlords to register for the Residential Rental Registration; and,

WHEREAS, the City Council, as a means to incentivize early registration, approved a 30-days “no fee” registration period which was to commence on June 1, 2024, and end on June 30, 2024; and

WHEREAS, landlords have requested that the “no fee” registration period be extended; and

WHEREAS, the City Manager extended the “no fee” registration period to July 16, 2024, to allow the City Council to consider further extension.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF HALF MOON BAY hereby extends the no fee registration period for the Residential Rental Registration from June 30, 2024, to July 31, 2024, as part of the first-year launch of the program to encourage registrations, with the acknowledgement that registration fees will be charged beginning August 1, 2024, with late fees and enforcement commencing on September 1, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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: **July 16, 2024**

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 LORAL LANDSCAPING, INC.**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional service agreement with Loral Landscaping, Inc., to provide city-wide landscape maintenance services for Fiscal Year 2024-25 in an amount not to exceed \$51,564.

FISCAL IMPACT:

This amount is included in the adopted Public Works Maintenance Operating Budget for FY 2024-25, no additional funding will be required to execute this contract.

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 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). The majority of ongoing maintenance of the City's parks, buildings, facilities, and utilities are managed by the Public Works Maintenance Division with, support from qualified contractors for certain, specialized activities.

The City first contracted with Loral Landscaping, Inc. (Loral) in 2019 to maintain the City's landscaped medians located along Highway 1 and Highway 92. In FY 2022-23, with the completion of the Highway 1 South project, additional landscaping along Highway 1 was completed and City has responsibility for ongoing maintenance. Upon completion, the additional landscaped area was added to the scope of services for Loral for ongoing maintenance.

DISCUSSION:

The mission of the Public Works Department is to promote safety, livability, and sustainability through effective management of streets, parks, facilities, and utilities. In order to meet this mission within the current capabilities, resources, and constraints of the Department, the City occasionally relies on outside consultants and contractors with specialized skills, tools and/or expertise, allowing full-time staff to continue providing services for the many other duties assigned to the Department.

Upon City Staff request, Loral provided a monthly estimate for services to continue maintaining the landscaped medians and shoulders along Highway 1 and Highway 92 for which the City is responsible (Attachment 2). The fiscal impact for this contract is \$51,564 and can be funded through the FY 2024-25 adopted Public Works Maintenance budget. The scope of services includes weed removal and general cleaning of all City maintained Highway 1 and 92 medians.

ATTACHMENTS:

- 1) Resolution
- 2) Loral Landscape Monthly Estimate for FY 2024-25 (6/24/2024)

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 LORAL LANDSCAPING, INC. FOR LANDSCAPE MAINTENANCE SERVICES FOR FY 2024-25
IN AN AMOUNT NOT TO EXCEED \$51,564**

WHEREAS, the City of Half Moon Bay Public Works Department is responsible for median landscape maintenance as an ongoing essential service; and

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

WHEREAS, Loral Landscaping, Inc. has previously been contracted to provide median landscape maintenance for the City, and has a track record of excellent service and response times for requests for service; and

WHEREAS, adequate funds are available in the City's adopted FY 2024-25 budget for continuation of 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 Loral Landscaping, Inc. for landscape maintenance services for FY 2024-25 in an amount not to exceed \$51,564.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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



Estimate

CUSTOMER	
City of Half Moon Bay 501 Main Street Half Moon Bay, CA 94019	
PHONE	FAX
650-750-2012	

PROJECT	
Half Moon Bay-Monthly Maintenance FY25	
DATE	6/24/2024
ESTIMATE #	2024-0027
SUPERVISOR	PB

DESCRIPTION	Qty	Cost	Total
As per request here is an estimate for landscape maintenance.			
Standard Monthly Cost			
East and West of Main Street on Highway 92		840.00	840.00
North of Highway 92 on Highway 1 and Triangle area		490.00	490.00
South of Highway and Kelly Street		790.00	790.00
Additional areas added per City representative			
Highway 1 medians near Higgins Canyon Road and 2 corners on Higgins Canyon Road and Main Street		2,040.00	2,040.00
3.3% CPI increase		137.00	137.00
Monthly Cost			4,297.00

Terms: The undersigned orders the above work to be done and agrees to pay the amount stated upon completion of contract, unless terms have been written and agreed to by both parties at the time of acceptance of this contract. Loral Landscaping is not responsible for damage done to underground utilities or damaged irrigation components. This estimate is binding for 30 days. This contract must be signed and returned before work can be scheduled.

