

CITY COUNCIL REGULAR MEETING

JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

TUESDAY, AUGUST 19, 2025

5:30 PM

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

City Council Regular Meeting - Tuesday, August 19, 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:

https://us02web.zoom.us/j/88349100938

Webinar ID: 883 4910 0938

To participate telephonically by calling the number below:
(669) 900-6833

Webinar ID: 883 4910 0938#

If prompted to enter a participant ID, press #

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

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 10:00 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 at the meeting. Please email your comments to: cityclerk@sandcityca.org.

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. SWEARING IN CEREMONY

5A. Swearing in of the New Planning Manager of Sand City - Nick McIlroy
Oath of Office

6. 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.

6A. Approve a Resolution Recognizing California's 175th Anniversary of Statehood
Mayor's Memo
Resolution

6B. Approve a Resolution Honoring Gary Haedrich and Son for His Contribution and Services of 70 Years of Business in the City of Sand City
Mayor's Memo
Resolution

6C. Designation of Voting Delegates and Alternate for the 2025 League of California Cities Annual Conference and Expo
Staff Report
Voting Delegate Packet

6D. Approve a Resolution Rescinding and Replacing Resolution SC 25-27 and Approving the City's Fiscal Year 2025-26 General Employees Salary Schedule and the City's 2024-2027 POA Salary Schedule
Staff Report
Resolution
2025-26 General Employees Salary Schedule
Revised 2024-27 POA Salary Schedule FY 25/26

6E. Approve a Resolution Approving a Lease Agreement with Moore Twining

Associates, Inc. for the Lease of Property Located at 501 Ortiz Avenue and Authorizing the City Manager to Execute the Agreement
Staff Report
Resolution
Lease Agreement

6F. Approve a Resolution Authorizing the City Manager to Execute the First Amendment to the Professional Services Agreement Between the City of Sand City and Hinderliter, de Llamas & Associates (HdL) for Transaction and Use Tax Audit & Information Services for Measure "L"
Staff Report
Resolution
First Amendment PSA

6G. Approve a Resolution Designating the City Manager, Finance Manager, and Administrative Services Manager as the City's Agents that can Provide Required Assurance and Execute Agreements for the Purpose of Obtaining Financial Assistance from the Federal Emergency Management Agency (FEMA) and the State of California Governor's Office of Emergency Services (CAL OES); and Approving CAL OES From 130, Designation of Applicant's Agent Resolution for Non-State Agencies
Staff Report
Resolution
Form 130

6H. Acceptance of City/Successor Agency Financial Report from July 2025
Staff Report
Sand City Receipt Report
Sand City Check Report
Successor Agency Revenue Report
Successor Agency Check Report

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

8. PRESENTATION

9. PUBLIC HEARING

9A. First Reading of an Ordinance of the City of Sand City Amending Title 17, Adding Chapter 17.55 Urban Lot Splits, and First Reading of an Ordinance of the City of Sand City Amending Title 10 Vehicles and Traffic and Title 18 Zoning of the Municipal Code to Implement the City of Sand City 2023-2031 (Sixth Cycle) Housing Element ***This item is continued from July 15, 2025.***
Staff Report
Findings for CEQA Categorical Exemption from the 6th Cycle Housing Element
Exhibit A: Ordinance Amending Title 17 Subdivisions
Exhibit B: Ordinance Amending Title 10 Vehicles and Traffic and Title 18 Zoning

9B. First Reading of an Ordinance of the City of Sand City Amending Title 18 (Zoning) of the Sand City Municipal Code to Add Section 18.62.171 (Uses Conducted Within Enclosed Buildings) Applicable to the Zoning Districts: 18.13 MU-P Planned Mixed Use; 18.14 C-1 Light Commercial; 18.15 C-2 Heavy Commercial; 18.18 C-3 Neighborhood Shopping; and 18.20 Manufacturing and Deleting Zoning Code Section 18.14.060.B
Staff Report
Draft Ordinance
Zoning Map of Affected Districts

10. NEW BUSINESS

10A. Approve a Resolution to Adopt Policies and Procedures for Providing Priority Water and Sewer Service for Affordable Housing Projects Pursuant to Government Code Section 65589.7
Staff Report
Resolution
Exhibit A: Water and Sewer Service Priority Allocation for Lower-Income Affordable Housing Policy

10B. Introduce Sand City's Potential Participation in the County of Monterey's HOME Consortium

10C. Approve a Resolution Authorizing the City Manager to Enter into a Three-Year Professional Services Agreement with NBS at a Cost not to Exceed $10,000 Annually for the Administration of CFD 2021-1 (South of Tioga Project)
Staff Report
Resolution
Professional Services Agreement

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

12. 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.

Swearing in of the New Planning Manager of Sand City - Nick McIlroy

CITY OF SAND CITY
OATH OF OFFICE

State of California }
County of Monterey } ss.
City of Sand City }

I, **Nick McIlroy,** do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

_____
Signature

Subscribed and sworn to before me, this 19th day of August 2025.

_____
Vibeke Norgaard, City Manager
City of Sand City

AGENDA ITEM
6A.

Approve a Resolution Recognizing California's 175th Anniversary of Statehood

Memo

To: City Council of Sand City

From: Mary Ann Carbone, Mayor

Date: August 19, 2025

Re: Mayor's Proclamations-Resolutions

This is a request for your consideration and approval of the attached resolution listed below:

- California's 175th Anniversary of Statehood Resolution

CITY OF SAND CITY
RESOLUTION SC 25-____, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY RECOGNIZING CALIFORNIA'S 175TH ANNIVERSARY OF STATEHOOD

WHEREAS, as the United States nears the 250th anniversary of the signing of the Declaration of Independence, we welcome all interested parties to participate in celebrating California's milestone, and

WHEREAS, September 9, 2025, is "California's 175th Anniversary of Statehood", and

WHEREAS, California became the 31st state in the Union on September 9, 1850, also known as "Admission Day", and

WHEREAS, California welcomes people from all walks of life. As a state of dreamers and doers, our collective drive for a better world, combined with our innovative and collaborative spirit, has helped drive progress over the last 175 years – from human rights and labor rights to science, technology and entertainment, and

WHEREAS, Californians have demonstrated their resiliency against adversity and tragedy, coming together to heal and rebuild, and through that community, finding moments of peace and unity, and

WHEREAS, with its vibrant culture and majestic beauty, California inspires joy in residents and visitors alike. Where everyone belongs and we celebrate all those who have chosen to pursue the California Dream, all those who are driven by grit, determination, and a relentless belief in what's possible, and

WHEREAS, California is the fourth-largest economy in the world. The state is home to more than 39 million people and is the leading agricultural producer in the country and the leading state for manufacturing and is the #1 tourist destination in the United States, and

WHEREAS, California is rich with diverse and awe-inspiring landscapes from the fertile Central Valley to the desert regions, from the peaks of the Sierra Nevada Mountain range to the sunset views on our Pacific beaches, and

WHEREAS, California is home to the largest population of Native Americans and the second-largest number of tribes in the country, and

WHEREAS San Jose was California's first capital before it was moved to Vallejo in 1852. The capital was moved again to Benicia before settling in Sacramento in 1854, and

WHEREAS, California's name comes from a 16th-century romance novel written by the Spanish author, Garcia Ordonez de Montalvo. It described a mythical island called California, and

WHEREAS, Native American tribes have lived, since time immemorial, on the land that is currently the state of California, and

WHEREAS, on May 13, 1846, the United States declared war on Mexico to seize Mexican territory, including current-day California, and

WHEREAS, on February 2, 1848, the United States and Mexico signed the Treaty of Guadalupe Hidalgo, officially ending the war and ceding vast Mexican territory, including California, to the United States, and

WHEREAS, gold was discovered on the American River near Sacramento days earlier on January 24, 1848, leading to a large influx of people, and with it, the need for a government, and

WHEREAS, Californians sought statehood, and debate ensued in the U.S. Congress around the balance of free and slave states, and

WHEREAS, On September 9, 1850, California was admitted to the Union as a free, no slavery state, becoming the 31st state in the Union.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby recognize September 9, 2025, as California's 175th year into statehood, and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City of Sand City honors the people of California and their continued commitment.

PASSED AND ADOPTED by the City Council of the City of Sand City this ___, day of August 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

AGENDA ITEM
6B.

Approve a Resolution Honoring Gary Haedrich and Son for His Contribution and Services of 70 Years of Business in the City of Sand City

Memo

To: City Council of Sand City

From: Mary Ann Carbone, Mayor

Date: August 19, 2025

Re: Mayor's Proclamations-Resolutions

This is a request for your consideration and approval of the attached resolution listed below:

- Honoring Gary Haedrich and Son for 70 years of Business in Sand City Resolution

CITY OF SAND CITY
RESOLUTION SC 25-____, 2025

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY HONORING GARY HAEDRICH AND SON FOR HIS CONTRIBUTION AND SERVICES OF 70 YEARS OF BUSINESS IN THE CITY OF SAND CITY

WHEREAS, the City of Sand City presents awards to many individuals and businesses who have made substantial contributions within the region and specifically in our community of Sand City, and

WHEREAS, Mark's Barn was originally opened in 1955 by Mark and Barbara Meadows, along with their sons Ed and Roy, and

WHEREAS, in July of 1975, Gary Haedrich Sr. started his career in auto body working with the Meadows family, and in 1984, the Haedrich family took over operations, with the help of his mother, Margaret, and

WHEREAS, on August 23, 2025, the Sand City Council will be presenting this resolution to Gary Haedrich during the City of Sand City West End event, and

WHEREAS, Gary Haedrich is homegrown; he grew up locally and attended local schools, and

WHERAS, Gary Haedrich taught and coached Seaside pony baseball and softball from 1986-2020, and

WHEREAS, Gary Haedrich and his son, Gary, have provided exceptional service throughout the Monterey Peninsula with the services provided through Mark's Barn, and

WHEREAS, Gary Haedrich and his son, Gary, along with their wives, Kerry and Stephanie, have made considerable contributions not only to Sand City but also with their involvement with other organizations, and

WHEREAS, for the last 20 years, Mark's Barn, along with Frank Christie, owner of Frank's Signs, has produced countless music acts on the Mark's Barn stage during the West End Celebration, and

WHEREAS, on August 19, 2025, the Sand City Council recognizes the many contributions that Mr. Haedrich has provided to the City of Sand City and the greater community, and

NOW, THEREFORE, BE RESOLVED that the City of Sand City hereby acknowledges Gary Haedrich for his loyal service to the City of Sand City, and for Mark's Barn's 70 years of business, and wishes him continued success as he continues his good work providing exceptional service throughout the greater community.

PASSED AND ADOPTED BY THE City Council of the City of Sand City on this ____day of August 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

AGENDA ITEM
6C.

Designation of Voting Delegates and Alternate for the 2025 League of California Cities Annual Conference and Expo

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Kerry Lindstrom, City Clerk
SUBJECT: Designation of Voting Delegates and Alternates for the 2025 League of California Cities Annual Conference and Expo
DATE: August 19, 2025

BACKGROUND/DISCUSSION:
The upcoming 2025 League of California Cities Annual Conference & Expo will be held on October 8 through October 10, 2025, in Long Beach, California. Each year, all California cities represented at the conference are required to appoint a voting delegate and alternate to represent their local jurisdictions. The voting delegate and alternate must be approved by Council action by September 24, 2025.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
None.

RECOMMENDATION:
It is recommended that Mayor Mary Ann Carbone serve as the voting delegate and Councilmember Michelle Adams serve as the alternate to represent the City of Sand City.

ATTACHMENTS:
1. Voting Delegates Packet

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by September 24, 2025

DATE: Wednesday, July 16, 2025

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Oct. 8-10, 2025
Long Beach Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Oct. 10, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Following council action, please submit your city's delegates through the online submission portal by Wed., Sept. 24. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the Cal Cities website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' event and meeting policy in advance of the conference.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Long Beach Convention Center in Long Beach, will be open at the following times: Wednesday, Oct. 16, 8:00 a.m.-6:00 p.m. and Thursday, Oct. 17, 7:30 a.m.-4:00 p.m. On Friday, Oct. 18, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 24. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly

LEAGUE OF CALIFORNIA CITIES

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.

6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

7. **Resolving Disputes**. In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

LEAGUE OF CALIFORNIA CITIES

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

Prior to the Annual Conference and Expo

General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved[1] by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.[2]

General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates —one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

[1] The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.
[2] Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).

For more information visit www.calcities.org/general-assembly

AGENDA ITEM
6D.

Approve a Resolution Rescinding and Replacing Resolution SC 25-27 and Approving the City's Fiscal Year 2025-26 General Employees Salary Schedule and the City's 2024-2027 POA Salary Schedule

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager and Audrey Cray, Administrative Services Manager
SUBJECT: Rescind and Replace Resolution SC 25-27 to Approve Fiscal Year 2024-2025 & 2025-2026 Salary Schedule for General Employees and 2024-2027 Salary Schedule for POA
DATE: August 19, 2025

BACKGROUND/DISCUSSION:

Resolution SC 25-27 was approved by Council at the June 3, 2025 City Council meeting. The 2024-2027 POA Salary Schedule had an error on the Police Sergeant line. It did not reflect the 3% COLA approved by City Council at the May 20, 2025 Council Meeting. This item is simply a correction of that error.

State law requires that Cities contracting with CalPERS adopt a publicly available pay schedule that identifies the title for every employee position at the City, shows the pay rate for each position, and indicates the effective date of any revisions. (2 CCR 570.5(a)(1)-(8)). The schedule is required to be posted on the City's website. The City established a pay schedule in 1991 (Resolution SC-29, 1991) and has updated it by resolution.

On April 15, 2025, the City Council held a closed session to consider the salaries of the City's non-POA regular employees as that term is defined in the Sand City Personnel manual section A(3)(c) ("Miscellaneous Employees") which also includes the hourly Reserve Officer as the position is not represented in the POA MOU. The Council authorized a COLA of 4% to be granted to the City's Miscellaneous Employees effective in the first full pay period after the approval of the resolution, a 3% COLA effective FY 25/26 and another 3% COLA effective FY 26/27. The updated Salary Schedule for 26/27 will come before the City Council at a date closer to July 2026.

On May 20, 2025, the Council approved a memorandum of understanding (MOU) with the Sand City Police Officer's Association. The MOU has been executed. This action is to revise the publicly available salary schedule to reflect the salary changes approved by the Council.

The proposed FY 2025-2026 General Employees Salary Schedule reflects the following changes:

- 3% COLA for all Non-Sworn positions, effective July 1, 2025. (This proposal does not include an increase to the salaries of the City Manager and Chief of Police who have separate contracts).

The proposed FY 2024-2027 POA Salary Schedule reflects the following changes:

- 3% COLA for Hourly Reserve Officer for FY 25/26 effective July 1, 2025
- 3% COLA for position covered under POA MOU effective July 1, 2025

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The cost to the City for 3% COLA in FY 25/26 and FY 26/27 will be $95,845 and $95,901.31 respectively and will be included in the budget during the normal budget process for those Fiscal Years.

RECOMMENDATION:
It is recommended that the Council approve FY 2025-26 General Employees Salary Schedule and the FY 2024-2027 POA Salary Schedule Resolution.

ATTACHMENTS:

1. Resolution
2. 2025-26 General Employees Salary Schedule
3. Revised 2024-27 POA Salary Schedule FY 25/26

CITY OF SAND CITY
RESOLUTION SC 25-___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY RESCINDING AND REPLACING RESOLUTION SC 25-27 AND APPROVING THE CITY'S FISCAL YEAR 2025-26 GENERAL EMPLOYEES SALARY SCHEDULE AND THE CITY'S 2024-2027 POA SALARY SCHEDULE

WHEREAS, California Code of Regulations, Title 2, Section 570.5 requires that governing bodies of local agencies contracting with CalPERS adopt a publicly available pay schedule; and

WHEREAS, the City of Sand City established a salary schedule for General City employees by Resolution SC-29, 1991 and revised the salary schedule in Resolutions SC 94-08, 1984; 97-66, 1997; 99-51, 1999; 01-61, 2001; 02-53,2002; 05-49, 2005; 07-99, 2007; 10-75, 2010; 15-46, 2015; 18-87, 2018; 18-92, 2018; 18-92, 2018; 20-86, 2020; 21-46, 2021; 22-13, 2022; 23-23, 2023; 23-35, 2023; 23-52, 2023; 24-25, 2024; 24-57, 2024; 25-15, 2025; 25-26, 2025; and

WHEREAS, the City of Sand City established a salary schedule for POA employees by Resolution SC-29, 1991 and revised the salary schedule in Resolutions SC 94-08, 1984; 97-66, 1997; 99-51, 1999; 01-61, 2001; 02-53, 2002; 05-49, 2005; 07-99, 2007; 10-75, 2010; 15-46, 2015; 18-87, 2018; 20-86, 2020; 21-46, 2021; 23-26, 2023; and 24-25, 2024; 24-43, 2024, 24-45, 2024; 25-26, 2025; and

WHEREAS, the City Council of Sand City ("Council") desires to ensure that Sand City's salaries and benefits are competitive with other cities on the Monterey Peninsula to attract and retain high quality City employees; and

WHEREAS, the City of Sand City and the Sand City Police Officers' Association (POA) have met and conferred in good faith in accordance with California Government Code section 3500, et seq. (the Meyers-Milias-Brown Act); and

WHEREAS, the meetings have resulted in negotiated terms for a three-year extension of the Memorandum of Understanding (MOU) for the period July 1, 2024-June 30, 2027, attached hereto as Exhibit A.

WHEREAS, on April 15, 2025, the City Council held a closed session to consider the salaries of the City's non-POA regular employees as that term is defined in the Sand City Personnel Manual section A(3)(c); and

WHEREAS, the Council desires to provide both POA employees and above mentioned Miscellaneous Employees, not including Police Chief and City Manager who have separate contracts, a four percent (4%) cost-of-living adjustment ("COLA") to their base salaries for the remainder of FY 24/25, a three percent (3%) COLA for FY 25/26 and a three percent (3%) COLA for FY 26/27.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sand City as follows:

1. A three percent (3%) cost of living adjustment is granted to all Miscellaneous Employees, not including Police Chief and City Manager, effective July 1, 2025.
2. The City Council hereby approves the attached 2025-26 General Employees salary schedule effective July 1, 2025, and revised 2024-2027 POA salary schedule reflecting the 3% cost of living adjustment effective July 1, 2025

PASSED AND ADOPTED by the City Council of the City of Sand City this 19th, day of August, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

2024-2025 General Employees

Range Placement Table

5% Between Steps

Effective July 1, 2025

Range #	Recommended Title	Pay Period	Step 1	Step 2	Step 3	Step 4	Step 5	Maxium Step 6
36	Maintenance Worker II	Hourly	27.2985	28.6634	30.0966	31.6014	33.1815	34.8405
		Monthly	4,731.74	4,968.32	5,216.74	5,477.58	5,751.46	6,039.03
		Annual	56,780.84	59,619.88	62,600.88	65,730.92	69,017.47	72,468.34
39	Accounting Technician	Hourly	29.9566	31.4545	33.0272	34.6786	36.4125	38.2331
		Monthly	5,192.48	5,452.11	5,724.71	6,010.95	6,311.50	6,627.07
		Annual	62,309.82	65,425.31	68,696.58	72,131.40	75,737.97	79,524.87
40	Maintenance Worker III	Hourly	29.4332	30.9049	32.4501	34.0727	35.7763	37.5651
		Monthly	5,101.76	5,356.85	5,624.69	5,905.93	6,201.22	6,511.28
		Annual	61,221.14	64,282.19	67,496.30	70,871.12	74,414.67	78,135.41
46	Records Administrative Analyst	Hourly	35.6100	37.3905	39.2600	41.2230	43.2841	45.4483
		Monthly	6,172.39	6,481.01	6,805.06	7,145.32	7,502.58	7,877.71
		Annual	74,068.72	77,772.16	81,660.77	85,743.81	90,031.00	94,532.55
48	Deputy City Clerk	Hourly	36.7134	38.5491	40.4765	42.5004	44.6254	46.8566
		Monthly	6,363.66	6,681.84	7,015.93	7,366.73	7,735.06	8,121.82
		Annual	76,363.88	80,182.07	84,191.17	88,400.73	92,820.77	97,461.81
50	Public Works Manager*	Hourly	45.7423	48.0294	50.4309	52.9525	55.6001	58.3801
		Monthly	7,928.67	8,325.10	8,741.36	9,178.43	9,637.35	10,119.21
		Annual	95,144.03	99,901.23	104,896.29	110,141.10	115,648.16	121,430.57
52	Finance Manager*	Hourly	45.7423	48.0294	50.4309	52.9525	55.6001	58.3801
		Monthly	7,928.67	8,325.10	8,741.36	9,178.43	9,637.35	10,119.21
		Annual	95,144.03	99,901.23	104,896.29	110,141.10	115,648.16	121,430.57
71	Risk Manager/* Human Resources	Hourly	45.7423	48.0294	50.4309	52.9525	55.6001	58.3801
		Monthly	7,928.67	8,325.10	8,741.36	9,178.43	9,637.35	10,119.21
		Annual	95,144.03	99,901.23	104,896.29	110,141.10	115,648.16	121,430.57
54	Planning Manager	Hourly	58.9685	61.9169	65.0128	68.2634	71.6766	75.2604
		Monthly	10,221.20	10,732.26	11,268.88	11,832.32	12,423.94	13,045.14
		Annual	122,654.46	128,787.18	135,226.54	141,987.87	149,087.26	156,541.62
57	City Clerk*	Hourly	45.7969	48.0867	50.4911	53.0156	55.6664	58.4497
		Monthly	7,938.13	8,335.03	8,751.79	9,189.37	9,648.84	10,131.29
		Annual	95,257.53	100,020.41	105,021.43	110,272.50	115,786.12	121,575.43
72	Dir. Of Community Dev/* Assistant City Manager	Hourly	73.1034	76.7586	80.5965	84.6263	88.8576	93.3005
		Monthly	12,671.26	13,304.82	13,970.06	14,668.56	15,401.99	16,172.09
		Annual	152,055.08	159,657.84	167,640.73	176,022.77	184,823.90	194,065.10

Employees not on step plan	Pay Period	Rate
City Manager*	Monthly	22,777.74
	Annual	273,332.91
City Attorney*	Monthly	16,032.89
	Annual	192,394.65

*Denotes exempt positions

Amended: Resolution SC - 29, 1991; 94-08, 1994; 97-66, 1997; 99-51, 1999; 01-61, 2001; 02-53, 2002; 05-49, 2005; 07-99, 2007; 10-75, 2010; 15-46, 2015; 18-87, 2018; 18-92, 2018; 20-86, 2020; 21-46, 2021; 22-13, 2022; 23-23, 2023; 23-35, 2023; 23-52, 2023; 24-25, 2024; 24-45; 24-57; 25-15, 25-___2025 Effective June 03, 2025

8/14/2025

2024-27 Police Officers

Range Placement Table
5% Between Steps
Effective July 1, 2025

Range #	Recommended Title	Pay Period	Step 1	Step 2	Step 3	Step 4	Step 5	Maxium Step 6
36	**Reserves**	**Hourly**	**35.07**	**36.83**	**38.67**	**40.60**	**42.63**	**44.76**
50	Police Officer 1	Hourly	51.9764	54.5752	57.3040	60.1692	63.1776	66.3365
		Monthly	9,009.24	9,459.70	9,932.69	10,429.32	10,950.79	11,498.33
		Annual	108,110.90	113,516.45	119,192.27	125,151.88	131,409.48	137,979.95
56	**Police Sergeant**	**Hourly**	**60.8618**	**63.9049**	**67.1002**	**70.4552**	**73.9779**	**77.6768**
		Monthly	**10,549.38**	**11,076.85**	**11,630.69**	**12,212.23**	**12,822.84**	**13,463.98**
		Annual	**126,592.57**	**132,922.20**	**139,568.31**	**146,546.73**	**153,874.06**	**161,567.77**
62	Police Commander	Hourly	70.5811	74.1102	77.8157	81.7064	85.7918	90.0814
		Monthly	12,234.06	12,845.76	13,488.05	14,162.45	14,870.57	15,614.10
		Annual	146,808.69	154,149.12	161,856.58	169,949.41	178,446.88	187,369.22

Amended: Resolution SC - 29, 1991; 94-08, 1994; 97-66, 1997; 99-51, 1999; 01-61, 2001; 02-53, 2002; 05-49, 2005; 07-99, 2007; 10-75, 2010; 15-46, 2015; 18-87, 2018; 18-92, 2018; 20-86, 2020; 21-46, 2021; 23-26, 2023; 24-25,2024; 24-43,2024; 24-45, 2024; 25-26, 2025; 25-27, 2025 and 25-____, 2025 Effective Date: 07/15/2025

Exempt Employees:
Police Chief
Monthly $18,142.54
Annual $217,710.58

8/14/2025

AGENDA ITEM
6E.

