AGENDA

Joint REGULAR Meeting
Wednesday, February 27, 2019 * 6:00 p.m.
City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a Records Request.

PUBLIC MEETING ACCESS
The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live on Cox Communications-Channel 19, Spectrum(Time Warner)-Channel 24, and AT&T U-verse Channel 99. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City’s Public Meetings webpage.

AGENDA MATERIALS
A full City Council agenda packet including relative supporting documentation is available at City Hall, the Solana Beach Branch Library (157 Stevens Ave.), La Colonia Community Ctr., and online www.cityofsolanabeach.org. Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings. Writings and documents regarding an agenda of an open session meeting, received after the official posting, and distributed to the Council for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be uploaded online with the courtesy agenda posting. Materials submitted for consideration should be forwarded to the City Clerk’s department 858-720-2400. The designated location for viewing of hard copies is the City Clerk’s office at City Hall during normal business hours.

SPEAKERS
Please submit a speaker slip to the City Clerk prior to the meeting, or the announcement of the Section/Item, to provide public comment. Allotted times for speaking are outlined on the speaker’s slip for each agenda section: Oral Communications, Consent, Public Hearings and Staff Reports.

SPECIAL ASSISTANCE NEEDED
In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk’s office (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

CITY COUNCILMEMBERS

David A. Zito, Mayor
Jewel Edson, Deputy Mayor
Judy Hegenauer, Councilmember
Kristi Becker, Councilmember
Kelly Harless, Councilmember
Gregory Wade, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk
SPEAKERS:
Please submit your speaker slip to the City Clerk prior to the meeting or the announcement of the Item. Allotted times for speaking are outlined on the speaker’s slip for Oral Communications, Consent, Public Hearings and Staff Reports.

READING OF ORDINANCES AND RESOLUTIONS:
Pursuant to Solana Beach Municipal Code Section 2.04.460, at the time of introduction or adoption of an ordinance or adoption of a resolution, the same shall not be read in full unless after the reading of the title, further reading is requested by a member of the Council. If any Councilmember so requests, the ordinance or resolution shall be read in full. In the absence of such a request, this section shall constitute a waiver by the council of such reading.

CALL TO ORDER AND ROLL CALL:

CLOSED SESSION REPORT: (when applicable)

FLAG SALUTE:

APPROVAL OF AGENDA:

PROCLAMATIONS/CERTIFICATES: Ceremonial
None at the posting of this agenda

PRESENTATIONS: Ceremonial items that do not contain in-depth discussion and no action/direction.
1. Earl Warren Stormwater Project

ORAL COMMUNICATIONS:
This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today’s agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening’s agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:
An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. - A.7.)
Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.
A.1. Minutes of the City Council.

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held November 28, 2018 and December 19, 2018.

Item A.1. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

A.2. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for January 26 – February 8, 2019.

Item A.2. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.


Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2018-2019 General Fund Adopted Budget.

Item A.3. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

A.4. Transnet Funds Transfer. (File 0390-35)

Recommendation: That the City Council

1. Adopt Resolution 2019-021 approving the transfer of $6,250 of TransNet funds from the Pavement Resurfacing Project (SANDAG MPO ID SB16) to the Stevens-Valley Corridor Improvement Project (SANDAG MPO ID SB17).

Item A.4. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

A.5. Junior Lifeguard Program Surf Class. (File 0270-30)

Recommendation: That the City Council

1. Adopt Resolution 2019-024 to add the Surf Class Junior Lifeguard sessions to the Junior Lifeguard program.

Item A.5. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.
A.6. **Junior Lifeguard Uniform Purchase.** (File 0270-30)

Recommendation: That the City Council

1. Adopt Resolution 2019-026:
   a. Approving the $35,500 purchase from the vendor, QS Wholesale, to add uniform items to the Junior Lifeguard Program store.
   b. Authorizing the City Manager to execute an agreement for the uniform purchase through QS Wholesale.

**Item A.6. Report (click here)**

 Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

A.7. **Assessment District Improvement Funds Closeout.** (File 1010-90)

Recommendation: That the City Council

1. Adopt Resolution 2019-006:
   a. Closing the Cedros Improvement District Redemption Fund.
   b. Declaring a surplus of funds in the District’s Redemption Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

2. Adopt Resolution 2019-007:
   a. Closing the Barbara-Granados Undergrounding District Improvement Fund.
   b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

3. Adopt Resolution 2019-008:
   a. Closing the Pacific Undergrounding District Improvement Fund.
   b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

4. Adopt Resolution 2019-009:
   a. Closing the South Solana Sewer District Improvement Fund.
   b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

**Item A.7. Report (click here)**

 Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

**NOTE:** The City Council shall not begin a new agenda item after 10:30 p.m. unless approved by a unanimous vote of all members present. (SBMC 2.04.070)
B. PUBLIC HEARINGS: (B.1.- B.2.)
This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.1. **Introduce (1st Reading) Ordinance 500 – Affordable Housing** (File 0650-20)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing; Report Council Disclosures; Receive Public Testimony; Close the Public Hearing.

2. Consider introducing **Ordinance No. 500** amending Chapter 17.70 (Affordable Housing) of the Solana Beach Municipal Code (SBMC).

3. Find the project exempt from CEQA under Guidelines 15061(b)(3).

4. Find that the proposed changes to SBMC Chapter 17.70 are consistent with the General Plan and would not be detrimental to the public interest, health, safety, convenience, or welfare of the City as required under SBMC Section 17.76.070.

Item B.1. Report (click here)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.


The proposed project meets the minimum zoning requirements under the SBMC and the PHSP (236 Patty Hill Specific Plan), may be found to be consistent with the General Plan, and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a Development Review Permit (DRP). Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing; Report Council Disclosures; Receive Public Testimony; Close the Public Hearing.

2. Find the project exempt from California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2019-022**conditionally approving a DRP to construct a new single-level, single-family residence with an attached three-car garage and perform associated site improvements at 236 Patty Hill Drive, Solana Beach

Item B.2. Report (click here)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.
C. STAFF REPORTS: (C.1. - C.5.)  
Submit speaker slips to the City Clerk.

C.1. Quarterly Investment Report. (File 0350-44)  
Recommendation: That the City Council  

Item C.1. Report (click here)  
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

C.2. Introduce (1st Reading) Ordinance 501 – Skateboarding in Skate Park at La Colonia (File 0740-20, 0740-80)  
Recommendation: That the City Council  
1. Introduce Ordinance 501 amending Solana Beach Municipal Code (SBMC) section 11.12.020(AA) to allow skateboarding in the designated area of La Colonia being constructed as a skate park.