Customer Signature _____	Total \$4,297.00
Date _____	

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **July 16, 2024**

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 WEST COAST ARBORISTS, INC.**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a professional services agreement with West Coast Arborists, Inc., to provide Urban Forest Management services for Fiscal Year 2024-25 in an amount not to exceed \$100,000.

FISCAL IMPACT:

This contract amount is included in the adopted Capital Budget for FY 2024-25 in the Urban Forest Management Program, no additional funding will be required to execute this contract.

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 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). The majority of ongoing maintenance of the City's parks, buildings, facilities, and utilities are managed by the Public Works Maintenance Division with support from contractors for certain specialized activities.

One of Public Works' operational responsibilities includes monitoring and maintaining the urban forest throughout the City. The City circulated a request for proposals for tree maintenance services in 2017, and West Coast Arborists (WCA) was selected as the contractor. WCA has provided an in-depth tree inventory database for City staff as part of their initial contract which is still in use. To date, WCA has provided excellent service and fast response times to the community.

DISCUSSION:

WCA regularly updates the City tree inventory in conjunction with trimming or tree removal. Staff is recommending executing an annual contract with West Coast Arborists to provide on-call services including tree trimming, tree removal, and tree assessments. This is considered an essential service and must be provided every year.

The requested budget for the contract is \$100,000 and will be paid out of the Urban Forest Management Program (CIP No. 0598) of the Capital Improvement Program. This budget reflects a modest reduction from the previous year, but staff are confident that routine maintenance and upkeep can be accomplished through careful oversight and management of the program.

ATTACHMENTS:

- 1) Resolution
- 2) WCA Fee Schedule (4/1/2024)

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 WEST COAST ARBORISTS FOR URBAN FOREST MANAGEMENT SERVICES
IN AN AMOUNT NOT TO EXCEED \$100,000**

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

WHEREAS, in 2017, the City circulated a request for proposals for tree services and West Coast Arborists (WCA) was selected as the contractor for these services; and

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

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

WHEREAS, adequate funds are available in the City's adopted FY 2024-25 Capital Improvement Program for Urban Forest Management.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute the Professional Services Agreement with West Coast Arborists for Urban Forest Management services in an amount not to exceed \$100,000.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of July, 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



Tree Care Professionals Serving Communities Who Care About Trees

www.WCAINC.com

April 01, 2024

CITY OF HALF MOON BAY
ATTN: TODD SEELEY
501 MAIN STREET
HALF MOON BAY, CA 94019

RE: Tree Maintenance Services performed by WCA, Inc.

Dear Mr. Seeley,

At West Coast Arborists, Inc., we pride ourselves on delivering the caliber of quality, integrity, and customer service that you expect and deserve from your tree care provider. We deeply appreciate you and your team's commitment to caring for the City's urban forest.

As we approach the conclusion of the contract year under our current agreement, we wish to express our interest in continuing our partnership. Over the course of this contract, we've encountered notable escalations in operational costs, particularly in labor, fuel, recycling, and insurance premiums. As a result, we respectfully request a cost adjustment based on the Consumer Price Index (CPI) for the region from the preceding calendar year, as documented by the Department of Labor's Bureau of Labor Statistics.

Effective Date:	July 01, 2024
CPI Adjustment Requested:	2.40%
Region Area:	San Francisco-Oakland-Hayward

We sincerely value your attention to this matter. Our aim is to continue as your trusted provider for urban forest management and maintenance services. If you have any questions or need further information, please feel free to reach out to me via email at vgonzalez@wcainc.com or at **(714) 991-1900**.

Sincerely,

Victor M. Gonzalez
Vice President, Business Development

West Coast Arborists, Inc.

2200 E. Via Burton · Anaheim, California 92806 · 714.991.1900 · 800.521.3714 · Fax 714.956.3745



Schedule of Compensation for Year 2024 - 2025

Tree Maintenance Services performed by WCA, Inc.