Approve a Resolution Approving a Lease Agreement with Moore Twining Associates, Inc. for the Lease of Property Located at 501 Ortiz Avenue and Authorizing the City Manager to Execute the Agreement

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Audrey Cray, HR/Risk Manager
SUBJECT: Moore Twining Lease Agreement Renewal (501 Ortiz Avenue)
DATE: August 19, 2025

BACKGROUND/DISCUSSION:

The City of Sand City ("City") purchased the property at 501 Ortiz Avenue ("Property") in the later part of 2024 which was being leased by Moore Twining Associates, Inc. ("Tenant") since 2001. On November 5th, 2024, City Council authorized a lease agreement between the City and Moore Twining to take effect 30 days after the City acquired the property, ending on December 31st, 2025. The Tenant and City wish to renew the lease for a term of one year, beginning January 1st, 2026, and ending on December 31st, 2026.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The rent generated by this Lease will be $36,000 per year.

RECOMMENDATION:
Staff recommends approval of the lease agreement for the term of one year and authorize the City Manager to process future amendments to the Moore Twining Lease agreement.

ATTACHMENTS:

1. Resolution
2. Draft Lease Agreement

CITY OF SAND CITY
RESOLUTION SC___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY APPROVING A LEASE AGREEMENT WITH MOORE TWINING ASSOCIATES, INC. FOR THE LEASE OF PROPERTY LOCATED AT 501 ORTIZ AVENUE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the City of Sand City (the "City") purchased certain property located at 501 Ortiz Avenue, Sand City, California, 93955 consisting of approximately 2,500 square feet ("Property") which has been leased to Moore Twining Associates, Inc ("Tenants" since 2001; and

WHEREAS, at the November 5th, 2024 City Council meeting, Council approved a lease agreement between the City and the Tenant beginning 30 days after property acquisition and ending on December 31st, 2025; and

WHEREAS, Tenants and the City wish to continue the lease at this time; and

WHEREAS, the term of the proposed lease agreement renewal is for a term to begin January 1st, 2026 until December 31st, 2026, and will include monthly rent payments in the amount of Three Thousand Dollars ($3,000) and utilities; and

WHEREAS, the proposed lease will not allow Tenant to make changes to the Property without the City's consent, and will be responsible for maintenance of the Property; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby approve a lease agreement with Moore Twining, Inc. to lease to 501 Ortiz Avenue and authorizes the City Manager to execute the Agreement in a form approved by City Attorney and to execute future amendments to the Moore Twining Lease Agreement.

PASSED AND ADOPTED by the City Council of the City of Sand City this 19th day of August 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

LEASE AGREEMENT

by and between the

THE CITY OF SAND CITY

and

MOORE TWINING ASSOCIATES, INC.

(501 ORTIZ AVE.)

2025

This LEASE AGREEMENT (this "**Lease**" or this "**Agreement**"), dated January 1st, 2026 (the "**Effective Date**"), is entered into by and between the City of Sand City, a California municipal corporation (hereafter the "**City**" or the "**Landlord**") and Moore Twining Associates, Inc. (the "**Tenant**"). Landlord and Tenant are hereafter each referred to as a "**Party**" and collectively referred to as the "**Parties.**"

RECITALS

A. The City is the owner in fee title to real property located at 501 Ortiz Avenue, Sand City, California, 93955 (the "**Property**"), as more particularly described in Exhibit A attached hereto and incorporated herein by this reference. The Property is improved with an existing one-story structure which is currently used for commercial purposes.

B. The Tenant currently occupies the Property and operates thereon a commercial enterprise doing business as Moore Twining Associates, Inc. (the "**Business**").

C. The City has agreed to lease the Property to the Tenant, and Tenant agrees to lease the Property from the City, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Tenant hereby agree as of the Effective Date as follows.

ARTICLE I
DEMISE OF PROPERTY

1.1 Incorporation of Recitals. The Parties acknowledge the truth of the Recitals set forth above, and all such Recitals are hereby incorporated into this Agreement.

1.2 Original Lease. The Parties' previous lease, attached hereto as Exhibit C (the "Original Lease"), shall control all matters not covered by this Agreement. In the event that the Original Lease and this Agreement conflict, this Agreement shall control.

1.3 Creation of Lease. City hereby leases to Tenant, and Tenant hereby leases from City, the Property for the Term subject to the terms and conditions and for the purposes set forth in this Agreement.

1.4 No Representations. Tenant acknowledges that neither Landlord nor any of Landlord's agents has made any representation or warranty as to the suitability or fitness of the Premises for the conduct of the Business, and that neither Landlord nor any agent of Landlord has agreed to undertake any alterations or additions or to construct any tenant improvements to the Premises except as expressly provided in this Lease.

1.5 Relocation. Tenant acknowledges and agrees that Tenant is a "post-acquisition tenant" as provided in Government Code Section 7260, *et seq.*, and the California Relocation Assistance and Real Property Acquisition Guidelines, 25 California Code of Regulations Section 6000, *et seq.*, and Tenant is therefore not entitled to receive any relocation payments or other relocation assistance under applicable law as a result of Landlord's termination of this Lease or Tenant's vacation of the Premises.

ARTICLE II
TERM OF LEASE; RENT; SECURITY DEPOSIT

2.1 Term. The term of this Agreement (the "Term") shall commence on January 1st, 2026 (the "Commencement Date"). The Term of this Lease shall commence on the Commencement Date, and shall be for a time period ending on December 31, 2026. Landlord shall have the right to terminate this Lease, upon an Event of Default, during the Term by written notice to Tenant as specified in Article IX of this Agreement. Tenant shall have the right to terminate this Lease, without cause, during the Term by written notice to Landlord not less than thirty (30) days prior to the date of termination. The expiration of the Term or the sooner termination of this Agreement shall be referred to as "**Lease Termination.**"

2.2 Rent. On the Commencement Date, and monthly on the first day of each month thereafter until Lease Termination, the Tenant shall pay to the Landlord, Three Thousand Dollars ($3,000) ("**Rent**"). Rent payments are due to the City at the address shown in Section 10.3.2 or such other place as the City may designate in writing. In the event the Tenant fails to pay Rent by the close of business by the 10th day of the month or the Tenant's check is returned by the financial institution on which it is drawn for insufficient funds, the Tenant shall pay the City (i) Twenty-Five Dollars ($25) as a late fee (the "**Late Payment Penalty**") and (ii) twelve percent (12%) interest accrued daily on such late Rent due to the City, which shall be included with the payment of Rent.

2.3 Payment of Property Expenses. Rent includes the payment of possessory interest taxes and water and sewer costs. The Tenant shall pay all other costs and expenses relating to the Property of any kind or nature whatsoever. Such costs and expenses shall include, without limitation, all amounts attributable to, or paid or incurred in connection with, the operation, repair, restoration, maintenance and management of the Premises; gross receipt taxes (whether assessed against the City or assessed against Tenant and collected by the City, or both); insurance premiums; utilities; refuse disposal; lighting (including outside lighting); fire detection systems including monitoring, maintenance and repair; security; janitorial services; labor; air-conditioning and heating; maintenance and repair costs and service contracts; costs of licenses, permits and inspections; costs of landscaping; and all other costs and expenses paid or incurred with respect to the Property.

ARTICLE III
ALTERATIONS

3.1 Changes and Alterations. During the Term of this Agreement, the Tenant shall not make any change, alteration or addition to the Property that would materially alter the function or exterior appearance of the Property without the prior written consent of the City. All alterations and additions shall be made at the Tenant's sole cost and expense.

ARTICLE IV
USE, NONDISCRIMINATION AND OPERATION OF THE PROPERTY

4.1 Permitted Uses. The Tenant may use the Property for the Business as described herein and for no other purposes without the prior written consent of the City. The Tenant shall not use or permit the Property to be used in whole or in part during the Term for any purpose other than as permitted pursuant to this Agreement or by the City's written consent.

4.2 Nondiscrimination. The Tenant herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the Tenant himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

Notwithstanding the foregoing, with respect to familial status, nothing herein shall be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 6.2.

4.3 Easements; Reservation of Rights. The City reserves the right to locate and construct its own utilities and to grant nonexclusive easements across the Property for utility and other purposes including the installation, maintenance, repair and replacement of utilities; provided that the exercise of such rights does not unreasonably interfere with the Tenant's use of the Property for the purposes set forth herein.

4.4 Maintenance and Inspection of the Property.

4.4.1 Maintenance. At the Tenant's sole cost and expense throughout the Term, the Tenant shall operate, maintain and manage the Property including all landscaping and improvements thereon in good order and repair and in neat, clean sanitary and safe condition in compliance with all local, state and federal laws, statutes and regulations relating to the use, occupancy or operation of the Property. The Tenant shall ensure that the Property is served by adequate lighting in accordance with applicable building codes. The Tenant shall promptly, at the Tenant's own cost and expense, make all necessary repairs, including replacements or renewals when necessary, and all such repairs shall be at least equal in quality to the original work, reasonable wear and tear accepted. The Tenant shall keep and maintain all portions of the Property in a clean and orderly condition, free of accumulation of dirt, rubbish, and graffiti. The Tenant's failure to maintain the Property in accordance with this Agreement shall be grounds for termination of this Agreement.

4.4.2 Inspection. At any time during the Term, upon reasonable advance notice and during normal business hours, the City may conduct interior and/or exterior inspections of the Property to confirm that it is being properly maintained as required herein. Following its inspection, the City may deliver to the Tenant written notification of any portions of the Property which the City has determined are not being properly maintained, and the Tenant shall promptly prepare and deliver to the City the Tenant's proposed plan for remedying the indicated deficiencies. The Tenant's failure to deliver a remedial plan and to complete remedial work within a reasonable time as determined by the City in its reasonable discretion shall be a default under this Agreement.

The failure of the City to inspect or to notify the Tenant of any deficiency shall not be a waiver of default or of the City's right to enforce the Tenant's maintenance and repair obligations. The Tenant shall defend (with counsel reasonably acceptable to the City), indemnify and hold the Indemnitees harmless from and against any and all Claims arising out of the Tenant's failure to fully and timely fulfill its obligations to maintain and repair the Property as required hereunder.

4.5 Compliance with Laws. The Tenant, at its sole cost and expense, shall comply with all applicable state and federal laws and regulations, including without limitation, all applicable state and federal labor laws and standards, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, California Government Code Section 4450, *et seq.*, California Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, California Civil Code Section 51, *et seq.* pertaining to the use, operation, and management of the Property and all City ordinances and regulations relating to the conduct of construction, including without limitation, all City ordinances and regulations relating to noise and maintenance of the Property.

The Tenant shall not itself use the Property for any unlawful purpose or perform, permit or suffer any act of omission or commission upon or about the Property or the

Property which would result in a nuisance or a violation of law. The Tenant shall use its best efforts to not permit any permittees, licensees, guests or invitees to use the Property for any unlawful purpose or perform, permit or suffer any act of omission or commission upon or about the Property or the Property which would result in a nuisance or a violation of law.

ARTICLE V
CONDITION OF THE PREMISES;

5.1 Condition of the Property.

5.1.1 AS-IS Condition. The Tenant will lease the Property in its "AS IS" condition as such condition exists as of the Commencement Date.

5.1.2 No Representations. The Tenant acknowledges that except as expressly set forth herein, the City makes no representations or warranties expressed or implied regarding the condition of the Property or the fitness or suitability thereof for the Tenant's purposes, including but not limited to, the condition of the soil, its geology, topography, the presence or absence of fill, the presence or absence of Hazardous Materials, drainage, flood zone designation, or compliance with Hazardous Materials Laws, and no patent or latent defect or deficiency in the condition of the Property shall affect the rights of the Tenant or the City hereunder. The Tenant shall rely solely on its own independent investigation and judgment as to all matters relating to the Land. The Tenant acknowledges and agrees that prior to the Effective Date it has made such investigations of the Property, including without limitation such inquiries of governmental agencies, soils testing, tests and inspections as Tenant deemed necessary to determine the condition of the Property, and has approved all such characteristics and conditions and shall lease the Property in its condition as of the Effective Date "AS-IS" "WHERE-IS" AND WITH ALL FAULTS. The Tenant further acknowledges that the City has made available all data and information on the Property available to the City, but without warranty or representation by the City as to the completeness, correctness or validity of such data and information, except as otherwise set forth in this Agreement.

5.2 Tenant's Covenants. The Tenant hereby covenants and agrees that throughout the Term:

(a) The Property, and the use and operation thereof, shall be in compliance with all Hazardous Materials Laws, and the Tenant shall not cause or permit the Property or any portion thereof to be in violation of any Hazardous Materials Laws (as defined on Exhibit B, attached hereto).

(b) The Tenant shall not permit the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials (as defined on Exhibit B, attached hereto) nor shall the Tenant permit the presence or release of Hazardous Materials in, on, under, about or from the Property with the exception of materials customarily used in construction, operation, use

or maintenance of restaurant facilities, provided such materials are used, stored and disposed of in compliance with Hazardous Materials Laws.

ARTICLE VI
INDEMNITY AND INSURANCE

6.1 Indemnity. The Tenant shall indemnify, defend (with counsel reasonably acceptable to the City) and hold the Indemnitees harmless from and against any and all Claims arising during the Term and arising from or in connection with any of the following: (i) the operation or management of the Property, (ii) any work or thing done on or in the Property, (iii) any condition of any alteration or addition constructed by the Tenant on the Property, (iv) any breach or default by the Tenant in the performance of any covenant or agreement to be performed by the Tenant pursuant to the terms of this Agreement, (v) any negligence of the Tenant, or any of its agents, contractors, subcontractors, employees, or licensees, (vi) any accident, injury or damage caused to any person occurring during the Term in or on the Property, and (vii) the furnishing of labor or materials by the Tenant or its contractors, subcontractors, employees, or agents. In the event any such action or proceeding is brought against the City by reason of any such Claim, the Tenant, upon notice from the City, covenants to defend such action or proceeding by counsel reasonably satisfactory to the City. If an insurer under insurance required to be maintained by the Tenant hereunder shall undertake to defend the City under a reservation of rights with respect to ultimate coverage and the City shall reasonably deem it necessary to retain independent counsel with respect to such matter, the Tenant shall pay the reasonable fees of such counsel. The obligations of the Tenant under this Article VI shall not apply to any Claim or other matter to the extent such arises as a result of the gross negligence or willful misconduct of the Indemnitees. This Section shall survive the expiration or earlier termination of this Agreement.

6.2 Insurance Requirements. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the Term, the following insurance naming the City as additional insured and/or loss payee:

a. Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Property and the Business with a policy limit of at least Two Million Dollars ($2,000,000) per occurrence.

b. Workers' compensation insurance that complies with the statutory requirements of the state of California.

ARTICLE VII
ASSIGNMENT, TRANSFER, SUBLETTING; NONDISTURBANCE AND ATTORNMENT

7.1 Restrictions on Transfer, Assignment and Encumbrance. The Tenant shall have no right to sell, transfer, sublet, assign, encumber, hypothecate or otherwise convey ("**Transfer**") its leasehold interest hereunder or any portion of its interest in the Property, any Improvements or this Agreement voluntarily, involuntarily, by operation of law, or otherwise.

ARTICLE VIII
DEFAULT, REMEDIES AND TERMINATION

8.1 Event of Default. The Tenant shall be in default under this Agreement upon the occurrence of any of the following ("**Events of Default**"):

(a) Monetary and Non-Monetary Obligation. The Tenant at any time is in default hereunder as to any monetary obligation, including without limitation, the payment of Rent and payment of taxes and assessments due on the Property or part thereof, and such default continues for thirty (30) days or the Tenant defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1, and unless a shorter cure period is specified for such default, the default continues for thirty (30) days after the date upon which the City shall have given written notice of the default to the Tenant (provided however, if the default is of a nature that it cannot be cured within thirty (30) days, an Event of Default shall not arise hereunder if the Tenant commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred and eighty (180) days after receipt of a Notice of Default);

(b) Insurance. The Tenant fails to obtain and maintain any insurance required pursuant to Section 6.2 of this Agreement, and the Tenant fails to cure such default within ten (10) days following receipt of Notice of Default;

(c) Abandonment. The Tenant abandons the Property and ceases to use it for the purposes authorized hereby for a period of ninety (90) days or more or as established pursuant to Section 1951.3 of the California Civil Code.

(d) Transfer. A voluntary or involuntary Transfer of all or any portion of the Tenant's interest in this Agreement occurs in violation of the provisions of Article VIII;

8.2 Notice and Opportunity to Cure.

8.2.1 Notice of Default. Upon the occurrence of a default hereunder, the non-defaulting party shall deliver a notice to the nonperforming party (the "**Notice of Default**"), stating the nature of the obligation which such nonperforming party has failed to perform, and stating the applicable period of time, if any, permitted to cure the default.

8.2.2 Failure to Give Notice; No Waiver. Failure to give, or delay in giving, the Notice of Default shall not constitute a waiver of any obligation, requirement or covenant required to be performed hereunder. No failure or delay by either party in asserting any rights and remedies as to any breach shall operate as a waiver of any breach or of any such rights or remedies. Delay by either party in asserting any of its rights and remedies shall not deprive such party of the right to institute and maintain any action or proceeding which it may deem appropriate to protect, assert or enforce any such rights or remedies.

8.3 Remedies Upon Default.

8.3.1 City's Remedies. Upon the occurrence of any Event of Default and in addition to any and all other rights or remedies of the City hereunder and/or provided by law, the City shall have the right to terminate this Agreement and/or the Tenant's possessory rights hereunder. The City's re-entry or taking of possession of the Property shall not be construed as an election on the City's part to terminate this Agreement unless the City shall have given written notice of such intention to the Tenant. In no event shall this Agreement be treated as an asset of the Tenant after any final adjudication in bankruptcy except at the City's option so to treat the same but no trustee, receiver, or liquidator of the Tenant shall have any right to disaffirm this Agreement.

8.4 Remedies Cumulative. No remedy specified in this Article IX shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy provided hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy provided by this Agreement may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, subject to any limitations set forth herein.

ARTICLE IX
GENERAL PROVISIONS

9.1 Non-Subordination of Fee. Nothing in this Agreement shall be construed as an agreement by the City to subordinate its fee interest in the Property or its right to rent payments hereunder or any other right of the City herein. The Tenant shall not mortgage its interest in the Property and the City not encumber or otherwise subordinate its fee interest in the Property or approve any mortgage of the Tenant's leasehold estate.

9.2 Representations of City and Tenant.

9.2.1 The Tenant hereby represents and warrants that as of the Effective Date the following are true and correct: (a) this Agreement constitutes the legally valid and binding obligation of the Tenant, enforceable against the Tenant in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally;

and (b) the person executing this Agreement is authorized to do so; and (c) the execution of this Agreement and the acceptance of the obligations set forth herein do not violate any court order or ruling binding upon the Tenant or any agreement to which Tenant is a party or may be bound.

9.2.2 City hereby represents and warrants that as of the Effective Date the following are true and correct: (a) this Agreement constitutes the legally valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

9.3 Miscellaneous.

9.3.1 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

9.3.2 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service; or (iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

City: City of Sand City
1 Pendergrass Way
Sand City, CA 93955
Attention: City Manager

Tenant: **Moore Twining Associates, Inc.**
501 Ortiz Avenue,
Sand City, California, 93955
Attention: _____

9.3.3 Captions; Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree that since both Parties have participated in the negotiation and drafting of this Agreement with the advice of counsel, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

9.3.4 Successors and Assigns. Subject to the restrictions on transfer set forth in Article VIII, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. Any reference in this Lease to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement as if in every case so expressed.

9.3.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Monterey County, California.

9.3.6 Attorney's Fees. If either Party commences an action against the other to enforce any obligation contained herein, or to interpret any provision hereof, each party shall be responsible for their respective counsel fees and costs.

9.3.7 Indemnity Includes Defense Costs. In any case where either Party is obligated under an express provision of this Lease, to indemnify and to save the other Party harmless from any damage or liability, the same shall be deemed to include defense of the indemnitee by the indemnitor, such defense to be through legal counsel reasonably acceptable to the indemnitee.

9.3.8 No Third-Party Beneficiaries; Disclaimer of Partnership, Lender/Borrower Relationship. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties any rights or remedies hereunder. The relationship of the parties under this Agreement is solely that of landlord and tenant, and it is expressly understood and agreed that the City does not as a result of this Agreement in any way nor for any purpose become a partner of the Tenant or a joint venturer with the Tenant in the conduct of the Tenant's business or otherwise. This Agreement is not intended to, and shall not be construed to, create the relationship of principal and agent, partnership, joint venture, or association as between the City and the Tenant. It is further expressly understood and agreed that this Agreement is not

intended to, and shall not be construed to create the relationship of lender and borrower, and the City does not, solely as a result of this Agreement, become a lender to the Tenant.

9.3.9 Entire Agreement. This Agreement, together with all Exhibits, contains the entire agreement between the Parties relative to the transactions covered hereby. All previous correspondence, communications, discussions, agreements, understandings or proposals and acceptances thereof between the Parties or their representatives, whether oral or written, are deemed to have been integrated into and superseded by this Agreement and are of no further force and effect except as expressly provided in this Agreement.

9.3.10 Waiver; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other covenant or provision hereof. No waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

9.3.11 Time is of the Essence. Time is of the essence of this Agreement and of each provision hereof.

9.3.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

9.3.13 Action by the Parties. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City in its capacity as landlord hereunder is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City's City Manager or by any person who shall have been designated by the City Manager, without further approval by the City Board of Directors unless the City Manager determines in his or her discretion that such matter requires consideration by the City Board.

9.3.14 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City or the City shall be personally liable to Tenant or its successors in interest in the event of any default or breach by the City or for any amount which may become due to the Tenant or the Tenant's permitted successors in interest pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have entered into this Lease as of the Effective Date.

TENANT:
Moore Twining Associates, Inc.
,
a California Corporation

By: _____
08/12/2025

LANDLORD:

CITY OF SAND CITY,
a California municipal corporation

By: _____
City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM

_____
City Attorney

AGENDA ITEM
6F.