Item C.2. Report (click here)  
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

C.3. Affordable Housing Development Opportunity Request for Proposals at 140 S. Sierra (File 0490-20, 0650-20)  
Recommendation: That the City Council  
1. Adopt Resolution 2019-023 authorizing the City Manager to issue a Request for Proposals for an affordable housing development on City-owned property located at 140 S. Sierra Avenue, Solana Beach (Distillery Site).

Item C.3. Report (click here)  
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

C.4. Adopt (2nd Reading) Ordinance 485 - City Council Compensation (File 0520-10)  
Recommendation: That the City Council  
1. Adopt Ordinance 485 amending Solana Beach Municipal Code (SBMC) section 2.04.020 to reflect the compensation adjustment to take effect when a new term of office commences in December 2020.

Item C.4. Report (click here)  
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.
C.5. **2019 Annual Citizen Commission Remaining Appointments.** (File 0120-06)

Recommendation: That the City Council

1. Appoint four (4) members to the **Parks and Recreation** Commission nominated/appointed by **Council-at-large** for two-year terms.
   a. Three (3) vacancies for two-year terms until 2021.
   b. One (1) vacancy for a one-year term until 2020.

2. Appoint three (3) members to the **Public Arts** Commission nominated/appointed by **Council-at-large** for the following positions/terms:
   a. Two (2) vacancies for two-year terms until 2021.
   b. One (1) vacancy for a one-year term until 2020.

*Item C.5. Report (click here)*

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**WORK PLAN COMMENTS:**

*Adopted June 13, 2018*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:**

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees]

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

a. City Selection Committee (meets twice a year) Primary-Edson, Alternate-Zito
b. County Service Area 17: Primary- Harless, Alternate-Edson
c. Escondido Creek Watershed Authority: Becker /Staff (no alternate).
d. League of Ca. Cities’ San Diego County Executive Committee: Primary-Becker, Alternate-Harless and any subcommittees.
e. League of Ca. Cities’ Local Legislative Committee: Primary-Harless, Alternate-Becker
g. North County Dispatch JPA: Primary-Harless, Alternate-Becker
h. North County Transit District: Primary-Edson, Alternate-Becker
i. Regional Solid Waste Association (RSWA): Primary-Hegenauer, Alternate-Becker
j. SANDAG: Primary-Zito, 1st Alternate-Edson, 2nd Alternate-Becker, and any subcommittees.
k. SANDAG Shoreline Preservation Committee: Primary-Hegenauer, Alternate-Zito
l. San Dieguito River Valley JPA: Primary-Hegenauer, Alternate-Zito
m. San Elijo JPA: Primary-Zito, Primary-Becker, Alternate-City Manager
n. 22nd Agricultural District Association Community Relations Committee: Primary-Edson, Primary-Harless

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

b. Fire Dept. Management Governance & Organizational Evaluation – Harless, Hegenauer
c. Highway 101 / Cedros Ave. Development Committee – Edson, Becker
d. Parks and Recreation Committee – Zito, Harless
e. Public Arts Committee – Edson, Hegenauer
f. School Relations Committee – Hegenauer, Harless
g. Solana Beach-Del Mar Relations Committee – Zito, Edson
ADJOURN:

Next Regularly Scheduled Meeting is March 13, 2019
Always refer the City’s website Event Calendar for updated schedule or contact City Hall.
www.cityofsolana.beach.org  858-720-2400

AFFIDAVIT OF POSTING
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF SOLANA BEACH

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the February 27, 2019 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on February 21, 2019 at 10:00 a.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 6:00 p.m., February 27, 2019, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk
City of Solana Beach, CA

UPCOMING CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:
Regularly Scheduled, or Special Meetings that have been announced, as of this Agenda Posting. Dates, times, locations are all subject to change. See the Citizen Commission’s Agenda webpages or the City’s Events Calendar for updates.

- **Budget & Finance Commission**
  Thursday, March 21, 2019, 5:30 p.m. (City Hall)
- **Climate Action Commission**
  Wednesday, March 20, 2019, 5:30 p.m. (City Hall)
- **Parks & Recreation Commission**
  Thursday, March 14, 2019, 4:00 p.m. (Fletcher Cove Community Center)
- **Public Arts Commission**
  Tuesday, March 26, 2019, 5:30 p.m. (City Hall)
- **View Assessment Commission**
  Tuesday, March 19, 2019, 6:00 p.m. (Council Chambers)
CALL TO ORDER AND ROLL CALL:
Mayor Zito called the meeting to order at 5:00 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner, Peter Zahn
Absent: None
Also Present: Greg Wade, City Manager
Johanna Canlas, City Attorney

PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):
Report to Council Chambers and submit speaker slips to the City Clerk before the meeting recesses to closed session.

CLOSED SESSION:
1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Pursuant to Government Code Section 54956.9(d)(2)
   Two (2) Potential case(s).
2. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION
   Pursuant to Government Code Section 54956.9(d)(4)
   One (1) Potential case(s).
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Pursuant to Government Code Section 54956.9(d)(2)
   Two (2) Potential case(s)
4. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION
   Pursuant to Government Code Section 54956.9(d)(4)
   One (1) Potential case(s).

ADJOURN:
Mayor Zito adjourned the meeting at 6:10 p.m.
MINUTES

Joint REGULAR Meeting
Wednesday, November 28, 2018 * 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

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CITY COUNCILMEMBERS

David A. Zito, Mayor
Jewel Edson, Deputy Mayor
Lesa Heebner, Councilmember
Judy Hegenauer, Councilmember
Peter Zahn, Councilmember

Gregory Wade
City Manager
Johanna Canlas
City Attorney
Angela Ivey
City Clerk

CALL TO ORDER AND ROLL CALL:
Mayor Nichols called the meeting to order at 6:15 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner, Peter Zahn
Absent: None
Also Present: Greg Wade, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk,
Dan King, Assistant City Manager
Mo Sammak, City Engineer/Public Works Dir.
Marie Berkuti, Finance Manager
Joseph Lim, Community Development Dir.

CLOSED SESSION REPORT:
No reportable action.

