



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

**TUESDAY, JUNE 2, 2026
7:00 PM**

**TED ADCOCK COMMUNITY CENTER,
535 KELLY AVENUE
HALF MOON BAY, CA 94019**

**Debbie Ruddock, Mayor
Deborah Penrose, Vice Mayor
Robert Brownstone, Councilmember
Patric Jonsson, Councilmember
Paul Nagengast, Councilmember**

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

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 provide reasonable accommodation to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

<http://halfmoonbay.gov>

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 the City website at <https://www.halfmoonbay.gov/315/City-Council-Agendas>. 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.*

- 1. ROLL CALL / PLEDGE OF ALLEGIANCE**
- 2. APPROVAL OF AGENDA**
- 3. PROCLAMATIONS AND PRESENTATIONS**
 - 3.A FUTURE LEADER'S CIVICS ACADEMY GRADUATION**
 - 3.B STUDENT AWARDS**
 - 3.C COUNTY HOUSING STONE PINE COVE PRESENTATION**
- 4. MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE**
- 5. REPORT OUT FROM RECENT CLOSED SESSION MEETINGS**
- 6. COMMISSION / COMMITTEE UPDATES**
 - 6.A PARKS AND RECREATION COMMISSION REPORT OUT**
 - 6.B PLANNING COMMISSION REPORT OUT**
- 7. CITY MANAGER UPDATES TO COUNCIL**
 - 7.A LOCAL HAZARD MITIGATION PLAN UPDATE**
 - 7.B MAIN STREET BRIDGE UPDATE**
- 8. PUBLIC FORUM**

9. CONSENT CALENDAR

9.A WAIVE READING OF ORDINANCES AND RESOLUTIONS

9.B TREASURER'S REPORT FOR THE QUARTER ENDING MARCH 31, 2026

Staff Recommendation: By motion, accept the Treasurer's Report for the quarter ending March 31, 2026.

[STAFF REPORT](#)

[ATTACHMENT - Report](#)

9.C APPROVE MINUTES OF THE MAY 19, 2026 SPECIAL MEETING

[ATTACHMENT- May 19, 2026 Special Meeting Minutes](#)

9.D APPROVE MINUTES OF THE MAY 19, 2026 REGULAR MEETING

[ATTACHMENT- May 19, 2026 Regular Meeting Minutes](#)

9.E DISPLAY OF THE LGBTQ FLAG FOR THE MONTH OF JUNE 2026 AT CITY HALL TO COMMEMORATE PRIDE MONTH

Staff Recommendation: Adopt a Resolution authorizing the display of the LGBTQ Progress Flag at City Hall for the month of June 2026.

[STAFF REPORT](#)

[ATTACHMENT - Resolution](#)

9.F RESOLUTIONS CALLING FOR THE HOLDING OF THE NOVEMBER 3, 2026 GENERAL MUNICIPAL ELECTION

Staff Recommendation: Adopt a resolution calling for the General Municipal Election to be held on Tuesday, November 3, 2026, for the election of certain officers, and adopt a resolution requesting the Board of Supervisors of the County of San Mateo to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026, and authorizing the City Manager to enter into a service agreement with the County of San Mateo for the provision of election services.

[STAFF REPORT](#)

[ATTACHMENT 1 - General Municipal Election Resolution](#)

[ATTACHMENT 2 - Request BOS to Consolidate Election](#)

9.G ACCEPTANCE OF AUDITOR'S REPORTS FROM THE FISCAL YEAR 2023-24 AUDIT

Staff Recommendation: Accept the Required Communications and Memorandum of Internal Control reports from the Fiscal Year 2023-24 independent auditor.

[STAFF REPORT](#)

[ATTACHMENT 1 - Required Communications](#)

[ATTACHMENT 2 - Memorandum of Internal Control for the Year Ended June 30, 2024](#)

9.H ACCEPTANCE OF AUDITOR'S REPORTS FROM THE FISCAL YEAR 2024-25 AUDIT

Staff Recommendation: Accept the Required Communications and Memorandum of Internal Control reports from the Fiscal Year 2024-25 independent auditor.

[STAFF REPORT](#)

[ATTACHMENT 1 - Required Communications for the Year Ended June 30, 2025](#)

[ATTACHMENT 2 - Memorandum of Internal Control for the Year Ended June 30, 2025](#)

9.I FINAL ACCEPTANCE OF THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP NO. 0611)

Staff Recommendation: Adopt a resolution authorizing the City Manager or his designee to file a Notice of Completion for the John L. Carter Park Improvements Project (CIP Project No. 0611), release the project Performance and Labor and Materials Bonds, and release the retention funds in accordance with applicable laws.

[STAFF REPORT](#)

[ATTACHMENT - Carter Park NOC Resolution](#)

9.J AMENDMENT TO AGREEMENT WITH MAZE & ASSOCIATES FOR INDEPENDENT AUDITING SERVICES

Staff Recommendation: Adopt a resolution authorizing the City Manager to execute a one-year amendment to the agreement with Maze & Associates Accountancy Corporation for independent auditing services, to extend the term of the Agreement for an additional year through April 30, 2027, and increase the compensation by \$62,940 for a total not to exceed agreement amount of \$325,690.

[STAFF REPORT](#)

[ATTACHMENT - Resolution](#)

10. ORDINANCES AND PUBLIC HEARINGS

10.A COMPLIANCE WITH ASSEMBLY BILL 2561/GOVERNMENT CODE SECTION 3502.3 REGARDING VACANCIES, RECRUITMENT, AND RETENTION EFFORTS

Staff Recommendation: Receive a presentation and conduct a public hearing at which the City will report on workforce vacancies, recruitment, and retention efforts.

[STAFF REPORT](#)

10.B FISCAL YEAR 2026-27 MASTER FEE SCHEDULE

Staff Recommendation: Conduct a public hearing and adopt a resolution adopting an updated Master Fee Schedule for Fiscal Year 2026-2027 and approving a 1.7% Consumer Price Index (CPI) adjustment to certain applicable fees.

[STAFF REPORT](#)

[ATTACHMENT 1 - Resolution](#)

[ATTACHMENT 2 - Fee Schedule](#)

11. RESOLUTIONS AND STAFF REPORTS

11.A BALLOT MEASURE AMENDING MEASURE D, THE CITY'S VOTER-APPROVED RESIDENTIAL GROWTH LIMITATIONS PROGRAM

Staff Recommendation: 1) Adopt a resolution approving a proposed Ordinance to amend the City's Local Coastal Land Use Plan, Policy 2-16, and Half Moon Bay Municipal Code, Title 17 (Subdivisions), sections 17.06.020(E) and 17.06.065 and Title 18 (Zoning), section 18.04.010(E) and other conforming edits 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 placing a measure on the November 3, 2026 general election ballot, seeking voter approval of the proposed Ordinance to amend the Measure D Downtown Area; and 2) Find the amendments exempt from 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); and 3) Discuss and determine if the City Council wishes to submit an argument in favor of the proposed ballot measure, and if so, which Councilmember(s) would write it.

[STAFF REPORT](#)

[ATTACHMENT 1 - Resolution Setting a Measure on the Ballot to Amend Measure D](#)

[ATTACHMENT 2 - City of Half Moon Bay Measure to Amend the Downtown Area for Residential Growth Management Policies](#)

[ATTACHMENT 3 - Measure D 1999 Full Text](#)

11.B FISCAL YEAR 2026-27 RECOMMENDED BUDGET

Staff Recommendation: Staff recommends that the City Council take the following actions:

1) Receive a presentation on the FY 2026-27 Recommended Budget, and after accepting public comments and providing any additional recommended changes, direct staff to return with the final proposed budget for adoption on June 16, 2026 and 2) Adopt the Fiscal Sustainability Plan to provide a long-term framework for addressing the City's ongoing structural fiscal challenges and guiding future financial decision-making.

[STAFF REPORT](#)

[ATTACHMENT 1 - Resolution](#)

[ATTACHMENT 2 - Budget](#)

[ATTACHMENT 3 - Forecast and Fiscal Sustainability](#)

11.C COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM

Staff Recommendation: 1) Receive a subcommittee update on the Community Services Financial Assistance (CSFA) grant program and provide guidance to staff on grant awards and amounts for FY 2026-27 and 2) Adopt a resolution authorizing City Manager to execute grant agreements with recipients of the Community Services Financial Assistance (CSFA) grant based on guidance provided.

[STAFF REPORT](#)

[ATTACHMENT - Resolution CSFA FY 26-27](#)

11.D DEVELOPMENT OF A RENTAL ASSISTANCE PROGRAM

Staff Recommendation: Adopt a Resolution establishing a Rental Assistance Program and authorizing the City Manager to execute an agreement with Coastside Hope for program administration services, at a cost not to exceed \$120,000, for a term of one year.

[STAFF REPORT](#)

[ATTACHMENT 1 - Rental Assistance Program Resolution](#)

[ATTACHMENT 2 - Program Guidelines](#)

[ATTACHMENT 3 - Draft Agreement](#)

11.E TENANT LEGAL SERVICES AGREEMENT WITH COMMUNITY LEGAL SERVICES IN EAST PALO ALTO

Staff Recommendation: Adopt a Resolution authorizing the City Manager to execute an

agreement with Community Legal Services in East Palo Alto (CLSEPA) for the provision of tenant legal services, tenant rights education, and housing-related legal support services for Half Moon Bay residents in an amount not to exceed \$40,000 for a term of one year.

[STAFF REPORT](#)

[ATTACHMENT 1 - CLSEPA Partnership Resolution](#)

[ATTACHMENT 2 - CLSEPA Supporting Document](#)

[ATTACHMENT 3 - Draft Agreement](#)

12. FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

13. CITY COUNCIL REPORTS

14. ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **May 19, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director

TITLE: **TREASURER'S REPORT FOR THE QUARTER ENDING MARCH 31, 2026**

RECOMMENDATION:

By motion, accept the Treasurer's Report for the quarter ending March 31, 2026.

FISCAL IMPACT:

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

STRATEGIC ELEMENT:

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

BACKGROUND:

In accordance with Government Code Section 53600 et seq., the City's Treasurer is to provide the City Council with a report on investments on a quarterly basis. As shown in the Treasurer's Report (Attachment 1), the City's investments are in external investment pools listed at cost, as well as its fair value, not amortized cost, in compliance with Governmental Accounting Standard. The City's investment practices strictly follow Government Code Section 53600 et seq., the City's investment policy, and a prudent person's rule.

DISCUSSION:

The City's cash and investment portfolio, at fair market value, as of March 31, 2026, is \$53.9 million of which \$38.4 million is placed with the San Mateo County Treasurer's Investment Pool and \$8.9 million is placed with the State Controller's Local Agency Investment Fund (LAIF), and \$6.6 million in operating accounts with Wells Fargo Bank. The average weighted yield for the City's cash and investments is 3.48 % for the quarter.

ATTACHMENT:

Treasurer's Report for the quarter ending March 31, 2026

**City of Half Moon Bay
Treasurer's Report
March 31, 2026**

1. Cash and investments were comprised of the following instruments as of March 31, 2026, shown with the carrying amount, fair value, and corresponding yields on investment and interest earnings:

	City Treasury	Fiscal Agents	Carrying Amount	Fair Value	Quarterly Yield	Quarterly Interest Earnings	FYTD Interest Earnings
<u>Petty Cash</u>	617	-	617	617		-	-
<u>Wells Fargo Bank:</u>							
Checking	6,537,111	-	6,537,111	6,537,111		-	-
Payroll	134,896	-	134,896	134,896		-	-
<u>California State Treasurer:</u>							
LAIF - General Fund	8,864,933	-	8,864,933	8,864,763	3.92%	92,754	187,544
<u>San Mateo County Treasurer</u>							
SMC Pool - General Fund	38,186,747	-	38,186,747	38,441,452	3.99%	349,084	687,060
TOTAL CASH AND INVESTMENTS	53,724,305	-	53,724,305	53,978,840		441,838	874,604

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

2. Investment maturities:

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

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

Investments at March 31, 2026 mature as follows:

	City Treasury	Fiscal Agents	Total
Available immediately	53,724,305	-	53,724,305
Maturities less than one year	-	-	-
Maturities of one to five years	-	-	-
Greater than five years	-	-	-
Total	53,724,305	-	53,724,305

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

Investment sectors as a % of total portfolio		Investment performance comparisons			
		Date	Total	Yield	Interest
Demand Deposits and Money					
Market	12.42%				
Local Agency Investment Fund	16.50%	3/31/2024	53,138,836	3.55%	955,296
San Mateo Co. Investment Pool	71.08%	3/31/2025	47,832,728	3.58%	909,798
Fiscal Agent	-	3/31/2026	53,978,840	3.48%	874,604
	100.00%				

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

Kenneth Stiles

5/12/2026

Interim Administrative Services Director

Date

Matthew Chidester

5/13/2026

City Manager

Date

**CITY OF HALF MOON BAY
CASH AND INVESTMENTS REPORT
FOR QUARTER ENDING 03/31/2026**

GENERAL FUND **15,735,484.19**

RESTRICTED FUNDS

STORM DRAIN OPERATING FUND	275,447.83
TRAFFIC MITIGATION FUND	4,817,723.75
LIBRARY	18,024.84
MAIN STREET BRIDGE	60,356.37
GAS TAX	3,148,469.10
STREET AND ROAD FUND	2,094,217.38
MEASURE A FUND	2,613,177.53
PARK FACILITY DEVELOPMENT	429,328.88
AFFORDABLE HOUSING	4,827,755.75
PUBLIC FACILITIES	1,415,825.16
POLICE SPECIAL REVENUE	1,371,978.19
JOB-BOND PROCEED FD	0.96
GENERAL PLAN FEE SPECIAL REVENUE	25,447.65
MEASURE W FUND	1,218,971.23
LOT ACQUISITION/DEVELOPMENT	1,172,532.56
CZI GRANTS	28,065.31
OCC GRANT	(164,461.80)
JOB - DEBT SERVICE FD	6,951.13
GEN FD CAPITAL PROJECTS	2,658,626.27
DRAINAGE FUND	1,261,293.64
LIBRARY CAPITAL	524,458.15
CARTER PARK CAPITAL	52,025.47
GENERAL LONG TERM DEBT	-
SEWER FUNDS	3,100,905.00
VEHICLE REPLACEMENT	324,945.69
FURN/FIXT & EQUIP FUND	1,320,876.82
RISK MANAGEMENT	3,825,240.09
RETIREMENT STABILIZATION	1,560,637.42

TOTAL RESTRICTED FUNDS **37,988,820.37**

GENERAL LEDGER (BOOK) TOTAL	53,724,304.56
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BANK BALANCES ON 03/31/2026

WELLS FARGO GENERAL CHECKING	11,378,476.37
WELLS FARGO PAYROLL CHECKING	134,896.11
LOCAL AGENCY INVESTMENT FUND (LAIF)	8,864,933.02
SAN MATEO COUNTY INVESTMENT POOL	38,186,746.74

Add: PETTY CASH ACCOUNTS	617.46
RECONCILING ITEMS	-
Less: OUTSTANDING CHECKS	(4,898,584.91)
Plus: DEPOSITS IN TRANSIT	57,219.77
Plus: VOID CHECKS	-

BANK RECONCILIATION TOTAL	53,724,304.56
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**CITY OF HALF MOON BAY CITY COUNCIL
TUESDAY, MAY 19, 2026
SPECIAL MEETING
ADCOCK COMMUNITY CENTER, 535 KELLY AVENUE**

1. CONVENE SPECIAL MEETING / ROLL CALL

Mayor Ruddock called the Special Meeting to order at approximately 6:00 p.m. Councilmember Penrose was absent.

2. OPEN SESSION IDENTIFICATION OF CLOSED SESSION ITEMS

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS

4. CLOSED SESSION

4.A CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Real property located at 1000 N. Cabrillo Hwy., Half Moon Bay CA 94019 (APN 048-24-0030)-Wastewater Treatment Facility

Agency negotiator: Matthew Chidester, City Manager

Negotiating parties: Sewer Authority Mid-Coastside (SAM JPA) and City of Half Moon Bay

Under negotiation: Price and Terms of Payment.

Councilmember Jonsson recused from the item.

4.B CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Government Code section 54957.6

Agency designated representatives: Christopher Ko Boucher, Esq., Alex Avakiantz, Esq., Matthew Chidester, and Kenneth Stiles

Employee organization and Unrepresented employees: International Union of Operating Engineers, Local 39; Non-Represented Confidential Employees; Unrepresented Executive Employees; Represented Management

5. ADJOURN SPECIAL MEETING

Mayor Ruddock adjourned the Special Meeting at approximately 6:50 p.m.

Respectfully Submitted:

Maggie Rodriguez, Interim City Clerk

*Approved by the City Council at the _____, 2026 Regular meeting.



**MINUTES
CITY OF HALF MOON BAY CITY COUNCIL**

TUESDAY, MAY 19, 2026

ADCOCK COMMUNITY CENTER, 535 KELLY AVENUE

1. ROLL CALL / PLEDGE OF ALLEGIANCE

Mayor Ruddock called the Regular Meeting to order at 7:12 p.m. and led the pledge of allegiance. Interim City Clerk Rodriguez called the Roll Call.

PRESENT: Councilmembers Brownstone, Jonsson, Nagengast, and Mayor Ruddock

2. APPROVAL OF AGENDA

MOTION

Councilmember Nagengast moved and Councilmember Brownstone seconded a motion to move item 4 ahead of item 3. The Motion carried unanimously.

Councilmember Brownstone moved and Mayor Ruddock seconded a motion to approve the agenda. The motion carried by unanimous vote.

3. PROCLAMATIONS AND PRESENTATIONS

3.A NATIONAL PUBLIC WORKS WEEK PROCLAMATION

City Manager Chidester welcomed and thank the Public Works Staff in honor of Nation Public Works Week. Mayor Ruddock presented the proclamation to Public Works Staff. Councilmember Nagengast spoke and delivered the proclamation to Public Works Staff.

3.B MIDCOAST COMMUNITY COUNCIL UPDATE

Kimberly Williams from Midcoast Community Council provided an update on recent meetings. Fire mitigation meetings happened. Surfers Beach CalTrans report update was received, concept ideas for long term ideas on Highway 1. Development of Local Hazard Mitigation Plan, a countywide effort, with the comment period currently open until June 15, 2026. Finally, Highway 1 roadway rehabilitation is currently underway as well as the SAM Force Main Project.

4. MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

Mayor Ruddock announced the passing of former Mayor Al Adreveno on Sunday May 17, 2026 at 102 years of age. Council shared the life and history of former Mayor Adreveno and their memories of him to present family and members of the community.

The following individuals addressed the council:

- Joaquin Jimenez

5. REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

Interim City Attorney Bazzano reported the Council met in Closed Session on May 19, 2026 on two items. Councilmember Jonsson recused on the first item due to proximity. There was no reportable action.

6. COMMISSION / COMMITTEE UPDATES

6.A BPAC REPORT OUT

Interim City Engineer Leda Provided an update on the BPAC Meeting. Next meeting is July 2, 2026.

7. CITY MANAGER UPDATES TO COUNCIL

7.A MAIN STREET BRIDGE UPDATE

Interim Public Works Director Seeley updated council on Main Street Bridge renovations. Phase 1 is now scheduled to begin Tuesday May 26, 2026. Street side repairs will begin June 8, 2026 with roads being restricted from 8:00am to 4:30pm.

8. PUBLIC FORUM

The following individuals addressed the Council:

- Rocio Avila
- Joaquin Jimenez
- Anita Rees
- Armando Avila
- Nancy Fontana
- Evelyn de Souza
- Carolina Carbajal
- Pepper Black
- Susie Morasci

- Heather Shirely

9. CONSENT CALENDAR

MOTION

Councilmember Brownstone moved and Mayor Ruddock seconded a motion to approve Consent Calendar. The motion carried by 4-0 unanimous vote.

9.A WAIVE READING OF ORDINANCES AND RESOLUTIONS

9.B APPROVE MINUTES OF THE MAY 5, 2026 SPECIAL MEETING

9.C APPROVE MINUTES OF MAY 5, 2026 REGULAR MEETING

9.D ACCEPT THE WARRANTS FOR THE MONTH OF APRIL 2026

9.E FINANCIAL REPORT FOR THE QUARTER ENDED ON MARCH 31, 2026

9.F RESOLUTION 2026-28 SENATE BILL 1 LOCAL STREETS AND ROAD IMPROVEMENT PROJECT LIST - FY 2026-27

9.G RECEIPT OF LEGISLATIVE POSITION LETTER

9.H RESOLUTION 2026-29 AMENDMENT TO AGREEMENT WITH THE COUNTY OF SAN MATEO FOR ANIMAL CONTROL SERVICES

10. ORDINANCES AND PUBLIC HEARINGS -None

11. RESOLUTIONS AND STAFF REPORTS

RECESS

Mayor Ruddock requested a break at 8:22. The Meeting reconvened at 8:32 pm with all four councilmembers present.

11.A 2026 SUMMER BEACH UPDATE

Interim Public Works Director Seeley and Captain Allen presented the item. City Council asked clarifying questions of staff and discussed the applicants.

11.B CAPITAL IMPROVMENT PROGRAM UPDATE

Interim City Engineer Leda and Interim Public Works Director Seeley presented the staff report. Council discussed the item, asked clarifying questions and provided direction to staff.

11.C SEWER AUTHORITY MID-COASTSIDE REVISED FISCAL YEAR 2026-27 OPERATIONS AND MAINTENANCE (GENERAL) BUDGET

Interim City Engineer Leda presented the staff report. Council discussed the item and asked clarifying questions.

MOTION

Councilmember Brownstone moved and Councilmember Jonsson seconded a motion to adopt Resolution No. 2026-30 approving the Sewer Authority Mid-Coastside General (Operations and Maintenance) Budget for FY 2026-27. The motion carried unanimously with a 4-0 vote.

11.D HALF MOON BAY SEWER COLLECTION SERVICES BUDGET AND SYSTEM MAINTENANCE AGREEMENT WITH SEWER AUTHORITY MID-COASTSIDE

Interim City Engineer Leda presented the staff report. Council discussed the item and asked clarifying questions.

MOTION

Councilmember Brownstone moved and Councilmember Jonsson seconded a motion to adopt Resolution No. 2026-31: 1) Approving the FY 2026-27 Sewer Authority Mid-Coastside Contract Collection Services Budget of \$912,935 and the total participating agency revenue requirement of \$960,622 included as Exhibit A to this resolution, of which the City's share is \$331,415 and; 2) Authorizing the City Manager to execute Amendment No. 9 to the sewer collection system maintenance professional services agreement with SAM, establishing the FY 2026-27 annual cost for the City's share at \$331,415 and extending the Agreement for one additional year, through June 30, 2027. The motion carried unanimously with a 4-0 vote.

11.E PURCHASE OF A NEW CAT 249D3 COMPACT TRACK LOADER

Interim PW Director Seeley presented the item. Council asked clarifying questions of staff.

MOTION

Councilmember Nagengast moved and Councilmember Brownstone seconded a motion to adopt Resolution No. 2026-32 authorizing the City Manager to execute a purchase agreement in the amount of \$80,513.63 with Peterson CAT for purchase of a CAT 249D3 Compact Track Loader, conditioned upon the ability to make the turn with the equipment and store the equipment indoors. The motion carried unanimously with a 4-0 vote.

11.F CARTER PARK FEE SCHEDULE

Interim Deputy City Manager Decker presented the item. Council asked clarifying questions of staff.

The following individuals addressed the council:

- Nancy Fontana

MOTION

Councilmember Brownstone moved and Councilmember Jonsson seconded a motion to adopt Resolution No. 2026-33 approving a tiered fee schedule for Carter Park and direct staff to monitor utilization and return with adjustments as needed. The motion passed unanimously with a 4-0 vote.

11.G AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH COUNTY OF SAN MATEO SHERIFF'S OFFICE

City Manager Chidester presented the staff report. The City Council asked clarifying questions of staff.

MOTION

Councilmember Brownstone moved and May 2 seconded a motion to create an ad hoc committee consisting of Brownstone and Nagengast to provide next steps, any recommended changes review the proposed agreement.

12. FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

None.

13. CITY COUNCIL REPORTS

Councilmember Nagengast mentioned the Holy Ghost Chamarita that is taking place May 23, 24 and 25 at the IDES Hall.

14. ADJOURNMENT

Mayor Ruddock adjourned the meeting at approximately 10:35 p.m.

Respectfully Submitted:

Maggie Rodriguez, Interim City Clerk

*Approved by the City Council at the ____ Regular meeting.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maggie Rodriguez, Interim City Clerk

**TITLE: DISPLAY OF THE LGBTQ FLAG FOR THE MONTH OF JUNE 2026 AT CITY HALL TO
COMMEMORATE PRIDE MONTH**

RECOMMENDATION:

Adopt a Resolution authorizing the display of the LGBTQ Progress Flag at City Hall for the month of June 2026.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

STRATEGIC ELEMENTS:

This recommendation supports the Inclusive Governance element of the Strategic Plan.

BACKGROUND:

The City Council of the City of Half Moon Bay wishes to express its support for Pride Month and the Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) community in the United States, and specifically on the Coastside.

The display of the LGBTQ Pride Flag, also known as the Rainbow Flag, and the newer Progress Flag, serves to express the City's official commemoration of this important event in U.S. history and its commitment to celebrating diversity.

DISCUSSION:

The City Council has adopted a flag policy to establish clear guidelines on the display of all flags, including commemorative or ceremonial flags, at City Hall. The policy established that the City's flagpoles are not intended to be a forum for free expression by the public. The Policy (section 2.3.3) also specifies that a Resolution must be adopted for specific commemorative or ceremonial flags to be flown at City facilities

Consistent with the City's practice, the proposed Resolution would authorize the LGBTQ Progress Flag to be flown at City Hall for the month of June, 2026.

ATTACHMENT:

LGBTQ Progress Flag Resolution

RESOLUTION NO. C-2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE DISPLAY OF THE LGBTQ FLAG FOR THE MONTH OF JUNE 2026 AT CITY HALL TO COMMERORATE LGBTQ PRIDE MONTH

WHEREAS, the City Council of the City of Half Moon Bay wishes to express our support for Pride Month and the Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) community in the United States, and

WHEREAS, the display of the LGBTQ Progress Flag serves to express the City’s official commemoration of this important event in U.S. history and its commitment to celebrating diversity, and

WHEREAS, the City’s flagpoles are not intended to be a forum for free expression by the public, and

WHEREAS, the LGBTQ Progress Flag will be flown for the month of June 2026 at City Hall.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Half Moon Bay hereby authorizes the display of the Progress Flag on the City flagpole located in front of City Hall for the month of June 2026 to celebrate and honor LGBTQ Pride month.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Maggie Rodriguez , Interim City Clerk

TITLE: RESOLUTIONS CALLING FOR THE HOLDING OF THE NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION

RECOMMENDATION:

Adopt a resolution calling for the General Municipal Election to be held on Tuesday, November 3, 2026, for the election of certain officers, and adopt a resolution requesting the Board of Supervisors of the County of San Mateo to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026, and authorizing the City Manager to enter into a service agreement with the County of San Mateo for the provision of election services.

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. If any measures are added, they would be added at roughly \$10,000 per measure. These costs have been incorporated into the proposed FY 2026-27 Budget.

DISCUSSION:

There are three City Council seats (District 1, District 4 and District 5) available in the November 3, 2026 election.

The nomination period for candidates opens Monday, July 13, 2026 at 9:00 a.m. and ends Friday, August 7, 2026 at 5:00 p.m. City Hall operating hours will determine the local filing deadlines in Half Moon Bay (Friday closures). The City Clerk’s Office will be scheduling appointments for both pulling and filing of nomination papers.

The service agreement for County election services has been proposed by the County but is currently being reviewed by the various cities within the County.

ATTACHMENTS:

1. Resolution calling for the holding of a General Municipal Election to be held on Tuesday,

November 3, 2026, for the election of certain officers.

2. Resolution requesting the Board of Supervisors of the County of San Mateo to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026.

RESOLUTION NO. C-2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 3, 2026, for the election of three City Council seats (District 1, District 4 and District 5).

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

1. That pursuant to the requirements of the laws of the State of California relating to general law cities, there is called and ordered to be held in the City of Half Moon Bay, California, on Tuesday, November 3, 2026, a General Municipal Election for the purpose of electing three members of the City Council (District 1, District 4 and District 5) for a full term of four years each.
2. That the ballots to be used at the election shall be in form and content as required by law.
3. That the City Clerk is authorized, instructed, and directed to coordinate with the County of San Mateo Registrar-Recorder / County Clerk to procure and furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.
4. That the polls for the election shall be open at 7:00 a.m. on the day of the election and shall remain open continuously from that time until 8:00 p.m. on the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.
5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.
6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.
7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of San Mateo Registrar-Recorder / County Clerk, the City Council, in accordance with Election Code § 15651(b),

shall conduct a special runoff election to resolve the tie vote and such special runoff election is to be held on a Tuesday not less than 40 days nor more than 125 days after the administrative or judicial certification of the election which resulted in a tie vote.

8. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office may file a Candidate's Statement of Qualifications, not to exceed 200 words, on an appropriate form provided by the City Clerk at the time of returning nomination papers for filing. Said statement shall be translated to Spanish and included in the Voter Information Pamphlet and Sample Ballot to be mailed to all registered voters unless said statement is withdrawn by the candidate no later than 5:00 p.m. of the next working day after the close of the nomination period. Each candidate filing a Candidate's Statement of Qualifications shall be responsible for payment of a pro-rata share of costs of printing, handling, and mailing as a condition of having his or her statement included in the voter's pamphlet. A deposit of \$500 shall be required and the City Clerk shall bill each candidate for any cost in excess of the deposit or shall refund within 30 days of the election any unused portion of the deposit.

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

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

RESOLUTION NO. C-2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN MATEO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE; AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A SERVICE AGREEMENT FOR THE PROVISION OF ELECTION SERVICES

WHEREAS, the City Council of the City of Half Moon Bay called a General Municipal Election to be held on November 3, 2026, for the purpose of the election of three City Council seats (District 1, District 4 and District 5); and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the city, the precincts, polling places, and election officers of the two elections be the same, and that the County Election Department of the County of San Mateo canvass the returns of the General Municipal Election, and that the election be held in all respects as if there were only one election.

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

1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of San Mateo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 3, 2026, for the purpose of the election of three City Council seats (District 1, District 4 and District 5) and potential ballot measures.
2. That the County Election Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.
3. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.
4. That the City of Half Moon Bay recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs, which are estimated to be \$45,000, plus roughly \$10,000 for each measure added.
5. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the County Election Department of the County of San Mateo.

6. That the City Manager is authorized to enter into a Service Agreement for the Provision of Election Services between the City of Half Moon Bay and the San Mateo County Chief Elections Officer, in a form approved by the City Attorney.

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

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

Ayes, Councilmembers:

Noes, Councilmembers:

Absent, Councilmembers:

Abstain, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director

TITLE: **ACCEPTANCE OF AUDITOR'S REPORTS FROM THE FISCAL YEAR 2023-24 AUDIT**

RECOMMENDATION:

Accept the Required Communications and Memorandum of Internal Control reports from the Fiscal Year 2023-24 independent auditor.

FISCAL IMPACT:

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

STRATEGIC ELEMENT:

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

BACKGROUND:

For the fiscal year ending June 30, 2024, the City retained Maze & Associates to perform the annual independent audit. The audit concluded with the final financial statements and the delivery of the Annual Comprehensive Financial Report (ACFR) to the City Council, which included the Independent Auditors' Report.

In addition to the ACFR, the auditor issued the Required Communications and Memorandum of Internal Control reports for City Council acceptance. These reports summarize audit-related communications, internal control observations, and operational recommendations identified during the audit process.

Presentation of these reports occurred later than the City's typical audit schedule due in part to the ongoing completion of the City's FY 2023-24 Single Audit, a federal compliance audit related to grant expenditures. The process involved additional coordination with the County of San Mateo due to ARPA funds received through them. Staff originally intended to present all audit-related reports together following completion of the Single Audit. However, based on Council direction to bring forward completed items as available, staff is presenting these reports at this time. The remaining Single Audit report is nearing completion and will be presented separately.

DISCUSSION:**Required Communications**

This report is required under generally accepted auditing standards to inform governing bodies of significant accounting matters, audit results, and other required communications between the auditor and management.

The audit found no material financial misstatements, no disagreements with management, and no significant difficulties encountered during the audit process. Management corrected all identified audit adjustments, none of which were material individually or in aggregate to the financial statements.

The report also notes several accounting estimates reviewed during the audit process, including pension liabilities, OPEB liabilities, depreciation, compensated absences, and the City's investment in the Sewer Authority Mid-Coastside (SAM).

Memorandum of Internal Control

This report addresses internal control considerations identified during the audit process and provides recommendations intended to strengthen operational efficiency and internal controls.

The auditor did not identify any material weaknesses in the City's internal control system. However, the report included two operational recommendations related to timely preparation and review of journal entries, and retention of documentation supporting disbursement approvals and purchasing compliance.

Staff concurred with the recommendations and has implemented procedural improvements to address the observations, including strengthened review procedures, improved documentation retention practices, and enhanced monitoring of purchasing thresholds and vendor activity.

The report also includes informational updates regarding future Governmental Accounting Standards Board (GASB) pronouncements that will become effective in upcoming fiscal years.