Item	Description	Unit	Proposed Prices
1	Tree Pruning Services	Man Hour	\$115.35
2	Tree Removal Services	Man Hour	\$115.35
3	Stump Removal Services	Man Hour	\$115.35
4	Tree Planting Services	Man Hour	\$115.35
5	15 Gallon Tree - materials only	Each	\$97.95
6	24" Box Tree - materials only	Each	\$190.15
7	Stakes & Ties - per tree	Each	\$28.75
8	Tree Watering	Man Hour	\$115.35
9	Planting Recommendations	Man Hour	\$167.10
10	Consulting Arborist Services - 2hr min	Man Hour	\$167.10
11	Project Inspection - 2hr min	Man Hour	\$167.10
12	Update City Database	Man Hour	\$115.35
13	Meetings/Presentations - 2hr min	Man Hour	\$167.10
14	Specialty Eqpt - Crane	Hour	\$334.30
15	Specialty Eqpt - 95' Aerial	Hour	\$167.10
16	Specialty Eqpt - Loader/Rolloff	Hour	\$115.35
17	On-Call Response	Man Hour	\$115.35
18	Emergency Response	Man Hour	\$167.10
19	Tree Pruning on Main Street	Lump Sum	\$63,993.00

The suggested rates are set to increase by 2.4% in alignment with the Consumer Price Index for the San Francisco-Oakland-Hayward region over the past year. Once sanctioned, these rates will come into effect on July 1, 2024, and will remain valid for a year.

Resolution No. 24-08

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HALF MOON BAY RECOMMENDING THE CITY COUNCIL CONSIDER PLACING A BALLOT MEASURE ON THE NOVEMBER 5, 2024 GENERAL ELECTION BALLOT SEEKING VOTER APPROVAL TO AMEND THE MEASURE D DOWNTOWN AREA TO BE THE AREA DESIGNATED AS THE TOWN CENTER IN FIGURE 2-2 OF THE LOCAL COASTAL LAND USE PLAN (PDP-24-035)

WHEREAS, The purposes of the measure are to protect the public health, safety and welfare of residents of Half Moon Bay; to provide for development that is orderly, sustainable, and fiscally responsible; to respond to the worsening traffic situation; and to protect the City's unique scenic and rural coastal character by managing the rate, location and density of residential development; and

WHEREAS, Measure D encourages compact development by providing additional allocations to the Downtown Area; and

WHEREAS, the Downtown Area is currently defined as the Half Moon Bay redevelopment survey area adopted by the City Council in November 1998; and

WHEREAS, original Measure authors have acknowledged that the redevelopment survey area was chosen primarily due to being the best available reasonable approximation of the downtown focus area in 2001 and

WHEREAS, the 2020 Local Coastal Land Use Update “identifies a Town Center within which future development should be concentrated to support a vibrant, walkable core area...” It was recommended by the City Council that this defined area be utilized as the “downtown area” under Measure D; and

WHEREAS, on March 19, 2024, the City Council directed staff to prepare a ballot measure to allow voters of Half Moon Bay to decide on amendments to Measure D on the November 5, 2024 general election; and

WHEREAS, the City Council requested that the measure seek voter approval on the following modifications of Measure D

- Exempt ADUs and Junior ADUs
- Exempt deed-restricted affordable units
- Amend the “downtown area” map to better reflect downtown boundaries

WHEREAS, the proposed Measure (Exhibit A) includes voter amendment of the 2020 Local Coastal Land Use Plan (LCLUP) and Zoning Ordinance Amendment to incorporate exemptions for ADUs and deed restricted affordable units and to adopt the Town Center (Figure 2 of the LCLUP) as the downtown area under Measure D; and

WHEREAS, Measure D added its residential growth limitations to both the LCLUP and Zoning Ordinance and the proposed measure would amend both of these provisions, with the Zoning Ordinance amendments being consistent with the LCLUP, as amended; and

WHEREAS, the proposed Measure will not change the location, density or intensity of development permitted under the 2020 Local Coastal land Use Plan or the General Plan including the Cycle 5 certified Housing Element; and

WHEREAS, if approved by the voters, the Local Coastal Land Use Plan and Zoning Ordinance amendments will be subject to review by the California Coastal Commission; and

WHEREAS, the Local Coastal Land Use Plan and Zoning Ordinance amendments would not become effective until certified by the California Coastal Commission; and

WHEREAS, the Planning Commission, as the Advisory Board to the City Council, conducted a duly noticed public hearing on June 11, 2024 where all those in attendance desiring to be heard were given an opportunity to speak on this ; and

WHEREAS, the item was continued to a date certain of June 25th, 2024; and

WHEREAS, at the June 25, 2024 continued hearing the Planning Commission approved a motion to recommend that the City Council not place the proposed Measure on the November 5, 2023 General Election Ballot, for the reasons stated in the video recording of the June 25, 2024 hearing available at <https://www.half-moon-bay.ca.us/314/Planning-Commission-Agendas>, by a vote of three (3) in favor of the motion and two (2) opposed to the motion.

