



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

TUESDAY, APRIL 1, 2025

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

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

7:00 PM

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

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

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

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

<http://hmbcity.com/>

**Wi-Fi: HMB Public
Password: Recreation1**

HYBRID MEETING PARTICIPATION PROTOCOLS

*This meeting will be held in-person and via Zoom for public participation. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full participation. Public comments may be made in-person or remotely via Zoom, and interpretation will be available. All Councilmembers and staff will participate in person. During any public comment portions, attendees may use the “raise your hand” feature and will be called upon and unmuted when it is their turn to speak. The meeting will also be streamed on Channel 27, on pacificcoast.tv, and on Facebook at www.facebook.com/cityofhalfmoonbay. Please click to join the webinar: <https://us06web.zoom.us/j/87674804231> or join by phone at 669-900-9128, using Webinar ID 876-7480-4231. If joining by phone, use *9 to raise your hand, *6 to mute and unmute.*

ROLL CALL / PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PROCLAMATIONS AND PRESENTATIONS

COASTSIDE VENTURE STUDIO UPDATE

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

REPUBLIC SERVICES
NON-PROFIT DAY

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE READING OF RESOLUTIONS AND ORDINANCES

2. ORDINANCES AND PUBLIC HEARINGS

None.

3. RESOLUTIONS AND STAFF REPORTS

3.A 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT - AMENDMENT OF EXCLUSIVE NEGOTIATIONS AGREEMENT BETWEEN THE CITY AND MERCY HOUSING

Staff Recommendation: Adopt a Resolution authorizing the City Manager to execute an amendment to the Exclusive Negotiations Agreement (ENA) dated January 30, 2025, between the City of Half Moon Bay and Mercy Housing California that provides twelve months to negotiate an Affordable Housing and Property Disposition Agreement and the terms of a ground lease for a senior affordable housing development at 555 Kelly Avenue. The amendment would add the proposed lease term of 65 years and proposed payment of \$1 per year.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

3.B UPDATE ON THE RESIDENTIAL RENTAL REGISTION PROGRAM

Staff Recommendation: Receive an update on the City’s Residential Rental Registration Program.

[STAFF REPORT](#)

3.C AWARD CONSTRUCTION CONTRACT FOR THE FRENCHMAN’S CREEK PARK IMPROVEMENTS PROJECT (CIP PROJECT NO. 1013)

Staff Recommendation: Consider adoption of a resolution 1) Authorizing the Administrative Services Director to transfer \$115,843 to the Capital Improvement Project (CIP) No. 1013 – Frenchman’s Creek Park Improvements Project – Phase II (Project); and 2) Authorizing the City Manager to award and execute a construction contract to the lowest responsive and responsible bidder, Half Moon Bay Grading and Paving, Inc., of Half Moon Bay, California, in the amount of \$351,076.49 and approve a construction contingency amount not to exceed \$52,661.47 for a total construction budget of \$403,737.96 for the Project.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

3.D TELECOMMUTE AND ALTERNATIVE WORK SCHEDULE POLICY UPDATES

Staff Recommendation: Receive an update on the City’s Telecommute and Alternative Work Schedule Policies.

[STAFF REPORT](#)

COMMISSION / COMMITTEE UPDATES

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

CITY COUNCIL REPORTS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 1, 2025**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Mike Noce, Housing Programs Manager

TITLE: 555 KELLY AVENUE AFFORDABLE HOUSING DEVELOPMENT – AMENDMENT OF EXCLUSIVE NEGOTIATIONS AGREEMENT BETWEEN THE CITY AND MERCY HOUSING

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute an amendment to the Exclusive Negotiations Agreement (ENA) dated January 30, 2025, between the City of Half Moon Bay and Mercy Housing California, that provides twelve months to negotiate an Affordable Housing and Property Disposition Agreement and the terms of a ground lease for a senior affordable housing development at 555 Kelly Avenue. The amendment would add the proposed lease term of 65 years and proposed payment of \$1 per year.

FISCAL IMPACT:

There is no fiscal impact directly associated with this action.

STRATEGIC ELEMENT:

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

BACKGROUND:

On October 4, 2022, the City Council approved an Exclusive Negotiations Agreement (ENA) with Mercy Housing to outline general tasks to be undertaken by both the City and Mercy as preparations for a formal entitlement (CDP) application were under review. During the ENA term, Mercy completed activities including but not limited to the following: public outreach, community meetings, Architectural Review Committee evaluation, secured a Coastal Development Permit, and was awarded roughly \$6.2 million from State and County funding sources for the project. The ENA was allowed to expire in October 2024 given entitlements were issued, and the City and Mercy were actively engaged in ground lease negotiations.

On January 21, 2025, the City Council approved a resolution for the City to enter into a second ENA with Mercy that provides twelve months to negotiate an Affordable Housing and Property

Disposition Agreement (AHPDA) and the terms of a ground lease for a senior affordable housing development at 555 Kelly Avenue. Additional background regarding the request for the second ENA is available in the January 21, 2025 [staff report](#), item 3.B. The ENA was signed by both parties on January 30, 2025 (Attachment 2). Additional information and staff reports related to various project milestones are posted on the City website at this [link](#).¹

DISCUSSION:

The City’s approval of the Coastal Development Permit for a 40-unit affordable senior farmworker project at 555 Kelly Avenue represented a critical milestone. CDP approval combined with the original ENA represented sufficient site control to allow Mercy to actively maintain awarded funding requirements and seek funding from Federal, State, and County sources. Mercy has grant funds which are conditioned on maintaining site control. Mercy also indicates that other funding opportunities may not be available absent site control with specific terms outlined.

In January 2025, Mercy requested a new ENA to provide evidence of “site control” to existing and potential funders. The new ENA fills the gap between now and execution of an AHPDA, and terms of a ground lease. Mercy is submitting a new application for State funding through the California Department of Housing and Community Development (HCD), which, as a threshold requirement, mandates that if the site control is in the form of an ENA, the major terms of the acquisition have been determined and stated. The ENA Amendment would provide these outlined terms.

By its own terms, approval of an ENA and Amendment does not obligate either party to execute an AHPDA and/or terms of a ground lease. Entitlement issuance does not constitute control of the building site under conditions of typical affordable housing funding agencies. The ENA demonstrates that Mercy is actively engaged in negotiations with the City to preserve existing funds and to seek additional State and County funds. As the lease negotiations are currently active, the ENA and Amendment affirm that the City and Mercy are currently in good faith negotiations on the land lease and affordable housing covenant.

Mercy is also planning to apply for San Mateo County Affordable Housing Fund, and County and Federal rental subsidies this Summer. To be competitive for these funding sources, an Amendment to the ENA is required to demonstrate certain terms, namely a long-term ground lease at a below market rate lease rate.

DDLA versus AHPDA

The original ENA referenced negotiating in good faith towards a Disposition and Development Loan Agreement (DDLA), a common legal instrument that allows a property owner and developer to formalize the terms of a legal contract outlining the terms for a developer to acquire and develop property, including the sale or lease of land, and associated financing arrangements. The January 2025 ENA refers to an Affordable Housing Property Disposition

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

Agreement (AHPDA) because, unlike a DDLA that was the subject of the prior ENA, the to-be-negotiated agreement will not involve a further loan or funding to Mercy. The City is also following the model of San Mateo County's Middlefield Junction project with Mercy, which utilized an AHPDA.

CONCLUSION:

Mercy is seeking approval of an Amendment to the ENA adding additional language including (a) proposed ground lease term of at least sixty-five (65) years (an HCD lease term threshold) with an option of extending the lease term to 99 years; and (b) a proposed payment of \$1 per year.

The ENA term would remain unchanged, beginning on January 30, 2025, and expiring January 30, 2026. The ENA would automatically become null and void upon: 1) execution of an AHPDA and ground lease or 2) a decision by either party to cease negotiations.

ATTACHMENTS:

1. Resolution
2. Copy of Second ENA signed in January 2025

RESOLUTION NO. C-2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO AMEND THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA FOR A SENIOR AFFORDABLE HOUSING DEVELOPMENT AT 555 KELLY AVENUE.

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

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

WHEREAS, Mercy Housing California (Mercy Housing), in partnership with Ayudando Latinos A Soñar (ALAS), submitted a response to the RFQ proposing construction of a 40-unit affordable farmworker housing development for households with extremely low or very low incomes (maximum of 30% or 50% of the Area Median Income), with the development to include associated amenities as well as a farmworker resource center (the Project); and

WHEREAS, on October 4, 2022, the City Council authorized an Exclusive Negotiations Agreement (First ENA) with Mercy Housing to enable Mercy Housing's affiliate, Mercy Housing California 110, L.P., a California limited partnership (Developer) to carry out predevelopment and development activities associated with the Project; and

WHEREAS, the purpose of the First ENA was to outline general tasks to be undertaken by both the City and Mercy as preparations for a formal entitlement (Coastal Development Permit – CDP) application were under review; and

WHEREAS, entitlements were issued when the City Council held an appeals hearing on June 26, 2024, and upheld the Planning Commission's earlier decision to approve a CDP and Architectural Review on May 14, 2024, for the Project; and

WHEREAS, the First ENA was allowed to expire on October 30, 2024, while the City and Mercy were actively engaged in ground lease negotiations; and

WHEREAS, Mercy Housing requested, and on January 21, 2025, the City Council authorized a new ENA (Second ENA) to provide twelve months to negotiate an Affordable Housing and Property Disposition Agreement (AHPDA) and the terms of a ground lease; and

WHEREAS, Mercy Housing requested an amendment to the Second ENA, to provide specific evidence of "site control" to existing and potential State and County funders while the negotiations of affordable housing covenants and terms of a ground lease are ongoing; and

WHEREAS, by its own terms, approval of an ENA and Amendment does not obligate either party to execute an AHPDA and/or terms of a ground lease, and Mercy is actively engaged in good faith negotiations with the City to preserve existing funds and to seek additional State and County funds.