Approve a Resolution Authorizing the City Manager to Execute the First Amendment to the Professional Services Agreement Between the City of Sand City and Hinderliter, de Llamas & Associates (HdL) for Transaction and Use Tax Audit & Information Services for Measure "L"

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Audrey Cray, Administrative Services Manager
SUBJECT: Resolution Authorizing the City Manager to Execute a First Amendment to the Professional Services Agreement with Hinderliter de Llamas and Associates (HdL) for Transactions and Use Tax Audit and Information Services
DATE: August 19, 2025

BACKGROUND/DISCUSSION:

In 2022, the voters of the City of Sand City voted in favor of Measure “L” which raised the existing general transactions and use tax to one and one-half percent. The tax is administered by the California of Tax and Fee Administration (CDTFA). On January 17, 2023, City Council authorized the City Manager to execute a two and a half year term with Hinderliter de Llamas and Associates (HdL) for Transactions and Use Tax Audit and Information.

City staff and HdL desire to amend the terms of the Professional Services Agreement with HdL to extend the contract term to end on June 30, 2028. The remaining provisions of the initial Professional Services Agreement shall remain in full force and effect.

HdL is a recognized leader in the State of California auditing and reporting services, currently providing sales, transactions and use tax services to over 600 public agencies in California. Having an effective program of transactions and use tax management can provide for more accurate budget forecasting and financial planning.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The cost per year shall not exceed $15,000. This amount has been included in the approved Fiscal Year 2025-2026 Budget.

RECOMMENDATION:
Staff recommends approval of the attached resolution amending the terms of the 2023 Professional Services Agreement with HDL and to authorize the City Manager to execute the First Amendment to the Professional Services Agreement for Transaction and Use Tax Audit and Information Services as attached hereto as Exhibit a, subject to City Attorney’s review.

ATTACHMENTS:

1. Resolution
2. First Amendment Professional Services Agreement

CITY OF SAND CITY
RESOLUTION SC___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SAND CITY AND HINDERLITER, DE LLAMAS & ASSOCIATES (HdL) FOR TRANSACTIONS AND USE TAX AUDIT & INFORMATION SERVICES FOR MEASURE "L"

WHEREAS, on January 17th, 2023, the City Council approved a two & a half year agreement with Hinderliter, de Llamas & Associates (HdL) for Tax & Audit information services related to the adoption of Measure "L"; and

WHEREAS, City staff and HdL desire to amend the terms of the Professional Services Agreement with HdL for Transactions and Use Tax Audit & Information Services for Measure "L" to extend the contract term to end on June 30, 2028; and

WHEREAS, HdL is a recognized leader in the State of California auditing and reporting services, currently providing sales, transactions and use tax services to over 600 public agencies in California; and

WHEREAS, an effective program of transactions and use tax management can provide for more accurate budget forecasting and financial planning; and

WHEREAS, Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of the California Department of Tax and Fee Administration. This section specifies the conditions under which Sand City may authorize persons other than Sand City officers and employees to examine State Sales, Transactions and Use Tax Records.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby:

1. Authorize the City Manager to execute the First Amendment to the Professional Services Agreement with HdL in substantially the same form as that attached hereto as Exhibit A, subject to review by the City Attorney.

2. HdL shall maintain a Sand City Business License for the duration of the agreement.

PASSED AND ADOPTED by the City Council of the City of Sand City this 19th day of August 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

RESOLUTION EXHIBIT A
Resolution SC 25-__ 2025

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR TRANSACTIONS AND USE TAX AUDIT AND INFORMATION SERVICES FOR MEASURE L

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "**Amendment**"), dated July 1, 2025, amending that certain PROFESSIONAL SERVICES AGREEMENT ("**PSA**") entered into on January 18th, 2023 by and between the City of Sand City, a California municipal corporation (the "**City**") and Hinderliter de Llamas & Associates ("**Consultant**"). The City and the Consultant are each referred to herein as a "**Party**" and collectively referred to as the "**Parties**."

WHEREAS, the Parties desire to amend the term of the PSA.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Section 2 "Term" is revised in its entirety as follows:

The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2028. Professional shall complete the work described in Schedule A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 10. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 11.

Section 2. Effect

Except as otherwise expressly set forth in this Amendment, all other terms and conditions of the PSA remain unchanged and in full force and effect. In the event there is a conflict between the terms and provisions of this Amendment and the PSA as originally executed, the terms and provisions of this Amendment shall control.

Section 3. General Provisions.

This Amendment may be executed in separate counterparts, which together shall be fully effective as an original and together constitute one and the same instrument. Facsimile signatures appearing hereon shall be deemed originals. This Amendment shall

be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

CITY
City of Sand City

By: _____
Vibeke Norgaard
City Manager

CONSULTANT
Hinderliter de Llamas & Associates

By:_____
Andrew Nickerson
President/CEO

AGENDA ITEM
6G.

Approve a Resolution Designating the City Manager, Finance Manager, and Administrative Services Manager as the City's Agents that can Provide Required Assurance and Execute Agreements for the Purpose of Obtaining Financial Assistance from the Federal Emergency Management Agency (FEMA) and the State of California Governor's Office of Emergency Services (CAL OES); and Approving CAL OES From 130, Designation of Applicant's Agent Resolution for Non-State Agencies

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: Jennifer Pope, Finance Manager
SUBJECT: California Office of Emergency Services (Cal OES) Form 130 – Designation of Applicant's Agent Resolution for Non-State Agencies
DATE: August 19, 2025

BACKGROUND/DISCUSSION:

When disasters such as floods, fires, and earthquakes occur, cities may be eligible for federal and state financial assistance by means of reimbursement or grant funding. To be eligible, the Governor's Office of Emergency Services (Cal OES) requires documentation be kept on file authorizing specific agents to apply for financial assistance. This authorization must be approved by the City Council and updated every three years. Grant applications will only be accepted from authorized agents whose title appears on Form 130 – *Designation of Applicant's Agent Resolution for Non-State Agencies* that is provided by City Council and approved by Cal OES.

Staff recommend that the City Council authorize the following titles as designated agents to apply for federal and state financial assistance and make necessary assurances to obtain such assistance: City Manager, Finance Manager, and Administrative Services Manager.

Form 130, *Designation of Applicant's Agent Resolution for Non-State Agencies* is attached for review and approval.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The City is not eligible for State disaster assistance without the approved Form 130, *Designation of Applicant's Agent Resolution for Non-State Agencies*.

RECOMMENDATION:
Staff recommend that the City Council authorize the following positions as designated agents who have the authority to apply for federal and state financial assistance:

- City Manager
- Finance Manager
- Administrative Services Manager

ATTACHMENTS:

1. Resolution
2. Form 130 – Designation of Applicant's Agent Resolution for Non-State Agencies

CITY OF SAND CITY
RESOLUTION SC 25-___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY DESIGNATING THE CITY MANAGER, FINANCE MANAGER, AND ADMINISTRATIVE SERVICES MANAGER AS THE CITY'S AGENTS THAT CAN PROVIDE REQUIRED ASSURANCE AND EXECUTE AGREEMENTS FOR THE PURPOSE OF OBTAINING FINANCIAL ASSISTANCE FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND THE STATE OF CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CAL OES); AND APPROVING CAL OES FORM 130, DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

WHEREAS, the City Council must designate City agents responsible for providing required assurance and executing agreements with FEMA and Cal OES on behalf of the City and approve the corresponding Cal OES Form 130; and

WHEREAS, City staff recommends that the form designate agents by position, instead of specific names, and be effective for all open and future disasters declared by the state and federal government so as to expedite processing of financial assistance requests in the future.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby designate the City Manager, Finance Manager, and Administrative Services Manager as the City agents to provide required assurance and execute agreements for the purpose of obtaining financial assistance from the Federal Emergency Management Agency (FEMA) and the State of California Governor's Office of Emergency Services; approving Cal OES Form 130, Designation of Applicant's Agent Resolution for Non-State Agencies, attached to the resolution; and authorizing City Manager to file the Cal OES Form 130 and all related documents.

PASSED AND ADOPTED by the City Council of the City of Sand City this ___, day of _____, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE City Council (Governing Body) OF THE City of Sand City (Name of Applicant)

THAT City Manager (Title of Authorized Agent), OR

Finance Manager (Title of Authorized Agent), OR

Administrative Services Manager (Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Sand City (Name of Applicant), a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- **Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM),** under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- **Flood Mitigation Assistance Program (FMA)**, under Section 1366 of the National Flood Insurance Act of 1968.
- **National Earthquake Hazards Reduction Program (NEHRP)** 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- **California Early Earthquake Warning (CEEW)** under CA Gov Code – Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the City of Sand City (Name of Applicant), a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

DESIGNATION OF APPLICANT'S AGENT RESOLUTION NON-STATE AGENCIES

OES-FPD-130 (Rev. 10-2022)

Please check the appropriate box below

☑ This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.

☐ This is a disaster/grant specific resolution and is effective for only disaster/grant number(s):_____

Passed and approved this 15 day of July, 20 25

Mary Ann Carbone, Mayor
(Name and Title of Governing Body Representative)

Jerry Blackwelder, Vice Mayor
(Name and Title of Governing Body Representative)

Elizabeth Sofer, Council Member
(Name and Title of Governing Body Representative)

CERTIFICATION

I, Kerry Lindstrom (Name), duly appointed and City Clerk (Title) of City of Sand City (Name of Applicant), do hereby certify that the above is a true and correct copy of a resolution passed and approved by the City Council (Governing Body) of the City of Sand City (Name of Applicant) on the 19 day of August, 20 25.

_____ City Clerk

(Signature) (Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted resolution is older than three (3) years from the last date of approval, is invalid, or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on pages 1 and 2. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California.

Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services regarding grants for which they have applied. There are two ways of completing this section:

1. Titles Only: The titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by either a cover letter naming the Authorized Agents by name and title, or the Cal OES AA Names document. The supporting document can be completed by any authorized person within the Agency (e.g., administrative assistant, the Authorized Agent, secretary to the Director). It does not require the Governing Body's signature.

2. Names and Titles: If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.

Checking Universal or Disaster-Specific Box: A Universal resolution is effective for all past disasters and for those declared up to three (3) years following the date of approval. Upon expiration it is no longer effective for new disasters, but it remains in effect for disasters declared prior to expiration. It remains effective until the disaster goes through closeout unless it is superseded by a newer resolution.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents. A minimum of three (3) approving board members must be listed. If less than three are present, meeting minutes must be attached in order to verify a quorum was met.

Certification Section:

Name and Title: This is the individual in attendance who recorded the creation and approval of this resolution.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member. If a person holds two positions (such as City Manager and Secretary to the Board) and the City Manager is to be listed as an Authorized Agent, then that person could sign the document as Secretary to the Board (not City Manager) to eliminate "Self-Certification."

AGENDA ITEM
6H.

Acceptance of City/Successor Agency Financial Report from July 2025

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council/Successor Agency Board Members
FROM: Jennifer Pope, Finance Manager
SUBJECT: July 2025 Financial Report
DATE: August 19, 2025

BACKGROUND/DISCUSSION:
Attached are monthly financial reports for the City of Sand City and the Sand City Successor Agency of the former Redevelopment Agency.

A. City of Sand City Reports

a. Cash Receipt Report, July 2025 (Attachment 1)
   Revenue total - **$929,644**
b. Check Report, July 2025 (Attachment 2)
   Expenditure total - **$1,883,343**

B. Sand City Successor Agency for the former Redevelopment Agency Reports

a. Revenue Report, July 2025 (Attachment 3)
   Revenue total - **$4,861**
b. Check Report, July 2025 (Attachment 4)
   Expenditures total - **$182,261**

Transfers
Listed below are transfers from one bank account to another and should not be considered as revenue or expenditure.

Date	Source	Amount	Description
7/21/2025	Transfer	$500,000	Transfer from money market account to public checking account for Accounts Payable.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
There is no fiscal impact with receiving this report.

RECOMMENDATION:
Receive the report.

ATTACHMENTS:

1. Sand City Cash Receipt Report
2. Sand City Check Report
3. Sand City Successor Agency Revenue Report
4. Sand City Successor Agency Check Report



City of Sand City

Cash Receipt Report

By Transaction Code

Date Range: 7/1/2025 - 7/31/2025

Transaction Code	Receipt Number	Date	Transaction Description	Applied Amount
BUI01	R00000703	7/1/2025 12:00:00 AM	Building Permit 4115	2,000.00
WEST	R00000705	7/11/2025 12:00:00 AM	West End Revenue	120.00
TOT01	R00000707	7/11/2025 12:00:00 AM	TOT Tax	926.16
TOT01	R00000708	7/11/2025 12:00:00 AM	TOT Tax	1,339.43
TOT01	R00000709	7/11/2025 12:00:00 AM	TOT Tax	213.60
TOT01	R00000710	7/11/2025 12:00:00 AM	TOT Tax	1,083.60
TOT01	R00000711	7/11/2025 12:00:00 AM	TOT Tax	837.73
TOT01	R00000712	7/11/2025 12:00:00 AM	TOT Tax	1,432.69
TRA01	R00000713	7/11/2025 12:00:00 AM	Traffic Safety Fund	105.64
CRI01	R00000713	7/11/2025 12:00:00 AM	Criminal PC1463/City Fines	194.60
RL01	R00000713	7/11/2025 12:00:00 AM	County/Red Light	117.00
POC01	R00000713	7/11/2025 12:00:00 AM	County/Proof of Corr	3.92
P172	R00000713	7/11/2025 12:00:00 AM	1/2 Tax Police/Prop 172	35.93
REV	R00000713	7/11/2025 12:00:00 AM	County/Rev & Recovery	89.64
COPS	R00000714	7/11/2025 12:00:00 AM	COPS Grant	8,333.33
BL01	R00000715	7/11/2025 12:00:00 AM	Business License	55,368.78
MSTSF	R00000716	7/11/2025 12:00:00 AM	MST SURF Project Reimbursement	10,047.25
SOU01	R00000717	7/11/2025 12:00:00 AM	South of Tioga Reimbursements	7,909.90
POST	R00000718	7/11/2025 12:00:00 AM	POST Reimbursement	4,056.27
VEHR	R00000719	7/11/2025 12:00:00 AM	Vehicle Release	10.00
WEST	R00000720	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000721	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000722	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000723	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000724	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000725	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000726	7/11/2025 12:00:00 AM	West End Revenue	70.00
PAR02	R00000727	7/11/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000729	7/11/2025 12:00:00 AM	Sand City Parking	40.00
REN01	R00000730	7/11/2025 12:00:00 AM	Rental Income	1,699.59
WEST	R00000731	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000732	7/11/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000733	7/11/2025 12:00:00 AM	West End Revenue	120.00
REF02	R00000734	7/11/2025 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00000735	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000737	7/11/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000738	7/11/2025 12:00:00 AM	West End Revenue	50.00
WEST	R00000739	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000740	7/11/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000741	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000742	7/11/2025 12:00:00 AM	West End Revenue	70.00

Transaction Code	Receipt Number	Date	Transaction Description	Applied Amount
WEST	R00000743	7/11/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000744	7/11/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000745	7/11/2025 12:00:00 AM	West End Revenue	1,000.00
PAR02	R00000746	7/11/2025 12:00:00 AM	Sand City Parking	75.00
2103	R00000747	7/11/2025 12:00:00 AM	Gas Tax 2103	290.89
2105	R00000747	7/11/2025 12:00:00 AM	Gas Tax -2105 31	205.16
2106	R00000747	7/11/2025 12:00:00 AM	Gas Tax 2106 32	487.28
2107	R00000747	7/11/2025 12:00:00 AM	Gax Tax- 2107 33	283.51
WEST	R00000748	7/11/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000749	7/11/2025 12:00:00 AM	West End Revenue	140.00
WEST	R00000750	7/11/2025 12:00:00 AM	West End Revenue	120.00
BUI01	R00000757	7/23/2025 12:00:00 AM	Building Permit 4115	203.00
CBSC	R00000757	7/23/2025 12:00:00 AM	CBSC	1.00
WEST	R00000758	7/23/2025 12:00:00 AM	West End Revenue	70.00
TOT01	R00000759	7/23/2025 12:00:00 AM	TOT Tax	899.19
ART01	R00000761	7/23/2025 12:00:00 AM	Art Park Revenue	50.00
REF02	R00000761	7/23/2025 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00000762	7/23/2025 12:00:00 AM	West End Revenue	70.00
ENG01	R00000763	7/23/2025 12:00:00 AM	Engineering Fees	1,400.00
WEST	R00000764	7/23/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000765	7/23/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000766	7/23/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000767	7/23/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000768	7/23/2025 12:00:00 AM	West End Revenue	70.00
SQU01	R00000769	7/23/2025 12:00:00 AM	Square Fees	(5.77)
PAR02	R00000770	7/23/2025 12:00:00 AM	Sand City Parking	50.00
PAR02	R00000771	7/23/2025 12:00:00 AM	Sand City Parking	75.00
PAR02	R00000772	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000773	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000774	7/23/2025 12:00:00 AM	Sand City Parking	100.00
PAR02	R00000775	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000776	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000777	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000778	7/23/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000779	7/23/2025 12:00:00 AM	Sand City Parking	40.00
SQU01	R00000780	7/23/2025 12:00:00 AM	Square Fees	(1.08)
SOU01	R00000781	7/23/2025 12:00:00 AM	South of Tioga Reimbursements	13,298.27
TOT01	R00000782	7/30/2025 12:00:00 AM	TOT Tax	378.00
TOT01	R00000783	7/30/2025 12:00:00 AM	TOT Tax	1,688.40
TOT01	R00000784	7/30/2025 12:00:00 AM	TOT Tax	468.00
TOT01	R00000785	7/30/2025 12:00:00 AM	TOT Tax	559.44
UUT	R00000786	7/30/2025 12:00:00 AM	Utility Users Tax	0.79
UUT	R00000787	7/30/2025 12:00:00 AM	Utility Users Tax	50.61
UUT	R00000788	7/30/2025 12:00:00 AM	Utility Users Tax	13.87
UUT	R00000789	7/30/2025 12:00:00 AM	Utility Users Tax	202.01
UUT	R00000790	7/30/2025 12:00:00 AM	Utility Users Tax	1,886.98
UUT	R00000791	7/30/2025 12:00:00 AM	Utility Users Tax	1,656.75

Transaction Code	Receipt Number	Date	Transaction Description	Applied Amount
UUT	R00000792	7/30/2025 12:00:00 AM	Utility Users Tax	589.45
UUT	R00000793	7/30/2025 12:00:00 AM	Utility Users Tax	169.44
UUT	R00000794	7/30/2025 12:00:00 AM	Utility Users Tax	3,474.15
UUT	R00000795	7/30/2025 12:00:00 AM	Utility Users Tax	60.55
UUT	R00000796	7/30/2025 12:00:00 AM	Utility Users Tax	12,020.04
TUT01	R00000797	7/30/2025 12:00:00 AM	Transaction/Use Tax	393,062.05
TUT01	R00000798	7/30/2025 12:00:00 AM	Transaction/Use Tax	25.51
STAX	R00000799	7/30/2025 12:00:00 AM	Sales Tax Received	317,481.95
COPS	R00000800	7/30/2025 12:00:00 AM	COPS Grant	8,333.33
RMRA	R00000801	7/30/2025 12:00:00 AM	Road Maintenance & Rehab	866.82
REF01	R00000802	7/30/2025 12:00:00 AM	Franchise TX RF.4040	20,536.90
FIT01	R00000803	7/30/2025 12:00:00 AM	MBASIA Fitness/Safety Grant	7,500.00
BL01	R00000804	7/30/2025 12:00:00 AM	Business License	32,843.07
WEST	R00000805	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000806	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000807	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000808	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000809	7/31/2025 12:00:00 AM	West End Revenue	240.00
WEST	R00000810	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000811	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000812	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000813	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000814	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000815	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000816	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000817	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000818	7/31/2025 12:00:00 AM	West End Revenue	20.00
WEST	R00000819	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000820	7/31/2025 12:00:00 AM	West End Revenue	120.00
WEST	R00000821	7/31/2025 12:00:00 AM	West End Revenue	70.00
WEST	R00000822	7/31/2025 12:00:00 AM	West End Revenue	120.00
REF02	R00000823	7/31/2025 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00000824	7/31/2025 12:00:00 AM	West End Revenue	170.00
WEST	R00000825	7/31/2025 12:00:00 AM	West End Revenue	120.00
PAR02	R00000826	7/31/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000827	7/31/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000828	7/31/2025 12:00:00 AM	Sand City Parking	40.00
PAR02	R00000829	7/31/2025 12:00:00 AM	Sand City Parking	75.00
PAR02	R00000830	7/31/2025 12:00:00 AM	Sand City Parking	40.00
REN01	R00000831	7/31/2025 12:00:00 AM	Rental Income	1,699.59
BUI01	R00000832	7/31/2025 12:00:00 AM	Building Permit 4115	198.00
STR01	R00000832	7/31/2025 12:00:00 AM	Strong Motion Fee	2.60
CBSC	R00000832	7/31/2025 12:00:00 AM	CBSC	1.00
PLA02	R00000832	7/31/2025 12:00:00 AM	Plan Check Fee- Building	128.70
BUI01	R00000832	7/31/2025 12:00:00 AM	Building Permit 4115	446.00
PLA02	R00000832	7/31/2025 12:00:00 AM	Plan Check Fee- Building	418.60
PAR02	R00000833	7/31/2025 12:00:00 AM	Sand City Parking	40.00

Transaction Code	Receipt Number	Date	Transaction Description	Applied Amount
POL01	R00000834	7/31/2025 12:00:00 AM	Police Report 4560	10.00
REN01	R00000835	7/31/2025 12:00:00 AM	Rental Income	3,000.00
			Total Cash Receipts	**929,644.11**