FLAG SALUTE:

APPROVAL OF AGENDA:
Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

ORAL COMMUNICATIONS:
This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today’s agenda by submitting a
speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening’s agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Kristine Schindler presented a PowerPoint (on file) and spoke about crossing guard safety, specifically at the corner of Lomas Santa Fe and Santa Helena, where she stood for an hour twice a day monitoring safety issues, and that more than traffic calming measures were needed on Lomas Santa Fe.

Torgon Johnson spoke about meeting with the Mayor and Planning Commissioners of the City of Malibu to discuss the consequences of utilities that cut corners on public safety, the similar safety issues at San Onofre which was just issued a major violation notice by the U.S. Nuclear Regulatory Commission, a request that Council send a letter to State and Federal agencies urging greater safety at San Onofre, that there were two near-misses in July and August that he would summarize in a letter and send to Council tomorrow with suggested action items and the various State and Federal agencies who should be contacted.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:
An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. – A.4.)
Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Minutes of the City Council.
Recommendation: That the City Council


See Approved Minutes http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-06C07C1A81A7&Type=B BASIC
Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

A.2. Register Of Demands. (File 0300-30)
Recommendation: That the City Council

1. Ratify the list of demands for October 20 - November 09, 2018.
Item A.2. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

Solana Beach City Council Regular Meeting Minutes November 28, 2018 Page 2 of 13
Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.


Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2018-2019 General Fund Adopted Budget.

Item A.3. Report (click here)

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

A.4. Public Safety 800 MHz Radios Purchase. (File 0260-40)

Recommendation: That the City Council

1. Adopt Resolution 2018-144:
   a. Authorizing the purchase of 800 MHz radios from Motorola Solutions in the amount of $146,696.
   b. Authorizing an appropriation of $12,243 to the Grant Revenue and the Marine Safety Equipment expenditure accounts in the Public Safety Special Revenue Fund for the use of SHSP funds.
   c. Authorizing an appropriation of $11,274 to the CSA-17 Revenue and the Fire Equipment expenditure accounts in the Public Safety Special Revenue Fund for the use of CSA-17 funds.
   d. Authorizing an appropriation of $3,483 and $18,096 in the Marine Safety and Fire Equipment expenditure accounts, respectively, in the Asset Replacement Fund.
   e. Authorizing the City Treasurer to amend the FY 2018/19 Adopted Budget accordingly.

Item A.4. Report (click here)

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

C. STAFF REPORTS: (C.1.)
Submit speaker slips to the City Clerk.

C.1. Solana Energy Alliance Activities and Operational Results Quarterly Report (File 1010-40)

Recommendation: That the City Council

Solana Beach City Council Regular Meeting Minutes November 28, 2018 Page 3 of 13
1. Receive and file report on Solana Energy Alliance (SEA) Activities and Operations and provide comment and/or direction; and

2. Consider adoption of Resolution 2018-150 authorizing the City Manager to enter into a Professional Services Agreement with Tosdal Law Firm for legal services not to exceed $75,000 in support of SEA.

Item C.1. Report (click here)

Greg Wade, City Manager, introduced the item as the first quarterly update of the Solana Energy Alliance (S.E.A.), and introduced the consultant team, SEA had been operating since June of this year, and performance information will be presented, and that PCIA methodology was still being determined at this time.

Dan King, Assistant City Manager, presented a PowerPoint (on file).

Barbara Boswell, Bayshore Consulting, continued the PowerPoint showing expected net positive results of over one million dollars for the year, feedback from most customers had been positive, and showed “How to Read Your Bill.”

Jeff Fuller, The Energy Authority, continued the PowerPoint reviewing the financial outlook, some regulatory effects on the forecast, the Power Charge Indifference Adjustment (PCIA) exit fee, the rate results summary to date and forecast, five-year impact of existing vs. proposed methodology, and the Energy Risk Management Policy.

Ty Tosdal, Tosdal Law Firm, Regulatory Special Counsel for SEA, continued the PowerPoint reviewing the high priority regulatory proceedings and activity.

Greg Wade, City Manager, stated that a proposed central buyer was coming into play because all load serving entities had to procure their own resource adequacy, that SEA had procured its resource adequacy for all of 2019, and continued the PowerPoint.

Council, Staff, and Consultants discussed opportunities to close the gap of future potential deficits, potential savings, utilizing savings, congestion costs, that all obligations would be met, setting rates, central buyer concept and its pros and cons, storage of energy, congestion and revenue rights, and forecasting conservatively.

Public speakers

Al Evans spoke about living in Solana Beach since 1975, the comprehensive Staff Report, the lower electrical rates were good, the ongoing concern by many of such a complicated oversight for such a small city, being unconvinced there was no increase in overhead for the City, concern that the demand would be higher for less supply as more CCAs formed, being told there would be no cost to the City but a loan was made and now $75k was being spent for legal fees, wondering if it were true that 93.8% of the energy being used in Solana Beach was being provided by the SEA program since when the switch was flipped it all came from SDG&E through the transmission lines, concern about the call center experience, concern
about increase in energy cost and PCIA, and his hopes that the program would be successful,
but still had some of the same concerns as before.

Lane Sharman spoke about his first introducing the idea in to the City, recognize PCIA was a
market aberration, paying for energy not used would burn off over time and the PCIA would
evaporate eventually, the benefit of increasing of the green gas-free content and reducing the
renewable content, the difference between renewable and greenhouse gas-free was large
hydro, urging Council to ask for a scenario for 2019 as a way of meeting deficits, the amazing
budget and consultants making the program successful, and honoring participants opting up
to 100%.

Alan Barnebey spoke about the S.E.A. entering into partnerships with other local entities to
enhance the financial position, wondering what the relationship was between Calpine Data
Manager and the large Calpine Energy Company, and hoped that SEA was not purchasing
energy from the larger Calpine Energy.

Tracy Richmond spoke of his support, to consider joining others to mitigate the PCIA, their
ability to collect funds for future use that SEA customers were not using and would never use
because they were not SDG&E customers any longer, the bill needing to be improved
greatly, now that he went to solar and does not receive any bill or notices from anyone and
the thought someone owes him money, the better rates and the increase in renewables,
were great, and the overall purpose was to save the planet.

Greg Wade, City Manager, explained that SEA had about 500 net energy metering (NEM)
customers in the City, 100 were net surplus generators, that a challenge with the NEM bill
was that SDG&E could not show NEM charges, that it was being worked on to get everyone
a notice, but in the meantime, SEA was tracking the credits and usage of NEM customers,
and that Barb Boswell had and would speak with anyone regarding their bill.