ATTACHMENT:

1. Required Communications for the Year Ended June 30, 2024
2. Memorandum of Internal Control for the Year Ended June 30, 2024

CITY OF HALF MOON BAY
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2024

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**CITY OF HALF MOON BAY
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2024

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REQUIRED COMMUNICATIONS

To the City Council of
The City of Half Moon Bay, California

We have audited the basic financial statements of the City of Half Moon Bay for the year ended June 30, 2024. We did not audit the financial statements of the Sewer Authority Mid-Coastside (SAM) as of and for the year ended June 30, 2023, related to the calculation of the Investment in SAM, which represents 51%, 52% and 17% of the assets, net position and revenues, respectively, of the business-type activities. The financial statements of SAM were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditors.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 16, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

The following pronouncements became effective, but did not have a material effect on the financial statements:

- GASB 99 – *Omnibus 2022, paragraphs 4–10***
- GASB 100 – *Accounting for Changes and Error Corrections***

Unusual Transactions, Controversial or Emerging Areas – We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates – Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Estimated Fair Value of Investments: As of June 30, 2024, the City held approximately \$51.4 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2024. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2024.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on an actuarial study determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Investment in Sewer Authority Mid-Coastside (SAM): Management's estimate of the Investments in SAM is disclosed in Note 6 to the financial statements and is based on the audited financial statements of the entity for the prior year fiscal year. We evaluated the key factors and assumptions used to develop the Investment in SAM in determining that it is reasonable in relation to the financial statements taken as a whole.

Disclosures – The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole, except for one adjustment to gross up the activity related to the refinancing of the 880 Stone Pine Loan with the County of San Mateo.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated December 3, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Mane & Associates

Pleasant Hill, California
December 3, 2024

CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED
JUNE 30, 2024

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CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL
For the Year Ended June 30, 2024

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
The City of Half Moon Bay, California

In planning and performing our audit of the basic financial statements of the City of Half Moon Bay (City) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive script.

Pleasant Hill, California
December 3, 2024

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**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2024-01 Timely Preparation of Journal Entries

Journal entries should be prepared and reviewed in a timely manner for the period in which the entry is to be posted, in order to keep accounts up to date with the current information. Generally, journal entries should be prepared, reviewed, and approved within 30-45 days of the activity being recorded.

We selected four journal entries for testing of controls over the journal entry process and supporting documentation and noted one journal entry to record October 2023 activity was prepared and reviewed January 27, 2024, more than three months after the activity of the transaction took place.

We understand the delay in preparing and posting the journal entry was due to the City losing certain accounting staff during fiscal year 2024.

Without the timely preparation, review and approval of journal entries, there is an increased risk of unauthorized entries or errors going undetected. Also, journal entries not being posted in the correct time period increases the likelihood that interim reports may be inaccurate.

The City should develop procedures to ensure that all journal entries are prepared, reviewed, approved, and posted to the general ledger in a timely manner (generally within 30-45 days of the date of activity) and are posted in the period in which the activity occurred.

Management's Response:

The City generally agrees with the auditor's recommendation. Due to staffing transitions during FY 2023-24, several processes—including journal entry preparation and review—experienced temporary delays. Staff oversight and procedures has since been reestablished to ensure journal entries are prepared, reviewed, and posted within the recommended 30-45 day window.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2024-02 Retaining Documentation of Approval of Disbursements

The City's purchasing policy indicates department heads may approve contracts for services up to \$10,000, the City Manager up to \$40,000, and City Council approval is required for those over \$40,000. For purchases of non-consultant services between \$10,000 and \$40,000, the purchasing policy requires formal written bids with a Request for Proposal or Request for Quotes, a Purchase Order Request form, quotes and a contract, with all being approved by the City Manager.

We selected 25 disbursement transactions for testing of supporting documentation and approval, and we noted that one payment for pest control maintenance services was missing the payment authorization documentation. We did note that the City made only 12 monthly payments to the vendor during fiscal year 2024 ranging from \$1,300 to \$1,500 each, with total payments of \$16,447. In addition to not being able to locate the payment authorization for the disbursement we selected for testing, we understand the City does not have a purchase order or contract with the vendor.

We understand City staff could not locate the documentation showing approval of these services and a purchase order or contract was not used for this vendor, which is not in compliance with the purchasing policy requirements.

The City should ensure the authorization of disbursement documentation is retained for all payments and ensure the disbursement we tested was authorized by the City Manager (even after the fact). The City should also determine if a purchase order and/or contract should be in place for the vendor. In the event the City does not expect such monthly services to be subject to the purchase order and contract requirements of the purchasing policy, since they are similar to monthly utilities, the purchasing policy should be revised to clarify the requirements and any exceptions.

Management's Response:

The City generally agrees with the auditor's recommendation. The missing documentation noted was the result of staff turnover during FY 2023-24. Staff is currently reviewing internal procedures to ensure that documentation is consistently retained and that all disbursements are properly authorized in accordance with the City's purchasing policy. In addition, the City is implementing processes to identify vendors whose individual payments may fall below formal thresholds but exceed policy limits when aggregated over the course of the fiscal year. This will help ensure that appropriate contracts or purchase orders are in place and that such expenditures are compliant with City policy.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2024/25:

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Recognition And Measurement

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 101 – Compensated Absences (Continued)

Notes To Financial Statements

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

How the Changes in this Statement Will Improve Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB 102 – Certain Risk Disclosures

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 102 – Certain Risk Disclosures, (Continued)

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

EFFECTIVE FISCAL YEAR 2025/26:

GASB 103 – Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

Management’s Discussion and Analysis

This Statement continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government’s financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 103 – Financial Reporting Model Improvements, (Continued)

Unusual or Infrequent Items

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Budgetary Comparison Information

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

How the Changes in This Statement Will Improve Financial Reporting

The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 103 – Financial Reporting Model Improvements, (Continued)

The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

EFFECTIVE FISCAL YEAR 2026/27:

GASB 104 – Disclosure of Certain Capital Assets

State and local governments are required to provide detailed information about capital assets in notes to financial statements. GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with GASB Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

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BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director

TITLE: **ACCEPTANCE OF AUDITOR'S REPORTS FROM THE FISCAL YEAR 2024-25 AUDIT**

RECOMMENDATION:

Accept the Required Communications and Memorandum of Internal Control reports from the Fiscal Year 2024-25 independent auditor.

FISCAL IMPACT:

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

STRATEGIC ELEMENT:

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

BACKGROUND:

For the fiscal year ending June 30, 2024, the City retained Maze & Associates to perform the annual independent audit. The audit concluded with the final financial statements and the delivery of the Annual Comprehensive Financial Report (ACFR) to the City Council, which included the Independent Auditors' Report.

In addition to the ACFR, the auditor issued the Required Communications and Memorandum of Internal Control reports for City Council acceptance. These reports summarize audit-related communications, internal control observations, and operational recommendations identified during the audit process.

Presentation of these reports occurred later than the City's typical audit schedule due in part to the ongoing completion of the City's FY 2024-25 Single Audit, a federal compliance audit related to grant expenditures and coordination with the County of San Mateo due to ARPA funds provided to the City through them. Staff originally intended to present all audit-related reports together following completion of the Single Audit. However, based on Council direction to bring forward completed items as available, staff is presenting these reports at this time. The

remaining FY 2023-24 Single Audit report is nearing completion and will be presented separately, while FY 2024-25 audit work is occurring concurrently.

DISCUSSION:

Required Communications

This report is required under generally accepted auditing standards to inform governing bodies of significant accounting matters, audit results, and other required communications between the auditor and management.

The audit found no material financial misstatements, no disagreements with management, and no significant difficulties encountered during the audit process. Management corrected all identified audit adjustments, none of which were material individually or in aggregate to the financial statements.

The report also notes several accounting estimates reviewed during the audit process, including pension liabilities, OPEB liabilities, depreciation, compensated absences, and the City's investment in the Sewer Authority Mid-Coastside (SAM).

Memorandum of Internal Control

This report addresses internal control considerations identified during the audit process and provides recommendations intended to strengthen operational efficiency and internal controls.

The auditor did not identify any material weaknesses in the City's internal control system. However, the report included one operational recommendation related to the documentation of periodic reviews of accounting system access logs and administrative permissions.

Staff concurred with the recommendation and will formalize procedures to document periodic audit-log reviews and system access oversight.

The report also notes that the prior-year audit recommendations related to timely journal entries and disbursement documentation retention have been implemented.

In addition, the report includes informational updates regarding future Governmental Accounting Standards Board (GASB) pronouncements that will become effective in upcoming fiscal years.

ATTACHMENT:

1. Required Communications for the Year Ended June 30, 2025
2. Memorandum of Internal Control for the Year Ended June 30, 2025

CITY OF HALF MOON BAY
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2025

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**CITY OF HALF MOON BAY
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2025

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REQUIRED COMMUNICATIONS

To the City Council of
The City of Half Moon Bay, California

We have audited the basic financial statements of the City of Half Moon Bay for the year ended June 30, 2025. We did not audit the financial statements of the Sewer Authority Mid-Coastside (SAM) as of and for the year ended June 30, 2024, related to the calculation of the Investment in SAM, which represents 52%, 55% and 9% of the assets, net position and revenues, respectively, of the business-type activities. The financial statements of SAM were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditors.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 8, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

The pronouncement became effective and, as disclosed in Note 7g to the financial statements, required a prior period restatement for the cumulative effect on the financial statements.

The following pronouncement became effective, but did not have a material effect on the financial statements:

GASB 102 – Certain Risk Disclosures

Unusual Transactions, Controversial or Emerging Areas – We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates – Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Estimated Fair Value of Investments: As of June 30, 2025, the City held approximately \$50.2 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2025. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2025.

Estimate of Depreciation: Management’s estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1h to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1j to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Asset and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB Asset and deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on an actuarial study determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Investment in Sewer Authority Mid-Coastside (SAM): Management's estimate of the Investments in SAM is disclosed in Note 6 to the financial statements and is based on the audited financial statements of the entity for the prior year fiscal year. We evaluated the key factors and assumptions used to develop the Investment in SAM in determining that it is reasonable in relation to the financial statements taken as a whole.

Disclosures – The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Mane & Associates

Pleasant Hill, California
November 20, 2025

CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED
JUNE 30, 2025

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CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL
For the Year Ended June 30, 2025

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
The City of Half Moon Bay, California

In planning and performing our audit of the basic financial statements of the City of Half Moon Bay (City) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze & Associates'.

Pleasant Hill, California
November 20, 2025

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**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2025-01 Documentation of Review of System Access Logs

Good internal controls require that employees with access to the City's assets not have access to the City's accounting records for the same assets. In the event there is a conflict of duties, due to staff size or other factors, a review of changes or transactions should be completed by a second person and documented in some formal manner.

During our review of processes and procedures surrounding the ability to set up new users or change access to the City's accounting software modules, we noted that the Finance Manager and Senior Management Analyst have access to those functions. Generally, that task should not be assigned to Finance personnel that process transactions in the general ledger system. To mitigate this risk, we understand the City limits the number of staff that have administrative access to the system and utilizes audit logs to ensure changes were appropriate and authorized. However, the process of reviewing the audit logs is not formalized, therefore there is no documentation of when the logs were reviewed by someone other than the person that made the changes.

The City should develop procedures to ensure that system audit logs are periodically reviewed to ensure only authorized functions have been accessed and the review should be formally documented in some manner to ensure there is an audit trail of when it was reviewed and by whom. Without such documentation, there is the potential risk of unauthorized access or changes to the system.

Management's Response:

The City concurs with the finding. Due to limited staffing, certain administrative permissions are assigned to Finance and IT personnel, but access is restricted and audit logs are already reviewed informally. The City will formalize this process by establishing written procedures requiring periodic audit-log reviews by a designated reviewer and documenting the date and outcome of each review. These procedures will be implemented by June 30, 2026.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2025/26:

GASB 103 – Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

Management’s Discussion and Analysis

This Statement continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government’s financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

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**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 103 – Financial Reporting Model Improvements, (Continued)

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

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**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2026/27:

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State and local governments are required to provide detailed information about capital assets in notes to financial statements. GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with GASB Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR OTHER MATTERS

2024-01 Timely Preparation of Journal Entries

Journal entries should be prepared and reviewed in a timely manner for the period in which the entry is to be posted, in order to keep accounts up to date with the current information. Generally, journal entries should be prepared, reviewed, and approved within 30-45 days of the activity being recorded.

We selected four journal entries for testing of controls over the journal entry process and supporting documentation and noted one journal entry to record October 2023 activity was prepared and reviewed January 27, 2024, more than three months after the activity of the transaction took place.

We understand the delay in preparing and posting the journal entry was due to the City losing certain accounting staff during fiscal year 2024.

Without the timely preparation, review and approval of journal entries, there is an increased risk of unauthorized entries or errors going undetected. Also, journal entries not being posted in the correct time period increases the likelihood that interim reports may be inaccurate.

The City should develop procedures to ensure that all journal entries are prepared, reviewed, approved, and posted to the general ledger in a timely manner (generally within 30-45 days of the date of activity) and are posted in the period in which the activity occurred.

Current Status:

Implemented

2024-02 Retaining Documentation of Approval of Disbursements

The City's purchasing policy indicates department heads may approve contracts for services up to \$10,000, the City Manager up to \$40,000, and City Council approval is required for those over \$40,000. For purchases of non-consultant services between \$10,000 and \$40,000, the purchasing policy requires formal written bids with a Request for Proposal or Request for Quotes, a Purchase Order Request form, quotes and a contract, with all being approved by the City Manager.

We selected 25 disbursement transactions for testing of supporting documentation and approval, and we noted that one payment for pest control maintenance services was missing the payment authorization documentation. We did note that the City made only 12 monthly payments to the vendor during fiscal year 2024 ranging from \$1,300 to \$1,500 each, with total payments of \$16,447. However, in addition to not being able to locate the payment authorization for the disbursement we selected for testing, we understand the City does not have a purchase order or contract with the vendor.

We understand City staff could not locate the documentation showing the approval and a purchase order or contract were not used for this vendor, which is not in compliance with the purchasing policy requirements.

**CITY OF HALF MOON BAY
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR OTHER MATTERS

2024-02 Retaining Documentation of Approval of Disbursements (Continued)

The City should ensure the authorization of disbursement documentation is retained for all payments and ensure the disbursement we tested was authorized (even after the fact). The City should also determine if a purchase order and/or contract should be in place for the vendor. In the event the City does not expect such monthly services to be subject to the purchase order and contract requirements of the purchasing policy, since they are similar to monthly utilities, the purchasing policy should be revised to clarify the requirements and any exceptions.

Current Status:

Implemented

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Dale Leda, Interim City Engineer
Mike Burnfield, Assistant Engineer

TITLE: **FINAL ACCEPTANCE OF THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP NO. 0611)**

RECOMMENDATION:

Adopt a resolution authorizing the City Manager or his designee to file a Notice of Completion for the John L. Carter Park Improvements Project (CIP Project No. 0611), release the project Performance and Labor and Materials Bonds, and release the retention funds in accordance with applicable laws.

FISCAL IMPACT:

The John L. Carter Park Improvements Project had a total budget of \$9,045,000 funded by multiple grants, supplemented by local funds.

A funding and cost summary is provided below:

Funding Sources		Expenditures to Date	
State Grant	4,750,000	Construction	7,170,343
City Funds - Impact Fees	1,217,996	Design	344,316
City Funds - General Revenues	3,077,004	Other	1,284,227
	9,045,000		8,798,885

Table 1 – Project Funding and Expenditure Breakdown

STRATEGIC ELEMENTS:

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 enhance community recreation at an

underutilized City park. The John L. Carter Park Improvements Project (Project) includes a new performing arts amphitheater with terraced seating, a performance stage with storage and a changing room, a picnic area, a restroom and concession stand building, park access improvements, landscaping, lighting, and utility upgrades.

On March 29th, the City Council awarded a professional services agreement to ELS Architecture and Urban Design, Inc. for an initial contract amount of \$170,272 for the preparation of initial design documents for Carter Park.

On December 8, 2020, the Planning Commission approved the environmental review and adopted a Mitigated Negative Declaration (MND), along with PDP-19-059, which granted a Coastal Development Permit, Use Permit, Architectural Review, and Parking Exception for the park renovation. On March 9, 2021, the Planning Commission approved an addendum to the MND to address lighting and height discrepancies for the theatrical stage. In FY 2021-22, Assembly member Marc Berman secured \$4.75 million in state funding to support the Project.

On April 19, 2022, the City Council awarded a construction contract to Wickman Development and Construction of San Francisco for \$4,971,000, with a 15% contingency (\$745,650). Additionally, contracts were approved for biological monitoring and material testing services with SWCA Inc. (\$35,079) and Bay Area Geotechnical Group (\$115,415), respectively.

On May 2, 2023, the City Council received a project update detailing delays related to the temporary construction easement (TCE), Coastside County Water District (CCWD) service upgrades, coordination with Mariner's Church property, and weather impacts from late 2022 and early 2023 storms, including design revisions to make the park more resilient to future flooding events. As of May 2nd, construction had yet to commence.

On June 20, 2023, the City Council adopted a resolution authorizing the City Manager to execute an agreement for the TCE and a permanent pathway easement, ensuring formal pedestrian and bicycle access from Main Street to Carter Park (\$273,150).

On February 20, 2024, the City Council received another project update. Due to unforeseen circumstances, including access constraints, adverse weather, and design modifications described in prior project updates to Council noted above, the project had experienced multiple delays. In response, the City Council adopted a resolution approving the transfer of \$1,250,000 from various capital projects to the Carter Park Improvement Project (CIP No. 0611).

On March 4, 2025, the City Council adopted a resolution authorizing the Administrative Services Director to transfer \$1,435,000 to the Capital Improvement Project No. 0611 - John L. Carter Park Improvement Project. The funding was needed for additional design modifications, revisions to the accessible ramp connecting the upper and lower areas of the park, and to renew an expired Temporary Construction Easement with Stone Pine Shopping Center.

Over the course of the project, there have been a total of 83 change orders with a total project change order amount of \$2,208,861. The majority of the total change order amount can be summarized into 4 categories and are as follows:

- **Flood Resiliency Design Changes** – A total change order amount of approximately \$750,000 was attributed to design changes made to improve the flood resiliency of the park after the heavy storms in late 2022.
- **Construction Delays** – A total change order amount of approximately \$750,000 was attributed to post-award construction delays due to inclement weather, design changes, and lack of staging, lack of survey, and construction access easements.
- **Design Changes due to Errors and Omissions** – A total change order amount of approximately \$400,000 was attributed to design changes due to errors or omissions in the approved project plans.
- **Design Changes due to Existing Utility Inaccuracies** – A total change order amount of approximately \$300,000 was attributed to changes to utility infrastructure during construction as a result of existing utility inaccuracies.

Design revisions over the course of the project also led to a significant increase in project costs for professional design services. A total of seven (7) contract amendments with the design team led by ELS were made throughout the project’s design and construction, with a total, not-to-exceed contract amount of \$685,047.

DISCUSSION:

The City uses a project Final Close-out Checklist, covered under the construction contract, to confirm final and complete project delivery from the contractor. Although the Close-out Checklist is largely administrative in nature, one checklist deliverable – completion of all outstanding punchlist items, ensures that all outstanding physical improvements and construction at the site are completed to the satisfaction of the City and in conformance with construction plans.

As construction neared completion in early February 2025, the City began performing punchlist inspections of the site in concert with the design team to develop a list of final construction improvements required for acceptance. Multiple punchlists were developed over the following months as work progressed.

A Final Close-out Checklist was also issued to the contractor on July 2, 2025 with some still outstanding administrative deliverables such as issuance of as-built drawings and product manuals and warranties, as well as two minor outstanding punchlist items related to site landscaping and the amphitheater stair lights.

In late July 2025, the City granted temporary occupancy of the park and held a ribbon cutting ceremony on August 2. Meanwhile, the contractor continued to make progress on both punchlist and final closeout requirements which continued through the end of the year. By January 2026, all outstanding closeout tasks had been completed with the exception of completing the punchlist, which as that point was limited to the stair lights.

Discussions with the contractor regarding repairs to the stair lights continued through early April 2026. After an initial lack of responsiveness from the original electrical subcontractor and subsequent disagreement over the approved method of installation, staff determined that the best course of action was to hire a separate contractor to complete the modifications of the stair lights to both better secure them in place and simultaneously enhance the installation aesthetics. The stair lights were completed, and a final walkthrough was done at the end of April 2026 to confirm that all outstanding punchlist and closeout items were completed. See below for images of completed improvements.



Image 1 – Stage View

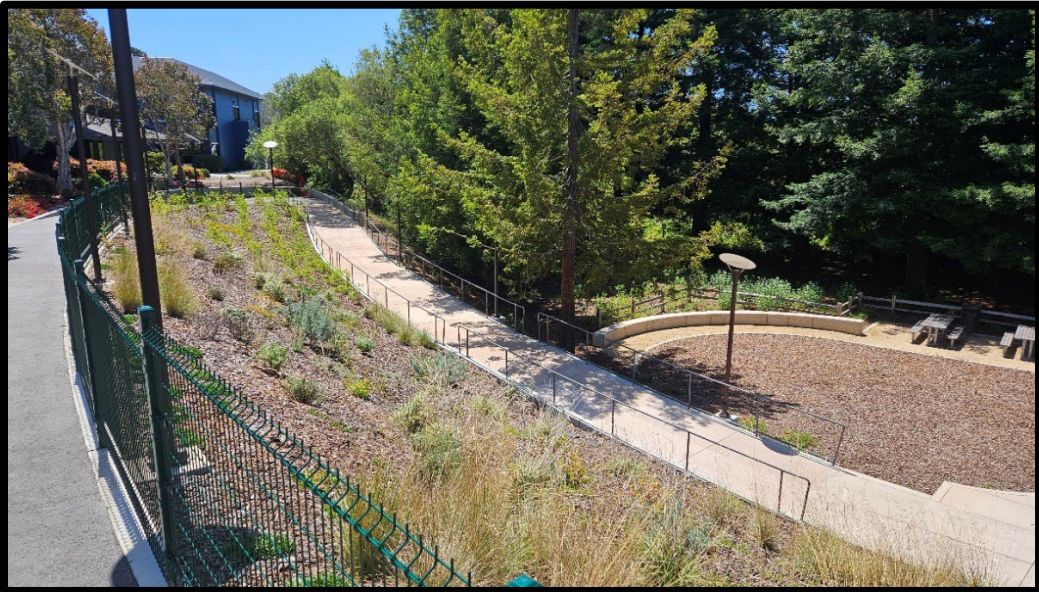


Image 2 – ADA Accessible Ramp



Image 3 – Amphitheater Stair Lights – Final Installation

The project, as contracted, is now considered complete. Staff recommends the City Council authorize the City Manager or his designee to file a Notice of Completion, release the project Performance and Labor and Materials Bonds, and release the retention funds in accordance with applicable laws.

ATTACHMENT:
Resolution

Resolution No. C-2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO FILE A NOTICE OF COMPLETION FOR THE JOHN L. CARTER PARK IMPROVEMENTS PROJECT (CIP PROJECT NO. 0611), RELEASE THE PROJECT PERFORMANCE AND LABOR AND MATERIALS BONDS, AND RELEASE THE RETENTION FUNDS IN ACCORDANCE WITH APPLICABLE LAWS

WHEREAS, the John L. Carter Park Improvements Project developed 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 December 8, 2020, the Planning Commission approved the environmental review, adopted a mitigated negative declaration (MND), and approved the Coastal Development Permit, Use Permit, Architectural Review, and Parking Exception for the project; and

WHEREAS, the City of Half Moon Bay, with support from Assemblymember Berman, was successful in obtaining funding through the FY 2021-22 California State Budget in the amount of \$4.75 million to assist the City in constructing improvements at John L. Carter Park; and

WHEREAS, on April 19, 2022, the City Council approved the award of a construction contract to Wickman Development and Construction (Wickman) of San Francisco, California, in the bid amount of \$4,971,000 and a construction contingency amount of 15% or \$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, and Bay Area Geotechnical Group, in the amount of \$115,415; and

WHEREAS, on February 20, 2024, the City Council authorized the transfer of \$1,250,000 from various capital project funds to the John L. Carter Park Improvements Project due to unforeseen circumstances, access constraints, adverse weather, and design modifications; and

WHEREAS, on March 4, 2025, the City Council authorized the Administrative Services Director to transfer a total of \$1,435,000 from the General Fund and various capital project funds to the John L. Carter Park Improvements Project (CIP No. 0611) for additional unforeseen costs associated with project delays, weather, and design revisions; and

WHEREAS, in February 2025, the city staff began conducting final inspections of park improvements, issuing draft and progress punchlists to the contractor, and performing follow up inspections; and

WHEREAS, on August 2, 2025, staff determined that improvements had been substantially completed and, excluding minor final corrective work and administrative items, authorized temporary occupancy of the park and held a ribbon cutting ceremony; and

WHEREAS, Wickman continued to make final improvements to the site and provide administrative deliverables to the City through January 2026, with the exception of repairs to the lighting improvements at the amphitheater stairs, which were withheld in protest; and

WHEREAS, the City elected to hire a separate electrician to complete the repairs to the stair lighting, and by April 30th, 2026, determined that all outstanding contractual items had been completed by Wickman or others, and were accepted by the City.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager or his designee to file a Notice of Completion for the John L. Carter Park Improvements Project (CIP Project No. 0611), release the project Performance and Labor, and Materials Bonds, and release the retention funds in accordance with applicable laws.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director

TITLE: AMENDMENT TO AGREEMENT WITH MAZE & ASSOCIATES FOR INDEPENDENT AUDITING SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute a one-year amendment to the agreement with Maze & Associates Accountancy Corporation for independent auditing services, to extend the term of the Agreement for an additional year through April 30, 2027, and increase the compensation by \$62,940 for a total not to exceed agreement amount of \$325,690.

FISCAL IMPACT:

The cost for auditing services for the one-year extension is \$62,940 and is included in the operating budget.

STRATEGIC ELEMENT:

This plan is consistent with the *Fiscal Sustainability* elements of the adopted Strategic Plan.

BACKGROUND:

In 2021 the City previously entered into a five-year agreement with Maze & Associates Accountancy Corporation for independent auditing services to support financial transparency and the preparation of the City's Annual Comprehensive Financial Report.

Staff recommends a one-year extension to ensure continuity of services while the City prepares to issue a Request for Proposals (RFP) for future auditing services.

DISCUSSION:

An independent audit is a core component of sound financial management and is considered a best practice for public agencies. It provides assurance that the City's financial statements are fairly presented and that appropriate internal controls are in place.

Maze & Associates has provided consistent and reliable auditing services to the City. The firm has extensive experience working with public agencies throughout California, bringing familiarity with applicable governmental accounting standards and reporting requirements.

To support auditor independence, Maze utilizes a rotating engagement partner approach. This helps ensure objectivity while maintaining institutional knowledge of the City's operations.

The scope of services includes reviewing the City's financial records and internal controls, assisting with preparation of the Annual Comprehensive Financial Report (ACFR), and supporting required state reporting. Their work helps ensure compliance with applicable standards and contributes to the transparency and accountability of the City's financial practices.

A one-year extension allows the City to maintain continuity in these services while preparing for a future competitive procurement process.

ATTACHMENTS:

Resolution

RESOLUTION NO. C-2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE-YEAR AMENDMENT TO THE AGREEMENT WITH MAZE & ASSOCIATES ACCOUNTANCY CORPORATION FOR INDEPENDENT AUDITING SERVICES, TO EXTEND THE TERM OF THE AGREEMENT FOR AN ADDITIONAL YEAR THROUGH APRIL 30, 2027, AND INCREASE THE COMPENSATION BY \$62,940 FOR A TOTAL AGREEMENT AMOUNT NOT TO EXCEED \$325,690

WHEREAS, in 2021 the City of Half Moon Bay entered into a five-year agreement with Maze & Associates Accountancy Corporation to provide independent auditing services; and

WHEREAS, the City desires to extend the agreement for an additional one-year term to ensure continuity of auditing services while preparing for a future competitive procurement process; and

WHEREAS, Maze & Associates has submitted a proposal to continue providing auditing services for the City; and

WHEREAS, the City has reviewed the scope of work and fee proposed by Maze & Associates and determined both reasonable and necessary to provide auditing services to the City.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute a one-year amendment to the agreement with Maze & Associates Accountancy Corporation for independent auditing services, extending the term of the agreement through April 30, 2027, and increasing the compensation by \$62,940, for a total agreement amount not to exceed \$325,690.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director
Mary Huerta, Interim Human Resources Analyst

**TITLE: COMPLIANCE WITH ASSEMBLY BILL 2561/GOVERNMENT CODE SECTION 3502.3
REGARDING VACANCIES, RECRUITMENT, AND RETENTION EFFORTS**

RECOMMENDATION:

Receive a presentation and conduct a public hearing at which the City will report on workforce vacancies, recruitment, and retention efforts.

FISCAL IMPACT:

There is no fiscal impact associated with this update.

STRATEGIC ELEMENT:

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

BACKGROUND

This report is in response to California State Assembly Bill (AB) 2561 that was approved on September 22, 2024, and added §3502.3 to the Government Code (Attachment). This law requires public agencies to present the status of their vacancies in a public hearing before their governing body at least once per fiscal year. The presentation must be made before the adoption of a final budget for the fiscal year. Additional obligations may apply if the vacancy rate in a bargaining unit exceeds 20%.

DISCUSSION

This report is provided in accordance with Government Code §3502.3. As stated previously, if job vacancies within a single bargaining unit reach or exceed 20% of the authorized full-time positions, the City must, at the request of recognized employee organizations, present certain information at a public hearing, including: (1) the total number of vacancies within the bargaining unit; (2) the number of applicants; (3) the average number of days to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit. (Gov. Code §3502.3(c).)

Vacancies

The table below summarizes the City’s staffing levels from April 1, 2025 through April 30, 2026.

Vacancy rates reflect staffing levels as of April 30, 2026.

Bargaining Unit	Budgeted FTEs	Filled Positions	Vacancies	Vacancy Rate
Local 39	17	11	6	35%
Represented Management	29	14	6	30%
Confidential	3	3	0	0%
Non-Represented Management	6	5	1	17%

The City’s current vacancy rates were influenced in part by operational, organizational, and fiscal planning decisions made over the past year. As positions became vacant, the City evaluated whether to immediately refill positions or sequence recruitment activity while broader organizational, operational, and budget considerations were assessed. This approach was intended to avoid filling positions before long-term service delivery needs and organizational priorities were more fully evaluated.

Additionally, the staffing figures above include employees serving in interim or acting assignments. As of April 30, 2026, eleven employees or approximately one-third of the City’s workforce was serving in interim capacities across multiple departments. While these positions are reflected as “filled” for vacancy reporting purposes, the prevalence of interim assignments reflects ongoing organizational transition and recruitment sequencing during the reporting period.

It should also be noted that vacancy percentages within small organizations can appear disproportionately high because even a single vacancy may materially affect the overall percentage within a bargaining or employee group.

Additional Information Pursuant to Government Code §3502.3(c)

Because vacancy rates exceeded 20% within one or more bargaining groups during the reporting period, the following additional information is provided.

Bargaining Unit	Current Vacancies	No. of Recruitments	No. of Applicants	Avg. Time to Fill (Days)
Local 39	6	4	146	126
Represented Management	6	11	189	218
Confidential	0	5	18	23
Non-Represented Management	1	3	3	317

Applicant pools and recruitment timelines varied significantly depending on the position classification, operational needs, and whether recruitments were actively pursued during the reporting period. In several cases, recruitment timelines were adjusted pending budget and organizational review efforts.

Operational Impacts

While the City has continued to maintain core services, vacancies have resulted in increased workload distribution across existing staff, interim and temporary assignments, shifting responsibilities, and delayed or deferred projects and initiatives in certain areas. In some cases, responsibilities were redistributed across departments and interim and temporary assignments were utilized to maintain operational continuity.

Recruitment and Retention Challenges

During the past year, the City evaluated staffing needs in conjunction with broader organizational, operational, and fiscal planning efforts. As part of this process, the City took a measured approach to certain recruitment activities while continuing to assess long-term service delivery needs and organizational priorities. Additionally, with several vacancies in the executive and represented management teams, interim assignments of existing staff has given internal candidates the opportunity to develop experience and prepare themselves for full recruitments to fill the positions permanently.

At the same time, the City continues to experience many of the broader workforce challenges affecting public agencies throughout San Mateo County and the Bay Area, including competition for qualified candidates, high housing costs, and commute constraints.

Opportunities to Improve Compensation and Working Conditions

The City continues to evaluate opportunities to improve compensation and working conditions through the collective bargaining process, ongoing organizational review efforts, and broader operational planning initiatives. These efforts are intended to support long-term workforce sustainability, organizational effectiveness, operational efficiency, and continuity of core public services.

As part of the City's ongoing organizational study process, staff input is being gathered regarding operational structure, workflows, communication, onboarding practices, technology needs, staffing alignment, role clarity, and organizational support systems. The City anticipates this process will help identify opportunities to improve operational efficiency, internal coordination, employee support resources, and long-term organizational planning across departments.

