

REGULAR MEETING

SAND CITY COUNCIL

AND

**SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY**

AGENDA

SAND CITY COUNCIL CHAMBERS

TUESDAY, DECEMBER 20, 2016

5:30 P.M.

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

Regular Meeting – December 20, 2016
5:30 P.M.

CITY COUNCIL CHAMBERS
Sand City Hall, One Sylvan Park, Sand City, CA 93955

1. **INVOCATION**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
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 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.

- A. Written
- B. Oral

5. **CONSENT CALENDAR**

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

- A. Approval of Sand City Council Meeting Minutes, December 6, 2016
- B. Acceptance of Public Works Monthly Report, November 2016
- C. Acceptance of Police Department Monthly Report, November 2016
- D. Acceptance of Monthly Fort Ord Reuse Authority (FORA) Report, December 2016
- E. Approval of City RESOLUTION Granting the City Administrator Authorization to Execute a Water Assignment Agreement and Assign up to 0.325 acre-feet of Water from the Sand City Water Entitlement for the

Jaroslav Stepanek Mixed-Use Development Project at 414 Orange Avenue
(APN 011-271-023)

6. **CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

7. **PRESENTATION**

- A. Presentation of Certificates by Mayor David Pendergrass and Stephen Vagnini to Volunteers/Supporters of the 2016 West End Celebration

8. **PUBLIC HEARINGS**

- A. **SECOND READING: ORDINANCE** Amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development
- B. **SECOND READING: ORDINANCE** of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent

9. **OLD BUSINESS**

- A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by the City Engineer/Community Development Director/City Administrator
- B. Discussion and Update on Successor Agency

10. **NEW BUSINESS**

- A. Consideration of Successor Agency **RESOLUTION** Authorizing its Executive Director to Enter into an Agreement to Sell Certain Real Property to Urban Atelier, LLC
- B. Consideration of Perspective Police Officer Pay Grade
- C. Comments by Council Members on Meetings and Items of interest to Sand City
- D. Upcoming Meetings/Events

11. ADJOURNMENT

*{Due to Holiday Closure of City Hall,
the January 3, 2017 Council meeting
has been CANCELLED}*

Next Scheduled Council Meeting:
Tuesday, January 17, 2017
5:30 P.M.
Sand City Council Chambers
1 Sylvan Park, Sand City

This is intended to be a draft agenda. The City reserves the right to add or delete to this agenda as required.

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

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 20, or give your written request to the City Clerk at One Sylvan Park, 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

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY**

Regular Meeting – December 6, 2016
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 5:30 P.M.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Council Member Blackwelder
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Linda Scholink, City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

A. There was no written communication distributed to the Council.

B. Oral

5:32 P.M. Floor opened for Public Comment.

Dan Nelson, Deputy Director of the Romero Institute commented that they are a non-profit 501c3 organization that focuses on how the Monterey Bay region can become more energy efficient. The Monterey Bay Community Power Project is a region-wide collaborative designed to investigate renewable energy. This project is utilized in Sonoma County and now has the capacity to generate energy locally. The program began three years ago by 21 local jurisdictions within the area and is now unfolding. It would create the ability for the Monterey Peninsula and partner jurisdictions to create their own power instead of relying on Pacific, Gas & Electric. The Joint Powers Agency (JPA) Board would set rates and purchase power on the open market. The surplus revenue can be used for local build out. Mr. Nelson distributed additional information to the Council. Out of 21 jurisdictions who have considered the program, 19 have already joined. A resolution of intent would allow Sand City a voice at the table, and would be a significant benefit to the City. Mr. Nelson concluded that representatives from

Santa Cruz can give a formal presentation to answer any questions, and he encouraged Sand City to consider joining the program.

Mayor Pendergrass commented that the Council may consider agendaizing this item at a future Council meeting.

5:35 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, SWEARING-IN CEREMONY OF NEW CITY COUNCIL

A. Approval of City RESOLUTION Providing for the Appointment of Nominated City Officials as if Elected at the November 8, 2016 Municipal Election

The Mayor commented that the November 8, 2016 Election results were certified last Friday.

Motion to approve the City **Resolution by title**, providing for the Appointment of Nominated City Officials as if Elected at the November 8, 2016 Municipal Election was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN; None. Motion carried.

B. Swearing-in Ceremony of Appointed Officials: David K. Pendergrass, Mayor, Mary Ann Carbone and Todd Kruper, Council Members was performed by Linda Scholink, City Clerk.

AGENDA ITEM 6, CONSENT CALENDAR

A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop), 1531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder Avenue
- (4) CUP #480, Video Ranch (office, video production), 1793 Catalina Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue
- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CUP #575, Mattress Nation (wholesale/storage), 495-B Elder Avenue
- (9) CDP #01-05, Guistiniani (Masonry contractor), 698 Ortiz Avenue

B. There was no discussion of the Sand City Council Meeting Minutes, November 15, 2016.

- C. There was no discussion of the City/Successor Agency Monthly Financial Report, October 2016.
- D. There was no discussion of the City **Resolution** authorizing Health Care Benefit Changes for the 2017 Contract Year.
- E. Approval of City **Resolution** re-Appointing David Pendergrass to the Monterey Regional Waste Management Board of Directors.
- F. Approval of City **Resolutions** Honoring:
 - 1) Officer David DuCoeur in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
 - 2) Officer Brandon Segovia in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
- G. There was no discussion of the City Donation/Contribution to the Salvation Army Christmas for \$300.

Motion to approve the consent calendar items was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 8, PUBLIC HEARING

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2016 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)**

Mike Nolan of Hayashi and Wayland reported that the letter contained within the packet states the results of the audit. As part of the Audit a meeting was held with Budget Committee representatives to review the financial statements in detail and to address any specific items of concern contained in the audit. Changes that occurred within the year involved pension standards and employee benefits. New accounting standards had a substantial impact on the financial accounting and will be explained in detail by Ms. Courtney. There were no significant transactions made this year, no difficulties were encountered while performing the audit, and a clean opinion was presented in the attached letter. Internal controls are operating as described. The financial statements are materially correct and in accordance with General Accounting Standards Board (GASB).

Ms. Courtney reported on page 12, the statement of activities that depicts how the City did for the fiscal year. There was a change in net position, and a profit of \$699,000. On page 11, the statement of net position depicts the total assets of approximately \$31 million with total liabilities of \$ 7.8 million, leaving a net position of \$23 million. However, out of the \$23 million, \$12 million is invested in fixed assets that are not of use. Of the \$13 million in unrestricted funds available for use, \$10 million is in note receivables from the Successor Agency, leaving the City with less than \$1 million available for use. A few years ago, government accounting standards required the City to show its full retirement liabilities on the books. Beginning in 2018, the full Other Post-Employment Benefits (OPEB) liabilities will need to be reflected on the books. That current liability is approximately \$4 million. Many government agencies are in the red, and even though Sand City will not be in the same situation, it will need to be seriously reviewed.

5:45 P.M. Floor opened for Public Comment.

There were no comments from the Public.

5:45 P.M. Floor closed to Public Comment.

1) Approval of City Resolution Accepting the Audited Financial Statements for the Year Ended June 30, 2016 and Independent Auditor's Report

Motion to approve the City **Resolution by title**, accepting the Audited Financial Statements for the Year Ended June 30, 2016 and Independent Auditor's Report was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

B. SECOND READING: ORDINANCE Amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code; the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111

Associate Planner Charles Pooler commented that at the November 15, 2016 Council meeting, the City Council adopted for first reading an ordinance to update Title 15 of the City's Municipal Code with the latest versions of the California Building, Fire, and other related construction safety codes. Staff recommends adoption (for second reading) of the attached ordinance.

5:47 P.M. Floor opened for Public Comment.
There was no comment from the Public.

5:47 P.M. Floor closed to Public Comment.

Motion to approve the Second Reading of the **Ordinance by title**, amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code; the 2016 California Plumbing Code; the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111 was made by Council Member Blackwelder, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

C. FIRST READING: ORDINANCE Amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development

Associate Planner Charles Pooler reported that the City's Housing Element update was completed and certified by the State Department of Housing and Community Development this year. The Housing Element meets the statutory requirements of State Housing Element Law. This certification was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior cycle. Pursuant to the government code, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs must zone or re-zone adequate site to accommodate all of the previous cycle's unmet housing needs within the first year of the following housing element's cycle. Therefore, in order for the City's updated 2015-2023 Housing Element to remain in compliance, the City must make specific amendments to the zoning ordinance and map. Amendment actions proposed are intended to implement compliance with HCD and maintain certification of the City's Housing Element.

Mr. Pooler presented a power-point presentation that detailed several chapters and sections that needed updating such as those areas that need to be zoned for residential, zoning text amendments to comply with various State laws that need to be adopted, deleting the 2 bed limitation for homeless shelter, and the bonus incentive to increase density from 25% to 35%. These amendments and changes are depicted in the attached ordinance as strike-through's and highlighted in red. Mr. Pooler further reported on future amendments that will be brought to the Council

in February regarding the rezoning of project areas such as the South of Tioga and East Dunes area.

5:55 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:55 P.M. Floor closed to Public Comment.

Motion to approve the First Reading **Ordinance** amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development was made by Council Member Kruper, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None ABSTAIN: None. Motion Carried.

D. FIRST READING: ORDINANCE of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent

City Administrator Todd Bodem commented that on July 18, 2000, the Council approved a ballot measure to increase the rate of hotel occupancy. Measure L was approved by the people and the measure states that the rate can be changed or set by the City Council. The rationale for the 12% was based on the average of what other jurisdictions charge along the Peninsula.

5:59 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:59 P.M. Floor closed to Public Comment.

Motion to approve First Reading **Ordinance by title**, of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent was made by Council Member Carbone, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS

- A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator**

City Engineer Leon Gomez reported that the desalination plant produced 7 acre-feet for the month of December so far and is currently inoperable. Cal-Am is discussing with their legal counsel, options to pursue a modification to the plant's discharge permit to allow for increased salinity, and would need to update the environmental studies performed for the original project. The City Engineer and City Administrator worked with EMC to prepare and submit a 2nd response to the Coastal Commission's (CC) request for additional information, and Staff is hopeful that this response will allow the CC to finalize the coastal development permit application.

The "Save the Whales" organization replaced missing or illegible storm water awareness emblems on storm drain catch basins within the City on Monday, December 5th at no cost to the City as part of the StormWater Management Program. Staff is working with the Regional Storm Water Management Program on mapping requirements for the upcoming trash amendment and for the overall effectiveness assessment of the City's municipal program.

The City Engineer and Associate Planner have provided review comments to the 2nd submittal of the site improvement plans, stormwater control and landscape plans for the Porsche site improvements project. The City Engineer will be working with the applicant's design engineer to address the remaining comments in order to obtain final approval and building permits. The encroachment permit for construction of the Bungalows at East Dunes Phase 2 public improvements project is anticipated to be approved this week with an estimated construction schedule to be received from the developer. The City Engineer is currently reviewing plans for the mixed-use project at 414 Orange Avenue.

City Administrator Todd Bodem reported that in conversation with Dr. Ghandour, the Department of Fish and Game have dropped their imposition on the habitat area and Dr. Ghandour has sent a letter to the Coastal Commission requesting a grading permit. He also reported on the Transportation Agency of Monterey County (TAMC) and parking in lieu fees to be received by the City. The City is pushing for retention of the 25 acre conservation easement; however, the Coastal Commission would have the final deciding factor on who gets it. The City Attorney commented that the question is which public agency would have the right to enforce the developer's obligations under the easements. Dr. Ghandour would prefer that it be the City due to the good working relationship already established. Coastal Staff would prefer that it be the Monterey Peninsula Regional Parks District. Associate Planner Pooler added that it would be to the City's advantage to maintain control over our City as much as possible.

There was discussion regarding communication with Regional Parks regarding the City's interest of the easement. Staff contacted both the Parks District and Mike Watson of the Coastal Commission expressing the

City's interest in the property. The Mayor commented that there should be no further intrusion regarding what was previously agreed too, and directed Staff to push for City control.

Associate Planner Pooler reported that the Jerry Stepanek project (414 Orange) is in plan check. The building department is aware of the project, and Mr. Stepanek has submitted his landscape plans. His water allocation calculations should appear on the December 20th Council meeting agenda. San Juan Pools has submitted their construction plans for their project on California Avenue and is currently under plan check review. There has been a slight delay of the proposed project for the 2 lots that was formerly Mr. Hyles property. A few inconsistencies appeared on the floor plan and further review of the project is currently in progress.

AGENDA ITEM 10, NEW BUSINESS

A. Comments by Council Members on Meetings and Items of interest to Sand City

Mayor Pendergrass commented that last Friday's Tree Lighting Ceremony had the best public turn out. The Monterey Fire Department ushered Mr. & Mrs. Santa to City Hall on the fire truck, and there was a lot of participation at the event.

Council Member Kruper reported on the devastation of the Oakland fire, and commended the Council for creating a system within the City for artist/residents who prefer a live-work place to reside, and also thanked them for their participation in making Sand City one of the best live-work communities. The Public Safety Committee meeting involved discussion regarding the Emergency Operations Center, Carroll Property, landscaping plans for the City, and body worn cameras. The minutes should be forthcoming.

Council Member Hubler reported that there has been interest in holding another Open House at Monterey Sculpture Center sometime early next year. This would be a positive event to hold as the business may not be there next year. The Open House may also feature one of the artists who takes advantage of utilizing resources at the foundry.

B. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 3, 2017 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 23, 2016 – January 2, 2017

There was consensus of the Council to cancel the January 3, 2017 Sand City Council meeting.

C. Upcoming Meetings/Events

There were no RSVP's from the Council

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Kruper to the next regularly scheduled Council meeting on Tuesday, December 20, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:20 p.m.

Linda K. Scholink, City Clerk

AGENDA ITEM

5B

Public works
Monthly Activity Report
November 2016

This report is to inform you of the activities and projects being accomplished by the Sand City Public Works Department.

Routine Public Works Functions:

- Clean City Hall offices, kitchen and bathrooms.
- Check city for any needed repairs.
- Blow leaves and debris from City Hall and Park. Keep park bathroom clean.
- Remove weeds around City Hall and Park.
- Supervise Hope Crew to maintain city streets.
- City vehicle maintenance. (Gassing up city vehicles, washed, and frequent oil changes)
- Water plants inside City Hall.
- Set up Council Chambers for meetings.
- Check the city for homeless encampments and loose shopping carts.
- Fill out Daily reports and a monthly report.
- Open and lock up the corporation yard at the end of the day and turn on the back porch light.
- Better Management Practices. (keeping our eyes open for illicit discharges or any waste going into the storm drains)
- Blowing the bike paths and emptying the trash cans citywide.
- Water the trees citywide.
- Send the well readings to the City Engineer.
- Turn the lights off and on at the bike paths.
- Clean the city streets with the street sweeper, fill tanks with gas, diesel, and water, clean out the hopper, wash the outside after every use, and take all the spoils to the dump.

Special Public Works Functions:

- Removed over 25 shopping carts citywide.

- Spoke with Dave from the City of Seaside about cleaning the storm drain at West Bay.
- Shoveled sand on the hill of Tioga Street.
- Cut flood light sockets so the floodlights would work around the outside of City Hall.
- Used the backhoe to clean up around Ellis gate.
- Picked up Christmas decorations at Home Depot.
- Took a light out at the Police Department and put a cover on it so the wires wouldn't stick out.
- Measured the letters on Tioga and got all the specifications for a new sign to be purchased.
- Installed new solar copper tops for the outside of City Hall.
- Finished testing all the Christmas lights to get a count on what needs to be replaced.
- Called Zumar to get prices on signs for the corporation yard.
- Removed homeless trash on California Avenue.
- Picked up unit 93 from Cypress coast Ford from service.
- Picked up tools from Del Rey Garden that were serviced.
- Sent Zumar emails with pictures to get the signs correct.
- Cleaned the bus stop on California Avenue, shoveled sand, picked up leaves, and hedged the bushes. Then we loaded the dump truck and took it to the dump.
- Removed more homeless trash on California Avenue.
- Sanded all the Christmas stands at the Corporation yard for the characters that go on the roof.
- Aired up the tires in the Toyota and dump truck because they were low on pressure.
- Filled the mix cans up at the PDQ.
- Met with the City of Seaside at West Bay to have the vault pumped out.
- Fixed the chain on West Bay and purchased a hook at Home Depot to install.
- Hedged the ice plant along California Avenue.
- Contacted PG&E about guidelines that were broken on a pole at California Avenue.
- Picked up paint supplies for Calabrese Park playground equipment.
- Hedged West Bay and picked up debris with the backhoe.
- Harvey attended a meeting in Monterey about dealing with difficult people.
- Got an estimate from Automotive Specialists for our utility truck.
- Watered trees citywide (800 gallons).
- Sprayed rust inhibitor on parts of the playground equipment to deter rust from coming back.
- Went over the playground structure with the City Manager, Linda, and Chuck about it being replaced.
- Put caution tape and delineators around Calabrese Park before painting the structure.

- Removed leaves around the tree wells.
- Completed storm drain basin paperwork for the City Engineer.
- Taped up the playground structure with plastic so overspray wouldn't get on pieces of the slides.
- Had a meeting with the City Engineer about storm drains and sent him emails on what he needed after we spoke.
- Removed ice plant off the large sand dune that had derogatory remarks.
- Sprayed the yellow on the playground equipment with two coats and rolled the red and the blue on the playground equipment with two coats of paint. Touched up on all the spots that needed touch up and let it set for a couple days before opening the playground. We washed out the sprayer and all the tools after each day painting.
- Removed homeless garbage on Ellis that contained three bags of trash.
- Set up all the Christmas lights in the Council chambers.
- Spoke with State Parks about all the homeless camping on the beach and what they were doing about it.
- Removed more homeless trash on the Upper Ridge bike path North of Playa.
- Jump started the SUV several times because it is not being driven.
- Started purchasing Christmas decorations to replace some that were broken.
- Put the large stands for the characters on the roof at City Hall and the Police Department along with sandbags and the characters.
- Went to Walmart and picked up the candy canes for the Christmas tree lighting.
- Got prices for the tree lighting drinks and purchased them at Lucky's.
- Put together Christmas decorations that we purchased from Costco at the Corporation yard.
- Picked up a tow behind lift from Rental Depot and hung all the holiday banners citywide. We also used the lift to decorate the Christmas tree outside City Hall and then returned the lift.
- Hung Christmas lights around City Hall and the Police Department.
- Shoveled sand off the steps around the park and blew all the wood chips off.
- Put Christmas decorations around the park, bathroom, mural, and plugged them in the photocells and a timer for them to come on. Installed two inflatable decorations and staked them down around City Hall. We also put up a reindeer and sleigh next to the bathroom. Went on the roof and secured all the characters. Then we installed all the lights to illuminate them. We put up two more inflatable decorations by the mural and secured them down.
- Checked on signs citywide and Tioga Street needs to be changed to Tioga Avenue.
- Cleaned a homeless encampment on the railroad tracks.

- Made an appointment for the Toyota Tacoma to be serviced at Toyota.
- Picked up banners at vapor cleaners after dropping them off to be dry cleaned.
- Charged the ATV because the battery was dead and put it back on the charger.
- Picked up ornament hangers and put the Christmas tree up at City Hall along with the ornaments.
- Ordered street signs through Zumar.

AGENDA ITEM

5C

SAND CITY POLICE DEPARTMENT MONTHLY REPORT

DATE: 1-Dec-16

TO: THE HONORABLE MAYOR AND CITY COUNCIL MEMEBERS

FROM: BRIAN FERRANTE, CHIEF OF POLICE

SUBJECT: POLICE ACTIVITY FOR THE MONTH OF **November 2016**

This report presents a condensed overview of the Sand City Police Department's operational and administrative activities. It is an approximate analysis and not conclusive.