Thomas Heywood spoke of his support for the CCA, proud that Solana Beach was doing it,
that it was very popular in northern California and there was a track record for it, the issues
with San Onofre, the overcharges, benefit to have more local control than in the hands of
SDG&E, pushing sources of alternative storage, not wanting to use natural gas, energy
needing to be 100% renewable, and his bill being reasonable using solar.

Greg Wade, City Manager, stated that the initial loan that was made to front Staff and legal
costs, negotiate with the consulting team, establish a lock box and enterprise fund to protect
to City’s general fund, work of Barb Boswell of Bayshore Consulting who had extensive
experience on the matters, internal Staff work, upfront mailing costs, establishing a website
for public information and outreach, all in order to establish the CCA. He said that the City
would reimburse itself from revenue made from the CCA, with full payment due in July 2019.

Council, Staff, and Consultants discussed the call center tracking quality, weekly reports,
addressing customers’ needs and inquiries, including some call center information at
quarterly reports, that a rule last year would delay any future CCE’s from serving load, which
was after the City filed its implementation plan to the P.U.C. by end of the calendar year, they
could launch the following year, many cities were going through their technical studies at this
time which would come out soon, that the City was in constant contact with other CCA’s
sharing experiences, and continued discussion on potential opportunity for future partnerships.

Santiago Chuck, Calpine, stated that Calpine Energy Solutions was a subsidiary of Calpine Corp. which was based in San Diego and were a data manager services, customer contact center services, for 16 operating CCAs in the State of California, and were not involved with power procurement part.

Jeff Fuller, The Energy Authority, stated that he did not know offhand if they had procured energy from Calpine for Solana Beach but knew that they had procured from them for other CCAs, and would look into it.

Barb Boswell, consultant, stated that there were restrictions with how the bill could be presented, that a request had been submitted to SDGE for changes and some were made quickly and some would come in February, and some were taken under advisement, that it was due to the way that their billing was set up which did not include 3rd party billing, that changing the order and the calculation was challenging, that legislation was written requiring the CCA to work with them, that this was not unique to the SDGE territory, one benefit of the bill was that SDGE did present what they would have charged the customer, which was not true in other areas,

Greg Wade, City Manager. stated that SDGE was a partner, there were many meetings for the year prior to the launch, that SDG&E did create some systems because they were obligated to do so, that they were still making system upgrades, and they had identified a large budget impact to bring them fully operable.

Ty Tosdal spoke about regulations and restrictions of billing, which had to be a joint function, would have to be changed to create a better bill, initial CCAs having similar issues, the City of Lancaster’s many challenges, and the billing being a historically contentious point and required some effort to work through.

Discussions continued regarding their looking into a scenario of a distinction between renewable and greenhouse gas-free and would be bringing back with information on whether there would be any benefits and savings, bringing back a cumulative net position related to costs and liabilities and seeing when it moves beyond that start-up costs, going into more work with Tosdal Law Firm and about to discuss with San Diego and north county cities to see if any interest in sharing some costs, and the positives including lower rates, better renewables, local control.

Motion: Moved by Councilmember Zahn and second by Councilmember Heebner to approve. Approved 5/0. Motion carried unanimously.

Mayor Zito recessed the meeting at 8:10 p.m. for a break and reconvened at 8:15 p.m.

B. PUBLIC HEARINGS: (B.1. – B.3.)
This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be
supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.1. Public Hearing: Fire Mitigation, Park and Public Use Facilities Development Impact Fees. (File 0390-23)

Recommendation: That the City Council


2. Introduce Ordinance 492 establishing the Fire Mitigation Impact Fee (FMIF).

3. Introduce Ordinance 493 establishing the Park Development Impact Fee (PDIF).

4. Introduce Ordinance 496 establishing the Public Use Facilities Impact Fee (PUFIF).

5. Adopt Resolution 2018-147:
   b. Establishing the FMIF and determining that the FMIF shall be paid based upon the use of land set forth in the Summary of Development Impact Fee Rates table included in the Nexus Report, dated July 2, 2018.
   c. Establishing that the FMIF shall become effective upon the effective date of Ordinance 492.
   d. Establishing the PDIF and determining that the PDIF shall be paid based upon the use of land set forth in the Summary of Development Impact Fee Rates table included in the Nexus Report, dated July 2, 2018.
   e. Establishing that the PDIF shall become effective upon the effective date of Ordinance 493.
   f. Establishing the PUFIF and determining that the PUFIF shall be paid based upon the use of land set forth in the Summary of Development Impact Fee Rates table included in the Nexus Report, dated July 2, 2018.
   g. Establishing that the PUFIF shall become effective upon the effective date of Ordinance 496.

Item B.1. Report (click here)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

Greg Wade, City Manager, introduced the item.

Marie Berkuti, Finance Manager, introduced the item and the consultants Scott Thorpe and Chu Thai, from Revenue and Cost Specialists.

Chu Thai, consultants, presented a PowerPoint (on file) reviewing development fees that can help mitigate impacts in the community.
Marie Berkuti, Finance Manager, continued the PowerPoint (on file).

Greg Wade, City Manager, said that two of the three proposed fees already existed since pre-incorporation of the City, and that the facilities fee was the new proposed fee.

Mayor Zito opened the public hearing.

Council disclosures.

Council, Staff, and Consultants discussion included that fees were paid at the time of the building permit application, the park fee accounting for the newly acquired acreage at La Colonia Park, a remodel tearing down and adding in a different location would be the increase of square footage, tracking fees paid and applying any credit due for the ongoing change in square footage of a property, matching the fees to future ongoing CPI (Consumer Price Index) increases and potential cap of the increase per year, factoring in visitors to public lands in the transient occupancy tax which all benefited the public lands and sand replenishment, and 1% for public art.

Discussion continued regarding a cap to the CPI increase, lower the fees or applying a scale due to the number of affordable units, capping fees on developments having to add fire sprinklers, capping fee for remolds at 75% of new home construction, once application was complete the fees should be settled instead of later in case the fees had increased, and existing projects deemed complete being subject to the former fees.

Motion: Moved by Mayor Zito and second by Councilmember Heebner to close the public hearing. Approved 5/0. Motion carried unanimously.