NOW, THEREFORE, BE IT RESOLVED THAT the Planning Commission of the City of Half Moon Bay hereby recommends that the City Council possibly consider changing the downtown map through a ballot vote. Where the Measure D downtown area would be designated as the Town Center Map in Figure 2-2 of the Local Coastal Land Use Plan.

NOW, BE IT FURTHER RESOLVED THAT the Planning Commission acknowledges that any voter-approved Local Coastal Land Use Plan and Zoning Ordinance Amendments be subject to review, approval and certification by the California Coastal Commission.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 25th day of June, 2024 by the Planning Commission of the City of Half Moon Bay by the following vote:

AYES, Commissioners: Gorn, Gossett, Hernandez, Joanes, Ruddock

NOES, Commissioners:

ABSENT, Commissioners:

ABSTAIN, Commissioners:

ATTEST:

APPROVED:

Steve McHarris
Steve McHarris, Interim Community
Development Director

Margaret Gossett
Margaret Gossett, Chair



June 25, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Budget Request for San Mateo County and its Cities for FY 22-23 VLF In-Lieu Shortfall—SUPPORT

Dear Governor Newsom,

On behalf of the City of Half Moon Bay, we write in strong support for the \$73.5 million allocated in the Legislature's budget proposal (AB 107) to provide a one-time General Fund backfill to counties with insufficient Education Revenue Augmentation Funds (ERAF). This funding, \$70,048,152, will backfill San Mateo County and its twenty cities for their FY 22-23 in-lieu Vehicle License Fee (VLF) shortfall amount.

The in-lieu VLF payment is a significant, core funding source for Half Moon Bay. The in-lieu VLF payment for the City is approximately \$431,000. These funds are material and integral to Half Moon Bay's budget. Without it, public safety, health, housing, and other critical services would be at risk. The City is already facing a \$4M structural deficit heading into next fiscal year due to a sharp increase in public safety costs as well as decreased revenue.

The State's in-lieu VLF payment obligation arises from the VLF "Swap," which was an integral part of the 2004 Budget compromise. Under the terms of that compromise, the State permanently reduced the annual VLF rate, which significantly decreased counties' and cities' revenues and, for two fiscal years, shifted an additional \$1.3 billion in property taxes away from counties, cities, and special districts to pay the State's school funding obligations and address the State's budget deficit. In exchange, the State guaranteed counties and cities an "in-lieu" VLF payment for the lost revenues. This ongoing in-lieu VLF obligation is adjusted annually based on growth in the property's assessed value within local agency boundaries (Rev. & Tax. Code § 97.70).

In San Mateo County, the direct funding sources identified in the statute are insufficient to cover the full amount of the in-lieu VLF payment, causing a funding shortfall. The shortfall specifically arises because there are insufficient funds from ERAF and property taxes of the relatively few non-basic aid schools in San Mateo County to cover the State's total payment obligation. (The State backfills the school districts, so they do not suffer any loss from the in-lieu VLF payment.) As a result, these shortfalls are beyond the counties and cities' control and cause cash flow issues and significant fiscal harm until reimbursed by the State.

Historically, the State has always made counties and cities whole by reimbursing any in-lieu VLF shortfalls through a special appropriation in the State budget. This appropriation ensures that San Mateo County and its cities, including Half Moon Bay, like all other counties and cities in the state, receive their full in-lieu VLF payment required by law. Failing to fully backfill the in-lieu VLF payment will cause significant financial harm to our city, which, like other local governments, relies on these revenues to fund essential local public services. It would also be contrary to the 2004 Budget

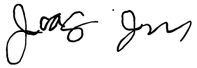
Compromise in which these payments were guaranteed by law in exchange for substantial financial contributions by local governments.

Half Moon Bay relies on its share of these funds to deliver critical services to its residents, for which costs are rising. Given that the State ensures every county and city in California receives its full in-lieu VLF payment, regardless of the amount, the County of San Mateo and its cities should not be singled out to suffer a loss of essential funding by declining to reimburse this shortfall.

As such, we request that you support the VLF in-lieu shortfall allocation of \$70,048,152 for San Mateo County and its 20 cities included in AB 107 to ensure there is no negative fiscal impact on our city.

We appreciate your consideration of this critical request.

Sincerely,



Joaquin Jimenez, Mayor
City of Half Moon Bay

CC: San Mateo County Delegation Members
Ann Patterson, Cabinet Secretary
Richard Figueroa, Deputy Cabinet Secretary
Joe Stephenhaw, Director, Department of Finance
Christian Griffith, Chief Consultant Assembly Budget
Chris Woods, Senate Budget Director
Jason Sisney, Assembly Budget Director