

CITY COUNCIL REGULAR MEETING

JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

TUESDAY, FEBRUARY 18, 2025

5:30 PM

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Regular Meeting - Tuesday, February 18, 2025
5:30 PM

THIS MEETING WILL BE HELD VIRTUALLY AND IN PERSON, IS COMPLIANT WITH ASSEMBLY BILL ("AB") 2449, SIGNED INTO LAW ON SEPTEMBER 13, 2022, WHICH AMENDS GOVERNMENT CODE SECTION 54953 TO PROVIDE AUTHORITY FOR PUBLIC AGENCIES TO CONTINUE TO HOLD VIRTUAL MEETINGS AND REMAIN IN COMPLIANCE WITH THE BROWN ACT (GOV. CODE §§ 54950 ET SEQ.).
TO PARTICIPATE IN THE ZOOM COUNCIL WEBINAR LIVE:

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TO PARTICIPATE IN PERSON:
City Hall Council Chamber
1 Pendergrass Way
Sand City, CA

How to submit written Public Comments:
If any member of the public would like to provide written comments at the meeting, please do as set forth below.

Written: All comments received before 8:00 am the day of the meeting will be posted on the City's website as "Correspondence" under the relevant agenda item and provided to the City Council members at the meeting. Please email your comments to: cityclerk@sandcityca.org.

Read Aloud During the Meeting: Email your comments to cityclerk@sandcityca.org. When the Mayor opens the public comment period for the relevant agenda item; please indicate the agenda item and title in your email subject line. If you want your comment read aloud, prominently write "Read Aloud at Meeting" at the top of the email and your comments will be read into the record (not to exceed three minutes at staff's cadence).

DURING EACH MEETING, members of the public may participate by calling and speaking live during the designated time(s), subject to time limits that may be imposed pursuant to the Brown Act at the number provided above. Please use the "raise your hand" option on Zoom, and the City Clerk will call on your name.

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1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

4. COMMUNICATIONS

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency. The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

5. CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

5A. Hold Second Reading and Adopt an Ordinance Amending title 18, Zoning of the Municipal Code to Implement the City of Sand City 2023-2031 (Sixth Cycle) Housing Element and Provisions of the West end Overlay District and Parking Plan
Staff Report
Ordinance

6. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

7. PRESENTATION

7A. Code Enforcement Update Presentation: John Kuehl, Building Official
Presentation

8. NEW BUSINESS

8A. Accept the Audited Financial Statements for the Year Ended June 30, 2024, and Independent Auditor's Report
Staff Report
Resolution
Financial Statements
Auditors Report

8B. Approve a Resolution Denying Phase I (Truck and Equipment Storage) of Conditional Use Permit (CUP 23-007) at 725 Dias Avenue and Approve a Resolution Approving a Conditional Use Permit (CUP 23-007) and Site Plan for a Food Truck Park and community event space ("The Yard") at 725 Dias Avenue
Staff Report
Resolution for Denial-Phase I
Findings for Denial
Resolution for Approval-Phase II
Findings for Approval
Conditions of Approval
Exhibit 1 Location Map
Exhibit 2 Aerial Map
Exhibit 3 Site Photos
Exhibit 4 Site Plan
Exhibit 5 Letter of Intent
Exhibit 6 Hazardous Materials Questionnaire

8C. Consideration of Acceptance of Public Art and Site Selection of Sculptures
Staff Report
Sculptures

9. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

10. ADJOURNMENT

The current agenda is available in PDF format on our website at:
www.sandcity.org

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 220, or give your written request to the City Clerk at 1 Pendergrass Way, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

AGENDA ITEM
5A.

Hold Second Reading and Adopt an Ordinance Amending title 18, Zoning of the Municipal Code to Implement the City of Sand City 2023-2031 (Sixth Cycle) Housing Element and Provisions of the West end Overlay District and Parking Plan

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council

FROM: Anthony Amara, City Attorney
Anastazia Aziz, AICP, Principal – EMC Planning Group
Brian Foucht, AICP, Principal Planner – EMC Planning Group

SUBJECT: Zoning Ordinance Amendments Implementing the West End Parking Plan and Housing Element; Second Reading, Adoption

DATE: **February 18, 2025**

A. BACKGROUND:

The City's Housing Element, which was adopted June 4, 2024 and subsequently found in compliance with Housing Element law on July 2, 2024 by the California Department of Housing and Community Development, provides that the City will continue timely and effective implementation of all programs.

B. DISCUSSION

The City Council conducted a public hearing and introduced the ordinance on February 4, 2025. There are no significant modifications to the ordinance resulting from public testimony. City Council members inquired regarding the effect of the modifications to the parking ordinance and operation of the Density Bonus Ordinance with respect to replacement housing.

The proposed ordinance address changes required for implementation of the 6th Cycle Housing Element, including the following listed programs are amendments to the Zoning Ordinance referenced as Exhibits to the Ordinance

1.B: Density Bonus (Chapter 18.59);

1.D: Minimum Density increases within the MU-P District (Chapter 18.13)

1.J: Minimum Parking Standards - West End Parking Plan (Chapter 18.64);

I.K: Accessory Dwelling Units (Chapter 18.63);

I.M: Missing Middle Housing (Chapter 18.64);

I.S: Zoning Ordinance Amendments include:

- Replacement Housing (Chapter 18.61);
- Emergency Shelters in PF District (Chapter 18.21);
- Low Barrier Navigation Centers in MU-P and PF Districts (Chapter 18.83);
- Residential Care Facilities in Residential Districts (Chapters 18.08, 18.10, 18.12, 18.13, 18.20, 18.21); and
- Reasonable Accommodation Procedures (Chapter 18.78)

C. RECOMMENDED EXEMPT CEQA STATUS:

1. The provisions of the ordinance will implement the City's 6th Cycle Housing Element which has been determined to be exempt from CEQA in accordance with Section 15332 (filed June 6, 2024).

2. The proposed ordinance will implement the West End Parking Plan (September 2024), a community plan exempt from CEQA consistent with Guideline Section 15183(i).

3. The proposed ordinance includes adoption of a zoning ordinance amendment for development of accessory dwelling units, which is exempt from CEQA pursuant to Guideline Section 15282(h).

4. Housing Element policies that support infill development of 138 new housing units on eight (8) opportunity sites throughout the City consistent with infill housing exemptions referenced in CEQA Guidelines Article 12.5. and Section 15332 with respect to General Plan consistency, project site of less than 5 acres within the City, availability of services, no significant traffic, noise, air quality, or water quality effects, and absence of sensitive biological resources.

5. The proposed ordinance implements Density Bonus and Incentives for affordable housing mandated by Government Code Section 65915, and includes no other provisions that may result in a direct or indirect impact on the physical environment.

D. RECOMMENDATION:

Staff recommends that the City Council motion for adoption of the Ordinance.

3. **ATTACHMENTS:** Ordinance Amending Title 18 Zoning (includes Exhibits containing specific amendments.

CITY OF SAND CITY

ORDINANCE NO SC 25-___, 2025

AN ORDINANCE OF THE CITY OF SAND CITY AMENDING TITLE 18, ZONING OF THE MUNICIPAL CODE TO IMPLEMENT

THE CITY OF SAND CITY 2023-2031 (SIXTH CYCLE) HOUSING ELEMENT
AND
PROVISIONS OF THE WEST END OVERLAY DISTRICT AND PARKING PLAN

WHEREAS, the City's Housing Element, which was adopted June 4, 2024 and subsequently found in compliance with housing element law on July 2, 2024 by the California Department of Housing and Community Development, provides that the City will continue timely and effective implementation of all programs including the following Housing Element Implementation programs as shown in Exhibit A:

1.B: Density Bonus (Chapter 18.59);

1.D: Minimum Density increases within the MU-P District (Chapter 18.13)

1.J: Minimum Parking Standards - West End Parking Plan (Chapter 18.64);

I.K: Accessory Dwelling Units (Chapter 18.63);

I.M: Missing Middle Housing (Chapter 18.64);

I.S: Zoning Ordinance Amendments include:

- Replacement Housing (Chapter 18.61);
- Emergency Shelters in PF District (Chapter 18.21);
- Low Barrier Navigation Centers in MU-P and PF Districts (Chapter 18.83);
- Residential Care Facilities in Residential Districts (Chapters 18.08, 18.10, 18.12, 18.13, 18.20, 18.21); and
- Reasonable Accommodation Procedures (Chapter 18.78)

WHEREAS, the City Council has reviewed the proposed amendments to the Zoning Code, has found that the proposed amendments are consistent with goals and policies of the City's General Plan, and recommends adoption of the proposed amendments; and

WHEREAS, the City Council finds and determines that the proposed amendments to the Zoning Code are adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAND CITY DOES ORDAIN AS FOLLOWS:

Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and

are incorporated herein by reference.

The City Council Hereby Adopts Amendments to Title 18 of the Zoning Ordinance as shown in Exhibit A through N attached hereto and incorporated herein by reference. The amendments are adopted with redline changes accepted.

California Environmental Quality Act (CEQA) Considerations. The City Council finds that this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) for based upon the following:

1. The proposed ordinance includes adoption of a zoning ordinance amendment for development of accessory dwelling units, which is exempt from CEQA pursuant to Guideline Section 15282(h).

2. The proposed ordinance involves the adoption of development standards necessary to achieve Housing Element policies that support infill development of 138 new housing units on eight (8) opportunity sites throughout the City. The City Council finds that proposed standards will apply to development of opportunity sites consistent with applicable affordable and infill housing exemptions referenced in CEQA Guidelines Article 12.5 which exempt affordable and infill housing. The City Council further finds that ordinances will apply to infill development sites for which CEQA Guidelines Categorical Exemption Section 15332 apply with respect to General Plan consistency, site size of less than 5 acres within the City, availability of services, and absence of sensitive biological resources.

3. The City Council finds that provisions of the ordinance will implement the City's 6th Cycle Housing Element which has been determined to be exempt from CEQA in accordance with Section 15332 (filed June 6, 2024).

4. The proposed ordinance will implement the West End Parking Plan (September 2024), a community plan within the meaning of Section 15183(i), for which a Mitigated Negative Declaration has been adopted. Implementation or the plan in compliance with provisions of the plan is exempt from CEQA in accordance this Section.

5. The proposed ordinance implements Density Bonus and Incentives for affordable housing mandated by Government Code Section 65915, implementing those provisions of state law, and includes no other provisions that may result in a direct or indirect impact on the physical environment.

Severability. If any section, subsection, paragraph, sentence, clause or phrase of the Ordinance, or its application to any person or circumstance, is for any reason held to be invalid and unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases hereof be declared invalid or unenforceable.

Effective Date. This Ordinance shall take effect and be in force thirty (30) days from and after its adoption.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Sand City and held on the on the 4th day of February, 2025; by the following vote:

AYES:

NOES:

ABSENT:

_____

[Mayor/Chair]

ATTEST:

_____

Kerry Lindstrom

CITY CLERK

APPROVED AS TO FORM:

_____

[NAME]

[CITY ATTORNEY/COUNTY COUNSEL]

5847558.1

EXHIBIT A

DENSITY BONUS ORDINANCE

EXHIBIT A

~~Chapter 18.59 DENSITY BONUSES/INCENTIVES~~

~~§ 18.59.010Purpose.~~

~~The purpose of this chapter is to implement the requirements of Assembly Bill 1866 (2002) and Assembly Bill 2222 (2014) requiring cities and counties to provide zoning density bonuses, and/or incentives when affordable housing is provided as part of residential developments within the meaning and standards of that legislation.~~
~~(Ord. 16-05 §12)~~

~~§ 18.59.020Projects Qualifying for Density Bonus/Incentive.~~

~~When a housing developer of five or more dwelling units agrees to construct at least one of the following development types, a 35% density bonus and one additional incentive/concession shall be granted by the City, except as further provided in subsection E, below.~~
~~Twenty percent of the total residential units proposed for the housing development are to be provided to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This generally means that the units must be affordable to persons earning 80% or less of the area median income, adjusted for family size.~~
~~A. Ten percent of the total units of a housing development are to be provided to very low income households, as defined in Section 50105 of the Health and Safety Code. This generally means that the units must be affordable to persons earning 50% or less of the area median income, adjusted for family size.~~
~~B. Fifty percent of the total dwelling units of a housing development are to be provided to qualifying residents as defined in Section 51.3 of the Civil Code. This generally means that the units must be provided to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development.~~
~~C. Twenty percent of the total dwelling units in a condominium project are to be provided to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code. This generally means that the units must be affordable to persons earning between 81% and 120% of the area median income, adjusted for family size. If this type of development is proposed, a 10% density bonus shall be granted unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of the application.~~
~~D. If an applicant agrees to construct both 20% of the total units for lower income households and 10% of the total units for very low income households, the developer is entitled to only one density bonus and one additional concession or incentive as identified in Section 18.59.030.~~
~~(Ord. 16-05 §12)~~

~~§ 18.59.030Incentives/Concessions.~~

~~For the purposes of this chapter, concession or incentive means any of the following:~~
~~A. A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed minimum building standards. These include, but are not limited to, a reduction in setback, building coverage or parking requirements that would otherwise be required.~~

~~B. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.~~
~~C. Other regulatory incentives or concessions proposed by the developer or the City that result in identifiable and actual cost reductions.~~
~~(Ord. 16-05 §12)~~

~~§ 18.59.040Density Bonus Calculation.~~
~~For the purposes of this chapter, density bonus means a density increase of at least 35%, unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of residential development application to the City. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal to ten (10%), twenty (20%), or 50% of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units.~~
~~(Ord. 16-05 §12)~~

CHAPTER 18.59
AFFORDABLE HOUSING DENSITY BONUS

Sections

18.59.010 Purpose.
18.59.020 Definitions.
18.59.030 Application requirements.
18.59.040 Local coastal program consistency.
18.59.050 Review process.
18.59.060 Density bonus agreement.
18.59.070 Density bonus calculations.
18.59.080 Development standards.
18.59.090 Density bonus for commercial development.
18.59.100 Interpretation.

18.59.010. Purpose.

In accordance with California Government Code Sections 65915, et seq., this Chapter specifies how compliance with State Density Bonus Law will be implemented. Specifically, the purpose of this Chapter is to provide density bonuses, incentives, concessions, and waivers of development standards for the production of housing for very low-, low-, and moderate-income households, senior households, provision of daycare facilities, student housing, and donations of

land, and for other housing types as provided by state law. In enacting this Chapter, it is also the intent of the City to implement the goals, objectives, and policies of the City's Housing Element of the General Plan.

18.59.020. Definitions.

The definitions found in State Density Bonus Law shall apply to the terms contained in this Chapter. "Replace" is defined in Government Code Section 65915 (c) (3) (A) and (B).

18.59.030. Application Requirements.

An applicant for a "housing development" as defined in State Density Bonus Law shall be eligible for a density bonus and other regulatory benefits that are provided by State Density Bonus Law when the applicant seeks and agrees to provide housing as specified in Government Code Section 65915(b), (c), (f), (g), (h) and (v), or in Government Code Section 65195.5, or successor provisions. The density bonus calculations shall be made in accordance with State Density Bonus Law.

The granting of a density bonus, incentive, or concession, pursuant to this chapter, shall not be interpreted, in and of itself, to require a general plan amendment, development code amendment, zone change, other discretionary approval, or the waiver of a City ordinance or provisions of a City ordinance unrelated to development standards.

All requests for density bonuses, incentives, parking reductions, and waivers for a housing development shall be filed with and on a form provided by the City Manager, or designee, concurrently with the filing of the planning application for the first discretionary or ministerial permit required for the housing development, whichever permit is earliest. The applicant shall be informed whether the application is complete consistent with Government Code Section 65943.

The application shall include the required fee and the following minimum information:

A. For a requested density bonus.

1. Summary table showing the maximum number of dwelling units permitted by the zoning and general plan excluding any density bonus units, proposed affordable units by income level, proposed bonus percentage, number of density bonus units proposed, total number of dwelling units proposed on the site, and resulting density in units per acre, residential gross floor area and total gross floor area proposed on the site, resulting density in units per acre or floor area ratio, depending on the density definition for the land use designation and zoning applicable to the housing development site, proposed parking stalls, and unit bedroom counts and unit types for the purpose of calculating parking requirements.
2. Subparagraph of Government Code Section 65915(b)(1) under which the housing development qualifies for a density bonus and reasonable documentation demonstrating that the housing development is eligible for a bonus under that subparagraph.

3. Where the housing development is seeking an additional bonus, the subparagraph of Government Code Section 65915(v)(1) under which the housing development qualifies for an additional density bonus and reasonable documentation demonstrating that the housing development is eligible for the additional bonus under that subparagraph.

4. A tentative map or preliminary site plan, drawn to scale, showing the number and location of all proposed units, designating the location of proposed affordable units and density bonus units.

5. The zoning and general plan designations and assessor's parcel number(s) of the housing development site and, if reduced parking is requested on the basis of location, the distance to the nearest major transit stop, as defined in Section 21155 of the Public Resources Code.

6. To determine whether the project is subject to replacement requirements as described in Government Code Section 65915(c)(3), provided the following.

   a. The total number of dwelling units existing on the site in the five (5) year period preceding the date of submittal of the application.
   b. The total number of bedrooms in each dwelling unit existing on the site in the five (5) year period preceding the date of submittal of the application.
   c. The total number of dwelling units that are or were subject to a recorded covenant, ordinance or law applicable to the site that restricted rents to levels affordable to very-low- or lower-income households in the five (5) year period preceding the date of submittal of the application.
   d. The total number of occupied dwelling units and the income and household size of all residents of currently occupied units or a statement from the applicant that such information is unknown.
   e. The total number of vacant dwelling units on the site and the income and household size of the prior residents occupying those dwelling units when the site contained the maximum number of dwelling units or a statement from the applicant that such information is unknown.

7. The phasing of the construction of the affordable housing units in relation to the nonrestricted units in the housing development.

8. A marketing plan for the affordable housing units, as well as an explanation of the methods to be used to verify tenant and/or buyer incomes and to maintain affordability of the affordable housing units. For a housing development with Five (5) dwelling units or more, the density bonus housing plan shall specify a financing mechanism for ongoing administration and monitoring of the affordable housing units.

9. If a density bonus is requested for a land donation, the location of the land to be dedicated, proof of site control, and reasonable documentation that each of the requirements included in Government Code Section 65915 (g) can be met.

B. **Requested incentives/concessions.** Incentives and concessions are those defined by State Density Bonus Law. The number of incentives or concessions that may be requested shall be based upon the number the applicant is entitled to pursuant to State Density Bonus Law Government Code Section 65915 (d)(2), as it may be amended. The application shall include the following minimum information for each incentive or concession requested, shown on a site plan (if appropriate):

1. The number of incentives/concessions the applicant is eligible for pursuant to State Density Bonus Law..

2. The City's usual development standard or other regulatory standard and the requested incentive/concession.

3. Reasonable documentation that the incentive/concession will result in identifiable and actual cost reductions.

4. Reasonable documentation that the amount of cost reduction is used to provide the affordable units at affordable house costs or affordable rents.

(Ord. 16-05 §12)

C. **Requested waivers.** If waivers or reductions of development standards are requested, the following minimum information for each waiver requested on each lot, shown on a site plan if appropriate:

1. The city's usual development standard and the requested development standard waiver.
2. Reasonable documentation that the development standards for which a waiver is requested will have the effect of physically precluding the construction of a development at the densities or with the incentive/concession permitted by Government Code Section 65915 and the waiver is no greater than necessary to reasonably accommodate the construction of such a development..

D. **Parking reductions.** If a housing development is eligible for a density bonus pursuant to State Density Bonus Law, the applicant may request an on-site vehicular parking ratio specified in Government Code Section 65915(p). An applicant may request this parking reduction in addition to the incentives and waivers permitted by paragraphs (B) and (C) of this subsection. The application shall include a table showing parking required by the zoning regulations, parking proposed under State Density Bonus Law, paragraph under Government Code Section

65915(p) (or other statute) under which the project qualifies for the parking reduction, and reasonable documentation that the project is eligible for the requested parking reduction.

E. **Density bonus or incentive for a child care facility in a housing development.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915(h) can be met.

F. **Density bonus or incentive for a condominium conversion.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915.5 can be met.

18.59.040. Local coastal program consistency.

A. State Density Bonus Law provides that it shall not be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Cal. Public Resources Code § 30000 et seq.), and further provides that the granting of a density bonus or an incentive shall not be interpreted, in and of itself, to require a local coastal plan amendment.

B. For development within the coastal zone, any requested density bonus, incentive, waiver, or parking reduction shall be consistent with all applicable requirements of the certified City of Sand City Local Coastal Program, with the exception of density.

18.59.050. Application review process.

A. All requests under State Density Bonus Law shall be part of the planning application and shall be applied for, reviewed by the City Manager, and acted upon concurrently with the planning application by the City Council, within the timelines prescribed by California Government Code Section 65950 et seq. or other applicable statute. Appeals related to administration of the subject ordinance shall be addressed in accordance with the requirements of Chapter 17.72 shall include all requests under State Density Bonus Law if appeals are authorized for the discretionary or ministerial permit applied for.

B. To ensure that an application for a housing development conforms with the provisions of State Density Bonus Law and the Coastal Act, if applicable, the staff report presented to the decision-making body shall state whether the application conforms to the following requirements of State Density Bonus Law, as applicable:

1. The housing development provides the housing required by State Density Bonus Law to be eligible for a density bonus and any concessions or incentives, parking reduction, or waivers requested.

2. If applicable, the housing development provides the housing required by State Density Bonus law to be eligible for an additional density bonus under Government Code Section 65915(v)(1).

3. If a concession or incentive is requested, reasonable documentation has been presented showing that any requested incentive will result in identifiable and actual cost reductions

to provide for affordable housing or costs or rents; except that, if a mixed-use development is requested, the application must instead meet all of the requirements of Government Code Section 65915(k)(2).

4. If a waiver is requested, the development standards for which a waiver is requested would have the effect of physically precluding the construction of the housing development at the densities or with the incentives permitted.

5. The housing development is eligible for any requested parking reductions under Government Code Section 65915(p) or other statute.

6. If the density bonus is based all or in part on donation of land, the requirements of Government Code Section 65915(g) have been met.

7. If the density bonus or incentive is based all or in part on the inclusion of a child care facility or condominium conversion, the requirements included in Government Code Section 65915(h) or 65915.5, as appropriate, have been met.

8. If the housing development is in the coastal zone, the requested density bonus and any requested incentive, waiver or parking reduction is consistent with all applicable requirements of the certified Local Coastal Program.

9. The property for which a density bonus is proposed is eligible to receive a density bonus in accordance with Government Code Section 65915 (c) (3) (A) (Replacement of moderate or lower income units).

C. An applicant shall be ineligible for a density bonus or any other incentives or concessions under California Government Code Section 65915(c)(3)(A) if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity's valid exercise of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces those units, and either of the following applies:

1. The proposed housing development, inclusive of the units replaced pursuant to this paragraph, contains affordable units at the percentages set forth in California Government Code Section 69515(b), as it may be amended.

2. Each unit in the development, exclusive of the manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

   The affordable replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, low income persons or families. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years.

D. The City Council shall grant a concession or incentive requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:

1. The proposed concession or incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Health and Safety Code Section 50052.5; or for affordable rents, as defined in Health and Safety Code Section 50053; or

2. The proposed concession or incentive would be contrary to state or federal law; or

3. The proposed concession or incentive would have a specific, adverse impact upon the public health or safety or on any real property that is listed in the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.

E. The decision-making body shall grant the waiver of development standards requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:

1. The proposed waiver would be contrary to state or federal law; or

2. The proposed waiver would have an adverse impact on any real property listed in the California Register of Historic Resources; or

3. The proposed waiver would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.

F. Ifa child care center complies with the requirements of Government Code Section 65915(h), the decision-making body may deny a density bonus or incentive that is based on the provision of child care facilities only if it makes a written finding, based on substantial evidence, that the City already has adequate child care facilities.

G. A request for minor modification of an approved density bonus housing plan may be granted by the City Manager if the modification substantially complies with the original density bonus

housing plan and conditions of approval. Other modifications to the density bonus housing plan shall be processed in the same manner as the original plan.

18.59.060. Density bonus housing agreement.

A. If a density bonus, incentive, parking reduction, or waiver is approved pursuant to this chapter, the applicant shall enter into a binding affordable housing agreement or restrictive covenant, as described below, with the City, which sets forth the conditions and guidelines to be met in the implementation of State Density Bonus Law and that ensures compliance with all of the provisions of this chapter. The agreement will also establish specific compliance standards and remedies available to the City upon failure by the applicant to comply with State Density Bonus Law, this chapter, or the affordable housing agreement.

B. For rental projects, the applicant shall enter into an affordable housing agreement with the City, running with the land, in a form approved by the City Attorney, to be executed by the City Manager, or their designee. The agreement shall require the continued affordability of all rental units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction for a minimum of fifty-five (55) years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program; shall identify the type, size and location of each affordable unit; shall specify the eligible occupants; shall specify phasing of the affordable units in relation to the market-rate units; and shall contain other relevant provisions approved by the City Attorney. Rents for the lower income density bonus units shall be set at an affordable rent as defined in State Density Bonus Law.

C. For for-sale projects, the applicant shall enter into an affordable housing agreement with the City, running with the land, in a form approved by the City Attorney to be executed by the City Manager, or their designee. The affordable housing agreement shall require that, the initial purchasers of those for-sale units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction are persons and families of very low, low, or moderate income , as applicable, or if any for-sale unit is not purchased by an income-qualified household within one-hundred eighty (180) days after the issuance of the certificate of occupancy, then the unit(s) must be sold pursuant to a contract that satisfies the requirements of Government Code Section 65915(c)(2)(A)(ii), to a qualified non-profit housing corporation as defined in State Density Bonus Law and that the units are offered at an affordable housing cost, as that cost is defined in Health and Safety Code Section 50052.5; and shall contain other relevant provisions approved by the City Attorney, the City shall enforce an equity sharing agreement consistent with State Density Bonus Law unless it is in conflict with the requirements of another public funding source or law. The affordable housing agreement shall require the continued affordability of the for-sale units for fifteen (15) years.

D. Where a density bonus, waiver or parking reduction is provided for a market-rate senior housing development, the applicant shall enter into a restrictive covenant with the City, running with the land, in a form approved by the City Attorney, to be executed by the City Manager,

or their designee, to require the housing development to be operated as "housing for older persons" consistent with state and federal fair housing laws.

E. The executed affordable housing agreement shall be recorded against the housing development prior to final or parcel map approval, or, where a map is not being processed, prior to issuance of building permits for the housing development, whichever is earliest. The affordable housing agreement shall be binding on all future owners and successors in interest.

F. An agreement pursuant to this section shall be approved as to form and content by the City Attorney and shall be recorded against the housing development project prior to final map or parcel map approval, or, where a map is not being processed, prior to issuance of any building permit for the housing development.

The agreement shall include, but not be limited to, the following:

1.The total number of units approved for the housing development; the number, location and level of affordability of target units and the number of density bonus units.

2.Standards for determining affordable rent or ownership cost for target units.

3.The location, unit size in square feet and number of bedrooms of target units.4.Provisions as required by this section to ensure continued affordability.

5.A schedule for completion and occupancy of target units in relation to construction of market-rate units.

6.A description of any incentive/concession, waiver or reduction of development standard or modification of parking standard being provided by the city.

7.A description of remedies for breach by either party and the identification of any third-party beneficiary or beneficiaries eligible to enforce a breach by the applicant.

8.In the case of rental housing, procedures for filling vacancies, provisions requiring maintenance of records to demonstrate compliance with this division and the developer's agreement that restrictions on rents are consistent with the Costa-Hawkins Act (Civil Code Section 1954.51, et seq.).

9.Procedures for verifying household incomes.

10.Financing of ongoing administrative and monitoring costs.11.Other provisions as necessary or convenient to ensure implementation and compliance with this division.

18.59.070. General provisions and density bonus calculations.

A. In determining the total number of units to be granted, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.

B. When calculating the number of affordable units needed to qualify for a given density bonus, any fractions of affordable dwelling units shall be rounded up to the next whole number.

C. Except where a housing development is eligible for an additional bonus pursuant to Government Code Section 65915(v), each housing development is entitled to only one density bonus. If a housing development qualifies for a density bonus under more than one category, the applicant shall identify the category under which the density bonus is requested to be granted.

D. For the purpose of calculating a density bonus, the dwelling units shall be on contiguous sites that are the subject of one (1) development application but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in any geographic area of the housing development, including areas other than where the affordable units are located.

E. In determining the number of affordable units required to qualify a housing development for a density bonus pursuant to State Density Bonus Law, units added by a density bonus are not included in the calculations.

F. The applicant may elect to accept a lesser percentage of density bonus than the housing development is entitled to, or no density bonus, but no reduction will be permitted in the percentages of affordable units required by State Density Bonus law. Regardless of the number of affordable units, no housing development shall be entitled to a density bonus greater than what is authorized under State Density Bonus Law.

G. Calculation of base units. Base density will be calculated as follows:

1. Where dwelling units per acre is the density standard, the base units equal the maximum allowable residential density or the project units, whichever is smaller.

2. Where floor area ratio is the density standard, the base units are proportional to the number of project units and maximum allowable residential floor area, with the same ratio of project units to residential floor area, calculated as follows:

a. If the project residential gross floor area is less than the maximum allowable residential gross floor area, the base units equal the project units.

b. Where bonus FAR is less than or equal to the maximum allowable residential density in the general plan, the bonus FAR may be combined with a state density bonus.

c. The base units are calculated as set forth in paragraph 2. of this subsection, provided that the maximum floor area ratio may include the bonus FAR if the project otherwise qualifies for bonus FAR.

d. Where bonus FAR is greater than the maximum allowable residential density in the general plan, the bonus FAR cannot be combined with a state density bonus. The base units

are calculated as set forth in paragraph 2. of this subsection, provided that the maximum floor area ratio shall not include any bonus FAR.

H. Nothing in this chapter requires the provision of direct financial incentives from the City for the housing development, including, but not limited to, the provision of financial subsidies, publicly owned land, fee waivers, or waiver of dedication requirements. The City, at its sole discretion, may choose to provide such direct financial incentives.

I. The City, at its sole discretion, may grant a proportionately lower density bonus than what is required in the State Density Bonus Law for developments that do not provide a sufficient number of affordable units to be eligible for a density bonus pursuant to State Density Bonus Law.

J. The City Manager or designee shall have the authority to prepare, adopt and periodically update administrative guidelines consistent with this division and State Density Bonus Law.

K. Allowed Density Bonuses. A housing development that meets one of the eligibility levels as set forth in Government Code Section 65915(b) is entitled to a density bonus calculated as referenced in Government Code Section 65915 (f).

18.59.080. Development standards.

A. Building permits and final inspections or certificates of occupancy shall be issued concurrently for the market rate units and for any affordable units that qualified the project for a density bonus, incentive, waiver, or parking reduction, so that the affordable units comprise the required percentage of total units.

B. Affordable units shall be comparable in exterior appearance and overall quality of construction to market rate units in the same housing development. Interior finishes and amenities may differ from those provided in the market rate units, but neither the workmanship nor the products may be of substandard or inferior quality as determined by the City.

C. To comply with fair housing laws, the affordable units shall contain the same proportional mix of bedroom sizes as the market-rate units. In mixed-income buildings, the occupants of the affordable units shall have the same access to the common entrances and to the common areas, parking, and amenities of the project as the occupants of the market-rate housing units, and the affordable units shall be located throughout the building and not isolated on one floor or to an area on a specific floor.

18.59.090. Density bonus for commercial development.

A. The following definitions shall apply to Section 18.59.090:

1. “Commercial development” means a development project for nonresidential and nonindustrial uses.

2. "Commercial development bonus" means modification of development standards mutually agreed upon by the City and a commercial developer and provided to a commercial development eligible for such a bonus under subparagraph (C). Examples of a commercial development bonus include an increase in floor area ratio, increased building height, or reduced parking.

3. "Partnered housing agreement" means an agreement approved by the City between a commercial developer and a housing developer identifying how the commercial development will provide housing available at an affordable ownership cost or affordable rent consisted with subparagraph (h)(3). A partnered housing agreement may consist of the formation of a partnership, limited liability company, corporation, or other entity recognized by the state in which the commercial developer and the housing developer are each partners, members, shareholders, or other participants, or a contract between the commercial developer and the housing developer for the development of both the commercial developer and the housing development.

B. When an applicant proposes to construct a commercial development and has entered into a partnered housing agreement approved by the City, the City shall grant a commercial development bonus mutually agreed upon by the developer and the City. The commercial development bonus shall not include a reduction or waiver in fees imposed on the commercial development to provide for affordable housing.

C. The partnered housing agreement shall include all of the following provisions:

1. The housing development shall be located on the site of the commercial development or on a site that is all of the following: (i) within the boundaries of the local government; (ii) on a site within the City that is within one-half mile of a major transit stop, as defined in Public Resources Code Section 21155; and (iii) is in close proximity to public amenities, including schools and employment centers.

2. At least thirty percent (30%) of the total units in the housing development shall be made available at an affordable ownership cost or affordable rent to low-income households, or at least fifteen percent (15%) of the total units in the housing development shall be made available at an affordable ownership cost or affordable rent to very low-income households.

3. The commercial development must agree either to directly build the affordable housing units, donate a site consistent with the requirements of Government Code Section 65915(g) for the development of the affordable housing units, or make a cash payment to the housing developer for the development of the affordable housing units.

D. An approved partnered housing agreement shall be described in the City's Housing Element annual report as required by Government Code Section 65915.7(k).

A Commercial Development may request and receive a Development Bonus pursuant to the provisions of Government Code Section 65915.7.

18.59.100. Interpretation.

If any portion of this chapter conflicts with State Density Bonus Law or other applicable state law, state law shall supersede this chapter. Any ambiguities in this chapter shall be interpreted to be consistent with State Density Bonus Law. Statutory references in this ordinance include successor provisions.

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EXHIBIT B

ACCESSORY DWELLING UNIT

EXHIBIT B

CHAPTER 18.63
ACCESSORY DWELLING UNITS

§ 18.63.010. Purpose.

The purpose of this chapter is to allow and regulate "accessory dwelling units" and "junior accessory dwelling units" in compliance with Government Code Sections **66310 et seq**. ~~65852.2 and 65852.22~~ and the requirements of this chapter those zoned areas where uses are allowed, which includes Planned Mixed Use zoned properties.
(Ord. 21-01 §1)

§ 18.63.020. Definitions.

For the purposes of this chapter, the following definitions shall apply:

"Accessory dwelling unit" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes an "efficiency unit" and a "manufactured home" as defined below.

"Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

"Efficiency unit" has the same meaning as defined in Section 17958.1 of the California Health and Safety Code.

"Junior accessory dwelling unit" means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

"Living area" means the interior habitable area of a dwelling unit including basements and attics, but does not include a garage or any accessory structure.

"Manufactured home" has the same meaning as defined by Section 18007 of the California Health and Safety Code.

"Neighborhood" has the same meaning as defined in Section 65589.5 of the California Government Code.

"Non-conforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.

"Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

"Primary dwelling unit" mean that existing primary single-family residential structure on the same property as an accessory dwelling unit or a junior accessory dwelling unit.

"Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.

"Public transit" means the location, including, but not limited to, a bus stop or train station, where

the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

"Qualified buyer" means persons and families of low or moderate income, as that term is defined in Section 50093 of the Health and Safety Code.

"Qualified nonprofit corporation" means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

"Tandem parking" means two or more automobiles parked on a driveway or in any other location on a lot, lined up behind one another.

"Vacation rental" means the leasing and/or occupancy of a dwelling unit, furnished or unfurnished, for temporary periods of 30 days or less.
(Ord. 21-01 §1)

§ 18.63.030. Designation of Areas Where Accessory Units and Junior Accessory Dwelling Units Are Permitted.

Accessory dwelling units and junior accessory dwelling units shall be permitted as follows:

A. Accessory Dwelling Units. When the standards of this chapter are satisfied, accessory dwelling units shall be allowed ministerially, without discretionary review or a hearing in all zoned areas where single-family and multifamily residential uses are allowed, including the Planned Mixed-Use zoning district.

B. Junior Accessory Dwelling Units. Junior accessory dwelling units shall be allowed ministerially, without discretionary review or hearing, as specified by this chapter, on properties zoned for single-family dwellings and where a single-family dwelling either exists or is proposed to be built.

C. **In existing commercial buildings in the MU-P Zone, one accessory dwelling unit and one junior accessory dwelling unit is permitted.**

(Ord. 21-01 §1)

§ 18.63.040. Number of Accessory Units and Junior Accessory Dwelling Units.

No more than one junior accessory dwelling unit and one accessory dwelling unit are permitted on a single lot with a single-family dwelling. Existing multi-family dwellings may have up to a maximum number of internal or attached dwelling units equal to twenty-five percent of the existing multi-family dwelling units. Fractions of units of one-half and above shall be rounded up. At least one accessory dwelling unit shall be permitted within an existing multi-family dwelling.

A lot with an existing multifamily dwelling may have up to eight detached accessory dwelling units, provided that the number of accessory dwelling units does not exceed the number of existing units on the lot. A lot with a proposed multifamily dwelling shall have up to two detached accessory dwelling units.

§ ~~18.63.040~~ 18.63.050. Accessory Dwelling Unit ~~and Junior Accessory Dwelling Unit~~

Standards and Approval.

A. ~~Accessory Dwelling Unit~~ Zoning Approval. Accessory dwelling units shall be allowed by ministerial approval of a zoning compliance statement issued by the City Planner, without discretionary review or hearing in all areas of Sand City that are designated for their use as specified in Section 18.63.030, provided the requirements outlined in this chapter are met in each application. A zoning compliance statement shall be issued for an accessory dwelling unit provided there is an existing or proposed single-family or multifamily dwelling or mixed-use on the lot and provided the application for an accessory dwelling unit satisfies all of the conditions below and any other requirement(s) of this chapter.

B. **Site and Development Standards.**

~~The accessory dwelling unit shall not be sold or otherwise conveyed separately from the primary dwelling unit on the property, but may be rented separately from the primary residence. Notwithstanding this subsection, an accessory dwelling unit may be sold or conveyed separately from the primary residence under the limited circumstances set forth in California Government Code Section 65852.26, as it may be amended.~~

1. **General.**

   a. The lot or parcel on which the accessory dwelling unit is proposed is zoned for single- family or multifamily use, including the mixed-use zoning district, and includes a proposed or existing dwelling.

   b. All applicable building and fire code requirements shall apply as appropriate to detached dwellings unless otherwise specified by this chapter.

   c. Approval by the Monterey County Health Department is required where a private sewer disposal system is being used.