Motion: Moved by Mayor Zito and second by Councilmember Heebner to approve with modifications capping the CPI cap at 2 1/2%, that designated affordable units with a 55-year deed restriction would be subject to a fee reduction for those units (1-5 units = 50% reduction, 6-9 units = 75% reduction, and 10+ units = fees waived), waive fire fee for remodels requiring fire sprinkler systems, cap remodel construction at 75% of the fee of new home construction fees, and the new fees would not apply to projects applications deemed complete at the time of each new fee increase. Approved 5/0. Motion carried unanimously.

B.2. Public Hearing: City’s Schedule of Fees Update Fiscal Year 2018-19. (File 0390-23)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing; Report Council Disclosures; Receive Public Testimony; Close the Public Hearing.


Item B.2. Report (click here)

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Greg Wade, City Manager, introduced the item.

Marie Berkuti, Finance Manager, introduced the item and consultants.

Chu Thai, consultants, presented a PowerPoint (on file).

Mayor Zito opened the public hearing.

Motion: Moved by Councilmember Heebner and second by Councilmember Zahn to close the public hearing. Approved 5/0. Motion carried unanimously.

Council, Staff, and Consultants discussed specifying a block party's street closure fee differently and at the standard special event fee, capping an annual CPI at 2 1/2%, increasing or maintain the initial $600 filing fee for View Assessment Applications, and refunding only a portion of the filing fee if claimants pull the applications less than two weeks before the scheduled View Assessment Commission meeting.

Motion: Moved by Councilmember Heebner and second by Councilmember Zahn to approve with modifications of discussed specifying a block party street closure fee at $50, capping an annual CPI at 2 1/2%, maintaining the initial $600 filing fee for View Assessment Applications, and refunding only a portion of the filing fee if claimants pull the applications less than two weeks before the scheduled View Assessment Commission meeting. Approved 5/0. Motion carried unanimously.

B.3. Public Hearing: Mixed Use Development Northwest Corner of Highway 101 and Dahlia Drive, Applicant: Zephyr Partners, Case 17-14-08. (File 0610-60)

This Item was removed from the Agenda.

C. STAFF REPORTS: (C.2. - C.6.)
Submit speaker slips to the City Clerk.

C.2. Adopt (2nd Reading) Ordinance 489 – Mayoral Duties. (File 0410-90)
Recommendation: That the City Council
1. Adopt Ordinance 489 adding Section 2.04.015 to the Solana Beach Municipal Code, which would codify Mayoral duties as set out in state law.

Item C.2. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

Councilmember Heebner proposed to add a reference to Council Policy 5 regarding appointment protocol to Boards, Committees, and Commissions and that the Ordinance would be re-Introduced at this meeting due to this modification.

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve re-introduce the ordinance with modifications adding reference to Council Policy 5. Approved 5/0. Motion carried unanimously.
Motion: Moved by Councilmember Heebner and second by Councilmember Zahn to move Item C.6. before Item C.3. Approved 5/0. Motion carried unanimously.

C.6. Adopt (2nd Reading) Ordinance 491 adding Subsection 17.72.110(E) to the Solana Beach Municipal Code to Exempt City and City-Sponsored Projects. (File 0600-95)

Recommendation: That the City Council

1. Adopt Ordinance 491 adding subsection 17.72.110(E) to make the expiration and extension requirements of section 17.72.110 inapplicable to City and City-sponsored projects.

Item C.6. Report (click here)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

Motion: Moved by Councilmember Zahn and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

C.3. Introduce (1st Reading) Ordinance 495 – Shared Mobility Program. (File 0840-40)

Recommendation: That the City Council

1. Introduce Ordinance 495 establishing the guidelines for the Shared Mobility Plot Program.

Item C.3. Report (click here)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

Greg Wade, City Manager, introduced the item.

Dan King, Assistant to the City Manager, presented a PowerPoint (on file).

Kristine Schindler spoke about being a member of BikeWalkSolana, moving forward on this item, her involvement the City of Encinitas’ effort for this program, would help with public outreach, education, and community bike rides.

Council and Staff discussed the intention to utilize one vendor, the same rates as other cities, to negotiate whether the city program would be dock or dock-less, geo-fenced areas for parking, and including in the RFI (Request For Information) to apply issues directly with the operator as a provision.

Motion: Moved by Councilmember Heebner and second by Councilmember Hegenauer to approve. Approved 5/0. Motion carried unanimously.

C.4. Introduce (1st Reading) Ordinance 497 – Sidewalk Vending. (File 0390-45)

Recommendation: That the City Council
1. Find this action is exempt from the CEQA pursuant to Sections 15061(b)(3) and 15378(b)(5) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

2. Introduce Ordinance 497 adding Chapter 4.52 “Sidewalk Vending” to the Solana Beach Municipal Code.

Item C.4. Report (click here)

Greg Wade, City Manager, introduced the item.

Joe Lim, Community Development Director, said that it would establish a sidewalk vending program to permit and regulate sidewalk vending in compliance with the state bill, included regulations to ensure no interference with emergency services, flow of vehicle or pedestrian traffic, maintain reasonable use and maintenance of sidewalks, maximize the public’s access to and along the coast, and reduce exposure to claims and litigation, ensure access to individuals with disabilities, and provide for regulations of hours of operation, locations, restrictions, and prohibitions in some instances.

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. Approved 5/0. Motion carried unanimously.

C.5. Citizen’s Initiative Petition for a Proposed Ordinance Regarding Commercial Cannabis (Marijuana) Retailers in Non-Residential Zones and Deliveries/Cultivation in All Zones. (File 0430-15)

Recommendation: That the City Council

1. Provide direction on Council’s course of action regarding the eligible petition:
   a. Adopt Ordinance 494 relating to use of the Commercial Cannabis (Marijuana) Retailers in Non-Residential Zones and Deliveries/Cultivation in All Zones Retailers in Non-Residential Zones and Deliveries/Cultivation in All Zones; or
   b. Submit Ordinance 494 to the voters at the next general election, November 3, 2020; or
   c. Order a report and return within 30 days to a City Council meeting.

Item C.5. Report (click here)

Greg Wade, City Manager, introduced the item.

Angela Ivey, City Clerk stated that a Notice of Intent to Circulate a Petition was filed, a Ballot Title and Summary was prepared and provided to the proponent, published in the paper, and petitions were submitted prior to the deadline, that signature verification and review of all petition requirements resulted in a Certification of Sufficiency, and that the item was now before Council to consider the three options.
Terry-Ann Skelly submitted a handout (on file) and spoke about parenting of her children in the City, the proposal was overreaching and took control away from the City, wondered where the retail outlets would be placed, and encouraged Council to take the time to order a 30-day report.