City of Sand City

Check Report

By Check Number

Date Range: 07/01/2025 - 07/31/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Mechanics - General-Mechanics Bank - General Pooled Cash						
HAR06	Harris & Associates, Inc	07/01/2025	Regular	0	111,285.00	40729
TAM01	TAMC	07/01/2025	Regular	0	643,439.72	40730
USB01	U.S. Bank Corp Payment Systems	07/09/2025	Regular	0	7,471.83	40731
HUM02	Humana Insurance Company	07/10/2025	Regular	0	5,426.76	40732
A&R01	A & R Plumbing, Inc	07/15/2025	Regular	0	650.00	40733
ATT03	AT&T	07/15/2025	Regular	0	202.53	40734
CAL01	California American Water	07/15/2025	Regular	0	2,038.82	40735
CHA04	California Highway Adoption Co.	07/15/2025	Regular	0	350.00	40736
COR05	Corodata Records Management	07/15/2025	Regular	0	61.45	40737
MON08	County of Monterey Sheriff-Marshall-Coroner	07/15/2025	Regular	0	10,082.83	40738
CHA03	Daniel A. Charlton	07/15/2025	Regular	0	78.75	40739
DEL04	Dell Marketing L.P. C/O Dell USA L.P.	07/15/2025	Regular	0	10,316.05	40740
DEP01	Department of Conservation	07/15/2025	Regular	0	44.20	40741
ELS01	ELS Architecture and Urban Design	07/15/2025	Regular	0	17,997.50	40742
EMC02	EMC Planning Group, Inc.	07/15/2025	Regular	0	24,368.33	40743
GRE01	Green Valley Landscape, Inc.	07/15/2025	Regular	0	860.00	40744
HDL02	HDL Companies, LLC.	07/15/2025	Regular	0	6,848.70	40745
HEA001	Health Equity	07/15/2025	Regular	0	294.00	40746
HDL04	Hinderliter de Llamas & Associates	07/15/2025	Regular	0	2,282.95	40747
HOM01	Home Depot Credit Service	07/15/2025	Regular	0	625.42	40748
LCW01	Liebert Cassidy Whitmore	07/15/2025	Regular	0	6,703.00	40749
MAL01	Mallory Safety and Supply, LLC	07/15/2025	Regular	0	2,275.03	40750
BLA03	Matthew Blackmon	07/15/2025	Regular	0	98.50	40751
MEY01	Meyers Nave, Corporation	07/15/2025	Regular	0	13,862.70	40752
MCW01	Monterey County Weekly	07/15/2025	Regular	0	1,836.50	40753
MON04	Monterey Tire Service, Inc.	07/15/2025	Regular	0	39.92	40754
NAP01	Napa Auto Parts	07/15/2025	Regular	0	198.64	40755
PET01	Petty Cash- Cashed by Shannon Norton	07/15/2025	Regular	0	114.97	40756
PRI01	Primo Brands	07/15/2025	Regular	0	300.41	40757
SHA03	Shamrock Office Solutions	07/15/2025	Regular	0	15.00	40758
STU02	Sturdy Oil Company	07/15/2025	Regular	0	2,148.42	40759
VES01	Vestis	07/15/2025	Regular	0	714.97	40760
A&R01	A & R Plumbing, Inc	07/18/2025	Regular	0	973.35	40761
ALL04	Alliant Insurance Services, Inc	07/18/2025	Regular	0	6,375.00	40762
AMA01	Amazon Capital Services, Inc	07/18/2025	Regular	0	160.02	40763
AMB01	AMBAG	07/18/2025	Regular	0	726.90	40764
ASC01	American Supply CO	07/18/2025	Regular	0	1,395.12	40765
ATT04	AT&T	07/18/2025	Regular	0	95.21	40766
CAL15	California Consulting, Inc	07/18/2025	Regular	0	4,500.00	40767
MON02	City of Monterey	07/18/2025	Regular	0	182,075.00	40768
CIT12	City of Sand City	07/18/2025	Regular	0	5,000.00	40769
COM11	Comcast	07/18/2025	Regular	0	748.99	40770
COM01	Community Human Services	07/18/2025	Regular	0	5,300.00	40771
MCA02	County of Monterey Auditor-Controller	07/18/2025	Regular	0	6,299.41	40772
MON10	County of Monterey- Department of Emergenc	07/18/2025	Regular	0	22,070.00	40773
CYP04	Cypress Coast Ford	07/18/2025	Regular	0	136.53	40774
DOC01	DOCUSIGN INC Lockbox	07/18/2025	Regular	0	1,725.00	40775
HAN01	Hana Gardens Seaside	07/18/2025	Regular	0	146.36	40776
HEA001	Health Equity	07/18/2025	Regular	0	211.00	40777
BUS05	Jeff Bushnell	07/18/2025	Regular	0	224.14	40778
LOC01	League of California Cities	07/18/2025	Regular	0	300.00	40779
LEG02	Legal Updates, LLC	07/18/2025	Regular	0	480.00	40780
LEX01	Lexipol LLC	07/18/2025	Regular	0	2,086.68	40781
MCP01	M.C.P.O.A	07/18/2025	Regular	0	70.00	40782

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
MOB02	Mobile Modular	07/18/2025	Regular	0	610.41	40783
MBA01	Monterey Bay Area Self Insurance	07/18/2025	Regular	0	256,056.87	40784
MBP03	Monterey Bay Pest Control	07/18/2025	Regular	0	130.00	40785
MBT01	Monterey Bay Technologies, Inc.	07/18/2025	Regular	0	2,700.00	40786
PUB01	Public Storage	07/18/2025	Regular	0	597.00	40787
TAM01	TAMC	07/18/2025	Regular	0	122.00	40788
TRA03	TRACNet	07/18/2025	Regular	0	13,773.93	40789
esc02	Event Santa Cruz	07/28/2025	Regular	0	15,748.10	40790
4LE01	4Leaf, Inc.	07/28/2025	Regular	0	7,548.60	40791
A&R01	A & R Plumbing, Inc	07/28/2025	Regular	0	180.00	40792
AMA01	Amazon Capital Services, Inc	07/28/2025	Regular	0	712.36	40793
ATT03	AT&T	07/28/2025	Regular	0	202.53	40794
ATT05	AT&T Mobility	07/28/2025	Regular	0	971.02	40795
BOY01	Boyds Asphalt Services	07/28/2025	Regular	0	5,439.00	40796
CLA03	CliftonLarsonAllen, LLP	07/28/2025	Regular	0	2,125.00	40797
COR04	Corodata Shredding, Inc	07/28/2025	Regular	0	73.57	40798
EMC02	EMC Planning Group, Inc.	07/28/2025	Regular	0	144,656.28	40799
GHD01	GHD, Inc	07/28/2025	Regular	0	53,973.35	40800
HAR06	Harris & Associates, Inc	07/28/2025	Regular	0	30,413.75	40801
HDL04	Hinderliter de Llamas & Associates	07/28/2025	Regular	0	1,200.00	40802
HOP01	Hope Services	07/28/2025	Regular	0	6,483.75	40803
LCW01	Liebert Cassidy Whitmore	07/28/2025	Regular	0	396.00	40804
MCP01	M.C.P.O.A	07/28/2025	Regular	0	280.00	40805
BLA03	Matthew Blackmon	07/28/2025	Regular	0	100.00	40806
MCC04	MCCLEOA	07/28/2025	Regular	0	4,056.27	40807
MEY01	Meyers Nave, Corporation	07/28/2025	Regular	0	3,079.57	40808
MPW01	Monterey Peninsula Water Management	07/28/2025	Regular	0	9,270.78	40809
PGE01	Pacific Gas & Electric	07/28/2025	Regular	0	4,390.40	40810
SHA03	Shamrock Office Solutions	07/28/2025	Regular	0	223.36	40811
SPC01	SPCA	07/28/2025	Regular	0	735.00	40812
STA03	Star Sanitation, LLC	07/28/2025	Regular	0	789.70	40813
HER01	The Monterey County Herald	07/28/2025	Regular	0	499.50	40814
VER01	Verizon Wireless	07/28/2025	Regular	0	64.23	40815
AFL01	Aflac	07/31/2025	Regular	0	527.94	40816
CLE01	California Law Enforcement Association	07/31/2025	Regular	0	288.00	40817
CSD01	California State Disburse Unit	07/31/2025	Regular	0	269.00	40818
HUM02	Humana Insurance Company	07/31/2025	Regular	0	4,713.49	40819
SAN01	Sand City Police Officers & Dept. Employees As	07/31/2025	Regular	0	1,420.00	40820
SUN02	Sun Life Financial	07/31/2025	Regular	0	933.92	40821
EDD001	Employment Development Dept	07/17/2025	Bank Draft	0	658.94	DFT0000135
EFTPS	Electronic Federal Tax Payment System	07/17/2025	Bank Draft	0	988.68	DFT0000136
EDD001	Employment Development Dept	07/31/2025	Bank Draft	0	1,506.27	DFT0000137
EFTPS	Electronic Federal Tax Payment System	07/31/2025	Bank Draft	0	3,286.33	DFT0000138
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	1,930.45	DFT0000139
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	2,833.09	DFT0000140
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	2,909.86	DFT0000141
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	7,270.95	DFT0000142
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	7,397.87	DFT0000143
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	6,862.60	DFT0000144
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	888.08	DFT0000145
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	3,818.62	DFT0000146
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	11,582.35	DFT0000147
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	5,780.25	DFT0000148
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	2,884.63	DFT0000149
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	10,447.93	DFT0000150
PERSRETIREMENT	CalPERS Retirement	07/31/2025	Bank Draft	0	44.00	DFT0000151
PERSHEALTH	CalPERS Health	07/31/2025	Bank Draft	0	39,644.28	DFT0000152
CAL16	Calpers 457 Plan	07/31/2025	Bank Draft	0	22,051.63	DFT0000153
EDD001	Employment Development Dept	07/31/2025	Bank Draft	0	16,971.42	DFT0000154

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
EFTPS	Electronic Federal Tax Payment System	07/31/2025	Bank Draft	0	43698.03	DFT0000155

Bank Code Mechanics - General Summary

Payment Type	Payable Count	Discount	Payment
Regular Checks	169	0.00	1,689,886.29
Manual Checks	0	0.00	0.00
Voided Checks	0	0.00	0.00
Bank Drafts	21	0.00	193,456.26
EFT's	0	0.00	0.00
	190	**0.00**	**1,883,342.55**



City of Sand City Successor Agency

Revenue Report

By Transaction Code

Date Range: 7/1/2025 - 7/31/2025

Transaction Code	Account	Receipt Date	Transaction Description	Applied Amount
INT01	40-4410-801	7/31/2025	Bank Interest	4,861.46
			Total Cash Receipts	**4,861.46**

City of Sand City

Check Report

By Check Number

Date Range: 07/01/2025 - 07/31/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Mechanics - SA-Mechanics Bank - Successor Agency						
SEA03	City of Seaside	07/18/2025	Regular	0	182,261.00	2364

Bank Code Mechanics - SA Summary

Payment Type	Payable Count	Discount	Payment
Regular Checks	1	0.00	182,261.00
Manual Checks	0	0.00	0.00
Voided Checks	0	0.00	0.00
Bank Drafts	0	0.00	0.00
EFT's	0	0.00	0.00
	1	**0.00**	**182,261.00**

AGENDA ITEM
9A.

First Reading of an Ordinance of the City of Sand City Amending Title 17, Adding Chapter 17.55 Urban Lot Splits, and First Reading of an Ordinance of the City of Sand City Amending Title 10 Vehicles and Traffic and Title 18 Zoning of the Municipal Code to Implement the City of Sand City 2023-2031 (Sixth Cycle) Housing Element This item is continued from July 15, 2025.

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council

FROM: Anastazia Aziz, AICP, Principal – EMC Planning Group

SUBJECT: Subdivision and Zoning Ordinance Amendments Implementing the Housing Element; First Reading; First Reading Continued from July 15, 2025

DATE: August 19, 2025

A. BACKGROUND:

The City's Housing Element, adopted on 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 Housing Element programs. On February 4, 2025, the City Council held the first reading of amendments to Title 18 Zoning of the Sand City Municipal Code that implemented a variety of necessary modifications to bring the city's Municipal Code into compliance with state law and Housing Element Programs. The second reading was held on February 18, 2025.

B. DISCUSSION

Chapter 17 - Subdivision Ordinance

A new chapter (Exhibit A) to the Subdivision Ordinance, Chapter 17.55 Urban Lot Splits, of the Municipal Code is proposed to incorporate Senate Bill (SB 9) and implement the Housing Element Program 1.I - California Housing Opportunity and More Efficiency (HOME) Act –SB 9. SB9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home.

Chapter 18 - Zoning Ordinance

The following minor modifications to the listed Housing Element programs are proposed to the City's Zoning Ordinance, Chapter 18 of the Municipal Code (Exhibit B), to more effectively address local needs, clean up redundancies, and ensure compliance with State housing laws:

1.B Amend the City's Zoning Ordinance to comply with and exceed new State Density Bonus laws. State law stipulates a 10 percent density bonus and the proposed

ordinance includes an additional 5 percent bonus for a total of a 15 percent density bonus to encourage the development of affordable units (18.59 Affordable Housing Density Bonus). The Department of Housing and Community Development also requested minor modifications that explicitly refer to specific sections of State Density Bonus Law;

1.C West End Housing Diversity Overlay (18.13 MU-P District). A few minor clean ups are proposed including: increasing the percentage of affordable units that allow for by-right (no Conditional Use Permit) from 15% to 20% to align with state law; decreasing the side and rear yards from 6 feet to 0 feet to allow for more flexibility; changing the reference to building grade elevation from final building grade to existing building grade; and clarifying the Monterey Airport Land Use Commission procedures. Additionally, Chapter 18.85 Regional Housing Needs Assessment is proposed to be added to support the development of affordable housing and encourage infill development on sites identified in the City's 4th and 5th Housing Element Cycles.

1.J Reduce Minimum Parking Standards (18.64 Parking WEPP). Chapter 10.12 is proposed for deletion as it is now incorporated in Chapter 18.64.090.

C. RECOMMENDED EXEMPT CEQA STATUS:

1. The provisions of the ordinances 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. 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.

3. The proposed Zoning Ordinance amendments implement 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:

1. Conduct the public hearing and discuss the proposed Ordinances;
2. Motion to waive full reading and introduce the attached Ordinance by title only;

3. Motion to approve the First Reading of the Ordinances and to waive future reading of the Ordinances; and
4. Schedule the Second Reading and adoption of the Ordinances for the next regular Council meeting.

E. ATTACHMENTS:

1. Findings for CEQA Categorical Exemption from the 6th Cycle Housing Element;
2. Exhibit A: Ordinance amending Title 17 Subdivisions (includes Exhibits containing specific amendments); and
3. Exhibit B: Ordinance Amending Title 10 Vehicles and Traffic and Title 18 Zoning (includes Exhibits containing specific amendments).

Sand City 6th Cycle Housing Element Project Description and Evidence for Categorical Exemption

Project Description

The proposed *Sand City 6th Cycle Housing Element Update* accommodates 138 new housing units on eight opportunity sites throughout Sand City that have not already been through the development review and approval process. Additionally, three accessory dwelling units (ADUs) are included, but ADUs are exempt from CEQA review. The housing sites and associated data are included as Exhibit A to this document. Additional housing units, for a total of 505, are included in the housing element update, but 364 units (South of Tioga and Catalina Lofts projects) have been through the environmental review process and have been approved by the City of Sand City. Therefore, these are considered pipeline projects, and do not need to undergo environmental review again, but are however, subject to mitigation measures and/or conditions of approval required in their respective project approvals.

Categorical Exemption and Evidence

The proposed project qualifies for a categorical exemption under Article 19, Section 15332 of the California Environmental Quality Act (CEQA).

> **Class 32** consists of projects characterized as in-fill development meeting the conditions described in this section.
>
> (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
>
> (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
>
> (c) The project site has no value as habitat for endangered, rare or threatened species.
>
> (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
>
> (e) The site can be adequately served by all required utilities and public services.

Evidence and Findings

(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

Evidence. The number of proposed housing units at each of the housing opportunity site are allowed, and are consistent with each site's general plan and zoning designations development densities. Future development at each of these housing opportunity sites will undergo design review to ensure they are consistent with applicable general plan policies and applicable zoning designations and regulations.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

Evidence. The eight opportunity sites are all located within the developed city limits and are surrounded by urban uses. The size of the eight sites ranges from 0.045 acres to 3.204 acres. Cumulatively, they total 4.292 acres.

(c) The project site has no value as habitat for endangered, rare or threatened species.

Evidence. All of the housing opportunity sites are developed or previously disturbed. Three of the sites are identified as vacant. Vacant sites 6 and 7 (0.172 acres) are used for storing vehicles and various materials associated with an adjacent Sylvania – Consolidated Electrical Distributors warehouse. Vacant Site 8 is 0.045 acres and was developed as recently as 2015, and used for storage, according to historical Google Earth photos and street view. None of the site have value as habitat for endangered, rare or threatened species.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

Evidence - Traffic. A vehicle miles traveled (VMT) study was conducted by Hexagon Transportation Consultants in March 2024 to determine if the cumulative units (147 at the time) would result in significant traffic effects. The full report is included as Exhibit B. The report concluded that cumulatively, development of the housing sites would not result in a significant VMT impact.

Evidence – Noise. The units would all be developed with existing residential or mixed-use neighborhoods and therefore, any temporary (construction) or permanent noise increase would be minimal. Additionally, projects would be required to comply with applicant city noise regulations.

Evidence – Air Quality. Construction of the 138 housing units is assumed to occur occasionally over an eight-year period, and therefore, construction air quality impacts

are considered to be less than significant. Regarding long-term air quality impacts associated with vehicle use, the Monterey Bay Air Resources District estimates that 810 single-family dwelling units or 1,195 townhouse dwelling units could have significant air quality impacts. Therefore, because the housing element update accommodates 138 housing units, the long-term air quality impacts are considered less than significant.

Evidence – Water Quality. Development of each of the housing opportunity sites will be required to comply with the application city and Regional Water Quality Control Board standards for water quality associated with construction.

Therefore, approval and implementation of the housing element update, would not result in any significant effects relating to traffic, noise, air quality, or water quality.

(e) The site can be adequately served by all required utilities and public services.

Evidence. All of the housing opportunity sites can be adequately served by required utilities and public services, including but not limited to water, wastewater, gas and electricity, and fire and police protection.

For these reasons, the proposed project is categorically exempt as the project is characterized.

Exceptions to Categorical Exemptions

Section 15300.2 of the CEQA Guidelines lists exceptions that would prohibit a project from qualifying for a Categorical Exemption, even if the project satisfies the requirements for one or more of the exemption classes. The City of Sand City's CEQA consultant, EMC Planning Group, conducted an independent review and evaluation of the proposed housing element update and conducted independent research. Based on its review, EMC Planning Group concluded that none of the exceptions listed in CEQA Guidelines section 15300.2 (a-f) apply to the proposed project (discussed below). Therefore, a Categorical Exemption is appropriate pursuant to CEQA Guidelines Section 15302.

a) ***Location.*** *Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.*

   Discussion. The project qualifies for a Class 32 exemption and therefore, the location exception does not apply to the project.

b) ***Cumulative Impact.*** *All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

Discussion. The housing element is considered cumulative housing development in the City of Sand City. Therefore, there is no cumulative impact that would be significant.

c) ***Significant Effect.*** *A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

Discussion. Neither City staff nor their consultants are aware of any unusual circumstances associated with the project such that the project would result in a reasonable possibility of resulting in a significant effect on the environment.

d) ***Scenic Highways.*** *A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.*

Discussion. According to the Caltrans Scenic Highway System Map website, the nearest housing opportunity sites (numbers 4 and 5) are located approximately 260 and 407 feet, respectively from State Route 1. In this area State Route 1 is eligible for scenic highway designation, but is not officially designated as a scenic highway. Therefore, no officially designated scenic highways, or scenic resources, would be affected as a result of the project. Additionally, these housing sites are currently developed, although underutilized, and therefore, redeveloping these sites would not affect State Route 1 eligibility to be officially designated.

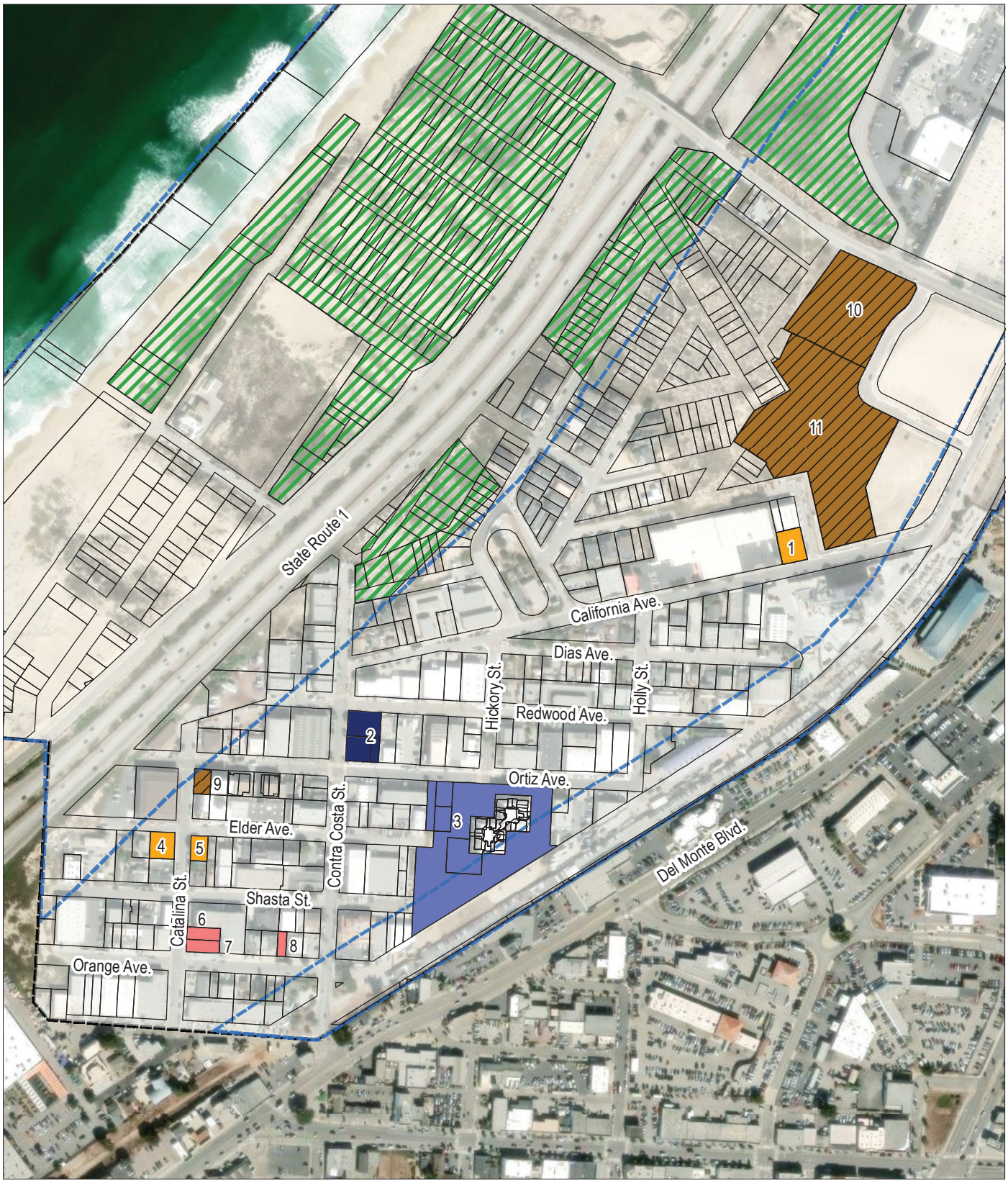
e) ***Hazardous Waste Sites.*** *A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

Discussion. One of the housing sites, Site #3 APN: 011-236-027-000 & 011-236-029-000, is located on the State Water Resources Control Board Geotracker website and identified as a leaking underground storage tanks (LUST) site; however, Geotracker reports that the site was cleanup and the case was closed in 2009. None of the other housing opportunity sites are located on a site that is included on any list compiled pursuant to Section 65962.5 of the Government Code. They are not listed on the California Environmental Protection Agency's Cortese List (Health and Safety Code Section 25187.5). The State Water Resources Control Board's Geotracker (Health and Safety Code Section 25295 and Water Code Sections 13273 and 13301) does not indicate any hazardous sites within the housing opportunity site. Additionally, they are not listed on the California Environmental Protection Agency's list of solid waste

sites identified by the Water Board with waste constituents above hazardous waste levels outside the waste management unit (Health and Safety Code Section 116395).

f) **Historical Resources.** A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

Discussion. *Three of the housing sites are vacant. Those that contain structures are mostly industrial warehouse buildings. One contains a house in significant disrepair. None would be considered historically significant. Therefore, the proposed project would not cause a change in the significance of a historical resource.*



0 450 feet

City Limit
Coastal Zone
Underutilized
Sensitive Habitat
Consolidated
Pipeline Project
Vacant Sites
City Owned

Source: Monterey County GIS 2023, Google Earth 2023

Figure C-1
Sites Inventory
Sand City 6th Cycle Housing Element

Map #	APN	Address	GENERAL PLAN	ZONING	ACRES	MAX DENSITY per acre	REALISTIC CAPACITY (% of Max Density)	VL	L	M	AM	Total
Salvation Army												
1	011-186-020-000	801-803 California Avenue	EDSP	M	0.3	20		5				5
	Subtotal				**0.3**		**83%**	**5**				**5**
City of Sand City Art Park and adjacent privately owned properties												
2	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	81		3	3			6
	011-196-020-000	No address	MU-D	MU-P	0.175	81		3	3			6
	011-196-015-000	No address	MU-D	MU-P	0.130	81		3	1			4
	Subtotal				**0.345**		**57%**	**9**	**7**			**16**
The Independent, Phase 2												
3	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-236-027-000	No address	MU-D	CZ-MU-P	2.727	81		38	23	30		91
	011-236-029-000	No address	MU-D	CZ-MU-P	0.216	81		2	2			4
	Subtotal				**3.204**		**41%**	**46**	**31**	**30**	**0**	**107**
Underutilized Sites												
4	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	81	**18%**				**2**	**2**
5	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	81	**14%***				**1**	**1**
Vacant Sites												
6	011-238-012-000	No address	MU-D	MU-P	0.086	81	**50%**				**3**	**3**
7	011-238-011-000	No Address	MU-D	MU-P	0.086	81	**50%**				**3**	**3**
8	011-238-021-000	445 Orange Avenue	**MU-D**	**MU-P**	**0.045**	**81**	**67%***				**1**	**1**
							Subtotal	**60**	**38**	**30**	**10**	**138**
ADUS								**2***	**1**	**0**	**0**	**3**
Pipeline Projects								**9**	**7**	**26**	**322**	**364**
Total								**71**	**46**	**56**	**332**	**505**
RHNA								**59**	**39**	**49**	**113**	**260**
Net Surplus								**12**	**7**	**7**	**219**	**245**
Percent Surplus								**120%**	**118%**	**114%**	**294%**	**194%**

Hexagon Transportation Consultants, Inc.