2. **Relationship to Primary Dwelling.**

   a. The accessory dwelling unit may be attached to, or within, the living area of the existing or proposed primary dwelling, including attached garages, storage areas, or similar uses, or an accessory structure or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing dwelling**, including detached garages, for which a demolition permit would be required for the garage that is to be replaced.**

   b. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

3. **Maximum Unit Size.**

   a. The ~~increased~~ **total** floor area of an attached accessory dwelling unit shall not exceed 50% of the existing floor area of the existing primary dwelling~~, provided a minimum of 800 square feet of floor area is allowed~~.

   b. **The total floor area for a detached accessory dwelling unit shall not exceed 1,200 square feet.**

   c. The minimum floor area square footage of either an attached or detached accessory dwelling unit shall not prohibit an efficiency unit as defined by this chapter.

d. The square footage for an attached ~~or detached~~ accessory dwelling unit shall not exceed the following:

i. One thousand two hundred square feet.

ii. One thousand square feet for an accessory dwelling unit that provides more than one bedroom.

e. ~~The minimum floor area square footage of either an attached or detached accessory dwelling unit shall not prohibit an efficiency unit as defined by this chapter.~~

4. ~~The accessory dwelling unit, either attached or detached, shall be no more than 16 feet in height and have four foot rear and side setbacks, and shall be constructed in compliance with all other City development standards not in conflict with this chapter.~~

5. **Height.**

a. **The height for an attached or detached accessory dwelling unit shall not exceed the following:**

i. **A height of 16 feet for a detached accessory dwelling unit on a lot with an existing or proposed single family or multifamily dwelling unit.**

ii. **A height of 18 feet for a detached accessory dwelling unit on a lot with an existing or proposed single family or multifamily dwelling unit that is within one-half mile walking distance of a major transit stop or a high-quality transit corridor, as defined in Section 21155 of the Public Resources Code. An additional two feet in height to accommodate a roof pitch on the accessory dwelling unit that is aligned with the roof pitch of the primary dwelling unit is also permitted.**

iii. **A height of 18 feet for a detached accessory dwelling unit on a lot with an existing or proposed multifamily, multistory dwelling.**

iv. **A height of 25 feet or the height limitation of the respective zoning district that applies to the primary dwelling, whichever is lower, for an accessory dwelling unit that is attached to a primary dwelling.**

6. **Property Line Setbacks.**

a. No setback ~~is~~ **shall be** required for an existing living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted an accessory dwelling unit or portion of an accessory dwelling unit.

b. A setback of **no more than** four feet from the side and rear lot lines ~~is~~ **shall be** required for an accessory dwelling unit that is not converted from an existing structure or a new structure in the same location and to the same dimensions as an existing structure.

7. **Parking.**

a. ~~Parking Required.~~ Parking requirements for accessory dwelling units shall not exceed one parking space per accessory dwelling unit or bedroom whichever is less.

~~These~~ **Parking** spaces may be provided in tandem, including on an existing driveway or in a setback area, excluding non-driveway front setback areas.

b. Off-street parking required for accessory dwelling units, as specified by this chapter, is permitted within the rear or side setback areas unless specific findings are made that parking in these setback areas is not feasible due to specific site, regional topographical, or fire and life safety conditions.

c. When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or converted to an accessory dwelling unit, those off-street parking spaces shall not be required to be replaced.

d. ~~Parking Not Required.~~ Parking for accessory dwelling units shall not be required under the following circumstances:

i. The accessory dwelling unit is located within one-half (½) mile walking distance of public transit, including transit stations and bus stations.

ii. The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

iii. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

iv. When a car share vehicle is located within one block of the accessory dwelling unit.

v. The accessory dwelling unit is located within an architecturally significant historic district.

vi. **When a permit application for an accessory dwelling unit is submitted with a permit application to create a new single family dwelling or a new multifamily dwelling on the same lot, provided that the accessory dwelling unit or the parcel satisfies any other criteria listed in this paragraph (d).**

§ 18.63.060. Junior Accessory Dwelling Unit Standards and Approval.

A. ~~Junior Accessory Dwelling Unit —~~Zoning Approval. Junior accessory dwelling units shall be allowed by ministerial approval of a zoning compliance statement issued by the City Planner, without discretionary review or hearing, in all areas of Sand City that are designated for their use as specified in Section 18.63.030, provided the standards outlined in this chapter are met in each application. A zoning compliance statement shall be issued for a junior accessory dwelling unit provided there is an existing or proposed single-family dwelling on the property and the application for a junior accessory dwelling unit satisfies all of the conditions below and any other applicable requirement(s) of this chapter.

B. **Site and Development Standards.**

1. The number of junior accessory dwelling units shall be limited to one per residential lot zoned for single-family residence within a proposed or existing single-family dwelling.

2. **Ownership and Occupancy.** The owner of the property shall be the occupant of either

the primary dwelling unit or the junior accessory dwelling unit on the property. Neither the primary dwelling unit nor the junior accessory dwelling unit on the property may be leased, marketed, and/or occupied separately from the other unit unless one of the aforementioned units is occupied by the owner of that property. Owner occupancy is not required if the owner is another governmental agency, land trust, or housing organization.

a. The owner of the property shall record a deed restriction on the property with the Monterey County Recorder's Office, that shall run with the land, with a copy provided to the City, that includes the following:

i. A prohibition ~~on~~ **of** the sale or conveyance of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against all future landowners.

ii. A restriction on the size and attributes of the junior accessory dwelling unit that conforms with this chapter.

3. **Relationship to Primary Dwelling.** The junior accessory dwelling unit shall be constructed/established within the walls of a proposed or existing single-family residence**, including attached garages.**

a. The junior accessory dwelling unit shall provide a separate entrance independent from the main entrance to a proposed or existing single-family residence.

b. **If a permitted junior accessory dwelling unit does not include a separate bathroom, the permitted junior accessory dwelling unit shall include a separate entrance from the main entrance to the structure, with an interior entry to the main living area.**

c. A junior accessory dwelling unit shall include an efficiency kitchen that includes a cooking facility with appliances, food preparation counter, and storage cabinets that are of reasonable size in relation of the size of the junior accessory dwelling unit.

4. Parking.

a. Parking is not required for junior accessory dwelling units. Parking requirements for a single family dwelling that has, or proposes, a junior accessory dwelling unit shall remain in full effect in accordance with the applicable zoning regulations for that single-family dwelling, but shall require no additional parking for the junior accessory dwelling unit.

§ 18.63.070. Architecture Review.

~~Architecture.~~ Any proposed accessory dwelling unit or junior accessory dwelling unit, whether attached or detached from the primary dwelling unit, shall utilize the same exterior architectural style, materials, and colors as the primary dwelling ~~unit to the satisfaction of the City Planner.~~ An accessory dwelling unit's height shall not exceed the height, from floor to rooftop, of the existing primary dwelling unit except to achieve the 16 foot height from grade as set forth in **Section 18.64.050** ~~subsection (A)(7) of this section.~~ The accessory dwelling unit's exterior architectural design shall be ministerially reviewed ~~and approved by the City Planner~~ prior to issuance of a

building permit. All setbacks shall meet minimum building and fire code requirements unless otherwise specified by this chapter.

§ 18.63.080. Building Permit Approval.

~~Building Permit Approval.~~ Building permits for accessory dwelling units and junior accessory dwelling units within a residential or mixed-use zone shall be approved and issued ministerially to create any of the following.

1. One accessory dwelling unit and one junior accessory dwelling unit per lot within a proposed or existing single-family dwelling if all of the following apply.

    a. The accessory dwelling unit or junior accessory dwelling unit is within the space of a proposed or existing single-family dwelling or accessory structure. An expansion of not more than 150 square feet is allowed beyond the **same** physical dimensions of ~~an~~ **the** existing accessory structure provided the expansion is limited to accommodating ingress and egress.

    b. The accessory dwelling unit or junior accessory dwelling unit has exterior access that is independent from the proposed or existing single-family dwelling.

    c. The side and rear setbacks are sufficient for fire and safety as dictated by applicable building and fire codes.

    d. The junior accessory dwelling unit complies with the requirements set forth in **Section 18.63.060** ~~subsection (B) of this section~~.

2. One detached, new construction, accessory dwelling unit ~~with at least a height of 16 feet and side and rear yard setbacks of at least four feet on a lot with a proposed or existing single-family dwelling~~ **as described in Section 18.63.050.** The accessory dwelling unit may be combined with a junior accessory dwelling unit described in **Section 18.63.060** ~~subsection (C)(1) of this section~~.

3. Multiple accessory dwelling units within portions of **existing** multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings. At least one accessory dwelling unit shall be allowed within an existing multifamily dwelling; however, the number of accessory dwelling units within a multifamily dwelling shall not exceed 25% of the total number of existing dwelling units therein.

4. Not more than two accessory dwelling units, subject to ~~a height limit of 16 feet and four foot rear and side setbacks~~ **height limits and setbacks described in Section 18.63.050** that are located on a lot that has an existing **or proposed** multifamily dwelling, but are detached from that multifamily dwelling.

5. **If the existing multifamily dwelling has a rear or side setback of less than four feet, modification of the existing multifamily dwelling shall not be required as a condition of approving the application to construct an accessory dwelling unit that satisfies the requirements described herein.**

6. **Correction of nonconforming zoning conditions shall not be required as a condition for ministerial approval of a permit application for the creation of an accessory**

dwelling unit or a junior accessory dwelling unit.

(Ord. 21-01 §1)

§ ~~18.63.050~~ 18.63.090. Density Created Does Not Alter Consistency with the General Plan and Applicable Zoning District.

As provided in the state legislation allowing cities and counties to adopt accessory dwelling unit regulations, an accessory dwelling unit consistent with the standards of this chapter shall not change the density calculation of the relevant parcel and shall be considered consistent with the density limitations of the respective zoning and general plan designations of the property on which it is located.

(Ord. 21-01 §1)

§ ~~18.63.060~~ 18.63.100. Limitations on Accessory Dwelling Units.

For the purposes of creating an accessory dwelling unit, under the purview of this chapter, the following requirements and limitations shall apply.

A. Starting January 1, 2025, the applicant for creating an accessory dwelling unit shall be the owner-occupant of the primary dwelling unit of that property.

B. Starting January 1, 2025, when an accessory dwelling unit is newly created on the property, the owner of that property shall be the occupant of either the primary dwelling unit or the accessory dwelling unit on that property. Neither the primary dwelling unit nor the accessory dwelling unit on the property may be leased, marketed, and/or occupied separately from the other unit unless one of the aforementioned units is occupied by the owner of that property.

C. Any accessory dwelling unit allowed under this chapter may be leased/rented, but only for terms longer than 30 days. Accessory dwelling units shall not be leased, marketed, and/or occupied as 'vacation rentals.'

D. Starting January 1, 2025, a zoning compliance statement issued by the City Planner under Section ~~18.63.040~~ **18.63.050**(A) shall require the property owner to record a deed restriction in the official records of Monterey County, California stating that the property owner has received permission from the City to create the accessory dwelling unit and that the permission is conditioned on the occupancy requirements of this section. That deed restriction shall be recorded prior to issuance of a certificate of occupancy for the accessory dwelling unit.

E. A certificate of occupancy for an accessory dwelling unit shall not be issued before a certificate of occupancy is issued for the primary dwelling on that same property.

F. Fire sprinklers shall not be required for an accessory dwelling unit or a junior accessory dwelling unit if they are not required for the primary dwelling unit residence. **The construction of an accessory dwelling unit shall not trigger a requirement for fire sprinklers to be installed in the existing multifamily dwelling.**

(Ord. 21-01 §1)

§ ~~18.63.070~~ 18.63.110. Application Process and Timing.

Application for and approval of an accessory dwelling unit and/or junior accessory dwelling unit shall be as follows.

A. Application Process. Prior to the establishment of an accessory dwelling unit or a junior accessory dwelling unit, an application for a "zoning compliance statement" shall be completed and submitted to the City's Planning Department for review in compliance with this chapter. Accessory dwelling units and junior accessory dwelling units shall be allowed by ministerial approval of a zoning compliance statement issued by the City Planner, without discretionary review or hearing, in all areas of Sand City that are designated for their use as specified in Section 18.63.030, provided the requirements outlined in this chapter are met in each application.

B. Timing. A zoning compliance statement shall be issued within 60 days from the date the City receives a completed application for an accessory dwelling unit or junior accessory dwelling unit **if there is an existing single-family or multifamily dwelling on the lot, and** provided all of the applicable requirements of this chapter are satisfied. If an application for an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the same lot as the application for an accessory dwelling unit, approval of the accessory dwelling unit and/or junior accessory dwelling unit may be delayed until the application for the new single-family dwelling is acted upon; but the accessory dwelling unit and junior accessory dwelling unit will still be considered ministerially without discretionary review or hearing. If the applicant for an accessory dwelling unit or junior accessory dwelling unit makes a request for a delay, the 60 day time period for a zoning compliance statement shall be tolled for the period of the requested delay.

(Ord. 21-01 §1)

§ ~~18.63.080~~ 18.63.120. Fees.

An accessory dwelling unit shall not be considered by the City to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the accessory dwelling unit was constructed with a new single-family dwelling.

Fees for accessory dwelling units and junior accessory dwelling units shall apply as follows.

A. Impact Fees. The City shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionally in relation to the square footage of the primary dwelling.

B. Plan Review and Permit Fees. Standard City fees pertaining to plan check review and building permit issuance, as adopted by City Council resolution, shall apply to all accessory dwelling units and junior accessory dwelling units.

(Ord. 21-01 §1)

§ 18.63.130. Sale of Accessory Dwelling Units.

The sale of or separate conveyance of accessory dwelling units from the primary residence to a qualified buyer shall be permitted if all of the following apply, as set forth in Government Code Section 66340.

A. The accessory dwelling unit or the primary dwelling was built or developed by a qualified nonprofit corporation.

B. **There is an enforceable restriction on the use of the land pursuant to a recorded contract between the qualified buyer and the qualified nonprofit corporation that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.**

C. **The property is held pursuant to a recorded tenancy in common agreement that includes all of the following:**

- **a.** **The agreement allocates each qualified buyer an undivided, unequal interest in the property based on the size of the dwelling that each qualified buyer occupies.**
- **b.** **A repurchase option that requires the qualified buyer to first offer the qualified nonprofit corporation to buy the accessory dwelling unit or primary dwelling if the buyer desires to sell or convey the property.**
- **c.** **A requirement that the qualified buyer occupy the accessory dwelling unit or primary dwelling as the buyer's principal residence.**
- **d.** **Affordability restrictions on the sale and conveyance of the accessory dwelling unit or primary dwelling that ensure the accessory dwelling unit and primary dwelling will be preserved for low-income housing for 45 years for owner-occupied housing units and will be sold or resold to a qualified buyer.**
- **e.** **If the tenancy in common agreement is recorded after December 31, 2021, it shall also include all of the following:**
  - **i.** **Delineation of all areas of the property that are for the exclusive use of a co-tenant. Each co-tenant shall agree not to claim a right of occupancy to an area delineated for the exclusive use of another co-tenant, provided that the latter co-tenant's obligations to each of the other co-tenants have been satisfied.**
  - **ii.** **Delineation of each co-tenant's responsibility for the costs of taxes, insurance, utilities, general maintenance and repair, improvements, and any other costs, obligations, or liabilities associated with the property. This delineation shall only be binding on the parties to the agreement, and shall not supersede or obviate the liability, whether joint and several or otherwise, of the parties for any cost, obligation, or liability associated with the property where such liability is otherwise established by law or by agreement with a third party.**
  - **iii.** **Procedures for dispute resolution among the parties before resorting to legal action.**

D. **A grant deed naming the grantor, grantee, and describing the property interests being transferred shall be recorded in the county in which the property is located. A Preliminary Change of Ownership Report shall be filed concurrently with this grant deed pursuant to Section 480.3 of the Revenue and Taxation Code.**

E. **Notwithstanding Chapter 18.63.120, if requested by a utility providing service to the primary residence, the accessory dwelling unit has a separate water, sewer, or electrical connection to that utility.**

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EXHIBIT C

DEFINITIONS

CHAPTER 18.04
DEFINITIONS

§ 18.04.005. Purpose.

Unless the context otherwise requires, the following definitions shall be used in the interpretation and construction of this title, and words used in the present tense shall include the future; the singular number shall include the plural, and the plural the singular; the word "building" shall include the word "structure"; the word "used" shall include "arranged," "designed," "constructed," "altered," "converted," "rented," "leased," or "intended to be used"; and the word "shall" is mandatory and not directory. The words "section" and "article" refer to the sections and article of this code.
(Ord. 84-1 §2-1)

§ 18.04.010. Access.

"Access" means the provision of public pedestrian access from a public thoroughfare to and along the shoreline.
(Ord. 84-1 §2-2)

§ 18.04.015. Access, Bluff Top.

"Bluff-top access" means a path or trail located along the top of a coastal bluff.
(Ord. 84-1 §2-3)

§ 18.04.020. Access, Lateral.

"Lateral access" means continuous access along the beach parallel to the mean high tide line.
(Ord. 84-1 §2-4)

§ 18.04.025. Access, Vertical.

"Vertical access" means a path or trail which connects the nearest public roadway with a shoreline destination via a reasonably direct route.
(Ord. 84-1 §2-5)

§ 18.04.030. Accessory Use or Structure.

"Accessory use" or "accessory structure" means a use or structure subordinate to the principal use of a building on the same premises and serving a purpose customarily incidental to the use of the principal buildings.

(Ord. 84-1 §2-6)§ 18.04.032. Affordable Housing Cost.

"Affordable housing cost" has the same meaning as defined in Section 50052.5 of the Health and Safety Code.
(Ord. 24-X)

§ 18.04.033. Affordable Rent.

"Affordable rent" has the same meaning as defined in Section 50053 of the Health and Safety Code.
(Ord. 24-X)

§ 18.04.035. Agent of Owner.

"Agent of owner" means any person who, by affidavit filed with the planning department, furnishes written proof of such agency.
(Ord. 84-1 §2-7)

§ 18.04.040. Aggrieved Person.

"Aggrieved person" means, for the purposes of a coastal development permit appeal, any person who, in person or through a representative, appeared at a public hearing of the City Council in connection with the decision or action appealed, or who, by other appropriate means prior to a hearing informed the City Council of the nature of his or her concerns or who for good cause was unable to do either.
(Ord. 84-1 §2-8)

§ 18.04.045. Alley or Lane.

"Alley" or "lane" means a public or private right-of-way, not more than 20 feet wide, affording only secondary means of access to abutting property.
(Ord. 84-1 §2-9)

§ 18.04.050. Archaeological Resources.

"Archaeological resources" means material remains of past human life and activities. Examples of material remains are fossil relics, artifacts and monuments.
(Ord. 84-1 §2-10)

§ 18.04.055. Automobile Repair, Major.

"Major automobile repair" means general repair, rebuilding or reconditioning of engines, motor vehicles or trailers; collision service, including body, frame or fender straightening or repair; overall painting or paint shop; or three or more employees.
(Ord. 84-1 §2-11; Ord. 88-3 §1)

§ 18.04.060. Automobile Repair, Minor.

"Minor automobile repair" means upholstering and motor tune-up service limited to changing or supplementing of vehicle fluids and the adjustment of mechanical components to passenger cars and trucks not exceeding one and one-half (1-1/2) tons capacity, but not including any operation named under "automobile repair, major," or any other repair similar thereto; or a maximum of two employees.
(Ord. 84-1 §2-12; Ord. 88-3 §1)

§ 18.04.065. Automobile or Trailer Sales Area.

"Automobile or trailer sales area" means an open area, other than a street, used for display, sale or rental of new or used motor vehicles or trailers in operable condition and where no repair work is done.
(Ord. 84-1 §2-13)

§ 18.04.070. Automobile Service Station.

"Automobile service station" means a place where gasoline, kerosene or any other motor fuel or lubricating oil or grease for operating motor vehicles is offered for sale to the public and deliveries are made directly into motor vehicles, including greasing and oiling on the premises. Repair service shall be incidental and no storage or parking space shall be offered for rent.

(Ord. 84-1 §2-14)

§ 18.04.075. Automobile Wrecking.

"Automobile wrecking" means the dismantling or disassembling of used motor vehicles or trailers, or the storage, sale or dumping of dismantled, partially dismantled, obsolete or wrecked vehicles for their parts.
(Ord. 84-1 §2-15)

§ 18.04.080. Bakery.

"Bakery" means a retail sales facility which offers bakery products for sale to the public and which, as an accessory use, may include the preparation of products normally sold in bakeries for sale on the premises. This use shall not permit the preparation of bakery products for sale at other locations, drive-in sales facilities or facilities that permit consumption of food on the premises.
(Ord. 84-1 §2-16)

§ 18.04.085. Beginning of Construction.

"Beginning of construction" means the incorporation of labor and material within the foundation of the building or buildings.
(Ord. 84-1 §2-17)

§ 18.04.090. Biological Survey and Habitat Protection Plan.

"Biological survey and habitat protection plan" means a field survey conducted by a qualified biologist or agency hired by the applicant and subsequent protection plan for any development proposed within a resource management zone district, a habitat preserve, or for dune relocation/ restoration areas as specified in the Local Coastal Land Use Plan.
(Ord. 84-1 §2-18)

§ 18.04.095. Boardinghouse or Lodging House.

"Boardinghouse" or "lodging house" means a dwelling or part thereof where meals and/or lodging are provided, for compensation, for five or more persons not transients.
(Ord. 84-1 §2-19)

§ 18.04.100. Buffer.

"Buffer" means an area of land separating two distinct land uses, such as residential and industrial or residential and commercial, which acts to soften or reduce the effect of one land use on another. For instance, landscaping is sometimes used to buffer or reduce the effects of a commercial area on nearby residential units.
(Ord. 84-1 §2-20)

§ 18.04.105. Building.

"Building" means any structure having a roof supported by columns or walls.
(Ord. 84-1 §2-21)

§ 18.04.110. Building, Height of.

"Height of building" means the vertical distance from the average contact ground level at the front wall of the building to the highest point of the building, excluding chimneys and other building accessories.
(Ord. 84-1 §2-22)

§ 18.04.115. Building, Main.

"Main building" means a building in which is conducted the principal use of the site on which it is situated. In any residential district, any dwelling shall be deemed to be a main building on the building site upon which the same is located.
(Ord. 84-1 §2-23)

§ 18.04.120. Carport.

"Carport" means a covered structure used as a private garage and open on portions of at least two sides, one of which shall be for vehicle entry. All exposed internal carport wall or panel surfaces shall be finished. Any structure used, or designed for use, for the storage or shelter of motor vehicles, and not falling under this definition, shall be considered to be a garage and shall be equipped with a garage door.
(Ord. 84-1 §2-24)

§ 18.04.125. City Council or Council.

"City Council" or "Council" means the Council of the City of Sand City, California.
(Ord. 84-1 §2-25)

§ 18.04.130. Cluster Development.

"Cluster development" means a method of development in which many dwelling units are placed close together or attached, usually for the purpose of retaining another area in open space. Many condominium and townhouse developments utilize this method when they are adjacent to a natural area to be retained, or when they wish to create a focal point (such as a swimming pool or community complex).
(Ord. 84-1 §2-26)

§ 18.04.135. Coastal Bluff.

"Coastal bluff" means a natural high bank or bold headland with a broad precipice, almost perpendicular, sometimes rounded cliff face overlooking the ocean, subject to coastal erosion processes. Vertical relief must be 10 feet or more in height.
(Ord. 84-1 §2-27)

§ 18.04.140. Coastal-Dependent Development or Use.

"Coastal-dependent development or use" means any development or use which requires a site on, or adjacent to, the sea to be able to function at all.
(Ord. 84-1 §2-28)

§ 18.04.145. Coastal Development.

"Coastal development" means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid or thermal waste; grading, removing, dredging, mining or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of any structure including any facility of any private, public or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, and kelp harvesting.
(Ord. 84-1 §2-29)

§ 18.04.150. Coastal Development Permit.

"Coastal development permit" means a permit for any development within the coastal zone.
(Ord. 84-1 §2-30)

§ 18.04.155. Coastal Emergency.

"Coastal emergency" means a sudden, unexpected occurrence demanding immediate action to prevent or mitigate loss or damage to life, health, property or essential public services.
(Ord. 84-1 §2-31)

§ 18.04.160. Coastal Zone.

"Coastal zone" means an area within the jurisdiction of the California Coastal Act. The zone includes all of Sand City west of Highway 1, a strip of land 200 feet wide east of Highway 1, Southern Pacific Railroad's right-of-way and 100 feet west of the right-of-way.
(Ord. 84-1 §2-32)

§ 18.04.165. Coastal Zone Structure.

"Coastal zone structure" means a building or other facility including but not limited to any road, retaining wall, pipe, flume, conduit, siphon, aqueduct, telephone line, electrical power transmission or distribution line.
(Ord. 84-1 §2-33)

§ 18.04.170. Combination Zone.

Combination zones are zones which are superimposed over other zones and which either add further requirements or replace certain requirements of the underlying zone.
(Ord. 84-1 §2-34)

§ 18.04.175. Communications Equipment Building.

"Communications equipment building" means a building housing electrical and mechanical communication equipment and the administrative staff necessary for the conduct of a public communications business and open only to personnel necessary for the operation and maintenance of such equipment and administrative functions.
(Ord. 84-1 §2-35)

§ 18.04.177. Residential Care Facility, Small.

"Residential care facility**, small**" means a ~~place~~ **facility providing** ~~where~~ non-medical care and supervision ~~is given~~ to six or fewer individuals **in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living. This classification includes only those facilities licensed for residential care by the State of California. These types of facilities are subject to the same regulations as applied to single-family residential dwellings in the same zone.** ~~that are primarily mentally, physically, and/or developmentally disabled, and are in need of a supportive living environment. These facilities must be approved by the State of California, with live-in supervision by State-licensed individuals.~~
(~~Ord. 07-04~~)

§ 18.04.178. Residential Care Facility, Large.
"Residential care facility, large" means a facility providing non-medical care and supervision to seven or more individuals in need of personal services, supervision, protection or assistance. This classification includes hospices, group homes, sober living homes, and similar establishments, not subject to licensing. These types of facilities are permitted in all zones allowing residential uses.

§ 18.04.180. Conditional Use.

"Conditional use" means any use authorized only by a conditional use permit, as provided in this title.
(Ord. 84-1 §2-36)

§ 18.04.185. Court.

"Court" means an open, unoccupied and unobstructed space, other than a yard, on the same lot with a building or group of buildings.
(Ord. 84-1 §2-37)

§ 18.04.190. Creamery.

"Creamery" means a retail sales facility which offers dairy products in bulk for sale to the public and which, as an accessory use, may include the making of ice cream for sale on the premises. This use shall not include drive-in sales facilities, the preparation of ice cream for sale at other locations, facilities that process or package dairy products other than ice cream, or facilities that permit consumption of food on the premises.

(Ord. 84-1 §2-38)

§ 18.04.195. Department Store.

"Department store" means a store or group of shops under unified management, selling a variety of merchandise, normally including clothing, appliances, hardware, furniture, etc.
(Ord. 84-1 §2-39)

§ 18.04.200. Design Storm Wave Run-up.

"Design storm wave run-up" means the run-up distance expected above the mean high water mark based on the design wave conditions, combining local winds and open ocean storms. The design wave shall be based on significant wave heights, which are the average of the highest 1/3 wave heights characteristic of the area.
(Ord. 84-1 §2-40)

§ 18.04.205. Distance Between Residential Structures.

"Distance between residential structures" means the shortest horizontal distance measured between the vertical walls of two residential structures, as defined in this chapter, perpendicular to an axis, midway between such walls. Regulations which limit the minimum permitted distance between structures apply only to buildings or structures that are located on a single lot or premises.
(Ord. 84-1 §2-41)

§ 18.04.210. District.

"District" means a portion of the territory of the City within which certain uniform regulations and requirements or various combinations thereof apply under the provisions of this title. Where certain uses are required to be a specified distance from "any R district," district shall include any portion thereof designated for future residential uses in the general plan.
(Ord. 84-1 §2-42)

§ 18.04.215. Drive-In Restaurant, Refreshment Stand and Sidewalk Cafe.

A drive-in restaurant or refreshment stand is any facility where food or beverages are consumed upon the premises other than in a building or other enclosed area and where self-service by customers is permitted. A sidewalk cafe is any facility where food or beverages are consumed upon the premises other than in a building or other enclosed structure, but where table service is offered and no self-service by customers is permitted.
(Ord. 84-1 §2-43)

§ 18.04.220. Dwelling.

"Dwelling" means any building or portion thereof designed or used exclusively as the residence or sleeping place of one or more persons, but not including a tent, cabin, trailer or mobile home.

1. Single-family dwelling" means a building designed for or used exclusively for residence purposes by one family.

2. Two-family dwelling" or "duplex" means a building designed for or used exclusively for residence purposes by two families.

3. Multiple dwelling" means a building or portion thereof designed for or used exclusively for residence purposes by three or more families. (Ord. 84-1 §2-44)

§ 18.04.225. Dwelling Group.

"Dwelling group" means a group of two or more detached single, duplex or multiple dwellings, located on a parcel of land in one ownership.
(Ord. 84-1 §2-46)

§ 18.04.230. Dwelling Unit.

"Dwelling unit" means one room, or a suite of two or more rooms, designed for or used by one family for living and sleeping purposes and having only one kitchen or kitchenette.
(Ord. 84-1 §2-45)

§ 18.04.232. Employee Housing.

"Employee housing" shall have the same meaning as defined by California Health and Safety Code Section 17008. **For the purpose of all local ordinances, employee housing shall not be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. Use of a family dwelling for purposes of employee housing serving six or fewer persons shall not constitute a change of occupancy for purposes of Part 1.5 (commencing with California Health and Safety Code Section 17910) or local building codes.**
(Ord. 16-05 §2)

§ 18.04.235. Environmentally Sensitive Habitat Area.

"Environmentally sensitive habitat area" means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could easily be disturbed or degraded by human activities and developments.
(Ord. 84-1 §2-47)

§ 18.04.240. Essential Services.

"Essential services" means the erection, construction, alteration or maintenance by public utilities or municipal or other governmental agencies, of underground or overhead gas, electrical, steam or water transmission or distribution systems, collection, communication, supply or disposal systems, including poles, wires, mains, drains, sewers, pipes, conduits, cables, fire alarm boxes, police call boxes, traffic signals, hydrants and other similar equipment and accessories in connection therewith, reasonably necessary for the furnishing of adequate service by such public utilities or municipal or other governmental agencies or for the public health or safety or general welfare, but not including buildings.
(Ord. 84-1 §2-48)

§ 18.04.241. Extreme Value Retail Use.

"Extreme value retail use" means and refers to a retail store offering more than 70% of a diversified inventory for $10 or less.
(Ord. 10-01 §2)

§ 18.04.245. Family.

"Family" means **one or more persons occupying a premise, and living as a single nonprofit housekeeping unit, as distinguished from a group occupying a boardinghouse, lodging house, motel or hotel, fraternity or sorority house.** ~~a person living alone, or two or more persons living together as a single housekeeping unit in a dwelling unit, as distinguished from a group occupying a boardinghouse, lodging house, motel or hotel, fraternity or sorority house.~~
~~(Ord. 84-1 §2-49)~~

§ 18.04.250. Feasible.

"Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.
(Ord. 84-1 §2-50)

§ 18.04.255. Fence or Wall.

"Fence" or "wall" means a vertical barrier which supports no load other than its own weight and which is designed to delimit an area or limit access or visibility into such area.
(Ord. 84-1 §2-51)

§ 18.04.260. Garage, Private.

"Private garage" means a detached accessory building or a portion of the principal building used only for the storage of passenger vehicles or trailers by the families resident upon the premises.
(Ord. 84-1 §2-52)

§ 18.04.265. Garage, Public.

"Public garage" means a structure or portion thereof, other than a private garage, used for the storage, sale, care, repair or refinishing of self-propelled vehicles or trailers.
(Ord. 84-1 §2-53)

§ 18.04.270. General Plan.

"General plan" means the general plan for the City as adopted by the Council, and as amended from time to time.
(Ord. 84-1 §2-54)

§ 18.04.275. Hedge.

"Hedge" means any plant, trees or shrubs planted in a continuous line to form a dense thicket or barrier.
(Ord. 84-1 §2-55)

§ 18.04.279. ~~Homeless Shelter Use.~~ Emergency Shelter.

~~"Homeless shelter use"~~ **"Emergency shelter" means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay (Government Code §65582 subdivision (g) and Health and Safety Code, § 50801 subdivision (e). Emergency shelters shall include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.**

~~means an emergency shelter with a capacity as determined by the Sand City Housing Element, as may be amended from time to time, consistent with the provisions of Section 50801(e) of the California Health and Safety Code. The use provides housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.~~
(Ord. 16-05 §1)

§ 18.04.280. Home Occupation.

"Home occupation" means any use conducted entirely within a dwelling and carried on by the inhabitants thereof, which use is residential in nature, is clearly incidental and secondary to the use of the dwelling for dwelling purposes and does not change the character thereof or adversely affect the uses permitted in the residential district of which it is a part. Such use shall not create additional traffic, require additional parking space, involve employment of persons other than domestic help, involve the use of mechanical equipment other than that necessary for normal domestic purposes, or involve the indoor or outdoor storage of materials, equipment or supplies other than that necessary for normal domestic purposes. Clinics, barbershops, cosmetology establishments, business and professional offices and retail or wholesale dealerships involving the storing of more than 50 pounds of merchandise on the premises shall not be deemed to be home occupations.
(Ord. 84-1 §2-56)

§ 18.04.283. Housing Development Project.

"Housing development project" has the same meaning as defined in paragraph (3) of subdivision (b) of Government Code Section 65905.5.
(Ord. 24-X)

§ 18.04.285. Household Pets.

"Household pets" means any domestic animal normally owned or kept as a pet, including cats, dogs, rabbits, ducks, hens, raccoons, parrots, pigeons and other animals deemed by the Council to be appropriate as domestic pets; provided such animals are confined to the limits of the residential property occupied by the owner of such pets. Household pets shall not include any animals or birds maintained for commercial purposes, whether or not such animal or bird may be appropriate as a domestic pet.
(Ord. 84-1 §2-57)

§ 18.04.290. Kennel.

"Kennel" means any premises where five or more dogs, 10 weeks in age or older, are kept.
(Ord. 84-1 §2-58)

§ 18.04.295. Laundry and Dry Cleaning Pickup Station.

"Laundry and dry cleaning pickup station" means a retail personal service facility not including dry cleaning or laundry operations on the premises; provided, however, that launderettes and self-service dry cleaning facilities containing equipment used solely by customers, and approved by proper authority for use solely by customers, shall be included in this definition.
(Ord. 84-1 §2-59)

§ 18.04.300. Laundry, Dry Cleaning and Dyeing Plant.

"Laundry, dry cleaning and dyeing plant" means a heavy commercial facility which includes laundering, dry cleaning or dyeing, or all of such operations, on a major scale and to which customer pickup and delivery on the premises is an accessory use subordinate to the laundering, dry cleaning or dyeing operation.
(Ord. 84-1 §2-61)

§ 18.04.305. Laundry, Dry Cleaning or Dyeing Establishment.

"Laundry, dry cleaning or dyeing establishment" means a retail service facility which may include laundering, dry cleaning and/or dyeing of goods received at and picked up at such location by customers. This use shall not include major plants for the uses mentioned, or facilities in which a major portion of receipt and delivery of such goods is not through personal contact with customers.
(Ord. 84-1 §2-60)

§ 18.04.310. Local Coastal Implementation Plan.

"Local Coastal Implementation Plan" means that report, adopted by the City Council and certified by the State Coastal Commission, which describes the various administrative and legal procedures, ordinances, regulations and other actions to be pursued to carry out the Local Coastal Land Use Plan.
(Ord. 84-1 §2-62)

§ 18.04.315. Local Coastal Land Use Plan.

"Local Coastal Land Use Plan" means that report, adopted by the City Council and certified by the State Coastal Commission, which, in response to the Coastal Act of 1976 becomes part of the City's general plan and contains maps, public access component policies and other resource and land use policies and guidelines for the City's coastal zone.
(Ord. 84-1 §2-63)

§ 18.04.320. Local Coastal Program.

"Local Coastal Program" means a local government's (a) land use plans, (b) zoning ordinances, (c) zoning district maps and (d) other implementing actions, which, when taken together, meet the requirements of, and implement the provisions and policies of, the Coastal Act at the local level. The abbreviation for the Local Coastal Program is LCP.
(Ord. 84-1 §2-64)

§ 18.04.325. Lot.

"Lot" means a piece or parcel of land occupied or intended to be occupied by a principal building or a group of such buildings and accessory buildings, or utilized for a principal use and uses accessory thereto, together with such open spaces as required by this title, and having frontage on or access to an improved and accepted public street.
(Ord. 84-1 §2-65)

§ 18.04.330. Lot Area.

"Lot area" means the computed area contained within the lot lines.
(Ord. 84-1 §2-65(f))

§ 18.04.335. Lot, Corner.

"Corner lot" means a lot abutting upon two or more streets at their intersection or upon two parts of the same street, such streets or parts of the same street forming an interior angle of less than 135 degrees. The point of intersection of the street right-of-way lines or the extension of such lines to a point, is the "corner."
(Ord. 84-1 §2-65(a))

§ 18.04.340. Lot Depth.

"Lot depth" means the mean horizontal distance between the front and rear lot lines.
(Ord. 84-1 §2-65(c))

§ 18.04.345. Lot, Interior.

"Interior lot" means a lot other than a corner lot.
(Ord. 84-1 §2-65(b))

§ 18.04.350. Lot Lines.

"Lot lines" means the property lines bounding a lot as follows:

1. ”Exterior lot line" means any lot line separating a lot from a street to which that lot has legal access.
2. "Front lot line" means the shortest exterior lot line on any lot.
3. "Side street lot line" means any exterior lot line other than the front lot line (corner lot).
4. "Interior lot line" means any lot line not an exterior lot line.
5. "Rear lot line" means the interior lot line opposite and most distant from the front lot line.
6. "Side lot line" means any interior lot line other than the rear lot line.
7. "Alley lot line" means any lot line separating a lot from an alley.

(Ord. 84-1 §2-65(d))

§ 18.04.355. Lot Width.

"Lot width" means the mean width of the lot measured at right angles to its depth.
(Ord. 84-1 §2-65(e))

§ 18.04.357 Low Barrier Navigation Center.

"Low barrier navigation center" means a Housing First, low barrier, temporary, service-enriched shelter focused on helping homeless individuals and families to quickly obtain permanent housing. Low barrier includes best practices to reduce barriers to entry, such as allowing partners, pets, storage of personal items, and privacy (Government Code §65662). This type of facility shall be permitted as a use by-right in zones where mixed uses are permitted, including nonresidential zones permitting multifamily uses.

(Ord. 24-X)

§ 18.04.358 Lower Income Households.

"Lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code.

(Ord. 24-X)

§ 18.04.360. Major Energy Facility.

"Major energy facility" means, within the coastal zone, any public or private processing, producing, generating, storing, transmitting or receiving facility for electricity, natural gas, petroleum, coal or other source of energy for which the estimated construction costs exceed $25,000.
(Ord. 84-1 §2-66)

§ 18.04.365. Major Public Works Facility.