Megan Rapp spoke about being a high school senior, her participation in the San Dieguito Alliance program Team Presenters who had never used alcohol or drugs and spoke to schools, commercial marijuana businesses in the area making their job more difficult to sway kids from the use of drugs and instead tempt them, her concern about the promotional advertising for vaping oils, candies, cookies, and drinks, and asked Council to ensure a safe and healthy community.

Judy Strang spoke about spending the entire day at a public health conference about tobacco and marijuana issues, that San Dieguito Alliance supported Option C to order a report, that La Colonia Changers wrote a note to them sharing their concern if commercial marijuana businesses were allowed.

Kelly McCormick spoke about being a parent of 2 teenagers, running a youth mentoring program, advocating for public health policies that supported young adults becoming productive members of society, the ballot initiative putting young people, residents, and businesses of the City at risk, the industry peddling a federally illegal psychoactive drug, the THC content of many products sold would be at 90% and designed to appeal to young people, pot shops normalizing marijuana use, the deceiving ballot initiative language that would actually allow cultivation, manufacturing, and retail sales of recreation marijuana, the law already allowing medical pot exchange between patients and caregivers, residents already being allowed to grow up to 6 plants in their homes, that initiative having a dramatic impact in the character and reputation of Solana Beach, and her request that Council take the time to conduct a study so voters would be better informed.

Peggy Walker spoke about her support for Option C, her work in youth tobacco, alcohol, and drug use prevention in educational institutions, her concern about the impact of pot shops on the youth, her concerns as a resident of the impact on the community character, and the business sector, the initiative proposing land use rules serving the commercial marijuana industry and not Solana Beach, removing control from Council who were elected to set public policy, being contrary to a healthy lifestyle and family friendly environment, it overstepping Prop 64 which promised that cities would retain control over their land use and make decisions about marijuana businesses locally, it allowing pot shops in five zoning areas including office professional impacting a large part of a 4x4 sq. mi. City, and ordering a report could show it might affect businesses, community redevelopment plans, real estate values, public safety, tourism, character of the community, costs to permit, operations, violations, and penalties, signage, advertising, security, nuisance abatement, odor mitigation, traffic and parking, loitering, and other potential issues.

Council discussed that putting it to the vote of the people would occur in 2020, which allows time to address the concerns stated in a future report without the time constraint, a future report would be more recent and relative at election time, that social media in Solana Beach reported deceptive ballot initiative tactics, and support of looking into the issues.
Motion: Moved by Councilmember Heebner and second by Mayor Zito to approve submitted the initiative to a vote at the November 2020 General Election. **Approved 5/0.** Motion carried unanimously.

**COMPENSATION & REIMBURSEMENT DISCLOSURE:** None

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**ADJOURN:**

Mayor Zito adjourned the meeting at 10:09 p.m.

Angela Ivey, City Clerk

Approved: ___________________
CALL TO ORDER AND ROLL CALL:
Mayor Zito called the meeting to order at 6:03 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner, Kristi Becker, Kelly Harless
Absent: Peter Zahn
Also Present: Greg Wade, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk
Dan King, Assistant City Manager
Mo Sammak, City Engineer/Public Works Dir.
Marie Berkuti, Finance Manager
Joe Lim, Community Development Dir.

FLAG SALUTE:

APPROVAL OF AGENDA:
Motion: Moved by Councilmember Hegenauer and second by Councilmember Heebner to approve. Approved 4/0/1 (Absent: Zahn). Motion carried.
C. STAFF REPORTS: (C.1. - C.3.)
Submit speaker slips to the City Clerk.


1. Recognition of Councilmember Lesa Heebner and Councilmember Peter Zahn concluding an eight-month appointment to fill a vacant seat on the City Council.

Mayor Zito stated that outgoing Councilmember Peter Zahn was not present and sent a video (on file) to say goodbye to the Council and the City.

Mayor Zito presented a thank you from City Council to Councilmember Heebner.

Greg Wade, City Manager, presented a thank you from the City to Councilmember Heebner for her service.

Councilmember Hegenauer and Councilmember Edson shared their thoughts and thanks.

Councilmember Heebner thanked the City Council, Staff, her husband, and the community.

Peter Cohen thanked Councilmember Heebner and Councilmember Zahn for filling empty seats, and thanked Council and Staff for maintaining ongoing City operations.

(File 0410-85)
Recommendation: That the City Council

1. Permit the City Clerk to proceed with the Installment of Elected Councilmembers and administer the Oath of Office to Councilmember Elect Kristi Becker and Councilmember Elect Kelly Harless.

Item C.1. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

Angela Ivey, City Clerk, administered the Oath of Office to Councilmember Kristi Becker and Councilmember Kelly Harless.

ORAL COMMUNICATIONS: None

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY: An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

Solana Beach City Council Special Meeting Minutes December 19, 2018 Page 2 of 3
C.3. Annual Mayoral Rotation: Mayor / Deputy Mayor Appointments. (File 0410-85)

Recommendation: That the City Council

1. Review and consider designation of the 2019 Mayor and Deputy Mayor for a term of December 12, 2018 to December 11, 2019.
   a. Councilmembers make a nomination for Mayor. Call for the vote.
   Motion: Moved by Councilmember Edson and second by Mayor Zito to appoint Dave Zito as Mayor. Approved 5/0. Motion carried unanimously.

   b. Appointed Mayor Calls for nomination of a Deputy Mayor. Call for the vote.
   Motion: Moved by Mayor Zito and second by Councilmember Hegenauer to appoint Jewel Edson as Deputy Mayor. Approved 5/0. Motion carried unanimously.

Item C.3. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk’s Office.

ADJOURN:
Mayor Zito adjourned the meeting at 6:22 p.m.

Angela Ivey, City Clerk

Approved: __________________
STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: February 27, 2019
ORIGINATING DEPT: Finance
SUBJECT: Register of Demands

BACKGROUND:

Section 3.04.020 of the Solana Beach Municipal Code requires that the City Council ratify a register of demands which represents all financial demands made upon the City for the applicable period.