CRIMINAL OFFENSES REPORTED

	THIS MONTH	LAST MONTH	YEAR TO DATE	LAST YEAR TO DATE
Homicide	0	0	0	4
Rape	0	0	0	0
Robbery	0	1	3	5
Assault/Battery	0	1	6	8
Battery (spousal)	2	0	7	0
Burglary (commercial)	0	1	4	3
Burglary (residential)	0	0	0	3
Burglary (vehicle)	0	0	2	16
Theft (petty)	8	9	122	76
Theft (grand)	0	0	13	18
Theft (vehicle)	0	0	7	9
Vandalism	0	1	9	10
Arson	0	0	0	1
Forgery/Counterfiting	1	1	3	2
Fraud/Embezzlement	4	1	17	20
Health&Saftey code	2	6	56	9
Business&Professions Vio	0	0	0	2
TOTAL	17	21	249	186

ARREST

Adult Felony	3	5	144	17
Adult Misdemeanor	14	17	172	70
Juvenile Felony	0	0	0	0
Juvenile Misdemeanor	0	0	10	8
Warrants	11	8	119	41
Drunk Driving	0	0	8	4
TOTAL	28	30	453	140

	THIS MONTH	LAST MONTH	YEAR TO DATE	LAST YEAR TO DATE
CITATIONS				
Traffic Violations	2	4	154	146
Parking Violations	8	8	434	358
Sand City Muni Code	1	4	28	8
Warrants	5	4	67	16
TOTAL	16	20	683	528

TRAFFIC ACCIDENTS				
Non- Injury	1	3	52	75
Injury	0	1	1	7
Fatal	0	0	0	0
Hit/Run/ (property damage)	0	3	9	9
TOTAL	1	7	62	91

MISCELLANEOUS CALLS FOR SERVICE				
Alarm (commercial)	6	5	102	124
Security checks (commercial)	0	0	18	52
Security/welfare check	13	18	163	178
Animal Complaints	3	0	49	48
Suicide Attempts	0	0	2	0
Suicide Complete	0	0	1	0
Vehicle (tow/abatement)	0	0	27	29
Medical Emergencies	3	7	100	126
Fire Emergencies	0	0	23	31
Civil/Peace Disturbances	5	7	175	246
TOTAL	30	37	660	834

Peace Disturbances: Includes complaints of transients, family, landlord/tenant, neighbor and customer disputes.

ALL OTHER CALLS FOR SERVICE				
Complaint Initiated	76	97	939	587
Officer Initiated	46	46	1057	1183
TOTAL	122	143	1996	1770

AGENDA ITEM

5D

MEMORANDUM

TO: City Council
FROM: Mayor Pendergrass 
DATE: December 13, 2016
SUBJECT: FORA Board Meeting, December 9, 2016

Enclosed is the FORA Agenda for your reference; Much of the FORA Agenda information is lengthy. For additional information, visit the FORA website: www.fora.org

ITEMS 1 - 4

Procedural.

ITEM 5, CONSENT AGENDA

Item 5a was pulled for later revisions. All items were unanimously approved.

ITEM 6, BUSINESS ITEMS

- a. Transition Task Force Recommendation 2nd Vote
Approved, one No vote.
- b. Consistency Determination: Del Rey Oaks Monument RV Resort
Approved, one No vote.
- c. Water Augmentation Status Update
Update only.
- d. Authorize General Engineering Services Agreement Solicitation
Unanimously approved.

ITEM 7, PUBLIC COMMENT PERIOD

Procedural

ITEM 8, ITEMS FROM MEMBERS

None stated.

ITEM 9, ADJOURNMENT

Meeting adjourned at 3:00 P.M.

NEXT BOARD MEETING: January 13, 2017



FORT ORD REUSE AUTHORITY

REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, December 9, 2016 at 2:00 p.m.
910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON DECEMBER 8, 2016.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

a. Resolutions Acknowledging Service

5. CONSENT AGENDA

INFORMATION/ACTION

CONSENT AGENDA consists of routine items accompanied by staff recommendation.

a. Approve November 4, 2016 Board Meeting Minutes (p. 1-5)

b. Administrative Committee (p. 6-8)

c. Veterans Issues Advisory Committee (p. 9)

d. Water/Wastewater Oversight Committee (p. 10-19)

e. Public Correspondence to the Board (p. 20)

f. 2017 Board of Directors Meeting Calendar (p. 21-22)

g. Fiscal Year 2015-2016 Audited Annual Financial Report (p. 23)

h. Agency Reimbursement Agreements Status Report (Monterey Regional Water Pollution Control Agency & Pure Water Monterey Reimbursement Agreement) (p. 24-55)

i. Habitat Conservation Plan Update (p. 56)

6. BUSINESS ITEMS

a. Transition Task Force Recommendation 2nd Vote (p. 57)

ACTION

b. Consistency Determination: Del Rey Oaks Monument RV Resort 2nd Vote (p. 58-82)

ACTION

c. Water Augmentation Status Update (p. 83-84)

INFORMATION

d. Authorize General Engineering Services Agreement Solicitation (p. 85-99)

ACTION

7. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Board on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.

8. ITEMS FROM MEMBERS

9. ADJOURNMENT 3 PM

NEXT BOARD MEETING: January 13, 2017

AGENDA ITEM

5E

CITY OF SAND CITY

STAFF REPORT

**DECEMBER 2, 2016
(For City Council Meeting on December 20, 2016)**

TO: Mayor and City Council

FROM: Charles Pooler, Associate Planner

SUBJECT: Water Allocation for Stepanek Mixed-Use Project at 414 Orange Ave.

BACKGROUND

At the July 5, 2016 Council Meeting, the City Council approved a land use and development permit (CUP 601) for Jerry Stepanek (the "Applicant") and David Martin (the "Architect") to develop an approximate 8,000 square foot 2-story mixed-use (residential & commercial) development on a 5,625 square foot parcel (the "Project") at 414 Orange Avenue (APN 011-271-023) in Sand City (the "Subject Property"). The Project proposes one residential unit and one commercial unit. The Applicant intends to continue his carpentry operation in the commercial space upon completion of the Project. At the time of City approval, City staff did not have sufficient confirmed information regarding the Project and landscaping to calculate exactly how much water the City would need to allocate for the Project. City staff has since been working with both the Property Owner and the Monterey Peninsula Water Management District (MPWMD) staff in finalizing water calculations for the Project.

CALCULATIONS

Existing On-Site Water Credit:

On-site water credit for the Subject Property is based upon the existing commercial building on the Subject Property. In accordance with the regulations of the Monterey Regional Water Management District (MPWMD), the existing 2,575 square feet of commercial floor area equates to an existing water credit of 0.180 acre-feet/yr.

New Project Water Demand:

The approved Project is a mixed-use development, consisting of one residential dwelling on the upper level with a garage space below and commercial floor area on two levels. Water calculations for the Project is three-fold: Residential, Commercial, and Landscaping.

Residential: The residential portion of the Project provides 2.5 bathrooms, a kitchen, and a clothes washer. When calculating the allocation amounts necessary for these fixtures, the Project's residential segment requires 0.134 acre-feet/yr.

Commercial: The commercial floor area of the Project is 5,549 square feet, which requires 0.388 acre-feet/yr. of water based upon a Group I occupancy as defined by the MPWMD regulations (i.e. retail, storage, manufacturing, office, etc.).

Landscaping: The MPWMD is enacting fairly new calculations for landscape water requirements based upon State legislation. City staff has been working closely with MPWMD staff to better understand these new calculations and how they impact City projects. Based on the 375 square feet of landscaping required of this Project (both on-site and within the Orange Avenue public right-of-way), the use of drought tolerant landscaping, and use of only a drip system, the Project's landscaping requires 0.010 acre-feet/yr.

Allocation by the City for the Project to Proceed:

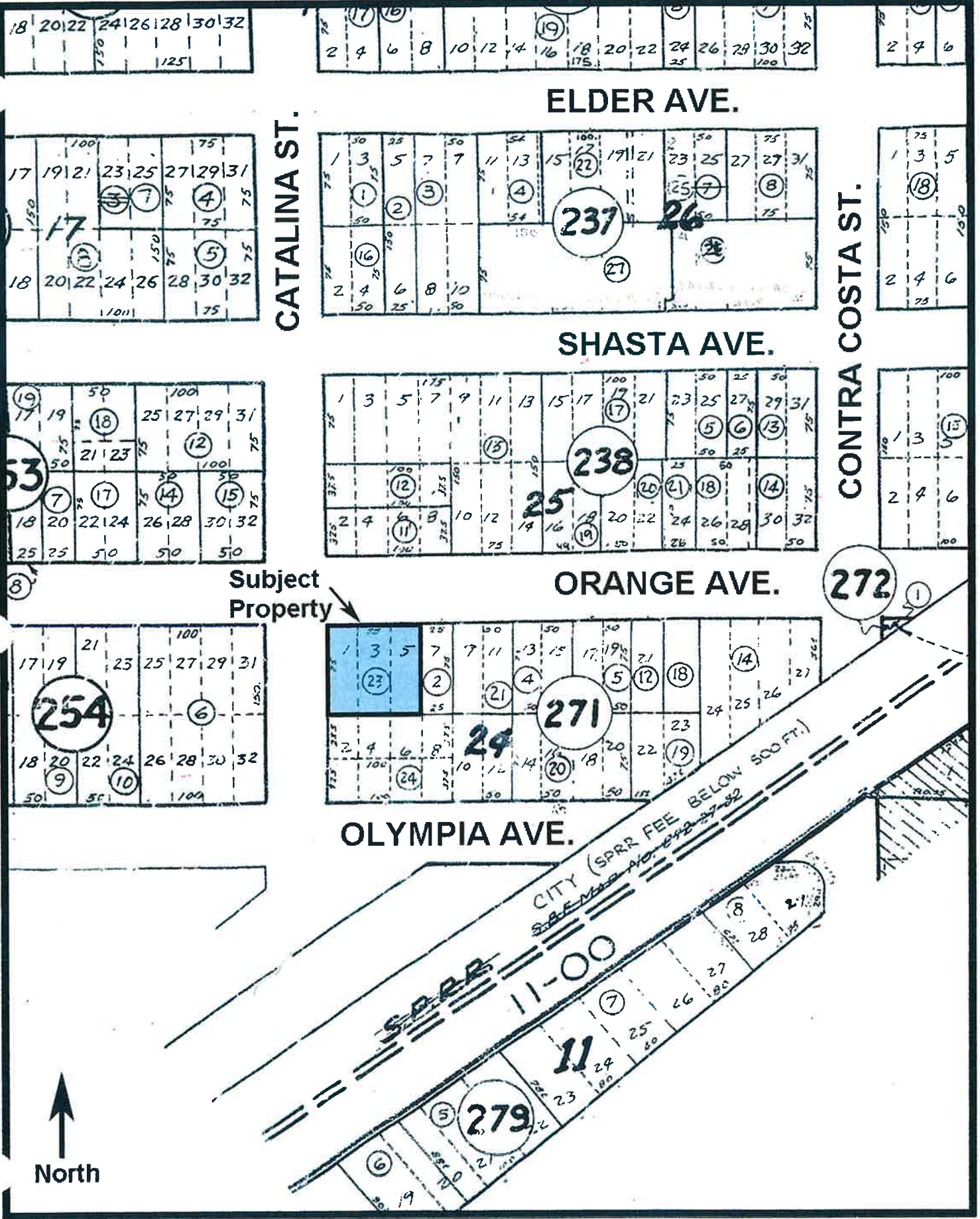
Combining the residential, commercial, and landscaping components of the Project, the overall amount of water needed for MPWMD compliance is 0.532 acre-feet. After deducting the on-site credit of 0.180 acre-feet, the amount of water the City will need to allocate is 0.352 Acre-Feet/year.

RECOMMENDATION

Staff recommends the City Council **APPROVE** the attached draft resolution allocating 0.352 acre-feet to the Subject Property for the approved Project.

Attachments:

1. Location Map
2. Site Plan & Floor Plans
3. Staff Calculation Worksheets
4. Draft Water Assignment Agreement
5. Draft Resolution authorizing the execution of a water assignment agreement and assign up to 0.352 acre-feet/year of water allocation from the City's Water Entitlement (desalination facility).



Location map

NOTE:
DUE TO MINIMAL ELEVATION DIFFERENCES AVAILABLE FOR THIS SITE, THE CONTRACTOR IS TO EXERCISE CARE TO OBTAIN A MINIMUM 1% SLOPE FOR THE OVERFLOW DRAINAGE PIPES TO THE CURB FACE.

OVERFLOW DISCHARGE AT CURB FACE (APPROXIMATE LOCATION). USE CITY OF SEASIDE STD PLAN DS-02 FOR CURB DRAIN UNDER SIDEWALK (LATEST REVISION).

ORANGE AVE.

(5) CONCRETE CURB & CUTTER

98.2

(8) CONCRETE SIDEWALK

99.8

(E) S.S.

2-3" PVC SCH 40 OVERFLOW DRAINS SLOPE=1% MIN.

WATER METER

ELEC. METER GAS METER

99.8

99.8 (75.00')

4" PVC SCH 40 STRIP DRAIN PIPE (SLOPE = 1% MIN.) CONNECT TO NYLOPLAST BASIN

SEE CONSTRUCTION DRAWINGS FOR STRIP DRAIN LAYOUT SPECIFICATIONS

NEW DOWNPOUT LOCATION
4" PVC SCH 40 DOWNPOUT CONNECT TO NYLOPLAST BASIN

INFILTRATION CHAMBER SEE DETAIL AA1.0 AND BA1.0

TRASH & RECYCLING

NEW ROOF OVERHANG

FIN. FLR. ELEV. = 100.00'

4" PVC SCH 40 DOWNPOUT CONNECT TO NYLOPLAST BASIN

D.S. NEW DOWNPOUT LOCATION

REPAIR CONCRETE CURBS & GUTTERS AS REQD.
REPAIR CONCRETE SIDEWALK AS REQD.

CATALINA STREET

(75.00')

(75.00')

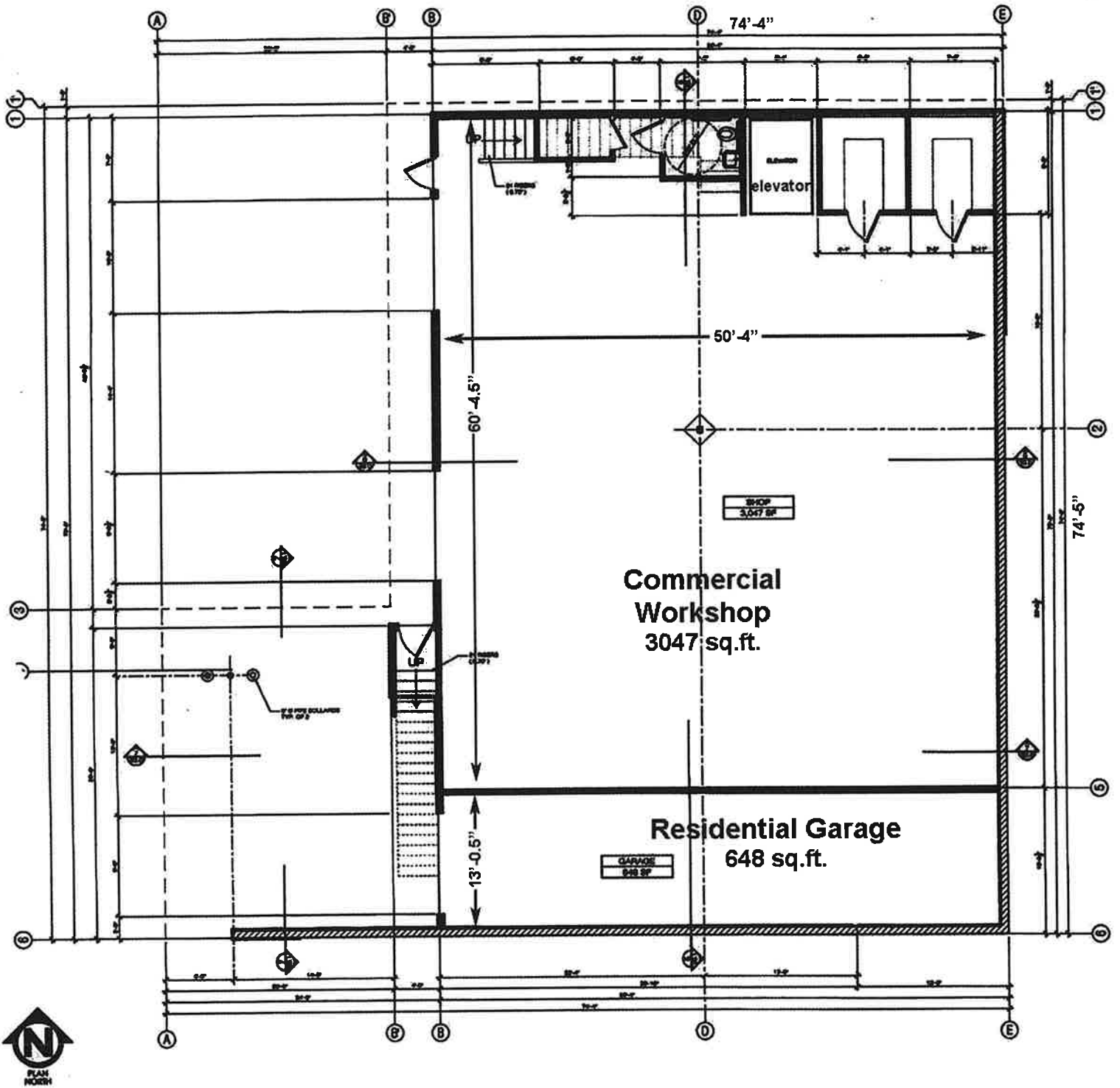
EXISTING BUILDING

EXISTING BUILDING TO BE DEMOLISHED

EXISTING BUILDING



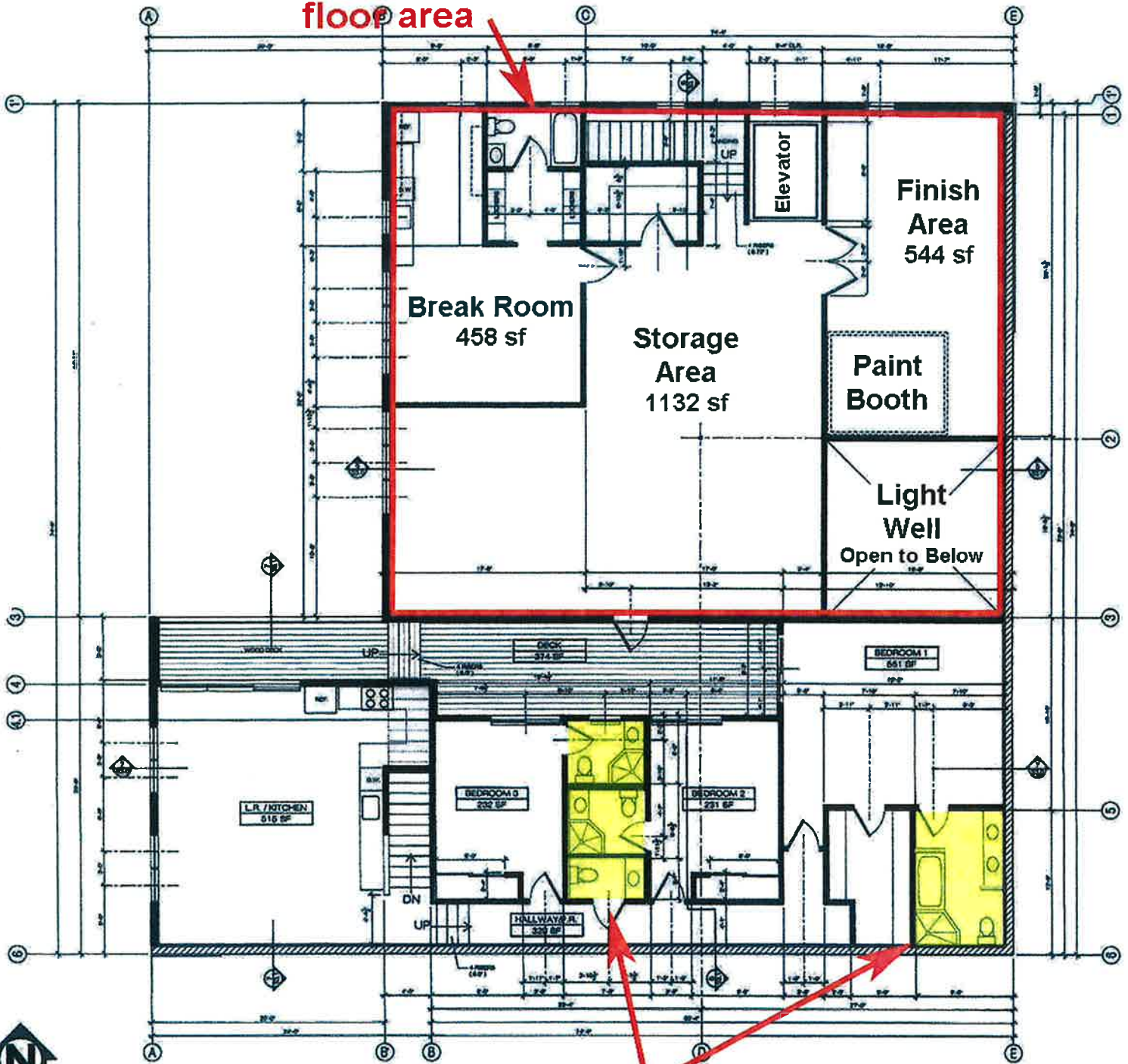
SITE PLAN
SCALE: 1/4" = 1'-0"



LOWER FLOOR PLAN
SCALE 1/4" = 1'-0"

Floor Plan - Lower Level

**Commercial
floor area**



Note:
The residential unit is limited to no more than 2.5 baths. Water calculations are based on this restriction.

SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"

TOTAL NECESSARY WATER ALLOCATION
Stepanek @ 414 Orange Avenue

CREDIT:	
Existing Residential On-Site Credit	0.000
Existing Commercial On-Site Credit	0.180
Total On-Site Credit	0.180

NEW DEMAND:	
New Commercial Water Demand	0.388
New Residential Water Demand	0.134
New Landscaping Water Demand	0.010
Total New Water Demand	0.532

Allocation needed for Project	0.352
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Appendix B — Sample Water Efficient Landscape Worksheet.

Stepanek (mixed use) 414 Orange

WATER EFFICIENT LANDSCAPE WORKSHEET

This worksheet is filled out by the project applicant and it is a required element of the Landscape Documentation Package.

Reference Evapotranspiration (ETo) 36

Hydrozone # /Planting Description ^a	Plant Factor (PF)	Irrigation Method ^b	Irrigation Efficiency (IE) ^c	ETAF (PF/IE)	Landscape Area (sq. ft.)	ETAF x Area	Estimated Total Water Use (ETWU) ^d
Regular Landscape Areas							
LOW	0.3	Drip	.81	.3704	375	138.9	3100.248
				Totals	(A)	(B)	/
Special Landscape Areas							
				1			
				1			
				1			
				Totals	(C)	(D)	/
						ETWU Total	3100.248
						Maximum Allowed Water Allowance (MAWA) ^e	n/a

^aHydrozone #/Planting Description
E.g
1.) front lawn
2.) low water use plantings
3.) medium water use planting

^bIrrigation Method
overhead spray
or drip

^cIrrigation Efficiency
0.75 for spray head
0.81 for drip

^dETWU (Annual Gallons Required) =
Eto x 0.62 x ETAF x Area
where 0.62 is a conversion factor that converts acre-inches per acre per year to gallons per square foot per year.

^eMAWA (Annual Gallons Allowed) = (Eto) (0.62) { (ETAF x LA) + ((1-ETAF) x SLA)}
where 0.62 is a conversion factor that converts acre-inches per acre per year to gallons per square foot per year, LA is the total landscape area in square feet, SLA is the total special landscape area in square feet, and ETAF is .55 for residential areas and 0.45 for non-residential areas.

$36 \times .62 \times .3704 \times 375$
 $(22.32) (138.9) = 3100.248$

$\frac{3100.248 \text{ gall.}}{325,851 \text{ gall./AF}} = 0.0095 \text{ AF}$

ETAF Calculations

Regular Landscape Areas

Total ETAF x Area	(B)
Total Area	(A)
Average ETAF	B ÷ A

Average ETAF for Regular Landscape Areas must be 0.55 or below for residential areas, and 0.45 or below for non-residential areas.

• 1 AF = 325,851 gallons

All Landscape Areas

Total ETAF x Area	(B+D)
Total Area	(A+C)
Sitewide ETAF	(B+D) ÷ (A+C)

HISTORY

1. New Appendix B filed 9-10-2009; operative 9-10-2009 pursuant to Government Code section 11343.4 (Register 2009, No. 37).

2. Repealer and new Appendix B filed 9-15-2015; operative 9-15-2015. Exempt from OAL review and submitted to OAL for printing only pursuant to Governor's Executive Order No. B-29-15 (4-1-2015) (Register 2015, No. 38).

New Residential Water
 Stepanek @ 414 Orange Avenue

FIXTURE TYPE/DESCRIPTION	No. of Fixtures	Fixture Unit Value	Fixture Units	Acre-Feet	NOTES
SINKS (bathroom)					
Washbasin (lavatory sink), each	2	x 1 =	2	x 0.01 = 0.02	
Two Washbins in Master Bath	1	x 1 =	1	x 0.01 = 0.01	
TOILETS:					
Toilet, Ultra Low Flush (1.6 gallons/flush)	0	x 1.7 =	0	x 0.01 = 0	
Toilet, High Efficiency (HET) 1.3 gallons/flush)	3	x 1.3 =	3.9	x 0.01 = 0.039	All new fixtures must be HET
URINALS:					
Urinal (1.0 gallon/flush)		x 1 =	0	x 0.01 = 0	
Urinal, High Efficiency (0.5 gallons/flush)		x 0.5 =	0	x 0.01 = 0	
Urinal, Zero Water Consumption		x 0 =	0	x 0.01 = 0	
BATHTUBS (w/ showers)					
Bathub, Large (w/showerhead) & separate shower in master bath		x 3 =	0	x 0.01 = 0	
Bathub, Large (may have showerhead)		x 3 =	0	x 0.01 = 0	
Bathub, Standard (may have showerhead)	1	x 2 =	2	x 0.01 = 0.02	
SHOWERS (only)					
Shower, separate stall (one showerhead)	1	x 2 =	2	x 0.01 = 0.02	
Shower, each additional fixture		x 2 =	0	x 0.01 = 0	
Shower System, Rain Bars, or custom shower (varies per specifications)		x 2 =	0	x 0.01 = 0	
KITCHEN:					
Kitchen Sink (w/ optional dishwasher)	0	x 2 =	0	x 0.01 = 0	
Kitchen Sink (w/ adjacent High Efficiency Dishwasher (5.8 gallons max/cycle)	1	x 1.5 =	1.5	x 0.01 = 0.015	All new fixtures must be High Effic.

DISHWASHERS (only)						
Dishwasher, each additional (includes optional adjacent sink)	x	2	=	0	x 0.01 =	0
Dishwasher, High Efficiency, each additional (including optional adjacent sink / 5.8 gallons max/cycle)	x	1.5	=	0	x 0.01 =	0

UTILITY SINK:						
Laundry Sink/Utility Sink	x	2	=	0	x 0.01 =	0

WASHING MACHINES:							
Clothes Washer	0	x	2	=	0	x 0.01 =	0
Clothes Washer, High Efficiency (HEW) (Water Factor of 5.0 or less)	1	x	1	=	1	x 0.01 =	0.01

All new fixtures must be HEW

MISCELLANEOUS:						
Bidet	x	2	=	0	x 0.01 =	0
Bar Sink	x	1	=	0	x 0.01 =	0
Entertainment Sink	x	1	=	0	x 0.01 =	0
Vegetable Sink	x	1	=	0	x 0.01 =	0
Swimming Pool (each 100 sqft of pool surface)	x	1	=	0	x 0.01 =	0

TOTAL (Building)	13.4 F.U.	x 0.01	0.134 Ac.Ft.
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LANDSCAPING:				
500 sq.ft. or less of landscaping	How many square feet?	375	ETWU =	0.0095
501 or more square feet of landscaping	How many square feet?		ETWU =	

See Worksheet

TOTAL (Project)	0.1435 Ac.Ft.
------------------------	---------------

New Commercial Water
Stepanek @ 414 Orange Avenue

ITEM	Sq.Ft.	FACTOR	ACRE-FEET
square footage (floor area)	5549	x 0.00007	0.38843
square footage (floor area)		x 0.0002	0

GROUP I - Low to Moderate Use

GROUP II - High Use

GROUP III - Miscellaneous

Assisting Living (more than 6 beds)
Beauty Shop / Dog Grooming
Child Care
Dormitory
Gas Station
Laundromat
Meeting Hall
Motel/Hotel/Bed & Breakfast
rooms w/ large tubs (add to room factor)

ITEM	#	FACTOR	UNIT	ACRE-FEET
# of beds		0.085	per bed	0
# of stations		0.0567	AF/station	0
# of children		0.0072	AF/child	0
# of rooms		0.04	AF/room	0
# of gas pumps		0.0913	AF/pump	0
# of wash machines		0.2	AF/machine	0
square footage		0.00053	AF/sq.ft.	0
# of rooms		0.1	AF/room	0
# of large bathtubs		0.03	AF/tub	0

Plant Nursery
Public Toilets
Public Urinals
Zero Water consumptino Urinal(s)
Restaurant (general/bar)
Restaurant (24-hour / Fast Food)
Self-Storage
Skilled Nursing
Spa
Swimming Pool
Theater

ITEM	#	FACTOR	UNIT	ACRE-FEET
Square Footage		0.00009	AF/sf total land	0
# of toilets		0.058	AF/toilet	0
# of urinals		0.036	AF/urinal	0
# of urinals		0	n/a	0
# of seats		0.02	AF/seat	0
# of seats		0.038	AF/seat	0
# of storage units		0.0008	AF/storage unit	0
# of beds		0.12	AF/bed	0
# of spas		0.05	AF/spa	0
pool surface area		0.02	AF/100 sf surface area	0
# of seats		0.0012	AF/seat	0

LANDSCAPING:

500 sq.ft. or less of landscaping
501 or more square feet of landscaping

How many square feet?
How many square feet?
(see Water Efficient Landscape Worksheet)
(see Water Efficient Landscape Worksheet)

Commercial 3r - CREDIT
 Stepanek @ 414 Orange Avenue

ITEM	Sq.Ft.	FACTOR	ACRE-FEET
square footage (floor area)	2575	x 0.00007	= 0.18025

GROUP I - Low to Moderate Use

square footage (floor area)		x 0.0002	=	0
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GROUP II - High Use

ITEM	#	FACTOR	UNIT	ACRE-FEET
# of beds		x 0.085	per bed	0
# of stations		x 0.0567	AF/station	0
# of children		x 0.0072	AF/child	0
# of rooms		x 0.04	AF/room	0
# of gas pumps		x 0.0913	AF/pump	0
# of wash machines		x 0.2	AF/machine	0
square footage		x 0.00053	AF/sq.ft.	0

GROUP III - Miscellaneous

Assisting Living (more than 6 beds)
Beauty Shop / Dog Grooming
Child Care
Dormitory
Gas Station
Laundromat
Meeting Hall

Motel/Hotel/Bed & Breakfast rooms w/ large tubs (add to room factor)
--

# of rooms		x 0.1	AF/room	0
# of large bathtubs		x 0.03	AF/tub	0

Irrigated areas not adjacent

Provide Landscape Plan

MAWA n/a

Plant Nursery
Public Toilets
Public Urinals
Zero Water consumptino Urinal(s)
Restaurant (general/bar)
Restaurant (24-hour / Fast Food)
Self-Storage
Skilled Nursing
Spa
Swimming Pool
Theater

Square Footage		x 0.00009	AF/sf total land	0
# of toilets		x 0.058	AF/toilet	0
# of urinals		x 0.036	AF/urinal	0
# of urinals		x 0	n/a	0
# of seats		x 0.02	AF/seat	0
# of seats		x 0.038	AF/seat	0
# of storage units		x 0.0008	AF/storage unit	0
# of beds		x 0.12	AF/bed	0
# of spas		x 0.05	AF/spa	0
pool surface area		x 0.02	AF/100 sf surface area	
# of seats		x 0.0012	AF/seat	0

DRAFT

ASSIGNMENT AGREEMENT

This Assignment Agreement ("Agreement") is made this ____ day of _____, 2016 by and between the City of Sand City, a municipal corporation ("City") and the undersigned assignee ("Assignee").

RECITALS

A. City is the owner of the Sand City Water Entitlement, created by the Sand City Water Supply Project Entitlement Ordinance of the Monterey Peninsula Water Management District ("Ordinance No. 132").

B. Assignee is the owner of certain real property located within Sand City and more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property").

C. City has recently acted by City Council Resolution No. SC_____ to authorize a new use or expansion of an existing use on the Property.

D. Under the Rules of the Monterey Peninsula Water Management District ("District") a Water Permit must be issued by the District to Assignee prior to commencement of such new or expanded use.

E. Under the Rules of the District, a Water Use Permit must be issued by the District to Assignee prior to issuance of the Water Permit.

F. Under the Rules of the District, the City must assign a portion of the Sand City Water Entitlement to Assignee prior to issuance of the Water Use Permit.

G. City desires to assign to Assignee a portion of the Sand City Water Entitlement that is sufficient to support issuance of a Water Permit for the use authorized by Resolution no. SC_____.

H. Assignee desires to accept such assignment from the City.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Truth of Recitals. The parties hereby acknowledge that the foregoing recitals are true and correct.

2. Assignment by City. City hereby agrees to assign to Assignee that portion of the Sand City Water Entitlement described on Exhibit "B" attached hereto and by this reference incorporated herein (the "Assigned Portion of the Sand City Water Entitlement"). Immediately prior to the time Assignee is ready to make application to the District for a

Water Permit for the use authorized by Resolution no. SC _____, City will execute and deliver to Assignee An Assignment of a Portion of Monterey Peninsula Water Management District Ordinance No. 132 Water Entitlement and Water Use Permit in the form attached hereto as Exhibit "B".

3. **Representations and Warranties of Assignee.** Assignee hereby represents and warrants to City that"

(a) Assignee is the holder (of record) of fee title to the Property and has all requisite authority to enter into this Agreement.

(b) Assignee and Assignee's independent legal advisors have reviewed or had the opportunity to review:

(i) Ordinance No. 132;

(ii) the Master Water Use Permit issued to the City by the Monterey Peninsula Water Management District pursuant to Ordinance No. 132;

(iii) California State Water Resource Control Board Cease and Desist Order WR 2009-0060, dated October 20, 2009, as the same has been amended prior to the date of this Assignment Agreement;

(iv) California Public Utilities Commission Decision 11-03-048, as the same may have been amended prior to the date of this Agreement; and

(v) Rules and Regulations of the District concerning conservation and rationing of water which apply to the Property.

(c) Assignee shall take a title to the Assigned Portion of the Sand City Water Entitlement subject to the laws and regulations referred to in paragraph 3(b) and any other law or regulation concerning ownership or use of the Assigned Portion of the Sand City Water Entitlement as the same may hereafter be amended from time to time.

(d) Assignee may only further assign the Assigned Portion of the Sand City Water Entitlement to Assignee's successor-in-interest to title to the Property.

4. **Expiration of Agreement.** In the event Assignee is not prepared to make application for a Water Permit within six (6) months following the date of this Agreement is made, this Agreement will automatically terminate and be of no further force or effect.

5. **Amendment.** This Agreement may only be amended by a written instrument signed by the parties hereto or their successors in interest.

6. Assignment. Assignee may only assign the Assigned Portion of the Sand City Water Entitlement to Assignee's successor-in-interest to title of Property.

7. Law/Venue. Any action concerning this Agreement or the subject matter hereof shall be brought and maintained in the Superior Court of California in and for the County of Monterey.

8. Binding Effect. The provisions of this Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

City:

City of Sand City

DRAFT

by:

Todd Bodem, City Administrator

Assignee:

by:

Signature

Print name

AGREEMENT EXHIBIT A

RECORDING REQUESTED BY:
City Clerk of Sand City

AND WHEN RECORDED, MAIL TO:
City of Sand City
1 Sylvan Park
Sand City, CA 93955

SPACE ABOVE THE LINE FOR RECORDER'S USE ONLY

APN 011-271-023

The undersigned declares that the DOCUMENTARY TRANSFER TAX is \$0.00 and is computed on the full value of the interest or property conveyed. Sand city is NOT charging for the conveyance of water to the subject property.

**Assignment of a Portion Of
Monterey Peninsula Water Management District Ordinance No. 132
Water Entitlement and Water Use Permit**

Pursuant to, and in accordance with, the rights and authority of Monterey Peninsula Water Management District Ordinance No. 132 Water Entitlement, the Master Water Use Permit issued to the City of Sand City on April 25, 2011, and the Rules and Regulations of the Monterey Peninsula Water Management District applicable thereto (all of which are incorporated by reference in this Assignment, with the capitalized terms used in this Assignment having the meanings defined therein), the City of Sand City, a municipal corporation, hereby GRANTS, ASSIGNS, and CONVEYS, to: Stepanek, Jaroslav & Stepanek, Hana Trs. ("Owner"), a Water Entitlement of 0.352 acre-feet per year dedicated to the real property located in the City of Sand City described in Exhibit A attached hereto and by this reference incorporated herein (Assessor Parcel No. 011-271-023) (the "**Sand City Site**") to which Owner is the holder (of record) of fee title, for use on the Sand City Site. This Assignment also grants, assigns, and conveys a like portion of the Master Water Use Permit for the use and benefit of the Sand City site.

ASSIGNMENT

**Portion Of Monterey Peninsula Water Management District Ordinance No. 132
Water Entitlement and Water Use Permit**

Pursuant to, and in accordance with, the rights and authority of Monterey Peninsula Water Management District Ordinance No. 132 Water Entitlement, the Master Water Use Permit issued to the City of Sand City on April 25, 2011, and the Rules and Regulations of the Monterey Peninsula Water Management District applicable thereto (all of which are incorporated by reference in this Assignment, with the capitalized terms used in this Assignment having the meanings defined therein), the City of Sand City, a municipal corporation, hereby GRANTS, ASSIGNS, and CONVEYS, to: Stepanek, Jaroslav & Stepanek, Hana Trs. ("Owner"), a Water Entitlement of 0.352 acre-feet per year dedicated to the real property located in the City of Sand City described in Exhibit A attached hereto and by this reference incorporated herein (Assessor Parcel No. 011-271-023) (the "**Sand City Site**") to which Owner is the holder (of record) of fee title, for use on the Sand City Site. This Assignment also grants, assigns, and conveys a like portion of the Master Water Use Permit for the use and benefit of the Sand City site.

CITY OF SAND CITY

Dated: _____

By: _____
Todd Bodem, City Administrator

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, before me, _____, a notary public, personally appeared Todd Bodem who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify, under PENALTY OF PERJURY, under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[SEAL]

ACCEPTANCE OF ASSIGNMENT

Owner hereby acknowledges and agrees that Owner accepts all the rights, preferences, privileges, and limitations related to Owner's ownership and use of the Water Entitlement conveyed by this Assignment, as set forth in Monterey Peninsula Water Management District Ordinance No. 132, the Master Water Use Permit and the Rules and Regulations of the Monterey Peninsula Water Management District applicable thereto.

OWNER:

Dated: _____

Stepanek, Jaroslav & Stepanek, Hana Trs.

by: _____

its: _____

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify, under PENALTY OF PERJURY, under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[SEAL]

EXHIBIT A
Legal Description of Property

All that real property situated in the City of Sand City, County of Monterey, State of California described as follows:

Lots 1, 3, and 5 in Block 24, as shown on the "Map of East Monterey, Monterey County California" etc., filed October 18, 1887 in the Office of the County Recorder of the County of Monterey , State of California, in Map Book 1, Cities and Towns, at Page 22 therein.