In addition, the City continues to recruit for key operational and leadership positions needed to maintain core services and organizational stability, including positions currently filled on an

interim basis. Since April 30, 2026, the City has filled two (2) full-time positions and continues to actively recruit for three (3) additional positions. The City also continues to evaluate recruitment and retention strategies, operational practices, training opportunities, technology improvements, and organizational support structures intended to better support employees and maintain effective service delivery.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council
VIA: Matthew Chidester, City Manager
FROM: Kenneth Stiles, Interim Administrative Services Director
TITLE: **FISCAL YEAR 2026-27 MASTER FEE SCHEDULE**

RECOMMENDATION:

Conduct a public hearing and adopt a resolution adopting an updated Master Fee Schedule for Fiscal Year 2026-2027 and approving a 1.7% Consumer Price Index (CPI) adjustment to certain applicable fees.

FISCAL IMPACT:

The proposed fee adjustments are expected to result in minor increases in cost recovery revenues across applicable City services.

STRATEGIC ELEMENT:

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

BACKGROUND

As part of long-term fiscal best practices, cities are encouraged to periodically review and update user fees to ensure alignment with cost recovery goals, operational costs, and legal requirements. These reviews help ensure that fees remain reflective of the cost of providing services while maintaining consistency and transparency across departments.

In FY 2024-25, the City completed a comprehensive User Fee Study that evaluated direct and indirect service delivery costs across multiple departments, including Planning, Building, Public Works, Public Safety, and Administrative Services. The study established updated cost recovery levels and provided recommendations for the City's broader fee structure.

As part of the User Fee Study process, staff recommended continuing the City's practice of annually adjusting applicable fees using the San Francisco–Oakland–San Jose Consumer Price Index (CPI) in order to help fees keep pace with inflation and reduce the need for larger periodic adjustments.

Since completion of the study, the City has also adopted several fee updates for specific programs and facilities outside of the broader fee study process, including the Carter Park Fee Schedule approved by Council on May 19, 2026.

The proposed update applies a 1.7% CPI adjustment to applicable fees consistent with the City's established practice. No substantive changes to the City's fee structure or methodology are proposed as part of this update.

DISCUSSION

Comprehensive fee studies are not conducted annually and are generally most valuable following significant operational, organizational, or legal changes. In years between comprehensive studies, annual CPI adjustments help maintain alignment between adopted fees and increasing service delivery costs.

The proposed adjustments apply only to fees eligible for annual CPI-based increases. Fees subject to statutory limitations, fixed rates, recently adopted fee schedules, or otherwise excluded from CPI adjustments are not included in the proposed update.

The proposed fee adjustments are intended to partially offset increases in labor, materials, technology, and administrative costs experienced by the City. No policy changes or modifications to the underlying fee structure are proposed at this time.

The proposed Master Fee Schedule also incorporates other fees previously adopted by the Council during the Fiscal Year 2025-2026 and not being revised by the CPI adjustment, including the recently adopted Carter Park Fee Schedule.

The updated Master Fee Schedule is included as Attachment 2. If approved, the updated fees would become effective on August 2, 2026.

ATTACHMENT:

1. Resolution
2. FY 2026-27 Master Fee Schedule

RESOLUTION NO. 2026-
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ADOPTING AN
UPDATED MASTER FEE SCHEDULE FOR FISCAL YEAR 2026-2027 AND APPROVING A 1.7% CPI
ADJUSTMENT TO CERTAIN APPLICABLE FEES

WHEREAS, the City of Half Moon Bay maintains a Master Fee Schedule establishing fees for various City services, permits, applications, facilities, and programs; and

WHEREAS, as part of long-term fiscal best practices, the City periodically reviews and updates user fees to ensure alignment with cost recovery goals, operational costs, and legal requirements; and

WHEREAS, in FY 2024-25, the City completed a comprehensive User Fee Study evaluating direct and indirect service delivery costs across multiple departments, including Planning, Building, Public Works, Public Safety, and Administrative Services; and

WHEREAS, the User Fee Study established updated cost recovery levels and provided recommendations for the City's broader fee structure; and

WHEREAS, as part of the User Fee Study process, staff recommended continuing the City's practice of annually adjusting applicable fees using the San Francisco–Oakland–San Jose Consumer Price Index (CPI) in order to help fees keep pace with inflation and reduce the need for larger periodic adjustments; and

WHEREAS, since completion of the User Fee Study, the City has also adopted several fee updates for specific programs and facilities outside of the broader fee study process, including the Carter Park Fee Schedule approved in FY 2025-26; and

WHEREAS, staff has prepared an updated Master Fee Schedule for FY 2026-2027, attached hereto as Exhibit A, that does not propose any new fees but proposes applying a 1.7% CPI adjustment to certain applicable fees consistent with the City's established practice; and

WHEREAS, no substantive changes to the City's fee structure or methodology are proposed as part of this update and the proposed Master Fee Schedule for FY 2026-2027 shows the fees for services in a format that presents the current and proposed revised fees; and

WHEREAS, the City Council conducted a duly noticed public hearing regarding the proposed fee updates in accordance with applicable law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Half Moon Bay that the updated Master Fee Schedule for FY 2026-2027, attached hereto as Exhibit A, is hereby adopted, with the revised fees to become effective on August 2, 2026, except where otherwise required by law.

BE IT FURTHER RESOLVED, that for ease of reference, the Master Fee Schedule for FY 2026-2027, attached hereto as Exhibit A, also includes previously adopted fees that are not being revised and are already in effect.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
I. ADMINISTRATION						
1	Administrative Fees					
	1. First Returned Item	101-210-4901	Each	[1]	\$ 25.00	\$ 25.00
	2. Each Additional Item	101-210-4901	Each	[1]	\$ 35.00	\$ 35.00
	3. Credit Card Convenience Fee	101-210-4901	Surcharge on charges \$30 and more	[5]	2.4%	2.4%
2	Duplication					
	1. Photocopies	101-140-4901	Per Page		\$ 0.10	\$ 0.10
	2. Municipal Code Book	101-140-4901	Per Book	[2]	Available online	Available online
	3. Bound Reports	101-140-4901	Per Report		Actual Cost	Actual Cost
	4. Budget	101-210-4901	Each	[2]	Available online	Available online
	5. Annual Comprehensive Financial Report (ACFR)	101-210-4901	Each	[2]	Available online	Available online
3	City Clerk					
	1. Election Filing Fee	101-110-4901	Each	[4]	\$ 25.00	\$ 25.00
	2. Candidate Printing Fee	101-110-4901	Deposit	[3]	Set by County	Set by County
4	Staff Research					
	1. City Manager's Office	101-120-4901	Per Quarter Hour		\$ 78.00	\$ 79.00
	2. Finance Department	101-210-4901	Per Quarter Hour		\$ 74.00	\$ 75.00
	4. Planning Department	101-710-4901	Per Quarter Hour		\$ 76.00	\$ 77.00
	5. Building Department	101-720-4901	Per Quarter Hour		\$ 73.00	\$ 74.00
	6. Public Works Department - Engineering	101-420-4901	Per Quarter Hour		\$ 89.00	\$ 90.00
	7. Public Works Department - Maintenance	101-430-4901	Per Quarter Hour		\$ 56.00	\$ 56.00
	8. Police - Sworn	101-310-4901	Per Quarter Hour		\$ 80.00	\$ 81.00
	9. Police - Non Sworn	101-310-4901	Per Quarter Hour		\$ 32.00	\$ 32.00
5	Private Alarm Permits (Chapter 9.10)					
	1. Alarm Permit	101-310-4202	Annually		\$ 74.00	\$ 75.00
	2. False Alarm Response with Permit			[8]		
	1st & 2nd Alarms	101-310-4202	No fee		No Charge	No Charge
	3rd Alarm	101-310-4202	Each		\$ 50.00	\$ 50.00
	4th Alarm	101-310-4202	Each		\$ 100.00	\$ 100.00
	5th Alarm	101-310-4202	Each		\$ 150.00	\$ 150.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	6th Alarm and responses thereafter	101-310-4202	Each		\$ 200.00	\$ 200.00
	3. False Alarm Response without Permit			[8]		
	1st & 2nd Alarms	101-310-4202	per response		\$ 50.00	\$ 50.00
	3rd Alarm	101-310-4202	per response		\$ 100.00	\$ 100.00
	4th Alarm	101-310-4202	per response		\$ 150.00	\$ 150.00
	5th Alarm	101-310-4202	per response		\$ 200.00	\$ 200.00
	6th Alarm and responses thereafter	101-310-4202	per response		\$ 250.00	\$ 250.00
6	Film Permit (Chapter 9.74)			[9]	\$ 576.00	\$ 585.00
	City Support Services During Filming Event	101-101-4201	Per Hour / Actual Cost		Actual Cost	Actual Cost
	Use of City Facilities	101-101-4201	Per Event		per Facilities Rental Schedule	per Facilities Rental Schedule
7	Special Event Permits			[6]		
	Small Ceremonies (Wedding)	101-610-4204	Per Event	[9]	\$ 224.00	\$ 227.00
	Minor Event: Block Parties, Fundraisers	101-610-4204	Per Event	[9]	\$ 224.00	\$ 227.00
	Major Event: Miscellaneous Events, Carnival/Circus, Parade, Race, Rodeo, Amusement Concession, etc.	101-610-4204	Per Event		\$ 2,707.00	\$ 2,753.00
	City Staff Support to Special Events	101-610-4204	Each		Actual Cost	Actual Cost
8	Street Closure		Per Request		Actual Cost	Actual Cost
9	Poplar Beach Parking			[7]		
	Vehicles less than 20 feet	101-430-4720	Per 12 hours		\$ 10.00	\$ 10.00
	Horse trailers and vehicles longer than 20 feet	101-430-4720	Per 12 hours		\$ 15.00	\$ 15.00
	Annual Permit	101-430-4720	12 month permit		\$ 165.00	\$ 165.00
	Nine-month Permit	101-430-4720	9 month permit		\$ 90.00	\$ 90.00
	Replacement Parking permit	101-430-4720	Each		\$ 30.00	\$ 30.00
10	Professional Dog Walker permit		Per Year		\$ 599.00	\$ 609.00
11	Personal Dog Walker permit (3-6 dogs)		Per Year		\$ 158.00	\$ 160.00
12	Violations of Municipal Code other than building or safety provisions					
	1 First Violation		Each		\$ 100.00	\$ 100.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	2 Second Violation within one calendar year		Each		\$ 200.00	\$ 200.00
	3 Third or subsequent violations within one calendar year		Each		\$ 500.00	\$ 500.00
13	Violations of building or safety provisions of the Municipal Code					
	1 First Violation		Each		\$ 100.00	\$ 100.00
	2 Second Violation within one calendar year		Each		\$ 500.00	\$ 500.00
	3 Third or subsequent violations within one calendar year		Each		\$ 1,000.00	\$ 1,000.00

Notes

[1] Fees set by California Civil Code Ch. 522 Sec. 1719. Additional charges may apply if not paid within 30 days of the receipt of the letter. See CA Civil Code Ch. 552 Sec. 1719.

[2] Available on-line at <http://www.hmbcity.com>

[3] Total cost equal to 100% of printing, handling, translating, and mailing costs. Deposit rate set by County of San Mateo and is subject to change.

[4] Rate is established by the California Code, Elections Code - ELEC § 10228

[5] Fee set by City at actual cost

[6] Special Event fees may be waived by the City Manager for NPDES related volunteer events

[7] Poplar Beach Parking fees may be waived by the City Manager for NPDES related volunteer events

[8] HMBMC 9.10.240 - False alarms emanating from alarm systems which do not have a current permit under this chapter shall pay a civil penalty of fifty dollars for each such false alarm, in addition to any other chapter required. (Ord. 7-93 §1(part), 1993).

[9] Film Permits, Small Ceremonies Permits, and Minor Event Permits are subject to change at a later date

II. BUILDING^{[1][2]}						
0	Building Hourly Rates (minimum 2 hours)					
	Inspections outside of normal business hours	101-720-4422	per hour		\$ 294.00	\$ 298.00
	Inspection on Sundays and Holidays	101-720-4422	per hour		\$ 294.00	\$ 298.00
	Reinspection fees	101-720-4422	per hour		\$ 294.00	\$ 298.00
	Inspection for which no fee is specifically indicated	101-720-4422	per hour		\$ 294.00	\$ 298.00
1	Building Permit Fee for Alterations, Additions, and New Construction (based on valuation of improvement)					
	Valuation (\$)					
	0 - 500	101-720-4422	per permit		\$ 383.00	\$ 389.00
	501 - 2,000		valuation			
	First 500	101-720-4422			\$ 383.00	\$ 389.00
	Each Additional 100 or fraction thereof	101-720-4422			\$ 21.00	\$ 21.00
	2,001 - 25,000		valuation			
	First 2,000	101-720-4422			\$ 707.00	\$ 719.00
	Each Additional 1,000 or fraction thereof	101-720-4422			\$ 3.00	\$ 3.00
	25,001 - 50,000		valuation			
	First 25,000	101-720-4422			\$ 796.00	\$ 809.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
	Each Additional 1,000 or fraction thereof 50,001 - 100,000	101-720-4422	valuation	\$ 10.00	\$ 10.00
	First 50,000	101-720-4422		\$ 1,061.00	\$ 1,079.00
	Each Additional 1,000 or fraction thereof 100,001 - 500,000	101-720-4422	valuation	\$ 5.00	\$ 5.00
	First 100,000	101-720-4422		\$ 1,326.00	\$ 1,348.00
	Each Additional 1,000 or fraction thereof 500,001 - 1,000,000	101-720-4422	valuation	\$ 5.00	\$ 5.00
	First 500,000	101-720-4422		\$ 3,537.00	\$ 3,597.00
	Each Additional 1,000 or fraction thereof 1,000,001 - 2,500,000	101-720-4422	valuation	\$ 9.00	\$ 9.00
	First 1,000,000	101-720-4422		\$ 8,490.00	\$ 8,634.00
	Each Additional 1,000 or fraction thereof 2,500,001 - 5,000,000	101-720-4422	valuation	\$ 0.50	\$ 0.50
	First 2,500,000	101-720-4422		\$ 9,375.00	\$ 9,534.00
	Each Additional 1,000 or fraction thereof 5,000,001 and above	101-720-4422	valuation	\$ 0.30	\$ 0.30
	First 5,000,000	101-720-4422		\$ 10,259.00	\$ 10,433.00
	Each Additional 1,000 or fraction thereof	101-720-4422		\$ 2.00	\$ 2.00
2	Building Plan Check Fee			65% of Building Permit Fee	65% of Building Permit Fee
	City Processing Fee	101-720-4422		20% of Plan Check Fee	20% of Plan Check Fee
	Third Party Consultant		per project	80% of Plan Check Fee	80% of Plan Check Fee
MISCELLANEOUS FEES - FLAT RATE PERMITS					
3	Address Assignment				
	Residential	101-720-4422	per permit	\$ 147.00	\$ 149.00
	Non-Residential	101-720-4422	per hour	\$ 294.00	\$ 298.00
4	Demolition	101-720-4422	up to 2 hours	\$ 442.00	\$ 449.00
5	Re-Roof				
	Single Family Residential	101-720-4422	each	\$ 333.00	\$ 338.00
	Multifamily/Non-Residential (less than 5,000 sq. ft.)	101-720-4422	each	\$ 495.00	\$ 503.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	Multifamily/Non-Residential (greater than 5,000 sq. ft.)	101-720-4422	valuation		See Building Valuation	See Building Valuation
6	Solar/Photovoltaic - per GC 66015			[3]		
	Photovoltaic Residential System (Up to 15kW)	101-720-4422	per permit		\$ 450.00	\$ 450.00
	For each kW over 15 kW	101-720-4422	per kW		\$ 15.00	\$ 15.00
	Photovoltaic Commercial Systems (Up to 50 kW)	101-720-4422	per permit		\$ 697.44	\$ 697.44
	Between 51kW and 250kW	101-720-4422	per kW		\$ 0.90	\$ 0.90
	Photovoltaic Commercial Systems (250kW)	101-720-4422	per permit		\$ 836.93	\$ 836.93
	For each kW over 250kW	101-720-4422	per kW		\$ 3.35	\$ 3.35
MECHANICAL, ELECTRICAL, PLUMBING PERMIT AND PLAN CHECK FEES (WHEN ASSOCIATED WITH A BUILDING PERMIT)						
7	New Residential Buildings					
	For new multifamily residential buildings (apartments and condominiums) having three or more living units, including the area of garages, carports, and other non-commercial automobile storage areas constructed at the same time, per square foot	101-720-4422	per 100 s.f.		\$ 23.00	\$ 23.00
	For new single and two-family residential buildings, including the area of garages, carports and other minor accessory buildings constructed at the same time, per square foot	101-720-4422	per 100 s.f.		\$ 23.00	\$ 23.00
	<i>For other types of residential occupancies and alteration, and modifications to existing residential buildings, use the UNIT FEE SCHEDULE</i>					
8	New Non-Residential Buildings					
	For new non-residential buildings including the area of garages, storage rooms, mechanical rooms, utility rooms and other areas constructed at the same time, per square foot					
	For new non-residential buildings less than 5,000 square feet	101-720-4422	per 100 s.f.		\$ 23.00	\$ 23.00
	For new non-residential buildings greater than 5,000 square feet	101-720-4422	per 100 s.f.		\$ 17.00	\$ 17.00
MECHANICAL, ELECTRICAL, PLUMBING PERMIT AND PLAN CHECK FEES (WHEN NOT ASSOCIATED WITH A BUILDING PERMIT)						
9	Stand Alone MPE Permit					
	Residential					
	Single Item Permit from lists below, assumes 1 inspection	101-720-4422	each		\$ 260.00	\$ 264.00
	Single Item Permit, Water Heater Only	101-720-4422			\$ 132.00	\$ 134.00
	2 - 3 items from the lists below, assumes 1 inspection required	101-720-4422	per permit		\$ 378.00	\$ 384.00
	4 - 6 items, assumes 1 inspection required	101-720-4422	per permit		\$ 545.00	\$ 554.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
	Additional Inspection Required	101-720-4422	per inspection	\$ 235.00	\$ 238.00
	Greater than 6 items - please see Valuation Tables	101-720-4422	per permit	See Valuation	See Valuation
	Commercial				
	please see Valuation Tables	101-720-4422	per permit	See Valuation	See Valuation
10	Mechanical Permit Item List	101-720-4422			
	FAU less than 100,000 Btu/h	101-720-4422			
	FAU greater than 100,000 Btu/h	101-720-4422			
	Mechanical Alteration / Repair Minor (1 inspection assumed)	101-720-4422			
	Hood/Vent System	101-720-4422			
11	Electrical Permit Item List				
	Generator	101-720-4422			
	Services under 600 volts, 400 amps or less	101-720-4422			
	Services of 600 volts or less and over 400 amperes in rating	101-720-4422			
	Services over 600 volts or over 1000 amperes in rating	101-720-4422			
	Electric Meter Reset	101-720-4422			
	Subpanel	101-720-4422			
	Temporary Power	101-720-4422			
	Lighting Poles	101-720-4422			
	First pole	101-720-4422			
	Each additional	101-720-4422			
	Other Minor Electrical Alteration/Repair (1 inspection assumed)	101-720-4422			
12	Plumbing Permit Item List				
	Water Service	101-720-4422			
	Sewer/Septic	101-720-4422			
	Trap/Interceptor	101-720-4422			
	Gas Line Air Test	101-720-4422			
	Other Minor Plumbing Alteration/Repair (1 inspection assumed)	101-720-4422			
	ADDITIONAL SERVICES				
13	Business License Inspection	101-720-4422	per 1/2 hr.	\$ 147.00	\$ 149.00
14	Fee for 4th review onwards-charged on hourly basis	101-720-4422	per hour	\$ 294.00	\$ 298.00
15	Fire Plan Check Administration Fee	101-720-4422	per 1/2 hr.	\$ 147.00	\$ 149.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
16	General Plan Fee	101-720-4422	valuation		16%	16%
17	Miscellaneous Plan Review	101-720-4422	per hour		\$ 294.00	\$ 298.00
18	Permit Fees for Work Without Valid Permit (Bldg., Elec, Mech, Plmb, Encroach, Grading)		Fine / Penalty		2 X Permit Fee	2 X Permit Fee
19	Permit Reactivation	101-720-4422	per permit		\$ 294.00	\$ 298.00
20	Plan Revision	101-720-4422	per hour		\$ 294.00	\$ 298.00
21	Pre-Site Inspection	101-720-4422	per hour		\$ 294.00	\$ 298.00
22	Refund (Update Refund Policy)	101-720-4422	per 1/2 hr.		\$ 147.00	\$ 149.00
23	Replaced Job Cards	101-720-4422	each		\$ 73.00	\$ 74.00
24	Special Structural Inspection Fee - Deposit to be determined by Public Works Director at time of application per Public Works Hourly Rate		deposit		\$ 294.00	\$ 298.00
25	Transfer of Permit to New Property Owner	101-720-4422	each		\$ 294.00	\$ 298.00
26	Fees for Services Otherwise not Listed	101-720-4422	per hour		\$ 294.00	\$ 298.00
Notes						
[1] The General Plan fee will be applied to all residential/commercial/industrial new construction and/or addition permits. The fee will be 1% (\$2.50/\$1000) of the valuation of the construction/addition.						
[2] Permit fees for work done without a valid permit are 2x the applicable permit fee						
[3] For photovoltaic systems, total permit fees, including applicable Permit Issuance and Filing Fees, Automation Fees, Community Planning Fees, and other mandated fees shall not exceed amounts authorized via Government Code Section 66015.						
III. PUBLIC WORKS ^{[3] [4] [5] [8] [9]}						
0	Public Works Hourly Rate	101-420-4442	per hour		\$ 357.00	\$ 363.00
1	Public Improvement Plan Check Fee (including grading)				[1]	
	<i>Valuation (\$)</i>					

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	\$ 10,000.00	101-420-4421	Base Fee @ \$10,000		\$ 1,429.00	\$ 1,453.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 71.00	\$ 72.00
	\$ 100,000.00	101-420-4421	Base Fee @ \$100,000		\$ 7,862.00	\$ 7,995.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 59.00	\$ 60.00
	\$ 500,000.00	101-420-4421	Base Fee @ \$500,000		\$ 31,807.00	\$ 32,347.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 63.00	\$ 64.00
2	Construction Inspection			[1]		
	<i>Valuation (\$)</i>					
	\$ 10,000.00	101-420-4421	Base Fee @ \$10,000		\$ 1,429.00	\$ 1,453.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 119.00	\$ 121.00
	\$ 100,000.00	101-420-4421	Base Fee @ \$100,000		\$ 12,151.00	\$ 12,357.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 95.00	\$ 96.00
	\$ 500,000.00	101-420-4421	Base Fee @ \$500,000		\$ 50,391.00	\$ 51,247.00
	each additional \$1,000 or fraction thereof	101-420-4421	each add'l \$1,000		\$ 100.00	\$ 101.00
3	Final Maps					
	Parcel Map (up to 4 lots)					
	City Admin Fee	101-000-2302	Deposit		\$ 2,859.00	\$ 2,907.00
	Consultant/Land Surveyor	101-420-4421	Actual Cost		Actual Cost	Actual Cost
	Tract Map (5 or more lots)					
	City Admin Fee	101-000-2302	Deposit		\$ 4,288.00	\$ 4,360.00
	Consultant/Land Surveyor	101-420-4421	Actual Cost		Actual Cost	Actual Cost
4	Subdivision Improvement Agreement/Legal Fee					
	City Admin Fee	101-000-2302	Deposit		\$ 5,718.00	\$ 5,815.00
	Consultant/Land Surveyor	101-420-4421	Actual Cost		Actual Cost	Actual Cost
5	Encroachment Permits Plan Review & Inspection					
	Spot Repair (I.e. water leaks, pothole patches)	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00
	Excavation/Restoration up to 100 LF	101-420-4421	Flat Fee		\$ 1,429.00	\$ 1,453.00
	each additional 50 LF	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00

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	Curb, gutter, sidewalk, or driveway less than 100 LF	101-420-4421	Flat Fee		\$ 1,429.00	\$ 1,453.00
	each additional 50 LF	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00
	Sewer Drain connections, repair or extension up to 100 LF	101-420-4421	Flat Fee		\$ 1,429.00	\$ 1,453.00
	each additional 50 LF	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00
	Storm Drain connection, repair or extension up to 100 LF	101-420-4421	Flat Fee		\$ 1,429.00	\$ 1,453.00
	each additional 50 LF	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00
	Unpermitted encroachments	101-420-4421	Fine / Penalty		2 x Permit fee	2 x Permit fee
	Permit Time Extension	101-420-4421	Flat Fee		\$ 178.00	\$ 181.00
6	Public Right-of-Way/Easement Encroachment (Temporary)	101-420-4421	Flat Fee		\$ 357.00	\$ 363.00
	<i>(traffic plan review and inspection for debris box, awnings, overhead transformers, parking signs, produce signs, etc.)</i>					
7	Grading Permits Plan Review and Inspection			[7][8]		
	Grade changes 50 – 1,000 CY	101-420-4421	Flat Fee		\$ 1,429.00	\$ 1,453.00
	Additional 100 CY over 1000	101-420-4421	Flat Fee		\$ 357.00	\$ 363.00
8	Sewer			[8]		
	FOG Certification - Initial	202-520-4506	Flat Fee		\$ 357.00	\$ 363.00
	FOG Certification - Annual Renewal	202-520-4506	Flat Fee		\$ 357.00	\$ 363.00
	Transfer of Uninstalled Capacity Fee	202-520-4506	Flat Fee		\$ 357.00	\$ 363.00
	Re-Inspection for Non-Compliance	202-520-4506	Flat Fee		\$ 357.00	\$ 363.00
9	Supporting to Planning					
	1. Pre-Entitlement Processing					
	Pre-Application Review	101-000-2302	Flat Fee		\$ 714.00	\$ 726.00
	2. Coastal Development Permit Processing					
	Coastal Development Permit Exemption	101-420-4421	Flat Fee		\$ 714.00	\$ 726.00
	Single Family Residential	101-000-2302	Deposit		\$ 1,429.00	\$ 1,453.00
	Accessory Dwelling Unit - New Development	101-420-4421	Deposit		\$ 714.00	\$ 726.00
	Multiple Family Residential	101-000-2302	Deposit		\$ 2,859.00	\$ 2,907.00
	Commercial / Mixed Use	101-000-2302	Deposit		\$ 2,859.00	\$ 2,907.00
	Industrial / Institutional	101-000-2302	Deposit		\$ 2,859.00	\$ 2,907.00
	Other Development					
	Public Works Director/ City Engineer Review	101-000-2302	Deposit		\$ 1,429.00	\$ 1,453.00
	Planning Commission	101-000-2302	Deposit		\$ 2,859.00	\$ 2,907.00

**City of Half Moon Bay
Master Fee Schedule
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No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
	Amendments				
	Minor Amendment	101-420-4421	Flat Fee	\$ 1,429.00	\$ 1,453.00
	Major Amendment	101-000-2302	Deposit	\$ 2,859.00	\$ 2,907.00
	3. Environmental Clearance Processing				
	CEQA/NEPA Environmental Clearance				
	Negative Declaration	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	EIR	101-000-2302	Deposit	\$ 2,859.00	\$ 2,907.00
	4. Entitlement Processing				
	Commercial Cannabis Business License	101-000-2302	Deposit	\$ 2,859.00	\$ 2,907.00
	Use Permit	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Variance/ Exception Planning Commission	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Exception/ Community Development Director	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Zoning, LCP, and 6P Amendments				
	LCP/ 6P	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	IP/ Rezoning	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Planned Unit Development Specific Plan	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Planned Unit Development Specific Plan Amendment	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Planned Unit Development Precise Plan	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Planned Unit Development Precise Plan Amendment	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Annexation/ Prezoning	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Land Division and Merger				
	Certificate of Compliance	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Lot Merger	101-000-2302	Deposit	\$ 714.00	\$ 726.00
	Lot Line Adjustment	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Parcel Map (four or fewer lots)	101-000-2302	Deposit	\$ 2,859.00	\$ 2,907.00
	Tentative Subdivision Map	101-000-2302	Deposit	\$ 5,718.00	\$ 5,815.00
	Subdivision Agreement	101-000-2302	No Fee	No Fee	No Fee
	Time Extension	101-000-2302	Deposit	\$ 1,429.00	\$ 1,453.00
	Public Works Director Review	101-000-2302	Deposit	\$ 357.00	\$ 363.00
	10 Building Plan Review / Support				
	1. Minor Residential Improvement or Addition	101-420-4421	Flat Fee	\$ 714.00	\$ 726.00
	2. Tenant Improvement	101-420-4421	Flat Fee	\$ 714.00	\$ 726.00
	3. New SFD	101-420-4421	Flat Fee	\$ 1,429.00	\$ 1,453.00
	4. New Multifamily or Non-Residential	101-420-4421	Flat Fee	\$ 2,144.00	\$ 2,180.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
11	Special Studies Review					
	City Staff		Each		\$ 1,072.00	\$ 1,090.00
	Consultant		Per Project		Actual Cost	Actual Cost
12	Stormwater Inspection Program					
	1. C.3 Treatment Inspections		Flat Fee	[6]	\$ 338.00	\$ 343.00
	2. C.4 Commercial/Industrial Business Inspections		Flat Fee		\$ 169.00	\$ 171.00
	3. C.6 Wet Weather Construction Site Inspections (Seasonal per Site)		Per Site/Per Year		\$ 3,550.00	\$ 3,610.00
	4. Reinspection/Corrective Action Due to Non-Compliance		Flat Fee		\$ 169.00	\$ 171.00
13	Fees for Services Otherwise not Listed		Per Hour		\$ 357.00	\$ 363.00

Notes

[1] Fees for external agency review or special studies may apply in addition to City fees

[3] Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December.

[4] Additional fee

[5] Fees from

[6] Initial inspection fee assumes initial compliance. If non-compliant, reinspection/corrective action fee will apply

[7] Permit fees for work done without a valid permit are 2x the applicable permit fee

[8] Construction activities during October through April shall require Storm Water Pollution Prevention plans, measures and fees.