"Major public works facility" means, in the coastal zone, any public works project located within an area for which coastal development permits are appealable, and that cost more than $25,000, except where service by a public agency is required to protect life and public property from imminent danger, or to restore, repair or maintain public works, utilities or services destroyed, damaged, or interrupted by natural disaster or serious accident.
(Ord. 84-1 §2-67)

§ 18.04.370. Mobile Home

~~"Mobile home" means any standard make of trailer or mobile home equipped and constructed in such a manner as to permit permanent occupancy thereof as living quarters for a family. In general, any trailer over 17 feet in length may be considered a mobile home; provided, that such trailer complies with all applicable laws and regulations controlling the design, construction, equipment or occupancy thereof. An independent mobile home is a mobile home equipped with toilet, washbasin, and shower or bathtub and the necessary equipment to permit connection with city utility lines including water, electricity and sanitary sewer. A dependent mobile home is a mobile home that lacks any of the facilities required above in an independent mobile home.
(Ord. 84-1 §2-68)~~ (Ord 24-X

"Mobile home" **includes "Manufactured home" as both are defined in California Health and Safety Code sections 18007, 18008, as may be amended.**

§ 18.04.375. Motel or Motor Hotel.

"Motel" or "motor hotel" means a building or group of buildings comprising individual sleeping or living units for the accommodation of transient guests.
(Ord. 84-1 §2-69)

§ 18.04.380. Nonconforming Use.

"Nonconforming use" means a building, structure or premises legally existing and/or used at the time of adoption of the ordinance codified in this title or any amendment thereto, which such building, structure or premises is not in full conformity with the use regulations of the district in which same is located; provided, however, that a use shall not be considered a nonconforming use solely on the basis of an inadequate number of parking spaces.
(Ord. 84-1 §2-70)

§ 18.04.381. Odd-Lot/Close-Out Retail Use.

"Odd-lot/close-out retail use" means and refers to a retail store offering the preponderance of its products at a price which is marked down more than 40% from normal retail price because the goods are irregular, or as a result of manufacturing over-production, an overflow of product shipments or manufacturers' close-outs.
(Ord. 10-01 §2)

§ 18.04.385. Office, Administrative and Executive.

"Administrative and executive offices" means those offices, organizationally part of a larger operation, which are engaged in general administration, supervision, purchasing, accounting or other management functions.
(Ord. 84-1 §2-71)

§ 18.04.390. Office, Business.

"Business office" means a place of business providing a service of general administration, including, and of the same general character as a real estate and insurance agency, accounting firm, business consultant, stenographic service, but not including wholesale or retail activities involving stock-in-trade on the premises.
(Ord. 84-1 §2-72)

§ 18.04.395. Office, Medical.

"Medical office" means an office where medical and health services are provided to individuals by physicians, surgeons, dentists, psychologists, psychiatrists, optometrists, chiropractors, licensed physical therapists and persons practicing related professions, but not including medical and dental laboratories and clinics.
(Ord. 84-1 §2-73)

§ 18.04.400. Office, Professional.

"Professional office" means an office which deals primarily in professional services such as surveying, engineering, architecture, planning and law, but not including medical offices.

(Ord. 84-1 §2-74)

§ 18.04.405. Parking Area, Private.

"Private parking area" means an open area for the same uses as a private garage. (Ord. 84-1 §2-75)

§ 18.04.410. Parking Area, Public.

"Public parking area" means an open area, other than a street or other public way, used for the parking of automobiles and available to the public whether for a fee, free or as an accommodation for clients or customers.
(Ord. 84-1 §2-76)

§ 18.04.415. Parking Space.

"Parking space" means a permanently surfaced area for the parking of a motor vehicle. Such space shall not measure less than eight and one-half (8-1/2) feet by 19 feet and shall contain not less than one hundred sixty-one and one-half (161-1/2) square feet, excluding paved area necessary for access and maneuvering. A compact space is eight and one-half (8-1/2) feet by 16 feet.
(Ord. 84-1 §2-77)

§ 18.04.420. Parking Layout.

"Parking layout" means the area required to maneuver and provide access to and from any parking space, driveway and aisle.
(Ord. 84-1 §2-78)

§ 18.04.425. Performance Standards.

"Performance standards" means regulations for the control of "dangerous or objectionable elements."
(Ord. 84-1 §2-79)

§ 18.04.428. Persons or Families of Low or Moderate Income.

“Persons and families of low or moderate income” has the same meaning as defined in Section 50093 of the Health and Safety Code.

(Ord. 24-X)

§ 18.04.430. Pharmacy.

"Pharmacy" means any facility used primarily for the purpose of compounding and dispensing medical prescriptions.
(Ord. 84-1 §2-80)

§ 18.04.435. Planned Unit Development.

"Planned unit development" means a form of development usually characterized by a unified site design for a number of housing units, clustering buildings and providing common open space, density increases and a mix of building types and land uses.
(Ord. 84-1 §2-81)

§ 18.04.440. Premises.

"Premises" refers to any lot or parcel or any group of lots or parcels and all improvements thereon which are generally, but not necessarily, under single ownership. The term is inclusive rather than exclusive and shall be interpreted broadly.

(Ord. 84-1 §2-82)

§ 18.04.442. Protected Units.

"Protected units" means any of the following:

(1) Residential dwelling units that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income within the past five years.

(2) Residential dwelling units that are or were subject to any form of rent or price control through a public entity's valid exercise of its police power within the past five years.

(3) Residential dwelling units that are or were rented by lower or very low-income households within the past five years.

(4) Residential dwelling units that were withdrawn from rent or lease in accordance with Chapter 12.75 (commencing with Government Code Section 7060) of Division 7 of Title 1 within the past 10 years.

(Ord. 24-X)

§ 18.04.445. Public and Quasi-Public Uses.

"Public uses" and "quasi-public uses" means those uses open to the general public which are maintained and supported by public or nonprofit agencies or organizations, communications equipment buildings, and other public utility facilities which are necessary to provide service to the area. Included in this category are uses of a recreational, educational, religious or cultural nature and facilities for public services such as police, fire and library.
(Ord. 84-1 §2-83)

§ 18.04.456. Qualified Buyer.
"Qualified buyer" means persons and families of low or moderate income, as that term is defined in Section 50093 of the Health and Safety Code.

§ 18.04.457. Qualified Nonprofit Corporation.

"Qualified nonprofit corporation" means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

§ 18.04.450. Recreation, Commercial.

"Commercial recreation" means recreational facilities operated as a business and open to the general public for a fee.
(Ord. 84-1 §2-84)

§ 18.04.455. Recreation, Private, Noncommercial.

"Private noncommercial recreation" means clubs or recreational facilities, operated by a nonprofit organization and open only to bona fide members of such nonprofit organization, whether or not a fee is charged.
(Ord. 84-1 §2-85)

§ 18.04.460. Right-of-Way, Public.

"Public right-of-way" means any parcel of land which has been dedicated to, sold to, condemned by or otherwise transferred to and accepted by the City for the purpose of providing either present or future unrestricted public access to any lot, parcel or premises. A public right-of-way is any right-of-way for which the City assumes responsibility for maintenance, whether or not such right-of-way is improved to the standards of the City. In accepting a public right-of-way, the City accepts no responsibility for improving such right-of-way to a greater standard than that which prevailed at the time of such acceptance.
(Ord. 84-1 §2-86)

§ 18.04.465. Right-of-Way, Private.

"Private right-of-way" means any parcel of land the right-of-way of which has been transferred by the owner thereof to any other party, and which right-of-way is controlled by a private agreement between the grantor and grantee. A private right-of-way may or may not be recorded with the recorder of Monterey County.
(Ord. 84-1 §2-87)

§ 18.04.470. Row House.

"Row house" means a single-family attached or semi-attached dwelling unit located on a separate parcel of land in one ownership.
(Ord. 84-1 §2-88)

§ 18.04.475. Salvage or Wrecking Yard.

"Salvage or wrecking yard" means a place where waste, discarded or salvaged materials are bought, sold, exchanged, baled, packed, disassembled, stored or handled, including auto wrecking yards, house-wrecking yards, used lumber yards and places or yards for storage of salvaged materials and equipment; but not including such places where such uses are conducted entirely within a completely enclosed building. The sale of used cars in operable condition, or the use of salvage materials incidental to manufacturing operations.
(Ord. 84-1 §2-89)

§ 18.04.480. Screen Fence or Screen Hedge.

A "screen fence" or "screen hedge" is a fence or hedge which restricts visibility by 75% or more. Visibility restriction is 75% or more when the ratio of opaque areas to open areas is three to one or higher. A planting of five gallon shrubs or trees of a size or species that will, within four years, restrict visibility by 75% or more to the required height, shall be allowed as a screen hedge.
(Ord. 84-1 §2-90)

§ 18.04.483. Service Commercial.

"Service commercial" uses means those uses and businesses that are establishments primarily engaged in rendering services on a fee or contract basis for all phases of building construction and maintenance; or that render services to other businesses such as advertising, employment services, management and consulting services, and protective services.
(Ord. 02-03)

§ 18.04.485. Setback.

"Setback" means the minimum allowable horizontal distance from a given point or line of reference such as a street right-of-way to the nearest vertical wall or other element of a building or structure as defined in this chapter.
(Ord. 84-1 §2-91)

§ 18.04.490. Sign.

"Sign" means any advertising display or structure.
(Ord. 84-1 §2-92)

§ 18.04.491. Single Price Retail Use and Price Point Retail Use.

"Single price retail use" and "price point retail use" means and refers to a retail store that sells merchandise with a preponderance of single pricing for all items in the store. Merchandise may be, but is not limited to, generic or private label products specially manufactured for such stores, products manufactured cheaply for a foreign market and imported, products purchased from another retailer or distributor as overstock, closeout or seasonal merchandise at the end of the season, and promotional goods manufactured to coincide with an event that has since past.
(Ord. 10-01 §2)

§ 18.04.495. Story.

"Story" means that portion of a building included between the surface of any floor and the surface of the floor next above it, or, if there be no floor above it, then the space between any floor and the ceiling next above it.
(Ord. 84-1 §2-93)

§ 18.04.500. Street.

"Street" means an improved public right-of-way more than 20 feet in width which provides a public means of access to abutting property. The term "street" shall include avenue, drive, circle, road, parkway, boulevard, highway, thoroughfare or any other similar term.
(Ord. 84-1 §2-94)

§ 18.04.505. Structure.

"Structure" means anything constructed, the use of which requires permanent location on the ground or attachment to something having a permanent location on the ground.
(Ord. 84-1 §2-95)

§ 18.04.510. Structural Alteration.

"Structural alteration" means any change in the structural members of a building, such as walls, columns, beams or girders.
(Ord. 84-1 §2-96)

§ 18.04.515. Substation, Public Utility.

"Public utility substation" means a station where electric power is transformed to a distribution voltage level or where water is pumped into a local or neighborhood distribution system.
(Ord. 84-1 §2-97)

§ 18.04.517. Supportive Housing.

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; consistent with Health and Safety Code 50675.14.
(Ord. 16-05 §3)

§ 18.04.520. Trailer (Including Camp Trailer).

"Trailer" (including camp trailer) means any vehicle constructed in such a manner as to permit temporary occupancy thereof as sleeping quarters (i.e., camp trailer) or the conduct of any business, trade or occupation, or use as a selling or advertising device, or use for storage or conveyance for tools, equipment or machinery, and so designed that it is mounted on wheels and may be used as a conveyance on highways and streets, propelled or drawn by other motive power. Camp trailers are considered structures for the purposes of this title when they are parked in a trailer camp or park.

(Ord. 84-1 §2-98)§ 18.04.525. Trailer Camp, Trailer Park or Mobile Home Park.

"Trailer camp," "trailer park" or "mobile home park" means any lot or part thereof, or any parcel of land, which is used or offered as a location for two or more camp trailers or mobile homes used for any of the residential purposes.
(Ord. 84-1 §2-99)

§ 18.04.527. Transitional Housing.

"Transitional housing" and "transitional housing development" means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to other eligible program recipient at some predetermined future point in time, which shall be no less than six months.
(Ord. 16-05 §4)

§ 18.04.530. Unreasonable Delays.

"Unreasonable delays" are those exceeding five minutes unless there is equipment failure.
(Ord. 84-1 §2-100)

§ 18.04.535. Usable Open Space.

"Usable open space" means an area or a series of areas on a lot of such shape or shapes that it or they can be efficiently utilized for recreation and outdoor living.
(Ord. 84-1 §2-101)

§ 18.04.538. Very Low Income Households.

"Very low income households" has the same meaning as defined in Section 50105 of the Health and Safety Code.
(Ord. 24-X)

§ 18.04.540. Visitor Serving Residential Timeshare Units.

"Visitor serving residential timeshare units" means, within the coastal zone, residential units which are sold to visitors for specified periods of time throughout the year. These units are to be interval units, in which the purchaser acquires one or more intervals, an interval usually being one or two-week periods. Permitted timeshare residential units shall be restricted to purchase in 31 -day maximum increments and to occupancy for 31 - day maximum periods.
(Ord. 84-1 §2-102)

§ 18.04.545. Water Allocation.

"Water allocation" means the total annual amount of water allocated to the City by the Monterey Peninsula Water Management District as part of the peninsula water allocation system. As a result of this City water allocation and as part of the LCP, water consumption for land uses within and outside the coastal zone were projected to ensure that the City will not exceed its current annual water allocation.
(Ord. 84-1 §2-103)

§ 18.04.550. Wire Mesh Fencing.

"Wire mesh fencing" is fence material which derives its strength from metal strands crossing in a regular pattern. Wire mesh fencing includes, but is not limited to, those materials known as chain link, Cyclone and chicken-wire fencing, but does not include ornamental iron fencing.
(Ord. 84-1 §2-104)

§ 18.04.555. Yard, Exterior.

"Exterior yard" means any yard adjacent to an exterior lot line.
(Ord. 84-1 §2-105)

§ 18.04.560. Yard, Front.

"Front yard" means an open space extending the full width of the lot measured between the building closest to the front line and said front lot line, which open space is unoccupied and unobstructed from the ground upward except as specified elsewhere in this title and which such space provides access to the principal or formal access to the main building located on such lot.
(Ord. 84-1 §2-106)

§ 18.04.565. Yard, Interior.

"Interior yard" means any yard adjacent to an interior lot line.
(Ord. 84-1 §2-107)

§ 18.04.570. Yard, Rear.

"Rear yard" means an open space extending the full width of a lot between the building closest to the rear lot line and such rear lot line, which open space is unoccupied and unobstructed from the ground upward, except as specified elsewhere in this title.

Front Yard, Least Depth, How Measured. Such depth shall be measured at all elevations from the right-of-way line of the existing street on which the lot fronts (the front lot line); provided, however, that if the proposed location of the right-of-way line of such street as adopted by the City differs from that of the existing street, then the required front yard least depth shall be measured from the future right-of-way line of such streets as adopted.

(Ord. 84-1 §2-108)

§ 18.04.575. Yard, Side.

"Side yard" means an open space extending from the front yard to the rear yard between the building closest to the nearest side lot line and such lot line, which open space is unoccupied and unobstructed from the ground upward, except as specified elsewhere in this title.

Side Yard, Least Width, How Measured. Such width shall be measured at all elevations from the nearest side lot line and, in case the nearest side lot line is a side street lot line, from the right-of-way line of the existing street; provided, however, that if the proposed location of the right-of- way line of such street, as adopted by the City, differs from that of the existing street, then the required side yard least width shall be measured from the future right-of-way line of such street as adopted.

(Ord. 84-1 §2-109)

§ 18.04.580. Zoning Map.

"Zoning map" means the zoning map of the City, together with all amendments thereto subsequently adopted.

(Ord. 84-1 §2-110)

EXHIBIT D

R-1 SINGLE FAMILY RESIDENTIAL

CHAPTER 18.08
R-1 SINGLE-FAMILY RESIDENCE DISTRICT

§ 18.08.010. Purpose.

The purpose of the R-1 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-1 district is intended for single-family homes and the community services appurtenant thereto.
(Ord. 16-05 §5)

§ 18.08.020. Principal Permitted Uses.

Principal permitted uses in the R-1 district are as follows:

A. Single-family dwellings.

B. Rooming and boarding of no more than two persons.

C. Signs not exceeding in the aggregate, six square feet in area, for each building site, may be displayed for the purpose of advertising the sale or lease of property upon which is displayed.

D. **Mobile Homes.**

E. Employee housing for six or fewer persons**, as defined in Chapter 18.04 of this title.**

F. Supportive housing, as defined in Chapter 18.04 of this title.

G. Transitional housing, as defined in Chapter 18.04 of this title.

H. **Residential Care Facility, Small, as defined in Chapter 18.04.177 of this title.**

I. **Residential Care Facility, Large, as defined in Chapter 18.04.178 of this title.**

(Ord. 16-05 §5)

§ 18.08.030. Accessory Uses.

Accessory uses permitted in the R-1 district are as follows:

A. Living quarters for persons regularly employed on the premises, but not rented or otherwise conducted as a business; provided, that no kitchen facilities are provided.

B. Home occupations, with the issuance of a home occupation permit.

C. Other accessory uses, and accessory buildings customarily appurtenant to a permitted use.
(Ord. 16-05 §5)

§ 18.08.040. Conditional Uses.

Conditional uses permitted in the R-1 district are as follows:

A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses.

~~B. Licensed foster homes.~~

C. Public utility substations and public utility communication equipment buildings.

~~D. Group dwellings.~~

E. Single room occupancy (SRO) units.
(Ord. 16-05 §5)

§ 18.08.050. Height Regulations.

Height regulations permitted in the R-1 district are as follows: no principal building shall exceed 30 feet in height and no detached accessory building shall exceed 15 feet in height.
(Ord. 16-05 §5)

§ 18.08.060. Minimum Requirements.

The following minimum requirements shall be observed in the R-1 district, except where increased for conditional uses or modified herein:

A. Minimum building site area required, 3,750 square feet; [1]

B. Minimum building site width required, 50 feet;

C. Percentage of building site coverage permitted, 60%;

D. Minimum front yard setback required, five feet;

E. Minimum side yard setback required, five feet; [1]

F. Minimum rear yard setback required, 10 feet;

G. Parking spaces required, two per dwelling unit (one [1] covered);

H. Maximum driveway width, twelve and one-half (12-1/2) feet (to allow curb room for off-site parking).
(Ord. 16-05 §5)

§ 18.08.070. Other Required Conditions.

Other required conditions in the R-1 district are as follows:

A. Site plan approval required of all conditional uses set out in Section 18.08.040.

B. Off-street parking required for all uses as set out in this chapter, two spaces per unit to be within a two car, enclosed garage.

C. **No required parking for supportive housing located within ½ mile from a public transit stop.**

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1. **Those holding single 25 foot lots, with separate owners on each side of them at the time the ordinance codified in this title is adopted, can develop them as they exist with design review. A minimum zero side yard setback will be allowed. Applicants for development on a 25 foot lot will be required to show proof of ownership by producing a recorded deed or notarized contract of sale dated prior to ordinance adoption. Change of ownership will not affect the status of a 25 foot lot if, in fact, it was a 25 foot lot prior to ordinance adoption. However, proof of such will still be necessary as described above.**

D. Design control regulations apply within the R-1 district.
(Ord. 16-05 §5)

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EXHIBIT E

R-1 ONE FAMILY – TWO FAMILY RESIDENTIAL

CHAPTER 18.10
R-2 ONE-FAMILY AND TWO-FAMILY RESIDENCE DISTRICT

§ 18.10.010. Purpose.

The purpose of the R-2 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-2 district is intended for one family and two family residences and community services appurtenant thereto. (Ord. 16-05 §6)

§ 18.10.020. Principal Permitted Uses.

Principal permitted uses in the R-2 district are as follows:

A. Single-family dwellings.

B. Duplex or two-family dwellings.

C. **Multi-family Manufactured Homes.**

~~D. Residential care facility for six or fewer persons.~~

E. **Residential Care Facility, Small, as defined in Chapter 18.04 of this title.**

F. **Residential Care Facility, Large, as defined in Chapter 18.04 of this title.**

G. Employee housing for six or fewer persons**, as defined in Chapter 18.04 of this title.**

H. Supportive housing, as defined in Chapter 18.04 of this title.

I. Transitional housing, as defined in Chapter 18.04 of this title.
(Ord. 16-05 §6)

§ 18.10.030. Accessory Uses.

Accessory uses permitted in the R-2 district are as follows:

A. Room and boarding of not more than one person per unit;

B. Home occupations, with the issuance of a home occupation permit;

C. Private swimming pools;

D. Temporary tract offices and building yards;

E. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.
(Ord. 16-05 §6)

§ 18.10.040. Conditional Uses.

Conditional uses permitted in the R-2 district are as follows:

A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses.

B. Multifamily dwellings.

C. Nursery schools, licensed foster homes, homes for ambulatory aged persons, and nursing or convalescent homes.

D. Commercial parking lots.

E. Public utility substations and public utility communication equipment buildings.

F. ~~Group dwellings~~.

~~G. Mobile homes (renewable annually).~~

H. Single room occupancy (SRO) units.
(Ord. 16-05 §6)

§ 18.10.050. Height Regulations.

Height regulations in the R-2 district are as follows: no principal building shall exceed 30 feet in height; no detached accessory buildings shall exceed 15 feet in height.
(Ord. 16-05 §6)

§ 18.10.060. Area, Lot Width and Yard Requirements.

The following minimum requirements shall be observed in the R-2 district, except where increased for conditional uses. The minimum requirements shall be those of the following that correspond with the district classification designated on the zoning map.

A. Single-family dwellings; same as in R-1 district regulations; and

B. Two family dwellings, designated as follows:

1. Minimum lot area, 3,750 square feet;
2. Mean lot width, 50 feet (interior lot);
3. Mean lot depth, 50 feet (corner lot);
4. Percentage of building site coverage permitted, 60%;
5. Parking spaces per dwelling unit, two (one and one-half [1-1/2] covered);
6. Side yard setbacks, five feet.

7. Exterior yards:

    a. Front yard setback, five feet,

    b. Rear yard setback, 10 feet;

8. Driveway width, twelve and one-half (12-1/2) feet to 17 feet (to allow off-street parking).

(Ord. 16-05 §6)

§ 18.10.070. Other Required Conditions.

Other required conditions in the R-2 district are as follows:

A. Site plan approval by the City Council required of all conditional uses;

B. Off-street parking required for all uses, as above;

C. **No required parking for supportive housing located within ½ mile from public transit stop;**

D. On any corner lot, each exterior yard which abuts the front yard of an adjacent lot shall be not less than 20 feet in depth. Any other exterior yard on a corner lot may be reduced to 15 feet;

E. Applicable fence height limitations and other regulations relating to fences and hedges;

F. Design control district regulations apply.

(Ord. 16-05 §6)

EXHIBIT F

R-3 MULTIFAMILY RESIDENTIAL

CHAPTER 18.12
R-3 MULTIFAMILY RESIDENCE DISTRICT

§ 18.12.010. Purpose.

The purpose of the R-3 district is to stabilize and protect the residential characteristics of the district and to promote, insofar as is compatible with the intensity of land use, a suitable environment for family life.
(Ord. 84-1 §7-1)

§ 18.12.020. Principal Permitted Uses.

Principal permitted uses in the R-3 district are as follows:

A. Multiple dwellings.

B. Single-family dwellings and duplexes, subject to all restrictions and requirements of the R-1 district.

C. **Multi-family Manufactured Homes.**

D. Licensed homes for ambulatory aged persons over 65 years of age.

~~E. Residential care facility for six or fewer persons.~~

F. **Residential Care Facility, Small, as defined in Chapter 18.04 of this title.**

G. **Residential Care Facility, Large, as defined in Chapter 18.04 of this title.**

H. Employee housing for six or fewer persons**, as defined in Chapter 18.04 of this title.**

I. Supportive housing, as defined in Chapter 18.04 of this title.

J. Transitional housing, as defined in Chapter 18.04 of this title.

(Ord. 16-05 §7)

§ 18.12.030. Accessory Uses.

Accessory uses permitted in the R-3 district are as follows:

A. Rooming and boarding of not more than two persons.

B. Temporary tract offices and building yards; and

C. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.
(Ord. 84-1 §7-3)

§ 18.12.040. Conditional Uses.

Conditional uses permitted in the R-3 district are as follows. **See Chapter 18.74.025 for findings required for approval of conditional uses.**

A. Rooming houses and boarding houses ~~and foster homes~~ for any number of guests.

~~B. Mobile homes, renewable annually.~~

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C. Incidental services, such as restaurants and retail sales to serve residents only; provided, that there is not exterior display or advertising and such activities are conducted in spaces which are integral parts of a main building.

D. Social halls, lodges, fraternal organizations and clubs, except those operated for a profit.

E. Nursery schools, licensed foster homes and homes for ambulatory aged persons.

F. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type, but not including corporation yards, storage or repair yards and warehouses.

G. Commercial parking lots.

H. Public utility substations and public utility communication equipment buildings.

I. Single room occupancy (SRO) units.

(Ord. 16-05 §8)

§ 18.12.050. Area, Height, Lot Width and Yard Requirements.

The following minimum requirements shall be observed in the R-3 district, except where increased for conditional uses. The minimum requirements shall be those of the following that correspond with the district classification designated on the zoning map.

Single Story:	
Minimum site	3,750 sq. ft.
Dwelling units per lot (25 x 75)	1 or more
Maximum building height	16 feet
Percentage of building site coverage permitted	
1 and no bedroom unit	70%
2 bedroom unit	70%
3 or more bedroom unit	70%
Mean lot width	75 feet
Side yard setback	
2.0 stories or less	5 feet
2.5 stories or more	N/A
Distance between structures	10 feet
Front yard setback	5 feet
Rear yard setback	15 feet
Driveway width (in feet measured to sidewalk)	17 feet
Parking spaces per dwelling unit with 2 or fewer bedrooms (covered)	1.5 spaces

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Parking spaces per dwelling unit with 3 or more bedrooms (covered)	2 spaces

Single Story:	
Land area per dwelling unit	1,000 sq. feet

Multi-story:	
Minimum site	3,750 sq. ft.
Dwelling units per lot (25 x 75)	1 or more
Maximum building height	36 feet
Percentage of building site coverage permitted	
1 and no bedroom unit	65%
2 bedroom unit	65%
3 or more bedroom unit	65%
Mean lot width	75 feet
Side yard setback	
2.0 stories or less	5 feet
2.5 stories or more	10+2 feet for each story over 2.5
Distance between structures	Two times otherwise required minimum interior yard
Front yard setback	5 feet
Rear yard setback	15 feet
Driveway width (in feet measured to sidewalk)	17 feet
Parking spaces per dwelling unit with 2 or fewer bedrooms (covered)	1.5 spaces
Parking spaces per dwelling unit with 3 or more bedrooms (covered)	2 spaces
Land area per dwelling unit	1,000 sq. feet

When more than six units are proposed, a PUD permit will be required.
(Ord. 84-1 §7-5)

§ 18.12.060. Other Required Conditions.

Other required conditions in the R-3 district are as follows:

A. Site plan approval by the City Council is required for all construction or physical alterations in the R-3 district.

B. All existing buildings and structures located on the property shall be brought into complete

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conformity with all building and other sections of the City building code or shall be removed prior to issuance of certificate of occupancy for new construction.

C. All structures in the R-3 district shall be constructed under requirements for condominiums as set forth in the Uniform Building Code as adopted by the City.

D. Design control district regulations apply.

E. **No required parking for supportive housing located within ½ mile from public transit stop.**

(Ord. 84-1 §7-6)

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EXHIBIT G

MU-P PLANNED MIXED - USE

CHAPTER 18.13
MU-P PLANNED MIXED USE DISTRICT

§ 18.13.010. Purpose.

The purpose of the MU-P district is to (a) implement the Sand City General Plan land use policies relating to the mixed use classification illustrated on the General Plan Diagram; (b) encourage development and redevelopment of mixed residential, commercial, and light-industrial uses that ensure land use compatibility; (c) encourage the creation of living wage jobs; (d) provide for the continued availability of light manufacturing and commercial businesses; (e) provide opportunities for office development where it will not unduly interfere with light manufacturing and commercial uses; (f) allow on-site ancillary retail uses to maintain and enhance the economic viability for manufacturers, artists and artisans in the district; **and** (g) allow buildings and site areas where living and working environments can be combined in an effort to reduce work commutes and provide for a more lively area of town~~; and (h) establish a conditional use permit procedure for all new and proposed commercial, light industrial and residential uses within the district to insure land use compatibility and real estate marketability~~.
(Ord. 16-05 §9)

§ 18.13.020. Principal Permitted Uses.

Principal permitted uses in the MU-P district are:

A. All legal businesses and uses existing within the MU-P district at the time of the adoption of the ordinance codified in this chapter shall be considered permitted uses, but only on the sites they currently occupy. All businesses and uses within existing conditional use permits at the time of the adoption of said ordinance shall be allowed to continue as a use permitted by conditional use permit, and only on the site they currently occupy. Expansion of any of these uses beyond their current locations will require conditional use permit approval by the City and will be subject to the MU-P development standards and land use compatibility requirements.

B. Expansion of existing commercial and industrial uses on-site or substantial remodeling or renovation resulting in more than a 25% increase in floor area or building coverage shall require the issuance of a conditional use permit and will subject the entire commercial or industrial use to the current site development standards of the MU-P district.

C. **Multiple dwellings, mixed-use, and planned unit development projects that meet any of the following criteria shall be permitted by-right, subject only to a site development permit:**

   a. **Housing projects with four or fewer units; OR**

   b. **Housing projects with five or more units where at least 15% of the units are affordable to lower-income households.**

D. Employee housing **(serving six or fewer persons),** transitional housing, and supportive housing shall be considered permitted uses **by-right, subject only to a site development permit and permits similar to other uses of the same type in the same zone.** ~~but only where residential uses have been approved by discretionary use permit~~. Employee, transitional, and supportive housing shall all mean as defined in Chapter 18.04 of this title.

E. **Residential care facilities (small and large) shall be considered a permitted use by-right subject only to a site development permit and permits similar to other uses of the same type in the same zone. Residential care facility shall mean as defined in Chapter 18.04 of this title.**

F. **Low barrier navigation centers shall be considered a permitted use by-right. Low barrier navigation center shall mean as defined in Chapter 18.04 of this title.**

~~(Ord. 16-05 §9)~~

§ 18.13.030. Accessory Uses.

Accessory uses in the MU-P district are those uses integrated with, but subordinate to, a permitted or conditional use.
(Ord. 16-05 §9; Ord. 17-02 §1)

§ 18.13.040. Conditional Uses.

Conditional uses, subject to the issuance of a conditional use permit from the City Council are:

A. Public or quasi-public uses;

B. Commercial recreation;

C. Light-manufacturing;

D. Live/work units at a density no greater than one unit per 1,875 square feet of lot area;

E. Art/craft studios;

F. Laboratories, motion picture studios, recording studios, radio/television broadcast stations, photo processing/printing;

G. Open air markets;

H. Brew pubs, wine tasting;

I. Retail establishments;

J. Restaurants, food service, food take out;

K. Bakeries, catering commercial kitchens;

L. Service, commercial;

M. Hotels, motels, inns;

N. Medical and professional offices;

O. Single-family and multifamily development at densities no greater than established by this chapter;

P. Any other use the City Council finds to be consistent with the goals and policies of the Sand City General Plan and the purposes of this zoning district;

Q. Single room occupancy (SRO) units.
(Ord. 16-05 §9; Ord. 17-02 §2)

§ 18.13.050. Area and Setback Requirements.

Area and setback requirements in the MU-P district are as follows:

A. No parcel or lot created after January 17, 1984, shall have an area of less than 3,750 square feet; provided, however, that the minimum land area of a parcel or lot in the MU-P district created on or before January 17, 1984, and improved with a single-family residence shall be 1,875 square feet.

B. Minimum front yard setback: **6 feet. Exception: At grade patios, porches or stoops are permitted within the setback area.** ~~as approved by site plan review of the City Council~~.

C. Minimum side and rear yard setbacks: **6 feet.** ~~as approved by site plan review of the City Council.~~

(Ord. 16-05 §9)

§ 18.13.060. Other Required Conditions.

A. Applicable fence height limits and other regulations as contained in Sections 18.62.050 and 18.62.060.

B. Site plan approval by the City Council is required for all construction and physical site alterations in the MU-P district.

C. On-site parking and loading facilities required for all uses, as provided in Chapter 18.64. Dwelling unit density may be restricted beyond that allowed by this chapter if insufficient off-street parking is not provided to meet Chapter 18.64.

1. **Notwithstanding Chapter 18.64, parking shall not be required for residential developments that include affordable senior units, disabled housing units or units within ½ mile of a major transit stop, as set forth in Government Code Section 65863.2.**

D. Height Limitations. Maximum 60 feet, including roof equipment, but subject to discretionary limitation of less than 60 feet in the approval of land entitlement permits. Maximum allowable building heights shall be based upon a mean average of the sum of a building's height of all building elevations at final grade. Buildings exceeding 60 feet in average height shall be subject to discretionary conditional use permit approval and must satisfy, at a minimum, all of the following findings; but under no circumstances shall any height exceed 85 feet.

Findings:

1. That segment of a building exceeding 60 feet is atop integrated structured parking below, effectively reducing the amount of open ground sprawled parking that would otherwise be necessary for Title 18 compliance with applicable off-street parking requirements.

2. That section of rooftop exceeding the 60 foot limit does not do so along the entire roofline, whereby the roof-line varies, oscillates, and/or staggers in height, but does not exceed more than 85 feet at its highest point.

3. All windows and other reflective surface on any segment of a building over 60 feet in height shall incorporate a non-reflective glazing or other similar material/treatment to mitigate glare and reflections.

4. Any project exceeding 60 feet in height shall be subject to a comparability determination by the Airport Land Use Commission, and receive approval by that Commission prior to City approval of such a project.

Exceptions to Height Limitations. Height limitations stipulated in this chapter may be granted exceptions, subject to conditional use permit approval, for the following: one story cupolas and domes, chimneys, flagpoles, open rooftop decks, rooftop stairway and elevator penthouses/access, vertical antennae, rooftop equipment screening, solar collection devices, and green roof elements.

E. Design Review Regulations Apply.

F. A coastal development permit shall be required for all construction and physical site alterations in the MU-P district where a site designated as MU-P also falls within the coastal zone boundaries of the City. In such cases, these areas shall be shown on the zoning map as CZ-MU-P, and uses within this area shall be subject to the limitations of Chapter 18.26.

G. In order to determine if proposed new businesses and residential uses within the MU-P district are compatible with ambient conditions, the following additional submissions may be required as part of the conditional use permit, coastal development permit, or site plan review process: (1) material safety data sheets; (2) fire department approval and agreement to annual inspections if hazardous materials are involved with the proposed use; and (3) an acoustical analysis by a licensed acoustical engineer. Above-standard sound proofing may be required to insure compatibility with nearby or planned residential uses.

H. Housing Density. **The MU-P District shall allow a minimum of 20 dwelling units per acre and a maximum of 81 dwelling units per acre.** ~~The maximum number of residential dwelling units allowed within this MU-P District shall be in accordance with the density specifications as follows:~~

~~1. Residential development shall be at a density not to exceed one dwelling unit per 1,875 square feet of consolidated development area. Development areas, consisting of existing lots or newly consolidated and merged lots, equal to or greater than 9,375 square feet are considered better suited for progressively increasing residential unit densities, and may be discretionarily granted density bonuses by the City Council as follows:~~

~~a. Existing lots or newly consolidated merged lots of 9,375 square feet to 16,874 square feet may be granted up to a maximum 25% density bonus.~~

~~b. Existing lots or newly consolidated merged lots of 16,875 square feet to 24,374 square feet may be granted up to a maximum 50% density bonus.~~

~~c. Existing lots or newly consolidated merged lots of 24,375 square feet to 31,874 square feet may be granted up to a maximum 75% density bonus.~~

~~d. Existing lots or newly consolidated merged lots of 31,875 square feet to 35,624 square feet may be granted up to a maximum 100% density bonus.~~

~~e. Existing lots or newly consolidated merged lots of 35,625 square feet to 39,374 square feet may be granted up to a maximum 150% density bonus.~~

~~f. Existing lots or newly consolidated merged lots of 39,375 square feet to 43,124~~

~~square feet may be granted up to a maximum 200% density bonus.~~

~~g. Existing lots or newly consolidated merged lots of 43,125 square feet or more may be granted up to a maximum 250% density bonus.~~

2. All density calculations resulting in fractional units shall be rounded to the nearest whole number.

3. Residential densities allowed under this chapter shall be restricted and limited by a consolidated lot's ability to provide minimum required off-street parking in accordance with Chapter 18.64 of this title, to the satisfaction of the City Council.

4. Density restrictions of this chapter shall not impede application of density bonuses/ incentives as specified by Chapter 18.59 of this title.

5. Residential units built and existing per the housing density bonuses of this chapter may be reclassified, subdivided and recorded as individual residential condominium units, subject to City approval and recording of relevant covenants, conditions, and restrictions (CC&Rs) documentation and related parcel map(s) to that effect; without consequence to the number of units that were originally granted per the terms of this chapter, provided that such reclassification does not increase the number of residential units existing at that time.

(Ord. 16-05 §9; Ord. 17-02 §§3—5)

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EXHIBIT H

M-MANUFACTURING

CHAPTER 18.20
M-MANUFACTURING/INDUSTRIAL DISTRICT

§ 18.20.010. Purpose.

The purpose of the M district is to provide land for a wide range of manufacturing, wholesale and other industrial-related activities. The M district would accommodate those uses where noise, glare, outdoor storage, heavy trucking and rail operations and other similar factors are common and which should be set off from other activities, particularly residential, which would be adversely affected by these characteristics.
(Ord. 84-1 §11-1)

§ 18.20.020. Principal Permitted Uses.

Principal permitted uses in the M district are as follows:

A. Manufacture, processing, storage and packaging of food, concrete, asphaltic concrete, sand, gravel and storage of petroleum - based products.

B. Fish and meat packing.

C. Wholesaling, storage, warehousing and heavy equipment storage.

D. Printing, publishing and bookbinding plants.

E. Railroad terminal facilities, truck depots.

F. Public utility buildings and substations.

G. Uses appurtenant to a permitted use such as offices, storage, repair and maintenance.

H. Existing residential units shall remain as conforming uses in the M district, and will be allowed accessory uses, buildings and mobile homes as deemed appropriate by the City Council. Site plans will be required for all construction or physical alterations in the M district.

I. **Transitional housing as defined in Section 18.04.527.**

J. **Supportive housing as defined in Section 18.04.517.**

K. **Residential Care Facility, Large, as defined in Chapter 18.04 of this title.**

(Ord. 84-1 §11-2)

§ 18.20.030. Conditional Uses.

Conditional uses permitted in the M district are as follows:

A. Public and quasi-public uses appropriate in the M district.

B. Retail commercial uses such as restaurants and service stations necessary for service to uses within the district.

C. Any other manufacturing/industrial uses deemed appropriate for the M district by the City Council.

D. Other manufacturing, assembly, processing and packaging or other industrial operations when, in the determination of the Council, all resulting dust, dirt, cinders, fumes, gases, smoke and odor shall be confined effectively to the premises or so disposed of as to avoid air pollution, and where any noise, vibration or flashing is not normally unreasonable.