APN 011-271-023

CITY OF SAND CITY

RESOLUTION SC _____, 2016

RESOLUTION OF THE CITY COUNCIL OF SAND CITY GRANTING THE CITY ADMINISTRATOR AUTHORIZATION TO EXECUTE A WATER ASSIGNMENT AGREEMENT AND ASSIGN UP TO 0.352 ACRE-FEET OF WATER FROM THE SAND CITY WATER ENTITLEMENT FOR THE JAROSLAV STEPANEK MIXED-USE DEVELOPMENT PROJECT AT 414 ORANGE AVENUE (APN 011-271-023)

WHEREAS, the City Council approved Conditional Use Permit 601 for Jaroslav Stepanek (the "Applicant") authorizing the development of an approximate 8,000 square foot 2-story mixed-use (residential & commercial) development on a 5,625 square foot property (the "Project") at 414 Orange Avenue (APN 011-271-023) in Sand City (the "Subject Property"); and

WHEREAS, the Jaroslav Stepanek is both the Project proponent and the Subject Property's owner; and

WHEREAS the Project, as approved by the City, requires a water Permit from the Monterey Peninsula Water Management District (MPWMD) in the amount of 0.352 acre-foot/year, after deducting existing on-site water credit; and

WHEREAS, the City Council assignment to Jaroslav Stepanek of 0.352 acre-feet from the Sand City Water Entitlement, produced from the Sand City water treatment facility, is necessary to subsidize existing on-site water credit and facilitate the Project as approved and authorized by CUP 601 on the Subject Property to satisfy water allocation requirements of the MPWMD as it relates to the Project.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Sand City does hereby authorize and approve of the following:

1. The City Administrator is authorized and directed to execute, on behalf of the City, an Assignment Agreement with property owner of the Subject Property in a form that is satisfactory to the City Attorney; and
2. The City Administrator is authorized and directed to execute, on behalf of the City, all documents necessary to assign up to a 0.352 acre-foot/year portion of the Sand City Water Entitlement and Water Use Permit to Jaroslav Stepanek (the "Property Owner"), in accordance with the terms of the Assignment Agreement.

PASSED AND ADOPTED by the City Council of Sand City this ____ day of December, 2016, by the following vote:

AYES:

ATTACHMENT 5

NOES:
ABSENT:
ABSTAIN:

ATTEST:

Linda K. Scholink, City Clerk

APPROVED:

David K. Pendergrass, Mayor

AGENDA ITEM

8A

CITY OF SAND CITY

STAFF REPORT

DECEMBER 7, 2016
(For City Council Review on December 20, 2016)

TO: Mayor and City Council

FROM: Charles Pooler, Associate Planner

SUBJECT: 2nd Reading - Zoning Ordinance Amendments in meeting State Department of Housing and Community Development (HCD) Requirements and Housing Element Update.

BACKGROUND

At the December 6, 2016 Council meeting, the City Council adopted for first reading an ordinance to update various Chapters and Sections of the City's Zoning Code (Municipal Code Title 18) to implement compliance with State law and Department of Housing and Community Development (HCD) direction that will maintain certification of the City's Housing Element. No concerns were identified or discussed at the December 6th public hearing, nor was there any public comment received. The ordinance requires Council adoption for second reading before the ordinance is incorporated into the City's Municipal Code. The ordinance would go into effect 30 days following second reading.

RECOMMENDATION

Staff recommends adoption (for second reading) of the attached draft ordinance, as modified, to incorporate the 2016 edition of the California Building Codes, appendixes, and amendments into Title 15 of the Sand City Municipal Code.

Attached:

1. Staff Report, dated November 1, 2016 (without Exhibits)
2. Draft Ordinance (as adopted for 1st reading on December 6, 2016)

ATTACHMENT 1

**Staff Report, dated 11/01/16
(without Exhibits)**

CITY OF SAND CITY

STAFF REPORT

NOVEMBER 1, 2016
(For City Council consideration on December 6, 2016)

TO: Mayor & City Council

FROM: Charles Pooler, Associate Planner
Richard James, EMC Planning Group

SUBJECT: Zoning Ordinance Amendments in meeting State Department of Housing and Community Development (HCD) Requirements and Housing Element Update.

BACKGROUND

EMC Planning Group completed the City's Housing Element update, which was certified as complete this year by the State Department of Housing and Community Development (HCD). The Housing Element meets the statutory requirements of State housing element law (Gov. Code Article 10.6); however, this certification was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior 4th cycle (2009-2014 Housing Element Edition) planning period and ensure the availability of appropriate sites for emergency shelters. Pursuant to Government Code Section 65584.09, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs (Cycle 4 - 2009-2014 Housing Element) must zone or re-zone adequate sites to accommodate all of the previous cycle's unmet housing needs within the first year of the following housing element's cycle (Cycle 5 - 2015-2023 Housing Element). Therefore, in order for the City's updated 2015-2023 Housing Element to remain in compliance after December of 2016, the City must make specific amendments to the zoning ordinance and map. The zoning amendment actions proposed by staff are intended to implement compliance with HCD and maintain certification of the City's Housing Element.

SUMMARY AND DISCUSSION

The following discussion summarizes those Housing Element programs in need of implementation, most prior to the end of this year, to maintain HCD certification of the current (5th Cycle) 2015-2023 Housing Element.

- 1) Program 4.1.1.A - Develop the "South of Tioga" area with a mixed-use project.
This Program identifies the South of Tioga area to be developed as a mixed-use project with a large housing component, and that the City will re-zone at least three (3) acres to R-3 "Multi-Family Residential" that allows a density of up to 43 dwelling units per acre (1 unit per 1,000 sq.ft. of land) and multi-family use without discretionary permit

approval. This Program was originally incorporated into the Housing Element's 4th Cycle (2009-2014 Edition), but that re-zoning was never implemented; primarily due to delays of the South of Tioga project. The General Plan's land use map specifies a dual designation of C-4 "Regional Commercial" and MU-D "Mixed-Use Development" for the South of Tioga area. Re-zoning the South of Tioga area to Mixed-Use would be of greater consistency with the General Plan's Land Use Element and Map; otherwise a general plan amendment would be necessary to proceed with re-zoning the South of Tioga area to R-3. The Mixed-Use Zoning Code (Section 18.13.040.O) classifies "multi-family residential" as a conditional use at a density no greater than one dwelling unit per 1,875 square feet.

To comply with Gov. Code Section 65584.09 and the direction of HCD, the City will need to re-zone a sufficient area within the South of Tioga area that provides at least 129 dwelling units, the equivalent of 43 units per acre on 3 acres. Re-zoning approximately 7 to 8 acres of the South of Tioga area to Mixed-Use, which allows a density of 23 dwelling units per acre, would provide and exceed the target number of units and residential density HCD is looking for in Housing Element Program compliance. Staff therefore recommends the non-coastal zone segment of the South of Tioga area be re-zoned to mixed-use (see Exhibit H), consistent with the General Plan Land Use Element, accommodating both residential and commercial development and meet HCD housing densities. The most recent concept for developing the South of Tioga is primarily for high density residential that would meet with HCD's requirements.

2) Program 4.1.1.C - Re-zone acreage in the East Dunes area.

This Program states that the City will work with a master developer in processing the re-zoning of 15-acres of the East Dunes to reflect residential development as discussed within the General Plan. This Program also calls for a re-zoning of the East Dunes to accommodate housing and habitat preservation. Re-zoning was anticipated to be part of a Planned Unit Development that would accommodate at least twenty (20) units per acre with a minimum of sixteen (16) units for affordable housing. Previous thinking was to postpone re-zoning the East Dunes until a developer approached the City for development of the entire East Dunes; however, due to HCD's direction to comply with the previous 4th Cycle's programs, immediate re-zoning is warranted.

That area of the East Dunes, in proximity to Tioga Avenue and the South of Tioga project are currently classified as C-3 "Neighborhood Commercial" and C-2 "Heavy Commercial, encompassing approximately 2.4 acres. A re-zoning of this 2.4 acres to an R-3 designation would allow up to 1du/1000 square feet or a maximum of 104 dwelling units within that area. This would satisfy the density HCD is looking for in meeting this Program's requirements. Therefore, staff recommends amending the zoning map to re-zone specific parcels in the East Dunes that currently have commercial zoning to an R-3 zoning (see Exhibit I).

3) Program 4.1.3.C Small Sites and Mixed Use Program.

This program addresses the creation of additional multi-family development by facilitating lot consolidations to combine small residential lots into larger lots that accommodate the development of affordable housing units. The City has historically

required the combining of abutting properties of single ownership into larger sites as conditions of discretionary land use entitlements; however, the City does not yet have an official program within the zoning code to that end.

To further this endeavor and meet developer needs for both Phase II of the Independent and development of the South of Tioga Area, staff is evaluating various formulas for residential dwelling unit density bonuses related to lot consolidation that will encourage the combining of abutting properties into larger development sites. This will be presented to Council for discussion under a separate report at a later date.

4) Program 4.1.3.D - Consistency with the Employee Housing Act.

The City needs to update the zoning code to be consistent with the Employee Housing Act (Health and Safety Code Section 17021), which requires employee housing to be permitted by-right, without discretionary permit approval, in single-family zones for six or fewer persons.

To meet this requirement, staff proposes amending Municipal Code (Zoning) Chapters 18.13 (Mixed Use), 18.08 (Single Family Residential), 18.10 (One Family & Two Family Residential), and 18.12 (Multi-Family Residential) to allow employee housing of six or less persons as a "permitted use" where residential is allowed (see Exhibits B, C, D, & E). For the mixed-use district, where residential uses require a conditional use permit, the proposed code amendment would automatically allow employee housing where residential uses have, or will be, approved via a use permit. Staff also recommends adding a definition of "employee housing" to the zoning code as having the same meaning as California Health and Safety Code Section 17008 (see Exhibit A).

5) Program 4.4.1.G - Amend the Zoning to comply with statutory requirements for transitional and supportive housing.

Pursuant to Senate Bill (SB) 2, the City must allow both supportive and transitional housing types where residential housing is allowed. For Sand City, this would include the R-1, R-2, R-3, and the Mixed-Use zoning districts. Both transitional and supportive housing must be allowed as 'permitted uses' and only subject to the same restrictions that apply to other residential uses in similar structures of those zoning districts. Furthermore, the City must adopt definitions for "Transitional Housing" and "Supportive Housing", as defined by State Health and Safety Code Sections 50675.2 and 50675.14, respectively.

To meet these requirements, staff proposes amending Chapters 18.13 (Mixed Use), 18.08 (Single Family Residential), 18.10 (One Family & Two Family Residential), and 18.12 (Multi-Family Residential) to include "Transitional Housing" and "Supportive Housing" as permitted uses (see Exhibits B, C, D, & E). For the mixed-use district, where residential uses require a conditional use permit, the proposed code amendment would automatically allow employee, transitional, and supportive housing where ever residential uses have, or will be, approved via a use permit. Staff also proposes amending Chapter 18.04 to add the required definitions of 'Transitional Housing' and 'Supportive Housing', with language taken directly from California Health and Safety Code Sections 50675.2(h) and 50675.14. (see Exhibit A).

6) Program 4.4.1.H - Amend the Zoning to comply with statutory requirements for single-room occupancy residences.

To comply with State requirements that allow flexibility in the development of single-room occupancy units (SROs), the City must amend the Zoning Code to allow SROs by conditional use permit near public services and mass transit. The Housing Element refers to establishing an overlay district for SROs within the West End District in proximity to the railroad right-of-way where TAMC may someday implement mass transit (bus express lane, commuter rail, etc.); however, staff recommends that SROs be allowed throughout the Mixed-Use zoning districts for simplicity, especially considering that most of the West End and South of Tioga Districts are within walking distance to the railroad right-of-way and existing MST bus stops along Del Monte Boulevard. The City still has conditional use permit discretion, with appropriate findings, to decide whether a specific location is appropriate or not for an SRO.

To meet this requirement, staff proposes adding SROs to the list of "Conditionally Permitted Uses" of Zoning Code Section 18.13.040 for the Mixed-Use Zoning District (see Exhibit E).

7) Program 4.4.1.J - Amend Zoning to accommodate State requirements regarding homeless shelters and supportive housing needs.

In 2010, the City amended the Zoning Code to allow 2-bed emergency shelters on properties with a "Public Facility" (PF) zoning designation that provides supportive services for homeless persons. In certifying the 2015-2023 Housing Element Update, HCD requires the 2-bed limit be removed to accommodate additional persons in emergency shelters. The City must also adopt a definition of "supportive housing" into the zoning code to be allowed without discretionary action.

Staff proposes amending Municipal Code Section 18.04.279 to delete the "...two bed..." references and limitations therein (see Exhibit A). Second, staff recommends a definition of "Supportive Housing" be added to Chapter 18.04 of the Municipal Code, using that language stated within California Health and Safety Code Section 50675.14 (see Exhibit A).

8) Program 4.4.1.K - Amend Zoning to Increase City's Density Bonus Incentive.

In 2003, the City adopted Ordinance 03-02 implementing the requirements of Assembly Bill 1866 (2002) for cities and counties to provide density bonuses and incentives when "affordable housing" is provided as part of residential developments in accordance with the meaning and standards of that legislation. In 2014, the State amended the bonus density law to increase the bonus/incentive from twenty-five percent (25%) to thirty-five percent (35%).

Due to this State amendment, the City must update Municipal Code Chapter 18.59 to increase the density bonus to 35% in compliance with state code. Staff also recommends adding a reference to Assembly Bill 2222 (2014) into this Chapter (See Exhibit G).

Though no amendments are warranted of Chapter 18.21 (Public Facilities PF) for Housing Element HCD certification compliance, staff is proposing minor amendments to better clarify the existing code language (see Exhibit F).

There are additional Housing Element Programs the City must follow through on, but are not part of HCD's list of amendments required prior to January 1st, and are therefore not part of staff's recommended zoning code and/or map amendments. These additional items are summarized below for your information.

1) Program 4.4.1.I - Develop a reasonable accommodation process for persons with disabilities.

This program specifies that the City will develop and formalize a general process and specific guidelines for reasonable accommodation of persons with physical and developmental disabilities. The City would then provide this information to such individuals regarding reasonable accommodation policies, practices, and procedures based on guidelines from the California Dept. Of Housing and Community Development (HCD). This information would then be available via postings and pamphlets at the City's Planning Department counter and on the City's website. City staff and EMC will work together to complete this task in 2017.

2) Program 4.4.1.F - Ensure the availability of appropriate sites for emergency shelters per Senate Bill 2.

The City is required to provide sufficient space for a 15-bed facility. The previous edition of the Housing Element classified that Public Facility (PF) zoning districts allow shelters, but with a limit of no more than 2-beds. This limitation must be removed to meet HCD's Housing Element certification, as previously discussed in this report under Program 4.4.1.J.

The City currently has sufficient land area zoned as Public Facilities that can theoretically accommodate the required emergency shelters of 15-beds. Therefore no action is necessary at this time; however, if the City moves forward with a Local Coastal Program amendment sometime in the future, then PF zones with a coastal zone overlay could be amended to include such housing.

Finally, in conjunction with zoning amendments to address Housing Element Programs, staff is developing development standards for substandard 25-foot wide lots in the East Dunes in response to City Council direction in 2015. However, due to the time crunch in getting the Housing Element Programs implemented prior to the end of the year in compliance with HCD, this endeavor will be finalized and presented to Council for discussion under a separate report at a later date; potentially in early 2017.

CEQA EXEMPTION

The zoning amendments discussed and proposed in this report are consistent with the programs stated in the 2015-2023 Housing Element for which an environmental initial study was prepared and a mitigated negative declaration was adopted by the City Council in early 2016. Furthermore, Section 15060(c)(2) of the CEQA (California Environmental Quality Act) Guidelines states that an activity is not subject to CEQA if.... "The activity will

not result in a direct or reasonably foreseeable indirect physical change in the environment..." The recommended amendments to the zoning code and map will have no direct physical change upon the environment. Those areas effected by the proposed zoning map and code amendments are already slated for urban development. Furthermore, any projects allowed by these amendments will themselves be subject to individual CEQA review and compliance. Therefore, the actions proposed by staff in this report are exempt from any further CEQA review, and no environmental action is necessary.

RECOMMENDATION

Staff recommends the City Council approve the draft Ordinance (for 1st reading) to implement the following:

- 1) Amend and update specific Chapters and Sections of Title 18 of the Sand City Municipal Code (Zoning Ordinance) as discussed in this report and include grammatical corrections.
- 2) Re-zone specific properties in the East Dunes to R-3 "Multi-Family Residential" and the non coastal areas of the South of Tioga Project area to MU-P "Planned Mixed-Use."

EXHIBITS:

The following Exhibits illustrate how the proposed amendments will alter the existing zoning code; with deletions signified with ~~strikeouts~~ and additions as *italic highlights*:

- Exhibit A Draft Revised of Section 18.04.279 - Homeless Shelter Definition
Draft Additions of Section 18.04.232 Employee Housing Definition
Section 18.04.517 Supportive Housing Definition
Section 18.04.527 Transitional Housing Definition
- Exhibit B Draft Revised Chapter 18.08 - R1 Single Family Residence District
- Exhibit C Draft Revised Chapter 18.10 - R2 1-Family & 2-Family Residence District
- Exhibit D Draft Revised Chapter 18.12 - R3 Multi-Family Residence District
- Exhibit E Draft Revised Chapter 18.13 - MU-P Planned Mixed Use District
- Exhibit F Draft Revised Chapter 18.21 - Public Facilities
- Exhibit G Draft Revised Chapter 18.59 - Density Bonuses / Incentives
- Exhibit H Recommended Zoning Map Amendment - South of Tioga
- Exhibit I Recommended Zoning Map Amendment - East Dunes

ATTACHMENT:

Draft Ordinance to Amend Sand City Municipal Code (SCMC) Title 18 (Zoning Ordinance)

ATTACHMENT 2

**Draft Ordinance
(as adopted for 1st reading on 12/06/16)**

CITY OF SAND CITY

ORDINANCE NO. _____, 2016

ORDINANCE OF THE CITY OF SAND CITY AMENDING CHAPTERS 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, AND 18.59 OF THE SAND CITY MUNICIPAL CODE TITLE 18 (ZONING ORDINANCE) AND THE OFFICIAL CITY ZONING MAP TO IMPLEMENT POLICIES OF THE 2015-2023 (5TH CYCLE) HOUSING ELEMENT AS CONDITIONALLY CERTIFIED BY THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WHEREAS, in 2016, the City of Sand City (the "City") received conditional certification from the State Department of Housing and Community Development (the "HCD") regarding the 2015-2023 (5th Cycle) Housing Element update, which includes certain programs mandated by State statutory requirements; and

WHEREAS, the 2015-2023 (5th Cycle) Housing Element meets the statutory requirements of State housing element law (Gov. Code Article 10.6); however, certification of this 5th Cycle document by the HCD was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior 4th cycle (2009-2014 Housing Element Edition) planning period and to ensure the availability of appropriate sites for emergency shelters; and

WHEREAS, pursuant to Government Code Section 65584.09, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs (Cycle 4 - 2009-2014 Housing Element) must zone or re-zone adequate sites to accommodate all of the Housing Element's previous cycle's unmet housing needs within the first year of the following housing element's cycle (Cycle 5 - 2015-2023 Housing Element); and

WHEREAS, pursuant to Senate Bill 2, the City must allow both supportive and transitional housing types where residential housing is allowed as "permitted uses", subject to the same restrictions that apply to other residential uses of those applicable zoning districts; and

WHEREAS, the addition of specific definitions into the zoning code for "Employee Housing", "Supportive Housing", and "Transitional Housing", consistent with California Health and Safety Codes, is necessary for both statutory and HCD compliance; and

WHEREAS, Assembly Bill 2222 (2014) requires the City to increase the dwelling unit density bonus, as specified in Municipal Code Chapter 18.59, from twenty-five percent (25%) to thirty-five percent (35%); and

WHEREAS, the amendments to the City's official Zoning Map, as specified by this Ordinance and illustrated on Ordinance Exhibits A and B, attached hereto and incorporated herein by this reference, are necessary for implementing Program 4.1.1.A and Program 4.1.1.C of the 2015-2023 Sand City Housing Element (5th Cycle) in compliance with the conditional HCD certification of the 2015-2023 Housing Element; and

WHEREAS, other minor amendments to the zoning code are necessitated and being enacted along with these other Housing Element mandated amendments for clarification and grammatical corrections; and

WHEREAS, the zoning amendments of this Ordinance are consistent with the programs stated in the 2015-2023 Housing Element for which an environmental initial study was prepared and a mitigated negative declaration was adopted by the City Council in early 2016, and are also found to be exempt from CEQA (California Environmental Quality Act) per CEQA Guidelines, Section 15060(c)(2) as these amendments shall have no direct or foreseeable indirect physical change to the environment, wherefore no further CEQA review and/or environmental action is necessary; and

WHEREAS, a notice of public hearing regarding the proposed amendments to Title 18 of the Sand City Municipal Code (the "SCMC") and Zoning Map was published in the Monterey Herald, a newspaper publication of general circulation within the local agency ten days prior to public hearing, posted for public viewing at Sand City's three designated posting locations specified by SCMC Chapter 1.12, and mailed to all property owners within a 300 foot radius of the proposed re-zoning areas.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Sand City to amend specific chapters and sections of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the official City zoning map as follows:

SECTION 1: Section 18.04.279 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

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

SECTION 2: Chapter 18.04 of the Sand City Municipal Code is hereby amended to add Section 18.04.232 to read as follows:

"18.04.232 Employee Housing. "Employee Housing" shall have the same meaning as defined by California Health and Safety Code Section 17008."