NOW THEREFORE BE IT RESOLVED THAT, the City Council of the City of Half Moon Bay hereby authorizes the City Manager to execute an amendment to Exclusive Negotiations Agreement between the City and Mercy Housing with an additional proposed term to include (a) proposed ground lease term of at least sixty-five (65) years with an option of extending the Lease term to 99 years; and (b) a proposed payment of \$1 per year, prior to the expiration of the Negotiating Period for a senior affordable housing development at 555 Kelly Avenue.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 1st day of April 2025, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, Assistant City Clerk

Robert Brownstone, Mayor

**EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT
(555 KELLY AVENUE PROJECT)**

This Exclusive Negotiating Rights Agreement (this "Agreement") is entered into as of this January 30, 2025 (the "Effective Date"), by and between the City of Half Moon Bay, a public body, corporate and politic, organized and existing under the laws of the State of California (the "City"), and Mercy Housing California, a nonprofit public benefit corporation (the "Developer"). The City and the Developer are collectively referred to herein as the "Parties" and sometimes individually as a "Party".

RECITALS

A. The City owns or controls certain real property located in the City of Half Moon Bay at 535 Kelly Avenue and 555 Kelly Avenue and depicted in Exhibit A attached hereto (the "Site" or, the "Property"), and consisting of APNs 05610200 and 056150220 (partial), covering an area of approximately 17,000 sf.; and

B. On February 15, 2022, the City issued a Request for Qualifications ("RFQ") to select a developer to develop on the Site an affordable housing development consistent with the general goals and requirements contained in the RFQ (the "Development"); and

C. Through the RFQ process, the Developer was selected as the developer of the Site; and

D. The City and Developer previously entered into an Exclusive Negotiations Agreement (First ENA) on November 3, 2022 that was extended twice and expired October 30, 2024; and

E. The City Council authorized the allocation of \$1 million in Affordable Housing Funds for predevelopment costs associated with the development and entered into Predevelopment Loan Agreement Dated March 3rd, 2023; and

F. The City Council authorized the allocation of \$1.5 million in County ARPA funds for predevelopment costs associates with the Development and entered into a Grant Agreement dated August 22, 2023; and

G. The Developer has been awarded funding from The California Department of Housing and Community Development (HCD) in the amount of \$2,756,304 under the Infill Infrastructure Grant (IIG) Program; and

H. The Developer received approval of a Coastal Development Permit (PDP-23-034) from the City on June 26, 2024 following the denial of three appeals by the City and filing of NOFA with California Coastal Commission; and

I. The purpose of this Agreement is to establish: (1) the general tasks to be undertaken by the Developer and the City during the term of this Agreement as more particularly described in Article 2 of this Agreement; (2) the procedures and standards for the negotiation by the Parties of an Affordable

Housing and Property Disposition Agreement (the “AHPDA”); (3) the procedures and standards for the negotiation by the Parties of a Ground Lease; and (4) the terms, if any, under which the City may provide financial assistance to the Developer for development expenses to be incurred in connection with the Development (the “City Assistance”); As more fully set forth in Section 3.1, the Parties acknowledge and agree that this Agreement in and of itself does not obligate either Party to acquire or convey any property, does not grant the Developer the right to develop the Development, and does not obligate either Party to engage in any activities or incur any costs to develop the Development other than those activities set forth in Article 2 of this Agreement and the Schedule of Performance.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

ARTICLE 1. EXCLUSIVE NEGOTIATIONS

Section 1.1 Good Faith Negotiations. During the Negotiating Period as defined in Section 1.2 below, and subject to the terms and conditions of this Agreement, both the City and the Developer shall proceed diligently and in good faith regarding negotiation and documentation of the potential terms, conditions, covenants, restrictions and agreements of a AHPDA and a Ground Lease between them and the terms of any City Assistance pursuant to such a AHPDA and a Ground Lease. The issues to be addressed in the negotiations include at a minimum: (i) the terms of a ground lease of the Site to the Developer; (ii) the physical and land title conditions of the Site and remediation of any adverse conditions on the Site; (iii) the specific roles, rights and responsibilities of each Party (iv) the development schedule for the Development; (v) the financing of the Development (including, without limitation, the terms of the City Assistance); and (vi) evaluate design and unit mix as outlined under the additional Conditions of Approval as provided under the conditions of PDP-23-024 including Architectural Refinements (G PC-1) and Potential Change in Unit Mix (G. PC -4). The Parties may include additional issues in the negotiations at their mutual agreement.

The Parties shall generally cooperate with each other and supply such documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. During the Negotiating Period, the Parties shall use good faith efforts to accomplish the respective tasks outlined in Article 2 of this Agreement to facilitate the negotiation of a mutually satisfactory AHPDA and the terms of a Ground Lease and the terms of any City Assistance and shall exercise reasonable efforts to complete discussions relating to the terms, conditions, covenants or restrictions of a AHPDA and Ground Lease and any City Assistance, all as may be mutually acceptable to both the City and the Developer. The exact terms and conditions of a AHPDA and Ground Lease and the City Assistance, if any, shall be determined during the course of these negotiations.

Section 1.2 Negotiating Period. The negotiating period under this Agreement is a period of 365 days, commencing on the Effective Date (the “Negotiating Period”). The Negotiating Period may be extended twice, each time for an additional 30-day period by the written agreement of the Parties, as provided below. The City Manager of the City, or his or her designee, has the authority to agree to such extension(s) on behalf of the City if, in the City Manager’s or designee’s judgment, sufficient progress has been made toward the execution of a mutually acceptable AHPDA and agreement on the terms of a Ground Lease and the terms of the City Assistance, if any, during the Negotiating Period to merit such an extension.

If an AHPDA has not been executed by the Parties prior to the expiration of the Negotiating Period or mutually agreed upon extension of the Negotiating Period, then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement. If an AHPDA is executed by the Parties prior to the expiration of the Negotiating Period or mutually agreed upon extension of the Negotiating Period, this Agreement shall terminate, and all rights and obligations of Parties shall be as set forth in the executed AHPDA and any documentation evidencing the City Assistance, if applicable.

The Negotiating Period may also be extended for the period of time that Developer’s

compliance is delayed, through no action or omission of Developer, by a Force Majeure Event. For purposes hereof, “Force Majeure Event” means (i) acts, failures to act and/or delays of the City in accordance with the Schedule of Performance; (ii) acts of God; (iii) flood, fire, earthquake, explosion, pandemic; (iv) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (iv) national or regional emergency, or other event out of Developer’s reasonable control that impacts the ability of Developer or City to meet milestone deadlines as set forth in this Agreement. The foregoing notwithstanding, any extension due to a Force Majeure Event shall run from the time of commencement of the Force Majeure Event, but only if written notice is delivered by Developer to City within thirty (30) days following such commencement of the cause of such Force Majeure Event, and shall continue for the period of time that such Force Majeure Event materially impacts Developer’s or City’s ability to comply with the Schedule of Performance and for a period no longer than 240 days.

Section 1.3 Exclusive Negotiations. During the Negotiating Period, the City shall not negotiate with any entity, other than the Developer, regarding development of the Site, or solicit or entertain bids or proposals to do so.

ARTICLE 2. NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the AHPDA and the terms of a Ground Lease, the Parties shall use reasonable good faith efforts to accomplish the tasks set forth in this Article 2 of this Agreement in a timeframe that will support negotiation and execution of a mutually acceptable AHPDA and the terms of a Ground Lease prior to the expiration of the Negotiating Period.

Section 2.2 Financing and Costs of Development. Within forty-five (45) days of the execution of this Agreement, the Developer will provide the City with the most up-to-date financial analysis for the construction of the Development. The financial analysis submitted by the Developer shall be refined by the Parties during the Negotiating Period.

Section 2.3 Property Management and Supportive Services. During the Negotiating Period, the Parties will negotiate the terms of property management and any supportive service provision, if any, which may be provided separately from the general resident services provided on site.

Section 2.4 Sub-Lease of Space to Ayudando Latinos a Sonar (“ALAS”). During the Negotiating Period, the Parties will negotiate the terms of any sub-lease of space within the Development to ALAS for the purpose of providing specific resident and community services and activities.

Section 2.5 Parties’ Relationship. During the Negotiating Period, the Parties will define the relationship between each other regarding the rights, responsibilities and roles of each Party

ARTICLE 3. GENERAL PROVISIONS

Section 3.1 Limitation on Effect of Agreement. This Agreement shall not obligate

either the City or the Developer to enter into a AHPDA and a Ground Lease. By executing this Agreement, the City is not committing itself to or agreeing to undertake conveyance, acquisition, or disposition of any parcels in the Site. By executing this Agreement, the City is merely agreeing to negotiate exclusively with the Developer for a particular period of time in accordance with the terms hereof, reserving for the City's subsequent action the final discretion and approval regarding the execution of a AHPDA and all proceedings and decisions in connection therewith. Any AHPDA resulting from negotiations pursuant to this Agreement shall become effective if and only if and after such AHPDA and Ground Lease has been considered and approved by City and executed by duly authorized representatives of City and Developer. Unless and until a AHPDA is signed by the Developer, approved by the City and executed by the City, no agreement drafts, actions, deliverables or communications arising from the performance of this Agreement shall impose any legally binding obligation on either Party to enter into or support entering into a AHPDA and a Ground Lease or be used as evidence of any oral or implied agreement by either Party to enter into any other legally binding document.

Section 3.2 City Approvals. Developer shall be responsible for obtaining any subsequent approval required for the Project, including payment for all of City's costs of processing such approvals. Nothing set forth herein shall be construed as a grant of any such approvals, nor as an obligation on the part of City to grant such approvals.