Memorandum

Date: March 1, 2024

To: Mr. Stuart Poulter, EMC Planning Group

From: Ollie Zhou, T.E. and Huy Tran, T.E.

Subject: VMT Analysis for the Sand City Housing Element Update

Hexagon Transportation Consultants, Inc. has completed a Vehicle Miles Travelled (VMT) analysis for the proposed 2023-2031 Housing Element Update (HEU) for Sand City. The purpose of this study is to comply with CEQA requirements and to determine whether the proposed HEU project would generate a VMT impact. The 2023-2031 HEU for Sand City proposes to increase residential capacity by adding 147 units across three different sites and underutilized or vacant parcels, as shown in Table 1 and Figure 1.

Vehicle Miles Traveled

State Bill (SB) 743, which was signed into law in 2013, initiated a change in how public agencies evaluate transportation impacts under the California Environmental Quality Act (CEQA). Traditionally, transportation impacts have been evaluated by examining whether the project is likely to cause automobile delay at intersections and congestion on nearby individual highway segments and whether this delay will exceed local or regionally-defined thresholds of significance (this is known as Level of Service or LOS analysis).

Starting on July 1, 2020, agencies must analyze transportation impacts using a new metric known as vehicle miles traveled (VMT) instead of LOS. VMT is a metric that captures how much auto travel (additional miles driven) a proposed project would create on California roads. If the project adds excessive car travel onto our roads, it may cause a significant transportation impact.

VMT is generally defined as the total miles of travel by personal motorized vehicles a project is expected to generate in a day. VMT is calculated for residential and employment-generating projects using the Origin-Destination VMT method, which measures the full distance of personal motorized vehicle trips with one end within the project. When assessing a residential project, the project's home-based VMT is divided by the number of residents expected to occupy the project to determine the VMT per capita.

VMT Thresholds

Given that neither Sand City nor the County of Monterey has formally adopted a VMT policy, the general practice is to follow the Governor's Office of Planning and Research's (OPR) *Technical Advisory on Evaluating Transportation Impacts in CEQA*. Per OPR's VMT guidelines, there are several categories of projects that could be presumed to have a less-than-significant VMT impact or be screened out of a VMT analysis. The relevant guidelines are described below:

- **Screening Threshold for Small Projects:** Projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant transportation impact.

Figure 1
HEU Site Locations

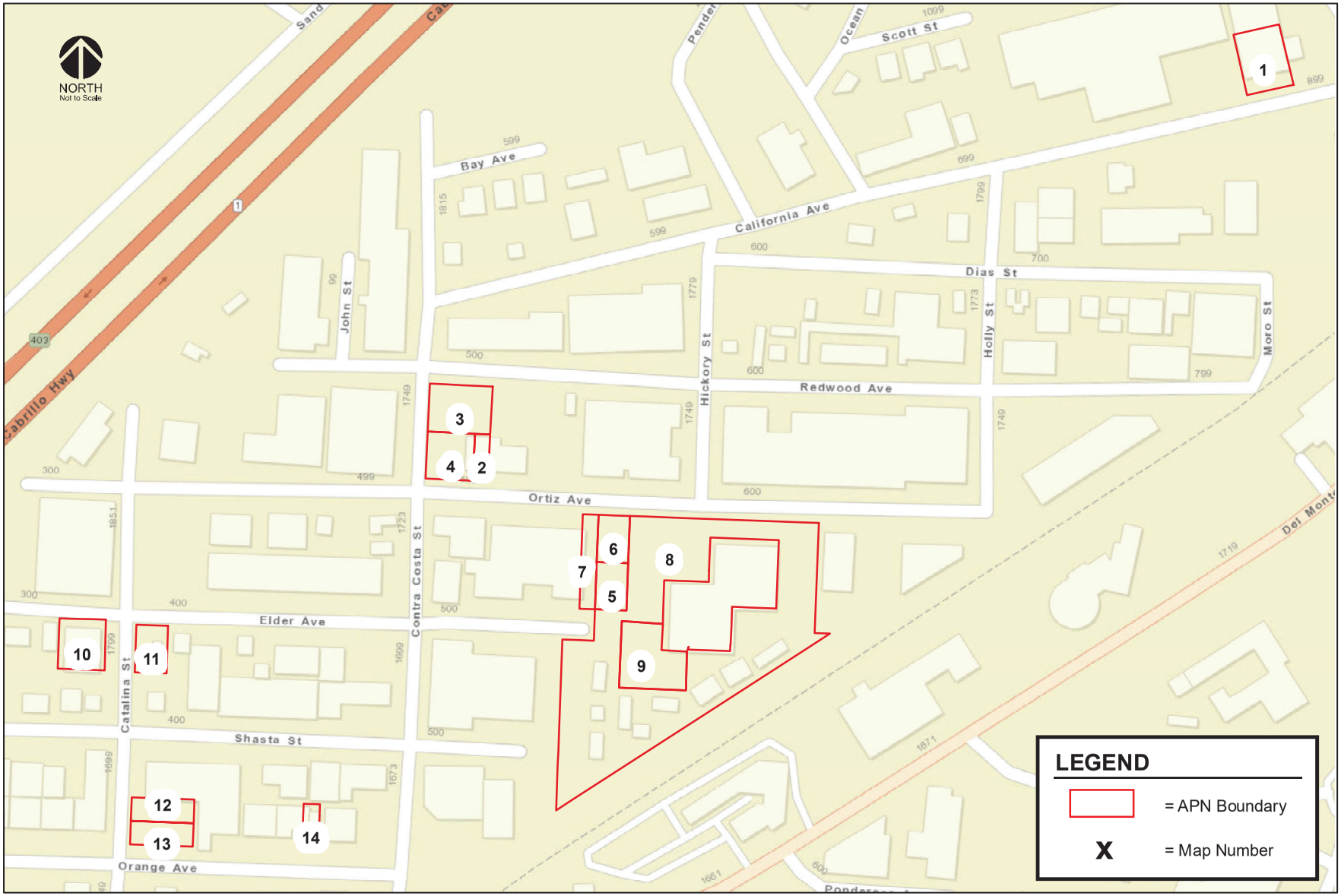


Table 1
HEU Site Summary

Map #	APN	Address	General Plan	Zoning	Acres	# of Units
Salvation Army						
1	011-186-020-000	801-803 California Avenue	MU-D	MU-P	0.300	12
City of Sand City Art Park						
2	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	6
3	011-196-020-000	No address	MU-D	MU-P	0.175	6
4	011-196-015-000	No address	MU-D	MU-P	0.130	4
	Subtotal				**0.345**	**16**
The Independent, Phase 2						
5	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	4
6	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	4
7	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	4
8	011-236-027-000	No address	MU-D	MU-P	2.727	91
9	011-236-029-000	No address	MU-D	MU-P	0.216	4
	Subtotal				**3.204**	**107**
Underutilized						
10	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	2
11	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	1
Vacant						
12	011-238-012-000	No address	MU-D	MU-P	0.086	3
13	011-238-011-000	No address	MU-D	MU-P	0.086	3
14 *	011-238-021-000	445 Orange Avenue	MU-D	MU-P	0.045	3
	Subtotal				**0.305**	**12**
	Total					**147**

Notes: * Including 2 Accessory Dwelling Units (ADU)

- **Map-Based Screening for Residential Projects:** Residential projects that are located in areas with low VMT and that incorporate similar features (i.e., density, mix of uses, transit accessibility) will tend to exhibit similar low VMT and may be screened out of needing to prepare a detailed VMT analysis.

VMT Analysis

Small Projects

Without knowledge of the specific residential development type, Hexagon tested the daily project trip generation based on the land use with the highest trip generation rate to be conservative, which is single-family detached housing according to the Institute of Transportation Engineers' (ITE) Trip Generation Manual, 11th Edition. As indicated in Table 2, each site is projected to generate more than 110 trips per day, exceeding the OPR's threshold for exemption from conducting a VMT analysis.

Map-Based Screening for Residential Projects

As discussed below and illustrated in Figure 2, given that all areas of the City are located in low VMT areas because the VMT per capita for each TAZ is below the VMT impact threshold of 9.6 VMT per capita, according to OPR guidelines, all HEU sites can be presumed to generate less-than-significant VMT impacts.

Figure 2
Home-Based VMT per Capita by TAZ within Sand City under Year 2015 Existing Conditions

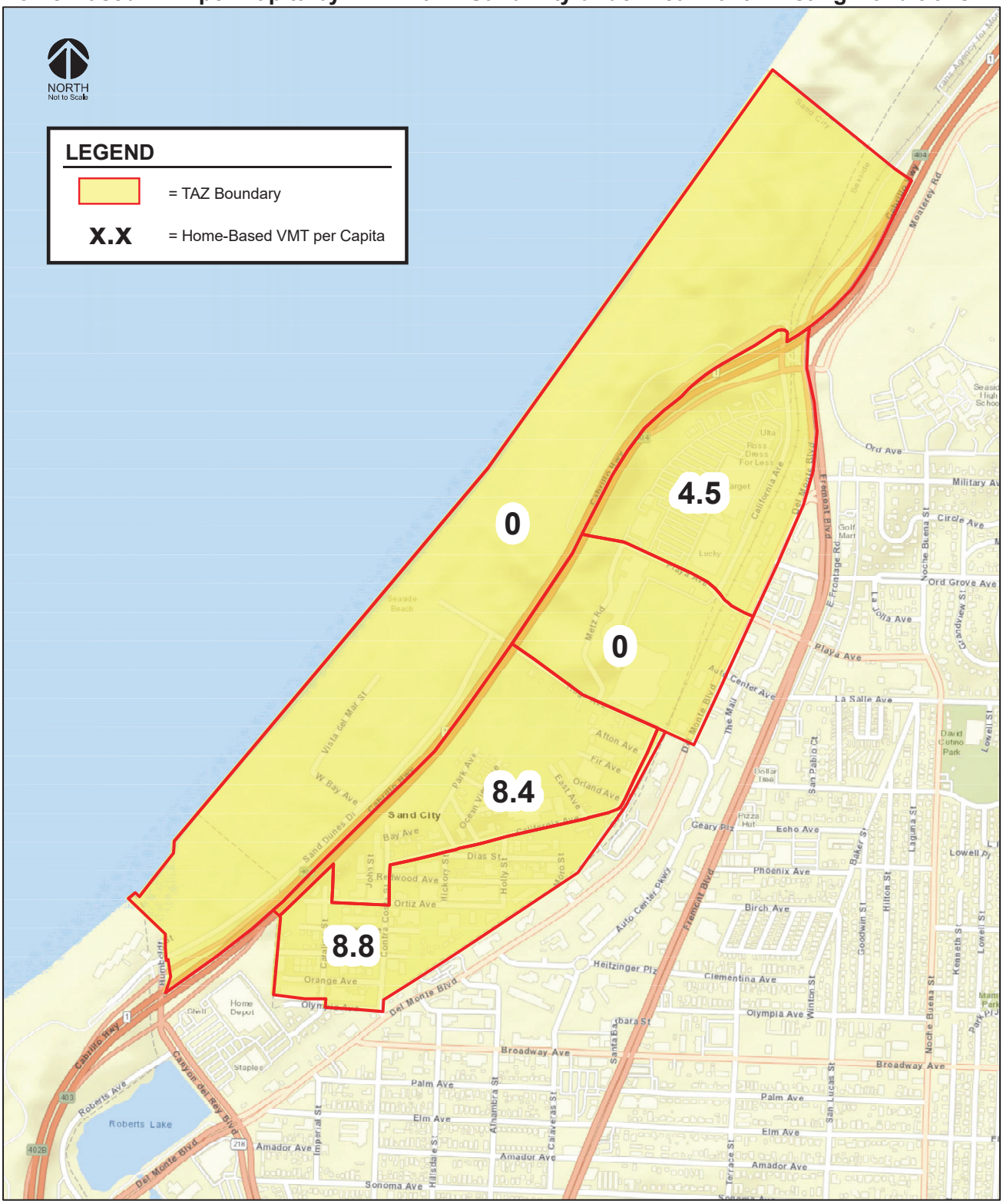


Table 2
Trip Generation Evaluation

Site Name	Land Use[1]	Size	Daily Rate[1]	Daily Trip	Daily >110
Salvation Army	#210 - Single-Family Detached Housing	12 Dwelling Units	9.430	113	Yes
City of Sand City Art Park	#210 - Single-Family Detached Housing	16 Dwelling Units	9.430	151	Yes
The Independent, Phase 2	#210 - Single-Family Detached Housing	107 Dwelling Units	9.430	1,009	Yes
Underutilized and Vacant	#210 - Single-Family Detached Housing	12 Dwelling Units	9.430	113	Yes
Total	**#210 - Single-Family Detached Housing**	**147 Dwelling Units**			

Notes:
[1] ITE Trip Generation Manual, 11th Edition 2021.

VMT Analysis for Entire HEU Plan

Although all sites are presumed to have a less-than-significant VMT impact, a separate quantitative VMT analysis is conducted to assess the VMT effects of the proposed HEU plan as a whole, assuming the buildout of all sites.

The latest travel demand forecast model that represents travel within the Sand City is the Association of Monterey Bay Area Governments (AMBAG) Tri-County transportation model. This model serves as the primary forecasting tool for the City and is currently the best available analytical tool for VMT evaluations. The model is a mathematical representation of travel within the three counties in the Monterey Bay Region and is mainly composed of four main components: 1) trip generation, 2) trip distribution, 3) mode choice, and 4) trip assignment. The model uses socioeconomic inputs (i.e., households, number of jobs, hotel rooms) to estimate travel within Monterey County, Santa Cruz County, and San Benito County. Socioeconomic inputs are aggregated into geographic areas (transportation analysis zones). The model comprises 1,839 traffic analysis zones (TAZs) representing the three counties, with Sand City being represented by five TAZs.

Metrics and Impact Criteria

Residential (home-based) VMT per capita is the recommended metric to evaluate CEQA-related transportation impacts for residential land uses. As stated in the technical advisory, OPR recommends an impact threshold of 15% below the existing VMT levels for residential developments. OPR allows the existing VMT to be defined as the regional average VMT per capita or the county average VMT per capita. For the purpose of this study, the VMT threshold is defined as 15% below the existing county average.

Based on the AMBAG model, the year 2015 existing county average daily residential VMT per capita is 11.3. Therefore, the VMT impact threshold for the proposed residential developments will be set at 15% below the average, which is 9.6 daily miles traveled (11.3 x 85%), as shown in Table 3. Sand City's existing residential VMT per capita is 8.6, which is well below the impact threshold. It is thus expected that the HEU units would also generate VMT well below the VMT impact threshold. The 147 HEU units were analyzed under the year 2015 existing + HEU conditions by adding them to the year 2015 existing scenario of the AMBAG model. The results of the VMT analysis, as shown in Table 3, indicate that the VMT for Sand City as a whole would be 7.3 VMT per capita under the year 2015 + HEU conditions. Therefore, the proposed HEU Plan, at the plan level, would result in a VMT impact that is less than significant.

Table 3
VMT Analysis

	Residential VMT per Capita [1]
Monterey County Average (Year 2015 Existing)	11.3
Impact Threshold [2]	**9.6**
Sand City	
Year 2015 Existing	8.6
Year 2015 Existing + HEU	**7.3**
VMT Impact?	**No**

Notes:
Data referenced AMABG travel demand model.
1. Residential VMT per capita accounts only for home-based VMT.
2. Neither the Sand City or County of Monterey has adopted VMT thresholds.
This impact threshold is calculated using OPR's technical advisory, which suggested 15% below the regional average.

ATTACHMENT #2

TITLE 17 AMENDMENTS

CITY OF SAND CITY
ORDINANCE NO SC 25-___, 2025

AN ORDINANCE OF THE CITY OF SAND CITY AMENDING TITLE 17 SUBDIVISION OF THE MUNICIPAL CODE

WHEREAS, on September 16, 2021, Senate Bill 9 (Chapter 162, Statues of 2021) was approved by the Governor of the State of California and filed with the Secretary of State, amending Section 66452.6 of the California Government Code and adding to the Government Code Sections 65852.21 and 66411.7, allowing additional units on properties within single-family zones and providing for parcel map approval of an Urban Lot Split; and

WHEREAS, the changes made to the Government Code by Senate Bill 9 went into effect on January 1, 2022; and

WHEREAS, state law allows a local agency to adopt an ordinance to implement the provisions in Senate Bill 9; and

WHEREAS, the City of Sand City has implemented land use policies based on the City's General Plan, which provide an overall vision for the community and balance important community needs, and the City seeks to ensure that Senate Bill 9 projects are consistent with those policies; and

WHEREAS, the proposed amendments to the City of Sand City Municipal Code implement requirements of state law and add local regulations that are consistent with the state law and implement the City's General Plan; and

WHEREAS, this ordinance to implement Senate Bill 9 is not intended for enactment in the City's coastal zone; and

WHEREAS, the City Council has found that the provisions of this ordinance are consistent with the goals and policies of the City's General Plan; and

WHEREAS, the proposed code amendments are intended to implement Senate Bill 9 and are not considered a project under Division 12 (commencing with Section 21000) of the Public Resources Code, as provided in Government Code Sections 65852.21(j) and 66511.7(n).

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 17 of the Zoning Ordinance as shown in the exhibit attached hereto with redlines accepted and incorporated herein by reference.

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) based upon the following:

1. 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).

2. The proposed code amendments are intended to implement Senate Bill 9 and are not considered a project under Division 12 (commencing with Section 21000) of the Public Resources Code, as provided in Government Code Sections 65852.21(j) and 66511.7(n).

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 19th day of August, 2025; by the following vote:

AYES:

NOES:

ABSENT:

_____

[Mayor/Chair]

ATTEST:

_____

Kerry Lindstrom

CITY CLERK

APPROVED AS TO FORM:

_____

[NAME]

[CITY ATTORNEY/COUNTY COUNSEL]

CHAPTER 17.55
Urban Lot Splits

§ 17.55. 010. Purpose

The purpose of this chapter is to provide objective zoning standards for Urban Lot Splits within single-family residential zones, to implement the provisions of state law as reflected in Government Code Section 65852.21 et seq. and Section 66411.7 et seq., and to facilitate the development of new residential housing units consistent with the City's General Plan and ensure sound standards of public health and safety.

§ 17.55.020. Authority

The City Council enacts this ordinance under the authority granted to cities by Article XI, Section 7 of the California Constitution and Government Code Sections 65852.21 et seq. and 66411.7 et seq.

§ 17.55.030. Definitions

A person "acting in concert with the owner," as used in Section 17.55.040(B)(8) below, means a person that has common ownership or control of the subject parcel with the owner of the adjacent parcel, a person acting on behalf of, acting for the predominant benefit of, acting on the instructions of, or actively cooperating with, the owner of the parcel being subdivided.

"Adjacent parcel" means any parcel of land that is (1) touching the parcel at any point; (2) separated from the parcel at any point only by a public right-of-way, private street or way, or public or private utility, service, or access easement; or (3) separated from another parcel only by other real property which is in common ownership or control of the applicant.

"Car share vehicle" means a motor vehicle that is operated as part of a regional fleet by a public or private care sharing company or organization and provides hourly or daily service.

"Common ownership or control" means property owned or controlled by the same person, persons, or entity, or by separate entities in which any shareholder, partner, member, or family member of an investor of the entity owns ten percent or more of the interest in the property.

"Lower-income household" has the meaning set forth in Health & Safety Code Section 50079.5.

"Moderate-income household" has the meaning set forth in Health & Safety Code Section 50093.

"Sufficient for separate conveyance," as used in Sections 17.55.040(B)(11) and 17.55.050(B)(8) below, means that each attached or adjacent dwelling unit is constructed in a manner adequate to

allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

"Urban Lot Split" means a subdivision of an existing parcel into no more than two separate parcels that meets all the criteria and standards set forth in this chapter.

"Very low-income household" has the meaning set forth in Health & Safety Code Section 50105.

§ 17.55.040. Urban Lot Split

A. The City Manager or his/her designee shall ministerially review an application for a parcel map that subdivides an existing parcel to create no more than two new parcels in an Urban Lot Split, and shall approve the application if the criteria in Government Code Section 66411.7 and this section are satisfied.

B. **Qualifying Criteria.** Within the time required by the Subdivision Map Act, the City Manager or his/her designee shall determine if the parcel map for the Urban Lot Split meets all the requirements in Government Code Section 66411.7(3) and.

1. Both resulting parcels are no smaller than 1,200 square feet.
2. Neither resulting parcel shall be smaller than 40 percent of the lot area of the parcel proposed for the subdivision.
3. The proposed lot split would not require demolition or alteration of any of the following types of housing:

    i. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low- or very low-income.

    ii. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

    iii. A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the Government Code to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

    iv. Housing that has been occupied by a tenant in the last three years.

4. The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Public Resources Code Section 5020.1,

or within a site that is designated or listed as a City landmark or historic property or historic district pursuant to a City ordinance.

5. The parcel being subdivided was not created by an Urban Lot Split as provided in this section.
6. Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an Urban Lot Split as provided in this section.
7. The development proposed on the parcels complies with all objective zoning standards, objective subdivision standards, and objective design review standards applicable to the parcel as provided in the zoning district in which the parcel is located; provided, however, that:
    i. The Planning Official, shall waive or modify any standard if the standard would have the effect of physically precluding the construction of two units on either of the resulting parcels created pursuant to this chapter or would result in a unit size of less than 800 square feet. Any modifications of development standards shall be the minimum modification necessary to avoid physically precluding two units of 800 square feet each on each parcel.
    ii. Notwithstanding subsection (9)(i) above, required rear and side yard setbacks shall equal four feet, except that no setback shall be required for an existing legally created structure or a structure constructed in the same location and to the same dimensions as an existing legally created structure.
8. Each resulting parcel shall have access to, provide access to, or adjoin the public right-of-way.
9. Proposed adjacent or connected dwelling units shall be permitted if they meet building code safety standards and are designed sufficient to allow separate conveyance. The proposed dwelling units shall provide a separate gas, electric, and water utility connection directly between each dwelling unit and the utility, unless otherwise waived by the City's Building Official.
10. **Parking.** One space shall be required per unit constructed on a parcel created pursuant to the procedures in this section, except that no parking may be required where:
    i. The parcel is located within one-half mile walking distance of either a stop located in a high-quality transit corridor, as defined in Public Resources Code Section 21155(b), or a major transit stop, as defined in Public Resources Code Section 21064.3; or
    ii. There is a designated parking area for one or more car-share vehicles within one block of the parcel.