SECTION 3: Chapter 18.04 of the Sand City Municipal Code is hereby further amended to add Section 18.04.517 to read as follows:

"18.04.517 Supportive Housing. "Supportive Housing" means housing with no limit on length of stay, that is occupied by the target population,

that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; consistent with Health and Safety Code 50675.14.”

SECTION 4: Chapter 18.04 of the Sand City Municipal Code is hereby further amended to add Section 18.04.527 to read as follows:

“18.04.527 Transitional Housing. “Transitional Housing” and “Transitional Housing Development” means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to other eligible program recipient at some predetermined future point in time, which shall be no less than six (6) months.”

SECTION 5: Chapter 18.08 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.08.010 Purpose. The purpose of the R-1 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-1 district is intended for single-family homes and the community services appurtenant thereto.

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

- A. Single-family dwellings;
- B. Rooming and boarding of no more than two persons;
- C. Signs not exceeding in the aggregate, six square feet in area, for each building site, may be displayed for the purpose of advertising the sale or lease of property upon which is displayed;
- D. Manufactured homes.
- E. Employee Housing for six (6) or fewer persons.
- F. Supportive Housing, as defined in Chapter 18.04 of this Title
- G. Transitional Housing, as defined in Chapter 18.04 of this Title

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

- A. Living quarters for persons regularly employed on the premises, but not rented or otherwise conducted as a business; provided, that no kitchen facilities are provided;
- B. Home occupations, with the issuance of a Home Occupation Permit;
- C. Other accessory uses, and accessory buildings customarily appurtenant to a permitted use.

18.08.040 Conditional uses. Conditional uses permitted in the R-1

district are as follows:

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Licensed foster homes;
- C. Public utility substations and public utility communication equipment buildings;
- D. Group Dwellings.
- E. Single Room Occupancy (SRO) units.

18.08.050 Height regulations. Height regulations permitted in the R-1 district are as follows: no principal building shall exceed thirty feet (30') in height and no detached accessory building shall exceed fifteen feet (15') in height.

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

- A. Minimum building site area required, three thousand seven hundred fifty (3,750) square feet;*
- B. Minimum building site width required, fifty feet;
- C. Percentage of building site coverage permitted, sixty percent;
- D. Minimum front yard setback required, five feet;
- E. Minimum side yard setback required, five feet;*
- F. Minimum rear yard setback required, ten feet;
- G. Parking spaces required, two per dwelling unit (one covered);

* Those holding single twenty-five-foot lots, with separate owners on each side of them at the time the ordinance codified in this title is adopted, can develop them as they exist with design review. A minimum zero side yard setback will be allowed.

Applicants for development on a twenty-five-foot lot will be required to show proof of ownership by producing a recorded deed or notarized contract of sale dated prior to ordinance adoption. Change of ownership will not affect the status of a twenty-five-foot lot if, in fact, it was a twenty-five-foot lot prior to ordinance adoption. However, proof of such will still be necessary as described above.

H. Maximum driveway width, twelve and one-half feet (to allow curb room for off-site parking).

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

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

- B. Off-street parking required for all uses as set out in this Chapter, two spaces per unit to be within a two-car, enclosed garage;
- C. Design control regulations apply within the R-1 district.”

SECTION 6: Chapter 18.10 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.10.010 Purpose. The purpose of the R-2 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-2 district is intended for one-family and two-family residences and community services appurtenant thereto.

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

- A. Single-family dwellings;
- B. Duplex or two-family dwellings.
- C. Residential Care Facility for six (6) or fewer persons.
- D. Employee Housing for six (6) or fewer persons.
- E. Supportive Housing, as defined in Chapter 18.04 of this Title.
- F. Transitional Housing, as defined in Chapter 18.04 of this Title.

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

- A. Room and boarding of not more than one person per unit;
- B. Home occupations, with the issuance of a Home Occupation Permit;
- C. Private swimming pools;
- D. Temporary tract offices and building yards;
- E. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.

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

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Multi-family dwellings;
- C. Nursery schools, licensed foster homes, homes for ambulatory aged persons, and nursing or convalescent homes;
- D. Commercial parking lots;
- E. Public utility substations and public utility communication equipment buildings;
- F. Group Dwellings;
- G. Mobile homes (renewable annually).
- F. Single Room Occupancy (SRO) units.

18.10.050 Height regulations. Height regulations in the R-2 district are

as follows: no principal building shall exceed thirty feet (30') in height; no detached accessory buildings shall exceed fifteen feet (15') in height.

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

- A. Single-family dwellings; same as in R-1 district regulations; and
- B. Two-family dwellings, designated as follows:
 - 1. Minimum lot area, three thousand seven hundred fifty (3,750) square feet,
 - 2. Mean lot width, fifty feet (interior lot),
 - 3. Mean lot depth, fifty feet (corner lot),
 - 4. Percentage of building site coverage permitted, sixty percent (60%),
 - 5. Parking spaces per dwelling unit, two (one and one-half covered),
 - 6. Side yard setbacks, five,*
 - 7. Exterior yards:
 - a. Front yard setback, five feet,
 - b. Rear yard setback, ten feet,
 - 8. Driveway width, twelve and one-half feet to seventeen feet (to allow off-street parking).

*Setbacks can be applied to either side yard (total of ten feet minimum), with a zero side yard on the opposite side.

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

- A. Site plan approval by the City Council required of all conditional uses;
- B. Off-street parking required for all uses, as above;
- C. On any corner lot, each exterior yard which abuts the front yard of an adjacent lot shall be not less than twenty feet in depth. Any other exterior yard on a corner lot may be reduced to fifteen feet;
- D. Applicable fence height limitations and other regulations relating to fences and hedges;
- E. Design control district regulations apply.”

SECTION 7: Section 18.12.020 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

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

- A. Multiple dwellings;
- B. Single-family dwellings and duplexes, subject to all restrictions and requirements of the R-1 district; and
- C. Licensed homes for ambulatory aged persons over sixty-five years of age.

- D. Residential Care Facility for six (6) or fewer persons.
- E. Employee Housing for six (6) or fewer persons.
- F. Supportive Housing, as defined in Chapter 18.04 of this Title.
- G. Transitional Housing, as defined in Chapter 18.04 of this Title.”

SECTION 8 Section 18.12.040 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.12.040 Conditional uses. Conditional uses permitted in the R-3 district are as follows:

- A. Rooming houses and boarding houses and foster homes for any number of guests;
- B. Mobile homes, renewable annually;
- C. Incidental services, such as: restaurants and retail sales to serve residents only; provided, that there is not exterior display or advertising and such activities are conducted in spaces which are integral parts of a main building;
- D. Social halls, lodges, fraternal organizations and clubs, except those operated for a profit;
- E. Nursery schools, licensed foster homes and homes for ambulatory aged persons;
- F. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type, but not including corporation yards, storage or repair yards and warehouses;
- G. Commercial parking lots; and
- H. Public utility substations and public utility communication equipment buildings.
- I. Single Room Occupancy (SRO) units.”

SECTION 9: Chapter 18.13 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“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; (g) allow buildings and site areas where living and working environments can be combined in an effort to reduce work commutes and provide for a more lively area of town; and (h) establish a conditional use permit procedure for all new and proposed commercial, light industrial and residential uses within the

district to insure land use compatibility and real estate marketability.

18.13.020 Principal Permitted Uses. Principle 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 this ordinance 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 this 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 twenty-five percent (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. Employee Housing, Transitional Housing, and Supportive Housing shall be considered permitted uses, but only where residential uses have been approved by discretionary use permit. Employee, Transitional, and Supportive Housing shall all mean as defined in Chapter 18.04 of this Title.

18.13.030 Accessory Uses. Accessory uses in the MU-P district are uses and building that are customarily appurtenant to a permitted or conditional use.

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 1 unit/1875 square feet of lot area;
- E. Art/Craft Studios;
- F. Laboratories, motion picture studios, photo processing/printing;
- G. Open Air Markets
- H. Brew Pubs;
- I. Retail Establishments;
- J. Restaurants;
- K. Bakeries;
- L. Service Commercial;

- M. Hotels, motels, inns;
- N. Medical and professional offices;
- O. Single-Family and multi-family development at a density no greater than 1 unit/1875 square feet of lot area.
- 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 district.
- Q. Single Room Occupancy (SRO) units.

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: As approved by site plan review of the City Council.

C. Minimum side and rear yard setbacks: As approved by site plan review of the City Council.

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;

D. Height Limitations: Maximum sixty feet (60') , including roof equipment, but subject to discretionary limitation of less than sixty feet (60') in the approval of land entitlement permits;

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 said district 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 same limitations as referenced herein;

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.”

SECTION 10: Section 18.21.020 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.21.020 Permitted uses. Permitted uses in the PF district are as follows:

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

B. Homeless Shelters as defined in Section 18.04.279.”

SECTION 11: Section 18.21.050 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.21.050 Other required conditions.

A. A design permit and site plan review shall be required for all new construction and significant remodeling of existing structures within the PF zoning district. “

SECTION 12: Chapter 18.59 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.59.010 Purpose. The purpose of this Chapter is to implement the requirements of Assembly Bill 1866 (2002) and Assembly Bill 2222 (2014) requiring cities and counties to provide zoning density bonuses, and/or incentives when “affordable housing” is provided as part of residential developments within the meaning and standards of that legislation.

18.59.020. Projects Qualifying for Density Bonus/Incentive. When a housing developer of five or more dwelling units agrees to construct at least one of the following development types, a thirty-five percent (35%) density bonus and one additional incentive/concession shall be granted

by the City, except as further provided in subsection E, below.

Twenty percent (20%) of the total residential units proposed for the housing development are to be provided to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This generally means that the units must be affordable to persons earning eighty percent (80%) or less of the area median income, adjusted for family size.

A. Ten percent (10%) of the total units of a housing development are to be provided to very low income households, as defined in Section 50105 of the Health and Safety Code. This generally means that the units must be affordable to persons earning fifty percent (50%) or less of the area median income, adjusted for family size.

B. Fifty percent (50%) of the total dwelling units of a housing development are to be provided to qualifying residents as defined in Section 51.3 of the Civil Code. This generally means that the units must be provided to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development.

C. Twenty percent (20%) of the total dwelling units in a condominium project are to be provided to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code. This generally means that the units must be affordable to persons earning between 81 percent and 120 percent of the area median income, adjusted for family size. If this type of development is proposed, a ten percent (10%) density bonus shall be granted unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of the application.

D. If an applicant agrees to construct both twenty percent of the total units for lower income households and ten percent of the total units for very low income households, the developer is entitled to only one density bonus and one additional concession or incentive as identified in Section 18.59.030.

18.59.030 Incentives/Concessions. For the purposes of this Chapter, concession or incentive means any of the following:

1. A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed minimum building standards. These include, but are not limited to, a reduction in setback, building coverage or parking requirements that would otherwise be required.

2. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

3. Other regulatory incentives or concessions proposed by the developer or the City that result in identifiable and actual cost reductions.

18.59.040 Density Bonus Calculation. For the purposes of this Chapter, density bonus means a density increase of at least thirty-five percent (35%), unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of residential development application to the City. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal 10, 20, or 50 percent of the total. The density bonus shall apply to housing developments consisting of five (5) or more dwelling units.”

SECTION 13: The official Sand City Zoning Map, as referenced in Sand City Municipal Code Section 18.06.060, shall be amended as follows:

A. Those properties, as identified below by their Monterey County Assessor Parcel numbers and as illustrated on Ordinance Exhibit A, attached hereto and incorporated herein by this reference, within that area identified by the General Plan as the “East Dunes” area, shall be re-zoned to R-3 - Multi-family residential.

011-121-010, 011-121-011, 011-121-012, 011-121-014, 011-124-007, 011-124-008, 011-124-009, 011-124-010, 011-124-011, 011-124-013, 011-124-014, 011-124-015, 011-124-016, 011-124-017, 011-124-019, 011-124-020, and that portion of assessor parcels 011-124-006 and 011-124-018 that are not within the coastal zone overlay.

B. Those properties, as identified below by their Monterey County Assessor Parcel numbers and as illustrated on Ordinance Exhibit B, attached hereto and incorporated herein by this reference, within that area identified by the General Plan as the ‘South of Tioga’ area, shall be re-zoned to MU-P - Planned Mixed-Use.

011-122-002, 011-122-003, 011-122-004, 011-122-005, 011-122-010,

011-122-011, 011-122-023, 011-122-024, 011-122-025, 011-122-026, 011-122-032, 011-122-038, 011-122-039, 011-122-040, 011-123-001, 011-123-004, 011-123-005, 011-123-006, 011-123-007, 011-123-008, 011-123-019, 011-123-022, 011-123-023, 011-123-024, 011-123-025, 011-123-025, 011-123-026, 011-125-052, 011-125-053, 011-125-054, 011-125-055, 011-134-011, 011-135-001, 011-135-014, 011-135-015, 011-135-016, 011-135-023, 011-135-024, 011-136-019, 011-136-023, 011-186-021, 011-186-038, 011-186-039, and that portion of assessor parcels 011-122-041, 011-123-009, 011-136-007, and 011-136-012 that are not within the coastal zone overlay.

SECTION 14: Severance.

All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 15: Effective Date

This Ordinance shall become effective thirty (30) days following the second reading of this Ordinance.

PASSED AND ADOPTED BY THE CITY COUNCIL OF SAND CITY, this ___ day of _____, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

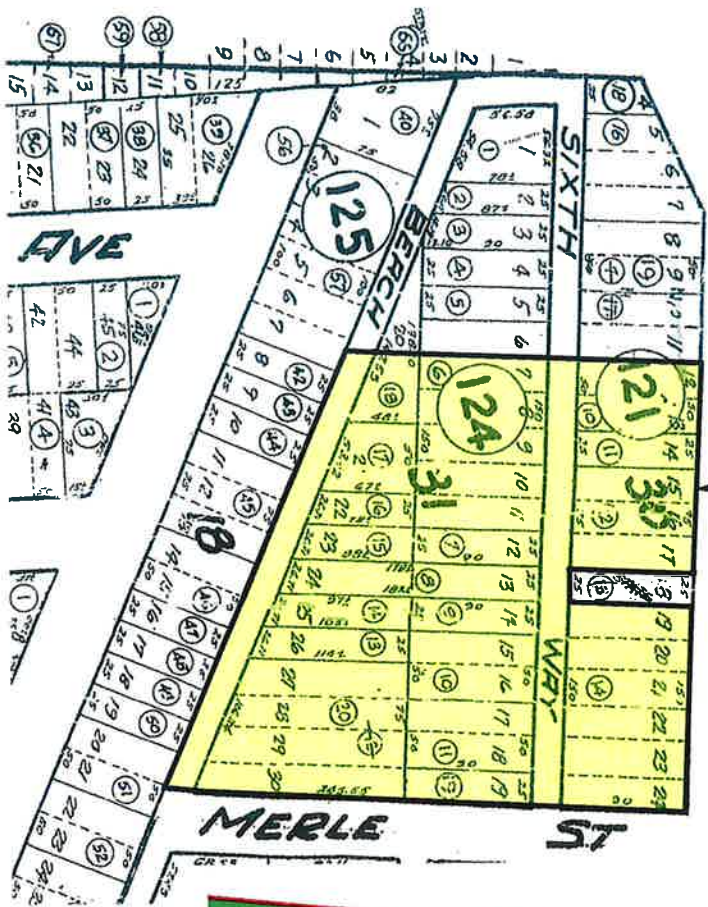
Linda K. Scholink, City Clerk

David K. Pendergrass, Mayor

ORDINANCE EXHIBIT A

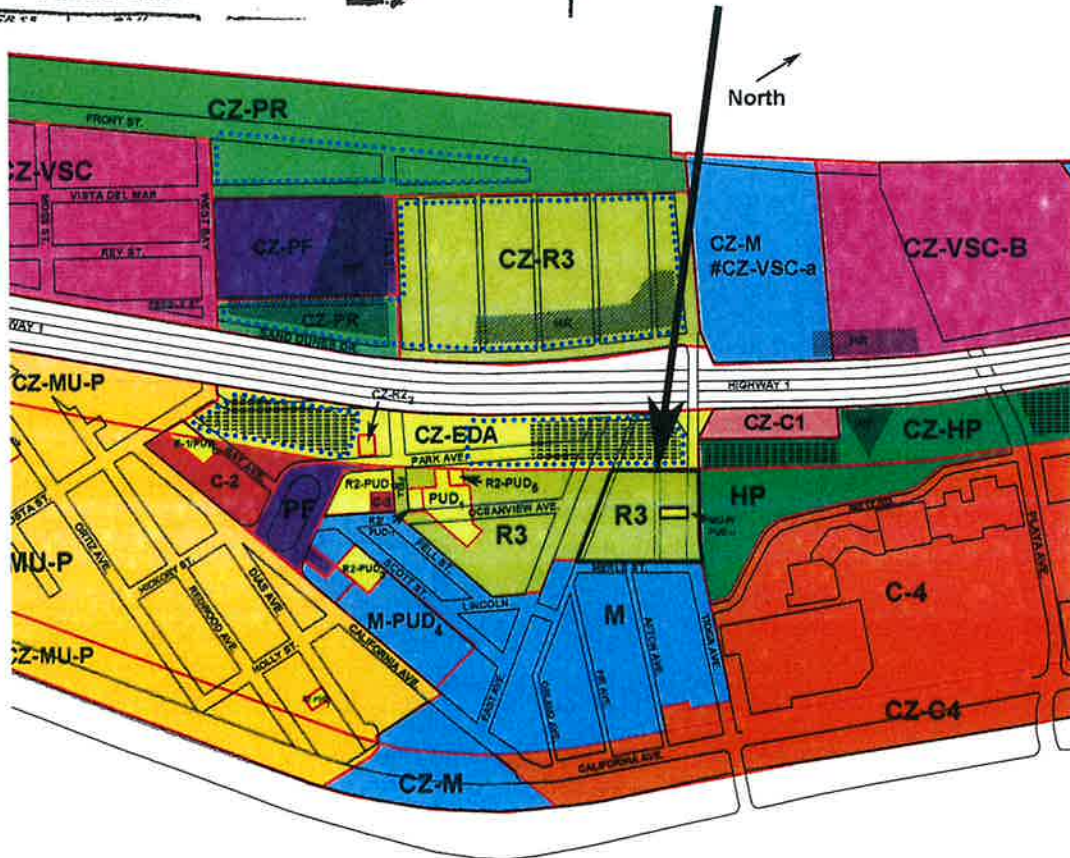
Sand City Ordinance 16-___

Rezoning to R-3 Multi-Family Residential



R-3 (Medium Density Residential)