[9] For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials

IV. DEVELOPMENT IMPACT FEES						
1	Single Family					
	1. Sewer Connection - Assessment District Participant	202-520-4506	Per dwelling unit		\$ 5,615.00	\$ 5,615.00
	Sewer Connection - Assessment District Non-Participant	202-520-4506	Each SFRE		\$ 19,961.00	\$ 19,961.00
	2. SMIP Residential*	101-000-2181	per valuation			
	SMIP Commercial*	101-000-2181	per valuation			
	3. BSRF (Bldg. Standards Admin Spec Revolving Fund)**					
	\$1 - 25,000	101-000-2182	Valuation		\$ 1.00	\$ 1.00
	\$25,001 - 50,000	101-000-2182	Valuation		\$ 2.00	\$ 2.00
	\$50,001 - 75,000	101-000-2182	Valuation		\$ 3.00	\$ 3.00
	\$75,001 - 100,000	101-000-2182	Valuation		\$ 4.00	\$ 4.00
	Every \$25,000 or fraction above \$100,000	101-000-2182	Valuation		\$ 1.00	\$ 1.00
	4. Storm Drainage	152-450-4501	Per dwelling unit		\$ 855.00	\$ 855.00
	5. Capital Outlay Facilities	301-101-4503	Per dwelling unit		\$ 1,212.00	\$ 1,212.00
	6. Traffic Mitigation	112-510-4502	Per dwelling unit		\$ 7,899.00	\$ 7,899.00
	7. Park Facilities	125-530-4504	Per dwelling unit		\$ 8,919.00	\$ 8,919.00
2	Development Fees; Multi-Family / Commercial					

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
1. Sewer Connections					
	Multi-Family	202-520-4506	Per dwelling unit	\$ 4,716.00	\$ 4,716.00
	Mobile Home	202-520-4506	Per dwelling unit	\$ 3,536.00	\$ 3,536.00
	Office	202-520-4506	Per 1,000 square feet	\$ 1,515.00	\$ 1,515.00
	Commercial/Retail	202-520-4506	Per 1,000 square feet	\$ 2,188.00	\$ 2,188.00
	Lodging	202-520-4506	Per room	\$ 2,188.00	\$ 2,188.00
	Industrial	202-520-4506	Per 1,000 square feet	\$ 2,188.00	\$ 2,188.00
	Sewer Connection - Assessment District Non-Participant	202-520-4506	Each SFRE	\$ 19,961.00	\$ 19,961.00
2. SMIP					
	SMIP Residential (valuation exceeding \$3,850)	101-000-2181	Pre 100,000 Permit Valuation	\$ 13.00	\$ 13.00
	SMIP Commercial (valuation exceeding \$1,786)	101-000-2181	Pre 100,000 Permit Valuation	\$ 28.00	\$ 28.00
	SMIP Flat Fee*	101-000-2181		\$ 0.50	\$ 0.50
3. BSARF (Bldg. Standards Admin Spec Revolving Fund)**					
	\$1 - 25,000	101-000-2182	Per Valuation	\$ 1.00	\$ 1.00
	\$25,001 - 50,000	101-000-2182	Per Valuation	\$ 2.00	\$ 2.00
	\$50,001 - 75,000	101-000-2182	Per Valuation	\$ 3.00	\$ 3.00
	\$75,001 - 100,000	101-000-2182	Per Valuation	\$ 4.00	\$ 4.00
	Every \$25,000 or fraction thereof above \$100,000	101-000-2182	Per Valuation	\$ 1.00	\$ 1.00
4. Storm Drainage					
	Multi-Family	152-450-4501	Per dwelling unit	\$ 338.00	\$ 338.00
	Mobile Home	152-450-4501	Per dwelling unit	\$ -	\$ -
	Office	152-450-4501	Per 1,000 square feet	\$ 721.00	\$ 721.00
	Commercial/Retail	152-450-4501	Per 1,000 square feet	\$ 521.00	\$ 521.00
	Lodging	152-450-4501	Per room	\$ -	\$ -
	Industrial	152-450-4501	Per 1,000 square feet	\$ 360.00	\$ 360.00
5. Capital Outlay					
	Multi-Family	301-101-4503	Per dwelling unit	\$ 1,011.00	\$ 1,011.00
	Mobile Home	301-101-4503	Per dwelling unit	\$ 767.00	\$ 767.00
	Office	301-101-4503	Per 1,000 square feet	\$ 387.00	\$ 387.00
	Commercial/Retail	301-101-4503	Per 1,000 square feet	\$ 212.00	\$ 212.00
	Lodging	301-101-4503	Per room	\$ 27.00	\$ 27.00
	Industrial	301-101-4503	Per 1,000 square feet	\$ 193.00	\$ 193.00
6. Traffic Mitigation					
	Multi-Family	112-510-4502	Per dwelling unit	\$ 4,028.00	\$ 4,028.00
	Mobile Home	112-510-4502	Per dwelling unit	\$ 4,077.00	\$ 4,077.00
	Office	112-510-4502	Per 1,000 square feet	\$ 4,952.00	\$ 4,952.00
	Commercial/Retail	112-510-4502	Per 1,000 square feet	\$ 8,297.00	\$ 8,297.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
	Lodging	112-510-4502	Per room	\$ 2,648.00	\$ 2,648.00
	Industrial	112-510-4502	Per 1,000 square feet	\$ 4,026.00	\$ 4,026.00
	7. Park Facility Fee				
	Multi-Family	125-530-4504	Per dwelling unit	\$ 7,432.00	\$ 7,432.00
	Mobile Home	125-530-4504	Per dwelling unit	\$ 5,648.00	\$ 5,648.00
3	Development Fees - Residential Subdivision Fees Only				
	Park Dedication			Per Chapter 17.48 of Municipal Code	Per Chapter 17.48 of Municipal Code
V. PLANNING ^[1] [4]					
0	Planning Hourly Rate		Per Hour	\$ 304.00	\$ 309.00
1	Pre-Entitlement Processing				
	1. Pre-Application Review	101-000-2302	Deposit	\$ 2,130.00	\$ 2,166.00
	2. Planning Consultation	101-000-2302	Flat Fee	\$ 608.00	\$ 618.00
	3. Pre-Submittal Plan Review	101-000-2302	Flat Fee	\$ 608.00	\$ 618.00
	4. General Project Planning Services	101-000-2302	Deposit	\$ 913.00	\$ 928.00
	5. Pre-Application Commercial Cannabis Business	101-000-2302	Deposit	\$ 1,522.00	\$ 1,547.00
	6. Measure 'D'				
	Accessory Dwelling Unit (consistent with City Ordinance and State Law)	101-710-4443 ACT456	Flat Fee	\$ 761.00	\$ 773.00
	Single Allocation (per allocation)	101-710-4443 ACT456	Flat Fee	\$ 1,065.00	\$ 1,083.00
	Phasing Agreement	101-000-2302	Deposit	\$ 3,652.00	\$ 3,714.00
2	Coastal Development Permit Processing				
	1. Coastal Development Permit Exemption	101-000-2302	Deposit	\$ 608.00	\$ 618.00
	2. Single Family Residential				
	<= 3,000 square feet	101-000-2302	Deposit	\$ 3,652.00	\$ 3,714.00
	> 3,000 square feet	101-000-2302	Deposit	\$ 4,566.00	\$ 4,643.00
	3. Accessory Dwelling Unit - New Development	101-710-4443	Deposit	\$ 1,826.00	\$ 1,857.00
	4. Multiple Family Residential				
	<= Four Dwelling units	101-000-2302	Deposit	\$ 4,566.00	\$ 4,643.00
	> Four dwelling units	101-000-2302	Deposit	\$ 6,088.00	\$ 6,191.00
	5. Commercial / Mixed Use				
	<= 10,000 square feet	101-000-2302	Deposit	\$ 7,610.00	\$ 7,739.00
	> 10,000 square feet	101-000-2302	Deposit	\$ 9,132.00	\$ 9,287.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	6. Industrial / Institutional					
	<= 20,000 square feet	101-000-2302	Deposit		\$ 7,610.00	\$ 7,739.00
	> 20,000 square feet	101-000-2302	Deposit		\$ 9,132.00	\$ 9,287.00
	7. Other Development					
	Community Development Director	101-000-2302	Deposit		\$ 3,652.00	\$ 3,714.00
	Planning Commission	101-000-2302	Deposit		\$ 6,088.00	\$ 6,191.00
	8. Amendments					
	Minor Amendment	101-710-4443	Flat Fee		\$ 456.00	\$ 463.00
	Major Amendment	101-000-2302	Deposit		\$ 3,652.00	\$ 3,714.00
3	Environmental Clearance Processing					
	1. CEQA/NEPA Environmental Clearance					
	Negative Declaration	101-000-2302	Deposit		\$ 7,610.00	\$ 7,739.00
	EIR	101-000-2302	Deposit		\$ 15,220.00	\$ 15,478.00
	2. Notice of Exemption	101-710-4443	Flat Fee		\$ 456.00	\$ 463.00
	3. Fish and Game		Flat Fee		Set by State of CA	Set by State of CA
4	Design Review Processing					
	1. Architectural, Landscape, and Site Plan Review	101-000-2302	Deposit		\$ 1,217.00	\$ 1,237.00
5	Entitlement Processing					
	1. Home Occupation	101-710-4443	Flat Fee		\$ 152.00	\$ 154.00
	2. Commercial Cannabis Business License	101-000-2302	Deposit		\$ 6,088.00	\$ 6,191.00
	3. Use Permit	101-000-2302	Deposit		\$ 2,130.00	\$ 2,166.00
	4. Variance / Exception Planning Commission	101-000-2302	Deposit		\$ 1,522.00	\$ 1,547.00
	5. Exception and Community Development Director	101-000-2302	Deposit		\$ 608.00	\$ 618.00
	6. Zoning, LCP, and GP Amendments					
	LCP/GP	101-000-2302	Deposit		\$ 21,308.00	\$ 21,670.00
	IP/Rezoning	101-000-2302	Deposit		\$ 21,308.00	\$ 21,670.00
	Planned Unit Development Specific Plan	101-000-2302	Deposit		\$ 21,308.00	\$ 21,670.00
	Planned Unit Development Specific Plan Amendment	101-000-2302	Deposit		\$ 12,176.00	\$ 12,382.00
	Planned Unit Development Precise Plan	101-000-2302	Deposit		\$ 12,176.00	\$ 12,382.00
	Planned Unit Development Precise Plan Amendment	101-000-2302	Deposit		\$ 5,479.00	\$ 5,572.00
	Annexation/Prezoning	101-000-2302	Deposit		\$ 21,308.00	\$ 21,670.00
6	Appeals					
	Filing Fee - Outside CA Coastal Commission (CCC) Appeals Jurisdiction	101-710-4443	Flat Fee	[6]	\$ 608.00	\$ 618.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	Filing Fee - Within CA Coastal Commission (CCC) Appeals Jurisdiction		No Fee		no charge	no charge
	Processing Fee - Paid by developer	101-000-2302	Deposit		\$ 4,566.00	\$ 4,643.00
7	Land Division and Merger					
	Certificate of Compliance	101-000-2302	Deposit		\$ 2,739.00	\$ 2,785.00
	Lot Merger	101-000-2302	Deposit		\$ 1,217.00	\$ 1,237.00
	Lot Line Adjustment	101-000-2302	Deposit		\$ 2,739.00	\$ 2,785.00
	Tentative Parcel Map (four or fewer lots)	101-000-2302	Deposit		\$ 5,479.00	\$ 5,572.00
	Tentative Subdivision Map	101-000-2302	Deposit		\$ 15,220.00	\$ 15,478.00
	Subdivision Agreement	101-000-2302	Deposit		\$ 6,088.00	\$ 6,191.00
	Time Extension	101-000-2302	Deposit		\$ 2,739.00	\$ 2,785.00
8	Sign Permit					
	Community Development Director Review	101-710-4443	Flat Fee		\$ 456.00	\$ 463.00
	Planning Commission Review	101-000-2302	Deposit	[5]	\$ 2,739.00	\$ 2,785.00
	Exceptions Planning Commission Review	101-000-2302	Deposit		\$ 1,369.00	\$ 1,392.00
	Sign Programs	101-000-2302	Deposit		\$ 2,739.00	\$ 2,785.00
9	Other Services					
	Zoning Verification - Property Information Packet Compliance Letter	101-710-4443	Flat Fee		\$ 608.00	\$ 618.00
	Public Convenience & Necessity Letter	101-710-4443	Flat Fee		\$ 304.00	\$ 309.00
	Water Transfer Letter	101-710-4443	Flat Fee		\$ 304.00	\$ 309.00
	Landlord Petition		Flat Fee		\$ 4,566.00	\$ 4,643.00
	plus Hearing Officer		Flat Fee	[9]	\$ 4,227.00	\$ 4,298.00
	Tenant Petition		Flat Fee		\$ 52.00	\$ 52.00
	plus Hearing Officer		Flat Fee	[9]	\$ 4,227.00	\$ 4,298.00
10	Tree Removal Review					
	up to 5 trees	101-710-4443	Flat Fee		\$ 761.00	\$ 773.00
	More than 5 trees	101-000-2302	Deposit		\$ 1,369.00	\$ 1,392.00
11	Mobile Food Vendor Permit	101-710-4443	Flat Fee		\$ 304.00	\$ 309.00
12	Sound Amplification Permit	101-710-4442	Flat Fee		\$ 304.00	\$ 309.00
13	Fees Required by other Agencies					

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	1. California Department of Fish and Wildlife		per agency schedule	[3]	Fee required to review various environmental documents	Fee required to review various environmental documents
	2. Local Agency Formation Commission (LAFCo)		per agency schedule	[3]	Annexation fees vary by acreage	Annexation fees vary by acreage
	3. San Mateo County Recorder		per agency schedule	[3]	Fee required to record and/or post various	Fee required to record and/or post various
14	Short-Term Vacation Rental (STR) Registration					
	Initial Registration	101-710-4443	Flat Fee		\$ 304.00	\$ 309.00
	Annual Registration Renewal	101-710-4443	Flat Fee		\$ 304.00	\$ 309.00
	Initial Inspection	101-710-4443	Flat Fee		\$ 294.00	\$ 298.00
15	Public Works Project Review / Support					
	1. Review of Public Works project applications, plans, maps, etc.		Per Hour	[2]	\$ 304.00	\$ 309.00
16	Building Plan Review / Support					
	1. Minor Residential Improvement or Addition				\$ 304.00	\$ 309.00
	2. Tenant Improvement				\$ 304.00	\$ 309.00
	3. New SFD				\$ 456.00	\$ 463.00
	4. New Multifamily or Non-Residential				\$ 608.00	\$ 618.00
	5. Additions to Square Footage - Residential and Non-Residential				\$ 304.00	\$ 309.00
17	General Plan Fee	130-710-4444	Per Permit	[7]	16%	16%

Notes

- [1] Flat fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December.
- [2] Total cost equal to 100% of staff and/or consultant time and materials.
- [3] Fees charged by these agencies are available on their websites and are in addition to fees charged by the City.
- [4] For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials
- [5] Planning Commission Review includes Sign Program fees
- [6] Minimum flat fee covers the cost of initial staff acceptance. Subsequent staff work is charged to the project applicant on a time and materials basis.
- [7] General Plan Fee applies to selected Planning applications fees as noted above
- [8] All Planning Permit Fees are subject to Technology Fee
- [9] Hearing Officer costs charged at actual cost to the City

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
VI. CODE ENFORCEMENT FINES/PENALTIES ^[1]					
1	Code Enforcement Investigation and Notice of Violation				
	Property related inspections required to verify code compliance				[2]
	Initial Complaint		per complaint	\$ -	\$ -
	Preliminary Investigation		per complaint	\$ -	\$ -
	Initial Inspection				
	Violation found	101-101-4441	per inspection	\$ 181.00	\$ 184.00
	No violation found		per inspection	\$ -	\$ -
	Code enforcement costs incurred by the City after initial investigation and after violation notice				
	Follow up inspection after initial inspection and notice issued	101-101-4441	per inspection	\$ 181.00	\$ 184.00
	If case has not been abated after initial/follow-up inspection	101-101-4441	per inspection	\$ 181.00	\$ 184.00
2	Short-term Rentals Investigation and Notice of Violation				
	Property related inspections required to verify code compliance				
	Initial Complaint		per complaint	\$ -	\$ -
	Preliminary Investigation		per complaint	\$ -	\$ -
	Initial Inspection				
	Violation found	101-101-4441	per inspection	\$ 181.00	\$ 184.00
	No violation found		per inspection	\$ -	\$ -
	Code enforcement costs incurred by the City after initial investigation and after violation notice				
	Follow up inspection after initial inspection and notice issued	101-101-4441	per inspection	\$ 181.00	\$ 184.00
	If case has not been abated after initial/follow-up inspection	101-101-4441	per inspection	\$ 181.00	\$ 184.00
3	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	101-101-4441	hourly	\$ 181.00	\$ 184.00
Notes					
[1] HMBMC Chapter 18.06, Residential Land Use					
[2] Includes FOG (Fat & Oil Grease) and Rental Registration Enforcement					
VII. PARKS AND RECREATION					
1	Staff Support Fees				
	Full-Time		Per Hour	\$ 246.00	\$ 250.00
	Part-Time		Per Hour	\$ 138.00	\$ 140.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
2	Facility Rental Fees				
	Reservation Processing Fee		Per Rental	\$ 82.00	\$ 83.00
	Set Up/Tear Down Service Fee		Per Rental	\$ 492.00	\$ 500.00
	<u>1. Carter Park</u>				
	Local Non-Profit				
	Hourly Rate		Per Hour	NEW	\$ 100.00
	Half Day (Up to 5 Hours)		Per Half Day	NEW	\$ 450.00
	Full Day (Up to 10 Hours)		Per Full Day	NEW	\$ 800.00
	Resident				
	Hourly Rate		Per Hour	NEW	\$ 200.00
	Half Day (Up to 5 Hours)		Per Half Day	NEW	\$ 900.00
	Full Day (Up to 10 Hours)		Per Full Day	NEW	\$ 1,600.00
	Non-Resident				
	Hourly Rate		Per Hour	NEW	\$ 250.00
	Half Day (Up to 5 Hours)		Per Half Day	NEW	\$ 1,125.00
	Full Day (Up to 10 Hours)		Per Full Day	NEW	\$ 2,000.00
	Commercial / Ticketed Event				
	Hourly Rate		Per Hour	NEW	\$ 350.00
	Half Day (Up to 5 Hours)		Per Half Day	NEW	\$ 1,650.00
	Full Day (Up to 10 Hours)		Per Full Day	NEW	\$ 3,150.00
	<u>2. General Public Fees</u>				
	Grand Oak Room				
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour	\$ 60.00	\$ 60.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour	\$ 125.00	\$ 125.00
	Security Deposit	101-000-2207	Deposit	\$ 500.00	\$ 500.00
	Oak Room				
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour	\$ 40.00	\$ 40.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour	\$ 100.00	\$ 100.00
	Security Deposit	101-000-2207	Deposit	\$ 300.00	\$ 300.00
	Manzanita Room				
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour	\$ 25.00	\$ 25.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour	\$ 60.00	\$ 60.00
	Security Deposit	101-000-2207	Deposit	\$ 200.00	\$ 200.00
	Tree Rooms				
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour	\$ 20.00	\$ 20.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour	\$ 35.00	\$ 35.00
	Security Deposit	101-000-2207	Deposit	\$ 100.00	\$ 100.00
	Day Rooms				

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 35.00	\$ 35.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Sun Room					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 35.00	\$ 35.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Ted Adcock Kitchen (Kitchen Only)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 30.00	\$ 30.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 60.00	\$ 60.00
	Security Deposit	101-000-2207	Deposit		\$ 500.00	\$ 500.00
	Ted Adcock Kitchen (with Room Rental)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 15.00	\$ 15.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 30.00	\$ 30.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Train Depot					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 30.00	\$ 30.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 35.00	\$ 35.00
	Security Deposit	101-000-2207	Deposit		\$ 500.00	\$ 500.00
	Smith Field # 3					
	No Lights	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	W/ Lights	101-610-4710	Per Hour		\$ 55.00	\$ 55.00
	Library Community Room (Full Room)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 25.00	\$ 25.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 60.00	\$ 60.00
	Security Deposit	101-000-2207	Deposit		\$ 500.00	\$ 500.00
	Library Community Room (Room A)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 15.00	\$ 15.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 25.00	\$ 25.00
	Security Deposit	101-000-2207	Deposit		\$ 200.00	\$ 200.00
	Library Community Room (Room B)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 35.00	\$ 35.00
	Security Deposit	101-000-2207	Deposit		\$ 300.00	\$ 300.00
	3. Non-Profit/Government Fees					
	Grand Oak Room					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 25.00	\$ 25.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 50.00	\$ 50.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	Security Deposit	101-000-2207	Deposit		\$ 300.00	\$ 300.00
	Oak Room					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 15.00	\$ 15.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 30.00	\$ 30.00
	Security Deposit	101-000-2207	Deposit		\$ 200.00	\$ 200.00
	Manzanita Room					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Tree Rooms					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Day Rooms					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Sun Room					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Ted Adcock Kitchen (Kitchen Only)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 15.00	\$ 15.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 30.00	\$ 30.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Ted Adcock Kitchen (with Room Rental)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 200.00	\$ 200.00
	Train Depot					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Smith Field # 3					
	No Lights	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	W/ Lights	101-610-4710	Per Hour		\$ 55.00	\$ 55.00
	Library Community Room (Full Room)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type		FY 2025-26	FY 2026-27
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Library Community Room (Room A)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
	Library Community Room (Room B)					
	Week Day Rate (9am - 5pm)	101-610-4710	Per Hour		\$ 10.00	\$ 10.00
	Weekend/Weekday Rate (after 5pm)	101-610-4710	Per Hour		\$ 20.00	\$ 20.00
	Security Deposit	101-000-2207	Deposit		\$ 100.00	\$ 100.00
VIII. PUBLIC SAFETY						
1	Duplication					
	1. Public Safety Reports	101-310-4411	Each		\$ 15.00	\$ 15.00
	2. Photo Reproduction	101-310-4411	Each		\$ 25.00	\$ 25.00
	3. Audio Tape/CD Reproduction	101-310-4411	Per CD Disc		\$ 25.00	\$ 25.00
	4. Audio Tape Reproduction	101-310-4411	Per DVD Disc		\$ 25.00	\$ 25.00
2	Licensing					
	1. Bingo Establishment Processing (Chapter 3.94)					
	Bingo Establishment	101-310-4203	Each		\$ 185.00	\$ 185.00
	Renewal	101-310-4203	Each		\$ 185.00	\$ 185.00
	2. Fortune Telling (Chapter 3.95)					
	New Business	101-310-4203	Each		\$ 889.00	\$ 889.00
	Renewal	101-310-4203	Each		\$ 185.00	\$ 185.00
	New Tech.	101-310-4203	Each		\$ 889.00	\$ 889.00
	Renewal Tech.	101-310-4203	Each		\$ 185.00	\$ 185.00
	3. Massage Establishments (Chapter 3.88)					
	New Business	101-310-4203	Each		\$ 889.00	\$ 889.00
	Renewal	101-310-4203	Each		\$ 185.00	\$ 185.00
	Transfer	101-310-4203	Each		\$ 889.00	\$ 889.00
	Reinstatement	101-310-4203	Each		\$ 185.00	\$ 185.00
	4. Secondhand Dealers					
	New Dealers	101-310-4203	Each		\$ 185.00	\$ 185.00
	Renewal	101-310-4203	Each		\$ 185.00	\$ 185.00
	5. Solicitor / Peddler					
	New Applicant	101-310-4203	Each		\$ 889.00	\$ 889.00
	Annual Renewal	101-310-4203	Each		\$ 185.00	\$ 185.00

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

No.	Fee Name	Coding	Fee Unit Type	FY 2025-26	FY 2026-27
3	Miscellaneous Fees				
	Vehicle Release	101-310-4203	Per Vehicle	\$ 129.00	\$ 129.00
	Repossession Release	101-310-4203	Per Vehicle	\$ 15.00	\$ 15.00
	Clearance/Special Letters	101-310-4203	Each	\$ 40.00	\$ 40.00
	Illegal Sign Confiscation	101-310-4203	Per Incidence	\$ 230.00	\$ 230.00
	Illegal Fireworks Confiscation	101-310-4203	Per Citation	\$ 230.00	\$ 230.00
4	Parking Fees				
	Temporary Offstreet Parking	101-310-4203	Per Vehicle	\$ -	\$ -
5	D.U.I Cost Recovery				
	Arrest with Traffic Collision & Transportation		Per Response	\$ 989.00	\$ 989.00

**City of Half Moon Bay
Draft Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

6 Citation Fee Schedule				FY 2026-27 Fee	Delinquent Fee		
	<u>1. Municipal Code</u>	[1]					
3.92.030	Solicitors License Required			\$ 50.00	\$ 44.00		
9.11.010	Skateboard Park Use: Pads/Helmet			\$ 25.00	\$ 44.00		
9.12.040	Consume Alcohol In Public Right Of Way						
9.12.050	Alcoholic Beverages-Public Parks						
9.12.070	Prohibit Fires City Beaches						
9.12.080	Prohibit Fires City Parks						
9.12.090	Prohibit Glass Containers City Parks And Beaches						
9.13.030	Park Hours-Closed Sunset to Sunrise						
9.13.050	Unlawful Activities (Designated)						
9.14.010 (B)	Fireworks manf/sale/possession			\$ 107.00	\$ 47.00		
9.24.020	Sleep in Vehicle 2200/0600			\$ 50.00	\$ 44.00		
9.48.020	Discharge Firearm (City)			\$ 100.00	\$ 47.00		
9.48.060	Sale To Minor/gas weapon			\$ 25.00	\$ 44.00		
10.08.020	Direct Traffic Unauthorized Person			\$ 50.00	\$ 44.00		
10.08.030	Traffic Direction			\$ 50.00	\$ 44.00		
10.08.060	Removing Chalk Marks			\$ 74.00	\$ 44.00		
10.12.030	Obedience To Signs			\$ 74.00	\$ 44.00		
10.16.040	U-Turns to Enter Parking Spaces			\$ 25.00	\$ 44.00		
10.28.020	Clinging To Motor Vehicle			\$ 50.00	\$ 44.00		
10.28.040	Riding/Driving Sidewalk (Vehicle/Horse)			\$ 25.00	\$ 44.00		
10.28.050	Drive On New Pavement/Markings			\$ 25.00	\$ 44.00		
10.28.060	Limited Access			\$ 46.00	\$ 47.00		
10.28.080	Obey Barriers And Signs			\$ 25.00	\$ 44.00		
10.36.110	Wheels Not Curbed			\$ 46.00	\$ 47.00		
10.36.010	No Parking, Stopping, Standing			\$ 45.00	\$ 47.00		
10.36.010 (B)	Poplar Beach/Time Limit Parking			\$ 40.00	\$ 44.00		
10.36.030	Parking Restricted			\$ 45.00	\$ 47.00		
10.36.040	No Parking Zone (Permits)			\$ 49.00	\$ 47.00		
10.36.050	Parked Over 72 Hours			\$ 49.00	\$ 47.00		
10.36.060	Advertising For Sale On Street			\$ 46.00	\$ 46.00		
10.36.070	Repair Vehicle On Street			\$ 46.00	\$ 47.00		
10.36.080	Washing Vehicle On Street			\$ 46.00	\$ 47.00		
10.36.090 (B)	School Zone			\$ 49.00	\$ 47.00		

**City of Half Moon Bay
Draft Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

6 Citation Fee Schedule				FY 2026-27 Fee	Delinquent Fee
10.36.100 (A)	No Parking Posted			\$ 49.00	\$ 47.00
10.36.100 (B)	No Parking-Narrow Street			\$ 49.00	\$ 47.00
10.36.120	Peddler Vehicle-No Permit			\$ 46.00	\$ 47.00
10.36.130	Emergency Signs			\$ 80.00	\$ 46.00
10.36.150	Electric Vehicle Parking Only			\$ 46.00	\$ 47.00
10.36.160	Electric Over Two Hours			\$ 40.00	\$ 47.00
10.37.020	Oversize Vehicle 0200-0500			\$ 80.00	\$ 47.00
10.37.030	Non-Motorized Vehicle Unhook			\$ 80.00	\$ 47.00
10.40.010	15 Min Zone (Green Curb)			\$ 49.00	\$ 47.00
10.40.020	2 Hour Zone			\$ 49.00	\$ 47.00
10.40.030	Parking On One-Way Streets			\$ 49.00	\$ 47.00
10.40.040 (A)	Diagonal Parking Zone			\$ 49.00	\$ 47.00
10.40.040 (B)	Front Tire 6 Inches From Curb			\$ 49.00	\$ 47.00
10.40.050	Use More Than One Space			\$ 49.00	\$ 47.00
10.40.060	No Stopping Zone			\$ 49.00	\$ 47.00
10.40.070	12 Hour Parking-When Posted			\$ 46.00	\$ 44.00
10.40.080	Move Vehicle - Avoid Time Limit			\$ 46.00	\$ 44.00
10.40.090	Store Vehicle On Street			\$ 46.00	\$ 44.00
10.40.100	Repeat Violations			\$ 46.00	\$ 44.00
10.40.110	Extended Parking Permits			\$ 46.00	\$ 44.00
10.44.020	Curb Marked (Red/White/Green)			\$ 74.00	\$ 44.00
10.44.030	No Truck/Trailer			\$ 71.00	\$ 44.00
10.44.040	Loading Zone			\$ 46.00	\$ 44.00
10.44.050	Passenger Loading Zone			\$ 46.00	\$ 44.00
10.44.060	No Parking In Alley			\$ 46.00	\$ 44.00
10.44.070	Bus Zone			\$ 46.00	\$ 44.00
10.48.030	Vehicle Off Road			\$ 71.00	\$ 44.00
10.50.010	No Parking After Dusk Mirada/Redondo/Poplar			\$ 74.00	\$ 44.00
10.50.020	No Parking After Dusk Wavecrest			\$ 74.00	\$ 44.00
12.08.040	Dumping On Street/Alley/Gutter			\$ 286.00	\$ 44.00
12.12.030	Dumping			\$ 124.00	\$ 44.00
<u>2. California Vehicle Code</u>					
21113 (A)	Parked On Public Ground	[2]		\$ 43.00	\$ 42.00
22500.1	Parking Prohibited			\$ 38.00	\$ 42.00

**City of Half Moon Bay
Draft Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

6 Citation Fee Schedule			FY 2026-27 Fee	Delinquent Fee
22500 (A)	Parking In Intersection		\$ 38.00	\$ 42.00
22500 (B)	Parking On Crosswalk		\$ 38.00	\$ 42.00
22500 (C)	Parking In Safety Zone		\$ 38.00	\$ 42.00
22500 (D)	Within 15' Fire Station Driveway		\$ 38.00	\$ 42.00
22500 (E)	Parking In Driveway		\$ 38.00	\$ 42.00
22500 (F)	Parking On Sidewalk		\$ 38.00	\$ 42.00
22500 (G)	Obstruct Traffic @ Excavation		\$ 38.00	\$ 42.00
22500 (H)	Double Parking		\$ 38.00	\$ 42.00
22500 (I)	Parking In Bus Zone		\$ 38.00	\$ 42.00
22500 (J)	Parking In Tunnel		\$ 38.00	\$ 42.00
22500 (K)	Parking On Bridge		\$ 38.00	\$ 42.00
22500 (L)	Blocking Wheelchair Access		\$ 333.00	\$ 42.00
22502 (A)	Over 18" From Curb		\$ 33.00	\$ 42.00
22502 (E)	Curb Parking/One-Way Street		\$ 30.00	\$ 42.00
22504 (A)	Unincorporated Area Parking		\$ 43.00	\$ 42.00
22505 (B)	No Parking - State Hwy		\$ 48.00	\$ 42.00
22507.8 (A)	Handicapped Space Without Placard		\$ 333.00	\$ 42.00
22507.8 (B)	Blocking Handicapped Space		\$ 333.00	\$ 333.00
22507.8 (C)	Hashmarks Handicap Zone		\$ 333.00	\$ 333.00
22514	Fire Hydrants - Within 15 Feet		\$ 38.00	\$ 38.00
22515	Unattended Vehicle - Engine Running		\$ 33.00	\$ 33.00
22519	Posted For Patrons Only		\$ 33.00	\$ 33.00
22522	Block Sidewalk Ramp		\$ 333.00	\$ 333.00
22523 (A)	Abandon Vehicle On Highway		\$ 105.00	\$ 105.00
22523 A/B	Abandoned Vehicle		\$ 105.00	\$ 105.00
22523 (B)	Abandon Vehicle - Private Property		\$ 105.00	\$ 105.00
22526 (A)	Blocking Intersection		\$ 53.00	\$ 53.00
22951	Park Lot - Street & Alley		\$ 25.00	\$ 25.00
22952 (A)	Park Lot-Tow/Removal		\$ 40.00	\$ 40.00
22952 (B)	Park Lot-Tow/Removal		\$ 40.00	\$ 40.00
23333	Stop/Park On Bridge		\$ 43.00	\$ 43.00
23336	Violate Posted Signs		\$ 40.00	\$ 40.00
28071	Bumper Required-Fine Or P/C		\$ 25.00	\$ 25.00
22507.8 (A)	Handicapped Space Without Placard		\$ 333.00	\$ 333.00

**City of Half Moon Bay
Draft Master Fee Schedule
Other Fees, Charges & Services**

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6 Citation Fee Schedule			FY 2026-27 Fee	Delinquent Fee
4000 (A)	Unregistered Vehicle		\$ 53.00	\$ 53.00
4462 (B)	Registration On Wrong Vehicle		\$ 30.00	\$ 30.00
4464	Altered License Plate		\$ 30.00	\$ 42.00
5200	Lic Plate Missing - Fine Or P/C		\$ 35.00	\$ 35.00
5201	Plate Positioning - Fine Or P/C		\$ 30.00	\$ 30.00
5202	Period Of Display - Fine Or P/C		\$ 30.00	\$ 30.00
5204 (A)	Tags Attach Wrong - Fine Or P/C		\$ 30.00	\$ 30.00

Notes

- [1] Citation fee amounts increase for two or more offenses. Applicable fees are stated on the violation notice.
- [2] California Vehicle Code Fees are established by the State of California and are not escalated by the CPI All Urban Consumers/San Francisco-Oakland-San Jose

IX. REFUND POLICY

Any request for Fee refunds shall be submitted in writing to the appropriate Department’s Director within 90 days from the date of submittal. The grounds for requesting a refund shall be detailed in the written request. However, once the City has commenced work on an applicable service for which a fee is charged, no refunds are allowed. The Department’s Director shall determine if a fee is refundable based on this criterion. Any refund will be net a processing fee equivalent to 0.5 hours of the Building Hourly Rate and any other incidentals that may be incurred. The party requesting the refund shall be informed in writing of the decision of the Department’s Director within ten (10) working days of receiving the written refund request. The requesting party may appeal the determination of the Department’s Director to the City Manager, within ten (10)

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Leslie Lacko, Community Development Director
Ruby Zalduondo, Assistant Planner

TITLE: BALLOT MEASURE AMENDING MEASURE D, THE CITY'S VOTER-APPROVED RESIDENTIAL GROWTH LIMITATIONS PROGRAM

RECOMMENDATION:

1. Adopt a resolution approving a proposed Ordinance to amend the City's Local Coastal Land Use Plan, Policy 2-16, and Half Moon Bay Municipal Code, Title 17 (Subdivisions), sections 17.06.020(E) and 17.06.065 and Title 18 (Zoning), section 18.04.010(E) and other conforming edits 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 placing a measure on the November 3, 2026 general election ballot, seeking voter approval of the proposed Ordinance to amend the Measure D Downtown Area.
2. Find the amendments exempt from 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).
3. Discuss and determine if the City Council wishes to submit an argument in favor of the proposed ballot measure, and if so, which Councilmember(s) would write it.

FISCAL IMPACT:

There will be a cost of approximately \$10,000 associated with placing this Measure on the ballot for the November 3, 2026 election.

STRATEGIC ELEMENT:

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

BACKGROUND:

On January 13, 2026, the City Council directed staff to bring forward a ballot measure to amend the Measure D Downtown Area map, for review and possible placement on the November 3, 2026, ballot.

The City Council is required to approve the placement of a measure on the ballot by resolution following a duly noticed public hearing. To meet statutory timelines for the November 3, 2026, general election, the City Council would need to hold the hearing to adopt a resolution for this Measure prior to the deadline for filing a City-led initiative with the County.

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 replaced Measure A, a prior growth management measure which was adopted by voters in 1991. Measure D went into effect in 2009 following California Coastal Commission certification as an amendment to the 1993 Local Coastal Land Use Plan (LCLUP). Measure D reduced the residential growth cap previously allowed by Measure A from 3% to a maximum 1.5% population increase. Measure D accommodates 1% population growth annually, which is split between “Downtown” and “Outside of Downtown” areas. The “Downtown Area” is currently defined as the Half Moon Bay Redevelopment Survey Area adopted in November 1998 (Figure 1 below), and within this area the number of dwelling units may be increased by another 0.5% at the discretion of the City Council. The original Measure D authors have acknowledged that the redevelopment survey area was chosen as it was a reasonable approximation of the downtown focus area envisioned in 2001. The full text of Measure D is included as Attachment 3.