11. Compliance with Subdivision Map Act. The Urban Lot Split shall conform to all applicable objective requirements of the Subdivision Map Act (commencing with Government Code Section 66410), except as otherwise expressly provided in Government Code Section 66411.7. Notwithstanding Government Code Section 66411.1, no dedications of rights-of-way or the construction of offsite improvements may be required as a condition of approval for an Urban Lot Split, although easements may be required for the provision of public services and facilities.
12. The correction of nonconforming zoning conditions may not be required as a condition of approval.
13. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).

C. **Owner-Occupancy Affidavit.** The applicant for an Urban Lot Split shall sign an affidavit, in the form approved by the City stating that the applicant intends to occupy one of the housing units on the newly created lots as its principal residence for a minimum of three years from the date of the approval of the Urban Lot Split. This subsection shall not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code or is a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code.

D. **Recorded Covenant.** Prior to the approval and recordation of the parcel map, the applicant shall record a restrictive covenant and agreement in the form prescribed by the City Attorney which shall run with the land and comply with Government Code 66411.7 (a)(3)(i).

E. **Specific Adverse Impacts.** In addition to the criteria listed in this section, a proposed Urban Lot Split may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety or the physical environment, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A "specific adverse impact" is 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 the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

F. **Enforcement.** The City Attorney shall be authorized to abate violations of this chapter and to enforce the provisions of this chapter and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted

by law. Remedies provided for in this chapter shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.

ATTACHMENT #3

TITLE 10 AND 18 ZONING ORDINANCE AMENDMENTS

CITY OF SAND CITY
ORDINANCE NO SC 25-___, 2025

AN ORDINANCE OF THE CITY OF SAND CITY AMENDING TITLE 10 VEHICLES AND TRAFFIC AND TITLE 18 ZONING OF THE MUNICIPAL CODE TO IMPLEMENT THE CITY OF SAND CITY 2023-2031 (SIXTH CYCLE) HOUSING ELEMENT

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;

WHEREAS, on February 18, 2025, the City Council adopted the initial set of amendments to Municipal Code Title 18 Zoning necessary to implement the Housing Element;

WHEREAS, the following Housing Element Implementation programs as shown in Exhibit B, require additional amendments to Municipal Code Title 18 Zoning to implement the Housing Element:

1.B Amend the City's Zoning Ordinance to comply with new State Density Bonus laws and allow Council discretion to grant a density bonus greater than what is allowed in the Government Code
- Chapter 18.59 Affordable Housing Density Bonus

1.C West End Housing Diversity Overlay
- Chapter 18.13 MU-P District
- Proposed Chapter 18.85 RHNA Overlay

1.J Reduce Minimum Parking Standards
- Chapter 18.64 Parking WEPP
- Chapter 10.12 In-Lieu Parking

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 the exhibit attached hereto with redlines accepted and incorporated herein by reference.

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) based upon the following:

1. 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.

2. 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).

3. 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 19th day of August, 2025; by the following vote:

AYES:

NOES:

ABSENT:

_____

[Mayor/Chair]

ATTEST:

_____

Kerry Lindstrom

CITY CLERK

APPROVED AS TO FORM:

_____

[NAME]

[CITY ATTORNEY/COUNTY COUNSEL]

CHAPTER 10.12
IN-LIEU PARKING

§ 10.12.010. ~~Purpose.~~ *Referral*

Refer to City Council adopted in-lieu parking fees as set forth in Title 18 of the Municipal Code.

~~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. 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. 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 of land for parking, 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 of existing improvements and maintenance of facilities.~~
~~(Ord. 88-2 §3)~~

~~§ 10.12.040. Calculation of Fees.~~

~~The adjustment fee shall be calculated as follows:~~

~~A. 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 $500 per year for each space for which an adjustment is granted. This fee may be adjusted from time to time by resolution of the City Council.~~
~~(Ord. 88-2 §4)~~

~~§ 10.12.050. Payment of Fees.~~

~~The annual fees determined under Section 10.12.040 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 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. Parking Adjustment.~~

~~10.12.60.1 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 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 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 can not 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 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 above.~~

~~(Ord. 88-2 §6)~~

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.
(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~~ ***20***% 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. 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.

C. Minimum side and rear yard setbacks: ~~6~~ ***0*** feet.

(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~~ ***existing*** 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:

~~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.~~

1. 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.

2. 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.

3. Any project exceeding 60 feet in height shall be subject to a ~~comparability~~ ***consistency*** determination by the ***Monterey*** Airport Land Use Commission, ~~and receive approval by that Commission~~ prior to City ***Council consideration*** ~~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.

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

2. 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**, or unless waived by the City Council at its sole discretion**.

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

4. 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)

~~5848157.1~~

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 ***and outlined in Government Code Section 65915 through 65918***. 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)***(A),*** 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 ***if required by the construction mortgage financing assistance program mortgage insurance program, or rental subsidy program***.

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 thirdparty 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.~~ ***The City Council may grant a density***

bonus greater than what is described in this Chapter and Government Code Section 65915 for a development that meets the requirements of this chapter.

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 develop~~er~~***ment*** 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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(Ord. 16-05 §12)

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, 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 ***City standards in both coastal and non-coastal areas*** ~~local coastal program and coastal zone regulations, if applicable,~~ or the parking may be provided by in-lieu fee as established ~~herein~~ by ***City laws and regulations*** ~~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 17 feet measured along the angle of parking and a compact parking space eight and one-half (8-1/2) feet by 15 feet. A maximum of 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. 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~~ ***14*** 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.

G. Automobile or Machinery Sales and Service Garages.

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

2. Automotive Repair, three spaces per bay or working area, with a minimum of 5 spaces. No bay or service area may itself be used to satisfy this requirement;

3. Automotive parts and accessories, retail, one space per 350 square feet of floor area.

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

I. Banks, one space per 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.

J. Business, ~~and~~ Professional Offices, and Broadcast Studios, other than medical or dental offices, one space per 350 feet of floor area.

K. Churches, refer to "Religious Assembly".

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

M. Dancehalls, refer to "Assembly Halls".

N. Dwellings, single-family and duplex, refer to "Residential Uses".

O. Dwellings, multiple, refer to "Residential Uses".

P. Dwellings, mobile and manufactured homes, refer to "Residential Uses".

Q. 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.

R. 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.

S. Furniture and appliance stores; furniture repair shops, refer to "Retail, General".

T. Gas Station

1. Gas Station (fuel only), one ~~and one-half~~ space~~s~~ 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.

U. In-Door Agriculture, see Manufacturing.

V. Rooming houses and lodging-houses, refer to "Residential Uses".

W. Manufacturing plants, research or testing laboratories, bottling plants; the greater of one parking space for each 700 square feet of gross floor area devoted to manufacturing, shipping or receiving, plus one space for each 350 square feet of gross floor area devoted to office use.

X. Medical or dental offices, two spaces per examination/treatment room.

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

Z. Launderettes and self-service laundries, one space per 200 square feet.

AA. Hotels and motels, refer to Overnight Accommodations.

BB. 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.

CC. Overnight Accommodations

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

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

DD. Performance Theater, refer to Assembly.

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

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

GG. 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.

HH. Residential Uses

Deed restricted ***affordable*** senior ***and/or disabled housing units or units within a half mile of a major transit stop***	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.

II. Restaurants and taverns, refer to Eating Establishments.

JJ. Retail, General one space per 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.

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

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

MM. 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.

NN. 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.

OO. Regional Commercial (C-4) district: All uses in the C-4 district shall have one space per 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 ***capture and properly*** 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. Lighting 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 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 Manager may authorize, 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~~ ***16*** 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))

§ 18.64.090. In-Lieu Fee for Parking

18.64.090.1 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)

18.64.090.2 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)

18.64.090.3 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)

18.64.090.4 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)

18.64.090.5 Payment of Fees.

The annual fees determined under Section 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 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)

18.64.090.6 Parking Adjustment.

18.64.090.6.1 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.

18.64.090.6.2 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.

18.64.090.6.3 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 adjustment 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.

18.64.090.6.4 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 18.64.130 above.

(Ord. 88-2 §6)

CHAPTER 18.85
Regional Housing Needs Assessment Overlay District

§ 18.85.010. Purpose.

The purpose of this chapter is to support the development of affordable housing and encourage infill development on sites identified in the City's 4th and 5th Housing Element Cycles. Only projects that allocate at least 20 percent of the total units as deed-restricted very low- and low-income housing are eligible for by-right development within this Overlay District.

§ 18.85.020. Applicability

The Regional Housing Needs Assessment (RHNA) Overlay District applies to the site listed in the table below. This site is carried over from the 4th and 5th Housing Element Cycles and is also included in Appendix C of the 6th Cycle Housing Element under the Site Inventory List.

Table 18.85.020-1: Reused 4th and 5th Cycle Housing Element Cycle Sites

6th Cycle Housing Element Site Inventory Number	APN Number	General Plan Land Use Designation	Zoning Designation	Permitted Density Under Zoning District
2	011-196-020-000	MU-D	MU-P	20-81 du/ac

§ 18.85.030. By-Right Development

The City shall implement by-right development for the site(s) identified in Section 18.85.020 when a developer constructs a project with at least 20 percent of the units for very low- and low-income households subject to an affordability agreement. Sites are zoned to permit *owner-occupied and rental multifamily residential use* by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. Pursuant to Government Code Section 65583.2(c), by-right development means that the following are not required for the development:

1. Conditional Use Permit;

2. Planned Unit Development Permit;

3. Design Review other than Objective Development Design Standards; or

4. Other discretionary, review or approval that would constitute a "project" as defined in Section 2100 of the Public Resources Code (California Environmental Quality Act "CEQA").

AGENDA ITEM
9B.

First Reading of an Ordinance of the City of Sand City Amending Title 18 (Zoning) of the Sand City Municipal Code to Add Section 18.62.171 (Uses Conducted Within Enclosed Buildings) Applicable to the Zoning Districts: 18.13 MU-P Planned Mixed Use; 18.14 C-1 Light Commercial; 18.15 C-2 Heavy Commercial; 18.18 C-3 Neighborhood Shopping; and 18.20 Manufacturing and Deleting Zoning Code Section 18.14.060.B

City of Sand City

TO: Honorable Mayor and City Council

FROM: Brian Foucht, AICP, Principal Planner – EMC Planning Group

SUBJECT: Zoning Ordinance Amendment - First Reading Of Ordinance Amending Section 18.62 To Add Section 18.62.171 Requiring Uses Within the C-1, C-2, C-3, MU-P and M Zoning Districts To Be Conducted Inside A Fully Enclosed Building Unless A Conditional Use Permit Is First Obtained.

DATE: **August 19, 2025**

BACKGROUND

The City intends, via Zoning Ordinance regulations, to implement General Plan/Vibrancy Plan policies and recommendations to achieve a gradual transition away from heavy commercial toward visitor serving uses such as restaurants, shops, artist live-work studios and mixed residential uses.

In 2002 significant areas of the West End (the Old Town Neighborhood) of the City were rezoned from C-2 Heavy Commercial and M Manufacturing Districts to the MU-P (Planned Mixed- Use) District (Ordinance 02-04).

Many of the permitted uses, allowed by right, in the C-2 District (Conditional Use Permits not required) are of a type that, by their nature, involve activities outside enclosed buildings. Over time, these characteristics established a land use pattern for other uses in the West End that: 1) typically do not involve open air operations; and 2) occupy sites and locations not designed for outdoor operations. The result, throughout the West End, are land use operations that conflict residential uses, on-site parking, on and off-site circulation, and environmental regulations. These are incompatible with residential uses in a mixed-use context.

Ordinance 02-04 states the incompatibility of C-2 uses with residential uses in the mixed-use context desired by the City, as follows:

"WHEREAS, the City of Sand City had adopted a General Plan Update that incorporates the urban planning principles of traditional neighborhood development (TND); and

"WHEREAS, TND concepts and principles advance residential in-fill development, mixed use development and residentially compatible commercial and light-industrial uses in close proximity to one another; and

"WHEREAS, current regulations within the CZ-C2 (Coastal Zone, Heavy Commercial), C-2 (Heavy Commercial), CZ-M (Coastal Zone Manufacturing), and M (Manufacturing) zoning districts are not intended to promote residentially compatible development."

DISCUSSION

1. Proposed Ordinance

The proposed Section 18.62.171 will apply to permitted and conditional uses within the following Zoning Districts:

C-1 Light Commercial
C-2 Heavy Commercial
C-3 Neighborhood Commercial
MU-P Planned Mixed Use
M Manufacturing

Non-residential uses within these districts are required to be conducted within an enclosed building, unless a Conditional Use Permit and Site Plan approval are obtained.

In approving a Conditional Use Permit the City Council must make specific findings related to:

- compatibility of the use with surrounding land use;
- consistency with the General Plan and other adopted plans; and
- mitigation of potential adverse impacts through design and operation of the use and related improvements.

2. General Plan

"GENERAL PLAN THEMES

"The transformation of Old Town from a heavy manufacturing, warehousing, and service commercial center, to one with mixed retail, service, light manufacturing, and residential uses including a thriving artist and artisan community, is intended to complement the City's tourism efforts and draw from other Peninsula communities.

"Elimination of Land Use Conflicts. Early patterns of development within the City did not fully consider issues of land use compatibility. Efforts to facilitate desired land use transitions, particularly in the Old Town area, are designed gradually to eliminate conflicts and encourage a more appropriate mix of uses." (Pg 1-4)

"COMMUNITY ISSUES AND TRENDS – Old Town Desired Land Use Transitions:

"2.1.1 Encourage the establishment of new land uses within the Old Town district that…Are generally complementary to other desirable businesses in the area and are residentially compatible in terms of being low-impact neighbors to residential uses.

"GOAL2.3: Reduce land use conflicts in the Old Town district.

"GENERAL PLAN LAND USE DESIGNATIONs

…"Mixed Use Development (MU-D). This designation is applied to areas where low impact light manufacturing and commercial uses can be intermixed with live-work units, such as artist studios or galleries, and residential uses. Desired uses are typically conducted wholly within a building. Where outdoor storage or business activities are necessary, extensive screening should be required…

"Compatible uses in this designation include, but are not limited to: small scale plant nurseries, wholesale or retail building materials and supplies

centers, (designed with attractive store fronts and outdoor storage areas that are situated behind the primary building and are heavily screened), (Pg 2-22)"

3. Vibrancy Plan: 3.1 Land Use Tools

LU-1. Prioritize new businesses that bring people and activity into the Vibrancy Area.

LU-1a. Change the list of allowed uses within the Planned Mixed - Use District to shift land use away from construction, trades, automotive, heavy industrial, transportation, warehousing, and storage. …

The contractor/automotive/industrial-type uses fall within the Service Commercial use that is allowed within the Planned Mixed- Use District. These uses, although long-established within the Vibrancy Plan Area and valued by the City,do not generate significant daytime activity or provide nightlife for residents or visitors.

… It is anticipated that a transition away from these uses would occur over time.

…As an initial step, the City should remove the undesired Service Commercial use from the zoning code; existing Service Commercial uses could remain indefinitely as non-conforming uses.

The proposed amendment to add Section 18.62.171 to the Zoning Ordinance will require that non-residential permitted and conditional uses operate within enclosed buildings unless otherwise approved by the City Council. This process will ensure ongoing compatibility of existing and future commercial uses with adjacent and surrounding residential and visitor serving commercial uses as the transition set in motion by adoption of the Vibrancy Plan progresses.

4. Illegal vs. Nonconforming uses

Existing business operations outside an enclosed building that were explicitly permitted or "customarily appurtenant to a permitted use" within the C-1, C-2 or M Districts are legal uses within these zoning districts and the current MU-P District. For example, a contractor's equipment storage yard is listed as a permitted use in the C-2 District. Outdoor operations are customarily appurtenant to such a use. If these uses were in place before the relevant ordinances were

adopted, and continued on an ongoing basis within the more recent MU-P District, this use and related outdoor activities would be legal, as a Nonconforming Use, within the MU-P District. Restrictions regarding expansion and continuation of the principal use would then apply (SCMC 18.70).

Uses such as a warehouse, machine shop, or printing shop, on the other hand, do not customarily involve activity, including storage, outside an enclosed building. Limited types of outdoor uses, for example loading and unloading associated with warehouse uses, would be a legal use customarily associated with a Nonconforming use. Generally, a use that was not explicitly or customarily appurtenant to a permitted or a conditional use in the C-2 District would not be a legal use in the MU-P District. (Although a CUP may, nonetheless, be obtained specifically for outdoor storage (SCMC 18.72.020)).

In situations where a CUP is now required to legally establish a use in any of the districts referenced in the proposed ordinance, the principal use will be considered a Nonconforming use. These uses may continue subject to restrictions for continued operation, expansion, and replacement until a CUP is obtained (SCMC 18.70).

In summary:

- Current uses and activities that were not legal at the time that these uses and activities were established and which are not currently explicitly permitted or conditional uses, remain illegal. The proposed ordinance establishes that current uses and activities outside a fully enclosed building are illegal unless a CUP is first obtained.

- The proposed ordinance explicitly requires current uses and activities to be conducted within an enclosed building, unless a CUP is first obtained. Uses that have obtained a CUP for outdoor activities are in compliance with this requirement.

- Permitted uses outside an enclosed building, customarily associated with a previous or current zoning district and for which a CUP has not been issued, are Nonconforming uses. These uses may continue subject to certain restrictions (SCMC.18.70). Issuance of a CUP will establish consistency with the Zoning ordinance.

ENVIRONMENTAL REVIEW

The amendment is categorically exempt from the California Environmental Quality Act (CEQA) under the following Section:

Section 15305 – Minor Alterations in Land Use Limitations. The requirement for Conditional Use Permit and Site Plan approval extends the current requirement generally applicable to uses in the C-1 District pursuant to Section 18.14.060.B. to Zoning Districts within and adjacent to properties within the Vibrancy Plan area, generally known as the “West End” in its entirety. The proposed ordinance explicitly requires that uses shall be conducted within a fully enclosed building and enables operation of permitted and conditional uses outside enclosed building upon issuance of a Conditional Use Permit and Site Plan approval. Currently such activities are not expressly authorized within the MU-P Planned Mixed Use and are therefore presumed to be prohibited. This minor alteration in limitations furthers General Plan Policies specifically related to the West End area referenced in the City’s Vibrancy Plan.

FISCAL IMPACT

The ordinance is not expected to create significant fiscal impacts. Over time, the ordinance is expected to reduce the cost of code enforcement actions.

RECOMMENDATION

1. Motion to waive full reading and introduce the attached Ordinance by title only;
2. Motion to approve the First Reading of the Ordinances and to waive future reading of the Ordinances; and
3. Schedule the Second Reading and adoption of the Ordinances for the next regular Council meeting.

ATTACHMENTS

1. Draft Ordinance – Section 18.62.171
2. Zoning Map of Affected Districts

CITY OF SAND CITY
ORDINANCE NO SC 25-___, 2025

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAND CITY AMENDING TITLE 18 (ZONING) OF THE SAND CITY MUNICIPAL CODE TO ADD SECTION 18.62.171 (USES CONDUCTED WITHIN ENCLOSED BUILDINGS) APPLICABLE TO THE ZONING DISTRICTS: 18.13 MU-P PLANNED MIXED USE; 18.14 C-1 LIGHT COMMERCIAL; 18.15 C-2 HEAVY COMMERCIAL; 18.18 C-3 NEIGHBORHOOD SHOPPING; AND 18.20 MANUFACTURING

AND

DELETING ZONING CODE SECTION 18.14.060.B

WHEREAS, the City of Sand City seeks to maintain and enhance land use compatibility between commercial, service commercial, manufacturing, residential, and mixed-use development within the City and within the West End, Vibrancy Plan area; and

WHEREAS, Sand City General Plan policies promote compatibility of land uses and the mitigation of adverse external effects associated with commercial and industrial activities, such as noise, air quality impacts, traffic congestion, light spillover, and glare. The following are applicable General Plan policies:

"GENERAL PLAN THEMES

"The transformation of Old Town from a heavy manufacturing, warehousing, and service commercial center, to one with mixed retail, service, light manufacturing, and residential uses including a thriving artist and artisan community, is intended to complement the City's tourism efforts and draw from other Peninsula communities.

"Elimination of Land Use Conflicts. Early patterns of development within the City did not fully consider issues of land use compatibility. Efforts to facilitate desired land use transitions, particularly in the Old Town area, are designed gradually to eliminate conflicts and encourage a more appropriate mix of uses." (Pg 1-4)

"COMMUNITY ISSUES AND TRENDS – Old Town Desired Land Use Transitions:

"2.1.1 Encourage the establishment of new land uses within the Old Town district that…Are generally complementary to other desirable businesses in the area and are residentially compatible in terms of being low-impact neighbors to residential uses.

"GOAL2.3: Reduce land use conflicts in the Old Town district.

"GENERAL PLAN LAND USE DESIGNATIONs

…"Mixed Use Development (MU-D). This designation is applied to areas where low impact light manufacturing and commercial uses can be intermixed with live-work units, such as artist studios or galleries, and residential uses. Desired uses are typically conducted wholly within a building. Where outdoor storage or business activities are necessary, extensive screening should be required…

"Compatible uses in this designation include, but are not limited to: small scale plant nurseries, wholesale or retail building materials and supplies centers, (designed with attractive store fronts and outdoor storage areas that are situated behind the primary building and are heavily screened), (Pg 2-22)" ; and

WHEREAS, the Sand City Vibrancy Plan seeks to implement measures to facilitate the gradual transition from heavy commercial and industrial uses to a compatible mix of residential, visitor serving, and light commercial land uses. The amendment implements the following Vibrancy Plan policies and recommendations:

LU-1. Prioritize new businesses that bring people and activity into the Vibrancy Area.

LU-1a. Change the list of allowed uses within the Planned Mixed - Use District to shift land use away from construction, trades, automotive, heavy industrial, transportation, warehousing, and storage. …

The contractor/automotive/industrial-type uses fall within the Service Commercial use that is allowed within the Planned Mixed- Use District. These uses, although long-established within the Vibrancy Plan Area and valued by the City,do not generate significant daytime activity or provide nightlife for residents or visitors.

… It is anticipated that a transition away from these uses would occur over time.

…As an initial step, the City should remove the undesired Service Commercial use from the zoning code; existing Service Commercial uses could remain indefinitely as non-conforming uses.

WHEREAS, the proposed amendment to add Section 18.62.171 to the Zoning Ordinance will require that non-residential permitted and conditional uses operate within enclosed buildings unless otherwise approved by the City Council. This process will ensure ongoing compatibility of existing and future commercial uses with adjacent and surrounding residential and visitor serving commercial uses as the transition set in motion by adoption of the Vibrancy Plan progresses.