E. 1. Allow construction of secondary rental units as part of new commercial and industrial developments and as part of existing residential units after City review per the following criteria:

a. Limit amount of residential square footage per commercial/industrial square footage so no more than 50% of the total commercial/ industrial square footage shall be residential;

b. Limit maximum size of a secondary unit, such as to 650 square feet;

c. Require that the residential unit be suitable for living with regard to all health and safety requirements, noise conditions of surrounding uses, etc.;

d. Acknowledge priority of commercial/industrial uses by requiring that a statement be issued to potential renters advising them of potential nuisances of surrounding uses, and that subsequent complaints may not be valid. The statement will be provided by the City;

e. At least one parking space per unit is provided and any traffic concerns addressed. The parking requirement may be waived for one unit if dual parking use is feasible;

f. Projects will be evaluated on a case-by-case basis, utilizing these criteria.

2. As an incentive allow a waiver of development tax, plan check and building permit fees up to $2,000 for construction of a secondary residential rental unit. Require that secondary units be used for rental purposes only. Require a minimum five year residential rental period through deed restriction if a waiver of fees has been granted by the City.

(Ord. 84-1 §11-3)

§ 18.20.040. Uses Prohibited in the M District.

Uses prohibited in the M district are as follows:

A. Production of coal, coke and tar.

B. Production of dry fertilizers, gelatine, animal glue and sizing.

C. Production of turpentine, matches and paint.

D. The following processes: nitrating of cotton or other materials; magnesium foundry; reduction, refining, smelting and alloying of metal or metal ores; refining petroleum products such as kerosene, gasoline, naphtha and lubricating oil; distillation of wood or bones; or tanning of raw, green or salted hides of skins.

E. Stockyards, slaughterhouses.

F. Storage of fireworks or explosives.

(Ord. 84-1 §11-4)

§ 18.20.050. Other Required Conditions and Provisions.

Other required conditions and provisions in the M district are as follows: applicable fence height limits and other regulations relating to fences and hedges are contained in Sections 18.62.050 and 18.62.060.

Site plan approval is required for all construction or physical alterations in the M district. The City Council shall consider architectural style and landscape treatment as a condition of site plan approval.
(Ord. 84-1 §11-5)

§ 18.20.060. Development Standards.

Development standards in the M district are as follows:

A. Off-Street Parking and Loading Requirements.

1. Off-street parking and loading requirements are contained in Chapter 18.64;

2. Where a building located in the manufacturing district is to be used for a nonmanufacturing operation such as, but not limited to, wholesale and storage uses, parking for a more intense manufacturing use shall be provided on-site or at another off-street location thereto at the time of conversion to such a use.

B. Area and Yard Requirements.

Minimum Area	3,750 square feet
Yards:	
Front*	20
Rear and Side	zero
Floor Area Ratio	1.0

Notes:

* Corner lot setbacks are subject to review by the City Council.

Covered or uncovered loading docks may be located within required yards.

C. Existing Nonconforming Uses. Those uses existing at the time of enactment of the ordinances codified in this title, which are nonconforming in nature may continue in operation. A building that is dimensionally nonconforming in a specific yard or yards may be expanded into that yard or yards to the extent of existing nonconformance; provided, that occupants of such a building shall file a site plan of their entire property showing all buildings then existing thereon with the first application for expansion thereof following enactment of this section.

D. Design control district regulations apply.

E. Height requirement: maximum 75 feet.

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(Ord. 84-1 §11-6)

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EXHIBIT I

PF – PUBLIC FACILITIES

CHAPTER 18.21
PF PUBLIC FACILITIES DISTRICT

§ 18.21.010. Purpose.

The PF, public facilities, district is intended to accommodate governmental public utility, educational and community service or recreational facilities. The PF district is to be applied to existing public facilities as identified by the general plan and other areas where deemed appropriate.

§ 18.21.020. Permitted Uses.

Permitted uses in the PF district are as follows:

A. All facilities owned or leased and operated or used by the City of Sand City, the County of Monterey, the State of California, the government of the United States, and/or the Monterey Peninsula Unified School District.

B. ~~Homeless shelters~~ **Emergency shelters** as defined in Section 18.04.279.

C. **Transitional housing as defined in Section 18.04.527.**

D. **Supportive housing as defined in Section 18.04.517.**

E. **Low barrier navigation centers as defined in Section 18.04.356.**

F. **Residential Care Facility, Large, as defined in Chapter 18.04 of this title.**

(Ord. 16-05 §10)

§ 18.21.030. Conditional Uses.

The following uses may be conditionally allowed in the PF district, subject to issuance of a conditional use permit in accordance with Chapter 18.74 of this title:

A. Facilities of all public utilities, as defined in the Public Utilities Code of the State, and corporations or other organizations whose activities are under the jurisdiction of the Federal Communications Commission or the Interstate Commerce Commission.

B. Private educational facilities.

C. Day care centers.

D. Business or trade schools.

E. Outdoor recreation services.

F. Churches, lodges and assembly halls.

G. Any other use which the City Council finds to be of a similar nature to permitted or conditional uses specified in this chapter for the PF zoning district.

§ 18.21.040. Minimum Requirements.

The following site development regulations shall apply in the PF district:

A. Minimum lot area: 3,750 square feet.

B. Maximum building coverage: 60%.

C. Minimum setbacks: as determined by site plan review and approval by the City Council or the Design Review Committee for lots within the East Dunes Planning Area.

D. Maximum height: three stories of 35 feet.

E. Parking requirements: As specified in Chapter 18.64 of this title.

F. Areas used for outdoor storage shall meet the minimum design standards applicable to off-street parking facilities with respect to paving, grading, drainage, access to public streets, safety and protective features, lighting, landscaping and screening.

G. Signs shall be regulated as specified in Chapter 18.66 of this title.

§ 18.21.050. Other Required Conditions.

A design permit and site plan review shall be required for all new construction and significant remodeling of existing structures within the PF zoning district**, with the exception of emergency shelters. Emergency shelters shall be permitted by-right, requiring only site plan review.** ~~(Ord. 16-05 §11)~~

EXHIBIT J

HOUSING REPLACEMENT

CHAPTER 18.61

HOUSING REPLACEMENT REQUIREMENTS

§ 18.61.010. Purpose.

The purpose of this chapter is to prevent the loss of housing units and the displacement of lower-income households pursuant to California Government Code Sections 66300.5 – 66300.6 and 65915.
(Ord. 24-X)

§ 18.61.020. Definitions.

"Affordable housing cost" has the same meaning as defined in Section 50052.5 of the Health and Safety Code.

"Affordable rent" has the same meaning as defined in Section 50053 of the Health and Safety Code.

"Equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

"Housing development project" has the same meaning as defined in paragraph (3) of subdivision (b) of Government Code Section 65905.5.

"Persons and families of low or moderate income" has the same meaning as defined in Section 50093 of the Health and Safety Code.

"Lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code.

"Protected units" means any of the following:

(1) Residential dwelling units that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income within the past five years.

(2) Residential dwelling units that are or were subject to any form of rent or price control through a public entity's valid exercise of its police power within the past five years.

(3) Residential dwelling units that are or were rented by lower or very low-income households within the past five years.

(4) Residential dwelling units that were withdrawn from rent or lease in accordance with Chapter 12.75 (commencing with Government Code Section 7060) of Division 7 of Title 1 within the past 10 years.

"Very low income households" has the same meaning as defined in Section 50105 of the Health and Safety Code.
(Ord. 24-X)

§ 18.61.030. Replacement Housing Requirements and Occupant Protections.

This section shall apply only to housing development projects that on or after January 31, 2025 submit a complete application or a complete set of building plans for plan check and permit to the Planning Department, along with any associated submittal fee or (2) on or after the effective date of this section, receive an approval of a complete application that was submitted to the Planning Department.

Replacement requirements and occupant protections:

A. **The City shall not approve or issue a building permit for a housing development project that will require the demolition of one or more residential dwelling units unless the project will create at least as many residential dwelling units as will be demolished.**

B. **The City shall not approve or issue a building permit for a housing development project that will require the demolition of occupied or vacant protected units, or that is located on a site where protected units were demolished in the previous five years, unless the housing development project meets all of the requirements of California Government Code Section 66300.6.**

(Ord. 24-X)

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EXHIBIT K

PARKING

CHAPTER 18.64
PARKING AND LOADING AREAS

§ 18.64.010. Off-Street Loading Spaces Required.

A. In any district, in connection with every building or part thereof hereafter erected and having a gross floor area of 2,000 square feet or more, which is to be occupied by manufacturing, storage, warehouse, goods display, retail store, wholesale store, market, hotel, laundry, dry cleaning or other use similarly requiring the receipt or distribution by vehicles of material or merchandise, there shall be provided and maintained, on the same lot with such building, at least one off-street loading space to be used exclusively for such purpose for each 5,000 square feet of gross floor area so used; provided, that not more than two such loading spaces shall be required unless such gross floor area exceeds 80,000 square feet, in which case there shall be provided one additional loading space for each 40,000 square feet or major fraction thereof in excess of 8,000 square feet.

B. Each loading space shall be not less than 12 feet in width, 40 feet in length and 16 feet in height, and shall be clearly marked for this use. Buildings of 3,000 square feet or less will be allowed a length reduction of 10 feet and allowed to use a portion of the building interior.

(Ord. 84-1 §32-16(a))

§ 18.64.020. Off-Street Parking Spaces Required—Generally.

At the time of erection of any building or structure in connection with any use in any district, adequate on-site parking shall be provided as required by this chapter. At the time that any building or structure is enlarged or increased in capacity by adding floor area or seats or at the time any such building is changed in use so that the new use requires more parking spaces under these regulations than the former use, additional parking shall be provided to the extent required for such new construction, enlargement, increased capacity or change in use. Adequate provision for ingress and egress shall be made, and the parking space shall thereafter be maintained in good condition. Nothing herein, however, shall be interpreted to require the provision of additional parking for buildings or structures that have remained, or are, idle or vacant unless such buildings or structures are enlarged, increased in capacity or changed in use. Parking provided in any area reserved for future street widening by an official plan line shall not be deemed to meet the requirements of this chapter.

(Ord. 84-1 §32-16(b)(1))

§ 18.64.030. Off-Street Parking—Alternate Methods.

If the required off-street parking for any use cannot be provided on the same parcel on which the use is located because of the size or shape of the parcel or by determination of the City Council, ~~or City Manager with City Council approval~~, then the required parking may be provided on other property under the following circumstances and conditions:

A. The parking shall be set aside from other parking on the same premises and shall be clearly marked for the exclusive use of the customers and employees of the use for which it is provided.

B. Signs showing the availability and location of such parking shall be placed on the parcel on which the use is located.

C. The parking shall be developed, improved and maintained in accordance with the requirements of Section 18.64.060.

D. The parking shall be developed in accordance with the local coastal program and coastal zone regulations, if applicable, or the parking may be provided by in-lieu fee as established herein by this Chapter (Section 18.64.090 – 18.64.140.).

(Ord. 84-1 §32-16(b)(2))

§ 18.64.040. Off-Street Parking—Size and Access.

Each off-street parking space shall be of usable shape, arrangement and condition and shall be not less than eight and one-half (8-1/2) feet by ~~19~~ ***17*** feet measured along the angle of parking and a compact parking space eight and one-half (8-1/2) feet by ~~16~~ ***15*** feet. A maximum of ~~50%~~ ***65%*** of the parking shall be for compact cars in the ***mixed-use,*** commercial**,** and industrial districts. Parking areas shall be suitably paved, drained, lighted and appropriately planted and fenced for the protection of adjacent properties in accordance with specifications of the City and shall be arranged for convenient access, egress and safety of vehicles and pedestrians. ~~All circulation within a parking lot shall be internal and shall not be dependent upon a public right-of-way although alleys may be used.~~ Where a lot does not abut on a public or private alley or easement of access, there shall be provided an access drive not less than 10 feet in width in the case of a single dwelling, and not less than 20 feet in width in all other cases, leading to the required parking, storage or loading. There shall be a driveway to any enclosed garage or other enclosed structure provided for the parking of a motor vehicle.

(Ord. 84-1 §32-16(b)(3); Ord. 17-04 §24)

§ 18.64.050. Off-Street Parking—Number of Spaces Required.

The number of off-street parking spaces required shall be as set forth in this section. In applying these requirements, the term "floor area" means the total floor area within the exterior walls of any building or structure.

The City Manager shall use these requirements as a guide in determining the appropriate number of off-street parking spaces required for the use.

A. Adult Education Institution, one space for each 25 square feet of classroom area.

B. Animal Day-Care or Lodging/Animal Hotel, subject to discretionary use permit conditions.

C. Artist Studio/Workshop, one space per 700 square feet.

D. Artist/Live-Work, one space per live-work unit.

E. Art Gallery / Showroom, one space per 500 square feet of gross floor area.

F. Assembly

1. Religious Assembly or Churches, one space per 4 seats or 18-inches of linear bench/pew in the auditorium;

2. Performance Theater or Dancehalls, one space per 4 seats, or one space per 250 square feet when no seats are provided.

~~A.~~ ***H. Automobile or Machinery Sales and Service Garages.***

1. Machinery sales, one space per 500 square feet of floor area;

2. Automotive ~~r~~***R***epair, ~~five~~ ***three*** spaces per bay or working area, with a minimum of ~~10~~ ***5*** spaces. No bay or service area may itself be used to satisfy this requirement;

~~3. Automotive repair, minor, four spaces per bay or working area, with a minimum of five spaces. No bay or working area may itself be used to satisfy this requirement;~~

~~4.~~ ***3.*** Automotive parts and accessories, ~~sales and service~~ ***retail***, one space per ~~250~~ ***350*** square feet of floor area.

I. Automobile Sales, subject to discretionary use permit conditions.

J. Banks ~~and post offices~~, one space per ~~200~~ ***500*** square feet of floor area.

1. ***Automated Teller Machine (ATM) Kiosk (Outside Only), two spaces per ATM, unless the ATM is drive-through — in which case no parking spaces would be included.***

K. Business~~,~~ and ***P***~~p~~rofessional ***O***~~o~~ffices, and Broadcast Studios, other than medical or dental offices, one space per ~~200~~ ***350*** feet of floor area.

L. Churches~~, one space for each six seats in the auditorium or one space for each 15 classroom seats, whichever is greater.~~ ***Refer to "Religious Assembly".***

M. Contractor Yard or Shop, one space per 700 square feet of building.

N. Dancehalls ~~and assembly halls without fixed seats, exhibition halls except church assembly rooms in conjunction with auditorium, one space for each 100 square feet of floor area used for assembly or dancing.~~ ***Refer to "Assembly Halls".***

O. Dwellings, single-family and duplex, ~~two spaces per dwelling unit. Single-family is required to have one of those spaces covered, duplexes, one and one-half (1-1/2).~~ ***Refer to "Residential Uses".***

Q. Dwellings, multiple ~~(apartments, condominiums, or other multiple family developments), one and one-half (1-1/2) covered parking spaces per unit of which at least one parking space per unit shall be covered for units of zero through two bedrooms; two spaces per unit for units of three or more bedrooms, of which at least one parking space per unit shall be covered.~~ ***Refer to "Residential Uses".***

R. Dwellings, mobile and manufactured homes ~~(mobile homes), two per unit (one covered).~~ ***Refer to "Residential Uses".***

U. Eating Establishments

1. Bakeries with On-site Dining, one space per 250 square feet;

2. Commercial Bakeries/Kitchens (no on-site service), one space per 700 square feet;

3. Fast Food, one space per 125 square feet;

4. Restaurants, one space per 125 square feet; or four seats, whichever is less;

5. Take Out Only, one space per 250 square feet; and

6. Taverns/Bars, one space per 125 square feet, or four seats, whichever is less.

V. Emergency Shelters, one space per staff member, and one space per remaining 5,000 square feet of building space, whichever is greater. If the building is less than 5,000 square feet, one parking space is the minimum.

W. Furniture and appliance stores; furniture repair shops, ~~one for each 500 square feet of floor area.~~ ***Refer to "Retail, General".***

X. Gas Station

1. Gas Station (fuel only), one and one-half spaces per fuel pump. Spaces at each fuel pump shall be counted towards meeting this requirement.

2. Gas Station with Mini-mart, the same as the "Gas Station (fuel only)" requirement plus one space per 500 square feet of mini-mart floor area.

Z. In-Door Agriculture, see Manufacturing. ~~subject to discretionary use permits~~

AA. Rooming houses and lodging-houses, ~~one for each bedroom~~. ***Refer to "Residential Uses".***

BB. Manufacturing plants, research or testing laboratories, bottling plants; the greater of~~: one space for every two employees in the maximum work shift; or~~ one parking space for each 700 square feet of gross floor area devoted to manufacturing, shipping or receiving, plus one space for each ~~200~~ ***350*** square feet of gross floor area devoted to office use.

CC. Medical or dental offices, ***two spaces per examination/treatment room.*** ~~five spaces per doctor in each medical or dental office.~~

DD. Movie Theater, one space per four theater seats.

EE. Launderettes and self-service laundries, one space per ~~two washers and dryers~~ ***200 square feet***.

FF. Hotels and motels~~, one space for each living or sleeping unit;~~ ***Refer to Overnight Accommodations.***

GG. Open Storage Yard, one space for each 3,000 square feet of lot area, plus spaces for any office as required by this section for offices.

HH. Overnight Accommodations

1. Campgrounds and recreational vehicle parks, one space per sleeping area;

2. Hotels and motels, one space per 0.7 guest room;

II. Performance Theater, refer to Assembly.

JJ. Personal Services (i.e. Barbers, Estheticians, Hair/Nail Salons, Tattoo Parlors, etc.), one space per work station.

KK. Photography Studio, one space per 700 square feet.

LL. Recreational

1. Gym, Recreational Exercise, or Skateboard Facility, one space per 200 square feet (excluding restrooms and locker rooms);

2. Dancehall/Nightclub, refer to Assembly Hall.

MM. Residential Uses

Deed restricted senior or affordable	***½ space per unit for developments that include affordable senior, disabled housing units or for units within half a mile of a major transit stop according to Government Code Sections 65585 and 65863.2***
Single-Family	***One space for 1-2 bedrooms and two spaces for 3 or more bedrooms with one space enclosed. For studio apartments (0 bedrooms); one space per unit, unless there is more than one studio apartment, and in such cases ½ space per studio apartment.***
Duplex	***One space for 1-2 bedrooms and two spaces for 3 or more bedrooms with one space enclosed***
Multi-family	***One parking space per unit for one-bedroom units; one and one-half (1-1/2) parking spaces per unit of which at least one parking space per unit shall be covered for units of two bedrooms; two spaces per unit for units of three or more bedrooms, of which at least one parking space per unit shall be covered***
Mobile and Manufactured Homes	***One space per bedroom***
Accessory Dwelling Units	***Refer to Chapter 18.63***
Rooming-houses and Lodging-houses	***One space per bedroom***
Transitional and Supportive Housing	***Refer to "Multi-family"***

Note: Parking minimums may be reduced or waived by the City Manager for any residential development within a half-mile of a major public transit stop. All City Manager determinations are appealable to the City Council.

MM. Restaurants and taverns ~~and nightclubs, one space for each 50 square feet where the capacity is not determined by fixed seats, one space for each two and one-half (2-1/2) seats~~. ***Refer to Eating Establishments.***

NN. Retail***, General*** ~~stores, shops, etc.~~, one space per ~~300~~ ***500*** square feet of floor area ***to accommodate small retail in the West End District for non-coastal zones.***

1. Furniture and Appliance Stores/Furniture Repair Shops, one space per 500 square feet;

2. Machinery Sales, one space per 500 square feet.

OO. Supermarkets/mini-marts not in regional shopping center (C-4 zone), one space per 250 square feet of gross floor area.

~~PP. Children's homes, one space for each four beds plus one space for each employee.~~

PP. Veterinary Office and/or Animal Hospital, one space per 250 square feet of gross floor area.

QQ. Visitor Serving Commercial (Coastal Zone).

1. Dancehalls and assembly halls, one space for each 100 square feet of floor area used for assembly or dancing;

2. Hotels, motels, one space for each room;

3. Campgrounds and recreational vehicle parks, one space for each sleeping area;

4. Restaurants, taverns and nightclubs, one space for each 50 square feet where capacity is not determined by fixed number of seats; otherwise, one space for each two and one-half (2-1/2) seats;

5. Retail shops, stores and other visitor serving commercial use, one space per 300 square feet of floor area;

6. In addition to on-site parking requirements for each use, an additional 10% of the project's total required parking shall be required for public parking, either on-site or at another location that would serve to benefit public access, with the location subject to City Council approval.

RR. Wholesale establishments, warehouses or utility buildings, one space for each 1,000 square feet of gross floor area or one parking space for each two employees on the maximum shift, whichever is greater. Self-storage facilities, including mini-storage shall require one space for every 50 rental storage units.

SS. Regional Commercial (C-4) district: All uses in the C-4 district shall have one space per ~~250~~ ***350*** square feet of floor area.

In the case of any use which is not specifically mentioned herein, the parking provisions for a similar use shall apply. ***If there is a deviation from the parking requirements in Section 18.64.040, the City Manager shall determine the required parking, except in circumstances otherwise requiring City Council approval. All City Manager determinations on parking requirements are appealable to the City Council.***

(Ord. 84-1 §32-16 (b)(4); Ord. 86-10 §1.0; Ord. 89-1 §2.0; Ord. 98-05, §1; Ord. 07-03)

§ 18.64.060. Development and Maintenance of Parking Areas.

Every parcel of land hereafter used as a public or private parking area, including an automobile, equipment, trailer or other open-air sales lot, shall be developed and maintained in accordance with the following requirements:

A. Screening and Landscaping. Off-street parking areas for more than five vehicles shall be effectively screened on each side which adjoins or faces any R district or institutional premises by a visual barrier such as an evergreen hedge, solid fence, masonry screen wall, or preferably a dune berm, where appropriate. Such visual barrier shall be not less than four feet nor more than six feet in height and shall be maintained in good condition without any advertising thereon.

B. Surfacing. An off-street parking area shall be surfaced with an asphaltic cement, or some other appropriate pavement material so as to provide a durable and dustless surface, shall be so graded and drained as to dispose of all surface water accumulated within the area, and shall be so arranged and marked as to provide for orderly and safe loading or unloading, parking and storage of vehicles.

C. Lighting. ~~Any l~~***L***ighting ~~use~~ to illuminate any off-street parking area ***or public parking area designated for use by a private entity*** shall be so arranged as to reflect the light away from ~~the~~ adjoining premises in any district.

D. Parking Space Use. Off-street ***and public*** parking areas shall not be used for the repair, servicing or storage of materials, machinery or trailers; the sale of any goods or services; or, as a work area. No ***temporary or permanent*** structure is permitted in any off-street ***public*** parking area ***without a permit from the City***.

E. Wheel Stops. Bumpers, posts, wheel stops or any other acceptable device shall be provided for all parking spaces. All such devices shall be firmly attached to the ground.

F. Striping. All off-street parking spaces shall be striped to show the required dimensions of the parking spaces. Each line or stripe shall be a minimum of four inches wide.

(Ord. 84-1 §32-16(b)(5); Ord. 86-10 §2.0)

§ 18.64.070. Exception—Appeal.

Except in the coastal zone, the City ~~Council~~ ***Manager*** may authorize, ~~on appeal~~ ***upon request by an applicant***, a modification, reduction or waiver of the foregoing requirements only if it should find that in the particular case appealed, the nature of the use, or the exceptional shape or size of the property or other exceptional situation or condition, justifies such action***; a parking determination by the City Manager is appealable to the City Council***.

(Ord. 84-1 532-16(b)(6))

§ 18.64.080. On-Site Circulation Standards.

A paved, unobstructed access drive not less than 24 feet in width for two-way traffic nor less than 15 feet in width for one way traffic must be provided to within 100 feet of each dwelling unit or apartment.

Provision for turnaround must be designed into any dead-end or stub-end driveway which exceeds 150 feet from face of curb. Acceptable means of turnaround will be a cul-de-sac, key or T configuration of a minimum standard approved by the City Council. In instances where existing lots of record have been partially developed and a 24-foot access drive is not obtainable in the area of the existing development, an access drive of not less than 20 feet may be approved by the City Council if, in its opinion, the circulation and access requirements can be met.

(Ord. 84-1 §32-16(c))

~~Chapter 10.12.~~ IN-LIEU Fee For PARKING

§ ~~10.12.010.~~ 18.64.090 Purpose.

The purpose of this chapter is to provide an equitable fee system for owners or their tenants who wish to utilize the property in such a way that they are not able to provide all of the off-street parking for such use as would be required by Title 18 of the Sand City Municipal Code. The funds collected under the authority of this chapter are a users fee to be used for the construction, operation, and maintenance of parking facilities within the City.
(Ord. 88-2 §1)

§ ~~10.12.020.~~ 18.64.100 Adjustment.

Each property owner or his/her tenant within the City shall pay an annual fee for each parking space for which a parking adjustment is granted. All parking adjustment fees collected by the City are nonrefundable. Adjustments shall be granted, in whole or in part, or denied in accordance with this chapter. This chapter shall not be construed to give a property owner a vested right to pay a fee in lieu of providing the required parking. Said determination shall be within the sound discretion of the City Council, subject to the provisions of this chapter.
(Ord. 88-2 §2)

§ ~~10.12.030.~~ 18.64.110 Use of Funds.

All fees collected pursuant to this chapter shall be specially funded in an appropriately titled fund and used solely for the purpose of providing parking in the City. Such purpose includes but is not limited to paying for studies of methods of providing additional parking in the City, for the purchase or lease of land for parking, or replacement or reconfiguration of existing public improvements, the construction of parking facilities (including, but not limited to, paying bonded indebtedness on any future parking facility within the City), the improvement of parking facilities, the replacement or reconfiguration of existing public improvements (allowing for, but not limited to restriping or new paving/striping), and maintenance of facilities.
(Ord. 88-2 §3)

§ ~~10.12.040.~~ 18.64.120 Calculation of Fees.

The adjustment fee shall be calculated based upon the number of parking spaces required shall be as set forth in Title 18 of the Municipal Code, effective on the date on which an adjustment is granted.

B. The fee shall be established and thereafter adjusted from time to time by resolution of the City Council.
(Ord. 88-2 §4)

§ ~~10.12.050.~~ 18.64.130 Payment of Fees.

The annual fees determined under Section ~~10.12.040~~ 18.64.120 hereof shall be paid initially, prior to the time the operator of the subject business obtains a business license for such business. Thereafter, the annual fee referred to in Section ~~10.12.040~~ 18.64.120 hereof shall be paid in advance at the time said business license is renewed. In the event an adjustment is granted under this chapter, it shall not be effective until the initial fee described herein is paid. Such adjustment shall become null and void and of no further effect in the event the annual fee is not paid as required herein, and the operator's business license will be of no further force and effect.
(Ord. 88-2 §5)

§ ~~10.12.060.~~ 18.64.140 Parking Adjustment.

~~10.12.60.1~~ 18.64.140.1 Application. Application for the parking adjustment described in this chapter shall be made by the property owner, tenant, or an agent of the owner or tenant, to the Planning Department on a form provided by the City. An application fee shall be required, which shall not be refundable. Maps, drawings, and other data may be required by the Planning Department to demonstrate that the criteria for parking adjustment as set forth in this chapter apply to the subject property. The Planning Director may, in his/her sole discretion, require any other data necessary for the City Council to make a full, fair, and equitable decision with regard to the issuance of a parking adjustment under this chapter.

~~10.12.60.2~~ 18.64.140.2 Public Hearing.
Upon receipt of an application for a parking adjustment permit, the matter shall be set for a public hearing before the City Council. A notice of the application shall be mailed to all owners of property, shown on the most recent Monterey County tax assessment roll, within a minimum of 300 feet of all property boundaries. The notice shall be distributed not less than 10 days prior to hearing date.
Failure of the owners of such properties to receive notice of a hearing, when mailed in accordance with the above procedures, shall in no way affect the validity of the action taken by the City Council.

~~10.12.60.3~~ 18.64.140.3 Findings of the City Council.
Prior to the issuance of any permit under this chapter, the City Council must make the following findings:

A. That the property or properties for which a parking adjustment permit is requested under this chapter cannot otherwise be economically utilized.
B. That there are no reasonable alternative means by which parking, in full compliance with the standards of Title 18 of the City's Municipal Code, may be created, either on the parcel or parcels to be developed, or by obtaining off-site parking by means of purchase, lease, or other legally binding arrangement.
C. That the issuance of such permit will not be of substantial detriment to neighboring property and the use and enjoyment thereof will not materially affect or impair the purposes of the Municipal Code, the public interest, or the public health, safety and welfare.

D. Or, in lieu of subsections A, B, and C above, that the proposed joint uses of the property do not, because of the joint use, require the full application of the parking standards of Title 18 of the Sand City Municipal Code.

~~10.12.60.4~~ 18.64.140.4 Issuance of Permit Procedure.
Upon the decision of the City Council to issue a permit under this chapter, the Planning Department shall mail to the applicant a permit form containing the name of the applicant, the name of the business proposed to be conducted on the subject property, the name of the property owner, the address and legal description of the subject property for which the permit was issued, the number of spaces for which an adjustment was issued, and any terms or conditions upon which the permit was issued. Said permit form shall contain a place for the signature of both the applicant and the property owner and a statement that both understand and agree to the issuance of the permit and to any terms or conditions imposed in conjunction therewith. No permit shall be valid or effective until it has been signed by both the property owner and the applicant, returned to the City, and the fee for said adjustment has been paid in accordance with Section ~~10.12.050~~ 18.64.130 above.

(Ord. 88-2 §6)

EXHIBIT L

CONDITIONAL USE PERMITS

CHAPTER 18.74
CONDITIONAL USE PERMITS

§ 18.74.010. Purpose.

The purpose of the conditional use permit is to allow the proper integration into the community of uses that may be suitable only in specific locations in the zoning district or only if such uses are designed or laid out on the site in a particular manner. A conditional use permit shall be required for all uses as listed as conditional uses in the district regulations or elsewhere in this title that are hereafter created, changed, converted, or enlarged, either wholly or in part. In considering an application for a conditional use, the City Council shall give regard to the nature and condition of all adjacent uses and structures. In authorizing a conditional use, the City Council may impose such requirements and conditions with respect to location, construction, maintenance and operation, and site planning, in addition to those expressly stipulated in this chapter for the particular use, as it deems necessary for the protection of adjacent properties and the public interest.
(Ord. 16-01 §2)

§ 18.74.015. Combining Multiple Permits into a Conditional Use Permit.

In the course of reviewing multiple applications for a single land use and/or development project, such as applications regarding land use, site design, subdivision map, variance, and the like, are best served by consolidating those reviews and actions into a single land use entitlement permit. Therefore, when a land use and/or development project applies for two or more related permit applications for discretionary approval on one parcel or several adjacent parcels, the City may combine, at the discretion of the City Planner, those reviews and permits into a conditional use permit for properties not regulated by a coastal zone overlay. The following permits are subject to inclusion within a conditional use permit:

1. Site plan permit;
2. Design permit;
3. Planned unit development permit;
4. Variance;
5. Tentative subdivision map approval.

(Ord. 16-01 §3)

§ 18.74.020. Application.

Application shall be made to the City Council on a form prescribed for the purpose by the City. The application shall be signed by the person applying for the conditional use permit or his/her duly authorized agent; provided, that if this person is not the owner of the subject property, then the application shall be countersigned by the property owner or his/her duly authorized agent to indicate knowledge of the contents of the application. Conditional use permit, revocable, conditional or valid for a term period, may be issued for any of the uses or purposes for which such permits are required or permitted by the terms of this title. Granting of a conditional use

permit does not exempt the applicant from complying with the requirements of the building code or other applicable sections of this title.
(Ord. 84-1 §36-5(a))

§ 18.74.025. Findings Required.
Before a conditional use permit shall be granted, the City Council shall find:

A. The proposed use is consistent with the General Plan and any applicable Specific Plan or Area Plan;

B. The proposed use is consistent with applicable provisions of the Zoning Ordinance and other applicable Municipal Code provisions including access, circulation, parking supply, utilities including water supply;

C. The design, location, size, and operating characteristics of the proposed use are compatible with the existing and future land uses in the vicinity;

D. The site is physically suitable for the type, density and intensity of use being proposed, including the absence of physical constraints that would impede proposed use of the property in a manner consistent with these findings;

E. Granting the permit would not be detrimental to the public health, safety, or welfare of the persons residing or working in the subject neighborhood, or materially detrimental or injurious to property or improvements in the vicinity and zoning district in which the property is located; and

F. The proposed use has been evaluated pursuant to, and findings adopted in accordance with, relevant provisions of the California Environmental Quality Act.
(Ord. X)

§ 18.74.030 Fee.

The application fee shall be set by the Council in an amount consistent with the actual cost of processing an application. No part of such fee shall be refundable.
(Ord. 84-1 §36-5(b))

§ 18.74.040. Accompanying Maps and Drawings.

The application shall be accompanied by such maps and drawings necessary to demonstrate that conditions set forth herein are fulfilled.
(Ord. 84-1 §36-5(c))

§ 18.74.050. Hearing.

The City Council shall set the matter for public hearing not less than 30 days after date of application. Notice of the action shall be posted in a local newspaper of general circulation not less than 10 days prior to the date of such hearing. Failure to read notice of hearing shall in no way affect the validity of the action taken.
(Ord. 84-1 §36-5(d))

§ 18.74.060. Approval.

Provided that the City Council is satisfied that the proposed structure or use conforms to the requirements and the intent of this division and the general plan, that any additional conditions stipulated by the City Council as deemed necessary in the public interest will be met, and that such use will not, under the circumstances of the particular case, constitute a nuisance or be detrimental to the public welfare of the community, the City Council shall approve the issuance of a conditional use permit.
(Ord. 84-1 §36-5(e))

EXHIBIT M
EXCEPTIONS-MODIFICATIONS

CHAPTER 18.78
EXCEPTIONS AND MODIFICATIONS

§ 18.78.010. Modifications.

The requirements and regulations specified hereinbefore in this title shall be subject to the exceptions, modifications and interpretations set out in this chapter.
(Ord. 84-1 §35-1)

§ 18.78.020. Existing Lots of Record.

In any district where there exists a legal lot of record on the effective date of the ordinance codified in this title and not in violation of any ordinance on the date of the recordation of such lot, and irrespective of its area or width, any use permitted in the zoning district in which such lot of record is located shall be permitted on said lot of record; provided, however, that all other requirements for permitted uses in such district shall be met except as specifically modified elsewhere herein.
(Ord. 84-1 §35-2)

§ 18.78.030. Height Limits.

Except in the coastal zone, height limitations stipulated elsewhere in this division shall not apply:

A. To transmission towers, lines and poles, chimneys, smokestacks, flagpoles, radio towers and aerials.

B. To water tanks, monitors, air conditioning units, scenery lofts, and other necessary accessory units mounted on buildings, provided no linear dimension of any such structure exceeds 50% of the corresponding linear dimension of the building upon which such unit is mounted; or to towers and monuments, fire towers, hose towers, cooling towers, gas holders or other structures where the manufacturing process requires a greater height; provided, however, that all such structures above the heights otherwise permitted in the district shall not occupy more than 25% of the area of the lot and shall be distant not less than 25 feet in all parts from every lot line not a street lot line.

C. To communications equipment buildings in districts where height limitations are 35 feet or less.

(Ord. 84-1 §35-3)

§ 18.78.040. Distance Between Residential Structures, Exceptions and Modifications.

The distance between residential structures may be varied where the side walls of adjoining buildings on a single lot are not parallel or are broken or otherwise irregular. In such case the average distance between residences shall not be less than the otherwise required least distance; provided, however, that such distance shall not be less at any point than 1/2 the otherwise required least distance.
(Ord. 84-1 §35-4)

§ 18.78.050. Projections Into Required Yards.

Certain architectural features may project into required yards or courts as follows:

A. Cornices, canopies, eaves or other architectural features may project a distance not exceeding two feet six inches; provided, such projection shall not exceed 1/2 the otherwise required yard.

B. Fire escapes, stairways, open balconies, open porches and chimneys may project a distance not exceeding four feet; provided such features do not occupy, in the aggregate, more than 1/3 of the area of the building wall on which they are located.

(Ord. 84-1 §35-5)

§ 18.78.060. Requests for Reasonable Accommodation—Applicability.

A request for reasonable accommodation may be made by any person with a disability, their representative or any entity, when the application of a zoning law or other land use regulation, policy or practice acts as a barrier to fair housing opportunities. A person with a disability is a person who has a physical or mental impairment that limits or substantially limits one or more major life activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment. This section is intended to apply to those persons who are defined as disabled under the Federal Fair Housing Act and the California Fair Employment and Housing Act (the Acts).

A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with equal opportunity to housing of their choice. Requests for reasonable accommodation shall be made in the manner prescribed by Section 18.78.060(A).

A. Application Requirements. Requests for reasonable accommodation shall be submitted on an application form provided by the Community Development Department, or in the form of a letter to the Community Development Director and shall contain the following information:

   1. The applicant's name, address and telephone number;

   2. Address of the property for which the request is being made;

   3. The current use of the property;

   4. The basis for the claim that the individual is considered disabled under the Acts;

   5. The zoning ordinance provision, regulation or policy from which reasonable accommodation is being requested;

   6. Why the reasonable accommodation is necessary to make the specific property accessible to the individual.

B. Review With Other Land Use Applications. If the project for which the request for reasonable accommodation is being made also requires some other discretionary approval (including, but not limited to, a conditional use permit, design review, general plan

amendment, zoning change, etc.), then the applicant shall file the information required by subsection A together for concurrent review with the application for discretionary approval.

C. Review Authority. Requests for reasonable accommodation shall be reviewed by the Community Development Director if no discretionary land use approval is sought other than the request for reasonable accommodation. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application requiring design review committee (DRC) or City Council approval shall be reviewed by the authority reviewing the discretionary land use application.

D. Review Procedure. When the request is under the Community Development Director's purview, he/she shall make a written determination within 45 days and either grant, grant with modifications, or deny a request for reasonable accommodation in accordance with Section 18.78.060(E). When the request is related to another discretionary review by the design review committee or the City Council, the written determination to grant or deny the request for reasonable accommodation shall be made in accordance with Section 18.78.060(E).

E. Findings and Decisions. The written decision to grant or deny a request for reasonable accommodation will be consistent with the Acts and shall be based on consideration of the following factors. In granting a request for reasonable accommodation, the reviewing authority may impose any conditions of approval deemed reasonable and necessary to insure that the reasonable accommodation complies with the required findings.

1. Whether the housing which is the subject of the request will be used by an individual disabled under the Acts.

2. Whether the request is necessary to make specific housing available to an individual with a disability under the Acts.

3. Whether the requested accommodation would impose an undue financial or administrative burden on the City.

4. Whether the requested accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use and zoning.

~~5. Potential impact on surrounding uses.~~

6. Physical attributes of the property and structure(s).

7. Alternative reasonable accommodations which may provide an equivalent level of benefit.

F. Appeal of Determination. Should the City Council ultimately decide on the request for reasonable accommodation due to its related land use authority, that decision shall be non-appealable and final. If, however, the Community Development Director or the Design Review Committee denied the request of reasonable accommodation, said decision shall be appealable to the City Council for final resolution.