At the request of City Council, staff presented a draft Accessory Dwelling Unit (ADU) and Affordable Housing Ballot Measure to the Planning Commission on June 11 ([Agenda](#)) and June 25, 2024, ([Agenda](#)) comprised of a measure to exempt ADUs and deed restricted affordable units from Measure D, and to adopt the Town Center Map (Figure 2-2) of the LCLUP (Figure 2 below) as the designated Downtown Area under Measure D. At the Planning Commission meeting on June 25, 2024, the 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 Map within the LCLUP. On July 16, 2024, ([Agenda](#)) City Council decided not to place any Measure D amendment on the ballot.

General Plan and 2020 Local Coastal Land Use Plan Update

The City’s Local Coastal Land Use Plan (LCLUP) serves as its General Plan land use element. The 2020 LCLUP Update established affordable housing as a Local Priority Use, which is also reflected in the City’s 2023 – 2031 Housing Element. The requirements of Measure D were incorporated into the LCLUP and is one policy component of the LCLUP that seeks to promote

housing, especially affordable housing, in the Downtown Area — a high resource area, which promotes decreasing patterns of housing segregation while balancing protection of open space and coastal resources.

The LCLUP “identifies a Town Center within which future development should be concentrated to support a vibrant, walkable core area...” City Council requested that this defined area (isolated in Figure 3 below for clarity) be utilized as the “Downtown Area” under Measure D. Based on Staff’s analysis, the proposed amendments to the provisions of Measure D are consistent with the Local Coastal Land Use Plan, including as it relates to infill, affordable housing, and local coastal priorities. The existing provisions of Measure D aim to prioritize infill within the Downtown Area, which is consistent with LCLUP policies to concentrate development, especially infill within the Town Center. Additionally, the proposed amendments are consistent with the Circulation Element specifically as it relates to the goals of supporting pedestrian and bicycle travel, by concentrating development and infill within the Town Center.

On January 13, 2026, the City Council directed staff to bring forward a ballot measure to amend the Measure D Downtown Area map, for review and possible placement on the November 3, 2026, ballot.

On May 12, 2026 ([Agenda](#)), staff presented the proposed Ordinance to the Planning Commission (note that only three Planning Commissioners participated in the consideration of the item). The Planning Commissioners expressed mixed opinions on the proposed Measure. One Commissioner argued in support of the Measure, expressing that the current downtown map is outdated, was originally adopted largely for convenience, and should be replaced with the LCLUP Town Center map because it better reflects the city’s long-term planning vision, encourages walkable infill development, and aligns with existing planning documents. The two Commissioners against the Measure argued that the proposed Town Center boundary included areas that are not true infill, could benefit large developers, and failed to address community concerns with Measure D. More generally, the Commissioners discussed that ADUs should potentially be exempt from Measure D allocations, allocation transfer timelines should be shortened, large projects should not consume a disproportionate share of allocations, and that future map changes should prioritize existing residential areas while protecting prime agricultural land. The Commissioners voted to not recommend the proposed Measure to the City Council. Instead, the Commission approved a second motion to direct staff to draft a summary of the Planning Commission’s discussion of the proposed Measure and present it to City Council (Attachment 4).

DISCUSSION:

Proposed Downtown Area Modification

As directed by the City Council on January 13, 2026, this proposed ballot Measure would amend the designated “Downtown Area” of Measure D to align with the Town Center area shown on

Figure 2-2 of the City's existing LCLUP. This would require text amendments to both the LCLUP and the City's Municipal Code.

If approved by the voters, the ballot Measure would change the map used to designate the number of allocations in the Downtown Area from the Downtown Half Moon Bay Redevelopment Survey Area adopted by the City in 1998 (City Resolution No. C-91-98, November 3, 1998), to the Town Center Map in the Local Coastal Land Use Plan adopted by the City in 2020. The specific amendments would:

- Amend Policy 2-16f of the Local Coastal Land Use Plan (LCLUP) to adopt the Town Center Map (Figure 2-2) as the designated "downtown area"; and
- Amend Half Moon Bay Municipal Code Section 17.06.020(E) to designate the Town Center (Figure 2-2 of the LCLUP) as the designated "downtown area"; and
- Amend Half Moon Bay Municipal Code Section 17.06.065 to designate the Town Center (Figure 2-2 of the LCLUP) as the designated "downtown area"; and
- Amend Half Moon Bay Municipal Code Section 18.04.010(E) to designate the Town Center (Figure 2-2 of the LCLUP) as the designated "downtown area".

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. The Town Center incorporates key neighborhoods including the South Downtown and portions of the Heritage Downtown which were excluded from the map based on the redevelopment survey. 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 0.5% 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 and support compact downtown development. The differences between the existing Measure D downtown designation from the 1998 Redevelopment Survey and the Town Center Map, Figure 2-2 of LCLUP, can be seen in Figure 4 below.

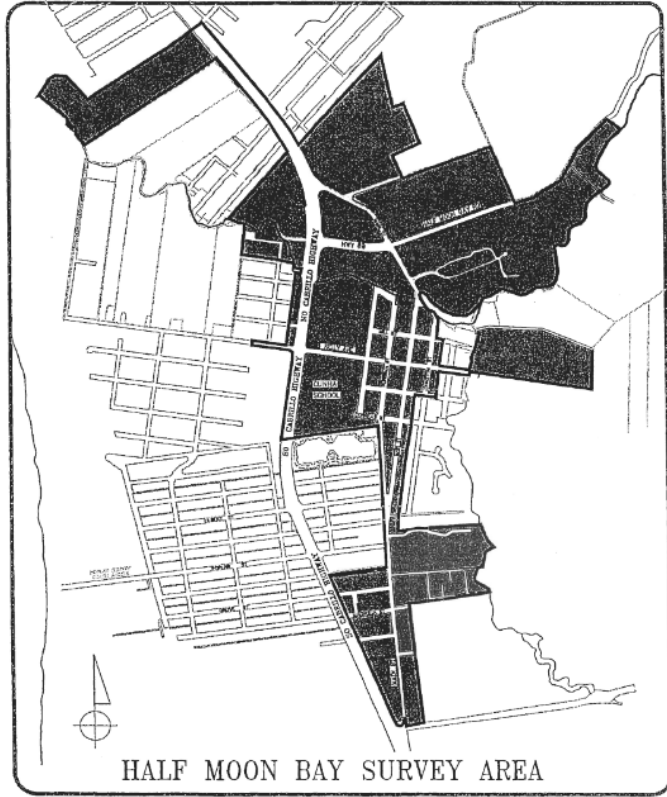


Figure 1: Downtown Half Moon Bay Redevelopment Survey Area, City Resolution No. C-91-98

Figure 1. 1998 Half Moon Bay Redevelopment Survey Area. The shaded area indicates the existing Downtown Area.

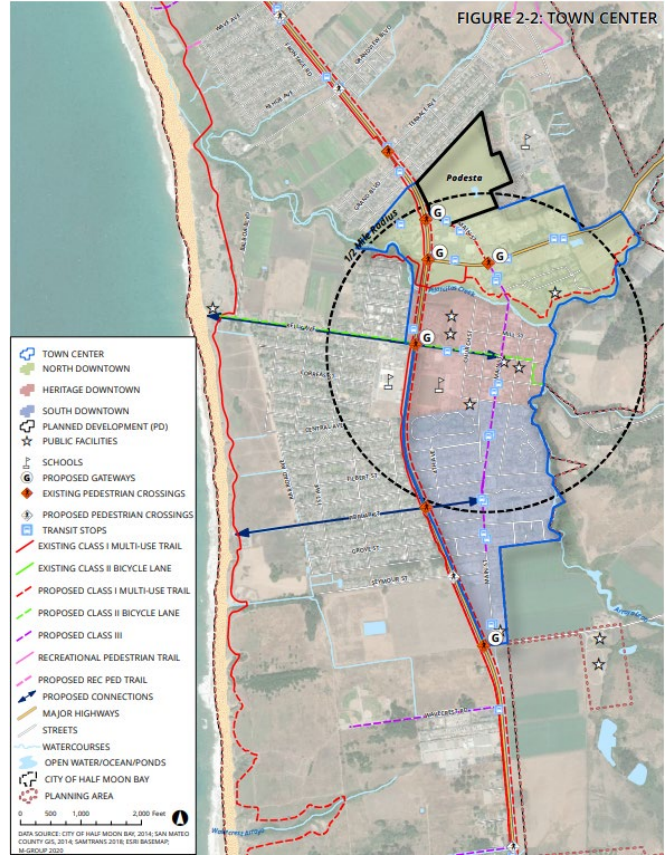


Figure 2. Local Coastal Land Use Plan Figure 2-2: Town Center.



Figure 3. The Town Center outline as seen in Figure 2-2 of the Local Coastal Land Use Plan. Provided in addition to Figure 2 for clarity.



Figure 4. Pink outline indicates areas that are not included in the Town Center map and would be subtracted from the "Downtown Area". Green outline indicates areas that would be added to the "Downtown Area".

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 2026 and considering the differences between the boundaries of the current Measure D Downtown Area to the boundaries of the Town Center, 20 allocations applied for outside of the downtown area would have fallen within the boundaries of the Town Center designation. Conversely, 3 allocations within the existing downtown designation would have been outside of the downtown boundaries based on the Town Center map. Based on this information, this would have opened up allocation availability outside of downtown. However, this would also have increased the amount of competition within the Downtown Area which, in recent years, all or nearly all allocations have been allocated to a few larger affordable housing projects.

491 total parcels would be affected by the map change, either being added to or subtracted from the mapped Downtown Area. Of those 491 parcels, 326 are residential (R-1, R-2, R-3). Of those

326 residential parcels, 286 would be added to the Downtown Area and 40 would be subtracted. 55 acres of non-residential land (mostly PUD) would be removed from the Downtown Area.

Ahead of the May 12, 2026, Planning Commission Meeting and the June 2, 2026, City Council Meeting, property owners whose potential property rights would be impacted by being added or removed from the Measure D Downtown Area were notified directly via mailing notice.

Proposed Amendments:

The proposed amendments would be to both the Local Coastal Land Use Plan (Policy 2-16f) and Municipal Code sections 17.06.020(E), 17.06.065, and 18.04.010(E). The draft measure is Exhibit A to the Resolution (Attachment 1 to this staff report). It includes ~~striketroughs~~ (deletions) and **bold underlines** (insertions) showing proposed changes to the LCLUP and Municipal Code. In consideration of the proposed LCLUP amendments, conforming edits are required to promote internal consistency.

The Measure's proposed amendments are as follows:

Half Moon Bay Local Coastal Land Use Plan (LCLUP) Proposed Amendment

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:

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.~~

Half Moon Bay Municipal Code Proposed Amendments to Title 17 (Subdivisions) and Title 18 (Zoning)

17.06.020 Establishment of number of residential dwelling unit allocations to be authorized annually.

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.** ~~Downtown Half Moon Bay redevelopment survey area in the city Resolution No. C 91 98, November 3, 1998.~~ A copy of the map follows this section (Figure 1).

17.06.065 Priority established for residential development projects based on proximity.

Except as otherwise provided for in this title or as a result of city council approval of a development phasing plan and agreement, priority shall be established for projects located within the boundaries of the downtown area designated in Measure D as the **Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~Downtown Half Moon Bay redevelopment survey area and adopted by city council Resolution No. C 91-98 November 3, 1998.~~ As provided in Section 17.06.020, the number of residential dwelling unit allocations allowed within the downtown area may be twice the number of allocations outside of the boundaries of the downtown area.

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.~~

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

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

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

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

In 2026, 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.

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

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 2026 redefined the downtown area to be the area designated as the Town Center in Figure 2-2 of this Plan.

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.

If approved by the voters, these amendments to the LCLUP require certification by the Coastal Commission before they take effect.

Staff has prepared the Resolution (Attachment 1) to place a Measure on the November 3, 2026, general election ballot to seek approval of the proposed Ordinance. The Resolution includes, among other things, the ballot question to be submitted to the voters as well as the requirements for the form, vote, synopsis, impartial analysis, arguments, and other procedural requirements.

With regard to the ballot arguments, Elections Code section 9282(b) authorizes the Council or a member or members of the Council to write an argument in support of the Measure. If the Council desires to write an argument in support of the Measure the Council can specify those member(s) to write the argument on behalf of the Council, as part of the deliberations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) STATUS:

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).

NEXT STEPS:

If approved by the Council, the Resolution would set the proposed Measure before the voters in the November 3, 2026, general election. If adopted by the voters, it would then be forwarded to the California Coastal Commission for certification.

ATTACHMENTS:

1. Resolution Setting a Measure on the Ballot to Amend Measure D
2. City of Half Moon Bay Measure to Amend the Downtown Area for Residential Growth Management Policies
3. Measure D 1999 – Full Text
4. Discussion Summary — Planning Commission Item 6C, May 12, 2026

Resolution No. ____

A RESOLUTION OF THE COUNCIL OF THE CITY OF HALF MOON BAY APPROVING A PROPOSED ORDINANCE TO AMEND THE CITY’S LOCAL COASTAL LAND USE PLAN, POLICY 2-16, AND HALF MOON BAY MUNICIPAL CODE, TITLE 17 (SUBDIVISIONS), SECTIONS 17.06.020(E) AND 17.06.065 AND TITLE 18 (ZONING), SECTION 18.04.010(E) AND OTHER CONFORMING EDITS 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 PLACING A MEASURE ON THE NOVEMBER 3, 2026 GENERAL ELECTION BALLOT SEEKING VOTER APPROVAL OF THE PROPOSED ORDINANCE TO AMEND THE MEASURE D DOWNTOWN AREA AND AUTHORIZING RELATED ACTIONS; AND FINDING THE AMENDMENTS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15265 (ADOPTION OF COASTAL PLANS AND PROGRAMS)

WHEREAS, The purposes of Measure D 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 allowing additional allocations to be offered to the Downtown Area upon approval by the City Council; 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 Plan (LCLUP) “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 January 13, 2026, the City Council directed staff to prepare a ballot measure to allow voters of Half Moon Bay to decide on an amendment to Measure D Downtown Area map on the November 3, 2026, general election; and

WHEREAS, the proposed Measure (Exhibit A) includes the necessary amendments of the 2020 LCLUP and Subdivision and Zoning Code Amendments to adopt the Town Center (Figure 2-2 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 and the proposed measure would amend both of these provisions, with the Zoning 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 LCLUP or the General Plan including the 2023 - 2031 Housing Element; and

WHEREAS, on June 2, 2026, the City Council adopted Resolution No. 2026- __, calling a general municipal election on November 3, 2026, and adopted Resolution No. 2026-__ , 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, if approved by the voters, the amendments will be subject to review by the California Coastal Commission and the proposed Ordinance would not become effective until certified by the California Coastal Commission.

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

SECTION 1. Proposed Ordinance. The City Council hereby approves the submission of the proposed Ordinance, as set forth in the form attached hereto as Exhibit A, to the voters of the City of Half Moon Bay at the November 3, 2026, general municipal election. The full text of the proposed Ordinance, as set forth in Exhibit A, is to be submitted to the voters.

SECTION 2. CEQA. The City Council hereby finds the adoption of the proposed Ordinance is categorically 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 3. Ballot Measure.

(a) Pursuant to its right and authority does order that the following measure be placed on the ballot on the November 3, 2026, general municipal election ballot seeking voter approval of the Measure to Amend the Downtown Area for Residential Growth Management Policies to amend the Measure D, the "Downtown Area" to be the area designated as the Town Center Map in Figure 2-2 of the LCLUP for the purpose of submitting the following question to the voters:

<i>Shall the Measure, amending the City of Half Moon Bay Local Coastal Land Use Plan, Title 17 (Subdivisions) and Title 18 (Zoning) of the Half Moon Bay Municipal Code, and other conforming edits so that the Measure D “Downtown Area” is redefined as the area designated as the “Town Center” (Figure 2-2) of the Local Coastal Land Use Plan, be adopted?</i>	YES	
	NO	

(b) As the City Council by Resolution No. 2026-____, 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 3, 2026, 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 to be held on November 3, 2026.

SECTION 4. Vote Requirement. That the vote requirement for the Measure to pass is a majority (50%+1) of the votes cast.

SECTION 5. Form of Ballots. That the ballots to be used at the election shall be in a form and content as required by law. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 6. Notice. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. Synopsis of Measure. The City Clerk is hereby 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 3, 2026 election.

SECTION 8. Impartial Analysis. That the City Council directs the City Clerk to transmit a copy of the Measure to the Office of the City Attorney. The Office of the City Attorney shall prepare an impartial analysis of the Measure showing the effect of the Measure on the existing law and the operation of the Measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: “The above statement is an impartial analysis of Ordinance or Measure __. If you desire a copy of the ordinance or measure, please call the election official’s office at (insert phone number)

and a copy will be mailed at no cost to you.” The impartial analysis shall be filed with the City Clerk.

SECTION 9. Certification of Passage. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 10. Submission to County Officials. That 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 7, 2026.

SECTION 11. Arguments. Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measures, in addition to rebuttal arguments, for the November 3, 2026, General Municipal Election on forms provided by the City Clerk. Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code § 9280 et seq., including but not limited to:

- A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal arguments which may not exceed two hundred and fifty (250) words;
- B. Arguments may be submitted by the City Council; any councilmember(s) authorized to submit an argument by the City Council; any individual voter eligible to vote on the Measure; any bona fide association of citizens; or any combination of voters and associations;
- C. Arguments must be typewritten in at least a 12-point font;
- D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;
- E. The author or a majority of the authors of an argument relating to the Measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.
- F. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons 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.
- G. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.
- H. Arguments for or against the ballot measures must be received in the City Clerk’s office not later than 14 days after the City Council calls for an election. Rebuttal

arguments must be received not later than 10 days after the Arguments submittal deadline. Arguments may be changed or withdrawn by their proponents until and including the date fixed by the City Clerk during the normal business hours of the City Clerk's office, as posted.

I. If more than one argument for or more than one argument against the Measure is submitted to the City Clerk within the time prescribed, she shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters in accordance with Elections Code section 9287.

Section 12. 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 13. Lawful Election. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections, including, without limitation, Elections Code Section 10418.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Mayor Debbie Ruddock

City of Half Moon Bay Measure to Amend the Measure D “Downtown Area”

CITY OF HALF MOON BAY
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HALF MOON BAY AMENDING THE HALF MOON BAY LOCAL COASTAL LAND USE PLAN, POLICY 2-16, AND HALF MOON BAY MUNICIPAL CODE, TITLE 17 (SUBDIVISIONS), SECTIONS 17.06.020(E) AND 17.06.065 AND TITLE 18 (ZONING), SECTION 18.04.010(E) AND OTHER CONFORMING EDITS TO AMEND THE MEASURE D “DOWNTOWN AREA” 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

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," which is included in the City's adopted Local Coastal Land Use Plan, and retaining this inconsistency reduces opportunities for infill development in areas encouraged by City for development.

C. The purpose of this Ordinance is to align the Measure D "Downtown Area" with the City's Town Center boundaries as depicted in Attachment A to this Ordinance, 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 Ordinance. Figure 2-2, referenced in these amendments, is included as Attachment A to this Ordinance. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Ordinance.

“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.

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 SUBDIVISIONS (TITLE 17) AND ZONING (TITLE 18) CODE.

The City of Half Moon Bay Municipal Code 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 Ordinance. Figure 2-2, referenced in these amendments, is included as Attachment A to this Ordinance. The Downtown Half Moon Bay Redevelopment Survey Area, referenced in the amended provision, is included as Attachment B to this Ordinance.

A. Half Moon Bay Municipal Code section 17.06.020, "Establishment of number of residential dwelling unit allocations to be authorized annually," within Title 17 (Subdivisions) is hereby amended to read as follows:

"§ 17.06.020 Establishment of number of residential dwelling unit allocations to be authorized annually.

A. The number of residential dwelling units for which the city may

authorize allocations each calendar year shall not exceed the number of units that would result in a growth of one percent in the city's population as of January 1st of that year. This number shall be considered the base allocation, not including any additional density that may be granted in accordance with subsection B of this section. 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 residential 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. This number shall be considered the maximum allocation including any additional density that may be granted. If fewer applications for allocations are received than are available, the remainder of these units may be authorized outside of the downtown area.

C. Applications for new residential dwelling units in areas of the city located outside of 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 residential dwelling units among applications on the basis of the allocation system contained herein 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.** ~~Downtown Half Moon Bay redevelopment survey area in the city Resolution No. C-91-98, November 3, 1998.~~ A copy of the map follows this section (Figure 1)."

B. Half Moon Bay Municipal Code section 17.06.065, "Priority established for residential development projects based on proximity," within Title 17 (Subdivisions) is hereby amended to read as follows:

"§ 17.06.065 Priority established for residential development projects based on proximity.

Except as otherwise provided for in this title or as a result of city council approval of a development phasing plan and agreement, priority shall be established for projects located within the boundaries of the downtown area designated in Measure D as the **Town Center in Figure 2-2 of the Half Moon Bay Local Coastal Land Use Plan.** ~~Downtown Half Moon Bay redevelopment survey area and adopted~~

~~by city council Resolution No. C-91-98 November 3, 1998. As provided in Section 17.06.020, the number of residential dwelling unit allocations allowed within the downtown area may be twice the number of allocations outside of the boundaries of the downtown area.~~"

C. Half Moon Bay Municipal Code section 18.04.010, "Maximum number of new dwellings," within Title 18 (Zoning) is hereby amended to read as follows:

"§ 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 Ordinance, 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 Ordinance.

A. The List of Figures in the Table of Contents of the Local Coastal Land Use Plan shall be amended as follows:

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

B. The Changed Land Use Circumstances discussion on page 1-26 of the Local Coastal Land Use Plan shall be amended by adding the following after the first paragraph:

“In 2026, 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. The title of Figure 1-7 on page 1-27 of the Local Coastal Land Use Plan is hereby amended as follows:

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

D. The text box next to Figure 1-7 on page 1-27 of the Local Coastal Land Use Plan is hereby amended by adding the following:

“A voter-approved amendment to Measure D in 2026 redefined the downtown area to be the area designated as the Town Center in Figure 2-2 of this Plan.”

E. The Growth Management discussion on page 2-15 of the Local Coastal Land Use Plan is hereby amended as follows:

“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. Following the effective date of this Ordinance the City of Half Moon Bay is

hereby authorized and directed to submit this 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 this Ordinance's amendment to the Local Coastal Program as an amendment that will take effect automatically upon the California Coastal Commission's approval.

B. The Local Coastal Land Use Plan and Subdivisions and Zoning Code 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 Ordinance shall remain, unless earlier repealed or amended by vote of the people of the City.

C. It is the intent of the voters that the provisions of this Ordinance shall be broadly construed in a manner that facilitates the purposes set forth herein and that this Ordinance be interpreted so as to be consistent with all federal and state laws, rules, and regulations. The provisions of this Ordinance 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 Ordinance 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 Ordinance. The voters hereby declare that this Ordinance, 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 Ordinance is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Ordinance that can be given effect without the invalid application.

D. Except as otherwise provided herein, this Ordinance may be amended or repealed only by the voters of the City.

SECTION 6. CEQA

The adoption 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 7. EFFECTIVE DATE

Pursuant to Elections Code Section 9217, this Ordinance shall be considered adopted on the date that the City Council declares that the voters of the City of Half Moon Bay have approved the Ordinance by a vote of no less than a majority of the votes cast by the electors voting at the General Municipal Election held on Tuesday, November 3, 2026, and shall go into effect ten (10) days thereafter.

Amendments to the Local Coastal Land Use Plan, Municipal Code (Title 17, Subdivision and Title 18, Zoning) require certification by the California Coastal Commission before

they may take effect.

SECTION 8. PUBLICATION

The Clerk shall cause this ordinance to be published in the manner required by law.

It is hereby certified that this Ordinance was duly adopted by the voters at the November 3, 2026, election and took effect 10 days following adoption of a resolution declaring the results of the election at a meeting of the City Council of the City of Half Moon Bay held on _____: by the following vote:

Ayes:

Noes:

Absent:

Abstain:

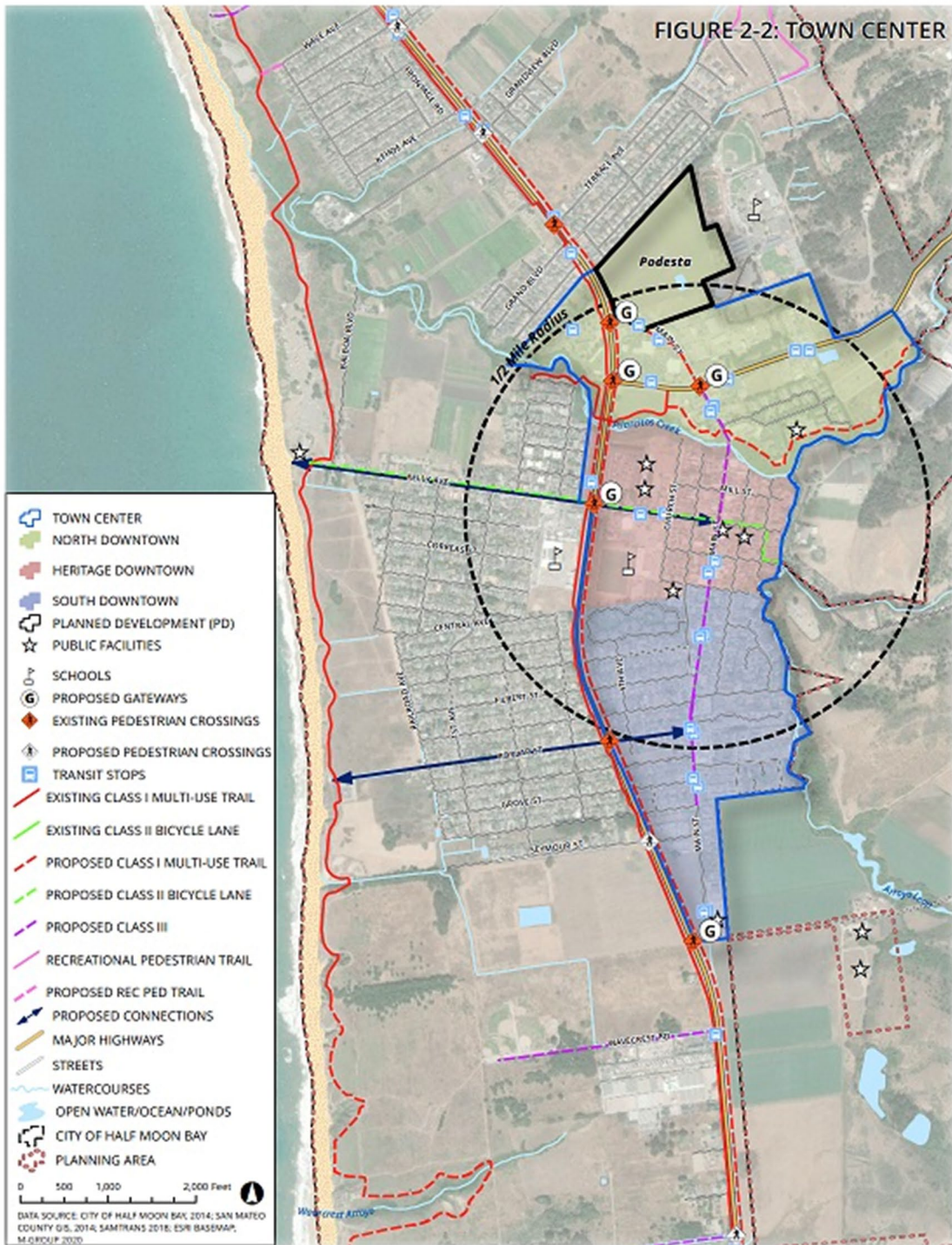
Debbie Ruddock, Mayor

ATTEST:

Maggie Rodriguez, City Clerk

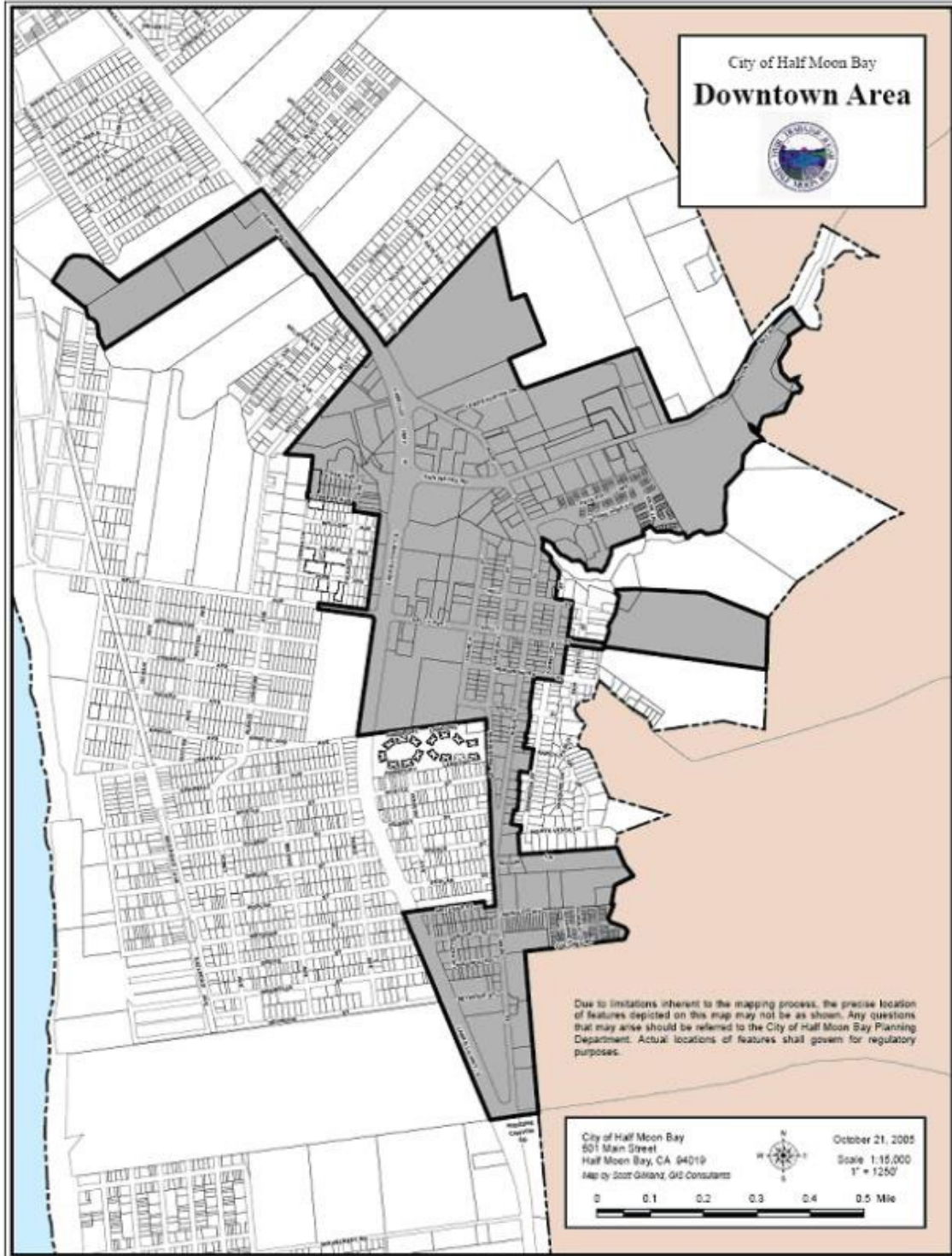
Attachment A

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



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 Coastsides 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

City of Half Moon Bay – Planning Commission

Discussion Summary — May 12, 2026

Agenda Item 6C: Proposed Ballot Measure to Amend Measure D (Residential Growth Management System)

Participants

- Chair David Gorn
- Vice Chair Rick Hernandez
- Commissioner Christopher DelNagro
- Commissioner Jacob (Jim) Rems — recused himself at the outset, citing a conflict of interest (he rents a home within 500 feet of the affected area under discussion)
- Leslie Lacko, Community Development Director
- Denise Bazzano, City Attorney
- Ruby Zalduondo, Assistant Planner

Background: What Is Measure D?

Measure D is Half Moon Bay's residential growth management system, adopted by voters in 1999 and certified by the California Coastal Commission in 2009. It limits annual residential growth to a maximum of 1.5% of population, split between two allocation pools:

- 0.5% allocated to the "Downtown" area, with an additional 0.5% available with City Council Approval
- 0.5% allocated to "Outside the Downtown" area

The "Downtown" boundary was originally defined using the 1998 Half Moon Bay Redevelopment Survey Area map, which has become misaligned with the city's current planning documents, community perception of the downtown area, and was originally chosen "out of convenience."

What Is Being Proposed?

At the request of City Council, staff presented a single proposed change to the Zoning Code and Local Coastal Land Use Plan (LCLUP): replace the 1998 downtown boundary map used by Measure D with the Town Center map from the 2020 LCLUP. This is a map-only amendment — it does not change zoning, density allowances, or the up-to 1.5% growth cap.

Key statistics cited by Staff:

- Over the last four years (2022–2026), 108 allocations were granted outside downtown while only 22 were granted within downtown, showing heavy demand in the outside downtown pool.