Section 3.3 Notices. Formal notices, demands and communications (other than day to day routine communications) between the City and the Developer shall be sufficiently given if, and shall not be deemed given unless: (i) dispatched by certified mail, postage prepaid, return receipt requested, (ii) sent by express delivery or overnight courier service with a delivery receipt, (iii) personally delivered with a delivery receipt, or (iv) sent by facsimile with a copy delivered by one of the previous three methods, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

City: City of Half Moon Bay
Community Development Department
501 Main Street
Half Moon Bay, CA 94109
Attn: Director
Reference: 555 Kelly Avenue Project

With a copy to:
Catherine Engberg
City Attorney
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102

Developer: Mercy Housing California
1256 Market Street
San Francisco, CA 94102
Attn: Ramie Dare

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 3.4 Right of Entry.

The Developer and its consultants shall have the right to enter upon the Site during normal business hours to carry out normal business activities such as carrying out visual observations, meeting with City staff regarding the Development, etc. No formal notice is required for such activities on the Site. The Developer and its consultants will work with the City staff to give reasonable advance notice for any such planned activities on the Site.

The Developer and its consultants shall obtain the City's written approval, which may be requested and provided via email, prior to entering upon the Site to conduct physical investigations in accordance with this Agreement. Any such requests shall include, at a minimum, a description of the work to be performed and any expected disruption to the physical state of the Site or the normal activity of City staff on the Site, the names and company affiliations of any personnel that will perform such work, a projected schedule for the work, and a copy of liability insurance certificates covering the right of entry and naming the City, its employees and affiliates as an additional insured. Such work, once approved, shall be conducted during normal business hours, unless otherwise approved by the City. In connection with such entry and investigation, the Developer shall: (i) give the City or its designee reasonable advance notice; (ii) repair and restore any damage it may cause; (iii) carry liability insurance covering the right of entry naming the City as an additional insured; and (iv) deliver to the City, within ten (10) days of receipt thereof, a complete copy of any investigation, test, report or study which the Developer conducts, or causes to be conducted, with respect to the Site.

Section 3.5 Costs and Expenses. Except as explicitly set forth in this Agreement, each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, and the performance of each Party's obligations under this Agreement.

Section 3.6 No Commissions. Each Party represents to the other that it has not retained the services of any broker, agent or finder with respect to the Site or in connection with any matters relating to this transaction of the subject discussions, and agrees to hold the other Party harmless from and against any claim for commission, fee, or other remuneration by any broker, agent, or finder under any claimed retainer for services with respect thereto. The City shall not be liable for any real estate commissions or brokerage fees that may arise from this Agreement or any DDLA that may result from this Agreement, unless the City retains a broker, agent or finder.

Section 3.7 Defaults and Remedies.

(a) Default. Failure by either Party to negotiate in good faith as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the required action to cure the default. If a default remains uncured fifteen (15) days after receipt by the defaulting Party of such notice, or, if the default cannot be cured within 15 days, if the defaulting party fails to commence to cure within 15 days and thereafter diligently pursue such cure

and complete such cure within a reasonable period thereafter, the non-defaulting Party may exercise the remedies set forth in subsection (b).

(b) Remedies.

(1) In the event of an uncured default by the City, the Developer may either: (a) seek specific performance; or (b) terminate this Agreement, in which case following such termination, neither Party shall have any further right, remedy or obligation under this Agreement.

(2) In the event of an uncured default by the Developer, the City's sole remedy shall be to terminate this Agreement. Following such termination, neither Party shall have any right, remedy or obligation under this Agreement.

Except as expressly provided above, neither Party shall have any liability to the other Party for damages or otherwise for any default, nor shall any Party have any other claims with respect to performance under this Agreement. Each Party specifically waives and releases any such rights or claims it may otherwise have at law or in equity.

Section 3.8 Termination.

(a) This Agreement may be terminated at any time by mutual consent of the Parties.

(b) Developer shall have the right to terminate this Agreement, effective upon 30 days' written notice to the City that Developer has determined the Project to be financially or physically infeasible, provided that the City has reviewed and agreed with Developer's determination. Notwithstanding the foregoing, if the City approves revisions to the proposed Development to address Developer's determination of infeasibility during the 30-day period following Developer's notice, this Agreement shall remain in effect.

Section 3.9 Effect of Termination. If the Parties have not entered into a AHPDA prior to the termination of this Agreement as provided herein, or prior to the expiration of the Negotiating Period (as it may be modified by the Parties pursuant to Section 1.2 of this Agreement), this Agreement shall terminate, and there shall be no further liability or obligation on the part of any of the Parties or their respective officers, employees, agents or other representatives; provided however, the provisions of Section 3.4 (Right of Entry) to the extent necessary to repair or restore any damage caused by Developer, Section 3.19 (Confidentiality), and Section 3.20 (Indemnification) shall survive such termination.

Section 3.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 3.11 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the subject matters of this Agreement.

Section 3.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 3.13 Assignment. The Developer may not transfer or assign any or all of its rights or obligations hereunder except with the prior written consent of the City, which consent

shall be granted or withheld in the City's reasonable discretion, and any such attempted transfer or assignment without the prior written consent of City shall be void. Notwithstanding the foregoing and subject to the City's consent, which consent shall not be unreasonably withheld, Developer may assign its rights and obligations hereunder to a limited partnership in which Developer or its wholly owned affiliate is the managing member of the general partner.

Section 3.14 Non-Recourse to Agents. No member, official, employee, agent, or consultant of any Party to this Agreement shall be personally liable to any other Party, or any successor in interest or person claiming by, through or under any Party, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement.

Section 3.15 No Third Party Beneficiaries. This Agreement is made and entered into solely for the benefit of the City and the Developer and no other person shall have any right of action under or by reason of this Agreement.

Section 3.16 Actions by the City. Whenever this Agreement calls for or permits the approval, consent, authorization or waiver of the City, the approval, consent, authorization, or waiver of the City Manager of the City or his or her designee shall constitute the approval, consent, authorization or waiver of the City without further action of the City.

Section 3.17 Relationship of the Parties. The subject of this Agreement is a co-development undertaking between the Parties for coordinated development of the Site. Aside from the relationship between the Parties described herein and to be further negotiated under this Agreement for inclusion in the executed AHPDA, and a Ground Lease neither Party is acting as the agent of the other Party in any respect, and none of the provisions in this Agreement shall be deemed to render the City a partner in any additional business, venture, or enterprise of Developer.

Section 3.18 Cooperation. In connection with this Agreement, the Developer and the City shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Parties shall each refrain from doing anything that would render its performance under this Agreement impossible, and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the purchase of this Agreement.

Section 3.19 Confidentiality. The Parties enter into this Agreement with the understanding that during the negotiations, the City may request that Developer provide certain information that is proprietary in order for the City to verify financial, operational or trade secret information that is relevant to the negotiations of the AHPDA and the Ground Lease and that will serve the public interest in assisting the City to negotiate effectively. Any such information requested by the City, and if Developer reasonably designates and clearly marks any such information as confidential or proprietary, then the City shall not disclose such information publicly without Developer's consent, except to the extent that the City is compelled to make such a disclosure under applicable law. The City agrees to notify Developer of any public records request that involves information that Developer has designated as confidential or proprietary under this Agreement. Developer agrees to bear all the costs of any litigation that is filed to determine the applicability of the public records law to documents submitted by Developer and designated as confidential or proprietary under this Section. Developer acknowledges that the final draft of the AHPDA and the Ground Lease proposed for endorsement and/or approval by the City Council will be

made available to the public.

Section 3.20 Indemnification. Developer hereby covenants to indemnify, hold harmless and defend the City and its respective elected and appointed officials, officers, agents, representatives and employees (all of the foregoing, collectively the “Indemnitees”) from and against all liability, loss, cost, claim, demand, action, suit, legal or administrative proceeding, penalty, deficiency, fine, damage and expense (including, without limitation, reasonable attorney’s fees and costs of litigation) (all of the foregoing, collectively the “Claims”) arising out of any act of negligence, misfeasance or willful misconduct of Developer in connection with this Agreement or the activities contemplated hereby. Developer shall have no indemnification obligation with respect to claims arising solely out of the negligence, misfeasance or willful misconduct of the City. Developer’s indemnification obligations set forth in this Section 3.22 shall survive the expiration or earlier termination of this Agreement.

Section 3.21 Waiver of Claims. Developer expressly and absolutely waives any and all claims against the City or the City property, directly or indirectly, arising out of, or in any way connected with, any or all of the following matters:

- (a) Any aspect of the Request for Qualifications for 555 Kelly Avenue (the “RFQ”), including any information or material set forth therein or referred to therein;
- (b) Any modification, or suspension of the RFQ, or informalities or defects therein; and
- (c) Any defects in the selection procedure identifying Developer as the preferred developer conducted by the City or any act or omission of the City with respect thereto, or any release or dissemination of any information submitted by Developer to the City prior to the Effective Date of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the date first above written.

THE DEVELOPER:

MERCY HOUSING CALIFORNIA

By: Ramie Dare
Ramie Dare, Vice President

CITY:

CITY OF HALF MOON BAY

By: Matthew Chidester
Matthew Chidester, City Manager

EXHIBIT A
PROPERTY DESCRIPTION



BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 1, 2025**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

TITLE: UPDATE ON THE RESIDENTIAL RENTAL REGISTRATION PROGRAM

RECOMMENDATION:

Receive an update on the City’s Residential Rental Registration Program.

FISCAL IMPACT:

There is no fiscal impact with receiving this informational update.

STRATEGIC ELEMENTS:

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

BACKGROUND:

On November 7, 2023, the City Council held a study session on Tenant Protections. After receiving community input and discussing the issue, the City Council directed staff to immediately initiate work on a residential rental registration ordinance to be accompanied or followed by other tenant protection measures, including rent stabilization and code enforcement related relocation assistance.