(Ord. 07-02)

EXHIBIT N

LOW BARRIER NAVIGATION

CHAPTER 18.83
LOW BARRIER NAVIGATION CENTERS

§ 18.83.010. Purpose.

The purpose of this chapter is to implement the provisions of Government Code Section 65660 et seq. relating to low barrier navigation centers. (Ord. X)

§ 18.83.020. Definitions.

For the purposes of this chapter, the following definitions shall apply:

A. "Coordinated entry system" means a centralized or coordinated assessment system developed pursuant to the applicable provisions of the Code of Federal Regulations as specified in Government Code Section 65662, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.

B. "Low barrier" means best practices to reduce barriers to entry, and may include, but is not limited to, the following:

1. The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth;

2. Pets;

3. The storage of possessions; or

4. Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

C. "Low barrier navigation center" means a Housing First, low barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. (Ord. X)

§ 18.83.030. Designation of Areas Where Low Barrier Navigation Centers Are Permitted.

Low barrier navigation centers shall be allowed as a permitted use in zoning districts that permit mixed-uses, including nonresidential zones where multifamily residential uses are permitted, provided they meet the following criteria:

A. It offers services to connect people to permanent housing through a services plan that identifies services staffing.

B. It is linked to a coordinated entry system, so that staff in the interim facility or staff who collocate in the facility may conduct assessments and provide services to connect people to permanent housing.

C. It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

D. It has a system for entering information regarding client stays, client demographics,

client income, and exit destination through the local Homeless Management Information System as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

(Ord. X)

§ 18.83.040. Application Process and Timing.

Application for and approval of a low barrier navigation center shall be as follows.

A. **Application Process. Prior to the establishment of low barrier navigation center, an application for a "zoning compliance statement" shall be completed and submitted to the City's Planning Department for review in compliance with this chapter. Low barrier navigation centers shall be allowed by ministerial approval of a zoning compliance statement issued by the City Planner, without discretionary review or hearing, in all areas of Sand City that are designated for their use as specified in Section 18.83.030, provided the requirements outlined in this chapter are met in each application.**

B. **Timing. A zoning compliance statement shall be issued within 60 days from the date the City receives a completed application for a low barrier navigation center provided all of the applicable requirements of this chapter are satisfied. If the applicant for a low barrier navigation center makes a request for a delay, the 60 day time period for a zoning compliance statement shall be tolled for the period of the requested delay.**

(Ord. X)

§ 18.83.050. Fees.

Fees for low barrier navigation centers shall apply as follows.

A. **Impact Fees.**

B. **Plan Review and Permit Fees. Standard City fees pertaining to plan check review and building permit issuance, as adopted by City Council resolution, shall apply to all low barrier navigation centers.**

(Ord. X)

AGENDA ITEM
7A.

Code Enforcement Update Presentation:
John Kuehl, Building Official

CODE ENFORCEMENT

Code Enforcement (General)

- Administrative Citations (Section 1.22 et seq.)
  - STEPS:
    - Issue Courtesy Notice (not a code requirement)
    - Informal Dispute Resolution Process (i.e .agreement to remedy violation within number of days) (not a code requirement)
    - If code violation is not remedied, the Code Enforcement Officer may issue Administrative Citation containing the fine for code violation, with time to fix (Sections 1.22.030-1.22.050)
    - Conduct hearing on Administrative Citation, if a hearing is requested by the Responsible Party (Sections 1.22.070-1.22.090).

EXAMPLES: storage on City property; parking in alley ways; littering in public parks; and loitering in a public park after it has closed etc.

Code Enforcement (Property Maintenance)

- Property Nuisance Abatement (Non-Emergency) (Section 15.20.010 et seq.)
- Prepare a statement setting forth at least the following:
  - The condition or conditions in violation of this chapter;
  - A general description of the requirements of correction of the conditions; and,
  - The maximum time in which corrections must be made.
  - Set a date for public hearing before the City Council.
  - If the individual(s) do not remedy or stop the violation, the City may do so and recover the costs of such action from the individual(s).

EXAMPLE: Garbage and/or junk accumulating in front yard.

Code Enforcement (Property Maintenance)

- Summary Abatement (Emergency) (Section 15.20.080)Condition of the property constitutes an "immediate hazard to health and safety"
- City abates the code violation and may recover the costs associated with this action.

EXAMPLE: Dangerous tree limb, fallen tree

PROCESS

1. Information received
2. Research on zoning permits or other appropriate property information
3. Attempt with calls when appropriate
4. Courtesy notice sent with 30-day resolution requirement
5. Notice of Violation sent with noncompliance
6. Citation if cases warrants
7. All code cases are confidential

Code case summery

1. Staff implemented a Case tracking system on July 1, 2024.
2. Once case tracking system was implemented, the following are the approximate numbers
3. 22 new cases started
4. 9 cases closed
5. 3 cases partially resolved
6. Roughly 100 properties reviewed for violations

CODE CASE EXAMPLE 1 BLIGHT/PROPERTY MAINTENANCE

1. Staff identified a blight property with some visual building code violations
2. Research on ownership and permit history
3. No hone numbers available
4. Courtesy notice sent with 30-day resolution requirement (no response)
5. Notice of violation sent with 30-day notice
6. Blight substantially removed
7. Case closed

CODE CASE EXAMPLE 2 WORK WITHOUT PERMITS

1. Staff was notified of work taking place
2. Research on ownership and permit history
3. No permits on file
4. Site inspection with a posted stop work notice
5. Work with contractor/owner on steps to obtain required permits
6. Issue permit
7. Case closed

CODE CASE EXAMPLE 3 WASTEWATER DISCHARGE INTO CITY STORMDRAIN

1. Staff was notified of an illicit discharge
2. City Engineer provide documents and illicit discharge report
3. Research tenant and ownership information
4. Notice of violation sent to property owner and tenant space
5. NOV identifies if another discharge is identified a citation will be written to both owner and tenant
6. Case closed

AGENDA ITEM
8A.

Accept the Audited Financial Statements for the Year Ended June 30, 2024, and Independent Auditor's Report

City of Sand City

STAFF REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Vibeke Norgaard, City Manager & Jennifer Pope, Finance Manager
Presentation: Joseph Judson of CliftonLarsonAllen, LLP
SUBJECT: Audited Financial Report for Fiscal Year Ending June 30, 2024
DATE: February 18, 2025

BACKGROUND/DISCUSSION:
On August 15, 2023 the City Council entered into a two year agreement with CliftonLarsonAllen, LLP to perform an audit of the financial statements for the periods ending June 30, 2023 and June 30, 2024 for the City of Sand City and Successor Agency.

The auditors have completed their audit and on February 12, 2025, the Budget and Personnel Committee received a presentation of the Audited Financial Statements Report and recommended it to Council for its approval. A few highlights include the following:

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the year ended June 30, 2024, with total net position of $35.8 million. However, $11.6 million is a net investment in capital assets, and $9.7 million is a non-current receivable due from the Successor Agency.
- The City's total net position increased by $2.7 million.
- At the close of the year, the City's governmental funds reported a combined ending fund balance of $25.7 million, $9.7 million of which is a non-current receivable. The net change in fund balance was an increase of $1.4 million.

The City experienced an increase in year-end net position of $2.7 million due to a combination of factors including an increase of $3 million in total revenue for FY 2023-2024. This was due to the following factors:

- Growth in Sales and Transaction Use Tax due to inflationary impacts increasing the cost of goods and materials and the passage of Measure L in November 2022.
- Increased grant funding
- Increase in charges for services due in part to reimbursement agreements for large projects such as South of Tioga and MST SURF.

- Increase in Business License revenue partially due to implementation of online administration services and auditing.
- Increase in investment earnings due to new investments and higher interest rates.

The City also experienced an increase in overall expenditures of $2.2 million due to the following:

- Increase in costs for construction supplies and labor.
- Completion of the Calabrese Park and West Bay Avenue projects.
- City Hall improvements that include a police department lobby remodel and new construction to make space for new employee.
- Increase in reimbursable contract services for large projects such as South of Tioga and MST SURF.
- Increase in public safety expenses is due in part to the installation of equipment in the new patrol vehicles and implementation of the Flock Safety cameras.

Additional information will be shared during the auditor's presentation including highlights of the City's assets and liabilities and overall financial position. They will also provide information on how the City's current position compares to the financial position in past years. The auditors will be available for questions after their presentation.

FISCAL IMPACT:
There is no fiscal impact associated with approving the audited financial statements and the auditor's report.

RECOMMENDATION:
Staff recommends the approval of the audited financial statements and Auditor's Report for fiscal year ending June 30, 2024.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

ATTACHMENTS:

1. Resolution
2. Audited Financial Statements
3. Auditors Report

CITY OF SAND CITY

RESOLUTION SC 25-____, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ACCEPTING THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024, AND INDEPENDENT AUDITOR'S REPORT

WHEREAS, the City of Sand City has completed financial transactions for the fiscal year ending June 30, 2024; and

WHEREAS, prudent financial management, along with State and Federal regulations, dictate that an independent financial audit be conducted of the City's yearly financial transactions; and

WHEREAS, the City of Sand City has contracted with the accounting firm of CliftonLarsonAllen, LLP for audit services; and

WHEREAS, CliftonLarsonAllen, LLP have the necessary qualifications and have full access to all City/Successor Agency financial records to conduct an audit of the City's finances for this year; and

WHEREAS, CliftonLarsonAllen, LLP has worked with City staff to audit the financial records of the City for fiscal year ended June 30, 2024; and

WHEREAS, in the Auditor's opinion, the enclosed financial statements do present fairly, in all material respects the financial position of the City of Sand City as of June 30, 2024, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America; and

WHEREAS, it is noted in these Statements that the City of Sand City has been following the provisions of Governmental Accounting Standards Board (GASB) Statements that pertain to local governments, and that these audited financial statements were prepared in compliance with these new accounting standards; and

WHEREAS, on February 12, 2025, the Budget and Personnel Committee reviewed the attached financial statements for fiscal year ended June 30, 2024, and recommends acceptance of the documents by the full City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City as follows:

1. That the attached financial statements are hereby accepted.

2. That City staff are authorized to use this final audit as the City's financial record for the fiscal year ended June 30, 2024.

PASSED AND ADOPTED by the Sand City Council on this____day of___, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED:

_____
Kerry Lindstrom, City Clerk

CITY OF SAND CITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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CITY OF SAND CITY
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CITY OF SAND CITY

JUNE 30, 2024

Members of the City Council

Name	Office	Term Expires
Mary Ann Carbone	Mayor	December 2024
Jerry Blackwelder	Vice Mayor	December 2026
Marilee Diaz	Council Member	December 2024
Gregory Hawthorne	Council Member	December 2024
Elizabeth Sofer	Council Member	December 2026

City Staff

Name	Office
Vibeke Norgaard	City Manager
David Honda	Chief of Police

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council Members
City of Sand City
Sand City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Sand City (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Sand City, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Sand City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Sand City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* (GAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sand City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Sand City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedule of proportionate share of the net pension liability, the schedule of contributions pension, the schedule of changes in the net OPEB liability/(asset) and related ratios, and the schedule of contributions – OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the members of city council and staff schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2024 on our consideration of the City of Sand City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sand City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sand City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
December 21, 2024

The discussion and analysis of the City of Sand City's (the City) financial performance provides an overview and analysis of the City's financial activities for the year ended June 30, 2024. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded - liabilities and deferred inflows of resources at the close of the year ended June 30, 2024, with total net position of $35.8 million. However, $11.6 million is a net investment in capital assets, and $9.7 million is a noncurrent receivable due from the Successor Agency.

- The City's total net position increased by $2.7 million.

- At the close of the year ending June 30, 2024 the City's governmental funds reported combined ending fund balances of $25.7 million, $9.7 million of which is a noncurrent receivable. The net change in fund balances was an increase of $1.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis service as an introduction to the City's financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to the private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base, and the condition of the City's infrastructure (i.e., road, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements include all the governmental activities of the City. The governmental activities of the City include public safety, streets, parks, planning, community development, and general administration. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 13 and 14 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into two categories, governmental funds and fiduciary funds:

Governmental Funds – The focus of governmental funds is narrower than that of government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. It is in these funds that the City accounts for the former assets and liabilities of the Redevelopment Agency that were transferred to a Successor Agency. Fiduciary funds are not included in the government-wide statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The City maintains four individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from other governmental funds is presented as other governmental funds.

The fund financial statements can be found on pages 15 to 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 54 of this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's net position increased by $2.7 million in FY 2023-2024 from FY 2022-2023. The City has a net investment in assets of $11.6 million that is not available for future spending and another $9.7 million is a noncurrent receivable due from the Successor Agency. Approximately $13.1 million is available for operations and to provide services to citizens.

Summary of Net Position (Rounded to the nearest $1,000)
Year Ended June 30

	2024	2023	Change
Assets:			
Current and Other Assets	$ 30,480,000	$ 28,175,000	$ 2,305,000
Capital Assets	11,585,000	10,429,000	1,156,000
Total Assets	42,065,000	38,604,000	3,461,000
Deferred Outflows of Resources	3,516,000	3,754,000	(238,000)
Liabilities:			
Current and Other Liabilities	1,333,000	972,000	361,000
Long-Term Liabilities	7,112,000	6,520,000	592,000
Total Liabilities	8,445,000	7,492,000	953,000
Deferred Inflows of Resources	1,381,000	1,838,000	(457,000)
Net Position:			
Net Investment in Capital Assets	11,585,000	10,349,000	1,236,000
Restricted for:			
Streets and Road	244,000	167,000	77,000
OPEB Funding	1,087,000	1,197,000	(110,000)
Unrestricted	22,839,000	21,315,000	1,524,000
Total Net Position	$ 35,755,000	$ 33,028,000	$ 2,727,000

Current assets increased due in large part to an increase in cash from Sales and Transaction Use Tax, charges for services, and investment earnings.

Capital assets and net investment in capital assets increased due to depreciation of $420,000 offset by net capital additions of $1.4 million.

Long-term liabilities increased due to an increase in the pension liability of $624,000.

The increase of $1.5 million in unrestricted is due to the excess of revenues over expenses of $2.7 million.

GOVERNMENT WIDE FINANCIAL ANALYSIS (CONTINUED)

Change in Net Position (Rounded to the nearest $1,000)
Year Ended June 30

	2024	2023	Change
Revenues:			
Program Revenues:			
Charges for Services	$ 1,683,000	$ 1,034,000	$ 649,000
Operating Grants and Contributions	393,000	303,000	90,000
Capital Grants and Contributions	219,000	52,000	167,000
General Revenues:			
Property Taxes	409,000	304,000	105,000
Sales and Transaction Taxes	8,411,000	7,118,000	1,293,000
Other Taxes	507,000	424,000	83,000
Investment Earnings (Loss)	692,000	255,000	437,000
Miscellaneous	189,000	41,000	148,000
Gain (Loss) on Disposal of Assets	-	-	-
Total Revenues	12,503,000	9,531,000	2,972,000
Expenses:			
General Government	2,706,000	1,807,000	899,000
Public Safety	4,806,000	3,803,000	1,003,000
Public Works	1,196,000	1,159,000	37,000
Planning	740,000	570,000	170,000
Building	41,000	40,000	1,000
Community Development	269,000	188,000	81,000
Parks	16,000	12,000	4,000
Interest on Long-Term Debt	2,000	3,000	(1,000)
Total Expenses	9,776,000	7,582,000	2,194,000
Change in Net Position	2,727,000	1,949,000	778,000
Net Position - Beginning of Year	33,028,000	31,079,000	1,949,000
Net Position - End of Year	$ 35,755,000	$ 33,028,000	$ 2,727,000

The growth in Sales and Transaction Use Taxes in FY 2023-2024 is attributable to two main factors: (1) inflationary impacts increasing the cost of goods and materials; (2) revenue generated by Measure L passed by voters in November 2022 which took effect in April 2023.

The increase in charges for services is in part due to a large number of reimbursement agreements for which costs for contracted services for projects such as South of Tioga and MST SURF! are reimbursed to the City. There was also an increase in Business License Taxes.

GOVERNMENT WIDE FINANCIAL ANALYSIS (CONTINUED)

The increase in investment earnings is due to higher interest rates in FY 2023-2024 and investing City funds into accounts with a higher interest rate. Additionally, interest earned on the LAIF account increased from 2.17% in FY 2022-2023 to 3.93% in FY 2023-2024.

The City's expenses in FY 2023-2024 increased due to the completion of the Calabrese Park and the West Bay Ave projects that had been moving forward over the past few fiscal years finally entering the construction stage, as well as the increases in costs associated with construction and labor. Contracted services for planning, engineering, and legal services also increased due to the City actively pursuing multiple new and continuing projects. There was also an increase in reimbursable expenses for the South of Tioga and MST SURF! projects.

The increase in public safety expense is due in part to installation of equipment for the new police patrol vehicles, a much-needed remodel and upgrade to the police department lobby, the Lenslock program, and the implementation of the Flock safety cameras system.as well as an increase in salaries and benefits to police officers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the City's net investment in capital assets amounted to $11.6 million (net of accumulated depreciation), a net increase of $1.2 million over the prior year due to the completion of the Calabrese Park project, the West Bay Avenue Platform project, and City Hall Improvements including construction to make space for a new cubicle, PD lobby, and HR/Risk Manager workspace. Capital assets included land, land improvements, infrastructure, buildings, equipment, right-to-use leased equipment, vehicles, furniture and fixtures, and construction in progress.

Debt Administration

At June 30, 2024, the City had $7.1 million in long-term liabilities. The net change to long-term liabilities was an increase of $593,000,

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the City's governmental funds reported a total fund balance of $25.7 million. This fund balance includes a non-spendable receivable of $9.7 million. The General Fund has an unassigned fund balance of $15.7 million.

During the current fiscal year, the fund balance of the City's General Fund increased by $1.4 million.

FUND BUDGETARY HIGHLIGHTS

General Fund

The City amended its budget once during the fiscal year to reflect changes in projections of revenue and expenditures. Actual general fund revenues were less than those originally budgeted by $870,000 and actual expenditures from the general fund were also under budget by $1 million.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The City's revenue budget projections for FY 2024-2025 show a general fund trend towards a budget surplus.

The City is projecting an increase in revenues from business license tax, in part due to the implementation of online business license administration and tax auditing with HdL Companies. Business license administration took effect in February 2024 and auditing services will begin in 2025. Also, the City has been actively seeking grants from various county, state, and federal agencies which has and will result in increased revenue in FY 2024-2025. On July 1, 2024 the City implemented an updated Fee Schedule that had not been updated for many years. The updated fee schedule will increase the amount of covered costs for services.

The City's expenses in FY 2024-2025 are expected to increase compared to FY 2023-2024 as the City moves forward with several new capital improvement projects as well as working to complete the Catalina and Contra Costa stormwater projects. In addition, long overdue systems and infrastructure updates such as implementing new accounting software, development of a new City website, improved IT systems and servers, and desire from Council to move towards stronger code enforcement will result in an increase in the City's expenses. Other projected increases in expenses are due to the planning and implementation of new capital improvement projects that have been long contemplated but not initiated in prior fiscal years such as a multi-use bike trail on the TAMC right of way and a coastal access trail as well as certain planning department activities that are overdue and in need of being implemented in FY 2024-2025, such as the update of the City's General Plan and completion of the Housing Element, and implementation of systems such as iWorQ for planning purposes.

The City has continued to utilize consultants and contracted labor in several areas for assistance, in lieu of permanent employee additions to the payroll, such as building, planning, engineering, legal, and information technology.

The South of Tioga project has continued to take several key steps forward in FY 2024-2025. Project site demolition was fully completed in Q2 of FY 2022-2023, with grading completed and public improvements being accepted by the City in Q3 of FY 2023-2024. A groundbreaking ceremony took place in January 2024. The construction of the hotel has moved forward at a rapid pace and a certificate of occupancy is expected to be issued in FY 2025-2026. The City has processed building permits for the hotel component of the project. The project, which includes a 216-room hotel and a residential component that includes 356 units will ultimately be a positive revenue generator for the City through increased Transient Occupancy Tax revenue, though the revenue impacts will not be seen until or after FY 2025-2026. A Community Facilities District (CDF) has been created which will generate revenue for the city to offset an increase in expenses generated by the project.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (Continued)

Two other projects that are projected to positively impact City revenues, *Collections at Monterey Bay* (King Ventures) and the *Monterey Bay Shores Eco-Resort*, are not projected to impact general revenue in FY 2024-2025. However, the City is confident that at some point these two projects will come to fruition.

The City's FY 2024-2025 budget will be impacted by the City's purchase of a property (501 Ortiz) adjacent to it's art park, which it intends to develop in the future. For the time being, the City has entered into two lease agreements which will generate additional revenue for the City.

The years ahead are difficult to plan due to changes in the administration, natural disasters, and the impacts from wars in Ukraine and the middle east. With that in mind, the City's budgets will communicate what we think is the most fiscally responsible approach to funding operations and capital investments to best serve the Sand City community.

Staff will ensure that a balanced and fiscally responsible budget for FY 2024-2025 and 2025- 2026 will take into account all information available in ever-changing times. Staff anticipate revenues and expenditures are such that we will have a positive operating reserve. This reserve will be available for operating contingencies, capital improvements, or service changes.

We will continue to monitor revenues and expenditures, and any additional modifications that may need to be made based on new available information. Future proposed budgets and capital improvement projects will do the following:

- Remain fiscally responsible
- Maintain a safe and healthy community
- Enhance economic vitality
- Deliver exceptional City services
- Invest in well-planned infrastructure and growth

Staff will continue to look for opportunities to reduce expenses without impacting the level of service provided. We will continue to look for opportunities to increase revenues including the continued successful development of the South of Tioga project, a retail cannabis ordinance, and the continued investment into the West End and various projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sand City, 1 Pendergrass Way, Sand City, California 93955.

BASIC FINANCIAL STATEMENTS

CITY OF SAND CITY
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Cash and Cash Equivalents	$ 4,762,943
Investments	12,635,973
Receivables	552,489
Lease Receivable	149,587
Receivables from Other Governments	1,775,837
Loans Due from Successor Agency	9,730,824
Net OPEB Asset	872,222
Capital and Right-to-Use Assets, Net:	
Nondepreciable	2,683,844
Depreciable and Amortizable	8,901,341
Total Assets	42,065,060
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Adjustments	2,974,066
Deferred OPEB Adjustments	542,917
Total Deferred Outflows of Resources	3,516,983
LIABILITIES	
Accounts Payable	745,966
Due to Other Governments	542,222
Accrued Liabilities	19,786
Developer Deposit	25,000
Noncurrent Liabilities:	
Due Within One Year	124,626
Due in More Than One Year	6,988,219
Total Liabilities	8,445,819
DEFERRED INFLOWS OF RESOURCES	
Deferred Lease Revenue	817,072
Deferred Pension Adjustments	235,858
Deferred OPEB Adjustments	328,314
Total Deferred Inflows of Resources	1,381,244
NET POSITION	
Net Investment in Capital Assets	11,585,185
Restricted for:	
Streets and Roads	244,363
OPEB Funding	1,086,825
Unrestricted	22,838,607
Total Net Position	$ 35,754,980

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
General Government	$ 2,706,370	$ 1,606,436	$ 1,552	$ 219,402	$ (878,980)
Public Safety	4,806,453	15,812	208,392	-	(4,582,249)
Public Works	1,195,568	19,180	24,280	-	(1,152,108)
Planning	740,407	4,544	158,862	-	(577,001)
Building	40,690	36,619	-	-	(4,071)
Community Development	268,674	-	-	-	(268,674)
Parks	16,326	-	-	-	(16,326)
Interest on Long-Term Debt	1,752	-	-	-	(1,752)
Total Governmental Activities	$ 9,776,240	$ 1,682,591	$ 393,086	$ 219,402	(7,481,161)
GENERAL REVENUES					
Taxes:					
Property Taxes, Levied for General Purposes					408,777
Sales Tax					3,702,059
Transaction tax					4,708,705
Transient Occupancy Tax					119,356
Utility User's tax					238,218
Franchise Taxes					149,286
Miscellaneous					188,629
Investment Earnings (Loss)					692,404
Total General Revenues					10,207,434
CHANGES IN NET POSITION					2,726,273
Net Position - Beginning of Year					33,028,707
NET POSITION - END OF YEAR					$ 35,754,980

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Other Governmental Funds	Total
ASSETS			
Cash and Cash Equivalents	$ 4,520,035	$ 242,908	$ 4,762,943
Investments	12,635,973	-	12,635,973
Receivables	552,489	-	552,489
Lease Receivable	149,587	-	149,587
Receivables from Other Governments	1,775,837	-	1,775,837
Loans Due from Successor Agency	9,730,824	-	9,730,824
Total Assets	$ 29,364,745	$ 242,908	$ 29,607,653
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 745,966	$ -	$ 745,966
Due to Other Governments	542,222	-	542,222
Accrued Liabilities	19,786	-	19,786
Developer Deposit	25,000	-	25,000
Total Liabilities	1,332,974	-	1,332,974
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	968,069	-	968,069
Deferred Interest on Successor Agency Loans	774,766	-	774,766
Deferred Lease Revenue	817,072	-	817,072
Total Deferred Inflows of Resources	2,559,907	-	2,559,907
FUND BALANCES			
Nonspendable	9,730,825	-	9,730,825
Restricted:			
Streets and Roads	-	242,908	242,908
Unassigned	15,741,039	-	15,741,039
Total Fund Balances	25,471,864	242,908	25,714,772
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,364,745	$ 242,908	$ 29,607,653

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds	$ 25,714,772
Amounts reported in the statement of net position are different because:	
Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,585,185
Amounts paid to the trust for other postemployment benefits in excess of the required contributions, the net OPEB asset, are not financial resources and, therefore, are not reported in the funds.	872,222
Other assets are not available to pay for the current period expenditures and, therefore, are deferred in the funds.	1,742,835
Deferred outflows and inflows of resources associated with net pension and OPEB are not financial resources and, therefore, are not reported in the funds:	
Deferred Outflows	3,516,983
Deferred Inflows	(564,172)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(7,112,845)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 35,754,980

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Other Governmental Funds	Total
REVENUES			
Property Taxes	$ 408,777	$ -	$ 408,777
Sales Tax	3,329,496	-	3,329,496
Transaction tax	4,273,530	-	4,273,530
Transient Occupancy Tax	117,851	-	117,851
Utility User's tax	238,218	-	238,218
Franchise Taxes	149,286	-	149,286
Business Licenses	842,863	-	842,863
Licenses and Permits	26,614	-	26,614
Fines, Forfeits, and Penalties	4,962	1,580	6,542
Charges for Current Services	156,659	-	156,659
Developer Reimbursements	373,221	50,427	423,648
Revenue from Other Agencies	588,208	24,280	612,488
Investment Earnings (Loss)	692,404	-	692,404
Rental Income	74,109	-	74,109
Other Revenue	188,629	-	188,629
Total Revenues	11,464,827	76,287	11,541,114
EXPENDITURES			
Current:			
General Government	2,651,521	-	2,651,521
Public Safety	4,225,694	-	4,225,694
Public Works	966,798	-	966,798
Planning	740,407	-	740,407
Building	40,690	-	40,690
Community Development	268,673	-	268,673
Parks	12,756	-	12,756
Debt Service:			
Principal	32,808	-	32,808
Interest and Other Charges	1,752	-	1,752
Capital Outlay	1,237,997	-	1,237,997
Total Expenditures	10,179,096	-	10,179,096
EXCESS OF REVENUES OVER EXPENDITURES	1,285,731	76,287	1,362,018
NET CHANGE IN FUND BALANCES	1,285,731	76,287	1,362,018
Fund Balances - Beginning of Year	24,186,133	166,621	24,352,754
FUND BALANCES - END OF YEAR	$ 25,471,864	$ 242,908	$ 25,714,772

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

RECONCILIATION OF THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds	$	1,362,018
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. In the current period these amounts are:		
Capital Outlay		1,447,004
Current Year Depreciation and Amortization		(420,232)
Noncapitalized Capital Outlay Expenditures Reclassified to Various Governmental Activities		129,467
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		961,399
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, it has no effect on net assets. In the current period the amount is:		
Principal Payments on Long-Term debt		32,808
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated Absences		(1,726)
Current Year OPEB Cost Difference		(109,754)
Current Year Pension Cost Difference		(674,711)
Change in Net Position of Governmental Activities as Reported on the Statement of Activities	$	2,726,273

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF FIDUCIARY NET POSITION (DEFICIT)
JUNE 30, 2024

ASSETS	
Cash and Cash Equivalents	$ 1,470,534
Investments	1,126,161
Capital Assets, Net, Nondepreciable	1,100,000
Total Assets	3,696,695
LIABILITIES	
Accounts Payable	15,292
Developer Fees Received in Advance	1,455,000
Noncurrent Liabilities:	
Due Within One Year	680,000
Due in More Than One Year	11,260,824
Total Liabilities	13,411,116
DEFERRED INFLOWS OF RESOURCES	
Deferred ROPS Revenue	575,959
NET POSITION (DEFICIT)	
Enforceable Obligations	(10,290,380)
Total Net Position (Deficit)	$ (10,290,380)

See accompanying Notes to Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (DEFICIT)
YEAR ENDED JUNE 30, 2024

ADDITIONS	
Property Taxes	$ 1,336,431
Interest Income	87,299
Total Additions	1,423,730
DEDUCTIONS	
Administrative Expenses	4,099
Legal Expenses	67,460
Contract Services	28,084
Interest Expense	72,052
Seaside Settlement	364,522
Total Deductions	536,217
NET INCREASE	887,513
Net Position (Deficit) - Beginning of Year	(11,177,893)
NET POSITION (DEFICIT) - END OF YEAR	$ (10,290,380)

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Sand City (the City), California have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

A. Reporting Entity

The reporting entity of the City consists of all City departments. The City is a Charter City operating under a Mayor-Council-City Manager form of government. As required by GAAP, these financial statements present the City (the primary government) and its component units. The City's financial statements include one fiduciary component unit –

Successor Agency Trust Fund

Assembly Bill 1X 26 (the Bill) provided for the dissolution of all redevelopment agencies in the state of California. As allowed under the Bill, the City elected to serve as the Successor Agency to hold the assets until they are distributed to other units of state and local government. The Successor Agency Trust Fund meets the definition of a fiduciary component unit and is reported as a private-purpose trust fund. Separate financial statements are not available for the Successor Agency Trust Fund.

B. Basis of Presentation and Accounting

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation and Accounting (Continued)

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Ad valorem, franchise, and sales tax revenues are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with the prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports the following major governmental fund:

General Fund
Accounts for the City's primary services (Public Safety, Public Works, Parks, etc.) and is the primary operating unit of the City.

Additionally, the City reports the following fund type:

Fiduciary Funds
Fiduciary Funds include the Successor Agency. This fund was established as a result of the dissolution of the Redevelopment Agency and is used to account for assets held by the City in a trustee capacity.

D. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For the fiscal year ended June 30, 2024, the application of valuation techniques applies to the City's financial statements has been consistent.

E. Cash, Cash Equivalents, and Investments

The City follows the practice of pooling cash and investments of all funds. Investments of the pooled cash consist of deposits with the Local Agency Investment Fund and are accounted for at fair market value. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash of each fund. The City considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Receivables and Deferred Inflows of Resources

Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within 60 days subsequent to year-end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Deferred Inflows of Resources (Continued)

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. At June 30, 2024, the allowance was estimated to be zero.

G. Capital Assets

Property, facilities, equipment, and infrastructure purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at acquisition value at the time received. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 for equipment; $25,000 for facilities and improvements; $150,000 for infrastructure and all land; and an estimated useful life in excess of one year.

Property, facilities, equipment, and infrastructure is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements	5 to 20 Years
Equipment	5 to 10 Years
Vehicles	8 Years
Furniture and Fixtures	10 Years
Infrastructure	20 to 50 Years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Unused paid time off (PTO), which includes vacation, sick, and comp time, may be accumulated up to 800 hours and is paid at the time of termination from City employment. Hours accumulated over the 800 hours are paid out as compensation at the end of each calendar year. PTO is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Interfund Activity

During the course of operations, transactions occur between individual funds that result in amounts owed between funds, which are classified as “Due to/from Other Funds.” Eliminations have been made on the government-wide statements for amounts due to/from within the governmental funds.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement system (CalPERS) plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

N. Net Position

The statement of net position presents the City's assets and deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories.

- **Net investment in capital assets**. Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

- **Restricted net position**. Results when constraints placed on net positions use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position**. Consist of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

O. Fund Balances

Fund balance classifications are based primarily on the extent to which the City is bound to honor constraints on the use of the resources reported in each governmental fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balances (Continued)

The City reports the following classifications:

- **Nonspendable fund balance**. These amounts cannot be spent because they are either (a) not in spendable form, such as long-term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.

- **Restricted fund balance**. These amounts are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance**. This represents amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking some type of action (passage of a resolution). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.

- **Assigned fund balance**. Amounts intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by (a) the City Administrator or (b) the City Council. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote.

- **Unassigned fund balance**. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

P. Leases

Lessee

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases (Continued)

Lessee (Continued)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

Lessor

The City is a lessor for noncancellable leases of the desalination facility and cell tower site premises. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases (Continued)

Lessor (Continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

- Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Q. Property Tax Levy, Collection, and Maximum Rates

State of California (State) Constitution Article 13 provides for a maximum general property tax rate statewide of $1 per $100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above referenced Article 13. The State Legislature has determined the method of distribution of receipts from $1 tax levy among counties, cities, schools, and other districts. Counties, cities, and school districts may levy such additional tax rates as necessary to provide for voter approved debt service.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Property Tax Levy, Collection, and Maximum Rates (Continued)

The County of Monterey assesses properties, bills for, and collects property taxes, as follows:

	Secured	Unsecured
Valuation Dates	January 1	January 1
Lien/Levy Dates	July 1	July 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within 60 days of year-end. No allowance is provided for delinquent taxes as the lien is considered an enforceable legal obligation.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

A. Custodial Credit Risk – Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision, which requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, $2,637,868 of the City's bank balances of $2,887,868 was exposed to custodial credit risk as uninsured, but it's collateralized by the pledging bank's trust department not in the City's name.

B. Custodial Credit Risk – Investments

Local Agency Investment Fund and certificates of deposit held with a local financial institution. All investments are recorded at fair value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. The investment of state pooled funds is governed by state law, by policies adopted by the Pooled Money Investment Board (PMIB) and by accepted norms for prudent fiduciary management of investments. PMIB funds may be invested in a wide range of interest-bearing securities, such as Treasury notes, prime commercial paper, certain California municipal and agency obligations, highly rated corporate bonds, obligations of such agencies as Fannie Mae, and negotiable certificates of deposit. Also allowed are time deposits in California banks, savings and loans, and credit unions that have not less than a "satisfactory" CRA rating. The value of each participating dollar equals the fair value divided by the amortized cost.

Investments at June 30, 2024 consisted of the following:

Local Agency Investment Fund	$ 11,198,665
Certificates of Deposit	1,437,308
Total	$ 12,635,973

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

B. Custodial Credit Risk – Investments (Continued)

As of June 30, 2024, all of the City's investments had a maturity of less than one year.

The fair value of the City's position in the State LAIF pool is the same as the value of the pool shares. The State LAIF pool credit quality is unrated. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

The State Treasurer's Office audits the fund annually.

The fair value measurement for the Certificates of Deposit are Level 1.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statutes.

D. Credit Risk

This is the risk of loss due to the failure of the security issues or backer. The City's policies to mitigate credit risk include:

- Limiting investment to the safest type of securities. As noted above, the California Government Code limits the investment vehicles available to local agencies. The credit risk of these securities is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table below presents the rating for each investment type as provided by Standard & Poor's except as noted.

- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business.

The following table identifies the Standard & Poor's credit quality rating for those investments requiring this disclosure as of June 30, 2024:

- Rating A – Negotiable Certificates of Deposit - $1,437,308

- Not Rated – State Local Agency Investment Fund - $11,198,665

NOTE 3 RECEIVABLES

Amounts other than leases receivable are aggregated into a single accounts receivable line. At June 30, 2024 for the City's individual major funds and nonmajor fund in the aggregate are as follows:

	General	Other Governmental Funds	Total
Receivables:			
Accounts	$ 425,668	$ -	$ 425,668
Interest	126,821	-	126,821
Total	$ 552,489	$ -	$ 552,489
Other Governments:			
Sales Tax	$ 708,189	$ -	$ 708,189
Transaction Tax	798,921	-	798,921
Successor Agency	150,856	-	150,856
Grants	117,871	-	117,871
Total	$ 1,775,837	$ -	$ 1,775,837

NOTE 4 LOANS DUE FROM SUCCESSOR AGENCY

The Redevelopment Agency (the Agency) received loans from the City to pay its share of administrative expenses, to make payments on non-tax incremental borrowings, and to reimburse the City for payments made on Certificates of Participation in the principal amount of $3,626,058 for the Operating Expenditure Loan and $4,650,000 for the Seaside Loan. Upon dissolution of the Agency, these loans became the obligation of the Successor Agency. Balances as of June 30, 2024, are as follows:

Operating Expenses	$ 3,626,058
Seaside Agreements	4,650,000
COP Reimbursement	1,454,766
Total	$ 9,730,824

NOTE 5 CAPITAL AND RIGHT-TO-USE ASSETS

Capital and right-to-use asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,837,194	$ -	$ -	1,837,194
Construction In Progress	604,773	1,380,215	1,138,338	846,650
Total Capital Assets Not Being Depreciated	2,441,967	1,380,215	1,138,338	2,683,844
Capital and Right-to-Use Assets Being Depreciated/Amortized:				
Infrastructure	5,209,014	-	-	5,209,014
Land Improvements	441,563	-	(1,225,867)	1,667,430
Equipment	2,451,563	-	16,215	2,435,348
Right-to-Use Leased Equipment	93,621	-	-	93,621
Vehicles	940,342	66,789	-	1,007,131
Buildings	8,538,775	-	-	8,538,775
Furniture and Fixtures	114,514	-	(36,199)	150,713
Total Capital and Right-to-Use Assets Being Depreciated/ Amortized	17,789,392	66,789	(1,245,851)	19,102,032
Less: Accumulated Depreciation/ Amortization:				
Infrastructure	3,151,150	127,729	37,489	3,241,390
Land Improvements	441,562	15,756	-	457,318
Equipment	2,431,633	-	(21,274)	2,452,907
Right-to-Use Leased Equipment	62,414	31,207	-	93,621
Vehicles	622,513	31,097	-	653,610
Buildings	2,978,627	210,249	-	3,188,876
Furniture and Fixtures	114,514	4,194	5,739	112,969
Total Accumulated Depreciation/Amortization	9,802,413	420,232	21,954	10,200,691
Total Capital and Right-to-Use Assets Being Depreciated and Amortized, Net	7,986,979	(353,443)	(1,267,805)	8,901,341
Capital and Right-to-Use Assets, Net	$ 10,428,946	$ 1,026,772	$ (129,467)	$ 11,585,185

NOTE 5 CAPITAL AND RIGHT-TO-USE ASSETS (CONTINUED)

Depreciation and amortization expense for the year ending June 30, 2024 was charged to functions/programs of the primary government as follows:

General Government	$ 44,701
Public Safety	23,925
Public Works	348,036
Parks	3,570
Total Depreciation Expense	$ 420,232

NOTE 6 LEASES

Leases Receivable

The City, acting as lessor, leases the desalination facility to California-American Water Company (CAW) and site premises to control and operate a cell tower on City owned land to Crown Castle International Corp under long-term, noncancelable lease agreements. The leases expire at various dates through June 15, 2038. During the year ended June 30, 2024, the City recognized $20,413 and $5,025 in lease revenue and interest revenue, respectively, pursuant to these contracts. As of June 30, 2024, the City's receivable for lease payments was $149,587. Also, the City has a deferred inflow of resources associated with these leases that will be recognized over the lease terms. As of June 30, 2024, the balance of deferred inflow of resources was $817,072.