- Under the new map, 20 prior outside downtown allocations would have fallen within the new downtown boundary. Conversely, 3 allocations within the existing downtown designation would have been outside of the downtown boundaries.
- 491 total parcels would be affected by the map change; either added to or subtracted from the mapped downtown area. 286 residential parcels would be added to the downtown area and 40 residential parcels would be subtracted.

Staff Recommendation:

1. Adopt a resolution recommending that the City Council consider amendments to the City’s Local Coastal Land Use Plan (LCLUP), Policy 2-16, and Half Moon Bay Municipal Code, Title 17 (Subdivisions), sections 17.06.020(E) and 17.06.065 and Title 18 (Zoning Code), section 18.04.010(E) and other conforming edits to amend the Measure D “Downtown Area”; and placing a measure on the November 3, 2026 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 LCLUP.
2. Find the amendments exempt from 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).

Next steps:

City Staff brings proposed ballot measure to City Council; if placed on the ballot, voters would decide on November 3, 2026; if passed, the ballot measure would go to the California Coastal Commission for certification.

Planning Commission Discussion

Arguments in support of proposed ballot measure:

- The 1998 map was a "map of convenience" and the only legally defined downtown boundary available at the time, confirmed by the authors of Measure D.
- The 2020 Town Center map reflects six years of community-based planning and better reflects where Half Moon Bay wants to concentrate core, walkable, compact development.
- The new map removes prime agricultural soils from the downtown area (shown in pink on the map) without adding new farmland to it.

- It eliminates confusion from having two conflicting maps and aligns Measure D with the certified LCLUP.
- The goal is to direct future housing growth (estimated ~1,000 units needed over 13 years) into the downtown core where infrastructure, walkability, and circulation improvements are planned (bike trails, streetscape improvements).
- Development approval in affected areas does not change zoning. Higher-density zoning (R2, R3, CD, CG) already exists in those areas.

Arguments against proposed ballot measure:

- "Town center" is not the same as "downtown" — it includes residential, commercial, and some agricultural and industrial areas; the alignment feels forced and imprecise.
- Some areas included in the new map (notably the Podesta property north of Highway 92 and land along Purissima Creek) are not genuine infill. They are large tracts that could attract large developers rather than individual homeowners.
- The real public concern, heard widely in the community, is ADUs being subject to Measure D allocations and long wait times for transfers, not the map boundary. The map change doesn't fix these problems.
- There are reportedly 60+ empty infill lots between Railroad Avenue and Royal Leon Creek (west of Highway 1) that are not included in either map. That is where true residential infill opportunity exists.
- Large housing developers have been granted a huge proportion of available allocations, angering many residents. The map change may worsen this by adding large developable parcels to the downtown pool.
- California Department of Housing and Community Development has pressured the city to weaken or repeal Measure D. As Measure A and Measure D were originally placed on the ballot by voters, if there is concern about Measure D, any amendment or repeal should come from the voters themselves.
- Placing it on the ballot signals to voters that Measure D has problems, potentially weakening public support for the measure over time.

Points of Discussion across the Commission

Commissioners debated several things that they want City Council to consider:

- Two Commissioners said they would support ADUs being exempt from Measure D allocations, or at minimum counted as a small fraction (e.g., one-quarter of a unit). Both

Commissioners who debated this said they personally support zero ADU consumption of allocations. One Commissioner disagreed.

- All Commissioners agreed that the allocation transfer period should be shortened. Currently, unused downtown allocations transfer to the outside-downtown pool in September. Commissioners previously recommended reducing this wait to 1–3 months and reiterated that recommendation.
- All Commissioners agreed that large developers should not be able to consume a disproportionate share of allocations and a cap (e.g., no single project takes more than 80% of available allocations) should be considered administratively.
- All Commissioners agreed that prime agricultural soils should be protected, and existing policies reinforcing this should be clearly maintained.
- All Commissioners agreed that future map revisions should focus on areas with an existing strong residential development footprint, particularly the area south of Purissima Creek, and avoid expanding into open agricultural land.

Votes Taken

Motion

Approve staff recommendation with added direction to Council on infill housing and map boundaries.

Direct staff to draft a summary of the Commission's discussion to City Council so they are informed of how the 2–1 vote was reached.

Result

Failed 2–1 (Vice Chair Hernandez yes; DelNagro and Chair Gorn no)

Passed 3–0 unanimously

Outcome

The Planning Commission did not recommend the proposed ballot measure in its current form. However, they voted unanimously to transmit a summary of their debate to City Council so Council understands the full range of concerns discussed.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director
Bryan Lopez, Senior Management Analyst

TITLE: **FISCAL YEAR 2026-27 RECOMMENDED BUDGET**

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

1. Receive a presentation on the FY 2026-27 Recommended Budget, and after accepting public comments and providing any additional recommended changes, direct staff to return with the final proposed budget for adoption on June 16, 2026.
2. Adopt the Fiscal Sustainability Plan to provide a long-term framework for addressing the City's ongoing structural fiscal challenges and guiding future financial decision-making.

FISCAL IMPACT:

There is no fiscal impact associated with this staff report. Following the hearing, any changes directed by the Council will be incorporated into the FY 2026-27 Recommended Budget which will be presented to the Council for adoption on June 16, 2026.

STRATEGIC ELEMENT:

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

BACKGROUND:

The City's recommended budget is the culmination of a thorough, collaborative, and transparent process involving the City Council, City staff, and the community. The annual budget cycle begins each year with the creation of a budget schedule and is completed through a formal public hearing followed by approval of the recommended budget by the City Council in June.

The budget process includes public meetings intended to gather feedback and provide opportunities for the community to participate in the development of the City's annual budget. On May 26, 2026, the City Council Finance Subcommittee met to review the proposed FY 2026-27 operating and capital budget and recommended presenting the budget to the full Council.

DISCUSSION:

FY 2025-26 ENDING ESTIMATES

As seen in the 3rd Quarter Financial Report, revenues are trending as anticipated, and expenditure savings from vacancies are expected to further improve the City’s financial position. As a result, staff estimates that the City will end the year with a greater-than-expected unassigned fund balance.

The table below highlights the fund balance expected on June 30, 2026:

	Revised Budget	<u>FY 2025-26</u> Estimate Actuals
Beginning Fund Balance	13,902,420	13,902,420
+Revenues	25,353,502	25,897,144
-Operating Expenditures	(24,374,607)	(22,315,764)
-Capital Expenditures	(1,005,000)	(1,005,000)
<i>Surplus / (Deficit)</i>	<i>(26,105)</i>	<i>2,576,380</i>
Ending Fund Balance	13,876,315	16,478,800
<i>General Fund Reserve</i>	7,312,382	7,312,382
<i>Economic Uncertainty</i>	4,874,922	4,874,922
<i>Unassigned Fund Balance</i>	1,689,011	4,291,496

With \$4.2 million estimated in unassigned fund balance at the end of FY 2025-26, there is an opportunity to use these funds in the following year to mitigate the ongoing structural budget deficit, as discussed further in this report.

FY 2026-27 PROPOSED BUDGET – GENERAL FUND

Major Revenue Assumptions

Revenue estimates are based on the best data available at the time of budget development, with the understanding that economic conditions remain dynamic. The City takes a conservative approach, especially with its three largest General Fund revenues, TOT, Property Tax, and Sales Tax, which together comprise approximately 79% of General Fund revenue.

Transient Occupancy Tax - Following several years of revenue decline, TOT projections are based on using the most applicable prior-year data. Due to timing constraints in budget development, actuals from July through January of fiscal year 2025-26 were used, while estimates for March through June relied on corresponding months from 2025.

Using this approach, staff projects TOT revenue at \$9.9 million for FY 2026-27, a relatively flat increase of \$56 thousand, or less than 1%. This estimate remains conservative due to the current volatility in the economy, including domestic and foreign travel and corporate events and meetings.

Property Taxes - The majority of base property tax revenue is estimated using assessment data from San Mateo County. Other components such as vehicle license fees (VLF) and property transfer taxes are based on a combination of actuals and year-end projections for FY 2025-26. Property tax revenue is projected at \$4.0 million for FY 2026-27. This represents a decrease of \$253 thousand, or 6%, from the prior year. The overall decrease is primarily driven by an anticipated shortfall in VLF revenue from the State.

Sales and Use Tax - Sales and Use Tax estimates are developed using historical data, economic trends, and input from the City’s sales tax consultant. For FY 2026-27 the City budgeted \$1.9 million for Measure R revenue and \$3.1 million in ongoing Sales Tax revenue, for a combined total of \$5.0 million. These estimates are relevantly flat with a marginal decrease of \$19K or less than 1%.

General Fund Revenues

The proposed budget includes General Fund revenues totaling \$24.2 million, \$1.1 million (5%) lower than the prior-year revised budget of \$25.3 million. The decrease is primarily attributable to lower projected property tax revenues and reductions in one-time revenues.

The following table illustrates the FY 2026-27 revenue budget:

	FY 2025-26 Revised Budget	FY 2026-27 Draft Budget	% Chg	\$ Chg
Transient Occupancy Tax	9,889,557	9,945,653	56,096	1%
Property Tax	4,339,795	4,086,577	(253,218)	-6%
Sales & Use Tax	5,049,300	5,030,100	(19,200)	0%
All other revenues	6,074,851	5,140,537	(934,314)	-15%
Total	25,353,502	24,202,867	(1,150,636)	-5%

All Other Revenues - This category includes revenues such as business license, golf facilities fees, parking fees, and grant funding. This category is decreasing primarily due to the expiration of a golf fee revenue sharing agreement and a decrease in one-time revenues from withdrawing from the Sheriff Savings account.

General Fund Expenditures

The proposed expenditures budget is \$25.7 million, a 1% increase from the prior year. This increase is primarily due to the resumption of contributions to the City’s Internal Service Funds.

The table below shows a summary of expenditures by type:

	FY 2025-26 Revised Budget	FY 2026-27 Draft Budget	% Chg	\$ Chg
Salaries & Benefits	7,653,772	7,895,174	241,402	3%
Operations	14,563,403	14,475,374	(88,029)	-1%
Operating Transfers	2,157,433	2,729,093	571,659	26%
Capital Transfers	1,005,000	620,000	(385,000)	-38%
Total	25,379,607	25,719,640	340,033	1%

- **Salaries & Benefits** - The budget reflects cost-of-living increases associated with existing labor agreements and assumes all budgeted positions are filled. The FY 2026-27 budget also includes one additional full-time position, a Chief Building Official, previously approved by the City Council. Because the City is currently engaged in collective bargaining negotiations, salary and benefit assumptions may change based on the outcome of those negotiations.
- **Operations** - Operational updates for FY 2026-27 include increased legal and HR consulting support (Administrative Services), expanded communications and advertising (City Clerk/Communications), full funding for the Community Services Financial Assistance (CSFA) program funding (City Manager’s Office), reductions in building services contract shifted to in-house staff (Community Development), and increased street-related repairs (Public Works). Costs for ongoing Public Safety services, such as Sheriff patrol and 911 dispatch, have also increased.
- **Transfers** - Transfers, which provide funding for internal service functions, pension obligations, and special one-time projects, are increasing primarily due to the resumption of contributions to the Risk Management Fund. In FY 2025-26, the City temporarily suspended approximately \$571 thousand in contributions due to the fund’s strong available balance.
- **Capital Transfers** - This reduction reflects a shift in funding sources, with more Capital Improvement Program (CIP) projects being funded through special revenue funds rather than the General Fund. Total CIP funding across all sources is \$25.5 million.

Fund Balances

The FY 2026-27 proposed budget includes \$24.2 million in revenues and \$25.7 million in expenditures, resulting in a planned use of fund balance of approximately \$1.5 million. The use of unassigned reserves is intended to support ongoing operations while the City continues to address long-term structural fiscal challenges.

The table below summarizes the proposed FY 2026-27 ending fund balance and reserve levels.

	FY 2026-27 Recommended
Beginning Fund Balance	16,478,800
Add: Revenues	24,202,867
Less: Expenditures	<u>(25,719,640)</u>
Surplus / (Deficit)	(1,516,773)
Ending Fund Balance	14,962,027
<u>Reserves</u>	
General Fund Reserve	7,529,892
Economic Uncertainty Reserve	<u>5,019,928</u>
Unassigned Fund Balance	<u>2,412,207</u>

Reserves fully funded at 50% of operating expenditures

On June 30, 2027, reserves are projected to remain fully funded at 50% of operating expenditures, or approximately \$12.5 million.

Looking Ahead

Since FY 2023-24, the City has faced ongoing structural budget deficits driven by rising operating costs and the volatility of key revenue sources. Approximately 60% of General Fund revenues are derived from economically sensitive sources such as Transient Occupancy Tax (TOT) and sales tax, making the City particularly vulnerable to changes in tourism activity and broader economic conditions. While the City's financial outlook has improved, long-term fiscal risks remain.

In response to these ongoing fiscal challenges, the City Council directed staff to develop a Fiscal Sustainability Plan (Attachment 2). The purpose of the plan is to provide a long-term framework for maintaining fiscal stability while minimizing impacts to City services and the community. The Fiscal Sustainability Plan is structured in phases intended to escalate only as necessary based on the City's financial condition.

- **Phase I – Fiscal Stabilization:** The City is currently in Phase I, focused on operational efficiencies and financial best practices such as improving budget accuracy, maximizing revenue collection, managing vacancies, and reviewing cost recovery.
- **Phase II – Short-Term Actions:** If fiscal pressures continue, the City may utilize temporary measures such as reserves, one-time funding solutions, or reductions in capital transfers.
- **Phase III – Long-Term Structural Actions:** If structural deficits persist and reserves fall below policy targets, the City may evaluate additional revenue measures and/or reductions to service levels following City Council direction.

CONCLUSION:

The FY 2026-27 Recommended Budget maintains core City services, preserves reserve levels

consistent with Council policy, and reflects a continued focus on long-term fiscal sustainability. While the City's near-term financial position has improved, structural fiscal challenges remain and will require ongoing monitoring and proactive financial planning in future years.

ATTACHMENTS:

1. Resolution
2. FY 2026-27 Proposed Operating and Capital Budget (link to be added)
3. Five Year Forecast and Fiscal Sustainability Plan

RESOLUTION NO. C-2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ADOPTING THE FISCAL SUSTAINABILITY PLAN

WHEREAS, the City of Half Moon Bay annually prepares and adopts a budget to support the delivery of municipal services and implementation of City Council priorities; and

WHEREAS, the City has experienced ongoing structural fiscal challenges in recent years due to rising operating costs, economic uncertainty, and the volatility of key General Fund revenues, including Transient Occupancy Tax and Sales Tax; and

WHEREAS, the City Council directed staff to develop a Fiscal Sustainability Plan to provide a long-term framework for addressing structural budget imbalances and maintaining fiscal stability; and

WHEREAS, the Fiscal Sustainability Plan establishes a phased approach to fiscal management intended to support long-term financial sustainability while minimizing impacts to City services and the community; and

WHEREAS, the Fiscal Sustainability Plan is intended to serve as a policy and planning framework to guide future financial decision-making and does not appropriate funds or authorize specific future budget reductions, revenue measures, or service level changes; and

WHEREAS, the City Council has reviewed and considered the Fiscal Sustainability Plan at a duly noticed public meeting.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Half Moon Bay hereby adopts the Fiscal Sustainability Plan attached hereto as Exhibit A and Exhibit B to guide the City’s long-term financial planning and support ongoing fiscal sustainability efforts.



I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

- AYES, Councilmembers:
- NOES, Councilmembers:
- ABSENT, Councilmembers:
- ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

Fiscal Sustainability Plan Implementation Activation

Phase I – Initial Fiscal Stabilization Measures

Strategies one through five should be activated when the City’s five-year forecast projects the ending fund balance will fall below 50% of annual operating expenditures at the end of the forecast period. Should these strategies be implemented and not fully address the structural deficit, the remaining strategies should be considered as outlined in the following phases.

Phase II – Assessment and Short-Term Actions

Once the City has begun utilizing its reserves, reducing or eliminating the capital transfer, or executing other one-time solutions, it must begin the assessment process to determine if the current imbalance is short-term or long-term.

If it is a short-term imbalance and the utilization of reserves, elimination or reduction of the capital transfer, or other one-time solution will close the gap until revenues and/or expenditures return to expected levels, then the long-term strategies will not be initiated. During this phase, strategies six through eight may be implemented, as appropriate, to provide additional short-term stabilization measures while the City evaluates the duration and severity of the imbalance.

Phase III – Long-Term Structural Actions

Strategies nine and ten should be considered when the City’s actual ending fund balance falls below 50% of annual budgeted operating expenditures and the imbalance is determined to be long-term in nature.

Indicators of a long-term imbalance may include:

- The permanent loss of an ongoing revenue source,
- A permanent increase in expenditures, and/or
- The need for short-term strategies to close the imbalance for two consecutive fiscal years

In these situations, the City will begin the implementation of the long-term strategies of exploring additional tax measures and/or reducing service levels.

The first step in this process is a comprehensive review of the financial situation with City Council at a public meeting to receive feedback and direction.

Fiscal Sustainability Strategies

PHASE I

1. ENSURE BUDGET EFFICIENCY

Maintain reliable budgets and long-term forecasts that reasonably align with actual revenues and expenditures.

Actions could include, but are not limited to, incorporating a vacancy assumption, establishing a sustainable baseline for TOT, and updating forecasting assumptions.

2. MAXIMIZE REVENUE COLLECTIONS

Ensure the City collects revenues owed under local ordinances and agreements while promoting fairness and compliance.

Actions could include, but are not limited to, increasing compliance efforts, reviewing and improving revenue tracking processes.

3. IMPROVE OPERATIONAL EFFICIENCY

Evaluate City operations and expenditures to ensure resources are being utilized effectively and efficiently.

Actions could include, but are not limited to, strategically managing vacancies and staffing levels, evaluating service delivery models, and identifying cost-saving opportunities.

4. REVIEW COST RECOVERY FOR SERVICES

Evaluate whether fees and charges appropriately recover the cost of providing City services.

Actions could include, but are not limited to, conducting fee and cost recovery studies, reviewing user fees against comparable agencies, and adjusting fees where appropriate and legally permissible.

5. UTILIZE AND MAINTAIN THE COST ALLOCATION PLAN (CAP)

Maintain an updated methodology for allocating administrative and overhead costs across City operations and funds.

Actions could include, but are not limited to, periodically updating the Cost Allocation Plan, utilizing the CAP to support fee calculations and service pricing, and allocating General Fund overhead costs to benefiting funds and programs.

PHASE II

6. UTILIZE RESERVES FOR SHORT-TERM STABILIZATION

Use reserves on a limited and temporary basis to maintain service levels during periods of fiscal imbalance.

Actions could include, but are not limited to, utilizing reserves consistent with City policy, and developing plans to restore reserves over time.

7. REDUCE OR TEMPORARILY ELIMINATE CAPITAL TRANSFERS

Temporarily reduce discretionary transfers to capital programs to preserve General Fund stability.

Actions could include, but are not limited to, deferring transfers to capital projects, delaying non-critical infrastructure projects, and developing a plan to restore capital funding.

8. IMPLEMENT OTHER ONE-TIME SOLUTIONS

Use temporary measures to address short-term fiscal gaps while longer-term solutions are evaluated.

Actions could include, but are not limited to, utilizing one-time revenues for temporary support, reducing contributions to internal service funds where appropriate, and deferring or postponing certain discretionary expenditures.

PHASE III

9. EXPLORE ADDITIONAL TAX OR REVENUE MEASURES

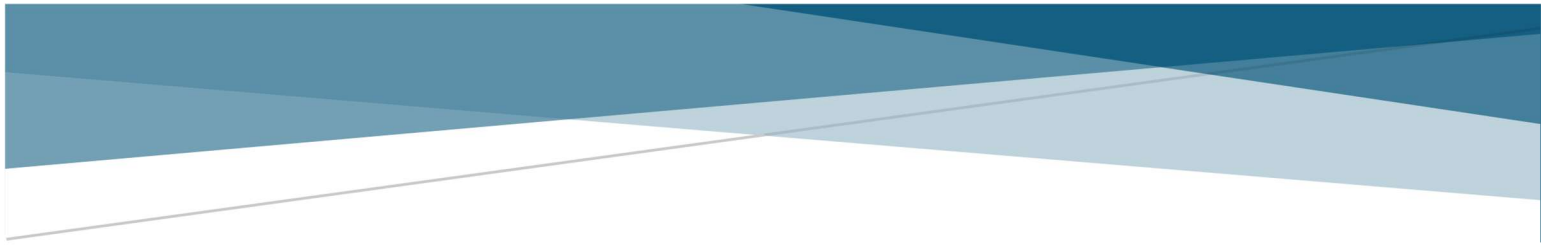
Evaluate voter-approved revenue options if existing revenues are insufficient to maintain structural balance.

Actions could include, but are not limited to, analyzing local tax measure options, conducting financial and community impact assessments, and preparing future ballot initiatives for voter consideration.

10. REDUCE SERVICE LEVELS

Reduce expenditures through service-level adjustments when other measures are insufficient to restore structural balance.

Actions could include, but are not limited to, conducting service prioritization and evaluation processes, reducing or restructuring lower-priority programs or services, and identifying ongoing expenditure reductions across departments.



CITY OF HALF MOON BAY

Five-Year Forecast and Fiscal Sustainability Plan

May 2026

DKG Consultants

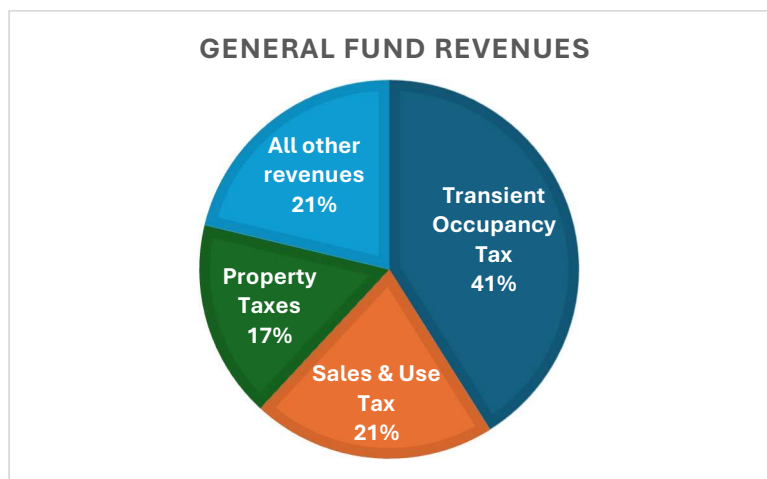
Five-Year Forecast and Fiscal Sustainability Plan

Forecast Overview and Purpose

The City's five-year General Fund financial forecast is intended to serve as a planning tool to guide decision making and better understand the long-term implications of expenditure commitments being contemplated. The forecast is best utilized as a "living document" that is updated regularly as the City's financial conditions change. The current forecast reflects a structural imbalance, meaning recurring expenditures exceed recurring revenues, which is not sustainable over the long term. This forecast is accompanied by a fiscal sustainability plan that provides a strategic framework for addressing the structural deficit.

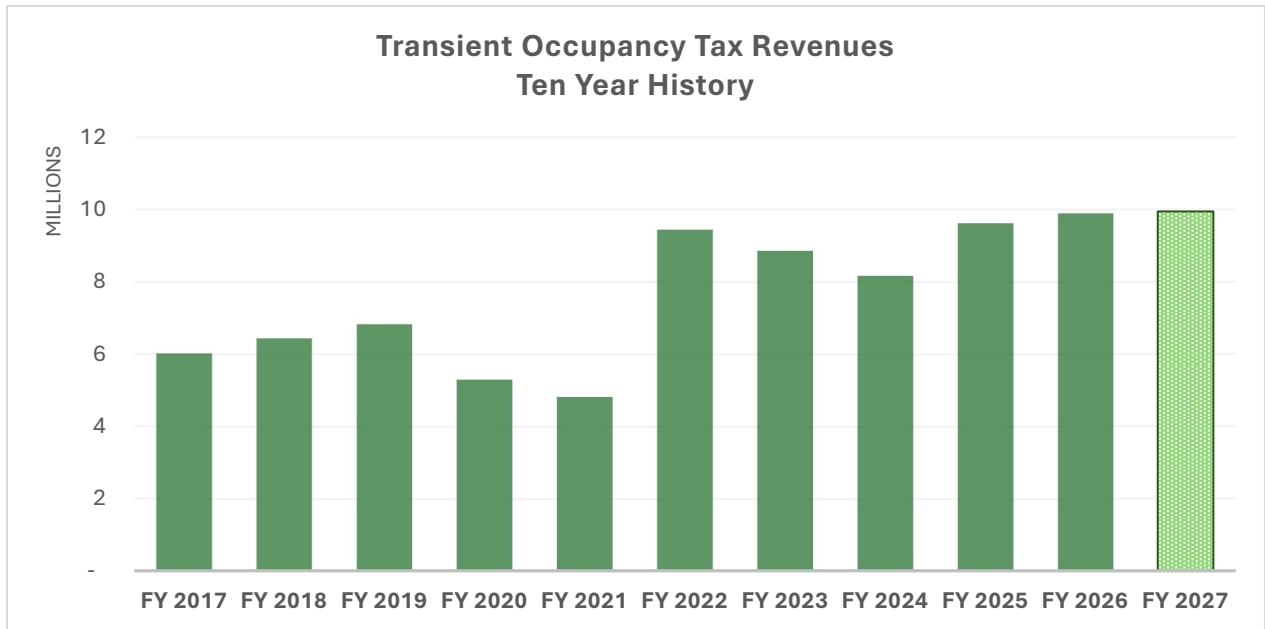
Revenue Discussion and Assumptions

The City's General Fund revenues are generated primarily from taxes and service fees. Three sources of revenue, transient occupancy tax, sales tax, and property tax, make up nearly 80% of total General Fund revenues, representing a significant concentration amongst just a few revenue sources. This concentration creates a degree of financial risk for the City that will be discussed throughout this narrative. The General Fund's main revenue sources are discussed in detail as follows.



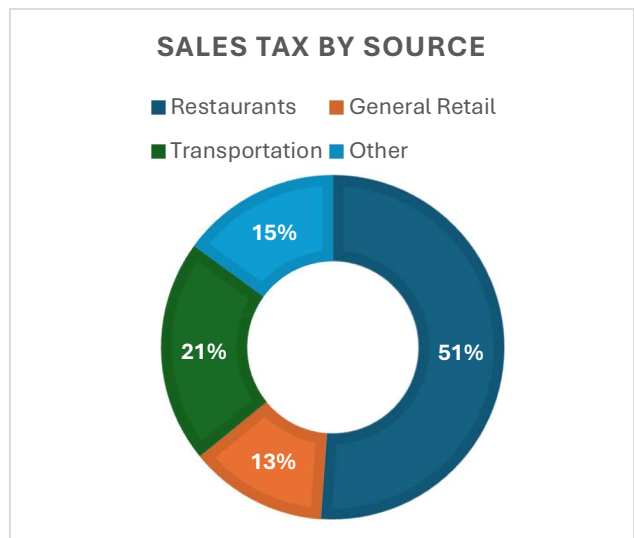
Transient Occupancy Tax (TOT): TOT comprises approximately 41% of General Fund revenue and is assessed at a rate of 15% of the nightly room rate for hotels and other short-term rental establishments. As a coastal city, Half Moon Bay's hotels rely heavily on tourism-related travel, which can fluctuate based on economic conditions. With the tax rate being a function of both room rates and occupancy rates, this fluctuation can create significant volatility, with good economic conditions leading to increasing revenues and poor economic

conditions driving revenues down. An extreme example of this was the COVID-19 pandemic, where revenues dropped precipitously in 2020 and 2021.



TOT revenues have been projected at \$9.9 million for the FY 2026-27 budget, and they are expected to increase at a rate of 2.5% annually throughout the forecast period. This growth reflects an assumption of stable occupancy rates and inflationary growth in room rates.

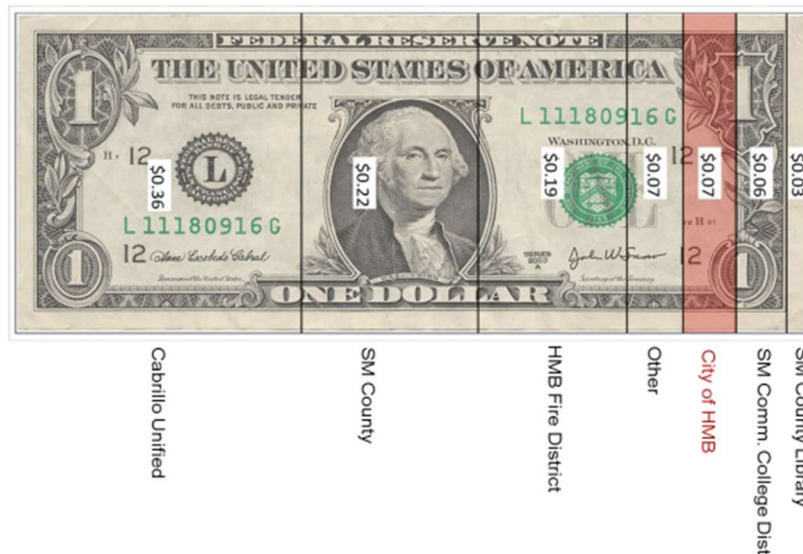
Sales Tax: Sales tax is the second largest source of General Fund revenue, comprising nearly 21% of the total. With the ½ cent local sales tax measure (Measure R) passed by voters in 2024, the City now receives a total of \$0.015 on all taxable sales. The City’s sales tax revenue is concentrated in three main categories, food (taxable groceries and restaurants), retail, and transportation (automobile sales and gasoline). The food category comprises approximately 50% of all sales tax revenue.



Like TOT, sales taxes can be volatile due to the City’s reliance on tourism and other general economic factors such as trends in buying patterns (online sales and spending on non-

taxable services as opposed to goods). The five-year forecast assumes sales tax will increase modestly, ranging from 1% to 3% annually, and is based on estimates provided by the City’s sales tax consulting firm.

Property Tax: Property tax represents approximately 17% of General Fund revenues and is the third largest source. There are a number of components included in property tax, with the most significant financially being secured property tax. Secured property tax makes up 65% of total property tax revenues and is a stable source of revenue for the City. The five-year forecast projects that secured property tax will grow by 2.5% annually. While this is a stable source of revenue, it is important to note that Half Moon Bay receives a relatively small share of the overall 1% of assessed property value, at only 7% of the 1% tax levy. This is predominantly a function of Half Moon Bay not being responsible for fire protection and prevention services. These services are provided by the Coastside Fire Protection District, which receives a 19% share of local property tax. Other notable distributions of the 1% property tax rate are the Cabrillo Unified School District (36%) and the County of San Mateo (22%).



Other significant sources of property tax revenue include Excess Educational Revenue Augmentation Fund (ERAF) and Property Tax in Lieu of Vehicle License Fees. Excess ERAF is due to local funding for schools in the County being sufficient to cover mandated costs, which results in a portion of property taxes that had been previously shifted away from cities being “refunded” back to the cities. Excess ERAF revenues are projected to grow at the same rate as secured property tax revenues throughout the forecast period.

Property Tax in Lieu of Vehicle License Fees (VLF) revenue has become very uncertain over the past decade, as the source of funding to make these payments has not been enough to meet the obligation (“VLF shortfall”). Prior to 2025-26, the State had always backfilled the VLF shortfall to ensure the cities received the entire amount of the obligation. In 2025-26, the State only made payment on two-thirds of the obligation, which was related to the VLF shortfall from 2023-24. Going forward, it is highly uncertain as to whether the State will make any further payments related to the VLF shortfall, and as a result, the forecast reflects only the amount of Property Tax in Lieu of VLF that is actually expected to be available, with no backfill of shortfall amounts included in the projection. For fiscal year 2026-27, the forecast includes approximately \$917,000 in Property Tax in Lieu of VLF revenue, compared to the City’s full estimated obligation of approximately \$1.8 million.

Other Revenues: The majority of the remaining revenues for the General Fund consist of charges for services, which are predominantly development-related services such as planning, building, and engineering. These revenues are subject to economic and development cycles, which are unpredictable. The five-year forecast projects modest (2%) growth in service charges, which reflects activity being maintained at current levels with fees increasing to keep up with inflationary trends.

Expenditure Description and Assumptions

Contract Services: Contract services comprise the largest portion of the General Fund expenditure budget at 50% of the total. The majority of this category is the funding for police and animal control services, which are provided by the County of San Mateo. Contract services are estimated to grow at a modest 3% annually, reflecting contractual or planned growth in financial obligations for public safety services, with the expectation being that costs stabilize going forward after several years of significant annual increases in contract costs (total contractual services costs are up 42% since FY 2022-23).

Salaries and Benefits: The direct cost for City staff makes up 31% of General Fund expenditures, and the five-year forecast assumes that this category will grow approximately 4% annually. This growth assumption is based on certain known factors, such as contractual salary obligations, and certain assumed factors, such as growth rates for medical and other insurance premiums. The forecast also assumes continuation of existing labor agreement structures and compensation trends. As the City is currently engaged in labor negotiations, actual future salary and benefit costs may differ materially depending on the outcome of those negotiations.

Debt Service: The City currently has two debt obligations, both of which are due to the County of San Mateo. The City is currently paying approximately \$572,000 annually to the County for a loan related to the construction of the Library, and this loan will be fully paid off by FY 2028-29. The other loan is related to 880 Stone Pine to further affordable housing efforts. This loan requires \$346,000 in annual repayments through FY 2033-34.