On February 6, 2024, the City Council adopted the Residential Rental Registration ordinance, now codified under [Title 6 HOUSING](#), Chapter 6.04 in the Half Moon Bay Municipal Code. The ordinance requires all landlords to register their residential rental units annually, which enables the City to monitor and analyze the characteristics of residential rental units and rents to inform future policy decisions. The responsibility for rental registration lies with the landlord, and the ordinance explicitly prohibits passing registration fees or penalties on to tenants.

To facilitate compliance and convenience for property owners, the City contracted with Tolemi to create an online registration portal. Personal data collected through the registration portal remains confidential. Registration fees were set at \$75 per unit, plus applicable credit card fees of no more than 3%. The initial rental registration process officially began on June 1, 2024, with

a no-fee registration period running until June 30, 2024, to encourage compliance in this initial rollout of the program. By mid-July 2024, 573 rental units had been successfully registered. Given the importance of this initial registration and to promote program compliance, the City extended the no fee period through July 31, 2024. In addition to robust outreach, staff developed a program webpage providing resources including a registration link, FAQs, and support contacts.

On May 7, 2024, the City Council approved the Rent Stabilization ordinance, introducing measures to cap rent increases and protect tenants from excessive rent hikes, which can also be found in [Title 6 HOUSING](#) of the Municipal Code, Chapter 6.06. The current maximum rent increase for properties with two or more units built prior to 1995 is set at 2.6% through December 1, 2025.

The City will release the maximum rent increase allowed through the ordinance on an annual basis. The maximum rent calculation is based on the code provision defined as an amount not to exceed three (3%) percent, or eighty (80%) percent of the change in the consumer price index (May to May), whichever is less, and more than one rent increase in any twelve-month period is prohibited. Implementation for rent stabilization began in August 2024, when the City formally initiated the registration of rent-stabilized properties through the Tolemi portal and started enforcing rent stabilization measures.

The list below summarizes milestones achieved since the initial registration for both programs as well as future milestones for 2025.

Timeline of Key Milestones

2023:

- **November 2023:** Tenant Protections Study Session

2024:

- **January - May 2024:** Public Outreach and Ordinances Passed
 - Outreach to stakeholders
 - Residential Rental Registration and Rent Stabilization ordinances were passed
 - Development of administrative policies and procedures
- **June 2024:** Initial Registration for Rental Registration
 - No fee registration June 1 – July 31, 2024
- **August 2024:** Rent Stabilization Registration Initiated
- **September 2024:** Grace Period Begins
 - A grace period was implemented to allow landlords time to comply with registration and rent stabilization requirements before formal enforcement began
- **October 2024:** Warning Notices Issued
 - Landlords who failed to meet registration requirements received initial warning notices to prompt compliance
 - Late fees for rental registry began

- **November/December 2024: Second Warning**
 - For landlords who continued to remain non-compliant, a second warning was issued, signaling the approach of enforcement actions

2025:

- **January 2025: Code Enforcement Citation Warning**
 - Notices were sent to landlords who still had not complied, warning them of the impending issuance of citations for continued non-compliance
- **February 2025: Citations Issued for Rent Stabilization Violations**
 - Citations were officially issued to landlords in violation of the rent stabilization policies, beginning the enforcement of regulations for the 2024/2025 rental period.
- **March 2025: Rent Registration Compliance**
 - Continued monitoring of compliance and additional enforcement measures will be assessed
 - Start enforcement phase of the Rent Registration Program
- **April and May 2025: Compliance Continued**
 - Expecting continued work on compliance
- **June 2025: Registration**
 - Year-two registration for both Rental Registration and Rent Stabilization

DISCUSSION:

The Rental Registration Program is progressing steadily, with 1,048 units registered, including 370 rent-stabilized properties, and a 79% compliance rate. The City has made significant efforts to inform landlords and ensure that the registration process reflects adequate data by maximizing compliance. The launch of the Rental Registration Program in mid-2024 was a considerable undertaking that utilized significant staff time to assist property owners with inquiries and guidance on the registration process. The strain on staff resources should decrease for future registration periods with landlord data being saved in the Tolemi portal, easing the registration process and increased compliance rates. Table 1 below provides a breakdown of current program compliance.

Table 1: Rental Registration Compliance

Category	Rental Registration	Rent Stabilization
Suspected Units	1326	472
Registered Units	1048	370
Compliance Rate	79%	79%

As the program has moved forward beyond the initial registration, clarifications have been necessary regarding the interpretation of the ordinance and the application of certain provisions of the ordinance. One interpretation of the ordinance pertained to a family member occupying a unit that is not the landlord's primary residence. Staff presented this interpretation to the City Council on July 16, 2024. Further details can be found in the [staff report](#). Following the discussion, staff was directed to continue instructing landlords to register these units, even if a family member is the tenant. Whether rent is charged, reduced, or fully subsidized for a family member, the unit is still classified as a "residential rental unit," and its occupants are considered "tenants" under Municipal Code Chapter 6.02. This requirement applies specifically to units where the owner of record does not reside in the unit.

In addition, Affordable Housing providers have raised concerns about the financial strain imposed by the registration fee. Given their limited operating budgets and large multifamily buildings, they have expressed difficulty in absorbing the additional cost of \$75 per unit. Staff continue to evaluate ways to address these concerns and explore potential solutions.

CONCLUSION:

Continuing to address the remaining compliance issues and refining the registration system for landlords are key tasks for future years. Staff will focus on educating both landlords and tenants about their rights and responsibilities. Additionally, data will be analyzed to identify trends and inform future policy decisions. Staff will evaluate the effectiveness of enforcement measures, and those efforts will be shared with the City Council at a later date as part of future program updates. As the Rental Registration Program moves forward, ongoing outreach and support will be crucial to ensuring long-term success and maintaining a fair and transparent rental market in Half Moon Bay.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 1, 2025**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

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

TITLE: **AWARD CONSTRUCTION CONTRACT FOR THE FRENCHMAN’S CREEK PARK IMPROVEMENTS PROJECT (CIP PROJECT NO. 1013)**

RECOMMENDATION:

Consider adoption of a resolution:

- 1) Authorizing the Administrative Services Director to transfer \$115,843 to the Capital Improvement Project (CIP) No. 1013 – Frenchman’s Creek Park Improvements Project – Phase II (Project); and
- 2) Authorizing the City Manager to award and execute a construction contract to the lowest responsive and responsible bidder, Half Moon Bay Grading and Paving, Inc., of Half Moon Bay, California, in the amount of \$351,076.49 and approve a construction contingency amount not to exceed \$52,661.47 for a total construction budget of \$403,737.96 for the Project.

FISCAL IMPACT:

The recommendation requires a transfer of an additional \$115,843 from the Park/Facilities Development Fund 125 (current Fund 125 balance is approximately \$330,000) to the Project. With this action, the amount of local funds dedicated towards project construction would be \$315,842.60, with an additional \$185,672 coming from grant funding; for a total project budget of \$501,514.60.

To date, approximately \$58,000 has been expended on project soft costs (design, environmental, bidding and advertisement). If the recommendation is approved, the overall revised project budget would be:

Expenditure	Amount
Design/Environmental/Miscellaneous (spent to date)	\$57,776.64
Construction Award	\$351,076.49
Construction Contingency	\$52,661.47

Construction Support (as-needed, not to exceed)	\$40,000
Total	\$501,514.60

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 Frenchman’s Creek Park as an opportunity for amenity and infrastructure improvements. In Spring 2021, new play equipment and an accessible rubberized surface were installed (Phase I) with support from the Friends of Half Moon Bay Parks and Recreation, who contributed \$15,000 in fundraising.

In FY 2022-23, the City secured a \$185,672 grant from the California Proposition 68 Park Bond Program. On September 20, 2022, the City Council approved a resolution designating “Frenchman’s Creek Park Phase II” as the recipient of these grant funds and authorizing a professional services agreement for the design. At the time, the Proposition 68 funds were estimated to account for approximately 51-percent of the total budgeted funds for the project. Phase II includes new swings, picnic tables, a plaza, additional split rail fencing, a drinking fountain, seat walls, a bulletin board, accent planting, bike racks, trash receptacles, an ADA independent rider, and additional off-street parking, including one ADA van-accessible space.

The original estimated cost for Phase II was \$385,672, including \$77,000 for design, oversight, and permitting, \$210,672 for construction, and \$98,000 equipment. These figures were very preliminary and predated design and professional estimation and did not include any contingency.

Bid Summary:

The City advertised the Project on January 24, 2025, receiving seven (7) bids before the February 20, 2025, deadline. The bids and engineer’s estimate are summarized below:

Bidder	Base Bid
<i>Engineer’s Estimate</i>	\$285,117.00
Half Moon Bay Grading & Paving, Inc.	\$351,076.49
Scapes, Inc.	\$369,950.70
Coastline Construction, Inc.	\$396,840.72
Raposo Engineering, Inc.	\$408,691.07
Frontline General Engineering Construction, Inc.	\$498,494.88
Golden Bay Construction, Inc.	\$502,639.75
Galeb Paving, Inc.	\$585,800.00

DISCUSSION:

Half Moon Bay Grading and Paving, Inc. submitted the lowest responsive and responsible bid at \$351,076.49, approximately 23.1% above the Engineer’s Estimate for construction. The current economy, including increases in labor and material costs, appear to be the main factors in the variance from the engineer’s estimate. Staff have reviewed the bid and found it acceptable. Construction contingencies of \$52,661.47 (15%) are recommended.