The future minimum lease payments to be received as of June 30, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 28,218	$ 6,178	$ 34,396
2026	24,101	3,295	27,396
2027	25,018	2,378	27,396
2028	12,208	1,590	13,798
2029 and Thereafter	60,042	8,001	68,043
Total	$ 149,587	$ 21,442	$ 171,029

NOTE 7 LONG-TERM LIABILITIES

General long-term liability balances and transactions for the fiscal year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease Payable	$ 32,808	$ -	$ 32,808	$ -	$ -
Compensated Absences	518,537	109,187	107,461	520,263	124,626
Net Pension Liability	5,968,692	623,890	-	6,592,582	-
Total	$ 6,520,037	$ 733,077	$ 140,269	$ 7,112,845	$ 124,626

In prior years, the General Fund has been used to liquidate compensated absences.

NOTE 8 PENSION PLAN

General Information about the Pension Plans

A. Plan Descriptions

All qualified permanent and probationary employees are eligible to participant in the City's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans, cost-sharing, multiemployer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Prior to	On or After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.0% @ 55 3.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0.% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	7.0% and 8.0%	6.75%
Required Employer Contribution Rates	10.880% and 15.250%	7.590%

NOTE 8 PENSION PLAN (CONTINUED)

General Information about the Pension Plans (Continued)

B. Benefits (Continued)

	Safety	
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.0% @ 50 3.0% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%
Required Employee Contribution Rates	9.0%	13.0%
Required Employer Contribution Rates	19.250% and 21.790%	13.130%

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law required that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions	$ 526,101	$ 291,584

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Miscellaneous	Safety
Proportionate Share of Net Pension Liability	$ 3,077,588	$ 3,514,994

NOTE 8 PENSION PLAN (CONTINUED)

General Information about the Pension Plans (Continued)

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2024 and 2023, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.02562 %	0.02605 %
Proportion - June 30, 2024	0.02467	0.02817
Change - Increase (Decrease)	(0.00095)	0.00212

For the year ended June 30, 2024, the City recognized pension expense of $1,492,396. Pension expense is allocated to the functions based on full-time equivalents. At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 415,286	$ 46,482
Changes of assumptions	390,948	-
Difference Between Projected and Actual Investment Earnings	979,315	-
Change in Employer's Proportion	363,618	-
Differences Between Employer's Contributions and Proportionate Share of Contributions	7,214	189,376
Pension Contributions Made Subsequent to Measurement Date	817,685	-
Total	$ 2,974,066	$ 235,858

NOTE 8 PENSION PLAN (CONTINUED)

General Information about the Pension Plans (Continued)

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The $817,685 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2025	$ 663,011
2026	444,817
2027	784,969
2028	27,726
Total	$ 1,920,523

E. Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous and Safety
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality	Derived using CalPERS' membership data for all funds. The mortality rate includes 15 years of projected on-going mortality improvements using 80% scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies. 2.5% thereafter.

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS website.

NOTE 8 PENSION PLAN (CONTINUED)

General Information about the Pension Plans (Continued)

F. Discount Rate

The discount rate used to measure the total pension liability was 6.9% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.9% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.9% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10
Global Equity - Cap-Weighted	30 %	4.45 %
Global Equity Non-Cap-Weighted	12	3.84
Private Equity	13	7.28
Treasury	5	0.27
Mortgage-Backed Securities	5	0.50
Investment Grade Corporates	10	1.56
High Yield	5	2.27
Emerging Market Debt	5	2.48
Private Debt	5	3.57
Real Assets	15	3.21
Leverage	(5)	(0.59)
Total	100 %	

(a) An expected inflation of 2.30% used for this period.

NOTE 8 PENSION PLAN (CONTINUED)

General Information about the Pension Plans (Continued)

G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90 %	5.90 %
Net Pension Liability	$ 4,777,603	$ 5,637,108
Current Discount Rate	6.90 %	6.90 %
Net Pension Liability	$ 3,077,588	$ 3,514,994
1% Increase	7.90 %	7.90 %
Net Pension Liability	$ 1,678,329	$ 1,780,014

H. Pension Plan Fiduciary Net Position

Detailed Information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with IRC Section 457, through the California Public Employee's Retirement System (CalPERS) 457 Deferred Compensation Program. All employees of the City are eligible for the plan. Participation in the plan is optional. The funds of the plan are invested by the City, through CalPERS, as directed by and on behalf of the employees in various investment options.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The City contracts with the Public Employees Retirement System (PERS) under the PERS Care Health Plan to provide benefits of the Meyer-Geddes State Employees' Medical and Hospital Care Act per Government Code Section 22850. The Plan provides employees and option members (City Council members and City Attorney) who retire directly from the City under CalPERS continuation of medical insurance benefits for them, one dependent and surviving spouse.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

A. Plan Description (Continued)

The City participates in the California Employer's Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code (IRC) Section 115 and established to prefund retiree healthcare benefits. CERBT, an agent multiemployer trust, issues a publicly available financial report including GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, disclosure information in aggregate with other CERBT participating employers. That report can be obtained from the CalPERS website at www.calpers.ca.gov. The plan provides health benefits to all retired employees.

The Plan can be amended by action of the City Council on passing a resolution. The City pays premiums up to the PEMHCA Other Northern California PERS Care single party non-Medicare and Medicare eligible premiums at 100% for retirees and 50% for dependents and surviving spouses. For the fiscal year 2024, the non-Medicare premium was $995 and the Medicare eligible was $382. Retirees pay blended medical premiums rather than expected medical costs by age and gender and active premiums subsidize non-Medicare eligible retiree medical costs as implied subsidies.

B. Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active Employees	19
Inactive Employees or Beneficiaries Current Receiving Benefits	16
Inactive Employees Entitled to But Not Yet Receiving Benefits	12
Total	47

C. Contributions

The obligations of the Plan members and the City are established by action of the City Council pursuant to the passing of a resolution. The annual contribution is based on the actuarially determined contribution, which is paid to the California Employer's Retiree Benefit Trust Program (CERBT). Cash subsidy and implied subsidy benefit payments and PEMCHA administrative fees are currently paid with City assets on a pay-as-you-go basis and are not reimbursed by CERBT. For the fiscal year ended June 30, 2024 pay-as-you-go payments were $175,064 and the estimated implied subsidy was $13,842 resulting in total payments of $188,906.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

D. Net OPEB Liability/(Asset)

The City's net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Discount Rate	6.25%
Inflation	2.50%
Salary Increases	2.75% Annually
Investment Rate of Return	6.50%
Mortality	CalPERS 2000-2019 Experience Study
Retirement	CalPERS 2000-2019 Experience Study
Healthcare Trend Rate	8.50% Decreasing to 3.45%

The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49 %	4.56 %
Fixed Income	23	1.56
TIPS	5	(0.08)
Commodities	3	1.22
REITs	20	4.06
Total	100 %	

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability/(Asset)

The changes in the net OPEB liability/(asset) for the Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balances - June 30, 2022	$ 2,809,274	$ 3,990,561	$ (1,181,287)
Changes Recognized for Measurement Period:			
Service Cost	219,176	-	219,176
Interest	192,493	-	192,493
Changes of Benefit Terms	52,030	-	52,030
Difference Between Expected and Actual Experience	206,216	-	206,216
Changes of Assumptions	28,387	-	28,387
Contributions - Employer	-	134,472	(134,472)
Net Investment Income	-	256,381	(256,381)
Benefit Payments (Outside Trust)	(134,016)	(134,016)	-
Administrative Expense	-	(1,616)	1,616
Net Changes	564,286	255,221	309,065
Balances - June 30, 2023	$ 3,373,560	$ 4,245,782	$ (872,222)

G. Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate, for the measurement period ended June 30, 2023:

	1% Decrease	Current Discount Rate (6.5%)	1% Increase
Net OPEB Liability/(Asset)	$ (460,404)	$ (872,222)	$ (1,215,068)

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

H. Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/(asset) of the City if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate, for the measurement period ended June 30, 2023:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability/(Asset)	$ (1,053,182)	$ (872,222)	$ (703,184)

I. OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from California Employer's Retiree Benefit Trust Program at the CalPERS website.

J. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5 Years
All Other Amounts	Expected average remaining service lifetime (EARSL) (6.2 years at June 30, 2021)

K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense/(income) of $126,339. As of the fiscal year ended June 30, 2024, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Made Subsequent to Measurement Date	$ 16,585	$ -
Changes of Assumptions	74,736	57,648
Net Difference Between Projected and Actual Earnings	281,558	-
Difference Between Expected and Actual Experience	170,038	270,666
Total	$ 542,917	$ 328,314

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The $16,585 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	Amount
2025	$ (83,408)
2026	170
2027	201,486
2028	50,957
2029	28,813
Total	$ 198,018

NOTE 11 JOINTLY GOVERNED ORGANIZATIONS

The City participates on the Boards of Community Human Services, Monterey Regional Waste Management District, the Monterey Peninsula Water Management District, Monterey One Water, Association of Monterey Bay Area Governments, Transportation Agency for Monterey County, Seaside Groundwater Basin Watermaster, the Monterey Peninsula Chamber of Commerce, League of California Cities, Monterey County Convention and Visitor's Bureau, Monterey County Business Council, Monterey County Mayor's Association, Monterey Bay Area Self Insurance Authority, National League of Cities, Local Agency Formation Commission of Monterey County, and Monterey Bay Air Resources District. The Boards of these entities are comprised of representatives from local municipalities, districts, and unincorporated areas. The City made various disbursements to the organizations in the amount of $ 711,766 for the fiscal year ended June 30, 2024.

NOTE 12 RISK FINANCING

The City is exposed to various risks of loss related to torts, thefts, damage to, or destruction of assets; errors and omissions; injuries to workers; and natural disasters. These risks are covered by a combination of commercial insurance purchased from independent third parties and participation in the Monterey Bay Area Self Insurance Authority (MBASIA), which is a public entity risk pool. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

NOTE 12 RISK FINANCING (CONTINUED)

MBASIA was formed under a joint powers agreement (JPA) pursuant to California Government Code Section 6500 et seq. effective July 1, 1982. MBASIA is administered by a Board of Directors consisting of 13 members appointed by the cities participating. The Board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member cities beyond their representation on the Board. Each member city pays a premium commensurate with the amount of predicted losses and shares surpluses and deficits proportionate to their participation in the JPA.

NOTE 13 COMMITMENTS AND CONTINGENCIES

In the fiscal year ending June 30, 2024, the City has various service and project contracts totaling $2,501,914, of which $1,427,008 on contract commitments still remained as of June 30, 2024.

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Sand City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “Successor Agency” to hold the assets until they are distributed to other units of state and local government. On October 18, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number SC-11-104. Accordingly, the City established the Successor Agency Trust fund, a private-purpose trust fund, which is a fiduciary type fund.

Subject to the control of an established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. On November 16, 2022, the Successor Agency filed a petition for writ of mandate against the California Department of Finance for the repayment of a loan to the City that the Successor Agency believes is an enforceable obligation, but which has been denied by the California Department of Finance.

The writ hearing in this matter was heard on November 1, 2024, before the Sacramento Superior Court. On November 26,2024, the Court issued its final ruling in the matter. The Court's ruling denies the Successor Agency's petition seeking a writ of mandate and declaratory relief.

On December 3, 2024, the Successor Agency Board voted to authorize the filing of an appeal of the denying of the Successor Agency's writ/complaint. Accordingly, on December 19, 2024, the City filed a notice of appeal for this matter.

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Following are disclosures specific to the Successor Agency Trust Funds:

A. Deposits and Investments

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision, which requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, $1,473,649 of the Fiduciary Fund's bank balances of $2,599,647 was exposed to custodial credit risk as uninsured, but it's collateralized by the pledging bank's trust department not in the City's name. All cash held by the Fiduciary Fund must be used to repay enforceable obligations.

Custodial Credit Risk – Investments

The Fiduciary Fund investments consist of money market funds and certificates of deposit held with various financial institutions. All investments are recorded at fair value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. Investments at June 30, 2024 consisted of the following:

Money Market Funds	$ -
Certificates of Deposit	1,125,998
Total	$ 1,125,998

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Investments (Continued)

As of June 30, 2024, all of the Fiduciary Fund's investments had a maturity of less than one year.

The fair value measurement for the Certificates of Deposit are Level 1. The Money Market Funds are not subject to fair value hierarchy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statutes.

Credit Risk

This is the risk of loss due to the failure of the security issues or backer. The City's policies to mitigate credit risk include:

- Limiting investment to the safest type of securities. As noted above, the California Government Code limits the investment vehicles available to local agencies. The credit risk of these securities is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table below presents the rating for each investment.

- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business.

The following table identifies the Standard & Poor's credit quality rating for those investments requiring this disclosure as of June 30, 2024:

- Rating A – Negotiable Certificates of Deposit - $1,125,998

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

B. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,100,000	$ -	$ -	$ 1,100,000
Capital Assets Being Depreciated:				
Land Improvements	182,631	-	-	182,631
Sculpture	40,218	-	-	40,218
Total Capital Assets Being Depreciated	222,849	-	-	222,849
Less: Accumulated Depreciation for:				
Land Improvements	182,631	-	-	182,631
Sculpture	40,218	-	-	40,218
Total Accumulated Depreciation	222,849	-	-	222,849
Total Capital Assets Being Depreciated, Net	-	-	-	-
Capital Assets, Net	$ 1,100,000	$ -	$ -	$ 1,100,000

C. Developer Fees Received in Advance

The former Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with a developer that required the developer to pay certain negotiation fees. In the event that the DDA is terminated by either party, the DDA requires a portion of the fees in the amount of $1,455,000 be refunded to the developer. The fees subject to refund will not be earned until the property connected with the DDA is conveyed to the developer, at which time the fees will be recognized as revenue.

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

D. Long-Term Debt

Taxable Tax Allocation Bonds, 2008 Series B

Taxable Tax Allocation Bonds, 2008 Series B in the amount of $2,135,000 were issued January 30, 2008 at a discount of $50,916, to help finance redevelopment activities within and for the benefit of the Sand City Redevelopment Project. The Bonds consist of Term Bonds as follows: $465,000 at a 4.75% interest rate, due November 1, 2013, $720,000 at a 5.50% interest rate, due November 1, 2018, and $950,000 at a 5.75% interest rate, due November 1, 2023. Interest on the Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2008. All Bonds are subject to mandatory redemption, in part by lot, from sinking account payments scheduled to begin November 1, 2010 and ending November 1, 2023 at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

2017 Subordinate Tax Allocation Refunding Bonds 2017

Subordinate Tax Allocation Refunding Bonds in the amount of $4,690,000 were issued August 10, 2017 to advance refund the Tax Allocation Bonds, 2008 Series A bonds. The Bonds consist of coupon bonds with a price of $115,000 at an interest rate of 2.85%. Interest on the Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2017.

The Bonds are subject to mandatory sinking fund redemption in part by lot on November 1, 2017, and on each November 1 thereafter, to and including November 1, 2027. The Bonds are not subject to optional redemption prior to maturity. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

Loans from the City

The former Redevelopment Agency received loans from the City to pay its share of administrative expenses and make payments on non-tax increment borrowings. The City accrued interest at a rate of 7% on these advances. The Successor Agency has prepared a repayment schedule in accordance with Health and Safety Code Section 34191.4, which was submitted to both the Oversight Board for the County of Monterey and the California Department of Finance. In the year ending June 30, 2013, interest on these loans was recalculated based on the average Local Agency Investment Fund rate of return for the period in which the loans existed as required by Assembly Bill 1484, on the principal amount of $1,934,012 for the Operating Expenditure Loan and $3,932,931 for the Seaside Loan.

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

D. Long-Term Debt (Continued)

Reimbursements Payable

The City issued Certificates of Participation (Certificates) to refinance certain real property legally owned by the former Redevelopment Agency. Under a Reimbursement Agreement with the City, the former Redevelopment Agency agreed to reimburse the City for all the Base Rental Payments made by the City to the Trustee of Certificates. The Reimbursements were to be made from available monies of the former Redevelopment Agency; therefore, no formal repayment schedule is in place at this time.

Long-term debt balances and transactions for the fiscal year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds, Loans, and Reimbursements:					
2008 Series B	$ 210,000	$ -	$ 210,000	$ -	$ -
2017 Subordinate Tax Allocation Refunding Bonds	2,705,000	-	495,000	2,210,000	680,000
Subtotal	2,915,000	-	705,000	2,210,000	680,000
Loans from the City:					
Operating Expenditures	3,626,058	1,518	-	3,627,576	-
Seaside	4,650,000	-	-	4,650,000	-
Subtotal	8,276,058	1,518	-	8,277,576	-
Reimbursement due to City	1,454,766	-	1,518	1,453,248	-
Total Bonds, Loans, and Reimbursements	$ 12,645,824	$ 1,518	$ 706,518	$ 11,940,824	$ 680,000

Annual debt service requirements to maturity are as follows:

	Series B Bonds		2017 Refunding Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ -	$ -	$ 680,000	$ 53,295
2026	-	-	695,000	33,701
2027	-	-	720,000	13,538
2028	-	-	115,000	1,639
Total	$ -	$ -	$ 2,210,000	$ 102,173

NOTE 14 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

E. Deferred ROPS Revenue

The deferred ROPS revenue represents Real Property Tax Transfer Funds (RPTTF) received in advance for future obligation payments. The revenue will be recognized in the period in which the obligation payments are made. At June 30, 2024, this amount was $575,959.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAND CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	$ 135,000	$ 153,176	$ 408,777	$ 255,601
Sales Tax	3,529,000	3,529,000	3,329,496	(199,504)
Transaction Tax	4,446,000	4,446,000	4,273,530	(172,470)
Transient Occupancy Tax	126,000	126,000	117,851	(8,149)
Franchise/Users Taxes	288,400	305,400	387,504	82,104
Business Licenses	693,500	708,500	842,863	134,363
Licenses and Permits	30,800	48,100	26,614	(21,486)
Fines, Forfeits, and Penalties	19,200	25,243	4,962	(20,281)
Charges for Current Services	55,300	57,040	156,659	99,619
Developer Reimbursements	-	-	373,221	373,221
Revenue from Other Agencies	597,600	2,475,855	588,208	(1,887,647)
Investment Earnings (Loss)	219,600	336,300	692,404	356,104
Rental Income	19,000	19,000	74,109	55,109
Other Revenue	101,500	105,586	188,629	83,043
Total Revenues	10,260,900	12,335,200	11,464,827	(870,373)
EXPENDITURES				
Current:				
General Government	1,603,200	1,947,363	2,651,521	(704,158)
Public Safety	4,103,800	4,189,298	4,225,694	(36,396)
Public Works	1,582,400	3,823,620	966,798	2,856,822
Planning	246,800	460,500	740,407	(279,907)
Building	115,500	125,419	40,690	84,729
Community Development	334,800	355,800	268,673	87,127
Parks	12,500	14,500	12,756	1,744
Debt Service:				
Principal	-	-	32,808	(32,808)
Interest and Other Charges	-	-	1,752	(1,752)
Capital Outlay	252,800	286,400	1,237,997	(951,597)
Total Expenditures	8,251,800	11,202,900	10,179,096	1,023,804
NET CHANGE IN FUND BALANCE	$ 2,009,100	$ 1,132,300	$ 1,285,731	$ 153,431

See accompanying Note to Required Supplementary Information.

NOTE 1 BUDGETARY DATA

The City legally adopts an annual budget for the General Fund. The City adopts the budget before June 30 for each ensuing fiscal year.

Budgets submitted to the Council include both proposed appropriations and the means of financing them. A mid-year budget review is performed, and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.

All budgets have been prepared on a basis consistent with generally accepted accounting principles, which is the same basis of accounting as used to reflect actual revenues and expenditures.

Appropriations lapse at each fiscal year end and then are re-budgeted for the coming fiscal year. Encumbrance accounting is not used.

CITY OF SAND CITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – MISCELLANEOUS PLAN
LAST TEN YEARS

Measurement Period:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability	0.02467%	0.02562%	0.02470%	0.02435%	0.02470%	0.06325%	0.07161%	0.07225%	0.07699%	0.03280%
Proportionate Share of the Net Pension Liability	$ 3,077,588	$ 2,959,247	$ 1,335,879	$ 2,648,872	$ 2,531,795	$ 2,383,530	$ 2,823,013	$ 2,516,961	$ 2,112,302	$ 2,041,105
Covered Payroll	$ 1,065,856	$ 1,162,410	$ 997,179	$ 981,708	$ 980,084	$ 968,615	$ 964,572	$ 973,812	$ 957,621	$ 979,700
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	288.74%	254.58%	133.97%	269.82%	258.32%	246.08%	292.67%	258.46%	220.58%	208.34%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	74.14%	78.19%	90.49%	77.71%	77.73%	77.69%	75.39%	75.87%	79.89%	81.15%

Notes to Schedule:

Changes of Assumptions:

The discount rate to measure net pension liability was 7.5% as of June 30, 2014, 7.65% as of June 30, 2015 and 2016, 7.15% as of June 30, 2017 through 2021, and reduced to 6.90% as June 30, 2022.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016, and 2017, 2.50% as of June 30, 2018, 2019, 2020, and 2021, and was reduced to 2.30% as of June 30, 2022.

CITY OF SAND CITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SAFETY PLAN
LAST TEN YEARS

Measurement Period:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability	0.02817%	0.02605%	0.01879%	0.02234%	0.02104%	0.03322%	0.03447%	0.04925%	0.03227%	0.02186%
Proportionate Share of the Net Pension Liability	$ 3,514,994	$ 3,009,445	$ 1,016,446	$ 2,430,990	$ 2,155,679	$ 1,949,412	$ 2,059,738	$ 1,744,395	$ 1,329,846	$ 1,360,244
Covered Payroll	$ 1,217,072	$ 1,182,129	$ 1,521,503	$ 1,523,485	$ 1,517,774	$ 1,346,212	$ 1,306,040	$ 1,179,383	$ 1,095,485	$ 1,018,285
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	288.81%	254.58%	66.81%	159.57%	142.03%	144.81%	157.71%	147.91%	121.39%	133.58%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	75.94%	75.53%	86.61%	73.12%	73.37%	72.69%	71.74%	72.69%	77.27%	78.83%

Notes to Schedule:

Changes of Assumptions:

The discount rate to measure net pension liability was 7.5% as of June 30, 2014, 7.65% as of June 30, 2015 and 2016, 7.15% as of June 30, 2017 through 2021, and reduced to 6.90% as June 30, 2022.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016, and 2017, 2.50% as of June 30, 2018, 2019, 2020, and 2021, and was reduced to 2.30% as of June 30, 2022.

CITY OF SAND CITY
SCHEDULE OF CONTRIBUTIONS –
MISCELLANEOUS PLAN
LAST TEN YEARS*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 526,101	$ 411,443	$ 409,249	$ 380,620	$ 360,507	$ 322,974	$ 602,399	$ 284,073	$ 272,359	$ 232,159
Contributions in Relation to the Actuarially Determined Contributions	526,101	411,443	409,249	380,620	360,507	322,974	602,399	284,073	272,359	232,159
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,173,082	$ 1,065,856	$ 1,162,410	$ 997,179	$ 981,708	$ 980,084	$ 968,615	$ 964,572	$ 973,812	$ 957,621
Contributions as a Percentage of Covered Payroll	44.85%	38.60%	35.21%	38.17%	36.72%	32.95%	62.19%	29.45%	27.97%	24.24%

CITY OF SAND CITY
SCHEDULE OF CONTRIBUTIONS –
SAFETY PLAN
LAST TEN YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 291,584	$ 469,335	$ 435,826	$ 448,851	$ 392,595	$ 367,990	$ 404,055	$ 274,606	$ 213,436	$ 214,913
Contributions in Relation to the Actuarially Determined Contributions	291,584	469,335	435,826	448,851	392,595	367,990	404,055	274,606	213,436	214,913
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,216,490	$ 1,217,072	$ 1,182,129	$ 1,521,503	$ 1,523,485	$ 1,517,774	$ 1,346,212	$ 1,306,040	$ 1,179,383	$ 1,095,485
Contributions as a Percentage of Covered Payroll	23.97%	38.56%	32.01%	29.50%	25.77%	24.25%	30.01%	21.03%	18.10%	19.62%

CITY OF SAND CITY
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
LAST TEN YEARS*

Measurement Period:	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	$ 219,176	$ 204,315	$ 181,403	$ 180,004	$ 248,439	$ 241,203	$ 234,000
Interest on the Total OPEB Liability	192,493	176,460	172,776	158,964	202,924	178,950	157,000
Actual and Expected Experience Difference	206,216	-	(183,940)	-	(858,688)	-	-
Changes in Assumptions	28,387	76,993	-	(52,022)	(95,578)	-	-
Changes in Benefit Terms	52,030	-	(37,249)	-	-	-	-
Benefit Payments	(134,016)	(116,802)	(85,858)	(81,571)	(78,257)	(66,192)	(83,000)
Net Change in Total OPEB Liability	564,286	340,966	47,132	205,375	(581,160)	353,961	308,000
Total OPEB Liability - Beginning	2,809,274	2,468,308	2,421,176	2,215,801	2,796,961	2,443,000	2,135,000
Total OPEB Liability - Ending (a)	3,373,560	2,809,274	2,468,308	2,421,176	2,215,801	2,796,961	2,443,000
Plan Fiduciary Net Position:							
Contributions - Employer	134,472	117,116	86,077	81,784	78,451	316,453	2,733,000
Net Investment Income	256,381	(617,162)	994,521	123,517	203,252	224,625	173,000
Benefit Payments	(134,016)	(116,802)	(85,858)	(81,571)	(78,257)	(66,192)	(83,000)
Administrative Expense	(1,616)	(1,482)	(1,588)	(1,951)	(900)	(5,502)	(1,000)
Net Change in Plan Fiduciary Net Position	255,221	(618,330)	993,152	121,779	202,546	469,384	2,822,000
Plan Fiduciary Net Position - Beginning	3,990,561	4,608,891	3,615,739	3,493,930	3,291,384	2,822,000	-
Plan Fiduciary Net Position - Ending (b)	4,245,782	3,990,561	4,608,891	3,615,709	3,493,930	3,291,384	2,822,000
Net OPEB Liability/(Asset) - Ending (a)-(b)	$ (872,222)	$ (1,181,287)	$ (2,140,583)	$ (1,194,533)	$ (1,278,129)	$ (494,423)	$ (379,000)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	125.85%	142.05%	186.72%	149.34%	157.68%	117.68%	115.51%
Covered-Employee Payroll	$ 2,639,436	$ 2,282,066	$ 2,405,581	$ 2,505,193	$ 2,497,858	$ 2,314,827	$ 2,270,612
Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll	33.05%	51.76%	88.98%	47.68%	51.17%	21.36%	16.69%

Notes to Schedule:

*This schedule is intended to show information for 10 years. Fiscal year 2017 was the first year of implementation; therefore, only seven years are shown. Additional years' information will be displayed as it becomes available.

CITY OF SAND CITY
SCHEDULE OF CONTRIBUTIONS –
OPEB
LAST TEN YEARS*

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 15,842	$ 29,669	$ 79,024	$ 78,752	$ 239,000	$ 232,000	$ 225,000
Contributions in Relation to the Actuarially Determined Contributions	(16,585)	(134,472)	(117,116)	(86,077)	(81,784)	(78,451)	(83,000)
Contribution Deficiency (Excess)	$ (743)	$ (104,803)	$ (38,092)	$ (7,325)	$ 157,216	$ 153,549	$ 142,000
Covered Payroll	$ 2,943,728	$ 2,639,436	$ 2,282,066	$ 2,405,581	$ 2,505,193	$ 2,497,858	$ 2,314,827
Contributions as a Percentage of Covered Payroll	0.56%	5.09%	5.13%	3.58%	3.26%	3.14%	3.59%

* This schedule is intended to show information for 10 years. Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown. Additional years' information will be displayed as it becomes available.

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council Members
City of Sand City
Sand City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Sand City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Sand City's basic financial statements, and have issued our report thereon dated December 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Sand City's internal control over financial reporting (internal control) as basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sand City's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Sand 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of audit findings and responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sand City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Sand City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Sand City's response to the findings identified in our audit and described in the accompanying schedule of audit findings and responses. City of Sand City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
December 21, 2024

FINDING 2024-001 – Revenue Recognition

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The City incorrectly recognized revenue for funds received after the City's period of availability.

Criteria or specific requirement: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers revenues reported in the governmental funds to be available if they are collected within 60 days of year-end.

Effect: An audit adjustment of $961,399, decreasing revenues and increasing unavailable revenues was recorded in the General Fund.

Cause: The City received tax disbursements for FY23/24 on September 4, 2024, that were accrued back to FY 23/24, but were not reflected as unavailable revenue.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the City implement a review of significant revenues received in the months subsequent to year-end to determine proper timing for the recognition of revenues.

Views of responsible officials and planned corrective actions: The City will review Note 1 (C) of the audit report and consider a change in language to recognizes revenue that is collected within 90 days of the end of the fiscal year.

FINDING 2024-002 – Successor Agency Bank Reconciliation

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The City did not perform a timely reconciliation of the Successor Agency bank accounts prior to the submission of the trial balance for the audit.

Criteria or specific requirement: Cash reconciliations that reconcile from the bank balance to the general ledger balance should be performed in a timely manner for all accounts to ensure that the recording of transactions is accurate and proper.

Effect: Adjustments were required to be made to cash, long-term debt, revenues, and expenses during the course of the audit.

Cause: The City was backlogged on bank reconciliations due to the retirement of two key finance employees and being short staffed for the first half of FY23/24.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the City complete reconciliations of all bank accounts, including the Successor Agency, in a timely manner as part of its year-end closing process.

Views of responsible officials and planned corrective actions: The City finance department is now fully staffed and preparing the bank reconciliations monthly.

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an
SEC-registered investment advisor.

CliftonLarsonAllen LLP
CLAconnect.com

Honorable Mayor and City Council Members
City of Sand City
Sand City, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Sand City as of and for the year ended June 30, 2024, and have issued our report thereon dated December 21, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated August 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

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 City of Sand 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 2024.

We noted no transactions entered into by the entity 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 estimate(s) affecting the financial statements were:

- Management's estimate of the net pension liability and related deferred inflows/outflows of pension resources is based on actuarial valuation reports obtained from CalPERS. We evaluated the methods, assumptions, and data used to develop the net pension liability and related deferred inflows/outflows of pension resources and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net OPEB liability and related deferred inflows/outflows of OPEB resources is based on actuarial valuation reports obtained from a third-party specialist. We evaluated the methods, assumptions, and data used to develop the net OPEB liability and related deferred inflows/outflows of OPEB resources and related deferred inflows/outflows of pension resources and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

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Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

- Increase to unavailable revenue and decrease to revenues in the general fund of $961,000 for amounts received after the City's period of availability that had been incorrectly recognized as revenue.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 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 entity's financial statements or a determination of the type of auditors' 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.

Significant issues discussed with management prior to engagement

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

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the members of city council and staff schedule. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
December 21, 2024

AGENDA ITEM
8B.

Approve a Resolution Denying Phase I (Truck and Equipment Storage) of Conditional Use Permit (CUP 23-007) at 725 Dias Avenue and Approve a Resolution Approving a Conditional Use Permit (CUP 23-007) and Site Plan for a Food Truck Park and community event space ("The Yard") at 725 Dias Avenue

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Esme Wahl, Contract City Associate Planner
SUBJECT: Application for a Conditional Use Permit (CUP23-007) for Truck Storage (Phase I) and a Food Truck Park and Community Event Space (Phase II) on property located at 725 Dias Avenue (APN 011-192-003)
Applicant: Jeanne Colletto

DATE: January 21, 2025
DATE: February 18, 2025 (Revised)

RECOMMENDATION

A. Staff recommends the City Council adopt a Resolution, attached as **Attachment 1**, to:

1. Determine that CEQA does not apply to projects which are rejected or disapproved, in accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15061 (b)(4) and 15270 (a); and

2. Deny the subject Conditional Use Permit – Phase 1 of CUP 23-007 for a Truck and Equipment Storage Yard (Corporation Yard), based on Findings contained in Exhibit A of Attachment 1 - Findings for Denial.

B. Staff recommends the City Council adopt a Resolution, attached as **Attachment 2**, to:

1. Determine that the subject project is exempt from CEQA (Categorical Exemption Class 1, CEQA Guidelines §15332, In-Fill Development Projects); and

2. Approve the subject Conditional Use Permit - Phase II of CUP 23-007 for a food truck park and related site improvements and activities, based on findings in Exhibit A and subject to conditions of approval in Exhibit B of Attachment 2.

BACKGROUND
An application was submitted by Jeanne Colletto for a Conditional Use Permit (CUP 23-007) to utilize an approximately 6,700 square foot fenced, unimproved lot at 725 Dias Avenue (APN 011-192-003) as a truck and equipment storage yard (Phase I), for a period of two years, and thereafter as a food truck court and community event space Phase II. The applicant's letter of intent for the truck and equipment storage aspect of the Conditional Use Permit was submitted on September 9, 2024.

On January 21, 2025, the City Council conducted a public hearing to consider the following Phases I and II of the proposed project:

- Phase I: Truck and equipment storage; and
- Phase II: Food Truck Park and community event space.

On that date, the City Council considered the staff report, including an analysis of the consistency of both Phases I and II with the General Plan and Vibrancy Plan. The City Council also considered public testimony and then closed the public hearing. On the basis of that review, the City Council continued consideration of the Conditional Use Permit to the meeting of February 18, 2025 and directed staff to return on that date with:

- A revised resolution (Attachment 1) for Denial of Phase I (Corporation yard – single user truck and equipment storage) with necessary findings; and

- A revised resolution (Attachment 2) for Approval of Phase II (Food Truck Park) with necessary findings and conditions.

Conditional Use Permit
Under SCMC Section 18.13.040(J) a Conditional Use Permit is required for a food truck court and community event space in the MU-P Zoning District. Findings and related conditions of approval are included as Exhibits to Attachment 1, the City's Resolution for approval of Conditional Use Permit 23-007, and the Site Plan (attached).

FISCAL IMPACT:
There is no additional fiscal impact associated with this approval. The cost associated with the Conditional Use Permit, is the staff time already spent to bring this application to the City Council for its consideration.

CALIFORNIA ENVIRONMENTAL EQUALITY ACT (CEQA):
The intended use of the subject property qualifies for a categorical exemption, under California Environmental Quality Act (CEQA) guidelines section 15332, In-Fill Development Projects, consisting of uses consistent with the general plan and applicable

zoning designation, on a parcel within city limits on a project site of no more than five acres surrounded by urban uses, and with no value as habitat for endangered, rare or threatened species.

ATTACHMENTS:

1. Attachment 1 Resolution for Denial (Phase I Truck and Equipment Storage)
   Exhibit A Findings for Denial

2. Attachment 2 Resolution for Approval (Phase II Food Truck Park and Community Event Space)
   Exhibit A Findings for Approval
   Exhibit B Conditions of Approval

3. The following Exhibits are included as information:
   Exhibit 1: Location Map
   Exhibit 2: Aerial Map
   Exhibit 3: Site Photos
   Exhibit 4: Site Plan
   Exhibit 5: Letter of Intent
   Exhibit 6: Hazardous Materials Questionnaire

Attachment 1

RESOLUTION OF THE CITY COUNCIL OF SAND CITY DENYING PHASE I (TRUCK AND EQUIPMENT STORAGE) OF CONDITIONAL USE PERMIT (CUP 23-007) AT 725 DIAS AVENUE

ATTACHMENT 1

CITY OF SAND CITY
RESOLUTION SC ___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY DENYING PHASE I (TRUCK AND EQUIPMENT STORAGE) OF CONDITIONAL USE PERMIT (CUP 23-007) AT 725 DIAS AVENUE

WHEREAS, Jeanne Colletto (the "Applicant") submitted an application to the City of Sand City (the "City") for a Conditional Use Permit and Site Plan approval to utilize the Subject Property as a corporation yard for a hauling business for a time period of two (2) years (Phase I) and after a period of two (2) years to establish and operate a food truck park and community event space consisting of up to four (4) food trucks, four (4) pop-up shops, a stage, and 31 seats (Phase II) ("the Yard") within the approximately 6,700 square foot existing vacant lot at 725 Dias Avenue (APN 011-192-003); and

WHEREAS, the City Council, considered Phase I (Truck and Equipment Storage) of the proposed Conditional Use Permit (CUP 23-007), as described in the January 21, 2025 City Council staff report, related attachments and public testimony during a duly noticed Public Hearing before the City Council on January 21, 2025; and

WHEREAS, the City Council, considered the above requested use, public testimony, the evidence presented at the above referenced public hearing, and determined that Phase I (Truck and Equipment Storage) of the proposed project is *inconsistent* with policies of the General Plan and the Vibrancy Plan; and

WHEREAS, in accordance with California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(4) and 15270(a), the City Council acknowledges that CEQA does not apply to projects which are rejected or disapproved. Although the City Council considered potential environmental and health and safety concerns during their review of the Conditional Use Permit application, CEQA does not apply to the Phase I (Truck and Equipment Storage) of the subject Conditional Use Permit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby DENY Phase I (Truck and Equipment Storage) of the Conditional Use Permit CUP23-007 based on the Findings in Exhibit A attached hereto and incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Sand City this 18th day of February, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

5912361.1

EXHIBIT A

CITY OF SAND CITY
CONDITIONAL USE PERMIT CUP23-007 FINDINGS FOR DENIAL
PHASE I TRUCK AND EQUIPMENT STORAGE

Project Name: Conditional Use Permit (CUP23-007) for temporary Truck Storage (Phase I) and a Food Truck Park and Community Event Space (Phase II) ("the Yard")
Address: 725 Dias Avenue, Sand City, CA

Hearing Date: **January 21, 2025**

Continued Hearing Date: **February 18, 2025**

Findings for Denial of Phase I (only) (Truck and Equipment Storage):

The City Council finds that:

1. **Finding:** In accordance with California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(4) and 15270(a), the City Council, in considering Phase 1 of the proposed project, acknowledges that CEQA does not apply to projects which are rejected or disapproved. Although the City Council considered potential environmental and health and safety related concerns (e.g. noise, dust, lack of public infrastructure) during their review of the project application, CEQA does not apply to the Phase I (Truck and Equipment Storage) of the subject Conditional Use Permit.