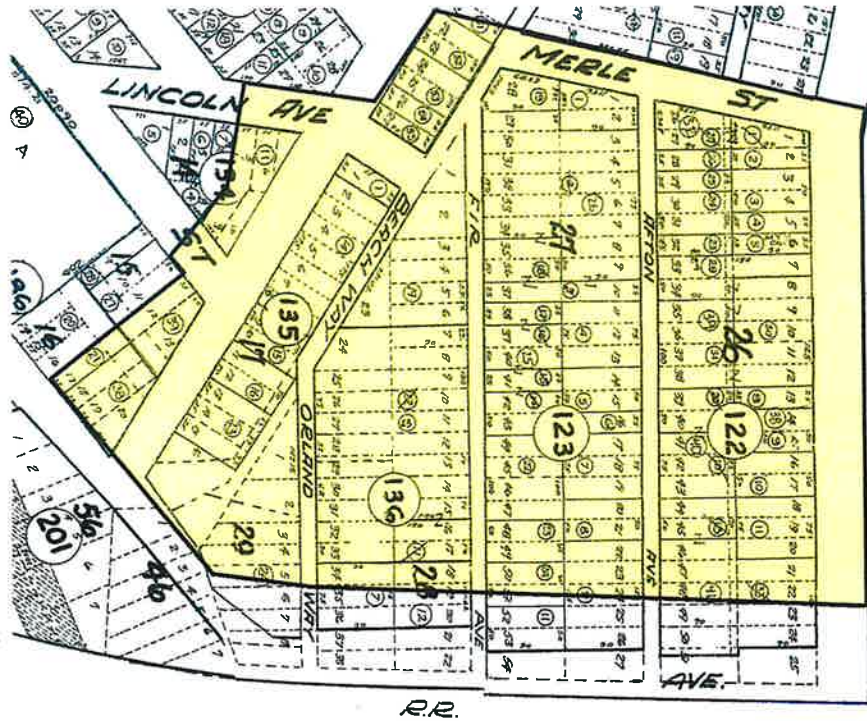
Zoning Map to be updated, as illustrated below, to show the new R3 zoning for the subject properties



ORDINANCE EXHIBIT B

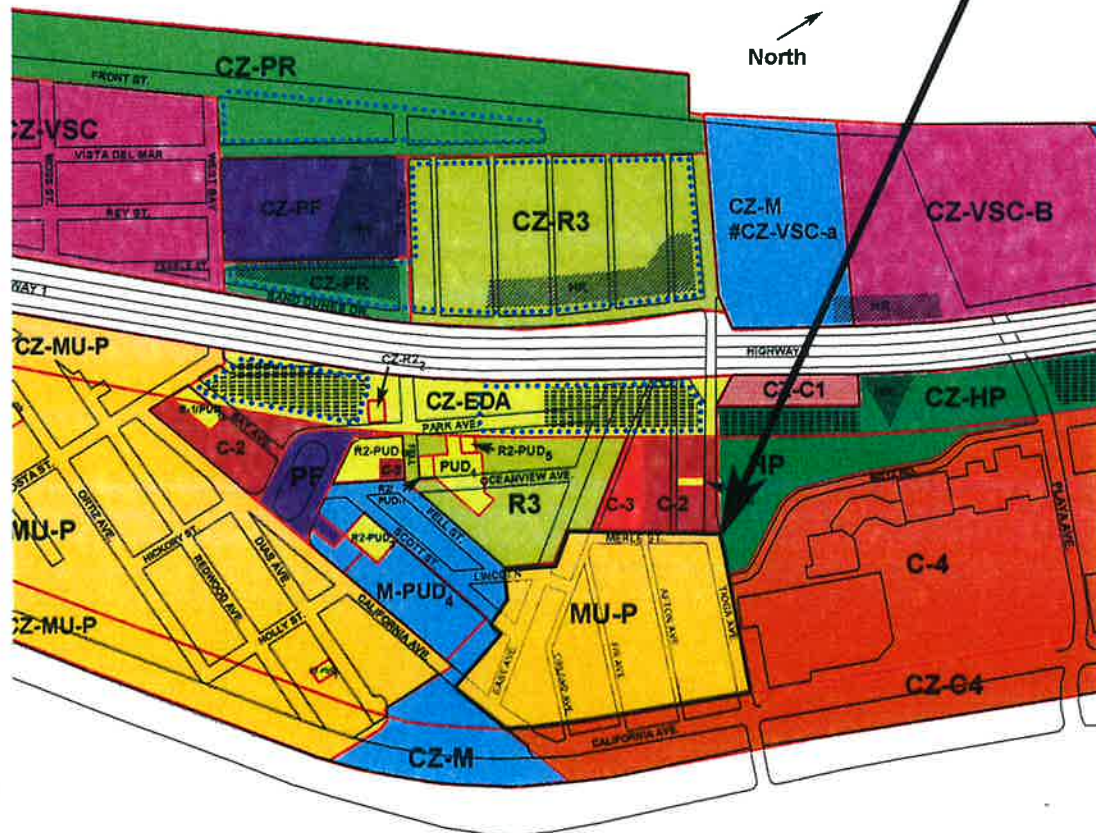
Sand City Ordinance 16-___

Rezoning to MU-P Planned Mixed-Use



← MU-P (Planned Mixed-Use)

Zoning Map to be updated, as illustrated below, to show the new MU-P (Mixed-Use) zoning for the subject properties



AGENDA ITEM

8B

MEMO

To: Honorable Mayor and City Council Members
From: Todd Bodem, City Administrator
Date: December 8, 2016
Subject: 2nd Reading – Ordinance to increase the rate of Transient Occupancy Tax imposed in Sand City from Eight to Twelve Percent

Background

At the December 6, 2016 Council meeting, the City Council adopted for the first reading an ordinance increasing the rate of the Transient Occupancy Tax from 8 to 12 percent. No concerns were identified or discussed at the December 6th public hearing, nor was there any public comment received. The ordinance requires Council adoption for a second reading. If approved by Council, the ordinance shall become effective thirty (30) days from and after its final passage and adoption.

Alternative Considerations

If the City Council has any reservations to increase the Transient Occupancy Tax, this is the time to consider alternatives to either postpone the increase in the Transient Occupancy Tax until a hotel is in the process of being constructed or to study the transient occupancy tax rate amount. The Council could provide staff with additional direction.

Recommendation

Staff recommends adoption (for second reading) of the attached ordinance increasing the rate of the Transient Occupancy Tax from 8 to 12 percent.

Attached:

1. Staff Report, Dated November 17, 2016
2. Draft Ordinance (as adopted for 1st reading on December 6, 2016)

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 17, 2016
Subject: Introduce Ordinance for First Reading to Increase the Transient Occupancy Tax (TOT) Rate from 8% to 12%

Overview

Sand City is developing revenue strategies intended to support the City's priorities, core services, and goals. Our City has repeatedly highlighted the need to make infrastructure improvements, maintenance, enhance community/economic development; which are among the City's highest priorities moving forward.

Sand City has not witnessed the development of a hotel since its inception, and has therefore not received any Transient Occupancy Tax (TOT). Now that the Monterey Bay Shores (MBS) resort development project received approval from the California Coastal Commission, this proposed large scale resort development is making the dream come closer to reality; and will help make Sand City a tourist destination. The MBS project will be located on the northwestern corner of the City fronting the ocean. This development would be a significant revenue source through TOT; a general tax levied upon hotel guests. California law allows cities and counties to levy a TOT on visitors occupying rooms at hotels, motels, inns, and other lodging facilities for occupancies of less than 30 days.

Measure F (increase of Transient Occupancy Tax to a maximum of 14%)

On July 18, 2000, the Sand City Council approved a ballot proposition for the November 7, 2000 election to increase the tax rate on hotel occupancies. Measure F was approved by an ordinance by the people of the City of Sand City Council from time to time and at any time to increase the rate of tax charged for occupancy in any hotel in Sand City to not exceed more than 14%, or to decrease the rate of that tax to not less than 8%. This resulted in a majority vote with 41 in favor and 29 against. The City passed a Resolution on December 5, 2000 approving the canvassing of the votes in the November 7, 2000 General Election. That vote was necessary to raise the tax under Proposition 218.

The Measure, now codified under Chapter 3.24, currently sets the tax rate at 8%; however, the City Council can now, under the approved ballot measure, take action to increase the TOT anywhere within the 8 to 14 percent range.

It has been the City's practice to maintain tax rates similar to those in surrounding jurisdictions in order to be competitive to the other City's businesses in the region's economy.

Effective TOT Rates of those jurisdictions on the Monterey Peninsula are as follows:

<u>City</u>	<u>Rate</u>
Marina	12%
Seaside	12%
Carmel	10%
Del Rey Oaks	10%
*Monterey	10%
Pacific Grove	10%
Salinas	10%

Source: Coleman Advisory Services computation using State Controller Reports

**Note: The City of Monterey TOT rate is 10%. However, all hotels pay an additional rate to cover the financing of the remodel of the conference center. Depending on location and level of service, hotels will pay additional 4.15%, 1.5% or 0.8% for the next 20 years.*

Conclusion

Sand City's TOT rate of 8% is clearly lower than the average of the State of California and those Monterey Peninsula jurisdictions averaging above 11%. By setting the transient occupancy tax amount that is commensurate to the surrounding jurisdictions is fair and equitable to hotel owners and the City.

Public Meeting

A public meeting was properly noticed and held, in accordance with Governmental Code Section 54954.6, where public comment was received on November 1, 2016:

- Developer Ed Ghandour said that an increase to the TOT would adversely affect the competitive advantage of the City because it would result in a lower occupancy rate; therefore, less revenue received. He recommended that the City maintain an 8% TOT for five years until the resort stabilizes before considering an increase.
- Mayor Pendergrass stated that raising the TOT to 10% would almost meet the average of surrounding cities, but the Budget and Personnel Committee recommends 12%.

Recommendation

That the City Council would consider an Ordinance increasing the rate of the Transient Occupancy Tax from 8 to 12 percent.

Transient Occupancy (Hotel) Taxes

There were 16 measures to increase general purpose Transient Occupancy (Hotel) Taxes. Twelve passed. Companion advisory measures as to use of funds in Palm Desert and Blythe apparently did not help enough.

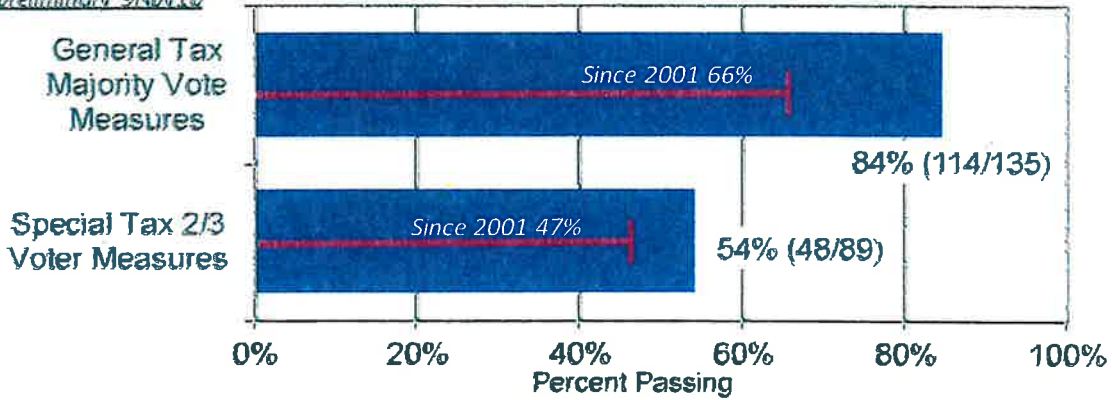
Transient Occupancy Tax Tax Measures: Majority Vote General Use					
Agency Name		Rate	YES%	NO%	
Los Gatos	Measure T	by 2% to 12%	81.8%	18.2%	PASS
Laguna Beach	Measure LL	by 2% to 12%	79.0%	21.0%	PASS
Watsonville	Measure J	by 1% to 11%	74.6%	25.5%	PASS
Palm Desert	Measure T	by 2% to 11%	73.9%	26.1%	PASS
Moreno Valley	Measure L	by 5% to 13%	71.4%	28.6%	PASS
County of Sonoma - unincorp	Measure L	by 3% to 12%	68.3%	31.7%	PASS
San Leandro	Measure PP	by 4% to 14%	68.0%	32.1%	PASS
Point Arena	Measure AC	by 2% to 12%	66.3%	33.7%	PASS
Soledad	Measure F	by 4% to 12%	62.3%	37.7%	PASS
Fort Bragg	Measure AA	by 2% to 12%	58.2%	41.8%	PASS
County of Santa Barbara - unincorp	Measure B	by 2% to 12%	51.9%	48.1%	PASS
San Clemente	Measure OO	by 3% to 13%	50.5%	49.5%	PASS
San Jacinto	Measure BB	by 4% to 12%	48.3%	51.7%	FAIL
El Centro	Measure Q	by 3% to 13%	41.5%	58.5%	FAIL
Auburn	Measure J	by 2% to 10%	41.1%	58.9%	FAIL
California City	Measure T	by 4% to 10%	38.3%	61.7%	FAIL

Five other TOT measures in four other cities were earmarked measure for specific purpose, making it a special tax, fairly unusual for a TOT, most of which are general purpose. Only Healdsburg approved it's 2 percent increase for affordable housing. The others were defeated decisively including the football stadium and tourism measures in San Diego.

Transient Occupancy Tax Tax Measures: Two-thirds Vote Special Purpose							
City	Measure	Rate	Use	YES%	NO%		
Healdsburg	Measure S	by 2% to 14%	affordable housing	68.1%	31.9%	PASS	increase
Indian Wells	Measure GG	by 1% to 12.25%	golf resort	59.6%	40.4%	FAIL	increase
Colton	Measure T	by 2.5% to 12.5%	recreation facilities	43.6%	56.4%	FAIL	increase
San Diego	Proposition C	by 6% to 16.5%	football stadium	43.0%	57.0%	FAIL	increase
San Diego	Proposition D	by 5% to 15.5%	tourism/marketing	40.4%	59.6%	FAIL	increase

City / County / Special District Tax & Bond Measures November 2016 -

preliminary 9 Nov 16

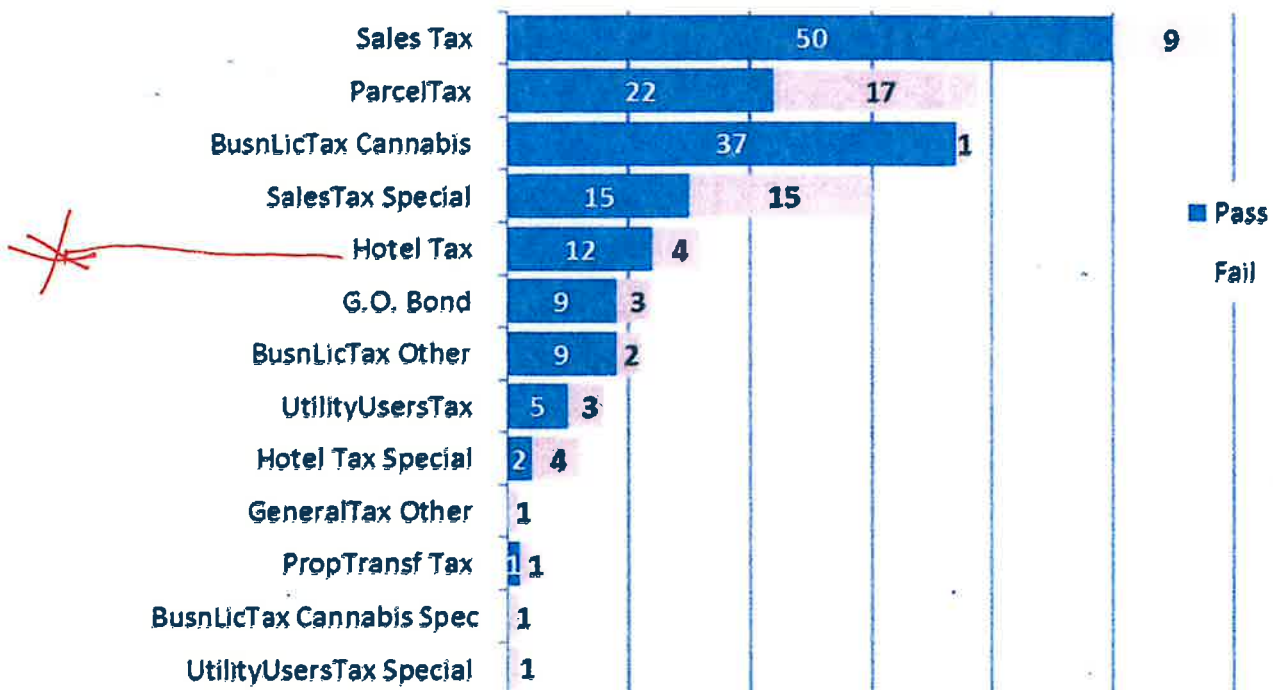


Measure Outcome by Category

Among non-school local measures, the most common type of measure was a majority vote add-on sales tax (transactions and use tax). Fifty of the 59 passed. By contrast, just half of the 30 special sales tax measures appear to have passed.

Passing and Failing City / County / Special District Measures by Type November 2016

Preliminary pending final counts



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**CITY OF SAND CITY
ORDINANCE NO ____, 2016**

**AN ORDINANCE OF THE CITY COUNCIL OF SAND CITY TO INCREASE THE RATE
OF TRANSIENT OCCUPANCY TAX IMPOSED IN SAND CITY FROM EIGHT
PERCENT TO TWELVE PERCENT**

WHEREAS, Chapter 24 of Title 3 of the Sand City Municipal Code imposes a transient occupancy tax (TOT) for general municipal purposes; and,

WHEREAS, at a general election held on November 7, 2000, a majority of the electors in Sand City approved ballot measure F which *"allows the City Council to act by ordinance from time to time and at any time to increase the rate of tax charged for occupancy in any hotel in Sand City to not more than 14% or to decrease the rate of that tax to not less the 8%...."*; and

WHEREAS, following approval by the electors of Sand City, the authority granted to the City Council to increase and decrease the rate of transient occupancy tax in a range between eight percent (8%) and fourteen percent (14%) was codified at Section .030 and Section .050 of Chapter 24 of Title 3 of the Sand City Municipal Code; and

WHEREAS, the rate of transient occupancy tax currently imposed for general municipal purposes in Sand City is eight percent (8%); and

WHEREAS, a recent survey shows neighboring Monterey Peninsula cities impose a transient occupancy tax ranging from ten percent (10%) to twelve percent (12%); and

WHEREAS, the Budget and Personnel Committee at their September 7, 2016 meeting, recommended that the rate of transient occupancy tax imposed in Sand City should be increased from eight percent (8%) to twelve percent (12%) in order to assist in the funding of general municipal expenses; and

WHEREAS, the City Council finds that the rate of transient occupancy tax imposed in Sand City should be increased to assist in the funding of general municipal expenses; and

WHEREAS, a public meeting was properly noticed and held, in accordance with Governmental Code Section 54954.6, where public comment was received on November 1, 2016.

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

SECTION 1: Pursuant to the authority granted to the City Council by the electors of Sand City, from and after the effective date of this ordinance, the rate of tax imposed by Sections .030 and .050 of Chapter 24 of Title 3 of the City Municipal Code shall be twelve percent (12%).

SECTION 2: The City Clerk is hereby authorized and directed to codify the provisions of Section 1 of this ordinance in the Sand City Municipal Code.

SECTION 3: Pursuant to the authority granted to the City Council by the electors of Sand City, the City Council hereby reserves the right to increase or decrease the rate of transient occupancy tax charged imposed in Sand City to not more than fourteen percent (14%) and not less than eight percent (8%).

SECTION 4: The City Council finds that the adoption of this ordinance is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guideline 15273.

SECTION 5: Effective Date

This Ordinance shall become effective thirty (30) days from and after its final passage and adoption.

PASSED AND ADOTPED, by the City Council of Sand City, this ____ day of December, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

David K. Pendergrass, Mayor

Linda K. Scholink, City Clerk

AGENDA ITEM

9B

MEMO

To: Honorable Mayor and City Council Members
From: Todd Bodem, City Administrator
Date: December 9, 2016
Subject: Discussion and Update on Successor Agency

BACKGROUND

As part of the 2011 Budget Act, and in order to protect funding for core public services at the local level, the Legislature approved the dissolution of the State's Redevelopment Agency (RDA). After a period of litigation, RDAs were officially dissolved as of February 1, 2012. Resulting from the elimination of the RDAs, property tax revenues are now used to pay required payments on existing bonds, other approved obligations, and pass-through payments and minimum administrative costs. The remaining property tax revenues are now being allocated to the various taxing jurisdictions.