The additional funding request will support full project build-out, construction contingencies, and soft costs including design support and material testing. Anticipated expenditures are detailed below:

Firm	Amount
Design/Environmental/Miscellaneous	\$57,776.64
Half Moon Bay Grading & Paving, Inc.	\$351,076.49
Construction Contingencies (15%)	\$52,661.47
Construction Design Support (as needed)	\$20,000.00
Material Testing & Inspection (TBD)	\$10,000.00
Environmental and Biological Support (TBD)	\$10,000.00
Total Anticipated Expenditures	\$501,514.60

Construction would occur on weekdays from 7:00 a.m. to 5:00 p.m. Public notices will be posted in advance, and traffic control measures will be implemented as needed. The project is expected to run from mid-spring through early summer 2025, barring material/procurement delays.

ALTERNATIVES:

Given the current budget forecast for the City, there are a couple of alternatives available for Council to consider and are presented below.

Alternative 1:

Modify the scope to align with the available Proposition 68 grant funding (\$185,672). This would result in a drastically reduced project scope and eliminate many of the additional amenities incorporated in the Phase II design. If this is preferred, Staff recommend rejecting all bids, revising the design and scope, and re-advertising new bids at a future date.

Alternative 2:

Modify the scope to align with both the available Proposition 68 grant funding (\$185,672) and the previous project funding allocation remaining after design and environmental expenditures (\$142,000). This would result in a reduced project scope and eliminate some of the additional amenities incorporated in the Phase II design. If this is preferred, Staff recommend rejecting all bids, revising the design and scope, and re-advertising new bids at a future date.

Alternative 3:

Postpone this project indefinitely. If that is the direction of the Council, staff will need to discuss with the Grantor (State Parks) the feasibility of transferring the Prop 68 grant funds to another project. If this is preferred, Staff would recommend rejecting all bids and would return to Council with additional information on other potential uses for the funding.

Original Recommendation:

If the current scope and costs are acceptable, Staff recommend the Council adopt a resolution to:

1. Authorize the transfer of \$115,843 to CIP No. 1013 – Frenchman’s Creek Park Improvements Project – Phase II.
2. Authorize the City Manager to award and execute the construction contract with Half Moon Bay Grading and Paving, Inc. for \$351,076.49, with a construction contingency not to exceed \$52,661.47, for a total construction budget of \$403,737.96.

ATTACHMENTS:

1. RESOLUTION
2. BID TABULATION
3. PROJECT SITE PLAN
4. DRAFT UPDATED CIP PROJECT PAGE

Resolution No. C-2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE ADMINISTRATIVE SERVICES DIRECTOR TO TRANSFER \$115,843 TO CAPITAL IMPROVEMENT PROJECT (CIP) NO. 1013 – FRENCHMAN’S CREEK PARK IMPROVEMENTS PROJECT – PHASE II (PROJECT) AND AUTHORIZING THE CITY MANAGER TO AWARD AND EXECUTE A CONSTRUCTION CONTRACT WITH HALF MOON BAY GRADING AND PAVING, INC. OF HALF MOON BAY, CALIFORNIA, IN THE AMOUNT OF \$351,076.49 AND APPROVING A CONSTRUCTION CONTINGENCY AMOUNT NOT EXCEEDING \$52,661.47 FOR THE PROJECT FOR A TOTAL CONSTRUCTION BUDGET OF \$403,737.96.

WHEREAS, the Parks Master Plan, adopted by the City Council on February 5, 2019, identified Frenchman’s Creek Park, a small neighborhood park located on Ruisseau Francais Avenue in the Frenchman’s Creek neighborhood, as an opportunity to improve amenities and the infrastructure; and

WHEREAS, with the support of the Friends of Half Moon Bay Parks and Recreation (who fundraised \$15,000) and from the community, new play equipment was installed with accessible rubberized surface that replaced the existing infrastructure in Spring 2021 (Phase I); and

WHEREAS, in FY 2022-23, the City received a \$185,672 population-based grant through the California Proposition 68 Park Bond Program and Phase II of the Frenchman’s Creek Park Improvements Project was designated as the recipient of these grant funds; and

WHEREAS, Phase II includes park improvements including new swings, picnic tables, a new plaza, additional split rail fencing, drinking fountain, seat walls, a bulletin board, accent planting, bike racks, trash receptacles, and an ADA independent rider; and

WHEREAS, the project also includes parking improvements including altering the existing two (2) parallel parking stalls to three (3) angled parking stalls, one of which being an ADA van accessible parking stall; and

WHEREAS, the City advertised the project on Friday, January 24, 2025, and opened seven (7) bids that were received at the scheduled time, date, and place, as set forth in the Public Contract Code for the Project at 2:00 PM on Thursday, February 20, 2025; and

WHEREAS, the lowest responsive and responsible bid was submitted by Half Moon Bay Grading and Paving, Inc., out of Half Moon Bay, California, in the amount of \$351,076.49.

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

- 1) Authorizes the Administrative Services Director to transfer \$115,873 to Capital Improvement Project (CIP) No. 1013 – Frenchman’s Creek Park Improvements Project – Phase II (Project); and
- 2) Accepts the submitted seven (7) responsive bids; and
- 3) Authorizes the City Manager to award and execute a construction contract to the lowest responsive and responsible bidder, Half Moon Bay Grading and Paving, Inc., out of Half Moon Bay, California, in the amount of \$351,076.49; and
- 4) Approves the construction contingency (15%) amount not exceeding \$52,661.47 for a total construction budget of \$403,737.96.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 1st day of April 2025, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

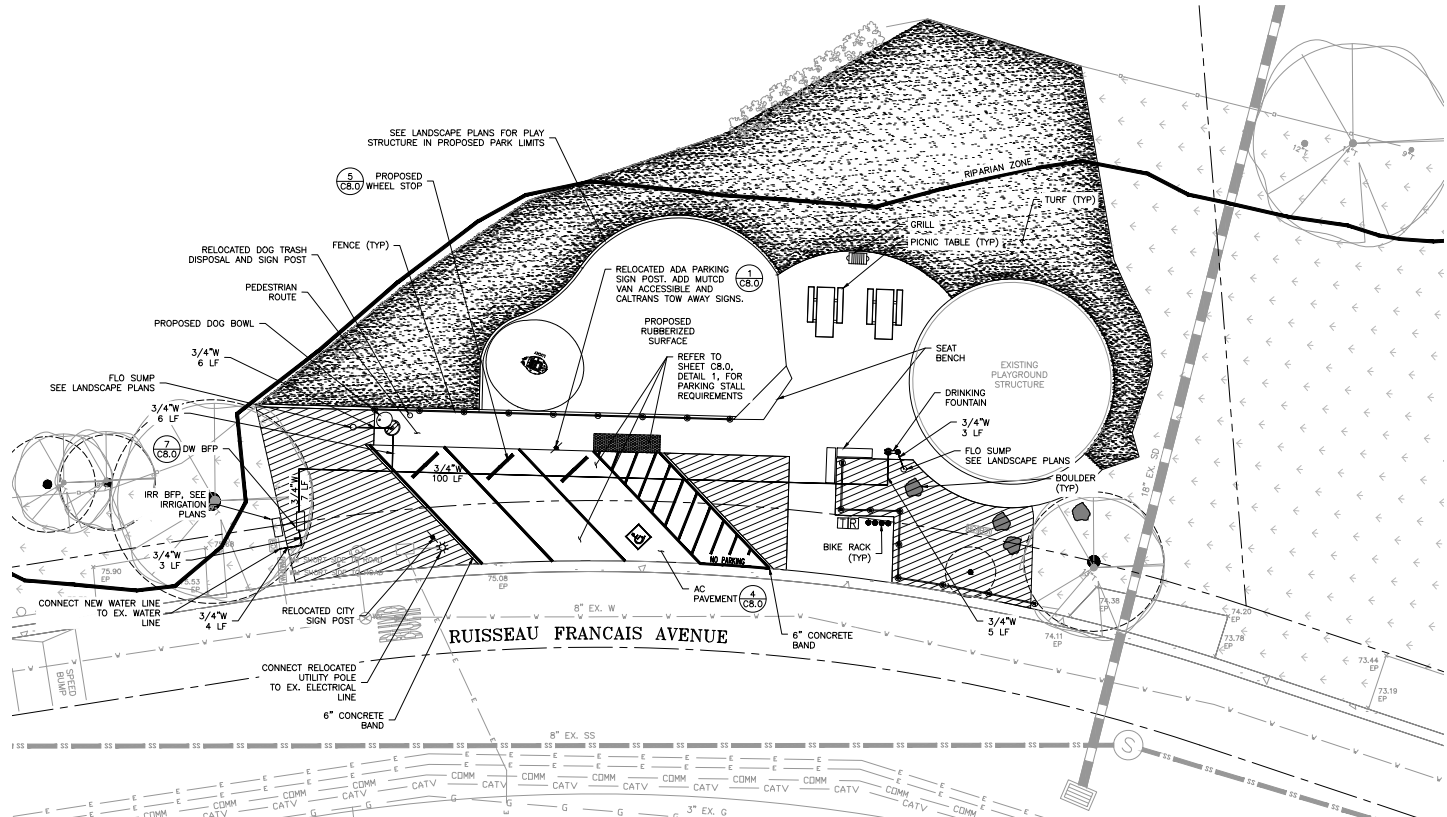
APPROVED:

Maggie Rodriguez, Assistant City Clerk

Robert Brownstone, Mayor

FRENCHMAN'S CREEK PARK IMPROVEMENTS PROJECT - PHASE II - BID SUMMARY - THURSDAY, FEBRUARY 20, 2025, AT 2:00 PM

ITEM	SPEC CERT	ITEM DESCRIPTION	UNIT	QTY	ENGINEERS ESTIMATE		HALF MOON BAY GRADING AND PAVING, INC.		SCAPES, INC.		COASTLINE CONSTRUCTION, INC.		RAPOSO ENGINEERING, INC.		FRONTLINE GENERAL ENGINEERING CONSTRUCTION, INC.		GOLDEN BAY CONSTRUCTION, INC.		GALEB PAVING, INC.								
					UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL					
1		Mobilization/Demobilization	LS	1	\$ 13,577.00	\$ 13,577.00	\$ 11,000.00	\$ 11,000.00	\$ 7,500.00	\$ 7,500.00	\$ 33,000.00	\$ 33,000.00	\$ 20,000.00	\$ 20,000.00	\$ 58,043.18	\$ 58,043.18	\$ 39,823.00	\$ 39,823.00	\$ 73,527.15	\$ 73,527.15							
2		Notifications to Residents and Businesses	LS	1	\$ 3,000.00	\$ 3,000.00	\$ 2,100.00	\$ 2,100.00	\$ 2,000.00	\$ 2,000.00	\$ 1,250.00	\$ 1,250.00	\$ 1,500.00	\$ 1,500.00	\$ 2,379.02	\$ 2,379.02	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00							
3		Traffic Control	LS	1	\$ 10,400.00	\$ 10,400.00	\$ 6,500.00	\$ 6,500.00	\$ 3,000.00	\$ 3,000.00	\$ 12,400.00	\$ 12,400.00	\$ 3,500.00	\$ 3,500.00	\$ 4,757.02	\$ 4,757.02	\$ 5,000.00	\$ 5,000.00	\$ 3,312.00	\$ 3,312.00							
4		Sheeting, Shoring, and Bracing	LS	1	\$ 11,400.00	\$ 11,400.00	\$ 4,275.30	\$ 4,275.30	\$ 2,000.00	\$ 2,000.00	\$ 4,225.00	\$ 4,225.00	\$ 1,500.00	\$ 1,500.00	\$ 5,486.31	\$ 5,486.31	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00							
5		Construction Staking and Survey	LS	1	\$ 5,200.00	\$ 5,200.00	\$ 8,000.00	\$ 8,000.00	\$ 19,250.00	\$ 19,250.00	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 15,000.00	\$ 8,897.20	\$ 8,897.20	\$ 6,500.00	\$ 6,500.00	\$ 7,590.00	\$ 7,590.00							
6		Site Investigation and Potholing	LS	1	\$ 10,400.00	\$ 10,400.00	\$ 4,960.00	\$ 4,960.00	\$ 1,500.00	\$ 1,500.00	\$ 3,200.00	\$ 3,200.00	\$ 2,000.00	\$ 2,000.00	\$ 3,172.02	\$ 3,172.02	\$ 1,900.00	\$ 1,900.00	\$ 40,416.00	\$ 40,416.00							
7		Earthwork Off-Haul	TON	34	\$ 40.00	\$ 1,360.00	\$ 300.00	\$ 10,200.00	\$ 200.00	\$ 6,800.00	\$ 40.00	\$ 1,360.00	\$ 200.00	\$ 6,800.00	\$ 654.72	\$ 22,260.48	\$ 325.00	\$ 11,050.00	\$ 365.00	\$ 12,410.00							
8		Stormwater Pollution Prevention	LS	1	\$ 5,200.00	\$ 5,200.00	\$ 5,000.00	\$ 5,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00	\$ 6,000.00	\$ 3,625.35	\$ 3,625.35	\$ 5,800.00	\$ 5,800.00	\$ 7,812.00	\$ 7,812.00							
9		Turf Removal	SF	7,681	\$ 0.50	\$ 3,841.00	\$ 2.15	\$ 16,514.15	\$ 2.20	\$ 16,898.20	\$ 0.70	\$ 5,376.70	\$ 3.65	\$ 28,035.65	\$ 1.83	\$ 14,056.23	\$ 1.75	\$ 13,441.75	\$ 1.40	\$ 10,753.40							
10		Concrete Removal	SF	1,030	\$ 10.00	\$ 10,300.00	\$ 11.20	\$ 11,536.00	\$ 6.00	\$ 6,180.00	\$ 1.80	\$ 1,854.00	\$ 5.00	\$ 5,150.00	\$ 13.59	\$ 13,997.70	\$ 5.00	\$ 5,150.00	\$ 10.50	\$ 10,815.00							
11		Asphalt Concrete Removal (Parking Area)	SY	52	\$ 20.00	\$ 1,040.00	\$ 160.00	\$ 8,320.00	\$ 40.00	\$ 2,080.00	\$ 30.00	\$ 1,560.00	\$ 95.00	\$ 4,940.00	\$ 58.21	\$ 3,026.92	\$ 45.00	\$ 2,340.00	\$ 105.50	\$ 5,486.00							
12		Wood Fence Post Removal	LF	107	\$ 3.00	\$ 321.00	\$ 21.00	\$ 2,247.00	\$ 23.00	\$ 2,461.00	\$ 6.95	\$ 743.65	\$ 35.00	\$ 3,745.00	\$ 28.84	\$ 3,085.88	\$ 25.00	\$ 2,675.00	\$ 49.10	\$ 5,253.70							
13		Site Furnishing Removal	LS	1	\$ 300.00	\$ 300.00	\$ 4,197.20	\$ 4,197.20	\$ 1,100.00	\$ 1,100.00	\$ 5,100.00	\$ 5,100.00	\$ 4,500.00	\$ 4,500.00	\$ 4,843.00	\$ 4,843.00	\$ 2,500.00	\$ 2,500.00	\$ 5,160.00	\$ 5,160.00							
14		Shrub/Planting Removal	LS	1	\$ 1,400.00	\$ 1,400.00	\$ 3,120.00	\$ 3,120.00	\$ 1,500.00	\$ 1,500.00	\$ 1,950.00	\$ 1,950.00	\$ 1,000.00	\$ 1,000.00	\$ 3,201.60	\$ 3,201.60	\$ 2,800.00	\$ 2,800.00	\$ 9,600.00	\$ 9,600.00							
15		3/4" Backflow Preventer	EA	1	\$ 2,600.00	\$ 2,600.00	\$ 3,600.00	\$ 3,600.00	\$ 2,500.00	\$ 2,500.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 3,649.02	\$ 3,649.02	\$ 1,800.00	\$ 1,800.00	\$ 4,950.00	\$ 4,950.00							
16		1" Backflow Preventer	EA	1	\$ 2,600.00	\$ 2,600.00	\$ 3,900.00	\$ 3,900.00	\$ 3,500.00	\$ 3,500.00	\$ 5,250.00	\$ 5,250.00	\$ 5,900.00	\$ 5,900.00	\$ 3,649.02	\$ 3,649.02	\$ 6,300.00	\$ 6,300.00	\$ 5,500.00	\$ 5,500.00							
17		Relocation of Sign Post	EA	3	\$ 520.00	\$ 1,560.00	\$ 325.00	\$ 975.00	\$ 1,000.00	\$ 3,000.00	\$ 1,275.00	\$ 3,825.00	\$ 200.00	\$ 600.00	\$ 793.64	\$ 2,380.92	\$ 200.00	\$ 600.00	\$ 400.00	\$ 1,200.00							
18		Relocation of Utility Light Pole	EA	1	\$ 5,200.00	\$ 5,200.00	\$ 1,900.00	\$ 1,900.00	\$ 2,000.00	\$ 2,000.00	\$ 2,850.00	\$ 2,850.00	\$ 7,500.00	\$ 7,500.00	\$ 3,665.60	\$ 3,665.60	\$ 10,545.00	\$ 10,545.00	\$ 15,000.00	\$ 15,000.00							
19		Relocation of ADA Sign Post	EA	1	\$ 1,040.00	\$ 1,040.00	\$ 400.00	\$ 400.00	\$ 3,000.00	\$ 3,000.00	\$ 550.00	\$ 550.00	\$ 350.00	\$ 350.00	\$ 3,774.41	\$ 3,774.41	\$ 200.00	\$ 200.00	\$ 745.00	\$ 745.00							
20		Thermoplastic Stripign (Blue and White)	SF	267	\$ 10.00	\$ 2,670.00	\$ 10.25	\$ 2,736.75	\$ 20.00	\$ 5,340.00	\$ 61.61	\$ 16,449.87	\$ 30.00	\$ 8,010.00	\$ 15.44	\$ 4,122.48	\$ 20.00	\$ 5,340.00	\$ 26.40	\$ 7,048.80							
21		AC Pavement (Parking Area Only)	SF	962	\$ 30.00	\$ 28,860.00	\$ 17.50	\$ 16,835.00	\$ 23.00	\$ 22,126.00	\$ 16.50	\$ 15,873.00	\$ 17.10	\$ 16,450.20	\$ 23.43	\$ 22,539.66	\$ 36.00	\$ 34,632.00	\$ 17.50	\$ 16,835.00							
22		Pedestrian Concrete	SF	1,704	\$ 25.00	\$ 42,600.00	\$ 20.00	\$ 34,080.00	\$ 28.00	\$ 47,712.00	\$ 17.50	\$ 29,820.00	\$ 25.00	\$ 42,600.00	\$ 17.56	\$ 29,922.24	\$ 24.00	\$ 40,896.00	\$ 24.10	\$ 41,066.40							