Register of Demands- 01/26/19 through 02/08/19
Check Register-Disbursement Fund (Attachment 1) $ 558,043.03
Health insurance for February February 1, 2019 $ 46,045.44
Net Payroll February 8, 2019 $ 155,051.92
Federal & State Taxes February 8, 2019 $ 38,474.56
PERS Retirement (EFT) February 8, 2019 $ 43,045.20
TOTAL

DISCUSSION:

Staff certifies that the register of demands has been reviewed for accuracy, that funds are available to pay the above demands, and that the demands comply with the adopted budget.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

The register of demands for January 26, 2019 through February 8, 2019 reflects total expenditures of $840,660.15 from various City funding sources.

WORK PLAN:

N/A

CITY COUNCIL ACTION: ________________________________

AGENDA ITEM A.2.
OPTIONS:

- Ratify the register of demands.
- Do not ratify and provide direction.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council ratify the above register of demands.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments:

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### CHECK REGISTER - DISBURSEMENT FUND

**CITY OF SOLANA BEACH, CA**
**DATE: 02/07/2019**
**TIME: 16:30:06**
**ACCOUNTING PERIOD: 8/19**

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### CITY OF SOLANA BEACH, CA

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**TIME:** 16:30:06  
**SELECTION CRITERIA:** transact.gl_cash='1011' and transact.ck_date between '20190126 00:00:00.000' and '20190208 00:00:00.000'  
**ACCOUNTING PERIOD:** 8/19  

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**FUND - 001 - GENERAL FUND**

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BACKGROUND:

Staff provides a report at each Council meeting that lists changes made to the current Fiscal Year (FY) General Fund Adopted Budget.

The information provided in this Staff Report lists the changes made through February 13, 2019.

DISCUSSION:

The following table reports the revenue, expenditures, and transfers for 1) the Adopted General Fund Budget approved by Council on June 14, 2017 (Resolution 2017-095) and 2) any resolutions passed by Council that amended the Adopted General Fund Budget.

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<tr>
<th>Action</th>
<th>Description</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Transfers from GF</th>
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<td>Reso 2017-095</td>
<td>Adopted Budget</td>
<td>17,916,600</td>
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<td>(401,600)</td>
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<td>(59,242)</td>
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<td>(185,425)</td>
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<td>Reso 2019-019</td>
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<td>569,000</td>
<td>(265,100)</td>
<td>(106,336) (2)</td>
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(1) Transfers to:
- Debt Service for Public Facilities: 151,100
- City CIP Fund: 250,500

(2) Transfer to:
- TEA21/ISTEA: 109,336

COUNCIL ACTION:
CEQA COMPLIANCE STATEMENT:
Not a project as defined by CEQA

FISCAL IMPACT:
N/A

WORK PLAN:
N/A

OPTIONS:
- Receive the report.
- Do not accept the report

DEPARTMENT RECOMMENDATION:
Staff recommends that the City Council receive the report listing changes made to the FY 2018-2019 General Fund Adopted Budget.

CITY MANAGER’S RECOMMENDATION:
Approve Department Recommendation

[Signature]
Gregory Wade, City Manager
TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: February 27, 2019
ORIGINATING DEPT: Finance Department
SUBJECT: Consideration of Adoption of Resolution No. 2019-021 - Approval of TransNet Fund Transfer

BACKGROUND:

The San Diego Association of Governments (SANDAG) is required by state and federal laws to develop and adopt a Regional Transportation Improvement Program (RTIP) every two years. The RTIP is a multi-year program of proposed major highway, arterial, transit, and bikeway projects including the TransNet Program of Projects. The current 2018 RTIP was adopted by the SANDAG Board on September 28, 2018 and covers the five-year fiscal period 2018/19 through 2022/23. The RTIP includes projects funded by the 2004 Proposition A (TransNet Extension).

This item is before the City Council to consider adopting Resolution No. 2019-021 (Attachment 1) which would transfer funds to a completed TransNet-funded Capital Improvement Project from a current ongoing TransNet-funded project.

DISCUSSION:

The Stevens-Valley Corridor Improvement Project (SANDAG MPO ID SB17) is completed and was closed in 2018 with the adoption of the current 5-year RTIP. The project has a negative balance of $6,250 in the TransNet Account because funds from an ongoing project account were not drawn down in time to charge the Stevens-Valley Corridor Improvement Project RTIP account. The proposed transfer will move $6,250 from an existing account into the closed project account to reconcile the negative balance. The Pavement Resurfacing Project (SANDAG MPO ID SB16) is an ongoing project, annually funded through 2023, and has available TransNet funds. The $6,250 transfer will increase the total funds received for the Stevens-Valley project to $250,500, which is the amount that had been previously programmed in the 2016 RTIP.

CITY COUNCIL ACTION:

AGENDA ITEM A.4.
**CEQA COMPLIANCE STATEMENT**

Transfer of funding between projects does not require a CEQA determination. Environmental review will be addressed prior to City Council approval to advertise construction bids for each of the other projects listed in the RTIP.

**FISCAL IMPACT:**

The transfer of the $6,250 from an ongoing RTIP project to a completed TransNet funded RTIP project is needed to comply with the TransNet Ordinance and audit rules. Staff is proposing to transfer $6,250 of TransNet funds from the Pavement Resurfacing Project (SANDAG MPO ID SB16) to the Stevens-Valley Corridor Improvement Project (SANDAG MPO ID SB17) to reconcile the negative balance and to satisfy the TransNet Ordinance and audit rules.

**WORK PLAN:**

N/A

**OPTIONS:**

- Approve Staff recommendation.
- Deny Staff recommendation.
- Provide alternative direction to Staff.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that City Council adopt Resolution 2019-021 approving the transfer of $6,250 of TransNet funds from the Pavement Resurfacing Project (SANDAG MPO ID SB16) to the Stevens-Valley Corridor Improvement Project (SANDAG MPO ID SB17).

**CITY MANAGER’S RECOMMENDATION:**

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments

1. Resolution No. 2019-021
RESOLUTION NO. 2019-021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE TRANSFER OF TRANSNET FUNDS TO A COMPLETED RTIP PROJECT FROM ANOTHER ELIGIBLE TRANSNET PROJECT

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet) extension, and the 2018 Regional Transportation Improvement Program (RTIP) was adopted by the SANDAG Board on September 28, 2018; and

WHEREAS, the City of Solana Beach has completed the previously programmed Stevens-Valley Corridor Improvement Project, which has a negative balance of $6,250 on the SANDAG fiscal and compliance audit; and

WHEREAS, to comply with a SANDAG fiscal and compliance audit, funds from an ongoing RTIP project need to be transferred in order to reconcile the negative balance.