To help facilitate the wind-down process, Successor Agencies (SA) were established to manage redevelopment projects, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

The Department of Finance (DOF) is responsible for implementation of the RDA dissolution statutes, (AB) x1 26, AB 1484, AB 471, and SB 107, and oversees the winding-down of the SAs.

ROPS Submitted Annually

The Annual Recognized Obligation Payment Schedule (ROPS) submission date is February 1, 2017 to the DOF. DOF will issue a determination on the annual ROPS amount by April 15, 2017 for a distribution to Sand City's Redevelopment Property Tax Trust Fund (RPTTF). Sand City's Oversight Board (OB) will continue to review SA actions, after which time countywide oversight boards will provide direction and approval to the Sand City SA. The Sand City OB will meet in January 2017 to approve the Annual ROPS for fiscal year 2017-2018, after which time the County OB takes over.

Long Range Property Management Plan Implementation

On December 30, 2015, DOF approved the Agency's use or disposition of all five properties/entitlements discussed in the Long Range Property Management Plan (LRPMP). The approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency. Implementation is under way; but work is still needed for the following:

Carroll Property. Efforts of the City Engineer, City Attorney, and City Administrator worked to negotiate the sale of 6 of the 14 lots. The grant deed, easement agreement, and sale/purchase agreement is in final review for Council approval. Once the lots are sold, the revenue shall be divided and distributed to each taxing entity. The remaining 8 lots will remain as public parking and public purpose at no cost to the City. It is

anticipated that the City Council will approve the purchase and sale of the 6 lots to the developer sometime in January 2017.

Community Garden. Transfer for Governmental use as a park and possible future parking. Transfer at no cost to the City.

Sewer Pump Site. This property shall be offered to DBO Development as part of the South of Tioga development at its fair market value. Sales revenue generated by this property shall be divided and distributed to each taxing entity.

McDonald Site. The City will continue to hold title to the property in order to fulfil an enforceable obligation. If King Ventures exercises its rights to terminate the Development & Disposition Agreement (DDA), then the City will exercise its right to transfer the title pursuant to the Certificate of Participation (COP), or if the City does not exercise its right to take title, the SA will sell the property and the proceeds from the sale will be first used to satisfy the approximately \$1.4 million obligation to King and any balance of the sales proceeds will be distributed to the Monterey County Auditor/Controller.

Public Easements at 'the Independent' Transfer for Governmental Use.

The OB meeting will be held sometime in January 2017, and will be the last meeting under local control, but the implementation of the real property assets of the former redevelopment agency will still be governed by the approved Plan.

It will be difficult for City staff to complete the disposition of all of these real property assets prior to the next OB meeting, SA actions will more than likely go to the countywide OB. With the help of City staff, this shall be a high priority in early 2017.

Loan Agreement between the City and Successor Agency

In 1989, the City loaned the RDA money to make payments to Costco Wholesale, Inc. and the City of Seaside. The City intended that the RDA repay that loan with any future tax increment. In 1996, the City authorized a loan from the City to the RDA to cover the RDA's share of annual administrative and operating costs.

In January 2017, the SA should request the OB to approve loan agreements between the City and the SA as an enforceable obligation under the Dissolution Act; wherein the SA would pay back those loans. Per the Dissolution Act, the loan agreements must include a payment schedule.

The City Council should direct staff, with the help of the City Attorney to develop a loan agreement between the City and the SA as part of its implementation of the winding down of business and fiscal affairs of the former RDA for approval at the January 2017 OB meeting.

City staff will bring additional information to the meeting for discussion purposes.

**AGENDA ITEM
10A**

**SUCCESSOR AGENCY
RESOLUTION SA _____, 2016**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAND CITY
REDEVELOPMENT AGENCY AUTHORIZING ITS EXECUTIVE DIRECTOR TO
ENTER INTO AN AGREEMENT TO SELL CERTAIN REAL PROPERTY TO URBAN
ATELIER, LLC**

WHEREAS, the Long Range Property Management Plan (the "LRPMP") of the Successor Agency to the Sand City Redevelopment Agency was approved by the Oversight Board of the Successor Agency by Oversight Board Resolution OB 15-11, 2015 and the LRPMP was subsequently approved by the California Department of Finance on December 30, 2015;

WHEREAS, the LRPMP authorizes the sale of a portion of the Carroll Property identified in the LRPMP as Lots 13, 14, 15, 16, 17 and 18 in Block 30 as said Lots and Block are shown on that certain map entitled, "Map of East Monterey, Monterey County, Cal. Surveyed by W. C. Little", filed October 18, 1887 in the office of the county recorder of the County of Monterey, State of California in Volume 1 of Maps, "Cities and Towns", at Page 22 to Urban Atelier to be used for parking purposes;

NOW, THEREFORE, the Board of the Successor Agency to the Sand City Redevelopment Agency hereby Resolves as follows:

1. The Executive Director of the Successor Agency is hereby authorized and directed to enter into an agreement for Purchase and Sale of Real Property with Urban Atelier, LLC in substantially the form attached hereto marked Exhibit "A" and by this reference incorporated herein, and to take all actions necessary to close the sale subject of the agreement.

**PASSED AND ADOPTED BY THE SUCCESSOR AGENCY TO THE SAND CITY
REDEVELOPMENT AGENCY** this 20th, day of December, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

David K. Pendergrass, Chairman

Linda K. Scholink, Clerk

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

This Agreement for Purchase and Sale of Real Property (“PSA”) is made the date last written below (the “**Effective Date**”) by and between the Successor Agency to the Sand City Redevelopment Agency, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California (“**Seller**”), and Urban Atelier, LLC, a California limited liability company (“**Buyer**”).

RECITALS

A. Seller is the owner of certain real property commonly known as the “**Carroll Property**”, identified as Lots 1, 3, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 in Block 30 as said Lots and Block are shown on that certain map entitled, “Map of East Monterey, Monterey County, Cal. Surveyed by W. C. Little”, filed October 18, 1887 in the office of the county recorder of the County of Monterey, State of California in Volume 1 of Maps, “Cities and Towns”, at Page 22 (the “**East Monterey Map**”).

B. Pursuant to Seller’s Long Range Property Management Plan prepared pursuant to California Health and Safety Code section 34191.5, approved by Resolution OB 15-11, 2015 by Seller’s Oversight Board and the California Department of Finance on December 30, 2015, Seller is authorized to sell a portion of the Carroll Property to Buyer and transfer title to the balance of the Carroll Property to the City of Sand City.

C. Buyer is the owner of a mixed commercial/residential use building commonly known as the Independent located on property formerly owned by the Sand City Redevelopment Agency and more particularly described on Exhibit “A” attached hereto and by this reference incorporated herein (the “**Independent Property**”).

D. Seller desires to sell that portion of the Carroll Property identified as Lots 13, 14, 15, 16, 17 and 18 in Block 30 on the East Monterey Map (the “**Subject Property**”) to Buyer provided that the use of the Subject Property is restricted to off-site vehicle parking for commercial uses at the Independent Property. That portion of the Carroll Property which does not include the Subject Property is referred to herein as the “**Seller’s Retained Property.**”

E. Buyer desires to buy the Subject Property from Seller subject to a condition restricting its use to the provision of off-site vehicle parking for commercial uses at the Independent Property (the “**Parking Use Restriction**”). The Parking Use Restriction shall be set forth in the Grant Deed.

F. Seller desires to retain the following easements over the Subject Property for the benefit of Seller's Retained Property (collectively, the "**Beneficial Seller Easements**"):

(1) a non-exclusive easement for surface water drainage purposes over Lots 13 and 14 in Block 30 as shown on the East Monterey Map;

(2) a non-exclusive easement for use, maintenance, repair and replacement of existing storm water drainage facilities located on the land described in Exhibit "B" attached hereto and by this reference incorporated herein.

(3) a non-exclusive easement over the westerly five (5) feet of Lot 14 in Block 30 as shown on the East Monterey Map for the purpose of maintaining and repairing an existing metal building located on Lots 10 and 12 in Block 30 as shown on the East Monterey Map.

G. Buyer desires to acquire from Seller a non-exclusive easement appurtenant to the Subject Property to use the existing storm drainage facilities now located on the Seller's Retained Property (i.e., Lots 1, 3, 5, 7, 9, 10, 11 and 12 in Block 30 on the East Monterey Map) (the "**Buyer Storm Drain Easement**").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

1. Sale and Purchase. Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all of Seller's right, title and interest in and to the Subject Property referred to hereinabove.

2. Purchase Price. Buyer agrees to pay to Seller the sum of THREE HUNDRED EIGHTEEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$318,750) for the Subject Property (the "**Purchase Price**") in cash at closing of the escrow referred to in paragraph 3 ("**Closing**").

3. Escrow. The parties have opened an escrow with Old Republic Title Company in Monterey, California (the "**Escrow Holder**") to consummate this transaction (Escrow No. 0724016400). Closing shall occur no later than forty-five (45) days after the Effective Date. This time may be extended by mutual written agreement of the parties.

A. Seller shall pay the documentary transfer tax for transfer of title from Seller to Buyer.

B. Seller shall pay the premium for a CLTA owner's policy of title insurance. Buyer shall pay the cost of any endorsements or coverage not included in a CLTA owner's policy.

C. Fees charged for the services of the Escrow Holder shall be paid equally by Buyer and

Seller.

4. Title.

A. Prior to recordation of the Grant Deed referred to in paragraph 4.B., Seller shall cause a Notice of Voluntary Lot Merger in the form attached hereto marked Exhibit "C" and by this reference incorporated herein to be recorded in the official records of Monterey County, California, obtain approval of a Certificate of Compliance from the City of Sand City in the form attached hereto as Exhibit "D" and by this reference incorporated herein (the "**Certificate of Compliance**") and cause said approved Certificate of Compliance to be recorded in the official records of Monterey County, California.

B. At Closing, Seller shall convey title to the Subject Property to Buyer by grant deed in the form attached hereto marked Exhibit "E" ("**Grant Deed**").

C. At Closing, Buyer and Seller agree to enter into that certain Agreement Regarding Easements attached hereto marked Exhibit "F" and by this reference incorporated herein in order to provide for a grant from Buyer to Seller of the Beneficial Seller Easements and a grant from Seller to Buyer of the Buyer Storm Drain Easement.

D. Buyer agrees to accept title to the Subject Property from Seller subject to the following covenants, conditions and restrictions:

(1) Those matters identified as exceptions and exclusions to title in the Title Report approved by Buyer as provided in paragraph 6.A of this PSA.

(2) Those matters set forth in the Grant Deed.

(3) Those matters set forth in the Agreement Regarding Easements.

E. At Closing, Seller shall furnish to Buyer a C.L.T.A. standard coverage owner's policy of title insurance showing title vested in Buyer in accordance with this paragraph 4.

5. Possession and Condition of Subject Property

Seller shall deliver possession of the Subject Property to Buyer at Closing free and clear of any and all possessory interests. Seller shall remove all personal property from the Subject Property, regardless of its value, prior to delivering possession of the Subject Property to Buyer.

6. Conditions Precedent to Closing

A. Buyer's obligations to consummate the purchase of the Subject Property, and to close Escrow, are conditioned upon satisfaction of each of the following conditions precedent, which

are for the benefit of Buyer and may be waived in whole or in part by Buyer. In the event each of the following conditions are not satisfied or waived prior by Closing, the parties shall automatically be released from all obligations arising under this PSA.

(1) Buyer's investigation and approval, in Buyer's absolute discretion, of the physical condition of the Subject Property within thirty (30) days following the Effective Date.

(2) Buyer's approval of a Title Report for the Subject Property issued by the Escrow Holder after recording of the Certificate of Compliance referred to in paragraph 6.B(1) and prior to Closing.

(3) Recordation of the Certificate of Compliance as provided in paragraph 4.A.

B. Seller's obligation to consummate the sale of the Subject Property and to close Escrow is conditioned upon satisfaction of the following conditions precedent, which are for the benefit of Seller and may be waived in whole or in part by Seller.

(1) Recordation of the Certificate of Compliance as provided in paragraph 4.A.

(2) The adoption of finding by Seller prior to Closing, that its sale of the Subject Property is exempt from the requirements of the California Environmental Quality Act, or that such sale under the terms of this PSA will not have a significant impact on the environment.

(3) Buyer's payment of the Purchase Price to Seller.

7. Seller's Representation and Warranty. Seller hereby warrants and represents to Buyer that to the best of Seller's knowledge, there is no litigation, action, suit, arbitration, claims proceeding or governmental investigation in law or equity pending or threatened, with respect to the Subject Property or against Seller which would prevent Seller from performing its obligations hereunder.

8. Miscellaneous Provisions

A. Except as otherwise provided herein, between the date hereof and the date of close of Escrow, Seller shall maintain the Subject Property in the condition it exists as of the date of this PSA. In the event of any damage to the Subject Property prior to the close of Escrow, Buyer may, in Buyer's absolute discretion, accept conveyance of the Subject Property in such damaged condition provided Seller assigns to Buyer all Seller's rights concerning such damage (including any insurance claim).

B. Buyer shall purchase the Subject Property solely on the basis of Buyer's own inspection of the Subject Property including all title, structural and soil conditions on the Subject Property. Subject to satisfaction of the conditions precedent in paragraph 6.A., the Subject

Property shall be sold to Buyer AS IS, where is, with all faults and with no right of setoff or reduction in the Purchase Price, and except for Seller's representations above, such sale shall be without representation or warranty of any kind, express or implied (including, without limitation, warranty of income potential, operating expenses, uses, merchantability or fitness for a particular purpose), Seller disclaims and renounces any such representation or warranty.

C. The Parties warrant and represent to one another that no real estate broker or salesperson or any other person was the procuring cause of this PSA. Buyer agrees to hold Seller harmless from any claim for a commission "finder's fee" or the like based on any alleged agreement between Buyer and any third party. Seller agrees to hold Buyer harmless from any claim for a commission "finder's fee" or the like based on any alleged agreement between Seller and any third party.

D. This PSA and the Exhibits incorporated herein constitutes the entire agreement between Buyer and Seller and supersedes any prior written or oral agreement between the parties, and may not be modified except in writing signed by the all the parties.

E. This PSA shall inure to the benefit of and bind successors and assigns of the all the parties hereto.

F. This PSA, and all the provisions hereof, shall survive the close of Escrow and shall continue to bind all the parties according to the terms hereof.

G. All notices and demands shall be given in writing either by personal service or by registered or certified mail return receipt requested, or for overnight delivery, postage and fees prepaid (or charged to the sender's account), when delivered to the United States Post Office, Federal Express or United Parcel Service, as the case may be, or by electronic transmission with a confirmation copy delivered by mail or overnight delivery as aforesaid. Notice shall be considered given on the date received by personal service or transmitted electronically, or the date appearing on the return receipt, but if the receipt is not returned, within three (3) days after being mailed. Notices shall be addressed as shown below for each party, except that, if any party gives notice of a change of name or address, notices to that party shall thereafter be given as shown in that notice.

Buyer:

Urban Atelier, LLC
Attn: Donald B. Orosco
10 Harris Court, Suite B-1
Monterey, CA 93940
Tele: (831) 649-0220
Email: dbo@oroscogroup.com

With copies to:

Lyles Diversified, Inc.
Attn: Gerald V. Lyles
1210 W. Olive
P.O. Box 4376
Fresno, CA 93744
Tele: (559) 441-1900
Email: glyes@lidico.com

Seller:

Mr. Todd Bodem,
Executive Director
Successor Agency to the Sand City Redevelopment Agency
1 Sylvan Park
Sand City, CA 93955
Tele: (831) 394-3891
Email: TBodem@SandCity.org

H. In the event that it becomes necessary to commence any legal proceeding to enforce any part of this PSA, the prevailing party in such legal proceeding shall be entitled to a reasonable attorneys' fee in addition to any other remedy available to said prevailing party. "Prevailing party" shall mean and include without limitation (i) a party who dismisses an action in exchange for sums allegedly due; (ii) a party who receives performance from the other party of an alleged breach of covenant or a desired remedy where such performance is substantially equal to the relief sought in an action; or (iii) the party determined to be the prevailing party by a court of competent jurisdiction. This PSA has been entered at Sand City, California and any action brought to enforce or interpret this PSA, or the subject matter hereof, shall be brought and maintained in the Superior Court of the State of California, in and for the County of Monterey.

- I. Time is of the essence of this PSA.
- J. This PSA may be executed in counterparts.

[signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this PSA as of the date(s) and year set forth below.

SELLER:

Successor Agency to the Sand City Redevelopment Agency, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California

Dated: _____

By: _____
Todd Bodem, Executive Director

ATTEST:

Linda Scholink, Clerk

BUYER:

Urban Atelier, LLC, a California limited liability company

Dated: _____

By: _____
Donald B. Orosco, Co-Trustee of the Orosco Family Trust dated June 28, 1977, as amended, Member

Dated: _____

Mary Kay Orosco, Co-Trustee of the Orosco Family Trust dated June 28, 1977, as amended, Member

By: Lyles Diversified, Inc., a California corporation, Member

Dated: _____

By: _____
John P. Leonardo, Vice-President

List of Exhibits

- Exhibit A: Description of Independent Property
- Exhibit B: Description of area reserved for storm drain facilities
- Exhibit C: Notice of Voluntary Merger
- Exhibit D: Certificate of Compliance
- Exhibit E: Grant Deed
- Exhibit F: Agreement Regarding Easements

Exhibit A
Description of Independent Property

Exhibit B
Description of area reserved for storm drain facilities

Exhibit C
Notice of Voluntary Merger

Exhibit D
Certificate of Compliance

Exhibit E
Grant Deed

Exhibit F
Agreement Regarding Easements

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Urban Atelier, LLC
10 Harris Court, Suite B-1
Monterey, CA 93940

OFFICIAL BUSINESS
Document entitled to free
Recording pursuant to
Cal. Gov. Code Sec. 6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned Grantor declares that the Documentary Transfer Tax is \$ _____ computed on the full value of property conveyed.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **SUCCESSOR AGENCY TO THE SAND CITY REDEVELOPMENT AGENCY**, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California ("**Grantor**"), hereby **GRANTS TO URBAN ATELIER, LLC**, a California limited liability company ("**Grantee**"), the real property located in the City of Sand City, County of Monterey, State of California, described on Exhibit "A" attached hereto and by this reference incorporated herein (the "**Subject Property**").

1. Grantee shall refrain from restricting the rental, sale or lease of the Subject Property or improvements thereon, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. All deeds, leases or contracts for the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the Subject Property shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

In deeds:

"The grantee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee itself or any person claiming under or through it, 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, subtenants, sublessees or vendees in the land herein conveyed. The foregoing shall run with the land."

In leases:

“The lessee 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 race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself, 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.”

In contracts:

“There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, 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, subtenants, sublessees or vendees of the land.”

2. The Subject Property may only be used for vehicular parking by the owners, customers, invitees and licensees of commercial businesses located in the mixed-use development now known as the Independent located on the real property described in Exhibit “B” attached hereto and by this reference incorporated herein. In the event that the use of the property identified as Lots 21, 22, 23, 24, 25 and 26 in Block 31 of that certain map entitled, “Map of East Monterey, Monterey County, Cal. Surveyed by W. C. Little”, filed October 18, 1887 in the office of the county recorder of the County of Monterey, State of California in Volume 1 of Maps, “Cities and Towns”, at Page 22 (the “**East Monterey Map**”) is irrevocably restricted to vehicular parking by the owners, customers, invitees and licensees of commercial businesses located in the mixed-use development now known as the Independent located on the real property described in Exhibit B, the use of the Subject Property shall then be restricted to vehicular parking by the owners, customers, invitees and licensees of commercial businesses located in Sand City.