WHEREAS, the City Council desires to adopt an ordinance that allows discretionary exceptions to this enclosed-building requirement only upon approval of a Conditional Use Permit, subject to review and findings ensuring consistency with City plans and protection of public health, safety, and welfare; and

WHEREAS, adding a new subsection 18.62.171 renders as unnecessary C-1 District subsection 18.14.016.B; and

WHEREAS, the City Council finds the amendment categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15305 – Minor Alterations in Land Use Limitations. The requirement for Conditional Use Permit and Site Plan approval extends the current requirement generally applicable to uses in the C-1 District pursuant to Section 18.14.060.B. to Zoning Districts within and adjacent to properties within the Vibrancy Plan area, generally known as the “West End” in its entirety. The proposed ordinance explicitly requires that uses shall be conducted within a fully enclosed building and enables operation of permitted and conditional uses outside enclosed building upon issuance of a Conditional Use Permit and Site Plan approval. Currently such activities are not expressly authorized within the MU-P Planned Mixed Use and are therefore presumed to be prohibited. This minor alteration in limitations furthers General Plan Policies specifically related to the West End, Vibrancy plan area of the City; and

WHEREAS, the City Council has conducted a duly noticed public hearing on the proposed amendment, received public testimony, and recommended approval to the City Council; and

WHEREAS, the City Council has reviewed the staff report, received public testimony at a duly noticed public hearing, and finds the proposed Zoning Ordinance amendment is consistent with the General Plan, the Vibrancy Plan, and applicable law; and

WHEREAS, the City Council has reviewed the proposed amendments to the Zoning Code, and finds that the proposed amendment is 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 general welfare of the City.

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

The Council hereby adopts the following with redlined changes accepted:

The City Council Hereby Adopts An Amendment to the Title 18 Zoning Of The Municipal Code Deleting Section 18.14.060.B to amend Section 18.14.060 as follows:

§ 18.14.060 Other Required Conditions.

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

A. In a C-1 district directly across a street or thoroughfare from any R district designated for future residential use in the general plan, the parking and loading facilities shall maintain an average distance of eight feet from such street.

~~B. All uses shall be conducted wholly within a completely enclosed building, except for service stations, public utility substations, and off-street parking and loading facilities; except that the Council may permit the outdoor operation of any permitted use by approving a conditional use permit therefor.~~

~~C~~. B. Site plan review by the City Council for all construction or physical alterations in the C-1 zoning district.

~~D~~. C. Design control regulations apply.

The City Council Hereby Adopts An Amendment to the Title 18 Zoning Of The Municipal Code Adding Section 18.62.171 as follows:

§ 18.62.171 Uses Conducted Within Fully Enclosed Buildings: Within C-1, C-2, C-3, MU-P, and M Districts**.**

A. All uses, including existing, renovated or new uses and accessory uses, shall be conducted entirely within a fully enclosed building except for off-street parking, loading and waste removal services. The City Council may permit the operation of any Permitted or Conditional Use outside an enclosed building within Planned Mixed Use (MU-P), Light Commercial (C-1), Heavy Commercial (C-2), Neighborhood Shopping (C-3) and Manufacturing (M) Zoning districts uses by approving a Site Plan and Conditional Use Permit therefor.

B. In considering proposed uses and activities outside an enclosed building associated with permitted and conditional uses, the City Council shall consider an application that completely describes the proposed use outside an enclosed building, including site and building improvements and operation of the proposed use. In approving uses conducted outside an enclosed building the City Council shall adopt the following findings based on substantial evidence in the record of City Council consideration:

1. The proposed use is consistent with the City's General Plan and any related plans incorporated therein by reference or referenced therein as an implementation policy and program;

2. The operation of the proposed use and related improvements, including public facilities serving the property, with any required mitigation measures and conditions of approval, are consistent with City development and improvement plans and policies and regulations applicable to the property;

3. The effect of proposed uses on the health, safety and general welfare of persons living and working in the area are negligible including but not limited to effects of noise, air quality, odors, traffic and congestion, parking, light and glare; and

4. Mitigations and conditions of approval that address adverse effects referenced in finding 3. are feasible, enforceable by the City and sufficient to avoid such effects or to mitigate such effects to a level of insignificance.

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 19th day of August, 2025; by the following vote:

AYES:

NOES:

ABSENT:

_____

[Mayor/Chair]

ATTEST:

_____

Kerry Lindstrom

CITY CLERK

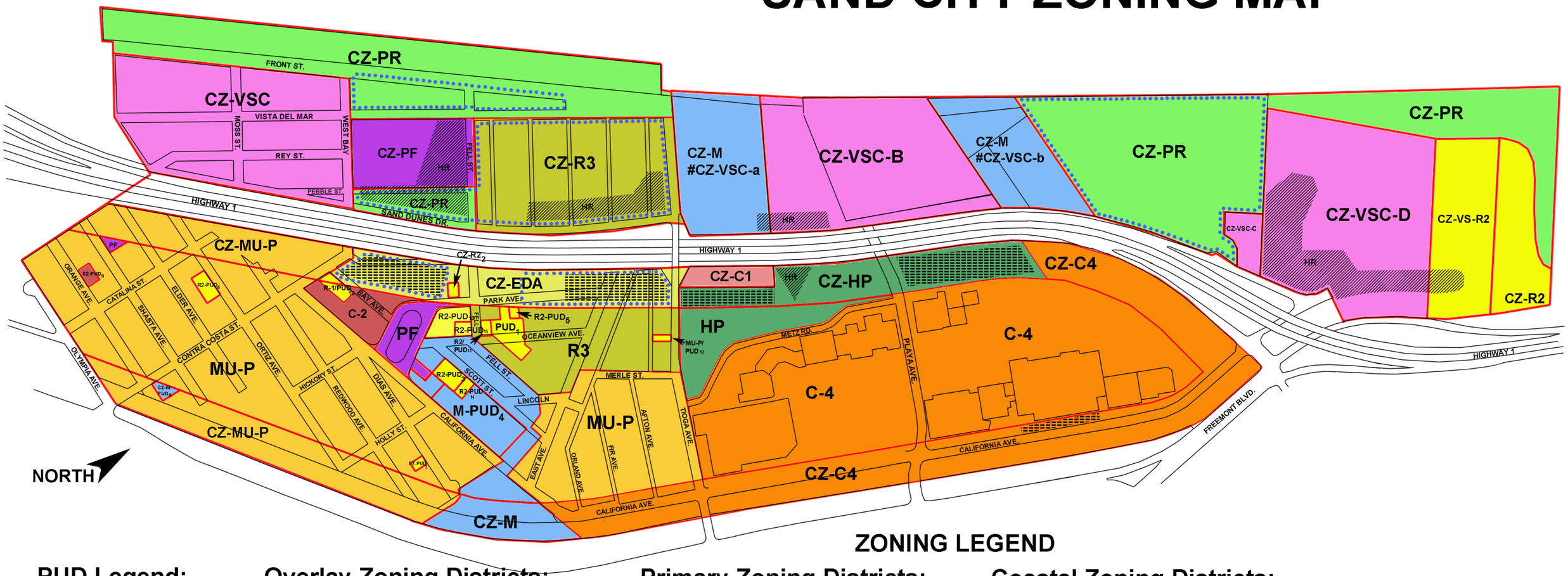
APPROVED AS TO FORM:

_____

[NAME]

[CITY ATTORNEY/COUNTY COUNSEL]

SAND CITY ZONING MAP



ZONING LEGEND

PUD Legend:

PUD ZONING	ORDINANCE NUMBER
PUD 1	95-02
CZ-R2 2	97-02
R2/PUD 3	97-05
M/PUD 4	98-07
R2-PUD 5	99-04
R2-PUD 6	01-02
R2-PUD 7	01-03
CZ-M-PUD 8	01-04
CZ-PUD 9	01-05
R-1/PUD 10	02-05
R2/PUD 11	06-02
MU-P/PUD 12	08-01
R2-PUD 13	14-03
R2-PUD 14	14-06
R2-PUD 15	17-03

Overlay Zoning Districts:

Habitat Treatment Zones:

- ST Special Treatment Area
- RM Resource Management — Generalized Locations
- HR Habitate Restoration — Generalized Locations

Primary Zoning Districts:

- R-1 Single Family Dwelling
- R-2 One-Family / Two Family
- R-3 Multi-Family Residence
- MU-P Planned Mixed-Use
- C-1 Light Commercial
- C-2 Heavy Commercial
- C-3 Neighborhood Commercial
- C-4 Regional Commercial
- M Manufacturing
- PUD Planned Unit Development

Coastal Zoning Districts:

- CZ-R2 Coastal Residential - Medium Density
- CZ-R3 Coastal Residential - High Density
- CZ-MU-P Coastal Planned Mixed Use
- CZ-VS-R2 Coastal Visitor Serving Residential Medium Density
- CZ-EDA Coastal East Dunes Area
- CZ-C1 Coastal Light Commercial
- CZ-C4 Coastal Regional Commercial
- CZ-VSC Coastal Visitor Serving Commercial
- #CZ-VSC Dual Designation (secondary/future use)
- CZ-M Coastal Manufacturing
- CZ-PF Coastal Public Facility
- CZ-PR Coastal Public Recreation
- CZ-HP Coastal Habitat Preserve

a,b,B,C,D - see density standards of LCP

AGENDA ITEM
10A.

Approve a Resolution to Adopt Policies and Procedures for Providing Priority Water and Sewer Service for Affordable Housing Projects Pursuant to Government Code Section 65589.7

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council

FROM: Anastazia Aziz, AICP, Principal – EMC Planning Group

SUBJECT: Water and Sewer Priority Allocation for Lower-Income Affordable Housing Policy, Implementing the 6th Cycle Housing Element

DATE: August 19, 2025

A. BACKGROUND:

The City's Housing Element, adopted on 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 Housing Element programs. Program 2.B (Water and Sewer Providers and City Water Distribution Policy) of the Housing Element commits the City to adopt and implement a policy, consistent with Government Code section 65589.7, that prioritizes water and sewer service for low-income households/units during periods of limited capacity.

B. DISCUSSION

The proposed Water and Sewer Service Priority Allocation for Lower-Income Affordable Housing Policy (Exhibit A) establishes how the City will allocate water and sewer service during periods of limited capacity, as required by state law. "Sufficient water capacity" is defined by Section 66473.7(2)(a) of the California Government Code.

The policy prioritizes service to low-income households/units when water and/or sewer availability is constrained. The policy is also intended to improve the effectiveness of the law in facilitating housing development for lower income households.

The draft policy acknowledges that 1) the City of Sand City is responsible for issuing planning entitlements and building permits within the City; 2) the Monterey Peninsula Water Management District (MPWMD) is responsible for issuing water permits within the City; 3) domestic water service is provided by the California American Water Company (Cal-Am) and the company is also contracted to operate the City-owned desalination plant, and 4) the Seaside County Sanitation District (SCSD) and Monterey One Water (M1W) provide wastewater collection. Further, the policy establishes that lower income residential units are prioritized in times of water and sewer capacity scarcity,

C. RECOMMENDED EXEMPT CEQA STATUS:

1. The provisions of the proposed policy 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 policy implements provisions for the allocation of water and sewer service during periods of limited capacity for low-income residential units as mandated by Government Code section 65589.7, and includes no other provisions that may result in a direct or indirect impact on the physical environment.

D. RECOMMENDATION:

1. Conduct the public hearing and discuss the proposed Policy; and
2. Adopt the proposed Policy by resolution.

E. ATTACHMENTS:

1. Resolution
2. Exhibit A: Water and Sewer Service Priority Allocation for Lower-Income Affordable Housing Policy

CITY OF SAND CITY
RESOLUTION SC 25-___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY TO ADOPT POLICIES AND PROCEDURES FOR PROVIDING PRIORITY WATER AND SEWER SERVICE FOR AFFORDABLE HOUSING PROJECTS PURSUANT TO GOVERNMENT CODE SECTION 65589.7

WHEREAS, California Government Code section 65589.7 requires water and sewer providers to grant priority for service provision to proposed developments that include lower-income residential units; and

WHEREAS, the City of Sand City's 6th Cycle Housing Element includes Program 2.B (Water and Sewer Providers and City Water Distribution Policy) which requires the adoption of a policy in compliance with Government Code section 65589.7; and

WHEREAS, the City of Sand City is responsible for issuing planning entitlements and building permits within the City; and

WHEREAS, the Monterey Peninsula Water Management District (MPWMD) is responsible for issuing water permits for developments located within the District's boundaries and Sand City is within the boundaries of the MPWMD; and

WHEREAS, domestic water service is provided by the California American Water Company (Cal-Am), a privately owned company, which operates and maintains the water system within the district; and

WHEREAS, the City owns and operates a desalination plant that is operated under contract by Cal-Am; and

WHEREAS, the City is responsible for the allocation of water within the City boundaries, and allocates water from two sources: 1) MPWMD allocation of water to the City and 2) an allocation of water from the City's desalination plant; and

WHEREAS, the Seaside County Sanitation District (SCSD) and Monterey One Water (M1W) provide wastewater collection and treatment to the City. Wastewater (sewer) collection is provided to the City by the Seaside County Sanitation District and wastewater treatment is provided by a special district, M1W; and

WHEREAS, all water and sewer entities listed above are subject to the conditions of Government Code section 65589.7.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby adopt the Water and Sewer Service Priority Allocation for Lower-Income Affordable Housing Policy contained in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Sand City this 19th, day of August, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

CITY OF SAND CITY

Water and Sewer Service Priority Allocation for Lower-Income Affordable Housing Policy

Purpose

The purpose of this policy is to establish conformance with California Government Code Section 65589.7 by memorializing written procedures for prioritizing water and sewer service needs for proposed developments that include housing units that are affordable to lower-income households. The City of Sand City is responsible for issuing planning entitlements and building permits within the city. The Monterey Peninsula Water Management District (MPWMD) is responsible for issuing water permits for developments located within the District's boundaries. Sand City is within the boundaries of the MPWMD and the MPWMD provides the City an allocation of water. Domestic water service is provided by the California American Water Company (Cal-Am), a privately owned company, which operates and maintains the water system within the district. Additionally, the City owns a desalination plant, which has a water entitlement, that is operated under contract to Cal-Am. The City is responsible for allocating the two sources of water to end users.

The Seaside County Sanitation District (SCSD) and Monterey One Water (M1W) provide wastewater collection and treatment to the City. Wastewater (sewer) collection is provided to the City by the Seaside County Sanitation District and wastewater treatment is provided by a special district, M1W. All water and sewer entities listed above are subject to the conditions of Section 65589.7.

Background

California Government Code Section 65589.7 was amended in 2005 by Senate Bill (SB) 1087 to require public or private purveyors providing water distribution services or sewer collection to enact a written policy to prioritize service connections for proposed developments that include housing units that are affordable to lower-income households. The policy includes specific objective standards for prioritizing water and sewer service needs for proposed developments that include affordable housing units within the City.

Definitions

The following definitions shall apply to this policy:

- "Proposed developments that include housing units affordable to lower-income households" means that dwelling units shall be sold or rented to lower-income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety

Code, or an affordable rent, as defined in Section 50053 of the Health and Safety Code.

- "Water service" means the supply of an allocation of water by the City for purposes of building residential units. This does not include the resale of water for human consumption from one water supplier to another.
- "Sewer service" means the supply of a service through a pipe or other constructed conveyance system for residential purposes. This does not include passing sewerage from one sanitary agency's collection system to another.

Statement of Policy

In accordance with SB 1087 and California Government Code Section 65589.7, the City of Sand City shall prioritize its water allocation during periods of limited capacity water, through the planning and building entitlement process, to proposed developments that include housing units affordable to lower-income households.

Statement of Policy

In accordance with California Government Code Section 65589.7, the City of Sand City shall, in periods of limited capacity, formally request that the SCSD and M1W prioritize wastewater collection and treatment/services for developments that include affordable housing units.

Procedure

The policies shall be implemented and enforced per the conditions herein:

1. The City of Sand City shall not deny or condition any approval of a water allocation within its authority, during periods of limited capacity, or reduce the amount of such service requested by a proposed development, based on MPWMD standards for allocation, that includes housing units affordable to lower-income households; unless the City makes specific written findings that the denial, condition or reduction is necessary due to one of the following:
    a. The City is operating under a water shortage emergency as defined by Section 350 of the State Water Code and Section 16.04 of the Municipal Code; or
    b. The City does not have a "sufficient water supply," as defined by Section 66473.7(2)(a) of the California Government Code; or
    c. The State Water Board Division of Drinking Water, State Water Resources Control Board, Central Coast Regional Water Quality Control Board and/or the Monterey County Department of Environmental Health or any other agency with authority, issues an order that prohibits new water connections; or
    d. The applicant proposing the development project has failed to agree to reasonable terms and conditions for water from the city, which are generally applicable to other development projects seeking water from the City

including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of any fee or charge authorized by Government Code Section 60013 or otherwise required by local rules and regulations.

2. The City of Sand City shall not deny or condition of a wastewater collection and treatment/services within its authority, during periods of limited capacity, or reduce the amount of such service requested by a proposed development, based on SCSD or M1W standards for allocation, that includes housing units affordable to lower-income households; unless the City makes specific written findings that the denial, condition or reduction is necessary due to one of the following:
    a. The Seaside County Sanitation District and/or M1Q does not have sufficient collection capacity or wastewater treatment capacity, respectively, to serve the needs of the proposed development as demonstrated by a written engineering analysis and report on the condition of the collection or treatment systems; or
    b. The State Water Board Division of Drinking Water, State Water Resources Control Board, Central Coast Regional Water Quality Control Board and/or the Monterey County Department of Environmental Health issues an order that prohibits new sewer connections; or
    c. The applicant proposing the development project has failed to agree to reasonable terms and conditions for sewer service from the City, which are generally applicable to other development projects seeking sewer service from the city including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of any fee or charge authorized by Government Code Section 60013.
3. The City shall revisit, revise, if necessary, and adopt an amendment to these procedures and policies at least once within five years of the issuance date.

AGENDA ITEM
10B.

Introduce Sand City's Potential Participation in the County of Monterey's HOME Consortium

AGENDA ITEM
10C.

Approve a Resolution Authorizing the City Manager to Enter into a Three-Year Professional Services Agreement with NBS at a Cost not to Exceed $10,000 Annually for the Administration of CFD 2021-1 (South of Tioga Project)

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: Vibeke Norgaard, City Manager; Jennifer Pope, Finance Manager
SUBJECT: Approve a Resolution Authorizing the City Manager to Enter into a Three-Year Professional Services Agreement with NBS for Administrative Services for CFD 2021-1 (South of Tioga Project)
DATE: August 19, 2025

BACKGROUND/DISCUSSION:

Pursuant to the Mello-Roos Community Facilities Act of 1982 (Cal. Gov. Code Section 53311 et seq.), the City Council has the authorization to establish a community facilities district and act as its legislative body.

In July of 2018, NBS prepared a Fiscal Impact Analysis related to the South of Tioga project. The Fiscal Impact Analysis provided information related to the fiscal impact that the South of Tioga project would have on City services and maintenance costs for project specific services in addition to any fiscal impact.

On December 4, 2018, the Council adopted goals, policies and appraisal standards for community facilities districts within Sand City.

On October 20, 2021, DBO and the City of Sand City entered into a development agreement for the South of Tioga Project. The development agreement and the first amendment, in order to offset negative fiscal impacts of the development and provide a funding mechanism for certain public services and maintenance, allowed for the City to form a community facilities district.

On December 21, 2021, the City Council of the City of Sand City adopted Resolution SC 21-80, 2021 entitled “Resolution of Intent to Establish Community Facilities District No. 2021-1 (South of Tioga Project) and to Authorize the Levy of Special Taxes” and has conducted proceedings to establish the City of Sand City Community Facilities District No. 2021-1 (South of Tioga Project). The resolution described the boundaries and the services covered by the CFD.

On February 1, 2022, the City Council of the City of Sand City adopted the following resolutions:

- Resolution SC 22-07, 2022 entitled “Resolution of the City of Sand City Establishing Community Facilities District No. 2021-1 (South of Tioga Project)”
- Resolution SC 22-08, 2022 entitled “Resolution of the City of Sand City Calling a Special Election for a Community Facilities District”
- Resolution SC 22-09, 2022 entitled “Resolution of the City of Sand City Declaring Results of a Special Landowner Election and Directing the Recording of a Special Tax Lien”

On February 15, 2022, the City Council of Sand City passed and adopted Ordinance No. 22-01, 2022 entitled “An Ordinance of the City Council of City of Sand City, Authorizing the Levy of Special Taxes in a Community Facilities District”. The ordinance authorizes the levy of special taxes within the CFD in accordance with the Rate and Method of Apportionment that was approved via Resolution SC 22-07, 2022.

With the Marriott Hotel set to open in January 2026, the City is now nearing the time to implement CFD 2021-1 (South of Tioga Project) and is recommending approval of an agreement with NBS District Consulting Group for the administration of the CFD. NBS has 26 years of experience supporting California municipalities with the implementation and ongoing administration of special financing districts including community facilities districts. They prepared the City fiscal impact analysis for this project and helped the City establish the CFD. NBS ensures that the CFD and related revenue will be well-developed from inception and administered successfully. Their services include data collection, administrative cost recovery, special tax requirements, levy calculations, submittal and reporting, and consulting services.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The cost for CFD administration will be $10,000 annually. These funds will be included in the mid-year budget adjustment that will be brought to Council at a future date.

RECOMMENDATION:
Staff recommends approval of the resolution authorizing the City Manager to enter into a professional services agreement with NBS for community facilities district administration at an amount not to exceed $10,000 annually.

ATTACHMENTS:

1. Resolution
2. Professional Services Agreement

CITY OF SAND CITY
RESOLUTION SC 25-___, 2025

RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH NBS AT A COST NOT TO EXCEED $10,000 ANNUALLY FOR THE ADMINISTRATION OF CFD 2021-1 (SOUTH OF TIOGA PROJECT)

WHEREAS, on December 21, 2021, the City Council of the City of Sand City adopted Resolution SC 21-80, 2021 entitled "Resolution of Intent to Establish Community Facilities District No. 2021-1 (South of Tioga Project) and to Authorize the Levy of Special Taxes" and has conducted proceedings to establish the City of And City Community Facilities District No. 2021-1 (South of Tioga Project); and

WHEREAS, on February 15, 2022, the City Council of Sand City passed and adopted Ordinance No. 22-01, 2022 entitled "An Ordinance of the City Council of the City of Sand City, Authorizing the Levy of Special Taxes in a Community Facilities District"; and

WHEREAS, NBS specializes in special financing districts including community facilities districts and has 26 years of experience supporting municipalities with implementation and administration of community facilities districts.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby:

1. Authorize the City Manager to enter into a professional services agreement with NBS for the administration of Community Facilities District 2021-1 (South of Tioga Project).
2. Requires NBS to maintain a City business license for the duration of the term of the agreement.

PASSED AND ADOPTED by the City Council of the City of Sand City 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

PROFESSIONAL SERVICE AGREEMENT FOR NON-CONSTRUCTION PROJECT

This Agreement made this 19 day of August 2025 (the "Effective Date"), by and between the CITY OF SAND CITY, a municipal corporation, hereinafter referred to as "CITY", and NBS, a California Corporation, hereinafter referred to as "CONSULTANT" (together referred to the "Parties").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

I. TERM

The term of the Agreement will begin January 2026 and shall end December 31, 2028, unless sooner terminated pursuant to the provisions of this Agreement. The Agreement may be reviewed and modified upon concurrence of both parties. No modification to the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

II. SERVICES

Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide to the CITY the services described in their Proposal, attached hereto as Exhibit A and incorporated herein as though set forth in full. To the extent that Exhibit A is a proposal from CONSULTANT, such proposal is incorporated only for the description of the scope of services and no other terms and conditions from any such proposal shall apply to this AGREEMENT unless specifically agreed to in writing. Unless otherwise explicitly stated in Exhibit A, CONSULTANT shall at it sole cost and expense furnish all facilities and equipment which may be required for completing the tasks set forth in Exhibit A. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

III. PERFORMANCE

CONSULTANT shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting its obligations under this AGREEMENT.