Operating Transfers

Internal Service Funds: The City utilizes internal service funds to provide for vehicle and equipment replacement, risk management, and pension stabilization. The internal service funds are funded through transfers from the operations benefitting from the services provided. Forecasted growth for the operating transfer to the internal service funds is based on the average annual growth in operating costs, which is approximately 4%.

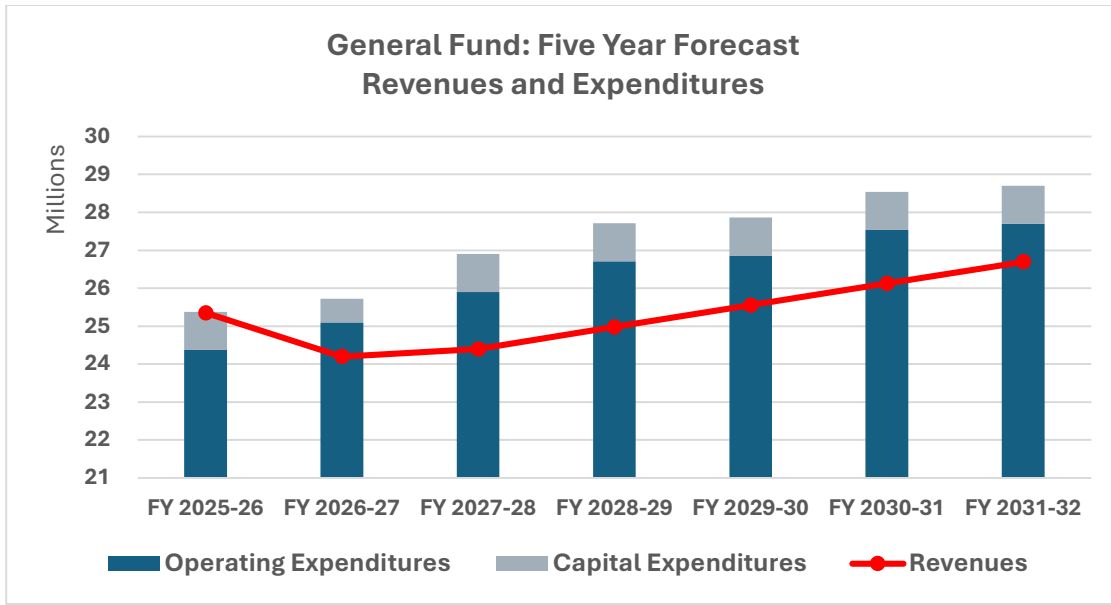
Pension: This amount represents the annual payment required by CalPERS attributable to the unfunded accrued liability (UAL or “unfunded liability”). The amount in the forecast represents the estimated required payment as established by CalPERS based on its most recent actuarial valuations for the City. This amount will fluctuate annually based on a number of factors, most notably the actual rate of return on the CalPERS investment portfolio.

Capital Transfers: \$1 million has been programmed annually throughout the forecast as the General Fund’s contribution to capital expenditures. This contribution covers a portion of the cost for maintenance and rehabilitation of core City infrastructure.

Surplus/(Deficit) and Reserve Position

Based on the data and assumptions for the current forecast, the City’s General Fund is facing a structural deficit, with recurring expenditures exceeding recurring revenues by \$1.5 million to \$2.7 million annually. At the peak of the annual deficits in FY 2028-29, operating expenditures are nearly 11% higher than operating revenues.

The following chart highlights projected revenues and expenditures in the City’s five-year forecast as of May 2026.

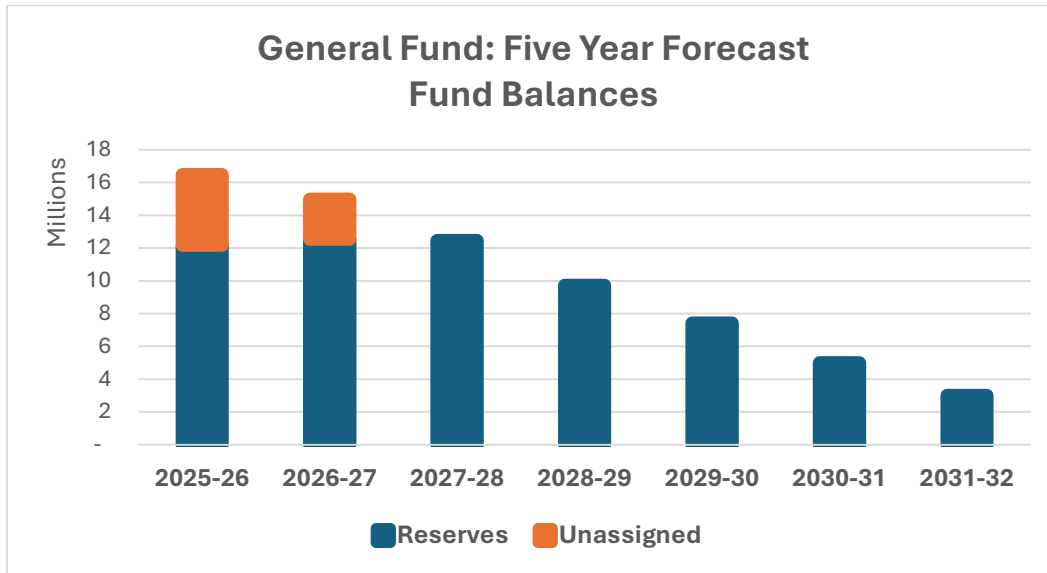


The City maintains two reserves in the General Fund by policy, the General Fund reserve and the Economic Uncertainty reserve. The General Fund reserve is funded at 30% of annual operating expenditures and is intended to provide financial stability during periods of significant fiscal stress or emergency conditions. The reserve may be utilized for a number of purposes, including meeting cash flow needs, closing short-term budget gaps, unexpected expenditure requirements or revenue shortfalls, and State actions such as unfunded mandates or revenue takeaways.

The Economic Uncertainty reserve is set at 20% of annual operating expenditures and is typically intended to serve as a strategic bridge during periods of economic uncertainty or forecasted structural imbalance, allowing the City time to thoughtfully evaluate and implement long-term fiscal sustainability measures.

Funds in excess of these two reserve levels are considered unassigned fund balance to be utilized at Council’s discretion.

Due to the structural deficit previously discussed, policy-level reserves are not able to be fully funded during the forecast period. For the first two years of the forecast, the 30% operating contingency reserve is fully funded; however, the economic uncertainty reserve is only partially funded, with total reserves equivalent to 36% of operating expenditures projected at the close of FY 2028-29. Reserves continue to be depleted through the remainder of the forecast, with FY 2031-32 ending with reserves at 11% of operating expenditures, or just under \$3 million.

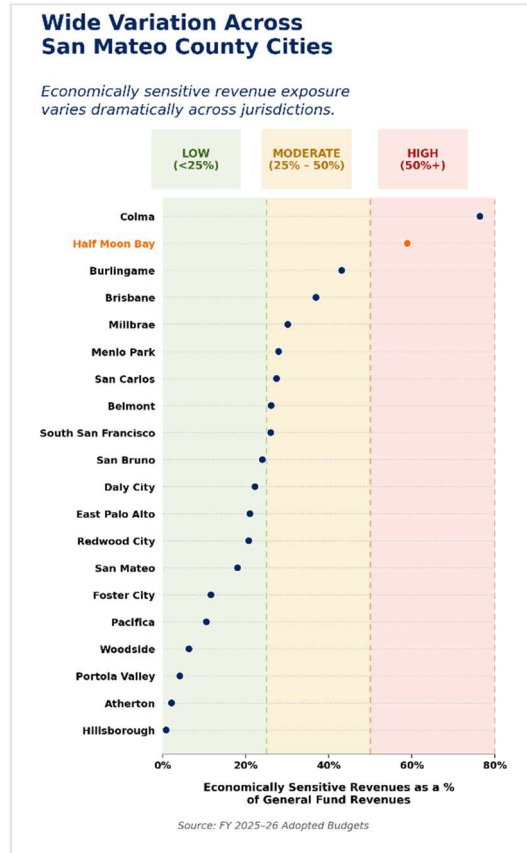


With reserves dropping to extremely low levels by the end of the forecast period, the City must begin to start addressing its structural deficit in the near term. A plan for addressing this issue is discussed in a subsequent section of this report.

Key Vulnerabilities

As the City considers strategies for addressing the structural deficit in the General Fund, it must consider some of the key vulnerabilities that could impact the forecast and potentially accelerate the depletion of reserves. While it is possible that conditions will be better than what is projected in the forecast, based on the City’s circumstances, there is risk that conditions will be worse than what is in current forecast. In addition to the risk of a broad economic downturn that impacts revenues, the City has a number of specific vulnerabilities as discussed below.

Revenue Volatility: The City’s reliance on TOT and Sales Tax to fund core services creates risk due to the volatile nature of those revenues. As noted previously, good economic conditions can drive relatively significant year-over-year increases in TOT because both room rates and occupancy rates are elevated, while sales tax revenues are similarly impacted by tourism activity and consumer spending trends. Correspondingly, poor economic conditions can lead to relatively large drops in these revenues as room rates, occupancy rates, and taxable sales decline. With TOT and Sales Tax comprising approximately 60% of General Fund revenues, maintaining strong reserve levels is critical to sustaining services during downturns and being able to strategically and thoughtfully address those impacts.



Vehicle License Fee (VLF) Shortfall: Another significant source of vulnerability for the City is the persistent shortfall in the funding available for the State to meet its Property Tax in Lieu of VLF obligation. Prior to FY 2025-26, when the State faced a shortfall in funding for this obligation, it backfilled the shortfall with its General Fund to keep the affected cities whole. In the current year, when the State was due to backfill the FY 2023-24 VLF shortfall, it opted to only fund two-thirds of the shortfall amount. Based on information the City is receiving from the County, not only is the backfill of the ongoing shortfall at risk, the amount of the actual shortfall is also expected to grow, which may result in the need to adjust the forecast downward.

Expenditure Volatility: While expenditures are more at the discretion of the City than revenues, there are several expenditure areas where the City is vulnerable. As was evidenced over the past several years, where contractual services expenditures have increased 42%, the City is exposed to increased costs beyond its direct control through the utilization of contract services for police and other public safety services. The other area of expenditure vulnerability is with CalPERS, where overall performance of the investment portfolio, as well as certain other factors, can impact the amount of the City’s required payment on an annual basis.

Fiscal Sustainability Plan

With a forecasted structural deficit, it is important that the City has a plan to bring the General Fund back into structural balance. Because the City uses a five-year forecast as a long-term planning tool and it is currently well positioned with its policy reserves being fully funded, the City has the advantage of time to develop a thoughtful and strategic plan for establishing fiscal sustainability. This allows the City to develop a plan that prioritizes actions that maintain service levels and minimize disruption to the Half Moon Bay community. In an ideal circumstance, these actions, along with the potential for actual financial results exceeding forecasted expectations, will allow the City to return to structural balance without taking more significant actions that result in cuts to City services.

The fiscal sustainability plan put forward as follows is intended to be considered sequentially, with the initial actions being the least impactful to the community and the latter actions being more impactful and in need of additional analysis and consideration. Further, many of the actions put forward in the fiscal sustainability plan, specifically the first five items, are considered best practices and should be incorporated into ongoing operations.

1. **Ensure Budget Efficiency:** A budget and corresponding financial forecast are efficient when there is a reasonable variance between budgeted amounts and actual revenues and expenditures. When there is significant variance between what is budgeted and actual revenues and expenditures, especially when this variance persists year-over-year, the budget and corresponding financial forecast are unreliable and often present a scenario that is unlikely to come to fruition. In the case of Half Moon Bay, an analysis of the budget and forecast indicates that there is generally good efficiency, with budget-to-actual variability being reasonable given the inherent volatility of the General Fund's largest revenue source, TOT. There are two areas where the City can improve its overall budget efficiency and create greater fiscal resiliency.
 - a. Vacancy Rate – The City's current vacancy rate is nearly 30%; however, the City's budget assumes that all positions will be filled. Even with a more standard vacancy rate of 5% to 10%, many agencies will make a budgetary assumption that there will be some vacancies over the course of the year and will adjust the budget downward to acknowledge this, which will better align the budget with expected personnel spending. While technically a less conservative approach, Council could provide direction in implementing a vacancy rate assumption.
 - b. Baseline TOT for Core Services: With TOT being such a large portion of the General Fund and being highly volatile, the City can analyze historical trends and determine a sustainable baseline for TOT revenues that can be counted on to fund

core services and will program amounts above the sustainable baseline for one-time purposes or to put towards reserves. This will neutralize some of the volatility of this revenue source and allow for more consistent forecasting. The implementation of this strategy will occur over time as revenue levels increase above baseline amounts.

2. **Revenue Collections:** The City needs to ensure that it maximizes collections of the revenues it is due, particularly locally levied taxes like TOT and business license registration. A focus in this area is necessary to assist with returning to structural balance, and it also promotes equity in the application of City ordinances by ensuring that businesses, hotels, and short-term rentals are all being held to the same standard. With current vacancies and a lack of expertise in tax compliance, the City can evaluate whether bringing on an outside contractor to provide these services is in the City's best interests.
3. **Cost Savings and Operational Efficiency:** While there is always a focus on spending to ensure the best use of taxpayer funds, staff will put a sharper focus on spending within the organization to ensure the City is maximizing its limited resources. This will include utilizing existing vacancies strategically by keeping certain positions vacant as the administration evaluates how to best provide services and the overall organizational structure.
4. **Cost Recovery for Services:** The City charges fees for some of the service it provides, and while it cannot charge more than the cost of providing the service, it can choose to not fully recover the cost of service. The decision on the level of cost recovery is a Council policy decision, and it is one that needs to be made based on an analysis of current cost recovery rates, standard practice for local jurisdictions, and historical precedence in Half Moon Bay. This analysis may indicate that the City should increase its cost recovery for certain services, which would reduce pressure on other areas of the budget.
5. **Cost Allocation Plan:** Related to the cost recovery item is the development of a cost allocation plan, or CAP. A CAP is an analysis that allocates the cost of City administration and other general overhead expenditures to the beneficiaries of those services. An updated CAP allows the City to develop a full cost of service model for fee-based services, which will better inform the policy decision on cost recovery, and it will serve as the basis for an internal allocation of General Fund administrative and overhead costs to the other funds that benefit from those services. The City currently maintains a CAP, which was most recently updated in 2024 and can be utilized to support the cost recovery analysis.
6. **Utilization of Reserves:** The City has been able to maintain its two General Fund reserves at policy levels and retain a modest amount of unassigned fund balance. The current forecast estimates that the economic uncertainty reserve will remain at its policy

level, 20% of operating expenditures, through FY 2026-27 before being drawn upon to maintain services. Drawing upon this reserve to maintain services is consistent with policy; however, using the reserve to close a structural gap, as is the case in the current forecast, will result in the depletion of all General Fund reserves over time. The utilization of reserves in the near-term as the City executes to other areas of the fiscal sustainability plan can be accommodated, but the recurring use of the reserves cannot.

7. **Reduce or Eliminate Capital Transfer:** As an alternative to depleting existing reserves, or if those reserves are already depleted, the transfer of funds from the General Fund to the various capital funds could be reduced or eliminated, as these transfers are at the discretion of the Council. It should be noted, however, that reducing or eliminating the capital transfer will result in deferred maintenance of City infrastructure and will likely lead to higher costs in the future. Thus, this action should be only taken after thoughtful consideration, including a plan to reinstate the transfer as soon as practicable.
8. **Other One-Time Solutions:** Similar to the previous strategy, the City has other one-time options to reduce expenditures without reducing City services. For example, depending on reserve levels for internal services funds, the City could opt to reduce or eliminate funding for certain internal services. The City could also opt to fund ongoing operations with one-time revenues. These are both short-term solutions because neither are sustainable over time.
9. **Explore Additional Tax Revenues:** If the City has taken the previously noted actions and still finds itself unable to balance recurring revenues with recurring expenditures without cutting service levels (discussed below), it will need to consider a tax measure to increase revenues. The City has a number of options for increasing its tax revenues, and all of them require approval from the voters. This means that sufficient lead time will be needed to analyze potential options, make decisions, and move forward with a ballot initiative, with the next realistic option for a ballot initiative being 2028.
10. **Reduce Service Levels:** Should the City determine that it is not able to achieve structural balance with existing resources and it is not interested in pursuing a tax measure, it will need to cut services and/or service levels. There are a number of ways to accomplish this; however, the most thoughtful and strategic methodology is to go through a process to evaluate all services, prioritize them into categories, and make cuts to the lowest priority services. This is a difficult proposition and is last on the list of the fiscal sustainability plan as a result. The City is not at the point of needing to conduct this analysis and prioritization, but if it is unable to achieve structural balance through the other means previously discussed, service cuts will be required in the future.

Fiscal Sustainability Plan – Implementation Activation

Phase I – Initial Fiscal Stabilization Measures

As noted previously, strategies one through five should be undertaken as a first step to returning to fiscal stability, and these strategies should be maintained as best practices going forward.

Strategies one through five should be activated when the City’s five-year forecast projects the ending fund balance will fall below 50% of annual operating expenditures at the end of the forecast period. Should these strategies be implemented and not fully address the structural deficit, the remaining strategies should be considered as outlined in the following phases.

Phase II – Assessment and Short-Term Actions

Once the City has begun utilizing its reserves, reducing or eliminating the capital transfer, or executing other one-time solutions, it must begin the assessment process to determine if the current imbalance is short-term or long-term.

If it is a short-term imbalance and the utilization of reserves, elimination or reduction of the capital transfer, or other one-time solution will close the gap until revenues and/or expenditures return to expected levels, then the long-term strategies will not be initiated. During this phase, strategies six through eight may be implemented, as appropriate, to provide additional short-term stabilization measures while the City evaluates the duration and severity of the imbalance.

Phase III – Long-Term Structural Actions

Strategies nine and ten should be considered when the City’s actual ending fund balance falls below 50% of annual budgeted operating expenditures and the imbalance is determined to be long-term in nature. Indicators of a long-term imbalance may include:

- The permanent loss of an ongoing revenue source,
- A permanent increase in expenditures, and/or
- The need for short-term strategies to close the imbalance for two consecutive fiscal years

In these situations, the City will begin the implementation of the long-term strategies of exploring additional tax measures and/or reducing service levels.

The first step in this process is a comprehensive review of the financial situation with City Council at a public meeting to receive feedback and direction.

IBUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Julissa Acosta, Interim Economic & Community Vitality Manager

TITLE: **COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM**

RECOMMENDATION:

- 1) Receive a subcommittee update on the Community Services Financial Assistance (CSFA) grant program and provide guidance to staff on grant awards and amounts for FY 2026-27.
- 2) Adopt a resolution authorizing City Manager to execute grant agreements with recipients of the Community Services Financial Assistance (CSFA) grant based on guidance provided.

FISCAL IMPACT:

Any funding allocations will be included in the Fiscal Year 2026-27 Recommended Budget.

STRATEGIC ELEMENT:

This action supports all Elements of the Strategic Plan.

BACKGROUND:

The Community Services Financial Assistance (CSFA) grant program was established in 2018 to provide support to local nonprofit organizations delivering a wide range of services. Initially serving 15 organizations with awards of up to \$15,000, the program focused on key service areas including education, cultural programming, animal services, homelessness and housing, services for older adults, food security, and dental care. During this initial phase, the program lacked subcommittee support and funding allocations were decided in real time during Council meetings.

In response to demonstrated community need and the program's early success and challenges, City Council created a subcommittee and expanded CSFA funding in subsequent fiscal years, reaching \$300,000 beginning in FY 2022–23. Council also refined the program's strategic focus by prioritizing deeper service impacts among a smaller group of providers. Individual grant awards increased to a maximum of \$50,000 and were designated specifically for programs delivering critical safety net services to Half Moon Bay residents, particularly those affected by the economic and social impacts of the COVID-19 pandemic.

To further strengthen program outcomes, staff introduced a cohort-based model in FY 2022–23. This framework requires grantees to participate in quarterly convenings and receive technical assistance focused on shared goals and collective problem solving. This model was informed by recommendations from the Coastside Recovery Initiative (CRI), which emphasized the need to improve coordination among service providers and expand capacity to connect vulnerable residents with supportive services. Additionally, the collaborative foundation created through the cohort model has supported broader funding and partnership opportunities, including a joint Measure K application, successful grant funding for the allcove youth program, and increased coordination among organizations serving overlapping populations.

As community conditions continue to evolve, the importance of maintaining strong collaboration among safety net providers has become increasingly clear. Unexpected challenges like severe winter storms, the 2023 mass shooting, reductions in external funding sources, rising costs of living, and recent immigration threats have required organizations to adapt quickly and coordinate responses in real time. These shifting conditions continue to impact vulnerable residents in complex and interconnected ways, underscoring the need for a resilient and collaborative network capable of responding to emerging needs while sustaining ongoing service delivery. Through the relationships and trust established within the CSFA cohort, organizations have been better positioned to share information, coordinate outreach efforts, streamline referrals, identify service gaps, and collectively respond to rapidly changing community challenges.

During FY 2024–25, Council approved a two-year funding cycle, dependent upon available funding, intended to provide sufficient time for the cohort to accomplish group goals supported by the technical assistance, improve funding stability, and enhance the effectiveness of coordinated service delivery. The pilot 2-year funding cycle has allowed organizations to continue delivering programs and services without having to pause during annual funding review and application processes while also focusing on intentional long-term planning.

DISCUSSION:

CSFA-funded organizations continue to provide a comprehensive range of safety net services, including housing support, food assistance, childcare, financial assistance, mental health services, transportation, and healthcare access. These services remain critical to supporting vulnerable residents and addressing the constantly changing community needs as noted in the [midyear reports](#) for FY 2025-26. Additionally, quarterly cohort meetings facilitated by staff create opportunities for grantees to share community needs based on current challenges.

For FY 2026-27 the City Council CSFA subcommittee recommends continuation of the CSFA program funding the current grantees based on the ongoing community challenges, with the option to extend to a two-year contract for FY 2027-28, contingent on available funding. It should be noted that the total funding level to be offered remains unclear at this time and will be determined based on one of the options provided below. Allocations would be determined by the City Council based on the funding options presented below and made exclusively available to organizations and programs providing essential safety net services to the residents of Half Moon Bay.

The subcommittee also recommends continuation of the cohort model applied during the last funding cycles. The purpose of the cohort is to encourage an integrated and collaborative approach among safety net providers, discuss challenges, and exchange best practices in a supportive peer learning environment. Staff will continue to provide technical assistance and rely on the cohort’s collective expertise to help identify organizational and community needs and will further encourage collaboration.

Funding Options

Option A

Continue funding CSFA at \$300,000

Grantee	Program	A
Abundant Grace	Workforce Development Center - Community Programs & Services	\$30,000
ALAS	Mental Health Services	\$35,000
Boys & Girls Club of the Coastsides	After school support & Out of school time - Cohort Development	\$30,000
CoastPride	Health & Wellness	\$10,000
Coastsides Adult Day Health Center	Aging in Place	\$20,000
Coastsides Hope	Critical Family Needs Safety Net Program	\$50,000
El Centro de Libertad	El Centro Coastsides Essential Services Initiative (MH & Substance Use)	\$20,000
Senior Coastsiders	Promoting successful aging for Coastsides Seniors	\$50,000
Sonrisas Dental	Access to Care: Equitable Access to Oral Health Care	\$25,000
Cohort Support	Technical Assistance	\$30,000
Total CSFA		\$300,000

Option B

Provide funding at \$250,000

Grantee	Program	B
Abundant Grace	Workforce Development Center - Community Programs & Services	\$25,000
ALAS	Mental Health Services	\$29,167
Boys & Girls Club of the Coastsides	After school support & Out of school time - Cohort Development	\$25,000
CoastPride	Health & Wellness	\$8,333

Coastside Adult Day Health Center	Aging in Place	\$16,667
Coastside Hope	Critical Family Needs Safety Net Program	\$41,667
El Centro de Libertad	El Centro Coastside Essential Services Initiative (MH & Substance Use)	\$16,667
Senior Coastsiders	Promoting successful aging for Coastside Seniors	\$41,667
Sonrisas Dental	Access to Care: Equitable Access to Oral Health Care	\$20,833
Cohort Support	Technical Assistance	\$25,000
Total CSFA		\$250,000

Option B would include a follow-up in February 2027 to determine if additional funding can be allocated.

Staff seek direction on grant allocation amounts for FY 2026-27, and then will include appropriate funding in the budget before working with each recipient on updated grant agreements.

ATTACHMENTS:
Resolution

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT AGREEMENTS FOR THE FY 2026-27 COMMUNITY SERVICES FINANCIAL ASSISTANCE (CSFA) PROGRAM BASED ON GUIDANCE PROVIDED

WHEREAS, in FY 2018–19, the City of Half Moon Bay established the Community Services Financial Assistance (CSFA) Grant Program to support local nonprofit organizations providing critical services to Coastside residents; and

WHEREAS, over subsequent years, the City Council adopted strategic improvements to the program, including the creation of a dedicated subcommittee, implementation of a collaborative cohort model, and increases in funding to strengthen the local nonprofit safety net system; and

WHEREAS, the Coastside Recovery Initiative identified access to safety net services, including food security, housing stabilization, healthcare access, and services for seniors and youth as a key community priority and a cohort model that brings grantee organizations together for collaboration and technical assistance, strengthening coordination and improving the collective response to community needs; and

WHEREAS, for FY 2024–25, the City Council approved a two-year funding cycle, contingent upon available funding, intended to reduce administrative burden, improve funding stability, and enhance the effectiveness of coordinated service delivery among nonprofit partners; and

WHEREAS, the two-year funding cycle has enabled organizations to continue delivering programs and services without interruption, eliminating the need to pause operations during annual funding review and application processes; and

WHEREAS, the CSFA cohort model has fostered an integrated and collaborative approach among nonprofit safety net providers by creating opportunities to discuss shared challenges, exchange best practices, and participate in peer learning and technical assistance activities; and

WHEREAS, safety net services including housing assistance, shelter, food security, childcare, financial assistance, mental health services, healthcare, dental care, senior services, and transportation assistance remain essential needs within the community; and

WHEREAS, currently funded organizations that provide safety net services will continue to be funded through the CSFA program for FY 2026-27 with a two-year funding cycle, contingent on available funding.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Half Moon Bay authorizes the City Manager to execute grant agreements for FY 2026–27 Community Services Financial Assistance (CSFA) based on guidance provided.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council
VIA: Matthew Chidester, City Manager
FROM: Irma Acosta, Interim Management Analyst
TITLE: **RENTAL ASSISTANCE PROGRAM**

RECOMMENDATION:

Adopt a Resolution establishing a Rental Assistance Program and authorizing the City Manager to execute an agreement with Coastside Hope for program administration services, at a cost not to exceed \$120,000, for a term of one year.

FISCAL IMPACT:

The Affordable Housing Fund is proposed as the funding source for the Rental Assistance Program. To fund the program, staff recommend a budget of \$120,000 for FY 2026-27 to launch this program, allocating up to \$100,000 for rental assistance and \$20,000 for administrative costs.

STRATEGIC ELEMENTS:

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

BACKGROUND:

On April 21, 2026, the City Council discussed potential tenant support strategies following Council direction to repeal the Residential Rent Stabilization and Rental Registry programs. During that discussion, Council expressed interest in exploring service-based approaches intended to support residents experiencing housing instability, including rental assistance and legal support services. Council directed staff to continue evaluating potential program structures, implementation strategies, and partnership opportunities with community-based organizations providing housing related services within the community.

Following Council direction, staff met with Coastside Hope, the Core Services Agency serving Half Moon Bay, to discuss current housing stability needs within the community, existing rental assistance programs, operational capacity, and opportunities for partnership. Staff also

reviewed emergency rental assistance models implemented by neighboring jurisdictions, including the City of San Mateo's Emergency Rental Assistance Program administered by Samaritan House. Similar to the City of San Mateo model, staff explored a nonprofit administered structure that minimizes direct City administration while leveraging an established community-based organization with experience providing housing stabilization services.

Based on discussions and a review of neighboring jurisdiction models, staff is proposing the development of a City funded Rental Assistance Program administered through a partnership with Coastside Hope. The proposed program is intended to provide short-term financial assistance and housing stabilization support to eligible households experiencing temporary financial hardship or housing instability.

DISCUSSION:

Through discussions with Coastside Hope, staff learned that housing instability within the community is frequently driven by short term financial emergencies and unforeseen circumstances such as sudden rent increases, medical emergencies, loss of employment or income, family disruptions, and other unexpected housing-related expenses. Coastside Hope described its existing rental assistance as emergency or critical need programs intended to provide temporary stabilization during periods of financial hardship rather than ongoing rental subsidy assistance.

The proposed Rental Assistance Program would function as a short-term housing stabilization program intended to assist eligible households experiencing temporary financial hardship or housing instability. The purpose of the program would be to help residents maintain or secure housing during periods of financial hardship while also connecting households with supportive services and case management resources. Based on prior rental assistance data, Coastside Hope estimates that approximately \$100,000 in direct assistance funding could serve between 50 and 76 households, depending on rental costs, household size, and level of assistance required. Coastside Hope noted that rental costs have increased significantly since the City's prior rental assistance efforts in 2010, reducing the overall reach of available funding.

The proposed program would allow funding to be used for rent, utility, or security deposit assistance, and other housing stabilization related expenses approved on a case-by-case basis. This funding would function as short-term emergency stabilization support rather than ongoing rental subsidy assistance. Households may receive up to three months of City funded assistance per fiscal year, subject to available funding and program guidelines. A significant topic discussed during stakeholder meetings was the importance of maintaining flexibility within the program

structure. Coastside Hope currently administers multiple rental assistance funding sources, each with different eligibility requirements and restrictions. Some funding sources require formal lease agreements, Social Security numbers, or strict income documentation, while other households may have informal housing arrangements or documentation limitations that prevent them from qualifying for traditional assistance programs. As a result, staff is proposing a program structure that would allow City funding to function both as a flexible gap-filling resource for households unable to access more restrictive funding sources and as a broader rental assistance program addressing critical housing stability situations.

To administer rental assistance programs, Coastside Hope currently utilizes an established intake and verification process designed to assess household need, verify financial hardship, and determine eligibility across multiple funding sources. Applicants would be required to live in the City of Half Moon Bay, demonstrate financial hardship or housing instability, and participate in the intake and eligibility review process administered by Coastside Hope. Household income would generally be limited to households at or below 60% of Area Median Income (AMI), unless otherwise approved under a gap filling or emergency assistance exception.

The proposed program guidelines (Attachment A) include income limits based on household size utilizing San Mateo County AMI limits (Table 1). Household income would be determined based on the income of all adult household members and may include wages, self-employment income, public assistance, Social Security benefits, unemployment benefits, child support, or other household income sources. As part of the intake and eligibility review process, applicants may be asked to provide documentation related to household identification, income, housing status, and financial need. Documentation may include identification for household members, proof of income, bank statements, lease agreements or alternative housing verification, notices related to delinquent rent or eviction proceedings, utility bills, tax documentation, and landlord verification forms.

Table 1:

Size of Family or Number in Household	Monthly Gross Income	Annual Gross Income
1	\$6,855	\$82,260
2	\$7,835	\$94,020
3	\$8,815	\$105,780
4	\$9,790	\$117,480
5	\$10,575	\$126,900
6	\$11,360	\$136,320
7	\$12,140	\$145,680
8	\$12,925	\$155,100

Coastside Hope emphasized that these document requirements are intended to provide a consistent intake framework while still allowing flexibility for households with nontraditional living situations or limited documentation. Applicants would not automatically be disqualified if they are unable to provide every requested document. Coastside Hope staff would work directly with applicants to identify alternative forms of verification and determine the most appropriate funding source or assistance pathway available.

The program is intended to maintain reasonable accountability standards while ensuring that residents experiencing legitimate housing instability can access available assistance whenever possible. However, a significant portion of the application timeline depends on applicants submitting the required documentation in a timely manner, and delays in processing often occur when documents are incomplete or not provided promptly. In cases involving medical hardship or other special circumstances, supporting documentation would still be required to demonstrate need and determine eligibility for assistance. The application process would require applicants to complete an intake with Coastside Hope and provide available supporting documentation. During intake, applicants may meet with Coastside Hope staff for eligibility review and case management assessment. Staff may assist applicants with gathering documentation, completing application materials, and identifying additional supportive services or community resources. Coastside Hope staff would determine the most appropriate funding source based on the household circumstances, eligibility requirements, and available program funding. As part of the program, Coastside Hope could also provide case management and supportive services intended to improve long term housing stability. These services may include budget counseling, financial coaching, referrals to supportive services and housing navigation assistance.

Payments made through the Rental Assistance Program would be issued directly to landlords, property managers, or utility providers rather than directly to applicants. Applicants would also be required to disclose whether they are currently receiving or have applied for rental assistance or housing-related financial assistance from another source. While receiving assistance from another source would not automatically disqualify an applicant, duplicate payment for the same expense will not be permitted. Coastside Hope would coordinate available funding sources to ensure assistance is not duplicated.