2. **Finding:** The proposed Phase I use, for improvement and use of the subject property as a corporation yard for the storage of four (4) trucks, six (6) employee vehicles, and a shipping container for a hauling business for a period of two years (until January 21, 2027) is inconsistent with the policy direction of the General Plan, Vibrancy Plan, and the requirements and the intent of the City's Zoning Ordinance. Under the circumstances of the particular case, the proposed project will be detrimental to the public welfare of the community as follows:

    a. The proposed project, is inconsistent with the MU – D designation of the General Plan and the Vibrancy Plan. In particular, the proposed Phase I Truck and Equipment Storage project is inconsistent with the General Plan Goal 2.1 and which encourages new land uses that provide goods and services to the community in a manner that would further the Goals and Objectives of the Vibrancy Plan, including restaurants. The proposed use is inconsistent with General Plan Policy 2.1.2 which prohibits any new self-storage or purely

warehouse uses. The proposed use does not provide goods or services to the community on the subject property and is similar in nature to the referenced prohibited uses.

b. The project would not further transformation of the Old Town District to a compatible and complementary mix of commercial and residential land uses, and it would not contribute to the desired diversity of activities that would include artisans, markets, restaurants, entertainment and incubator industries. The proposed Phase I Truck and Equipment Storage project does not incorporate sufficient site or streetscape improvements with the required high degree of beautification that would further goals of the General Plan for this area. The sole activity of the site is that trucks would be parked and equipment stored overnight. Activity is limited to employee parking on the site during the day and trucks leaving the site in the morning and entering the site in the evening. (General Plan Goal 2.1, Policy 2.1.1).

d. The proposed project is inconsistent with Vibrancy Plan recommendations for commercial development in the area that would support transformation of the warehousing/manufacturing/commercial – service orientation of the core planning area to one oriented to retail and visitor- serving uses.

   In particular, the proposed Phase I Truck and Equipment Storage would impede and impair implementation of Vibrancy Plan tools LU-1d, LU-1h and ED-1 by not fostering "the greatest concentration of retail uses, restaurants, brew pubs, artists' studios, and entertainment venues…" Vibrancy Plan tool LU-1a, states, "It is anticipated that a transition away from these uses would occur over time as existing businesses elect to re-locate. Ideally, these uses could be re-located within the Vibrancy Area but outside the core area. Most such businesses are well-established at their locations, and transition is likely to be a long-term process."

   The proposed Phase I use would impede, rather than facilitate, the process of transition of the planning area to small - scale retail, entertainment and visitor-serving businesses due to the negligible improvements proposed, the characteristics of the proposed use including noise, dust, lack of public infrastructure, hauling truck traffic on adjacent streets, inadequate facilities for required ingress and egress, inadequate visual screening, substandard parking area surfacing and the undetermined characteristics of hauled material.

e. The proposed Phase I Truck and Equipment Storage use is inconsistent with the Purpose of MU-P Planned Mixed Use District to achieve land use compatibility among uses that "maintain and enhance economic viability for manufacturers, artisans and artists in the district", and to create "a more lively area of town" for employees, residents and visitors of the area. Proposed site improvements and the characteristics of the proposed use principally as a storage yard for trucks and equipment are inherently contrary to this purpose.

Evidence: The applicant's letter of intent dated September 12, 2023, City review of adopted plans and Zoning Ordinance regulations, the staff report dated January 21, 2025 describing the characteristics of the proposed Truck and Equipment Storage; the record of City Council deliberations dated January 21, 2025.

5913918.1

Attachment 2

Resolution of the City Council Of Sand City Approving Conditional Use Permit (CUP 23-007) And Site Plan For A Food Truck Park And Community Event Space ("the Yard") at 725 Diaz Avenue

ATTACHMNENT 2

CITY OF SAND CITY
RESOLUTION SC ___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY APPROVING A CONDITIONAL USE PERMIT (CUP 23-007) AND SITE PLAN FOR A FOOD TRUCK PARK AND COMMUNITY EVENT SPACE ("THE YARD") AT 725 DIAS AVENUE

WHEREAS, Jeanne Colletto (the "Applicant") submitted an application to the City of Sand City (the "City") for a Conditional Use Permit and Site Plan approval to utilize the Subject Property as a corporation yard for a hauling business for a time period of two (2) years (Phase I) and after a period of two (2) years to establish and operate a food truck park and community event space consisting of up to four (4) food trucks, four (4) pop-up shops, a stage, and 31 seats (Phase II) ("the Yard"), both Phases I and II located within the approximately 6,700 square foot fenced and vacant lot at 725 Dias Avenue (also fronting the 700 block of California Avenue, APN 011-192-003) (the "Subject Property"), (the "Applicant's Use"); and

WHEREAS, the City Council has determined that Phase I of the proposed Conditional Use Permit CUP 23-007 (Truck and Equipment Storage Yard), as described in the January 21, 2025 City Council staff report, related attachments and public testimony before the City Council on January 21, 2025, is inconsistent with policies of the General Plan and the Vibrancy Plan and has denied this use of the property as recommended in staff report dated February 18, 2025 and set forth in Attachment 1 (Resolution Denying Phase I, truck and equipment storage use), of the staff report dated February 18, 2025; and

WHEREAS, the City Council has determined that Phase II of the proposed Conditional Use Permit (food truck park), as described in the January 21, 2025 staff report and related attachments and in public testimony before the City Council on January 21, 2025, is consistent with policies of the General Plan and the Vibrancy Plan and has directed staff to bring back a resolution for approval this use of the property as recommended in the staff report dated February 18, 2025 and as set forth herein.

Applicant's Use of the subject property for a food truck park and community event space, at the scale and intensity described in the application and in the staff report dated January 21, 2025 and, with some modifications to the appropriate conditions of approval included, is consistent with General Plan Policy 2.1.1 and Municipal Code section 18.13.040.P for the non-coastal "Planned Mixed-Use" (MUP) zoning designation of the Subject Property and compatible with neighboring properties and uses; and

WHEREAS, pursuant to AB 2097 the project is not required to comply with City parking requirements; however, the project is required to meet ADA parking requirements; and

WHEREAS, the Applicant's proposed use is subject to Municipal Code section 8.04 (Loud Noises) and is prohibited from generating excessive noise, vibration, odors, and/or pose a general nuisance to neighboring properties or the tenants therein; and

WHEREAS, the Applicant is required to obtain all necessary approvals for water, sewer, gas and electric from Monterey Peninsula Water Management District, Seaside County Sanitation District, and Pacific Gas and Electric prior to issuance of building permits; and

WHEREAS, if it is determined by the Monterey Peninsula Water Management District that the on-site water credit is insufficient for the Applicant's Use, the Applicant will be required to receive a water allocation from the City prior to issuance of building permits;

WHEREAS, the type and scale of operation of the food truck park proposed by the Applicant are considered compatible with a mixed-use community and is not anticipated, as conditioned, to impose negative impacts or blighting influence upon the surrounding units and properties; and

WHEREAS, the Applicant's proposed use within an urban lot qualifies for a Categorical Exemption under CEQA (California Environmental Quality Act) Guidelines, Section 15332 (Infill Development); and

WHEREAS, the City Council of the City of Sand City has reviewed and wishes to adopt the findings and conditions for approval of a food truck park and community event space, Conditional Use Permit CUP23-007, as supported by the City staff report dated January 21, 2025.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby APPROVE Phase II (Food Truck Park and Community Event Space) of Conditional Use Permit CUP23-007 and approve the Site Plan, based on the Findings of Approval in Exhibit A and subject to Conditions of Approval in Exhibit B, which are attached hereto and incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Sand City this 18th day of February, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

5915698.1

EXHIBIT A

CITY OF SAND CITY
CONDITIONAL USE PERMIT CUP23-007 FINDINGS FOR APPROVAL
PHASE II FOOD TRUCK PARK

Project Name: Conditional Use Permit (CUP23-007) for a Food Truck Park and Community Event Space (Phase II) ("the Yard")
Address: 725 Dias Avenue, Sand City, CA

Hearing Date: January 21, 2025

Continued Hearing Date: February 18, 2025

Findings for Approval:

The City Council finds that:

1. **Finding:** The proposed project is exempt from the requirements of the California Environmental Quality Act. The intended use on this property qualifies for a categorical exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15332, Class 32, Infill Development.

   Evidence: The staff report dated January 21, 2025, related exhibits and public testimony. The proposed project is fully surrounded by urban uses and the subject property has no value as habitat for endangered species. The proposed project, as conditioned, is consistent with applicable General Plan policies and zoning regulations.

2. Finding: The proposed use, which allows for the establishment of a food truck park and community event space, including up to four (4) food trucks, four (4) pop-up shops, restrooms and hand wash stations, 31 seats, a bike rack, firepits, a water storage tank, two (2) foot tall retaining wall, a stage and assembly area, and play structure, conforms to the policy direction of the General Plan.

   Evidence: The proposed project, as defined in the Applicant's letter of intent, the staff report, and as conditioned, is consistent with the MU – D designation of the General Plan and the Vibrancy Plan. Use of the subject property as a food truck court and community event space is consistent with General Plan Goal 2.1 and Policies 2.1.1 and 2.1.2 which encourage new land uses that provide goods and

services to the community, including restaurants and is consistent with Vibrancy Plan LU-1e which encourages establishment of locations for use by food trucks;

3. **Finding:** The proposed Phase II Food Truck Park and Community Event Space use is consistent with the purpose and regulations of the Planned Mixed Use (MU-P) District to achieve land use compatibility among uses that maintain and enhance economic viability for Sand City to create a livelier town center for employees, residents and visitors of the area.

   Evidence: The establishment of a food truck court and community event space with the intended use types as described in CUP24-077 and on the Site Plan is allowed under the MU-P zoning regulations (SCMC 18.13.040.P) with an approved Conditional Use Permit. The proposed project complies with the zoning regulations and purpose of the Planned Mixed Use (MU-P) outlined in Sand City Municipal Code Chapter 18.13 (MU-P), including, but not limited to, height, setbacks, and allowable area.

   The intended use type for the subject property is compatible with the surrounding land uses also within the Planned Mixed-Use (MU-P) Zoning District. The property is predominantly surrounded by light industrial and commercial uses. The nearest residence is across the street on Dias Avenue, less than 100-feet away. Adjacent to the east, the property is owned by the same property owner and approved by the City Council, on January 21, 2025, for a Conditional Use Permit to allow a coffee roastery. Adjacent to the west of the subject property is a commercial building.

4. **Finding:** Any additional conditions stipulated by the City Council as deemed necessary in the public interest will be met:

   Evidence: As conditioned, the project complies with parking requirements, requirements for commercial driveways, requirements for trash enclosures, and landscaping.

5. **Finding**: Such use will not, under the circumstances of the particular case, constitute a nuisance or be detrimental to the public welfare of the community:

   Evidence: Prior to issuance of building permits, the Applicant must obtain utility connections, including water, electricity, gas, and sewer;

   Evidence: Water allocation to accommodate the proposed use will require City Council approval (Condition #13);

Evidence: Trash receptacles will be screened by a fully roofed and covered trash enclosure with a connection to the sanitary sewer;

Evidence: The Applicant's Use is not anticipated to pose an impediment of traffic flow;

Evidence: The subject property must comply with Sand City Municipal Code 8.04 (Loud Noises) and events and food service is not allowed past 9:00 PM; and

Evidence: Special events that do not fall into the hours of operation or exceed 100 attendees will be required to obtain a special event permit.

EXHIBIT B

CITY OF SAND CITY
CONDITIONAL USE PERMIT CUP23-007 CONDITIONS OF APPROVAL

Project Name: Conditional Use Permit (CUP23-007) for a Food Truck Park and Community Event Space (Phase II) ("the Yard")
Address: 725 Dias Avenue, Sand City, CA
Hearing Date: February 18, 2025

Conditions of Approval:

A. Permit Terms:

1. Purpose: The Use Permit (CUP23-007) allows for the establishment of a food truck park and community event space, including up to four (4) food trucks, four (4) pop-up shops, restrooms and hand wash stations, 31 seats, a bike rack, firepits, a water storage tank, two (2) foot tall retaining wall, a stage and assembly area, and play structure. There shall be no expansion to the scope or intensity of the Applicant's Use beyond that as authorized by CUP23-007 and the Site Plan approval without either an amendment of said Permit or the issuance of a new land use entitlement permit.

2. Validity: Conditional Use Permit CUP23-007, is not valid, and project use(s) shall not commence, until two (2) copies of this Resolution/Permit, signed by the permittee and landowner, acknowledging receipt of the Resolution/Permit and acceptance of the terms and conditions, are returned to the City's Planning Department. Failure of the applicant to return the two (2) copies of the signed Resolution/Permit within thirty (30) days from the date of City Council approval shall cause said Conditional Use Permit to become null and void unless good cause to grant an extension is approved by the City Manager.

3. Violation: If the City determines any term, condition, and/or requirements of Conditional Use Permit CUP23-007 has been violated, written notice shall be issued to the property owner, that if such violation is not corrected or removed within a specified time, a public hearing may then be scheduled where the City Council may consider amending or revoking the Conditional Use Permit CUP23-007 and may then order said Permits amended or revoked. The Applicant and owner of the Subject Property shall be notified

of any such public hearing, and provided an opportunity to address the City Council prior to any action by the City Council to terminate CUP23-007.

4. Indemnification: The property owner agrees, as a condition of the approval of this discretionary development permit, to defend with counsel approved by the City, indemnify, and hold harmless the City of Sand City, its agents, officers, and employees from any legal claims or actions that seek to challenge, void, or annul the permit approval, as outlined in applicable laws. The property owner will reimburse the City for any court costs and attorney's fees the City is required to pay as a result of such actions.

B. Conditional Use Permit Special Conditions:

5. Revised Site Plan: A revised and final Site Plan shall be submitted within two (2) years of approval of this permit and include all permit conditions and requirements, to be approved by the City Planner and City Manager.

6. Property Maintenance: The site shall be maintained in a clean, orderly, weed-free, and litter-free condition. The property owner shall be responsible for maintenance and upkeep of the entire property.

7. Fencing: Prior to final occupancy approval, the Applicant shall remove and replace any deteriorated fencing and implement the proposed landscape plan.

8. Hours of Operation: Operation of the Subject Property for the Applicant's Use shall only occur between the hours of 7:00 a.m. to 9:00 p.m. daily. A Special Event Permit shall be obtained for events that would occur past 9:00 pm or expect more than 100 attendees.

9. Sale of Alcohol: This permit shall constitute the local zoning permit only for ABC permits types limited to on-site sale of beer and wine (with minors allowed) such as Type 41 On – Sale Beer and Wine – Eating Place or Type 47 On Sale General – Eating Place or other type qualified pursuant to ABC regulations.

10. On-Site Parking: One (1) ADA van accessible space shall be provided on the Subject Property.

11. Noise: The Subject Property shall comply with Sand City Municipal Code 8.04 (Loud Noises). There shall be no noise or activity that disturbs the peace and quiet of neighboring businesses or residents. In the event of a complaint regarding activities on the property, the property owner and/or onsite manager shall respond within thirty (30) minutes from time of notification of any issue to address concerns/complaints pertaining, but not limited to, disorderly or unlawful conduct on the subject property, overcrowding, or unreasonable noise or other requirements or limits specified in the Sand City Municipal Code, the City's administrative policies or procedures, or other governing law.

12. Loading/Unloading: Deliveries/shipments and/or loading/unloading activities of inventory and/or products related to the Applicant's operation at the subject property shall not impede public vehicular circulation on City streets. All deliveries/shipments and loading/unloading of items associated with the Applicant's Use shall only occur on-site and between the hours of 8AM and 5PM.

13. Refuse storage & pickup: Trash, litter, boxes, crates, debris, or other used and/or discarded materials generated by the Applicant's Use shall be stored within the appropriate waste collection receptacle(s). All outdoor waste receptables/bins shall be contained within sight-obscuring enclosures. Plans for trash or material enclosures shall be reviewed and approved by the City Manager or designee and installed prior to final occupancy approval.

14. Signs: Any sign anywhere on the Subject Property, identifying the Applicant's business and/or Use, shall be reviewed and approved, in the issuance of a sign permit by the Sand City Design Review Committee (DRC) prior to establishment of any such sign on the Subject Property. The Applicant shall not place any free-standing sign anywhere within City limits without approval.

15. Hazardous Material: No hazardous materials will be stored or used on-site.

16. Restrooms: A minimum of two fully ADA accessible restrooms with flush toilets and handwashing facilities are required on-site.

17. Circulation: A fully accessible path of travel between all entrances and exits shall be required. The path of travel shall be ADA compliant and the path material shall be subject to City review and approval.

18. Air District: The Applicant shall be responsible for complying with applicable rules and regulations of the Monterey Bay Air Resources District. Failure to comply shall be sufficient grounds for City termination of CUP23-007.

19. Landscaping**:** Landscaping must conform to the plans dated November 2024 and to the revised plans as required by condition B7.

20. Irrigation: Applicant is required to maintain landscaping in good, healthy condition.

C. Building Department:

21. Building and Fire Code: The Applicant shall comply with all applicable Building and Fire code requirements. Building permits will need to be acquired for all construction related activities, including construction of restrooms, stage, and trash enclosures, subject to approval of the City Building Official.

22. Trash Enclosure: The trash enclosure shall be fully roofed and covered with a sanitary sewer connection. A fire sprinkler shall be installed within the trash enclosure. Trash dumpsters shall be sited in a location with sufficient access for pick-up, subject to review and approval of the Building Official. Except on a designated trash collection day, said waste receptacle(s) shall be screened and/or enclosed from public view. The property owner shall be responsible for arranging and providing waste

hauler access for standard pick-up services, subject to review and approval of the City Building Official.

23. Electric and Gas: Prior to issuance of building permits, the Applicant shall be required to install electrical and gas services as needed for the project.

24. Lighting: A lighting plan shall be submitted for approval by the Planning Department to indicate the type and location of exterior lighting and to provide a code compliant exit path of travel.

25. Retaining Walls: If required for the Project, retaining walls greater than four (4) feet in height from bottom of footing to top of wall shall be structurally engineered and shall require a building permit. Retaining walls shall be located on-site and entirely within the property. Retaining walls shall be reviewed and approved by the City Building Official.

D. City Engineer:

26. Public Improvements: Public improvements required for the project shall be designed and installed by the Applicant in accordance with City standards and requirements, and to the satisfaction of the City Engineer. All public improvements shall be shown on public improvement plans and shall be designed by a California licensed professional civil engineer.

    a. Driveways: The existing driveway on California Avenue does not meet the City standard for a commercial driveway. The Applicant shall install a new driveway on California Ave. and on Dias Ave. to serve the use. All driveways shall be installed per City standards and requirements prior to commencement or any operation of the proposed food truck park use.

    b. Utility Improvement Plans: Before operation of the Food Truck Yard may begin, the applicant shall install any utilities that are required for the Project. The Applicant shall submit a Utility Improvement Plan showing how utilities will serve the property. The Utility Improvement Plans shall identify all utilities and connections required for the Project, including but not limited to storm drainage, sanitary sewer, water, electric, gas,

telephone, cable, and associated infrastructure. Any trenching of street asphalt pavement and/or concrete for utility connections shall require an Encroachment Permit and shall be replaced per City standards and requirements.

c. Encroachment Permits: An encroachment permit shall be required for any work within public rights-of-way and/or easements. An encroachment permit shall be issued based upon final, approved public improvement plans and an engineer's estimate for the work to be performed. The Applicant shall submit an encroachment permit application to the City and shall pay all fees associated with the processing and review of the permit. All encroachment permits shall be subject to review and approval by the City Engineer.

d. Coordination of Plans: All public and site improvement plans (architectural, civil, electrical, landscaping, etc.) shall be fully coordinated with each other to ensure that the improvements may be constructed safely and without conflict with one another.

27. Stormwater Management: The project shall comply with applicable requirements of Sand City Municipal Code (SCMC) 13.05 Stormwater Management and the City's Phase 2 National Pollutant Discharge Elimination System (NPDES) General Permit, including the Post-Construction Stormwater Management Requirements for Development Projects in the Central Coast Region (PCRs).

    a. Water Runoff: The Applicant and/or the Use, and the employees and patrons thereof, shall not create water run-off within the City in accordance with Chapter 13.05 of the Sand City Municipal Code regarding Storm Water Management. The Applicant is prohibited from washing dust, debris, or particulate into the street, storm drain, and/or sewer system. There shall be no washing of vehicles on the Subject Property or within any public right-of-way in Sand City.

    b. Determination: The Applicant shall complete a Stormwater Compliance Tracking Form or similar documentation for review by the City Engineer, to determine whether the Project is subject to these requirements.

c. Stormwater Control Plan (SWCP) : If applicable, the Applicant shall prepare and submit a Stormwater Control Plan (SWCP) for the Project demonstrating compliance with the PCRs. The SWCP shall be prepared by a California licensed professional civil engineer. The SWCP shall be prepared in accordance with the latest adopted Stormwater Technical Guide (STG) and templates.

d. Agreement Regarding Maintenance and Right of Entry for Stormwater Control Measures: If determined that the Project is subject to the PCRs and structural Stormwater Control Measures (SCMs) are required, the Applicant shall enter into a written agreement with the City to provide for the long-term operation and maintenances of all SCMs. This agreement shall provide for ongoing maintenance and verification of maintenance by the Owner and any successors in interest, among other provisions. This agreement shall be based on the City's latest adopted template and shall be prepared per City requirements. A fully executed copy of this Agreement shall be required prior to use of the site.

e. Operation and Maintenance Plan (OMP): If determined that the Project is subject to the PCRs and structural SCMs are required, the Applicant shall prepare and submit an OMP that establishes, identifies, directs, and records the operation and maintenance of all Project SCMs. The OMP shall be prepared by the project civil engineer in accordance with City requirements and the City's latest adopted Stormwater Technical Guide (STG) and templates.

f. Certification of SCMs: If determined that the Project is subject to the PCRs and SCMs are required, the Applicant shall provide written certification by a California licensed professional civil engineer that all Project SCMs were constructed in accordance with the Project's approved improvement plans and SWCP. The certification shall meet City requirements and shall be signed and stamped by a California licensed civil engineer. The certification shall be provided to the City prior to the issuance of any certificate of occupancy for the Project.

g. Best Management Practices (BMPs) : During all phases of construction and/or land disturbance activities, the Project shall implement site-specific BMPs to protect water quality and prevent storm water pollution, as required by SCMC 13.05 Stormwater Management. The Application shall submit an Erosion and Sediment Control Plan (ESCP) or Water Pollution Prevention Plan (WPPP), as applicable, for review and approval by the City Engineer, prior to the issuance of any grading and/or building permit(s).

E. Agency Requirements

28. Water: Prior to issuance of building permits, the Applicant must obtain a Water Permit from the Monterey Peninsula Water Management District (MPWMD). The Applicant must follow all water efficiency standards as set forth by the Water Permit. If additional water credits are required for the Change of Use, further water allocation will require separate City Council approval. The approval of the Conditional Use Permit (CUP23-007) does not convey water to the property.

29. Sewer: Prior to issuance of building permits, the Applicant must obtain a sewer permit for this Change of Use from the Seaside County Sanitation District / Monterey One Water.

30. Agency/Department Compliance: All requirements of the City's Planning, Building, Fire, Public Works, and Engineering Departments, and the requirements of any Agencies with Jurisdiction (AWJ) over the project, including but not limited to: California American Water, Monterey Peninsula Water Management District, Seaside County Sanitation District (SCSD), Monterey One Water, and the Monterey County Health Department shall be implemented to the satisfaction of each agency/department. All requirements of AWJ over the project shall be met to the satisfaction of the City prior to issuance of any building permits and/or certificates of occupancy for the project.

31. Water and Sewer: All water and sewer improvements shall be designed and constructed in accordance with the standards and specifications of California American Water (Cal-Am) and the SCSD, and to the satisfaction

of the City Engineer. The Applicant shall provide approvals from both Cal-Am and the SCSD for all water and sewer improvements, and/or connections.

F. General Requirements:

32. Examination of Plans: All site and improvement plans, documents, reports, and supporting materials for the Project shall be reviewed and approved by the City prior to the issuance of any building or encroachment permits. Any and all requirements specified by the City during the plan review process shall be implemented to the satisfaction of the City.

33. Building Permit: The Applicant must obtain a building permit, and all City final approvals must be granted before any food service may commence.

34. Applicant must comply with all City rules and regulations, including but not limited to the City's Building Department's rules and regulations.

35. Applicant must comply with all applicable rules and regulations including but not limited to Monterey County Department of Consumer Health rules and regulations.

36. Interpretation: Any questions of intent or interpretation regarding any condition of Use Permit CUP23-007 shall be resolved by the City Manager or Designee.

37. Business License: The Applicant shall acquire, maintain, and annually renew a Sand City business license for the duration of the Applicant's Use at the Subject Property. Failure to maintain a current Sand City business license may be sufficient grounds for termination of CUP23-007.

_____ _____

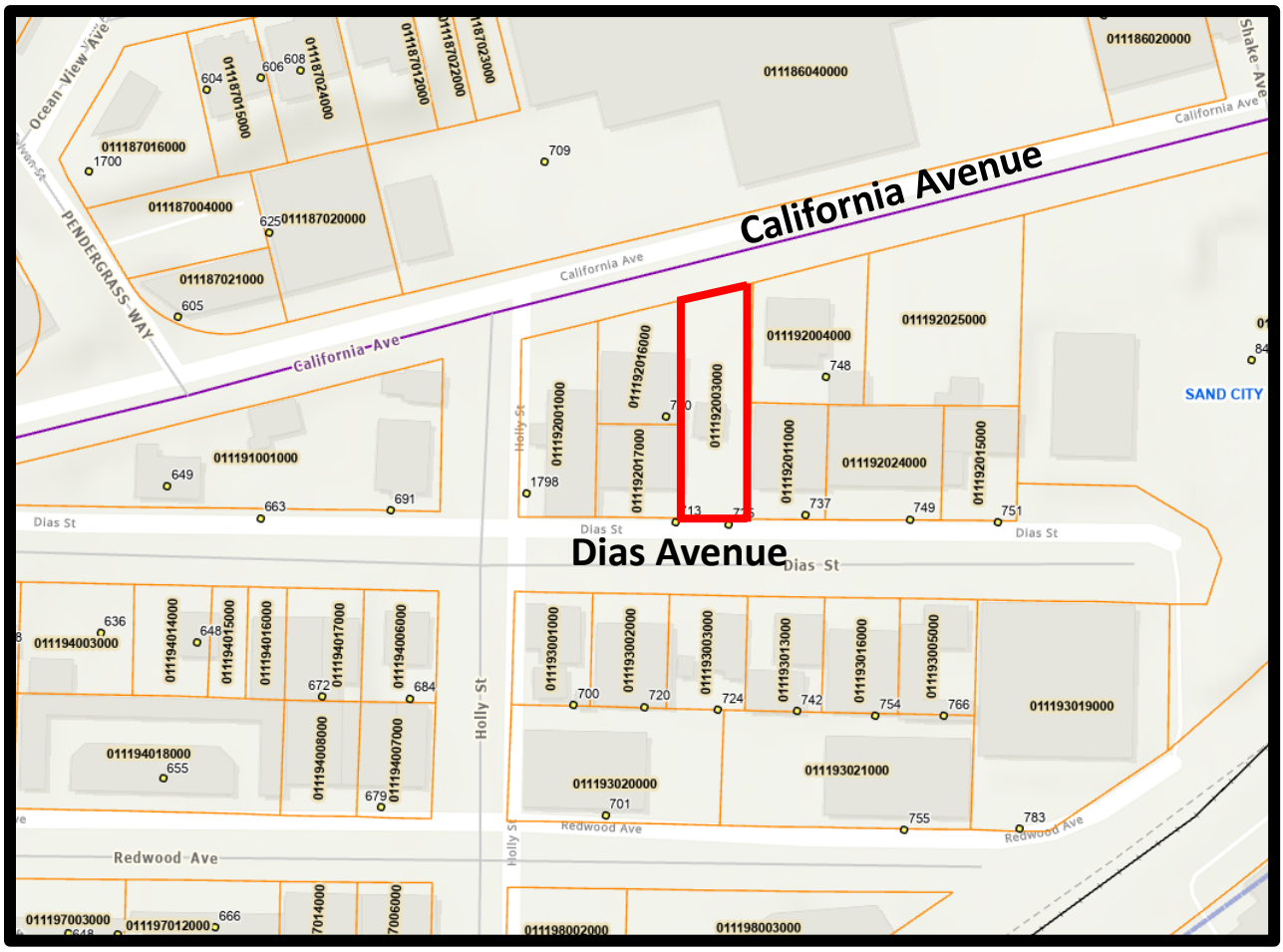
Applicant Signature Date

_____ _____

Property Owner Signature Date

EXHIBIT B
CUP23-007 CONDITIONS OF APPROVAL

EXHIBIT 1
LOCATION MAP

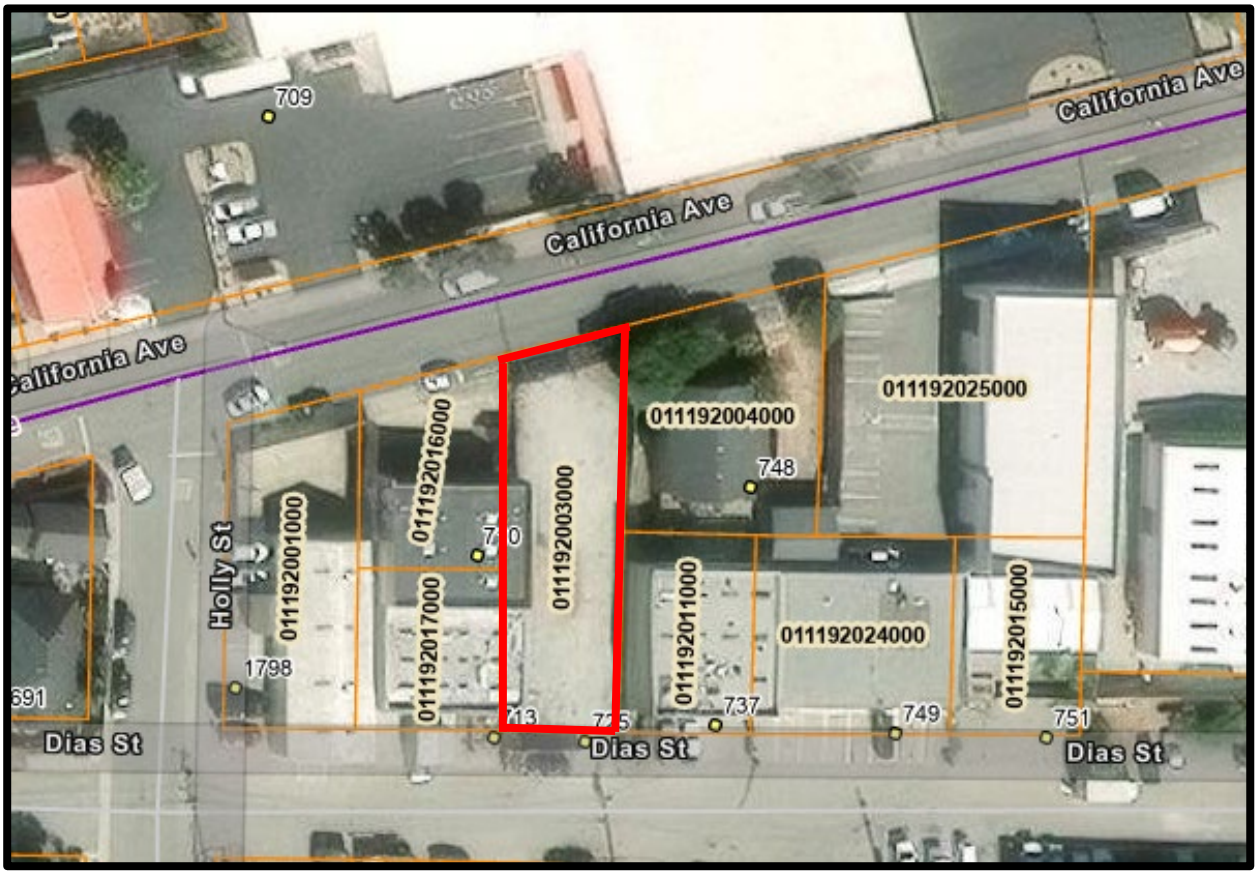


Project Site

N

EXHIBIT 1
CUP23-007 LOCATION MAP

EXHIBIT 2
AERIAL MAP



Project Site

Parcel Lines

N

EXHIBIT 2
CUP23-007 AERIAL MAP

EXHIBIT 3
SITE PHOTOS

California Avenue



Dias Avenue

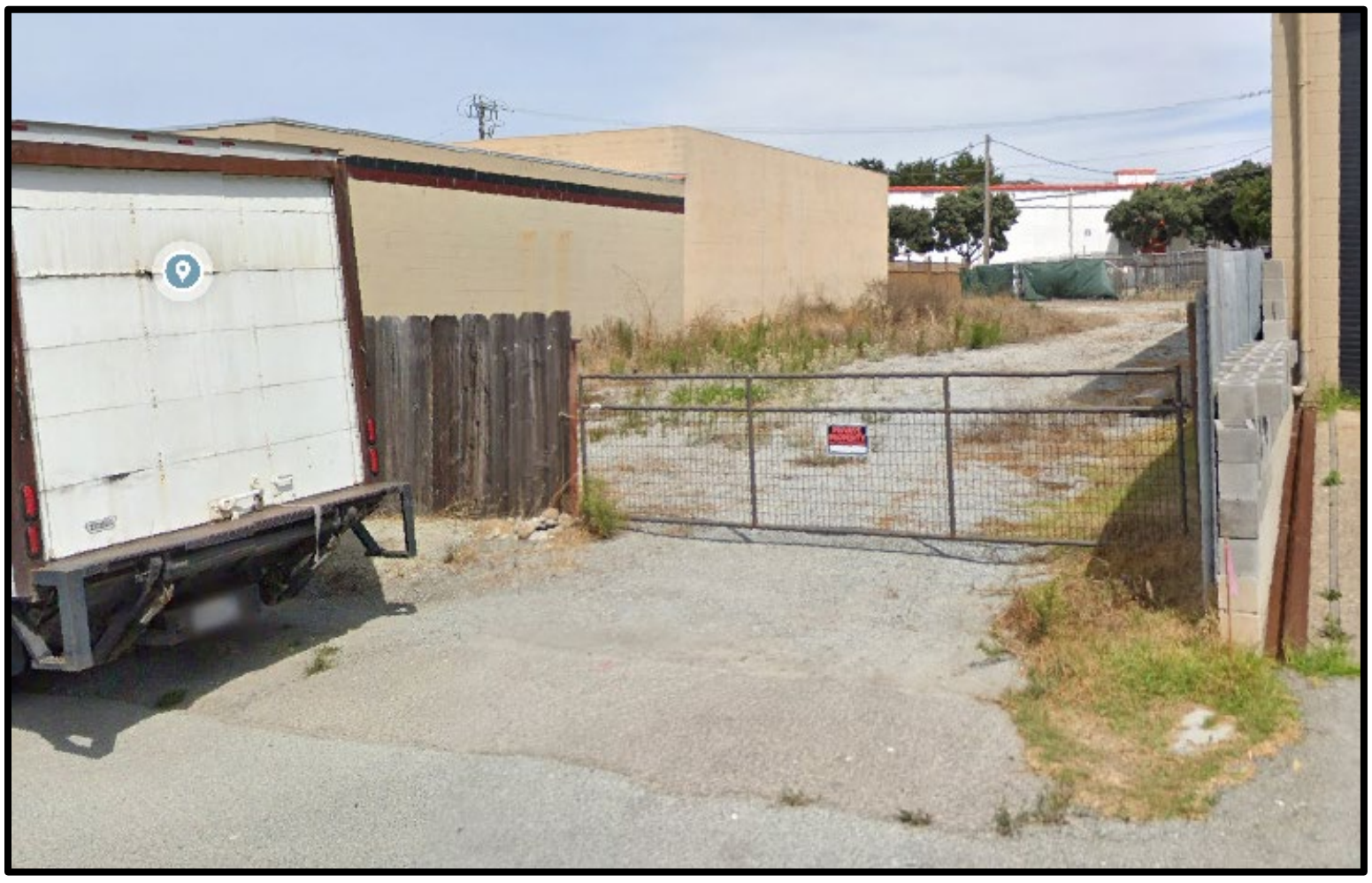
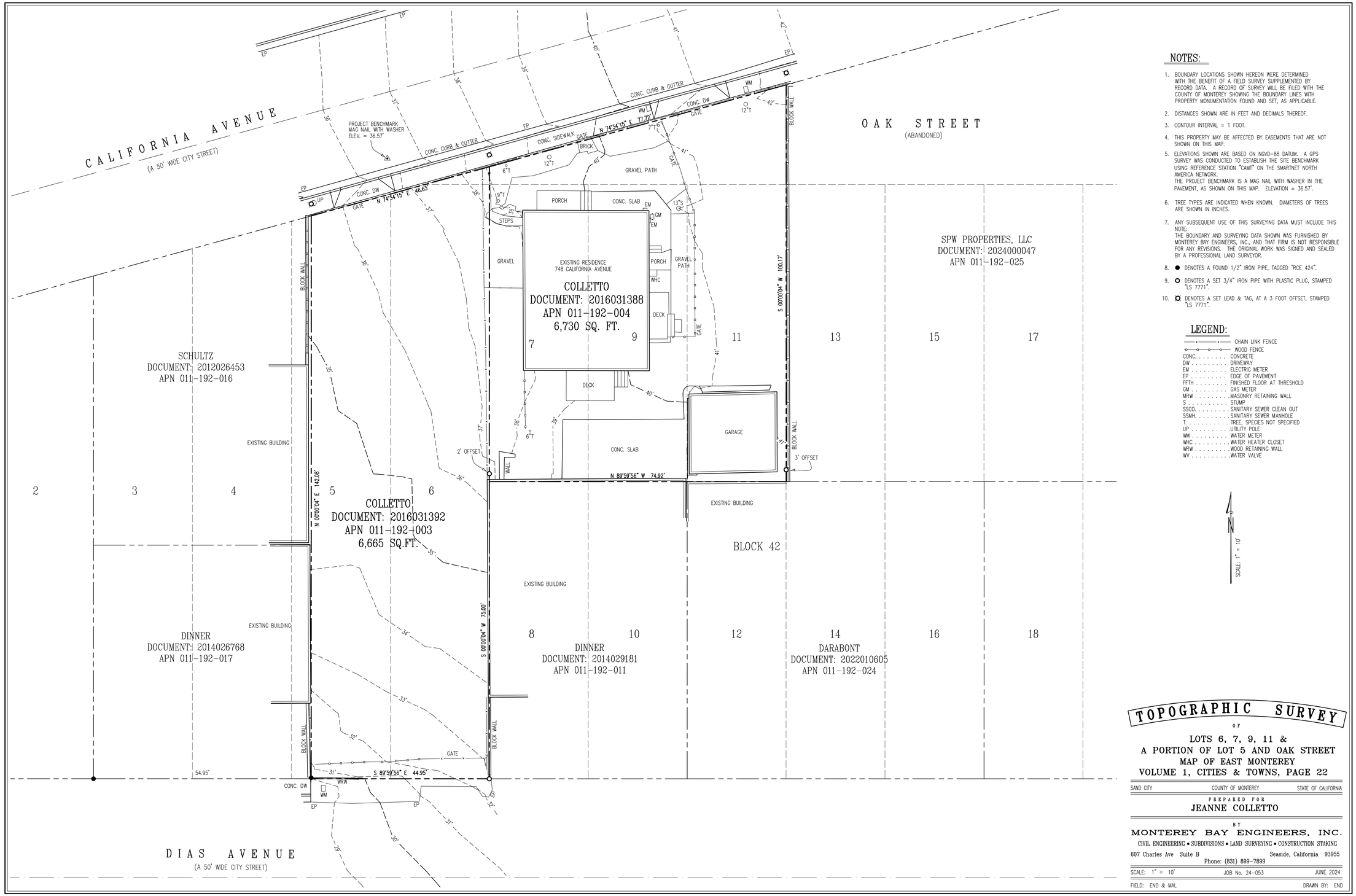


Exhibit 4 Site Plan



NOTES:

1. BOUNDARY LOCATIONS SHOWN HEREON WERE DETERMINED WITH THE BENEFIT OF A FIELD SURVEY SUPPLEMENTED BY RECORD DATA. A RECORD OF SURVEY WILL BE FILED WITH THE COUNTY OF MONTEREY SHOWING THE BOUNDARY LINES WITH PROPERTY MONUMENTATION FOUND AND SET, AS APPLICABLE.
2. DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.
3. CONTOUR INTERVAL = 1 FOOT.
4. THIS PROPERTY MAY BE AFFECTED BY EASEMENTS THAT ARE NOT SHOWN ON THIS MAP.
5. ELEVATIONS SHOWN ARE BASED ON NGVD-88 DATUM. A GPS SURVEY WAS CONDUCTED TO ESTABLISH THE SITE BENCHMARK USING REFERENCE STATION "CAMT" ON THE SMARTNET NORTH AMERICA NETWORK.
   THE PROJECT BENCHMARK IS A MAG NAIL WITH WASHER IN THE PAVEMENT, AS SHOWN ON THIS MAP. ELEVATION = 36.57'.
6. TREE TYPES ARE INDICATED WHEN KNOWN. DIAMETERS OF TREES ARE SHOWN IN INCHES.
7. ANY SUBSEQUENT USE OF THIS SURVEYING DATA MUST INCLUDE THIS NOTE:
   THE BOUNDARY AND SURVEYING DATA SHOWN WAS FURNISHED BY MONTEREY BAY ENGINEERS, INC., AND THAT FIRM IS NOT RESPONSIBLE FOR ANY REVISIONS. THE ORIGINAL WORK WAS SIGNED AND SEALED BY A PROFESSIONAL LAND SURVEYOR.
8. ● DENOTES A FOUND 1/2" IRON PIPE, TAGGED "RCE 424".
9. ○ DENOTES A SET 3/4" IRON PIPE WITH PLASTIC PLUG, STAMPED "LS 7771".
10. ⌑ DENOTES A SET LEAD & TAG, AT A 3 FOOT OFFSET, STAMPED "LS 7771".