3. No portion of the Subject Property may be used for any purpose which would provide the basis for exempting the Subject Property or any portion thereof from property taxation under California law, without the prior written consent of the City of Sand City.

4. The covenants, conditions and restrictions contained herein shall run with and

burden the Subject Property, and all obligations, terms, conditions, and restrictions hereby imposed shall be deemed to be covenants and restrictions running with the land and shall be effective limitations on the use of the Subject Property from the date of recordation of this Deed and shall bind the Grantor and the City of Sand City, and the Grantee, respectively, and all of their successors and assigns. The terms, covenants, conditions, exceptions, obligations, and reservations contained in this Grant Deed shall be binding upon and inure to the benefit of the Grantor and the City of Sand City, and the Grantee, respectively, and all of their successors and assigns of the parties named herein, whether voluntary or involuntary.

5. In the event that it becomes necessary to commence any legal proceeding to enforce any part of the foregoing covenants, conditions or restrictions, the prevailing party in such legal proceeding shall be entitled to a reasonable attorneys' fee in addition to any other remedy available to said prevailing party. "Prevailing party" shall mean and include without limitation (i) a party who dismisses an action in exchange for sums allegedly due; (ii) a party who receives performance from the other party of an alleged breach of covenant or a desired remedy where such performance is substantially equal to the relief sought in an action; or (iii) the party determined to be the prevailing party by a court of competent jurisdiction.

Mail Tax Statements to Grantee at address above.

Delet

Successor Agency to the Sand City Redevelopment Agency, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California

Dated: _____

By: _____
Todd Bodem, Executive Director

ATTEST:

Linda Scholink, Clerk

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Todd Bodem, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Linda Scholink, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Successor Agency to the Sand City
Redevelopment Agency
1 Sylvan Road
Sand City, CA 93955

OFFICIAL BUSINESS
Document entitled to free
Recording pursuant to Cal.
Gov. Code Sec. 6103

AGREEMENT REGARDING EASEMENTS

This Agreement Regarding Easements (“**Agreement**”) is made by and between the Successor Agency to the Sand City Redevelopment Agency, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California (“**Successor Agency**”) and Urban Atelier, LLC, a California limited liability company (“**Urban Atelier**”).

RECITALS

A. Successor Agency has conveyed fee simple title to certain real property described in Exhibit “A” attached hereto and by this reference incorporated herein to Urban Atelier (the “**Urban Atelier Property**”).

B. Successor Agency desires to grant to Urban Atelier a non-exclusive easement for use of existing storm drain facilities located on the Successor Agency Property (as defined below), all as further set forth in this Agreement.

C. Urban Atelier desires to grant to Successor Agency non-exclusive easements over the Urban Atelier Property for surface water drainage, storm drainage, and access for maintenance purposes, all as further set forth in this Agreement.

D. The parties now desire to grant the easements described in Recitals B and C, inclusive, and to further provide for their respective rights and obligations with respect to said easements.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Effective Date. This Agreement shall become effective upon recording of the Grant Deed from the Successor Agency to Urban Atelier vesting title to the Urban Atelier Property in Urban Atelier.

2. Grant of Easements.

A. Urban Atelier Storm Drain Easement. Successor Agency hereby grants to Urban Atelier a non-exclusive easement for use of existing storm drain facilities (the “**Urban Atelier Storm Drain Easement**”) now located on the real property identified as Lots 1, 3, 5, 7, 9, 10, 11 and 12 in Block 30 of that certain map entitled, “Map of East Monterey, Monterey County, Cal. Surveyed by W. C. Little”, filed October 18, 1887 in the office of the county recorder of the County of Monterey, State of California in Volume 1 of Maps, “Cities and Towns”, at Page 22 (the “**East Monterey Map**” and such property being referred to herein as the “**Successor Agency Property**” and described in Exhibit “B” attached hereto and by this reference incorporated herein). The Urban Atelier Storm Drain Easement shall be appurtenant to fee title to the Urban Atelier Property.

B. Successor Agency Easements. Urban Atelier hereby grants to Successor Agency the following easements:

(a) a non-exclusive easement for surface water drainage purposes described in Exhibit “C” attached hereto and by this reference incorporated herein over Lots 13 and 14 in Block 30 as shown on the East Monterey Map (the “**Successor Agency Storm Water Easement**”). The Successor Agency Storm Water Easement shall be appurtenant to fee title to the Successor Agency Property.

(b) a non-exclusive easement for use, maintenance, repair and replacement of existing storm water drainage facilities located on the land described in Exhibit “D” attached hereto and by this reference incorporated herein (the “**Successor Agency Storm Drain Easement**”). The Successor Agency Storm Drain Easement shall be appurtenant to fee title to the Successor Agency Property.

(c) a non-exclusive easement described in Exhibit “E” attached hereto and by this reference incorporated herein over the westerly five (5) feet of Lot 14 in Block 30 as shown on the East Monterey Map for the purpose of maintaining and repairing an existing metal building located on Lots 10 and 12 in Block 30 as shown on the East Monterey Map (the “**Metal Building Access Easement**”). The Metal Building Access Easement shall be appurtenant to fee title to real property identified as Lots 10 and 12 on the East Monterey Map.

3. Maintenance of Storm Drain System. Successor Agency and Urban Atelier shall cooperate in the maintenance of the storm drain system located on the Urban Atelier Property and the Successor Agency Property.

4. Termination of Easements.

A. The Urban Atelier Storm Drain Easement, Successor Agency Storm Water Easement and Successor Agency Storm Drain Easement shall all terminate upon the earlier of: (i) development of the Urban Atelier Property for a primary use other than

surface level vehicle parking; or (ii) development of the area encumbered by the Urban Atelier Storm Drain Easement for a primary use other than surface level vehicle parking.

B. The Metal Building Access Easement shall terminate when the existing metal building is removed from Lots 10 and 12 as shown on the East Monterey Map.

C. Upon the termination of any easements granted pursuant to this Agreement, the benefited party (i.e., the grantee) shall deliver to the other party (i.e., the grantor) a duly executed and notarized easement termination agreement and/or quit claim deed for recordation within ten (10) days of written request therefor.

5. Survival of Covenants, Conditions and Restrictions. The covenants, conditions and restrictions contained herein shall run with and burden the Urban Atelier Property and Successor Agency Property, and shall bind Successor Agency and Urban Atelier, respectively, and all of their successors and assigns. The terms, covenants, conditions, exceptions, obligations, and reservations contained in this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties named herein, whether voluntary or involuntary.

6. Remedies. In addition to any other remedy available at law or in equity for the breach of any obligation contained in this Agreement, the parties agree that a court of competent jurisdiction may order specific performance of any obligation of either party undertaken herein.

7. Attorney Fees. In the event that it becomes necessary to commence any legal proceeding to enforce any part of the foregoing covenants, conditions or restrictions, the prevailing party in such legal proceeding shall be entitled to a reasonable attorneys' fee in addition to any other remedy available to said prevailing party. "Prevailing party" shall mean and include without limitation (i) a party who dismisses an action in exchange for sums allegedly due; (ii) a party who receives performance from the other party of an alleged breach of covenant or a desired remedy where such performance is substantially equal to the relief sought in an action; or (iii) the party determined to be the prevailing party by a court of competent jurisdiction.

8. Severability. If for any reason any portion of this Agreement shall be declared null, void, or unenforceable by a court of competent jurisdiction, it is intended that the remaining provisions of this Agreement shall continue to be valid and enforceable.

[signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date(s) and year set forth below.

Successor Agency to the Sand City Redevelopment Agency, a public agency organized and existing pursuant to the Community Redevelopment Law of the State of California

Dated: _____

By: _____
Todd Bodem, Executive Director

ATTEST:

Linda Scholink, Clerk

Urban Atelier, LLC, a California limited liability company

Dated: _____

By: _____
Donald B. Orosco, Co-Trustee of the Orosco Family Trust dated June 28, 1977, as amended, Member

Dated: _____

Mary Kay Orosco, Co-Trustee of the Orosco Family Trust dated June 28, 1977, as amended, Member

By: Lyles Diversified, Inc., a California corporation, Member

Dated: _____

By: _____
John P. Leonardo, Vice-President

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Todd Bodem, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Linda Scholink, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Donald B. Orosco, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____, 2017, before me, _____, a notary public, personally appeared Mary Kay Orosco, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Name

Exhibit A
Urban Atelier Property

Exhibit B
Successor Agency Property

Exhibit C
Description of Successor Agency Storm Water Easement Area

Exhibit D
Description of Successor Agency Storm Drain Easement Area

Exhibit E
Description of Metal Building Access Easement Area

AGENDA ITEM

10B

MEMORANDUM

To: Mayor Pendergrass and City Council
From: Chief Brian Ferrante
Date: 12/1/2016
Re: Prospective Police Officer Pay Grade

BACKGROUND

The Sand City Police Department has one current job opening as a result of recent restructuring of the organization. The Department also anticipates an officer retirement on January 1, 2017 which will create an additional opening. The Department has conducted testing to fill the positions and has identified a qualified candidate for one of the positions.

The testing process resulted in the unanimous selection of eight year police veteran Officer Matt Blackmon. He is currently employed as a Seaside Police Officer. He was hired by the Seaside Police Department in June of 2008. In 2016 Officer Blackmon was awarded Seaside Officer of the Year. He has received 22 commendations and letters of appreciation for his exceptional performance throughout his career. He has extensive investigative experience as a general investigations detective, narcotics detective, and detective assigned to PRVNT. Also, as a Seaside officer, he operates on the same radio channel as Sand City Police and has regular interaction with our officers.

RECOMMENDATION

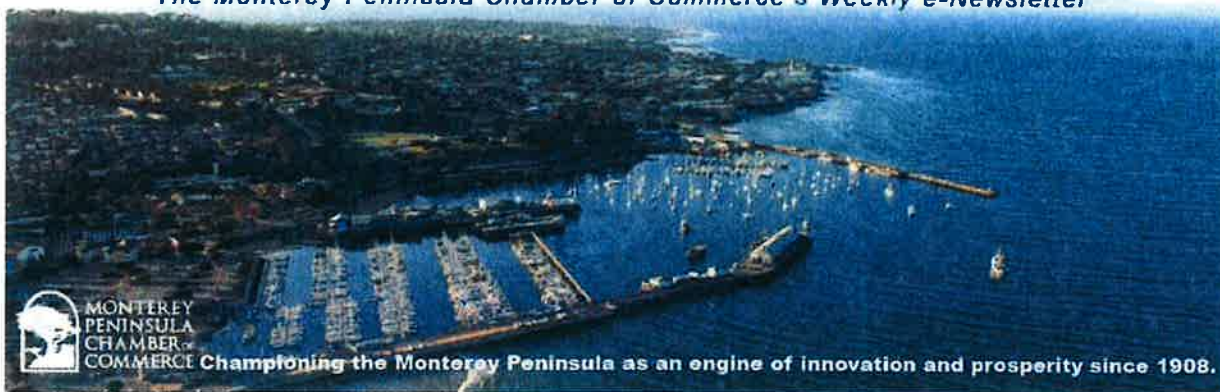
I recommend hiring Mathew Blackmon to the position of Police Officer with the Sand City Police Department. City policy authorizes the Police Chief to bring a new employee in at Step 2 and the City Administrator to authorize entry at Step 3. Anything above Step 3 requires City Council approval. I am recommending that the Council authorize Step 5 for Mathew Blackmon given his experience, history of exceptional performance, and familiarity with Sand City and its officers. At Step 5, Officer Blackmon will be taking a slight pay cut to work for Sand City. However, he is enthusiastic about becoming a member of the Sand City Police family and feels a connection with the City and its officers. We feel that by hiring Mathew Blackmon we will have a fully trained and easily integrated officer who would require minimal training rather than the normal in-service training period of six months.

AGENDA ITEM

10D

CHAMBER CONNECTION

The Monterey Peninsula Chamber of Commerce's Weekly e-Newsletter



IN THIS ISSUE

Save the Dates

Trinity Christian High School Ribbon

Cutting

Holiday Happenings

CHAMBER ANNOUNCEMENTS

Trinity Christian High School Ribbon

Cutting

Affordable Sponsorship

Opportunities for Membership

Luncheon

FROM OUR MEMBERS...

TPO Employment Law and

Leadership Conference

WELCOME NEW MEMBERS.....

Hotel 1110

IN OTHER NEWS

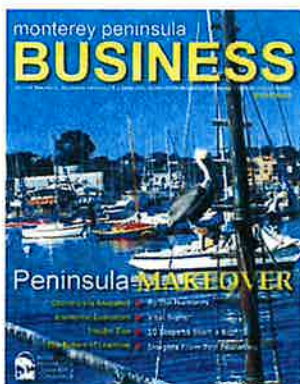
Free Admission to the Aquarium!

New IRS Law

Court Blocks Overtime Rule

Community Coat Drive

2016 BUSINESS
MAGAZINE



SAVE THE DATES...



MEMBERS SAVE BIG WITH
OFFICE DEPOT!

HOLIDAY HAPPENINGS ON THE PENINSULA

Monterey

Ice Skating by the Bay at Custom House Plaza

Every day 11am-11pm until Sunday, January 8, 2017



SAVE THE DATE

2017 SAVE THE DATES

January 24

Annual Membership Luncheon
The Inn at Spanish Bay

March 11

Annual Awards Dinner
Monterey Marriott

July 27

Business Excellence Awards
Portola Hotel & Spa

CHAMBER QUICK LINKS

- [ChamberLink](#)
- [Chamber Events](#)
- [Chamber News](#)
- [Chamber Photos](#)
- [About the Chamber](#)

MONTHLY CHAMBER COMMITTEE MEETINGS

Education

2nd Monday: 3:30pm

Government Affairs

4th Monday: 3:30pm

Marketing

2nd Tuesday: 3pm

Membership

2nd Tuesday: 4pm

Ambassador

3rd Friday: 8am

Economic Vitality

1st Friday: 2:30pm

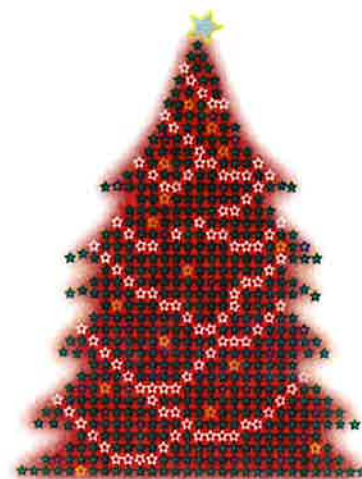
Special Events

Seaside

Seaside's Winter Wonderland and Tree Lighting Ceremony at Seaside City Hall

Friday, December 9, 6-9pm

MORE...



CHAMBER ANNOUNCEMENTS...

TRINITY CHRISTIAN HIGH SCHOOL INSPIRES STUDENTS TO DISCOVER PURPOSE, PASSION & POTENTIAL IN CHRIST



As [Trinity Christian High School \(TCHS\)](#) Head of School **Tim Wong** led Monterey Peninsula Chamber of Commerce Board members, Ambassadors and associates on a tour of their new facility, TCHS Student Body President **Zach Davidson** and Student Body Vice President **Jaida Davi** reiterated that TCHS's small class sizes allow students to get involved, be heard and appreciated more than they would in large classes. TCHS new Belden Street location, highlighted by sweeping views of Monterey Bay, is the ideal setting. You are invited to check out Trinity's new home and learn more about their education philosophies at their *Open House on January 12, 2017, from 6:30-8:30pm. Located at 680 Belden St., Monterey.*

AFFORDABLE MARKETING

Varies per Event

Meetings are subject to change. If you're interested in joining a committee, please contact the Chamber office at 831-648-5350 to confirm time and location.

[Click here to learn more](#)

MPCC VIDEOS



The Humidor Ribbon Cutting



Big Fish Grill Ribbon Cutting



KW Coastal Estates Ribbon Cutting



2016 Airport-Rodeo Mixer



Monterey Peninsula Surgery Center's 35th Anniversary (Video by Adam Joseph)

SPONSORSHIP OPPORTUNITY!

Annual Membership Luncheon

January 24, 2017

The Inn at Spanish Bay



For \$50, a **MEMBER MARKETING SPONSORSHIP** includes a mention in our program and an opportunity to place your choice of marketing materials (brochures, coupons, giveaways and/or promotional items) into tote bags that will be distributed to all Membership Luncheon attendees-we anticipate more than 280 members.

MEMBER MARKETING SPONSORSHIP DEADLINE - JANUARY 13, 2017

(all tote bag items must be delivered to the Chamber office no later than THURSDAY, JANUARY 19, 2017)

If you would like to participate, [CLICK HERE](#) or contact Member Relations Manager Joy Anderson: (831) 648-5388 or joy@montereychamber.com

FROM OUR MEMBERS...

Have You Registered Yet?



13TH ANNUAL!

EMPLOYMENT LAW AND LEADERSHIP CONFERENCE

January 19, 8am-4pm Embassy Suites Monterey Bay

Use Code MPCC for DiscountRate of \$249!!

TPO featuring the Saqui Law Group will guide you through an informative day, balancing both Legal and Leadership Best Practices to prepare you for 2017!

PLUS... four timely afternoon sessions and clinic:

-THE DIGITAL REVOLUTION AT WORK - 2017: Are You Keeping Up?!

-HR Q&A: Balancing both Legal and Leadership Perspectives!

-CONFIRMING THE VALUE OF HR: The Big Picture - The Real-World - Where You Fit!



Wine Experience founder/owner Brent Virgin explains the process

Videos by True Idea Productions unless noted otherwise.

-DELEGATION DONE RIGHT: How to Free-Up Your Time While Developing Others!

-AFTER OBAMA - A "Now What?" Clinic: ACA Compliance and Health Care Administration in the Post-Obama Era!

AFFILIATE SHOWCASE INCLUDES CONTINENTAL BREAKFAST & LUNCH
[Click for more info](#)

WELCOME NEW MEMBERS...

HOTEL 1110

1110 Del Monte Ave.
Monterey, CA 93940
(831) 655-0515
www.hotel1110.com



Hotel 1110 is a small boutique hotel located across the street from Del Monte State Beach with a water-front trail and a brisk walk away from downtown and the wharf. At Hotel 1110, personal hospitality is complemented by offerings of art, design, textile, fixtures and vintage accents. Our guest experiences include culinary services, artisan cocktails, unique packages, roof-top ocean views and a whole lot of fun vibes.

IN OTHER NEWS...

FREE ADMISSION TO THE AQUARIUM FOR TRI-COUNTY RESIDENTS!

Tri-County residents-enjoy FREE admission to the Aquarium December 3-11 during [Community Open House!](#)



It's the Aquarium's way to say "thanks" for helping host visitors to our region. Learn more about the Aquarium's contributions to our community and economy and ocean conservation in their [Guest and Community Highlights](#).

IRS MANDATED TAX DUE DATE CHANGES



The IRS has changed due dates for the upcoming tax filing season. These changes relate to certain tax returns, and informational returns and filings. All due date changes will be in effect for the 2017 filing season (2016 tax year for calendar year-end filers), as summarized [HERE](#).

If you are a Hayashi Wayland client, [please click here](#) to learn how these deadline changes effect our deadlines for you to submit to us the related financial information and support needed to prepare your tax return(s).

COURT BLOCKS FEDERAL OVERTIME RULE

Last week, a federal court in Texas issued a nationwide preliminary injunction blocking the U.S. Department of Labor (DOL) from enforcing the new federal overtime rule which was set to take effect on December 1. [READ MORE](#)



WARMING COMMUNITIES...ONE COAT AT A TIME

Girl Scouts have made donating a coat simple. Just bring your clean, gently used coats and jackets to Del Monte Center from 11am-3pm on Saturdays through December 17th and again on December 31st. Then the Girl Scouts will take care of the rest. All donated coats will be given to the Boys & Girls Club in Seaside and to Dorothy's Kitchen in Salinas for distribution to local people in need. And a special thank you to Del Monte Center and Country Club Cleaners for their continued support for this wonderful cause. [READ MORE](#)



CONTACT US

The Monterey Peninsula Chamber of Commerce
243 El Dorado Street, Suite 200 | Monterey, CA 93940 | 831.648.5350
www.montereychamber.com | info@montereychamber.com