23		6" Concrete Curb/Band	LF	212	\$ 50.00	\$ 10,600.00	\$ 51.88	\$ 10,998.56	\$ 100.00	\$ 21,200.00	\$ 54.00	\$ 11,448.00	\$ 41.00	\$ 8,692.00	\$ 97.63	\$ 20,697.56	\$ 88.00	\$ 18,656.00	\$ 64.20	\$ 13,610.40							
24		Wheel Stops	EA	3	\$ 220.00	\$ 660.00	\$ 150.00	\$ 450.00	\$ 300.00	\$ 900.00	\$ 130.00	\$ 390.00	\$ 300.00	\$ 900.00	\$ 796.78	\$ 2,390.34	\$ 230.00	\$ 690.00	\$ 165.00	\$ 495.00							
25		Detectable Warnings	SF	34	\$ 50.00	\$ 1,700.00	\$ 67.67	\$ 2,300.78	\$ 90.00	\$ 3,060.00	\$ 52.50	\$ 1,785.00	\$ 45.00	\$ 1,530.00	\$ 26.99	\$ 917.66	\$ 48.00	\$ 1,632.00	\$ 99.50	\$ 3,383.00							
26		Soil Prep	SF	1,180	\$ 0.10	\$ 118.00	\$ 1.50	\$ 1,770.00	\$ 2.00	\$ 2,360.00	\$ 2.10	\$ 2,478.00	\$ 2.50	\$ 2,950.00	\$ 3.34	\$ 3,941.20	\$ 0.75	\$ 885.00	\$ 2.53	\$ 2,985.40							
27		Mulch	SF	1,180	\$ 1.00	\$ 1,180.00	\$ 1.60	\$ 1,888.00	\$ 1.20	\$ 1,416.00	\$ 1.60	\$ 1,888.00	\$ 1.75	\$ 2,065.00	\$ 2.55	\$ 3,009.00	\$ 1.75	\$ 2,065.00	\$ 2.20	\$ 2,596.00							
28		Turf Sod Bolero Plus	SF	3,675	\$ 0.10	\$ 368.00	\$ 5.00	\$ 18,375.00	\$ 4.50	\$ 16,537.50	\$ 4.55	\$ 16,721.25	\$ 4.90	\$ 18,007.50	\$ 3.29	\$ 12,090.75	\$ 5.00	\$ 18,375.00	\$ 7.70	\$ 28,297.50							
29		Entry Sign Planting	SF	1,180	\$ 17.00	\$ 20,060.00	\$ 2.63	\$ 3,103.40	\$ 6.00	\$ 7,080.00	\$ 4.70	\$ 5,546.00	\$ 5.50	\$ 6,490.00	\$ 13.49	\$ 15,918.20	\$ 8.50	\$ 10,030.00	\$ 11.00	\$ 12,980.00							
30		Irrigation System	SF	4,819	\$ 0.40	\$ 1,928.00	\$ 8.01	\$ 38,600.19	\$ 5.00	\$ 24,095.00	\$ 7.50	\$ 36,142.50	\$ 7.88	\$ 37,973.72	\$ 8.90	\$ 42,889.10	\$ 6.00	\$ 28,914.00	\$ 8.00	\$ 38,552.00							
31		Drinking Fountain	EA	1	\$ 2,500.00	\$ 2,500.00	\$ 8,283.00	\$ 8,283.00	\$ 8,500.00	\$ 8,500.00	\$ 9,000.00	\$ 9,000.00	\$ 5,800.00	\$ 5,800.00	\$ 10,937.06	\$ 10,937.06	\$ 19,950.00	\$ 19,950.00	\$ 6,357.50	\$ 6,357.50							
32		Pet Drinking Fountain	EA	1	\$ 2,500.00	\$ 2,500.00	\$ 5,600.00	\$ 5,600.00	\$ 3,500.00	\$ 3,500.00	\$ 5,000.00	\$ 5,000.00	\$ 3,900.00	\$ 3,900.00	\$ 6,401.80	\$ 6,401.80	\$ 13,650.00	\$ 13,650.00	\$ 6,357.50	\$ 6,357.50							
33		Boulders	EA	4	\$ 150.00	\$ 600.00	\$ 2,250.00	\$ 9,000.00	\$ 1,800.00	\$ 7,200.00	\$ 1,675.00	\$ 6,700.00	\$ 2,150.00	\$ 8,600.00	\$ 974.26	\$ 3,897.04	\$ 3,200.00	\$ 12,800.00	\$ 7,700.00	\$ 30,800.00							
34		Bike Rack	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 1,200.00	\$ 1,200.00	\$ 750.00	\$ 750.00	\$ 2,799.93	\$ 2,799.93	\$ 1,500.00	\$ 1,500.00	\$ 2,180.00	\$ 2,180.00							
35		Play Structures	LS	1	\$ 10,245.00	\$ 10,245.00	\$ 15,035.61	\$ 15,035.61	\$ 18,500.00	\$ 18,500.00	\$ 25,820.00	\$ 25,820.00	\$ 29,000.00	\$ 29,000.00	\$ 19,134.54	\$ 19,134.54	\$ 19,060.00	\$ 19,060.00	\$ 23,950.00	\$ 23,950.00							
36		Wausa Knife Bench	EA	1	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00	\$ 7,500.00	\$ 9,800.00	\$ 9,800.00	\$ 3,500.00	\$ 3,500.00	\$ 4,921.34	\$ 4,921.34	\$ 4,500.00	\$ 4,500.00	\$ 4,940.00	\$ 4,940.00							
37		Synthetic Play Surfacing	SF	1,303	\$ 16.00	\$ 20,848.00	\$ 36.85	\$ 48,015.55	\$ 35.00	\$ 45,605.00	\$ 38.25	\$ 49,839.75	\$ 34.00	\$ 44,302.00	\$ 50.88	\$ 66,296.64	\$ 57.00	\$ 74,271.00	\$ 36.75	\$ 47,885.25							
38		Trash Can & Recycling	EA	1	\$ 1,600.00	\$ 1,600.00	\$ 675.00	\$ 675.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 600.00	\$ 600.00	\$ 3,295.22	\$ 3,295.22	\$ 960.00	\$ 960.00	\$ 1,060.00	\$ 1,060.00							
39		Split Rail Fencing	LF	115	\$ 175.00	\$ 20,125.00	\$ 56.00	\$ 6,440.00	\$ 70.00	\$ 8,050.00	\$ 75.00	\$ 8,625.00	\$ 80.00	\$ 9,200.00	\$ 130.97	\$ 15,061.55	\$ 137.00	\$ 15,755.00	\$ 200.00	\$ 23,000.00							
40		Wausa Concrete Bench	EA	2	\$ 2,000.00	\$ 4,000.00	\$ 1,900.00	\$ 3,800.00	\$ 1,450.00	\$ 2,900.00	\$ 2,000.00	\$ 4,000.00	\$ 3,000.00	\$ 6,000.00	\$ 6,412.08	\$ 12,824.16	\$ 5,900.00	\$ 11,800.00	\$ 4,940.00	\$ 9,880.00							
41		Picnic Tables	EA	2	\$ 4,000.00	\$ 8,000.00	\$ 1,800.00	\$ 3,600.00	\$ 10,000.00	\$ 20,000.00	\$ 10,000.00	\$ 20,000.00	\$ 4,200.00	\$ 8,400.00	\$ 4,305.25	\$ 8,610.50	\$ 10,977.00	\$ 21,954.00	\$ 10,025.00	\$ 20,050.00							
42		Grills	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 875.00	\$ 875.00	\$ 2,500.00	\$ 2,500.00	\$ 1,800.00	\$ 1,800.00	\$ 2,100.00	\$ 2,100.00	\$ 2,163.31	\$ 2,163.31	\$ 2,100.00	\$ 2,100.00	\$ 2,180.00	\$ 2,180.00							
43		Relocate Existing Bench	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 435.00	\$ 435.00	\$ 500.00	\$ 500.00	\$ 1,550.00	\$ 1,550.00	\$ 4,500.00	\$ 4,500.00	\$ 696.00	\$ 696.00	\$ 2,500.00	\$ 2,500.00	\$ 530.00	\$ 530.00							
44		Flo Sump	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 2,100.00	\$ 2,100.00	\$ 500.00	\$ 500.00	\$ 1,750.00	\$ 1,750.00	\$ 850.00	\$ 850.00	\$ 7,919.32	\$ 7,919.32	\$ 840.00	\$ 840.00	\$ 750.00	\$ 750.00							
45		3/4" PVC Flo Sump Drainage Pipe	LF	10	\$ 1.60	\$ 16.00	\$ 8.50	\$ 85.00	\$ 60.00	\$ 600.00	\$ 62.00	\$ 620.00	\$ 250.00	\$ 2,500.00	\$ 103.49	\$ 1,034.90	\$ 121.00	\$ 1,210.00	\$ 150.00	\$ 1,500.00							
46		3/4" Copper Pipe	LF	150	\$ 8.00	\$ 1,200.00	\$ 25.00	\$ 3,750.00	\$ 20.00	\$ 3,000.00	\$ 72.00	\$ 10,800.00	\$ 68.00	\$ 10,200.00	\$ 40.75	\$ 6,112.50	\$ 115.00	\$ 17,250.00	\$ 100.00	\$ 15,000.00							
					Base Bid Subtotal	\$ 285,117.00			\$ 351,076.49			\$ 369,950.70			\$ 396,840.72			\$ 408,691.07			\$ 498,494.88			\$ 502,639.75			\$ 585,800.00
					15% Contingency	\$ 42,768.00																					