IV. TIME

CONSULTANT shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of

performance provided in section III (Performance) and to satisfy CONSULTANT'S obligations hereunder.

V. ASSIGNMENT OF PERSONNEL

CONSULTANT shall assign only competent personnel to perform services pursuant to his Agreement. In the event that CITY, in its sole discretion, at any time during the term of the Agreement, desires the reassignment of any such persons, CONSULTANT shall, immediately upon receiving notice from CITY of such desire, reassign such person or persons.

VI. PAYMENT

A. The CITY agrees to pay CONSULTANT monthly for services performed and reimbursable costs, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed ten thousand dollars ($10,000) annually for the total term of the Agreement unless additional payment is approved as provided in this Agreement. Except as specifically authorized by CITY in writing, CONSULTANT shall not bill CITY for duplicative services performed by more than one person. Fees for work performed by CONSULTANT on an hourly basis shall not exceed the amounts shown on the compensation schedule attached hereto as Exhibit A. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

B. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and CONSULTANT at the time CITY's written authorization is given to CONSULTANT for the performance of said services. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the AGREEMENT, but in no event shall such sum exceed one thousand dollars ($1,000) unless otherwise specified in the AGREEMENT. Any additional work in excess of this amount shall be approved by the City Council of Sand City.

C. CONSULTANT will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Invoices shall include a task summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement. For each work item

and task, a copy of the applicable time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the CITY disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this AGREEMENT shall be made within forty-five (45) days of receipt of an invoice. In no event shall CONSULTANT submit an invoice for an amount in excess of the maximum amount of compensation provided above for either a task or the entire Agreement, unless the Agreement is properly modified in writing prior to the submission of such an invoice.

VII. SUSPENSION OR TERMINATION OF AGREEMENT

A. The CITY may at any time, for any reason, with or without cause, suspend or terminate this AGREEMENT, or any portion hereof, upon written notification to CONSULTANT. Upon receipt of said notice, the CONSULTANT shall immediately cease all work under this AGREEMENT, unless the notice provides otherwise. If the CITY suspends or terminates a portion of this AGREEMENT such suspension or termination shall not make void or invalidate the remainder of this AGREEMENT.

B. CONSULTANT may cancel this Agreement upon 30 days written notice to CITY and shall include in such notice the reasons for cancellation.

C. In the event this AGREEMENT is terminated pursuant to this Section, the CITY shall pay to CONSULTANT the actual value of the work performed up to the time of termination; CITY may however condition payment of such compensation upon CONSULTANT delivering to CITY any and all Documents prepared in connection with this Agreement. Upon termination of the AGREEMENT pursuant to this Section, the CONSULTANT will submit an invoice to the CITY pursuant to Section 6.

D. The parties may amend this Agreement only by a writing signed by all the parties.

E. All obligations arising prior to the termination of this Agreement and all provision of this agreement allocating liability between the CITY and CONSULTANT shall survive the termination of this Agreement.

F. If CONSULTANT materially breaches any of the terms of this Agreement, CITY’s remedies shall include, but not be limited to, the following:

   a. Immediately terminate the Agreement

b. Retain all Documents and other work product prepared by CONSULTANT pursuant to this Agreement

c. Retain a different consultant to complete the work described in a given task order not finished by Consultant; and/or

VIII. OWNERSHIP OF DOCUMENTS

A. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by CITY that relate to the performance of services under this AGREEMENT. CONSULTANT shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of CITY or its designees at reasonable times to such books and records; shall give CITY the right to examine and audit said books and records; shall permit CITY to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this AGREEMENT. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment. CONSULTANT understands that all such records may be subject to the examination and audit of the State Auditor or as part of any audit of the CITY.

B. Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents, in electronic or other form, prepared in the course of providing the services to be performed pursuant to this AGREEMENT (“Documents”) shall become the sole property of the CITY and may be used, reused, or otherwise disposed of by the CITY in connection with the project for which CONSULTANT’S services are provided under this AGREEMENT and without the permission of the CONSULTANT. With respect to computer files, CONSULTANT shall make available to the CITY, at the CONSULTANT's office and upon reasonable written request by the CITY, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to CITY all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the services under this AGREEMENT.

IX. INDEMNIFICATION AND DEFENSE

A. Indemnity

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CITY and any and all of its officials, employees, contractors and agents ("Indemnified Parties") from and against any and all claims, losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by the negligent, reckless or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or subconsultants (or any agency or individual that CONSULTANT shall bear the legal liability thereof) in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify and hold harmless CITY shall not extend to the CITY's sole or active negligence. This indemnification obligation is not limited by any limitation on the amount or type of damages available under any applicable insurance coverage and shall survive the expiration or termination of this Agreement with respect to any liability arising during the term of the Agreement. With respect to third party claims against the CONSULTANT, CONSULTANT waives any and all rights of any type to express or implied indemnity against the Indemnified Parties.

B. Duty to defend

In the event the CITY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by CITY, CONSULTANT shall defend the CITY at CONSULTANT's cost or at CITY's option, to reimburse CITY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by CONSULTANT's negligent acts, errors or omissions. Payment by CITY is not a condition precedent to enforcement of this indemnity.

C. California Civil Code Section 2782.8

Notwithstanding the foregoing, to the extent that the CONSULTANT's services are subject to California Civil Code Section 2782.8, the above indemnity, including the cost to defend, shall be limited to the extent required by California Civil Code Section 2782.8.

X. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this AGREEMENT insurance coverage as specified in Exhibit C attached to and part of this AGREEMENT.

XI. INDEPENDENT CONSULTANT

A. CONSULTANT is and shall at all times remain as to the CITY a wholly independent consultant and/or independent contractor and not an employee of CITY. The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, subcontractors or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, subcontractors or agents are in any manner officers, employees, or agents of the CITY. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against CITY, or bind CITY in any manner.

B. No employee benefits shall be available to CONSULTANT in connection with the performance of this AGREEMENT. Except for the fees paid to CONSULTANT as provided in the AGREEMENT, CITY shall not pay salaries, wages, or other compensation to CONSULTANT for performing services hereunder for CITY. CITY shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing services hereunder.

XII. LEGAL RESPONSIBILITIES

The CONSULTANT shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this AGREEMENT. The CONSULTANT shall at all times observe and comply with all such laws and regulations. The CITY, and its officers, consultants and employees, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this Section.

XIII. UNDUE INFLUENCE/CONFLICT OF INTEREST

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the CITY in connection with the award, terms or implementation of this AGREEMENT, including any method of coercion, confidential financial arrangement, or financial inducement.

No officer or employee of the CITY has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this AGREEMENT or any work to be conducted as a result of this AGREEMENT. Violation of this Section shall be a material breach of this AGREEMENT entitling the CITY to any and all remedies at law or in equity. CONSULTANT may not serve other clients whose activities within the corporate limits of CITY or whose business regardless of location would place CONSULTANT in a "conflict of interest" as that term is defined in the Political Reform Act, California Government Code section 81000 et seq.

XIV. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of CITY, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any Agreement or sub-Agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this AGREEMENT.

XV. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

A. All information gained by CONSULTANT in performance of this AGREEMENT shall be considered confidential and shall not be released by CONSULTANT without CITY's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager, or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this AGREEMENT or relating to any project or property located within the CITY. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

B. CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this AGREEMENT and the work performed there under or with respect to any project or property located within the CITY, unless the CITY is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing the CITY of such Discovery. CITY retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless CITY is a party to the lawsuit, arbitration, or administrative proceeding and is

averse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with CITY and to provide the opportunity to review any response to discovery requests provided by CONSULTANT. However, CITY's right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

XVI. NOTICES

Any notices which either party may desire to give to the other party under this AGREEMENT must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CITY:
City of Sand City
1 Pendergrass Way
Sand City, CA 93955
Attention: Vibeke Norgaard, City Manager

To CONSULTANT:
NBS
870 Market Street, Suite 1223
San Francisco, CA 94102
Attention: Greg Davidson, Managing Director

XVII. ASSIGNMENT

The CONSULTANT shall not assign the performance of this AGREEMENT, nor any part thereof, nor any monies due hereunder, without prior written consent of the CITY. Because of the personal nature of the services to be rendered pursuant to this AGREEMENT, only CONSULTANT shall perform the services described in this AGREEMENT. Upon termination of this Agreement, CONSULTANT's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between CITY and the CONSULTANT.

Before CONSULTANT retains or contracts with any subcontractor, CONSULTANT shall provide CITY with the identity of the proposed CONSULTANT, a copy of the proposed written contract between CONSULTANT and such subcontractor which shall include an indemnity provision similar to the one provided herein and identifying CITY as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subcontractor carries insurance at least equal to that required by this AGREEMENT or obtain a written waiver from CITY for such insurance.

XVIII. LICENSES

At all times during the term of this AGREEMENT, CONSULTANT, its employees, agents, and any subcontractors shall have in full force and effect, all licenses, permits, qualifications and approvals required of it by law for the performance of the services described in this AGREEMENT. In addition, CONSULTANT and any subcontractors shall obtain and maintain during the term of this Agreement a valid Sand City business license.

XIX. GOVERNING LAW

The CITY and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this AGREEMENT and also govern the interpretation of this Agreement. Any litigation concerning this AGREEMENT shall be brought and maintained in the Superior Court of the State of California in and for the County of Monterey or in the United States District Court for the Central District of California.

XX. ENTIRE AGREEMENT

This AGREEMENT contains the entire understanding between the parties relating to the obligations of the parties described in this AGREEMENT. All prior or contemporaneous Agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this AGREEMENT or with respect to the terms and conditions of this AGREEMENT, are merged into this AGREEMENT and shall be of no further force or effect. Each party is entering into this AGREEMENT based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

XXI. SEVERABILITY/NO IMPLIED WAIVER OF BREACH

If a court of competent jurisdiction finds that any provision of this Agreement is invalid, void or unenforceable, the provisions not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement**.**

The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any breach of that term or any other term of this Agreement.

XXII. ATTORNEYS FEES

If a party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled.

XXIII. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this AGREEMENT on behalf of CONSULTANT warrants and represents that he/she has the authority to execute this AGREEMENT on behalf of the CONSULTANT and has the authority to bind CONSULTANT to the performance of its obligations hereunder. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

CONSULTANT

By:_____
(Signature)

_____
(Typed Name)

_____
(Title)

CITY OF SAND CITY

_____
Vibeke Norgaard, City Manager

ATTEST:

_____
Kerry Lindstrom, City Clerk

APPROVED AS TO FORM:

By: _____
Adam Lindgren, City Attorney

Attachments:	Exhibit A	Consultant's Proposal
	Exhibit B	Insurance Requirements

EXHIBIT A

CONSULTANT'S PROPOSAL

870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349

www.nbsgov.com

February 12, 2025

Vibeke Norgaard
City Attorney
City of Sand City
Submitted electronically via vibeke@vnorgaardlaw.com

RE: Community Facilities District (CFD) Administration Services for CFD 2021-1

Dear Ms. Norgaard:

Thank you for the opportunity to address the City's needs for CFD Administration services for CFD 2021-1 (South of Tioga project).

NBS has 26 years of assisting cities, counties and other local government agencies with such efforts. More information about NBS is available on our website at https://www.nbsgov.com/. We are happy to also provide further information as needed.

This short letter outlines our qualifications, scope of work, references and commensurate fees. Our intention is to work as an extension of your staff, providing expertise and a valuable service to your community.

Please review the attached and let me know if you have any questions at 800.434.8349 or via email at gdavidson@nbsgov.com.

Sincerely,

Greg Davidson
Managing Director

AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

26 YEARS In Business

100% ESOP NBS is a 100% employee-owned S-Corporation

NBS HEADQUARTERS
32605 Temecula Pkwy | Suite 100
Temecula, CA 92592

SAN FRANCISCO REGIONAL OFFICE
870 Market Street | Suite 1223
San Francisco, CA 94102

CONTACT
Greg Davidson | 800.434.8349
gdavidson@nbsgov.com

LEGAL NAME
NBS Government Finance Group

DBA
NBS

50 employees

INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT
Michael Rentner, President

Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally justified fee design. Across all practice areas, we have worked with more than ***500 public agencies*** to date, including cities, counties, school districts, utilities, and special districts.

District Consulting Group

The NBS District Consulting Group ensures your Special Financing Districts (SFD) and related revenue tools are well-developed from their inception, and then administered robustly over their lifetime.

We act as strong advocates for our public agency clients to ensure that any SFD or other revenue tool is appropriate and well-crafted for the need. Throughout our engagement, we provide sage guidance and recommendations. We are often called upon to present complex issues to councils, boards and interested parties.

We have supported thousands of SFDs including millions of parcels, and have worked through virtually every conceivable challenge in their use. Our experience is with all manners of special assessments, special taxes – including Community Facilities Districts (CFDs) – and other fees.

Whether the need is identifying and funding negative fiscal impacts, financing needed infrastructure, or providing community-desired services, our expert consultants have deep experience and help navigate the challenges.

Our Publications

We believe in continuing education, not only for our own team, but also for our clients and municipal staff.

As industry leaders, we have a unique set of qualifications and experience in the work we perform. In that regard, we have published four booklets on related industry topics that can be downloaded at no charge at www.nbsgov.com/publications. For a hard copy, please call 800.676.7516 or email contactnbs@nbsgov.com.

- ***Special Financing Districts (SFDs)*** has been credited as the best publication on SFDs in a decade by prominent industry professionals.
- ***Rates, Fees and Charges Compendium*** has received high regard and interest from industry professionals.
- ***Stormwater: A Ten-Step Funding Plan*** addresses the spectrum of stormwater needs in California.
- ***Community Facilities Districts (CFDs)*** explains this robust funding and financing tool for local governments in California.



SCOPE OF SERVICES

Community Facilities District Administration (Non-Bonded)

DATA COLLECTION

NBS will gather and review data pertinent to the administration of the Community Facilities District *(CFD).* Data will be obtained from various sources such as assessor's parcel maps, building permits and county assessor information as determined to be necessary based on the requirements of the Rate and Method of Apportionment. NBS will maintain and periodically update a database of all parcels within the CFDs and relevant parcel information.

ADMINISTRATIVE COST RECOVERY

NBS will assist the City in identifying all costs associated with the administration of the CFD and recover those costs through the levy process as outlined in §53317(e) and §53340 of the Government Code of the State of California. Such costs may include, but are not to be limited to: bank fees, legal fees, county tax collection fees, and costs and expenses of the City and its consultants related to administration of the CFD.

SPECIAL TAX REQUIREMENT

NBS will calculate the annual Special Tax Requirement that will include all necessary components as outlined in the Rate and Method of Apportionment, such as funds necessary for authorized services and maintenance, administrative expenses, collection costs for direct financing of services or facilities, and credits as determined from the analysis of the CFD funds.

LEVY CALCULATION

NBS will calculate the annual special tax levy for each parcel within the CFD following the guidelines established in the Rate and Method of Apportionment.

MEETING ATTENDANCE

NBS will attend CFD-related City Council meetings as requested by the City.

LEVY SUBMITTAL

NBS will submit the levy to the County Auditor-Controller in the required format by the County's deadline. Special Taxes rejected by the County Auditor-Controller will be researched and resubmitted for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be invoiced directly to the parcel owner, with payment to be directed to the City.

SPECIAL TAX LEVY REPORT

NBS will provide an annual Special Tax Levy Report. This report will include a parcel listing with levy amounts and other parcel information, the details of the annual Special Tax Requirement, fund analysis, administrative expenses to be recovered, and status of the project and current issues affecting the CFD.

ADDITIONAL REPORTING

NBS will be a resource to the City by staying current and identifying any new legislation and reporting requirements as they relate to the CFD.

For each of the following reporting requirements, NBS will review all pertinent documents and obtain the information needed to:

- Prepare the required reporting to the California State Controller's Office California Government Code, Section 12463.2, enacted as part of AB 2109. Provide to City staff for inclusion in the annual financial transaction report.
- Assist in the filing of the SB 165 report to the City Council each year to comply with legislation that enforces additional reporting requirements. California Government Code, Sections 50075.3 or 53411.
- Prepare other reports as required by any State and/or Federal disclosure reporting requirements pertaining to each CFD, as applicable, amended, or newly enacted and required. This may be subject to additional fee.

NOTICE OF SPECIAL TAX DISCLOSURE

NBS will provide Notice of Special Tax Disclosure notices to requesting parties as required by §53340.2 and §53341.5 of the Government Code of the State of California. The fee of any Notice of Special Tax shall be billed to the party requesting the disclosure form.

CONSULTING SUPPORT

NBS will provide a toll-free phone number for use by the City, other interested parties and property owners. Our staff will be available to answer questions regarding the CFD and ongoing collection of the special tax. Bilingual staff is available for Spanish-speaking property owners.

CLIENT REFERENCES

CITY OF FOLSOM, CA

CFD AND ASSESSMENT DISTRICT FORMATION AND ANNUAL ADMINISTRATION

Service Dates: 2001 – Present

Contact Information John Donoghue Deputy Treasurer 50 Natoma Street Folsom, CA 95630 P: 916.355.7334 E: jdonoghue@folsom.ca.us	Since 2001, NBS has been performing Special Financing District (SFD) annual administration and formation/annexation services for the City of Folsom, which includes CFD and AD administration. NBS formed eight (8) CFDs for the City, one of which has six (6) improvement areas. We currently administer seventeen (17) CFDs (fifteen of which are bonded CFDs) on behalf of the City, in addition to 1915 Act Assessment Districts and Property and Business Improvement Districts. The City has also trusted NBS to form new districts as well as provide ongoing SFD Formation and Consulting work related to the City's continued development. For FY 2021-2022, NBS levied $17.6MM on 13,800 parcels within the City's CFDs.

"Quality is paramount in the services NBS provides, and we have faith in your professional abilities, accuracy, timelines and overall integrity." – John Donoghue, *Deputy Treasurer*

ANNUAL ADMINISTRATION | 2001 - PRESENT

EL DORADO COUNTY, CALIFORNIA

ANNUAL ADMINISTRATION AND DISCLOSURE SERVICES

Service Dates: 1996 – Ongoing

Contact Information
Joe Harn
Auditor-Controller
360 Fair Lane
Placerville, CA 95667
P: 530.621.5456
E: joe.harn@edcgov.us

NBS staff handles the ongoing administration for all El Dorado County's Community Facilities Districts (CFDs), and has done so since 1996. The County's CFDs are comprised of thousands of parcels with multiple series of bond issues and complex rate and method of apportionments (i.e., tax formulas).
NBS has worked as the County's Special Tax Consultant, forming multiple new CFDs as well as providing the analytical support for a number of refundings.

The County finds value in the unique perspective NBS brings to addressing their current goals while continuously evaluating the feasibility of following the rate and method for the life of the bonds.

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG)

SFD FORMATION AND CFD ADMINISTRATION

Service Dates: 1999 - Present

Contact Information
Catherine Cam
Treasury Manager
P: 415.778.5282
E: CCam@bayareametro.gov

The Association of Bay Area Governments (ABAG) is owned and operated by the cities and counties of the San Francisco Bay Area. It was established in 1961 to protect local control, plan for the future, and promote cooperation on area-wide issues. In recent years, ABAG has answered the needs of its members by providing low-cost services that save the taxpayers millions of dollars.

In this case, ABAG formed a 1913 Act assessment district and issued $125 Million of 1915 Act Bonds since 1999 to fund the public infrastructure for the Windemere Ranch development in the City of San Ramon. Lennar Homes was the primary developer, and built approximately 5,200 homes. ABAG provided the funding for the roads, sewer, and miscellaneous infrastructure including a Fire station with the assessment district.

NBS has been part of the project since the early period and managed the construction reimbursements as well as the annual administration of the bonds. This specialized project required tracking of the construction funds for over 50 line items of construction including anything from Environmental consulting fees, Grading, and Acquisition of fire trucks and other equipment. NBS continues to perform the following on behalf of ABAG: preparation of annual levies, preparation of pay-off quotes, delinquency management services, and overall management of the entire bond issue.

PROFESSIONAL FEES

Our proposed fees below are based upon our understanding of the City's need for CFD Administration services.

ANNUAL ADMINISTRATION FEES

Annual Fees $9,300

Estimated annual administration expenses (as needed/not to exceed) $550

Expenses

Customary out-of-pocket expenses will be billed to the City at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees. For the One-time set up/Implementation, there could be one-time printing and mailing costs that exceed the typical annual cap above.

Annual Fee Increases

Cost of living increases may be applied to the services listed above in October each year, beginning with October 2026, should the City extend for additional year(s). The increase would be the actual cost of living increase based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for all urban consumers for the City's area.

Additional Optional Services – Hourly Rates

The following table shows our current hourly rates. Any optional services authorized by the City but not included in the scope of services will be billed at this rate or the then applicable hourly rate. This may include attendance at additional meetings, notice and ballots, etc.

Title	Hourly Rate
Director	$250
Associate Director / Engineer	$225
Senior Consultant / Manager	$200
Consultant	$175
Analyst	$150
Clerical/Support	$110

Terms

Administration services fees are for the first year, with possible CPI adjustment in subsequent years, as referenced above. Such fees will be invoiced at the beginning of each quarter. Expenses will be itemized and included in the next regular invoice. Fees for all other services will be invoiced upon completion of the task. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel administration contracts with 30 days' written notice.

EXHIBIT B

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of CITY, and prior to commencement of Work, CONSULTANT shall obtain, provide and maintain at its own expense during the term of this AGREEMENT, policies of insurance of the type and amounts described below and, in a form, satisfactory to CITY.

General liability insurance. CONSULTANT shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONSULTANT shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this AGREEMENT, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. CONSULTANT shall maintain professional liability insurance that covers the Services to be performed in connection with this AGREEMENT, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this AGREEMENT and CONSULTANT agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this AGREEMENT.

Workers' compensation insurance. CONSULTANT shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

CONSULTANT shall submit to CITY, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of CITY, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. [Optional depending on limits required]. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;
- Policies shall “follow form” to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to CITY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with CITY at all times during the term of this contract. CITY reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONSULTANT, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by CITY shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of CITY before the CITY’s own insurance or self-insurance shall be called upon to protect it as a named insured.

City’s rights of enforcement. In the event any policy of insurance required under this AGREEMENT does not comply with these specifications or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, CITY may cancel this AGREEMENT.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders’ Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best’s Key Rating Guide, unless otherwise approved by the City Administrator.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against CITY, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow CONSULTANT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONSULTANT hereby waives its own right of recovery against CITY, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the CITY to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the CITY nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to CITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that CITY and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to CITY and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer’s limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONSULTANT agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. CONSULTANT agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONSULTANT agrees that upon request, all Agreements with consultants, subcontractors, and others engaged in the project will be submitted to CITY for review.

City's right to revise specifications. The CITY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the CITY and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by CITY. CITY reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by CITY.

Timely notice of claims. CONSULTANT shall give CITY prompt and timely notice of claims made or suits instituted that arise out of or result from CONSULTANT's performance under this AGREEMENT, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONSULTANT shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.