LEGEND:

- CHAIN LINK FENCE
- WOOD FENCE
- CONC. . . . . CONCRETE
- DW . . . . . DRIVEWAY
- EM . . . . . ELECTRIC METER
- EP . . . . . EDGE OF PAVEMENT
- FFTH . . . . . FINISHED FLOOR AT THRESHOLD
- GM . . . . . GAS METER
- MRW . . . . . MASONRY RETAINING WALL
- S . . . . . STUMP
- SSCO. . . . . SANITARY SEWER CLEAN OUT
- SSMH. . . . . SANITARY SEWER MANHOLE
- T. . . . . TREE, SPECIES NOT SPECIFIED
- UP . . . . . UTILITY POLE
- WM . . . . . WATER METER
- WHC . . . . . WATER HEATER CLOSET
- WRW . . . . . WOOD RETAINING WALL
- WV . . . . . WATER VALVE

TOPOGRAPHIC SURVEY

OF

LOTS 6, 7, 9, 11 &
A PORTION OF LOT 5 AND OAK STREET
MAP OF EAST MONTEREY
VOLUME 1, CITIES & TOWNS, PAGE 22

SAND CITY | COUNTY OF MONTEREY | STATE OF CALIFORNIA

PREPARED FOR
JEANNE COLLETTO

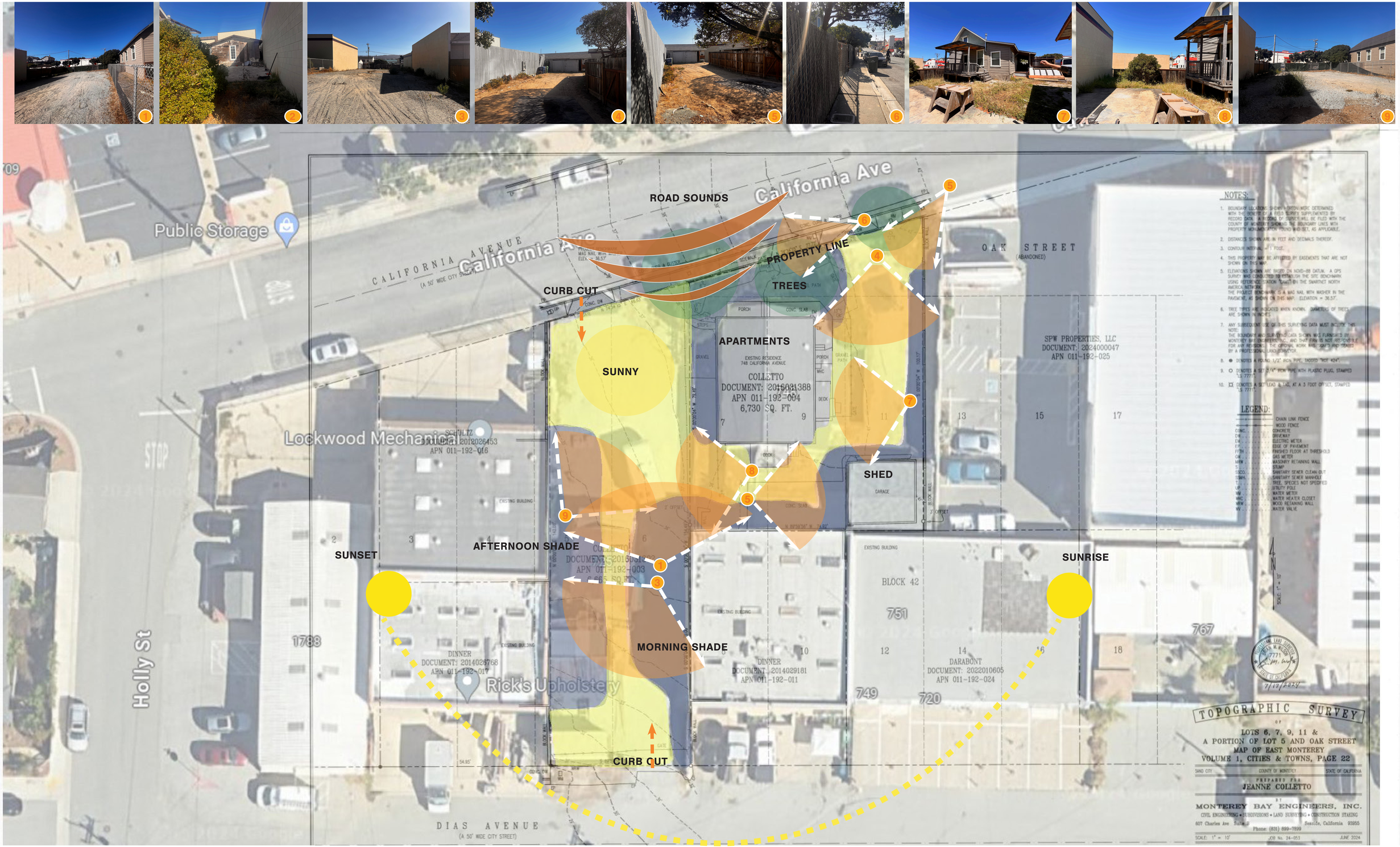
BY
MONTEREY BAY ENGINEERS, INC.
CIVIL ENGINEERING • SUBDIVISIONS • LAND SURVEYING • CONSTRUCTION STAKING
607 Charles Ave Suite B Seaside, California 93955
Phone: (831) 899-7899

SCALE: 1" = 10' | JOB No. 24-053 | JUNE 2024
FIELD: END & MAL | DRAWN BY: END

THE YARD SCHEMATIC LANDSCAPE DESIGN PACKAGE

OWNER: JEANNE COLLETTO, (831)917-6010 APN 011-192-003 PMU PARCEL

WILD LAND WORKSHOP
LANDSCAPE ARCHITECTURE
MONTEREY,CA (831)238-8459



L0.00 SITE ANALYSIS

LOT 6,7,9,11 EAST MONTEREY

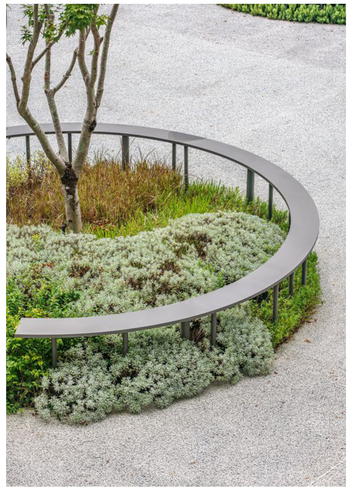
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NOVEMBER 2024





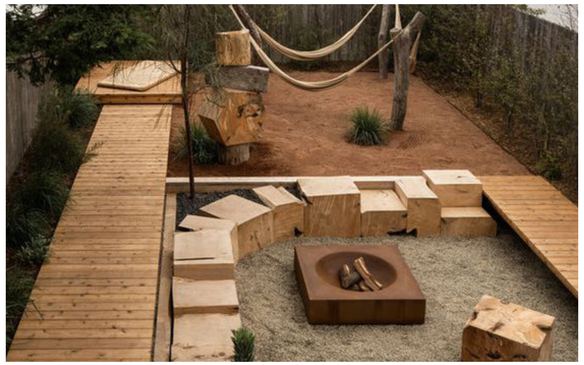








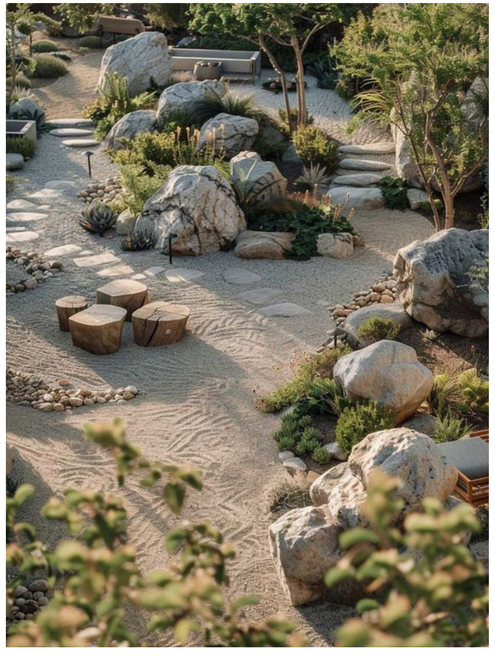












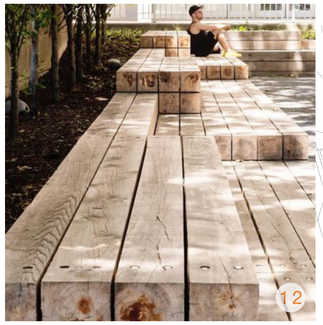






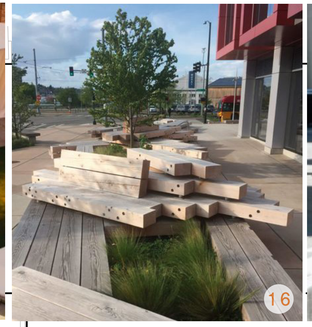
DESIGN PRECEDENTS

LOT 6, 7, 9, 11 EAST MONTEREY



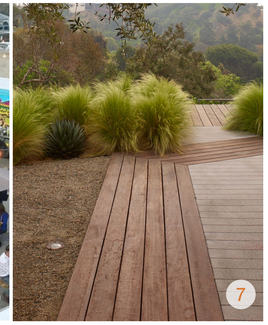


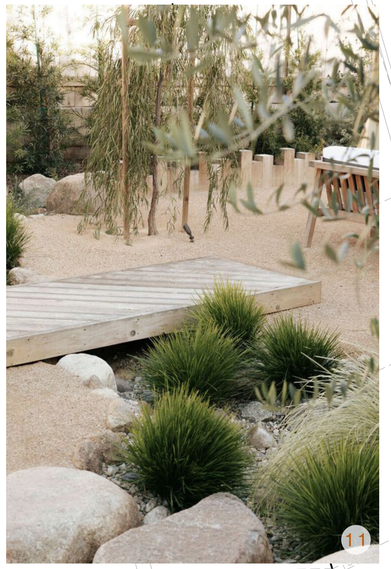




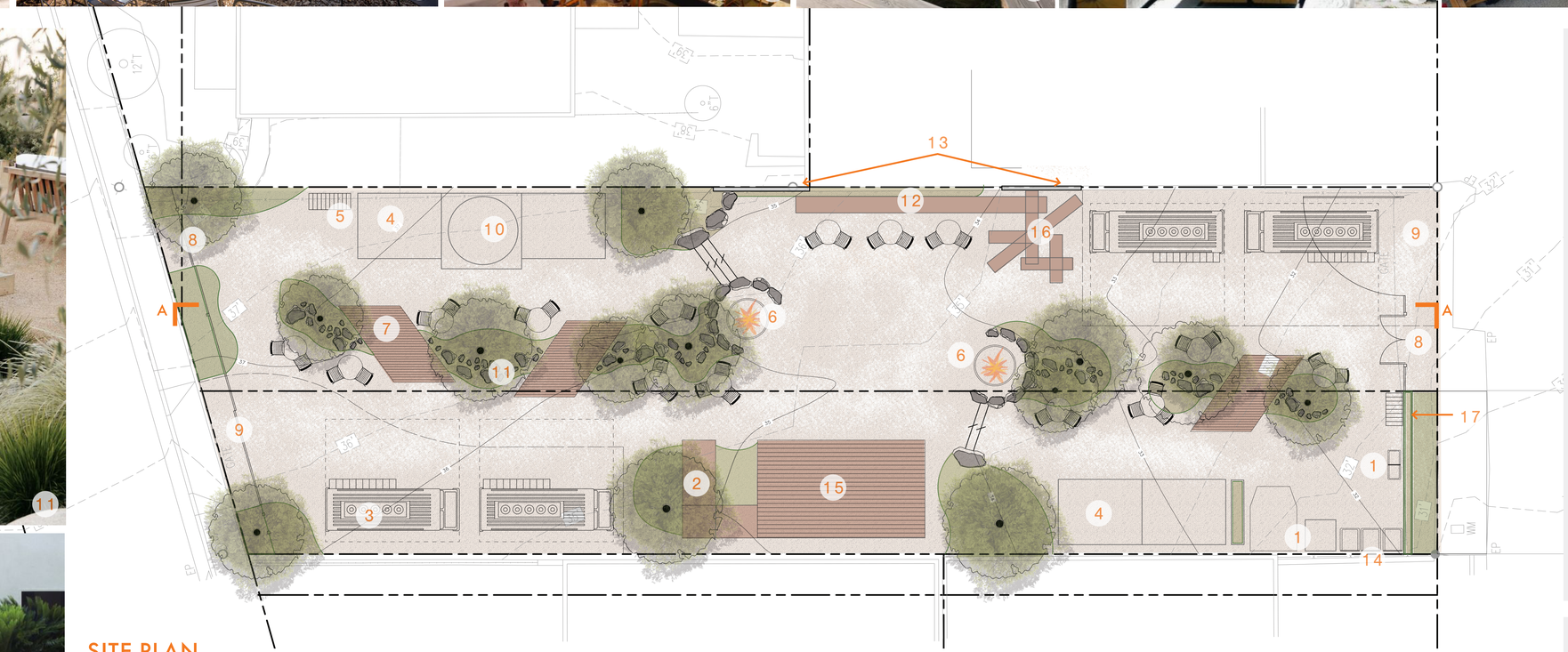












SITE PLAN



SITE SECTION A

LEGEND

1. REGULAR AND ADA PORT-A-POTTY AND WASH STATION*
2. ADA RAMP TO STAGE
3. FOOD TRUCKS
4. POP-UP SHOPS / FLEX SPACE
5. BIKE RACK
6. FIREPIT SEATING
7. BOARDWALK OVER SWALE
8. PEDESTRIAN ENTRANCE
9. VEHICLE ENTRANCE
10. WATER STORAGE
11. PLANTED BIOSWALE
12. BISTRO LOUNGE SEATING
13. REPLACE (E) RETAINING WALL, 2' MAX
14. TRASH / RECYCLE / COMPOST
15. STAGE / DECK
16. PLAY ELEMENT / SEATING, FINAL DESIGN TBD
17. SHADE WALL

*SUBJECT TO CHANGE AWAITING SAND CITY'S DECISION TO SPONSER PUBLIC RESTROOMS WITH COOPERATION OF PROPERTY OWNER

PRELIMINARY PLANT LIST

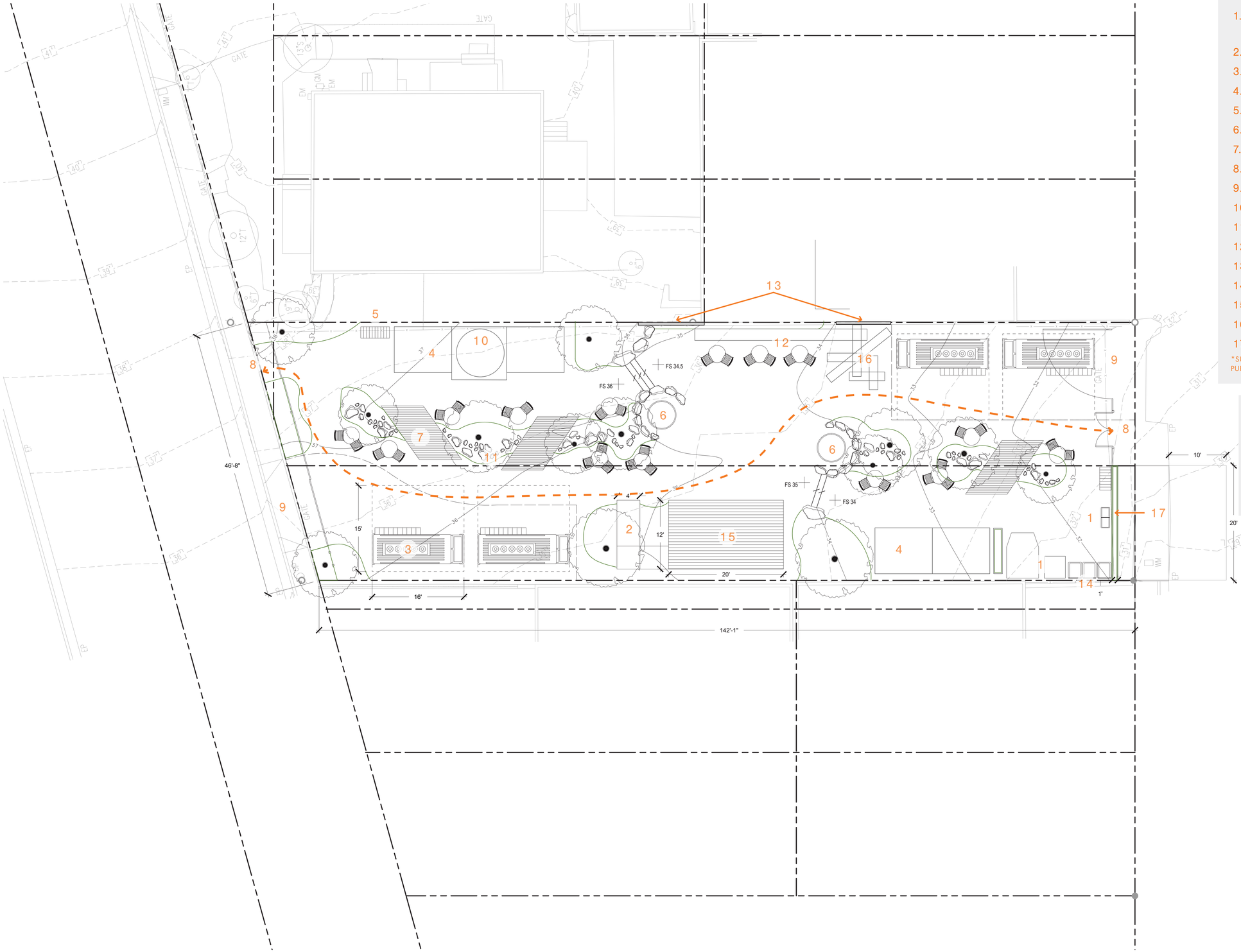
BOTANICAL NAME	COMMON NAME
SHRUBS / PERENNIALS	
ACHILLEA MILLEFOLIUM	COMMON YARROW
ARCTOSTAPHYLOS 'PACIFIC MIST'	MONTEREY MANZANITA
ARCTOSTAPHYLOS MANZANITA 'DR. HURD'	DR. HURD MANZANITA
ARMERIA MARITIMA	THRIFT SEAPINK
ARTEMISIA PYCNOCEPHALA 'DAVID'S CHOICE'	DUNE SAGEWORT
CAREX PANSA	SAND DUNE SEDGE
CHONDROPETALUM TECTORUM 'EL CAMPO'	SMALL CAPE RUSH
DESCHAMPSIA CESPITOSA	TUFTED HAIRGRASS
ERIOGONUM LATIFOLIUM	COAST BUCKWHEAT
ERIOPHYLLUM STAECHADIFOLIUM	SEASIDE WOOLLY SUNFLOWER
ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA	CALIFORNIA POPPY 'MARITIMA'
FRAGARIA CHILOENSIS	BEACH STRAWBERRY
JUNCUS PATENS	COMMON RUSH
SALVIA MELLIFERA	BLACK SAGE
SISYRINCHIUM BELLUM	BLUE EYED GRASS
TREES	
ARBUTUS MARINA	PACIFIC MADRONE
CEANOTHUS 'RAY HARTMAN'	RAY HARTMAN CEANOTHUS
HETEROMELES ARBUTIFOLIA	TOYON
SALIX LAEVIGATA	RED WILLOW
VINES	
BOUGAINVILLEA 'BABARA KARST'	BARBARA KARST' BOUGAINVILLEA
VITUS CALIFORNICA 'ROGERS' RED'	CALIFORNIA GRAPE 'ROGERS RED'

L1.00 CONCEPTUAL SITE PLAN

LOT 6,7,9,11 EAST MONTEREY

0 8 16 36

NOVEMBER 2024



LEGEND

1. REGULAR AND ADA PORT-A-POTTY AND WASH STATION*
2. ADA RAMP TO STAGE
3. FOOD TRUCKS
4. POP-UP SHOPS / FLEX SPACE
5. BIKE RACK
6. FIREPIT SEATING
7. BOARDWALK OVER SWALE
8. PEDESTRIAN ENTRANCE
9. VEHICLE ENTRANCE
10. WATER STORAGE
11. PLANTED BIOSWALE
12. BISTRO LOUNGE SEATING
13. REPLACE (E) RETAINING WALL, 2' MAX
14. TRASH / RECYCLE / COMPOST
15. STAGE / DECK
16. PLAY ELEMENT / SEATING, DESIGN TBD
17. SHADE WALL

*SUBJECT TO CHANGE AWAITING SAND CITY'S DECISION TO SPONSER PUBLIC RESTROOMS WITH COOPERATION OF PROPERTY OWNER

SITE COVERAGE:

- LOT TOTAL: 6665 SQ FT
- ADA ENGINEERED MULCH: 5823 SQ FT
- PLANTED AREA: 662 SQ FT
- STABILIZED DG: 180 SQ FT

ADA PATH OF TRAVEL

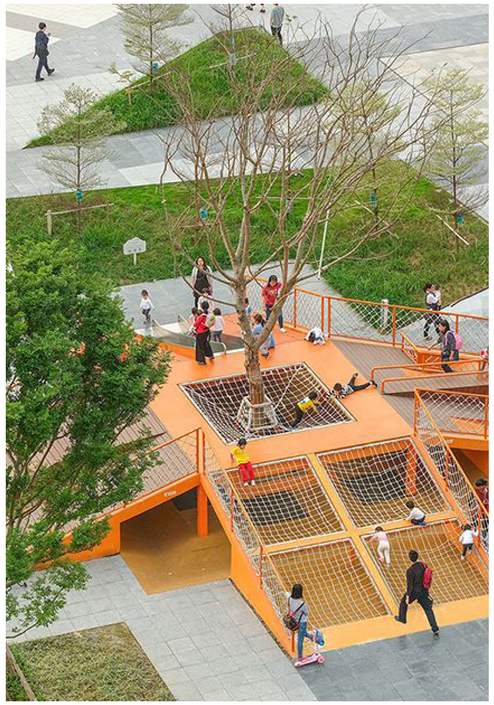
NOTE: MAX SLOPE THROUGHOUT SITE IS NOT TO EXCEED 5% EXCEPT IN BIOSWALE / PLANTING AREAS

L1.01 SITE PLAN BASE ELEMENTS AND DIMENSIONS

LOT 6, 7, 9, 11 EAST MONTEREY

0 8 16 36

NOVEMBER 2024

















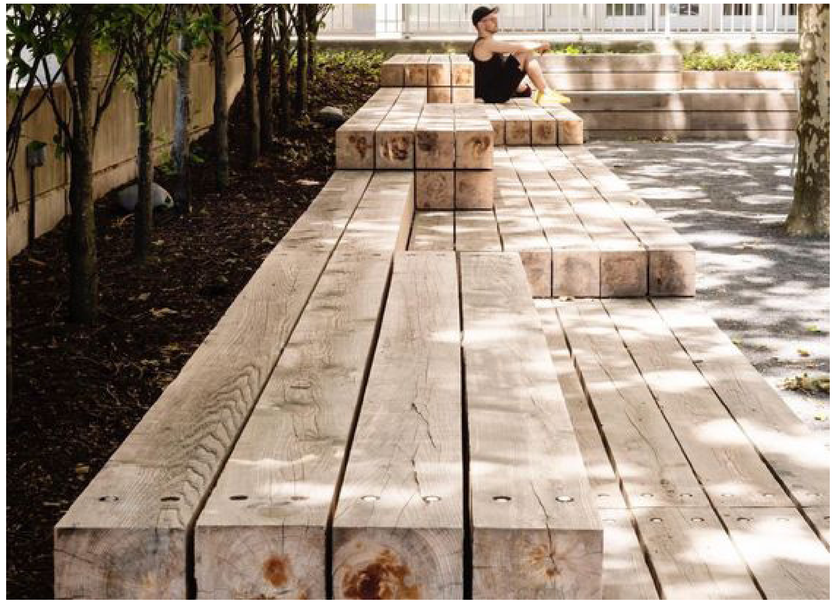






PLAY SPACES PRECEDENTS

LOT 6,7,9,11 EAST MONTEREY







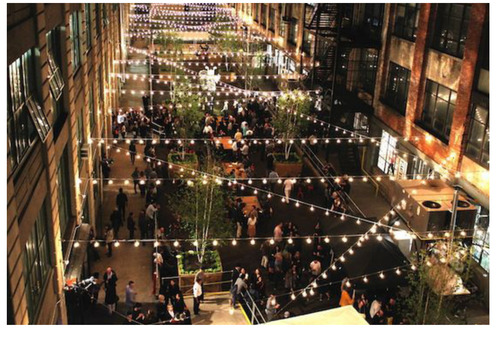














MATERIALS

LOT 6, 7, 9, 11 EAST MONTEREY

Jeanne Colletto
The Yard
725 Dias Avenue
Sand City, CA 93955

September 12, 2023

Letter of Intent

To Whom It May Concern:

Inspired by Sand City's council-approved 2019 Vibrancy Plan, together with my grandfather's original transformation of the property (almost a century ago) into a place of gathering, celebrating, and storytelling - the use of 725 Dias Avenue, Sand City, California, will be reimagined into an open-air food truck hub & community event space.

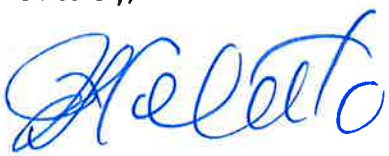
Two phases are intended. The first of which will divide the length of the street-to-street parcel by a 6' fence. Approximately 60% of the property (fronting California Avenue) will be used to operate The Yard; 3-4 permitted trucks/trailers with additional, flexible pop-up vendor and stage space. The second phase will expand to full use of the property no later than two years from date of opening in Spring 2024.

The Yard plans to be open for lunch, Monday through Saturday from 11:00 AM – 2:00 PM and Friday/Saturday evenings from 5:00 PM – 9:00 PM (weather permitting). Possible expansion of business hours and special/private events (i.e. movie night, art exhibitions, farm to table dinners, etc.) available Monday through Thursday evenings from 5:00 PM – 8:00 PM and Sunday 11:00 AM – 8:00 PM. The Yard has no additional employees and owner vehicle(s) will park off-street, on private property. On site music will comply with City regulations.

The other 40% of the property, fronting Dias Avenue, will be occupied by a licensed hauler, who intends to use the space for 5 trucks and a standard shipping container. The hauler has 5 employees who will park on site, as trucks leave for the day. Business hours will be Monday through Saturday from 7:30 AM – 4:30 PM. Trucks will be dumped on day of haul, unless dump site is closed, in which case the truck bed will remain covered overnight and dumped the morning of the next business day.

Neither the food truck hub, nor the hauler, will receive shipments or deliveries and neither business will store any type of hazardous material.

Sincerely,



Jeanne Colletto, Owner
The Yard
sandcityfoodtruckhub@gmail.com

Jeanne Colletto
The Yard
725 Dias Avenue
Sand City, CA 93955

City of Sand City
Planning Department
Via Email

September 4, 2024

Re: Letter of Intent - Amendment

Hello:

Inspired by Sand City's council-approved 2019 Vibrancy Plan, together with my grandfather's original transformation of the property (almost a century ago) into a storied gathering place, 725 Dias Avenue is planned to be reimagined into a community-centric food truck pocket park.

The project will take place in two phases, unfolding consecutively. The first of which will have Jasso's Hauling (Lic: 1014653) using the parcel for the operation of his business; including 4 trucks, a standard shipping container for tool storage, and 6 employees who will park within the fenced yard. No building materials will be stored. Access to the property will be restricted to the existing California Avenue gate. Business hours will be Monday through Saturday from 7:30 AM – 4:30 PM. Trucks will be dumped on day of haul, unless the disposal site is closed, in which case the truck bed will remain covered overnight and dumped the morning of the next business day. No shipments or deliveries will be received and no hazardous material will be transported onto the property. Jasso's Hauling will operate under a one-year lease, converting to month-month thereafter, until The Yard receives necessary approvals and funding to proceed with groundbreaking, presently estimated at 2-3 years.

Terms and conditions for development and operation of The Yard will be forthcoming upon discussion and approval of Sand City Staff and Council.

Sincerely,

Jeanne Colletto, Owner

Monterey County Health Department
1270 Natividad Road, Room B301
Salinas, CA 93906
(831) 755-4511
Fax (831) 755-8954

Jurisdiction Name _____
Use Permit # _____
Or
Building Permit # _____
Contact Name _____
Phone # _____

HAZARDOUS MATERIAL QUESTIONNAIRE

Business Name The Yard Type of Business Food Truck Hub
Site Location 725 Dias Ave City Sand City APN: 011-192-003-000
Mailing Address PO Box 1933 · Monterey CA 93942
Business Contact Jeanne Colletto 831.917.6010
Name *Phone Number*
Property Owner Lois Colletto 831.649.3736
Name *Phone Number*

1. Will your business/proposed project be using any hazardous materials such as oil, fuels, solvents, compressed gases, acids, corrosives, pesticides, fertilizers, paints or other chemicals?
☐ Yes ☒ No

2. Will your business/proposed project be using hazardous materials in quantities of 55 gallons and above for liquids, 500 lbs. and above for solids and/or 200 cubic feet and above for compressed gases?
☐ Yes ☒ No

3. Will your business/proposed project be using any quantities of acutely hazardous materials such as ammonia, chlorine, sulfuric acid, formaldehyde, hydrogen peroxide, methyl bromide or other restricted pesticides?
☐ Yes ☒ No

4. Will your business/proposed project be using underground storage tanks to store hazardous materials?
☐ Yes ☒ No

5. Will your business/proposed project be generating any quantities of hazardous waste such as waste oil, waste solvents, etc?
☐ Yes ☒ No

6. Will your business/proposed project be emitting any hazardous air emissions?
☐ Yes ☒ No

CERTIFICATION:
I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief.

ANY QUESTIONS REGARDING THIS FORM CAN BE DIRECTED TO:
Monterey County Health Department
Division of Environmental Health
1270 Natividad Road, Room B301
Salinas, CA 93906
(831) 755-4511

Executed AT:
Monterey, CA
City, State

Print Name of Owner/Operator: Jeanne Colletto
Signature of Owner/Operator: Jeanne Colletto

For Local Jurisdiction Use Only:

1. Is there a known or proposed school, hospital, day care, or long term care facility within 1,000 feet of this site location?
☐ Yes ☐ No

2. Is there a known or proposed school, hospital, day care, or long term care facility ¼ mile of this site location?
☐ Yes ☐ No

Health Department Clearance
Signature: _____ Date: _____
Print Name and Title: _____

Air Pollution District Clearance
Signature: _____ Date: _____
Print Name and Title: _____

AGENDA ITEM
8C.

Consideration of Acceptance of Public Art and Site Selection of Sculptures

City of Sand City

STAFF REPORT

TO: Sand City City Council
FROM: Vibeke Norgaard, City Manager
SUBJECT: Consideration of Acceptance of Public Art and Site Selection - Sculptures
DATE: February 18, 2025

DISCUSSION:

Former Councilmember Greg Hawthorne was contacted by Julia Wong who offered to donate 3 large scale steel sculptures to the City. The sculptures were created by her deceased father Albert Bela Janko. Janko created more than 50 pieces, most of which were on display on their 10-acre property in Jacks Peak. Images are attached at Att. A. The sculptures range in height from 7 to 15 feet. Two are created in Corten steel, one is made of painted steel.

According to the City's public art policy (adopted by the City Council in May of 2020) ("Art Policy"), applications to donate art are initially considered by the Sand City Arts Committee, which in turn may recommend acceptance of art to the City Council.

The Arts Committee met on February 12, 2025, reviewed the request to donate the sculptures, and recommended that the City accept two of the sculptures, as long as they were in an acceptable condition. The committee requested that committee member Fred Saunders review the sculptures to assess their condition.

Following the Arts Committees' request, Mr. Saunders, an expert metal fabricator, graciously took the time to examine the sculptures on 2/13/25 and found two of them to be in very poor condition. The third sculpture, the "blue chair" sculpture on the attached images, is in the best condition. However, Mr. Saunders estimates that repair is needed to the welds on the sculpture and that a base structure would be needed to bolt it to the ground. He estimates it would cost approximately $3,000 to do the work required. He does not recommend that the City accept the other two sculptures, as they are in very poor condition.

<u>Criteria for City acceptance of public art:</u>

The criteria in the City's Art Policy (section 4) are as follows:

a. is the art thought-provoking, memorable or enduring and reflects the diverse social, cultural, or historic values of the City;
b. is the art appropriate in terms of scale, form, content, and the environment;
c. is the art durable relative to theft, vandalism and the environment;

d. whether the art acknowledges and is sensitive to the importance of the contributions by local and regional artists to the City;
e. whether the art is not religious iconography which might be perceived as government endorsement of religion in violation of the Establishment Clause of the Federal and State Constitutions;
f. ensure that the art would not, when displayed, create a hostile work environment for public employees;
g. ensure that the art does not depict graphic violence or overt sexual activity;
h. is the art repetitive in that the City already has sufficient examples or better examples of the same type of object;
i. whether the City has the facilities and resources necessary to accept the object, knowing that the City has limited facilities and resources;
j. whether the person wishing to loan, lease or donate the artwork to the City is prepared to execute a contract or other document which, in the estimation of the City Attorney and City Manager, protects and serves the fiscal and other interests of the City;
k. whether the artist who created the artwork that will be to loaned, leased or donated to the City is prepared to execute a waiver of their rights under California Art Preservation Act (Civil Code 987 and 989), the Visual Artist Rights Act (17 U.S.C. 106A, 113), and other applicable state and federal laws.

Site selection:

According to the City's art policy, when recommending sites for works of art for loan, lease, or gift to the collection, the Committee considers:

a. whether the artwork can be properly installed, placed to be seen, and displayed with patron safety in mind;
b. the compatibility of design and location within unified design, environmental or historical character of the site;
c. landscaping, drainage, grading, lighting, and seating considerations;
d. environmental impacts such as noise, sound and light;
e. public accessibility to the artwork;
f. impact on adjacent property owner's views; and
g. impact on operational functions of the City.

The Arts Committee recommends that the sculpture be displayed along the future proposed Bike trail in the TAMC right of way when it is constructed. In the meantime, the Public works Manager has stated there is ample space in the City's public works yard to store the sculpture. Any site chosen for display of art is not eligible for art display unless and until the Director of Public Works and/or City Engineer determines that the use of the location for display of public art would not interfere with use by pedestrians or vehicles, would not create a safety hazard, or would otherwise be inappropriate. Once donated, the City-owned artwork will be the responsibility of the City.

The image of the proposed art is attached to this staff report.

The City Manager and Staff are recommending that the piece be placed on the City's proposed bike trail when it is constructed, subject to the review by the City Engineer as set forth above.

FISCAL IMPACT: The art is being donated; however it is estimated that it will cost approximately $3,000 to fix the sculpture. If installation of the sculptures requires more capacity than our public works department can provide, the installation could result in a cost which would need to be determined closer to the time of installation and which would be budgeted in a future fiscal year.

CEQA:
The placement of the donated sculptures will be evaluated as part of the CEQA review for the Multiuse Trail Project within the TAMC right-of-way to ensure no significant environmental impacts occur. This review will assess aesthetic, safety, and environmental factors of incorporating the sculptures as part of the broader trail project's environmental documentation. If no additional review is required beyond the approved CEQA findings for the trail, the installation would likely qualify for a categorical exemption under CEQA Guidelines Sections 15301 (minor alteration of existing facilities) 15303 (new construction of small structures, or 15311 (placement of accessory structures appurtenant to existing facilities).

RECOMMENDATION: It is recommended that Council follow the Arts Committee's recommendation and accept the one piece of donated art referred to by the Committee as the "Blue Chair". Further it is recommended that the Council approve the future bike trail in the TAMC right of way as a site for the installation of the sculpture after the trail is constructed if confirmed by the City Engineer, Public Works Manager and City Manager as a feasible and safe location.

ATTACHMENTS:
1. Images of Sculptures