Staff is also proposing that Coastside Hope serve as the administrator of the Rental Assistance Program and be responsible for intake and eligibility review, distribution of funds, verification of applicant documentation, referrals to supportive services, and submissions of periodic program reports to the City. The proposed program would include an end of year report, summarizing households served, assistance distributed, program outcomes, and general service trends or gaps identified through program implementation. Outreach regarding the program would be conducted collaboratively between the City and Coastside Hope through community outreach, printed materials, social media, partner organizations, and bilingual outreach efforts in English and Spanish.

CONCLUSION

The proposed Rental Assistance Program is intended to provide a service-based housing stabilization strategy that supports residents experiencing temporary financial hardship or housing instability. Through discussions with Coastside Hope and review of neighboring jurisdiction models, staff identified an opportunity to develop a non-profit administered program that provides flexible emergency assistance while minimizing administrative burden on the City. The proposed partnership structure would allow the City to leverage Coastside Hope's existing experience administering rental assistance and supportive services with the Coastside community. Staff believe that the proposed program structure balances flexibility and accessibility with reasonable accountability measures and provides an opportunity for the City to continue supporting housing stability efforts through a targeted, service-based approach.

ATTACHMENTS:

- A. Resolution
- B. Program Guidelines
- C. Draft Funding Agreement

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ESTABLISHING A RENTAL ASSISTANCE PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH COASTSIDE HOPE FOR PROGRAM ADMINISTRATION SERVICES, AT A COST NOT TO EXCEED \$120,000, FOR A TERM OF ONE YEAR.

WHEREAS, on April 21, 2026, the City Council discussed potential tenant support strategies following Council direction to repeal the Residential Rent Stabilization and Rental Registry programs; and

WHEREAS, during the discussion, the City Council expressed interest in exploring service-based approaches intended to support residents experiencing housing instability, including rental assistance and legal support services; and

WHEREAS, staff subsequently met with Coastside Hope to discuss housing stability needs within the community, existing rental assistance programs, and opportunities for partnership; and

WHEREAS, staff also reviewed rental assistance models implemented by neighboring jurisdictions including non-profit administered emergency rental assistance programs; and

WHEREAS, staff identified an opportunity to establish a Rental Assistance Program administered through a partnership with Coastside Hope to provide short-term financial assistance and housing stabilization support for eligible households experiencing temporary financial hardship or housing instability; and

WHEREAS, the proposed Rental Assistance Program would provide assistance for rent, utilities, security deposits, and other housing stabilization related expenses consistent with adopted program guidelines, which support homelessness prevention; and

WHEREAS, Coastside Hope would serve as the program administrator and would be responsible for intake and eligibility review, distribution of assistance funds, verification of applicant documentation, referrals to supportive services and reporting requirements; and

WHEREAS, the proposed Rental Assistance Program budget for FY 2026-27 includes up to \$100,000 for direct assistance and up to \$20,000 for administrative costs, for a total program budget of \$120,000. Funding for the program would be provided through the City's Affordable Housing Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Half Moon Bay hereby establishes a Rental Assistance Program and authorizes the City Manager to execute an agreement with Coastside Hope for program administration services, at a cost not to exceed \$120,000, for a term of one year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

DRAFT PROGRAM GUIDELINES

RENTAL ASSISTANCE PROGRAM

Application

Eligibility

To be eligible to receive rental assistance, applicants must meet the following requirements:

- Live within the City of Half Moon Bay;
- Demonstrate financial hardship or housing instability;
- Household income should generally be at or below 60% of Area Median Income (AMI), unless otherwise approved under a gap-filling or emergency assistance exception;
- Have past-due rent, utility payments, displacement-related expenses, or other qualifying housing-related financial need;
- Participate in the intake and eligibility review process with Coastside Hope; and
- Provide documentation necessary to verify household composition, income, housing status, and financial need, where available.

Household income is determined based on the income of all adult household members. Income may include wages, self-employment income, public assistance, Social Security, unemployment benefits, child support, or other sources of household income.

Income guidelines may be updated annually based on San Mateo County AMI limits.

Income Guidelines

Size of Family or Number in Household	Monthly Gross Income	Annual Gross Income
1	\$6,855	\$82,260
2	\$7,835	\$94,020
3	\$8,815	\$105,780
4	\$9,790	\$117,480
5	\$10,575	\$126,900
6	\$11,360	\$136,320
7	\$12,140	\$145,680
8	\$12,925	\$155,100

[San Mateo County Income Limits](#)

Amount and Type of Assistance

The Emergency Rental Assistance Program may provide assistance for:

- Past due rent;
- Security deposits;
- Utility payments; and/or
- Other housing stabilization-related expenses approved on a case-by-case basis.

Assistance is intended to function as short-term emergency stabilization assistance rather than ongoing subsidy assistance. Households may receive up to three months of assistance per fiscal year, subject to funding availability and program guidelines. Maximum assistance amounts may vary depending on household need, funding availability, and case circumstances. If a household requests additional assistance after previously receiving support, applicants may be required to demonstrate a new or ongoing critical need and participate in additional case management services.

Required Documentation for Applicants

To administer rental assistance programs, Coastside Hope utilizes an intake and verification process designed to assess household need, verify financial hardship, and determine eligibility across multiple funding sources.

Applicants may be asked to provide the following documentation, where available:

Identification

- Photo identification for adult household members;
- Birth certificates for children; and/or
- Social Security cards, if available.

Housing Documentation

- Copy of lease agreement or alternative housing verification;
- Notice related to delinquent rent, eviction, or unpaid balance, including:
 - 3-Day Notice to Pay or Quit;
 - Notice of Delinquent Rent;
 - Eviction notice; or

- Written statement from landlord or property manager regarding amount owed.

Income Verification

Examples may include:

- Recent pay stubs;
- CalWORKs documentation;
- SSI or Social Security award letters;
- Unemployment documentation;
- Child support documentation;
- Employment offer or termination letters;
- Self-declaration of income; and/or
- Bank statements for the previous two to three months.

Expense Verification

Examples may include:

- Utility bills;
- Cell phone bills;
- Car insurance payments; and/or
- Other recurring household expenses.

Additional Documentation

Where applicable:

- Current tax documents;
- W-9 completed by landlord or property manager; and/or
- Utility account documentation.

Flexible Documentation

The Emergency Rental Assistance Program is intended to remain accessible to households with varying living situations and documentation availability.

Applicants will not automatically be disqualified if they are unable to provide every requested document. Coastside Hope staff will work directly with applicants to identify alternative forms of verification and determine the most appropriate funding source or assistance pathway available.

Some households may have informal tenancy arrangements, non-traditional housing situations, or limited documentation. The program is intended to maintain reasonable accountability standards while still ensuring that residents experiencing legitimate housing instability can access available assistance whenever possible.

Application Process

Applicants must complete an intake process with Coastside Hope and provide available supporting documentation related to household income, housing status, and financial need.

During the intake process:

- Applicants will meet with Coastside Hope staff for eligibility review and case management assessment;
- Staff may assist applicants with gathering documentation and completing application materials;
- Applicants may be referred to additional supportive services and resources; and
- Coastside Hope staff will determine the most appropriate funding source based on household circumstances and available program funding.

Incomplete applications or missing documentation may delay processing timelines.

Applicants will be notified regarding the status of their application following intake review and eligibility determination.

Duplication of Benefits

Applicants must disclose whether they are currently receiving or have applied for rental assistance or housing-related financial assistance from another source.

Receiving assistance from another program does not automatically disqualify an applicant; however, duplicate payment for the same expense is not permitted.

Coastside Hope will coordinate funding sources to ensure assistance is not duplicated.



CITY OF HALF MOON BAY PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made by and between the City of Half Moon Bay, (“City”) and Coastside Hope, a California nonprofit corporation (“Consultant”), effective as of June 2, 2026.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work and Application Guidelines, attached hereto as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

- 1.1 Term of Services.** The term of this Agreement shall begin on the date first noted above and shall run until June 30, 2027, or until terminated by either party pursuant to Section 8.
- 1.2 Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in accordance with usual and customary professional and shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. Exhibit A to this contract contains the Scope of Work and the Fee Schedule. The City shall pay Consultant for services rendered pursuant to the Fee Schedule at the time and in the manner set forth herein. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed prior to the invoice date. Invoices shall contain the following information:
- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
 - The beginning and ending dates of the billing period;
 - A Task Summary containing for each planning application along with the amount of prior billings, the total due in the current period, and the percentage of completion of processing for the application;
 - For each application processed, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, and a brief description of the work;
 - The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder, as well as a separate notice when the total number of hours of work by Consultant and any individual employee, agent, or subcontractor of Consultant reaches or exceeds 800 hours;
 - The Consultant's signature.
- 2.2 Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Hourly Fees.** Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the Fee Schedule shown in Exhibit A, incorporated herein by this reference.
- 2.4 Payment of Taxes.** Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.5 Payment upon Termination.** In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs incurred for work satisfactorily completed as of the date of written

notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

- 2.6 Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement.

Section 4. INSURANCE REQUIREMENTS.

- 4.1** During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
 - Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
 - Worker's Compensation insurance as required by the laws of the State of California.
 - Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).
- 4.2** Consultant shall require each of its subcontractors within their subcontract (in writing) to maintain insurance coverage that meets all of the requirements of this Agreement.
- 4.3** The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A: VII in the latest edition of Best's Insurance Guide.

- 4.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.
- 4.5. At all times during the term of this Agreement, Consultant shall maintain on file with City's Finance Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).
- 4.6. Consultant shall provide proof that policies of insurance required herein expiring, or cancelled, during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages, or immediately for any policy being cancelled.
- 4.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City.
- 4.8. The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 4.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 4.10. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

4.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

Consultant shall hold harmless, defend and indemnify City and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

The total liability in the aggregate of Consultant and its employees, subcontractors or suppliers to the City and anyone claiming through or under the City on all claims of any kind (excluding claims for death or bodily injury) arising out of or in any way related to Consultant's services or from any cause or causes whatsoever shall not exceed the limits of insurance identified herein.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

6.1 **Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of

Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

- 6.2 **Consultant No Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 7.4 **Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.

7.5 **Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 **Termination.** City may cancel this Agreement at any time and without cause upon 15 day's written notice to Consultant.

Consultant may cancel this Agreement upon 15 days' written notice to City.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Contract or prepared by or for Consultant or the City in connection with this Agreement. In the event Consultant is not provided notice of any outstanding materials to be delivered to City, Consultant shall be entitled to payment within 30 days.

8.2 **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if City grants such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

- 8.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.
- 8.4 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant’s unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.
- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.
- 8.6 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City’s remedies shall include, but not be limited to, the following:
- 8.6.1** Immediately terminate the Agreement;
 - 8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
 - 8.6.3** Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or
 - 8.6.4** Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Consultant’s Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies,

specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. To the extent allowed by law, City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

9.2 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in

the state courts of California in the County of San Mateo or in the United States District Court for the Northern District of California.

- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 10.7 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.8 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.9 Contract Administration.** This Agreement shall be administered by the City Manager or their designee (“Contract Administrator”). All correspondence shall be directed to or through the Contract Administrator.
- 10.10 Notices.**

Any written notice to Consultant shall be sent to:
Judith Guerrero
Executive Director
Coastside Hope
248 Main St #200
Half Moon Bay, CA 94019
(650) 726-9071
judith@coastsidehope.org

Any written notice to City shall be sent to:
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019
Attn: Irma Acosta
Phone: (650) 750-2017
Fax: (650) 726-9389
Email: iacosta@halfmoonbay.gov

10.11 Integration. This Agreement, including the Scope of Work and Fee Schedule attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

/

IN WITNESS WHEREOF, the City and the Consultant have executed this Agreement effective as of the date first written above.

“CITY”
CITY OF HALF MOON BAY

Date: _____

By: _____
Matthew Chidester, City Manager

Attest:

Approved as to form:

By: _____
Maggie Rodriguez, Interim City Clerk

Denise S. Bazzano, Interim City Attorney

Date: _____

“CONSULTANT”
COASTSIDE HOPE

Date: _____

By: _____
Judith Guerrero
Its: ___ Executive Director _____

Attachments:

Exhibit A. Scope of Services

EXHIBIT A

CITY OF HALF MOON BAY

COASTSIDE HOPE

FISCAL YEAR 2026-2027

Agency Information	
Agency Name:	COASTSIDE HOPE
Address:	248 Main St #200
City, State, Zip:	Half Moon Bay, CA 94019
Activity/Program Title:	Rental Assistance Program
Description of Services to be Provided:	
<p>Coastside Hope shall administer the City of Half Moon Bay Rental Assistance Program for Fiscal Year 2026–2027. Services shall include:</p> <ul style="list-style-type: none">• Intake, eligibility review, and case management for households experiencing temporary financial hardship or housing instability;• Administration and distribution of rental assistance, utility assistance, security deposit assistance, and other eligible housing stabilization assistance;• Verification of applicant documentation and coordination of available funding sources to avoid duplicate assistance;• Referrals to supportive services, housing resources, and financial counseling services, as appropriate;• Periodic reporting to the City regarding households served, assistance distributed, program outcomes, and general service trends. <p>Eligible applicants shall live in the City of Half Moon Bay and demonstrate financial hardship or housing instability. Assistance shall be provided in accordance with program guidelines and subject to available funding.</p> <p>Coastside Hope shall submit a mid-year report due January 1, 2027, and a final report due June 1, 2027.</p> <p>The total compensation under this Agreement shall not exceed \$120,000.</p>	

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **June 2, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Irma Acosta, Interim Management Analyst

TITLE: TENANT LEGAL SERVICES AGREEMENT WITH COMMUNITY LEGAL SERVICES IN EAST PALO ALTO

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute an agreement with Community Legal Services in East Palo Alto (CLSEPA) for the provision of tenant legal services, tenant rights education, and housing-related legal support services for Half Moon Bay residents in an amount not to exceed \$40,000 for a term of one year.

FISCAL IMPACT:

CLSEPA has requested annual funding in the amount of \$40,000 to support tenant legal services, legal clinics, tenant rights education, outreach efforts, and related program administration for Half Moon Bay residents. Funding for the proposed services would be provided through the Affordable Housing Fund.

STRATEGIC ELEMENTS:

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

BACKGROUND:

On April 21, 2026, the City Council discussed potential tenant support strategies following Council direction to repeal the Residential Rent Stabilization and Rental Registry programs. During that discussion, Council expressed interest in exploring service-based approaches intended to support residents experiencing housing instability, including rental assistance and legal support services. Council directed staff to continue evaluating potential program structures, implementation strategies, and partnership opportunities with community-based organizations already providing housing related services within the community.

As part of that direction, staff met with Community Legal Services in East Palo Alto (CLSEPA) and Coastside Hope to discuss current tenant legal services needs, existing service gaps, and opportunities for partnership to address the needs of tenants. Discussions focused on the

increasing demand for tenant legal assistance within the Coastside community, particularly related to eviction issues, unlawful rent increases, habitability concerns, and tenant education regarding housing rights and responsibilities. Beginning in Winter and Spring 2026, CLSEPA established a consistent presence, both in person and through direct referrals, on the coast to provide legal advocacy and tenant education services in partnership with Coastside Hope. Through this partnership, Coastside Hope assists with outreach, language interpretation and translation, case coordination, administrative support and referrals for tenants seeking legal assistance. The establishment of these services was made possible through a grant received by CLSEPA. However, those grant funds have since been exhausted, and while CLSEPA has continued providing services through other funding sources, maintaining the same level of services long term may not be possible without additional funding support.

As part of these efforts, CLSEPA launched a monthly in person legal clinic for tenants held at Coastside Hope on the third Wednesday of each month. Each clinic is scheduled for 3 hours in the afternoon and additional hours as needed. The clinics are intended to provide confidential legal consultations and housing related legal guidance for Coastside residents experiencing landlord-tenant disputes or housing instability. According to CLSEPA, every appointment slot during the initial clinic has been filled, demonstrating a significant need for legal support services with the community. Based on discussions with CLSEPA and Coastside Hope, staff is proposing a direct agreement between the City and CLSEPA for the continued provision of tenant legal services, tenant rights education, and housing related legal assistance for Half Moon Bay residents.

DISCUSSION

There is a growing demand for legal assistance related to housing issues within the Coastside community. Since February 2026, Coastside Hope has referred 18 separate individuals and families to CLSEPA involving alleged violations of the Half Moon Bay Tenant Protection Ordinance, the California Tenant Protection Act, and other applicable state and federal laws. This demonstrates the complexities involved in the cases that Half Moon Bay tenants experience. According to CLSEPA, some of the most common issues raised by tenants include:

- illegal verbal eviction notices
- unlawful rent increase attempts
- violations of just cause eviction protections
- violations of the implied warranty of habitability
- refusal to accept third party rental assistance
- unlawful utility fee increases intended to bypass rent increase limitations
- harassment and retaliation by landlords
- Landlords' failure to provide required documentation or receipts for rent payments despite repeated requests by the tenants.

CLSEPA provided several examples illustrating the types of cases currently affecting Coastside tenants. In one case, a landlord allegedly attempted to increase a tenant's rent by approximately 80% in violation of the Half Moon Bay Rent Stabilization Ordinance and the California Tenant Protection Act. According to CLSEPA, the organization successfully intervened and the landlord

ultimately withdrew the unlawful notice and reduced the rent increase to a legally compliant amount. In another case, CLSEPA assisted a tenant living in an allegedly unpermitted accessory dwelling unit after the tenant received a termination notice after notifying the landlord of the habitability conditions. CLSEPA reported that the tenant was ultimately able to obtain a settlement agreement that included financial compensation exceeding \$6,000. CLSEPA also provided legal advice to the tenant who alleged wrongful eviction by the landlord based on the fraudulent claim of owner-move in and unproven claims of nuisance. In two eviction matters, involving families whose landlords filed an unlawful detainer suit against them and were facing imminent displacement, CLSEPA reported successful settlement negotiations with the landlords which allowed both families to remain housed and prevented homelessness.

In addition to direct legal representation and legal consultations, CLSEPA has also focused on tenant education and community outreach efforts intended to improve understanding of tenant rights and landlord obligations under local and state law. In February 2026, CLSEPA conducted a tenant education workshop titled “Understanding Your Lease and Eviction 101” for residents of the Stone Pine Cove community. The workshop was hosted at Coastside Hope with language interpretation support and was attended by approximately 40 participants. CLSEPA and Coastside Hope are currently planning an additional tenant’s rights workshop anticipated to be held in June 2026.

These education and outreach efforts are particularly important because many tenants seeking assistance need support with understanding lease agreements, notices from landlords, eviction procedures, and the rights and responsibilities provided under local and state law. Moreover, these complex legally binding documents are almost always provided in English, which creates an additional barrier to monolingual Spanish speaking tenants or those with limited English proficiency in understanding their legal rights. CLSEPA indicated that many tenants are simply unfamiliar with housing laws and do not understand whether notices or actions taken by landlords are legally enforceable. Based on discussions with CLSEPA and Coastside Hope, staff is proposing that the City establish a direct agreement with CLSEPA for the continued provision of tenant legal services, legal consultations, community education workshops, and housing related legal assistance. Under the proposed structure, CLSEPA would continue operating monthly housing clinics, providing legal consultations, and legal representation when appropriate, conducting tenant rights workshops, and coordinating with Coastside Hope regarding referrals and supportive services. Although Coastside Hope and CLSEPA would continue coordinating referrals and supportive services through their existing working relationship, staff is recommending that the City maintain separate agreements with each organization to provide greater clarity regarding scope of work, funding allocation, reporting responsibilities, and overall program accountability.

The proposed agreement would also support bilingual outreach and language accessibility efforts through continued coordination with Coastside Hope, which currently assists with administrative procedures, interpretation, translation and outreach for Coastside residents seeking legal assistance. Under the proposed agreement, CLSEPA would provide periodic reports to the City summarizing services provided, number of residents served, clinic participation, outreach

activities, and general service trends identified through program implementation. Reports would not include confidential or personal identifiable client information.

CONCLUSION

The proposed agreement with CLSEPA is intended to provide residents with increased access to tenant legal services, tenant rights education, and housing-related legal support services intended to improve housing stability and prevent displacement. Through discussions with CLSEPA and Coastside Hope, staff identified an opportunity to build upon an existing partnership that is already providing legal advocacy and tenant education services within the community.

Staff believe the proposed agreement structure provides a targeted, service-based approach to supporting tenants experiencing instability while leveraging the expertise of organizations already serving Coastside residents. In addition to direct legal consultations and representation, the proposed agreement would continue supporting community education efforts intended to improve understanding of housing rights and responsibilities under local and state law. Staff also believe the proposed agreement would complement other housing stabilization efforts currently being explored by the City, including the rental assistance and community-based housing support services. By improving access to legal information, tenant education, and legal representation, the program is intended to help residents better understand and exercise their rights while reducing the risk of displacement and housing instability. The proposed agreement establishes a formal framework for continued coordination between the City, CLSEPA, and Coastside Hope and would support ongoing legal clinics, tenant education workshops, bilingual outreach efforts, and housing related legal assistance for Half Moon Bay residents. Staff recommends approval of the proposed agreement and allocation of funding from the Affordable Housing Fund to support implementation of the program.

ATTACHMENTS:

1. Resolution
2. CLSEPA Supporting Document
3. Draft Agreement

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH COMMUNITY LEGAL SERVICES IN EAST PALO ALTO (CLSEPA) FOR THE PROVISION OF TENANT LEGAL SERVICES, TENANT RIGHTS EDUCATION, AND HOUSING-RELATED LEGAL SUPPORT SERVICES FOR HALF MOON BAY RESIDENTS IN AN AMOUNT NOT TO EXCEED \$40,000 FOR A TERM OF ONE YEAR.

WHEREAS, on April 21, 2026, the City Council discussed potential tenant support strategies following Council direction to repeal the Residential Rent Stabilization and Rental Registry programs; and

WHEREAS, during the discussion, the City Council expressed interest in exploring service based approaches intended to support residents experiencing housing instability, including rental assistance and legal support services; and

WHEREAS, staff subsequently met with Community Legal Services in East Palo Alto (“CLSEPA”) and Coastside Hope to discuss tenant legal service needs, existing service gaps, and opportunities for partnership within the community; and

WHEREAS, CLSEPA established a monthly in person legal clinic at Coastside Hope to provide confidential legal consultations and housing related legal guidance for Coastside residents experiencing landlord-tenant disputes or housing instability; and

WHEREAS, through discussions with CLSEPA and Coastside Hope, the City identified a growing demand for tenant legal services related to unlawful rent increases, eviction matters, habitability concerns, tenant education, and other housing related legal issues; and

WHEREAS, the proposed agreement would establish a formal framework for continued coordination between the City, CLSEPA, and Coastside Hope regarding legal referrals, community education efforts, and supportive housing related services; and

WHEREAS, the proposed agreement with Community Legal Services in East Palo Alto includes annual funding in the amount of \$40,000 for tenant legal services, legal clinics, outreach efforts, tenant rights education, and related program administration, funded through the City’s Affordable Housing Fund to help support homelessness prevention efforts.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute an agreement with Community Legal Services in East Palo Alto (CLSEPA) for the provision of tenant legal services, tenant rights education, and housing-related legal support services for Half Moon Bay residents in an amount not to exceed \$40,000 for a term of one year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 2nd day of June 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Interim City Clerk

Debbie Ruddock, Mayor

**Community Legal Services in East Palo Alto (CLSEPA)'s
Legal Advocacy and Education for Tenants in partnership with Coastside Hope**

Starting in Winter/Spring of 2026, CLSEPA has established a consistent in-person presence to provide much needed legal advocacy and education for tenants in the city of Half Moon Bay and the coastal communities at large in San Mateo County. CLSEPA's legal services are being implemented through the partnership with Coastside Hope, whose staff are equipped with critical skills, such as building trust with tenants, cultural sensitivity, language interpretation/translation, case management support, setting up administrative logistics, amongst many others.

- **A monthly legal clinic for tenants:** CLSEPA has launched a monthly legal clinic for tenants with the support of Coastside Hope. This in-person legal clinic takes place on the 3rd Wednesday of each month from 2:00 pm – 5:00 pm (or longer) with a goal of providing confidential legal consultation to each client for 30 minutes or longer. The first clinic day was launched on Wednesday, March 18, 20-26. Each appointment slot was filled.
- **Coastside Hope's referrals to CLSEPA:** In addition to a monthly clinic, CLSEPA continues to receive a steady number of referrals from Coastside Hope (and other community organizations as well) involving tenants who need legal advice and/or representation. Most common reasons as to why tenants seek legal advice & representation are as follows:
 - 1) Exercise fundamental tenants' rights and responsibilities under the HMB TPA, the CA TPA, and any applicable federal statutes.
 - 2) Exercise tenants' rights and defend themselves against wrongful eviction, illegal rent increase, and a landlord's failure to honor tenants' rights under the Implied Warranty of Habitability and CA Health and Safety codes.
 - 3) Understanding and enforcing a landlord's legal obligations.
 - 4) Understanding a lease agreement that is often comprised of 15-20 pages or more.
 - 5) Understanding any notices they receive from the landlord (e.g. an inspection notice, a rent increase notice, a notice to cure or quit, a termination notice, etc.,)
- **Community Education:** CLSEPA also holds tenants' rights/responsibilities workshops. For example, in February 2026, CLSEPA provided a workshop entitled, Understanding Your Lease and Eviction 101 to the new homeowners/tenants of the Stone Pine Cove community. The workshop was held at the office of Coastside Hope with the language support. It was very well attended with about 40 participants. CLSEPA and Coastside Hope are currently planning another tenants' rights workshop to take place in June 2026.

Services provided since February 2026:

Since February 2026 – Coastside Hope has referred a total number of **18** separate unique individual and families whose rights were violated under the applicable HMB RSO/TPA and or CA law. The issues that were raised by the tenants as follow (**some tenants raised multiple of following issues**).

Issues	Tenant #	Notes / Resolution
Illegal verbal eviction notice	5 tenants	<ul style="list-style-type: none"> - For the tenants who sought legal advice after they already were evicted, CLSEPA informed them of their rights and how to handle a similar situation in the future and possible claims they may have against their prior landlords who wrongfully evicted them. - Informed the tenants of their rights and tenants learned how to exercise their rights against the illegal verbal notice
Illegal rent increase attempts (in one case, LL gave the tenant a 2-day notice to the tenant, asking the tenant to either accept a \$2500 rent increase or to leave the property).	3 tenants	<ul style="list-style-type: none"> - In one case, LL tried to increase the rent close to 80% in violation of the City of HMB RSO & CA TPA (CLSEPA had this LL to withdraw the illegal notice, and the tenant’s rent was increased within the legal limit) - In one case, LL gave the tenant an illegal 2-day notice, asking the tenant to either accept a \$2500 rent increase or to leave the property). Cases are on-going.
Unlawful utility fees increase as an attempt to bypass the rent increase limit	2 tenants	<ul style="list-style-type: none"> - Advised the tenant to inform the landlord of T’s rights under CA TPA, and to ask for an actual receipt of the utilities bills to verify the LL’s claims of increase in utility bills. With CLSEPA’s advice, the problem has been resolved, and the tenant is now paying a reasonable and fairly allocated amount of the utilities bills.

Violations of the Just Cause eviction laws	6 tenants	- Landlord wrongfully evicted tenant based on a fraudulent claim that the owner was moving in.
Landlord's refusal to accept a 3 rd party rental assistance	1 tenant	CLSEPA wrote a demand letter to the landlord's legal counsel – the matter has been resolved since then, but LL is now looking for another excuse now to accept it. On-going.
Landlord leasing an unpermitted/illegal ADU to the tenant and then issuing an illegal termination notice after the tenant requested the landlord to address habitability issues.	1 tenant	CLSEPA was able to successfully advise CL to obtain a settlement agreement with a financial compensation for over \$7000.
Landlord refusing to provide a receipt upon receiving a rent payment	6 tenants	Ongoing
Landlord failure to provide a habitable premises: a gas leak in the kitchen, non-working stoves and refrigerators, molds in the units, broken window, etc.	3 tenants	Ongoing
Two evictions filed based on the claims of nuisance	2 families	CLSEPA successfully obtained a settlement agreement, allowing the families to continue living at their rental homes, preventing eviction and homelessness.



CITY OF HALF MOON BAY PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made by and between the City of Half Moon Bay, (“City”) and Community Legal Services in East Palo Alto (“Consultant”), effective as of _____, 2026.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached hereto as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall run until June 30, 2027, or until terminated by either party pursuant to Section 8.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in accordance with usual and customary professional and shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. Exhibit A to this contract contains the Scope of Work and the Fee Schedule. The City shall pay Consultant for services rendered pursuant to the Fee Schedule at the time and in the manner set forth herein. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed prior to the invoice date. Invoices shall contain the following information:
- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
 - The beginning and ending dates of the billing period;
 - A Task Summary containing for each planning application along with the amount of prior billings, the total due in the current period, and the percentage of completion of processing for the application;
 - For each application processed, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, and a brief description of the work;
 - The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder, as well as a separate notice when the total number of hours of work by Consultant and any individual employee, agent, or subcontractor of Consultant reaches or exceeds 800 hours;
 - The Consultant's signature.
- 2.2 Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Hourly Fees.** Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the Fee Schedule shown in Exhibit A, incorporated herein by this reference.
- 2.4 Payment of Taxes.** Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.5 Payment upon Termination.** In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.6 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement.

Section 4. INSURANCE REQUIREMENTS.

4.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
- Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
- Worker's Compensation insurance as required by the laws of the State of California.
- Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).

4.2 Consultant shall require each of its subcontractors within their subcontract (in writing) to maintain insurance coverage that meets all of the requirements of this Agreement.

4.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A: VII in the latest edition of Best's Insurance Guide.

4.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

- 4.5. At all times during the term of this Agreement, Consultant shall maintain on file with City's Finance Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).
- 4.6. Consultant shall provide proof that policies of insurance required herein expiring, or cancelled, during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages, or immediately for any policy being cancelled.
- 4.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City.
- 4.8. The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 4.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 4.10. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.
- 4.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

Consultant shall hold harmless, defend and indemnify City and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

The total liability in the aggregate of Consultant and its employees, subcontractors or suppliers to the City and anyone claiming through or under the City on all claims of any kind (excluding claims for death or bodily injury) arising out of or in any way related to Consultant's services or from any cause or causes whatsoever shall not exceed the limits of insurance identified herein.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered

pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

- 6.2 **Consultant No Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 7.4 **Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.
- 7.5 **Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or

mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement at any time and without cause upon 15 day's written notice to Consultant.

Consultant may cancel this Agreement upon 15 days' written notice to City.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Contract or prepared by or for Consultant or the City in connection with this Agreement. In the event Consultant is not provided notice of any outstanding materials to be delivered to City, Consultant shall be entitled to payment within 30 days.

8.2 Extension. City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if City grants such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

8.3 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

- 8.4 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.
- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.
- 8.6 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:
- 8.6.1** Immediately terminate the Agreement;
 - 8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
 - 8.6.3** Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or
 - 8.6.4** Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City.

Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. To the extent allowed by law, City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

9.2 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Mateo or in the United States District Court for the Northern District of California.

- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 10.7 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.8 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.9 Contract Administration.** This Agreement shall be administered by the City Manager or their designee (“Contract Administrator”). All correspondence shall be directed to or through the Contract Administrator.
- 10.10 Notices.**

Any written notice to Consultant shall be sent to:
Katrina Logan
Executive Director

CLSEPA
1861 Bay Rd
East Palo Alto, CA 94019
(650) 326- 6440
katrina@clsepa.org

Any written notice to City shall be sent to:
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019
Attn: Irma Acosta
Phone: (650) 750-2017
Fax: (650) 726-9389
Email: iacosta@halfmoonbay.gov

10.11 Integration. This Agreement, including the Scope of Work and Fee Schedule attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

/

IN WITNESS WHEREOF, the City and the Consultant have executed this Agreement effective as of the date first written above.

“CITY”
CITY OF HALF MOON BAY

Date: _____

By: _____
Matthew Chidester, City Manager

Attest:

Approved as to form:

By: _____
Maggie Rodriguez, interim City Clerk

Denise S. Bazzano, Interim City Attorney

Date: _____

“CONSULTANT”
CLSEPA

Date: _____

By: _____
Katrina Logan
Its: ___ Executive Director _____

Attachments:

Exhibit A. Scope of Services

EXHIBIT A

CITY OF HALF MOON BAY
COMMUNITY LEGAL SERVICES IN EAST PALO ALTO
FISCAL YEAR 2020-2021

Agency Information	
Agency Name:	COMMUNITY LEGAL SERVICES IN EAST PALO ALTO
Address:	1861 Bay Rd
City, State, Zip:	East Palo Alto, CA 94303
Activity/Program Title:	Housing Legal Assistance
Description of Services to be Provided:	
<p>Community Legal Services in East Palo Alto ("CLSEPA") shall provide tenant legal services and housing-related legal assistance for Half Moon Bay residents during Fiscal Year 2026–2027. Services shall include:</p> <ul style="list-style-type: none">• Legal consultations and advocacy related to landlord-tenant disputes, eviction matters, unlawful rent increases, habitability concerns, and tenant protection laws;• Monthly in-person legal clinics on the Coastsides;• Tenant rights education workshops and community outreach activities;• Coordination with Coastsides Hope regarding referrals, interpretation, translation, and bilingual outreach efforts; and• Periodic reporting to the City regarding services provided, number of residents served, outreach activities, and program outcomes. <p>CLSEPA shall submit a mid-year report due January 1, 2027, and a final report due June 1, 2027. Reports shall not include confidential or personally identifiable client information.</p> <p>The total compensation under this Agreement shall not exceed \$40,000.</p>	