NOTES:

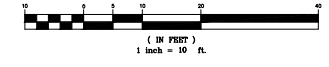
1. REFER TO LANDSCAPE PLANS FOR SCORELINES, PLANTING, AND SITE FURNISHING PLACEMENT INCLUDING BOULDERS, PICNIC TABLES, DRINKING FOUNTAIN, GRILL, TRASHBIN, PLAYGROUND SIGN POST, BIKE RACKS, AND SYMBOLS NOT SHOWN ON SHEET 1.

LEGEND

- PROPOSED BACKFLOW PREVENTER
- PROPOSED LANDSCAPE PLANTING, SLAD
- PROPOSED TURF, SLAD
- PROPERTY LINE
- CENTER LINE
- RIPARIAN ZONE LINE
- WATER LINE



GRAPHIC SCALE



FRENCHMAN'S CREEK PARK - PHASE II
SITE PLAN
 CITY OF HALF MOON BAY



City of
 Half Moon Bay
 501 Main Street
 Half Moon Bay
 CA 94019
 p. 650-726-7177
 f. 650-726-8261
 hmbcity.com

REVISION	BY



APPROVED BY:
 CITY OF HALF MOON BAY
 MAZIAR BOZORGINIA
 CITY ENGINEER

DATE
 1/24/2025

DATE	10-10-2024
SCALE	AS SHOWN
DRAWN	CNG
CHECKED	276012
DATE	
SHEET	C5.0

PROJECT TITLE: FRENCHMAN'S CREEK PARK IMPROVEMENTS - PHASE II

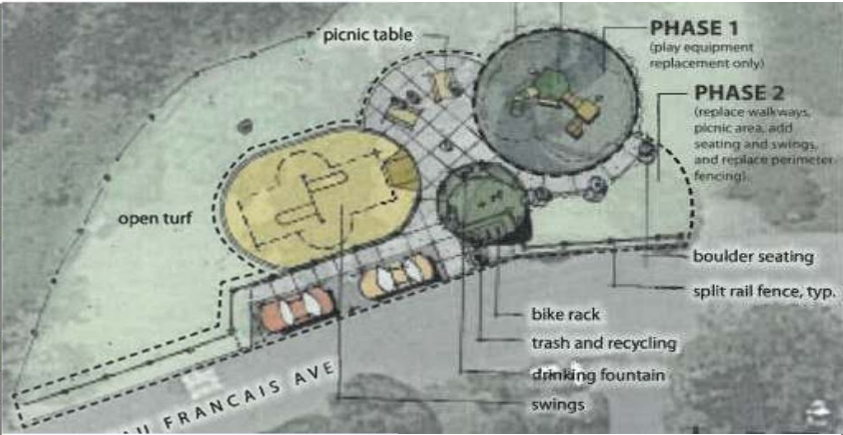
Category: Parks	Project Number: 1013
Project Location: Frenchman's Creek Park	Lead Department: Public Works
Type: Capital Maintenance/Community Enhancement	Status: Previously Approved
Initial Funding: FY 22-23	Estimated Completion: FY 24-25
Fund Number: 125	Fund Name: Parks

DESCRIPTION:
 This project is Phase II of the reconstruction efforts of Frenchman's Creek Park. This phase includes the installation of a swing set, parking lot reconstruction, site rehabilitation, additional amenities for the park.

JUSTIFICATION:
 Frenchman's Creek Park is described in the Half Moon Bay Parks Master Plan as one of the parks that recommended for improvements.

STRATEGIC PLAN GOAL (please check all that apply)

X	Infrastructure
X	Healthy Community/Public Safety
	Fiscal Sustainability
	Inclusive Governance



ADDITIONAL DETAILS:
 Phase I of the Frenchman's Creek Park Improvements were completed in FY 21/22. Phase II design has been completed and is pending construction contract award.

EXPENDITURES	PRIOR YEARS BUDGET EXPENDITURES	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FUTURE YEARS	TOTAL ALL FY
Prof.Serv/Env.	\$ 57,777	\$ 40,000						\$ 97,777
Construction		\$ 403,738						\$ 403,738
Equipment		\$ -						
PM-CM								\$ -
TOTAL	\$ 57,777	\$ 443,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,515

SOURCE(S) OF FUNDS	PRIOR YEARS BUDGET ALLOCATIONS	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FUTURE YEARS	TOTAL ALL FY
General Fund	\$ 170,000							\$ 170,000
Park Facility/Development - Fund 125	\$ 30,000	\$ 115,843						\$ 115,843
Grant - Prop 68	\$ -	\$ 185,672						\$ 185,672
UNFUNDED								\$ -
TOTAL	\$ 200,000	\$ 301,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,515

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 1, 2025**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Lisa Rossi, Administrative Services Director

TITLE: TELECOMMUTE AND ALTERNATIVE WORK SCHEDULE POLICY UPDATES

RECOMMENDATION:

Receive an update on the City's Telecommute and Alternative Work Schedule Policies.

FISCAL IMPACT:

There is no fiscal impact associated with this update.

STRATEGIC ELEMENT:

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

BACKGROUND:

Following labor negotiations in 2018, the City developed an Alternative Work Schedule policy to provide rules and expectations around the previously informal but common practice. Alternative work schedules allow additional options beyond the traditional 8 hour per day, 5 day per week schedule, in order to provide flexibility for employees, accommodate special circumstances, and in some cases provide necessary coverage for certain City programs and operations.

On March 16, 2020, in response to the Covid-19 Pandemic, San Mateo County, along with five other Bay Area counties, announced "shelter-in-place" orders for all residents, directing everyone to stay inside their homes and limit contact with others as much as possible. California issued a statewide shelter-in-place order on March 19, 2020, further shutting down non-essential businesses, as well as travel and recreation throughout the state. This decision to close non-essential businesses and require people to stay in their homes was an effort to control the spread of the virus; however, its impact was felt almost immediately on the City of Half Moon Bay. During this time, the City implemented telecommuting procedures, allowing eligible employees to work from home. Significant efforts were made to ensure that tools and technology provided staff with full access to files and the necessary equipment to complete essential work while away from the office.

On June 2, 2020, due to budget challenges and furloughs which were being implemented as a result of ongoing impacts from the Pandemic, the City Council adopted a resolution which changed the operating hours at City Hall, including closure to the public on Fridays. This took place during one of the several reopening/reclosing of facilities that the City was forced to initiate.

In late 2021, the City formalized a telecommute policy in conjunction with our return-to-work procedures. At that time, many jurisdictions also chose to implement telecommute policies, and as time progressed and remote work became more widespread across many sectors, including local government, it became effective for recruitment and retention efforts.

In summer 2024, the City closed its administrative annex in order to save on lease, utility, and other costs associated with providing the offsite staff space. This was possible due to the City's utilization of telecommuting and alternative work schedules, and the ability for some staff to share offices and workspaces within City Hall and other City facilities.

The atmosphere surrounding remote work is one of ongoing debate and adaptation. While many employees and advocacy groups, such as PSHRA (Public Sector HR Association), ICMA (International City/County Management Association), and SHRM (Society of Human Resources Management) advocate flexible work arrangements to enhance work-life balance, productivity, and job satisfaction, some business leaders and policymakers are pushing for a return to in-office work, citing concerns about collaboration, company culture, and efficiency. Remote work policies can also contribute to tension and low-morale among staff within an organization (including the City) due to questions of fairness and equity for those that are not eligible to telecommute. Public opinion remains divided, with workers in industries suited for remote work strongly favoring hybrid models, while others in hands-on professions see less feasibility. As companies and governments refine their policies, the broader discussion continues to evolve, with the goal of striking a balance among economic, social, and technological factors.

In San Mateo County, approximately 75% of jurisdictions offer telecommute and/or alternative work schedule options, as well as many cities throughout California. The most common model within our county allows employees to work two days remotely and three days on-site. At a recent meeting of the Northern California Human Resources Directors group, an executive recruiter emphasized during a presentation on trends in executive recruitment that many public agencies are addressing recruitment and retention concerns by offering remote and flexible work schedules to attract high-level candidates and compete with other employment sectors.

DISCUSSION:

Currently, the City offers both telecommute options and alternative work schedules (4/10 or 9/80) for its employees, and City Hall remains closed to the general public on Fridays.

Key terms of Telecommute Policy:

- Minimum 50% of work hours on-site
- Requires an approved Telecommuting agreement, reviewed regularly

- No change of duties or responsibilities to accommodate telecommuting
- City may deny, end or modify agreement as needed for City purposes
- Must be cost-neutral to the City
- Must be an eligible position
- Must be as available for calls and meetings as in-office time
- Must have a designated remote work area
- City will not provide special equipment or tools to allow for remote work

Key terms of Alternative Work Schedule Policy:

- Requires an approved Alternative Work Schedule agreement
- City may deny, end or modify agreement as needed for City purposes
- Must be an eligible position
- Alternative Work Schedule options are as follows:
 1. 4/10 Schedule: In a 40-hour work week, the employee works four days, each consisting of 10 hours
 2. 9/80 Schedule: In a 40-hour work week, the employee works four days of nine hours each and one day of eight hours, with every other eight-hour day off
 3. Modified start and or end times for each workday

Application of the policies requires that all departments/divisions ensure on site staff representation and cross training, to ensure high levels of customer service during regular business hours.

There are classifications and specific roles that are not eligible for telecommuting and/or alternative work schedules due to the nature of their duties, or the needs of their department or division. Telecommute and alternate work schedules are ultimately determined by the department head on a case-by-case basis, within the rules of City policies. In addition, new employees must be with the City for at least six months before an alternate or remote schedule is considered.

The City currently has 40 full-time employees. Of these employees, 40% have telecommuting agreements, and 70% have alternative work schedule agreements. Other than Fridays, when City Hall is closed to the public, on any given day of the week only 20% of staff are eligible to work remotely, with the remaining 80% on site between City Hall, the Ted Adcock Community Center, and the Public Works Corporation Yard. On Fridays with City Hall closed to the public, approximately 40% of staff are on site, with several others telecommuting. Additionally, many City staff work additional hours/days on-site, including evenings and weekends, to fulfill critical needs within the community and ensure high levels of customer service.

CONCLUSION:

In Half Moon Bay, we believe our approach has contributed to improved employee job satisfaction and enhanced productivity and efficiency within our departments. Although we have several ongoing vacancies due to current budget constraints, which has increased individual workloads; deadlines are being met, staff are responsive to requests, and are willing to take on

new projects. Daily in-office coverage across all departments and divisions is carefully reviewed to ensure appropriate coverage throughout the work week. Although a majority of employees participate in telecommute and alternate work schedules, many surpass the 50% in-office attendance required by policy. There have been various challenges throughout the implementation of these practices, and adjustments have been required to ensure the policies meet the needs of the community and organization. Staff continue to evaluate the current policies and will make further adjustments as necessary.