NOW, THEREFORE, the City Council of the City of Solana Beach does resolve as follows:

1. That the foregoing recitations are true and correct.

2. That the City Council approves the transfer of $6,250 of TransNet funds from the Pavement Resurfacing Project (SANDAG MPO ID SB16) to the Stevens-Valley Corridor Improvement Project (SANDAG MPO ID SB17).

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –

NOES: Councilmembers –

ABSTAIN: Councilmembers –

ABSENT: Councilmembers –

DAVID A. ZITO, Mayor

APPROVED AS TO FORM: ATTEST:

JOHANNA N. CANLAS, City Attorney ANGELA IVEY, City Clerk

ATTACHMENT 1
BACKGROUND:

The City of Solana Beach (City) runs a Junior Lifeguard Program that serves up to 1,000 children over a ten-week period during the summer season. The Solana Beach Junior Lifeguard Program (Program) has a long history of serving our community by providing youth, ages 7 – 16, with an ocean safety program that combines athletics and ocean-related curriculum, in a fun and educational atmosphere. The existing Program is currently undergoing an assessment and some enhancements are proposed. One of the enhancements is to introduce Surf Class, a surfing-specific instructional lesson for children aged 9 and older. Each session would be one week long with adjusted times to fit with the existing Junior Lifeguard Program. This would be a pilot program with enrollment capped at 15 for each session. The goal is to provide an opportunity for surfing instruction and encouragement to our community’s youth, focusing on safety, conditioning, etiquette, style and technique by the City’s Marine Safety Staff.

This item is before City Council to consider the approval of Resolution 2019-024 to add the Junior Lifeguard Surf Class sessions to the Program.

DISCUSSION:

The City works extremely hard to provide an engaging and fun Public Education Program to the Solana Beach community. If approved, the Junior Lifeguard Surf Class will welcome all skill levels of participants ages 9 and older. This one-week course will be aimed at providing students with the opportunity to learn and pursue a lifelong enjoyment of surfing. Students will begin on surfboards made of soft foam and may progress to their own equipment after the initial evaluation on the first day. The class includes instruction in safety, conditioning, style, technique, etiquette, board selection and care, as well as environmental awareness. This Surf Class serves as a training
ground for those who are looking for a program more focused on surfing. Participants will learn how to surf better, paddle faster, and learn about the marine environment in and around the local breaks of Solana Beach. The Marine Safety Department believes these enhancements will benefit the City, the community and the Marine Safety Department by further educating and training these participants who frequent the beaches of Solana Beach.

The following information shows the current programs with the proposed Junior Lifeguard Program Surf Class.

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<th>4</th>
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<td>Grom 4</td>
<td>Grom 5</td>
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<td>Track 2</td>
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<td>Junior LG (9 – 16)</td>
<td>Junior LG (9 – 16)</td>
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<tr>
<td>Track 3</td>
<td>Elite Junior LG (14 – 16)</td>
<td>Elite Junior LG (14 – 16)</td>
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<td>Surf Class 2</td>
<td>Surf Class 3</td>
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<td>Surf Class 7</td>
<td>Surf Class 8</td>
<td>Surf Class 9</td>
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</table>

The Junior Lifeguard Surf Class is proposed to be a one-week session, at a cost of $125 per session. Staff will utilize this pilot program to assess the demand and popularity to determine if this is something the City should make a permanent part of the Junior Lifeguard program.

The timing of the Surf Class will be staggered from the other Junior Lifeguard programs in an effort to prevent any additional traffic to the existing parking areas and public accesses. The Surf Class will be held from 9:45 AM to 11:45 AM each day. This timing will also give participants in the Surf Class the ability to participate in the afternoon session of Junior Lifeguards starting at Noon.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The $125 fee will be sufficient to cover the costs of the proposed pilot program.
WORK PLAN:
N/A

OPTIONS:
- Approve Staff recommendation and adopt Resolution 2019-024.
- Approve Staff recommendation subject to additional Council modifications.
- Do not approve Staff recommendation

DEPARTMENT RECOMMENDATION:
Staff recommends that the City Council adopt Resolution 2019-024 to add the Surf Class Junior Lifeguard sessions to the Junior Lifeguard program.

CITY MANAGER’S RECOMMENDATION:

[Signature]
Gregory Wade, City Manager

Attachments:
1. Resolution 2019-024
RESOLUTION NO. 2019-024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ESTABLISHING A JUNIOR LIFEGUARD SURF CLASS SESSION

WHEREAS, the City of Solana Beach (City) runs a highly successful Junior Lifeguard (Junior Guard) program that serves up to 1000 children over a 10 week period during the summer season, based out of Fletcher Cove; and

WHEREAS, the City desires to enhance the Junior Guard program to include a Surf Class session; and

WHEREAS, the goal is to provide an opportunity for surfing instruction and encouragement to our community's youth; and

WHEREAS, the Surf Class participants will receive instruction in safety, conditioning, style, technique, etiquette, as well as environmental awareness.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council authorizes the implementation of Surf Class program.

3. That Junior Lifeguard Surf Class fees are set at $125 per one-week session.

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

DAVID ZITO, Mayor

APPROVED AS TO FORM:

JOHANNA N. CANLAS, City Attorney

ATTEST:

ANGELA IVEY, City Clerk

ATTACHMENT 1
BACKGROUND:

The City of Solana Beach (City) runs a Junior Lifeguard program that serves up to 1,000 children over a ten-week period during the summer season. The Solana Beach Junior Lifeguard Program (Program) has a long history of serving our community by providing youth, ages 7 – 16, with an ocean safety program that combines athletics and ocean-related curriculum, in a fun and educational atmosphere. Each participant of the Junior Lifeguard Program wears a uniform to each day of each session. Being one of the most notable programs in the City, the participants and their parents have come to expect a high quality uniform product. These uniforms and other apparel have the City’s logo on them and have become a symbol for the City and the Program, providing ongoing Program promotion and allowing participants and their families to wear them with pride.

This item is before City Council to request approval of Resolution 2019-026 approving a uniform purchase for the Junior Lifeguard Program in the amount of $35,500 from QS Wholesale (Quiksilver).

DISCUSSION:

The City works extremely hard to provide an educational, engaging and fun Program. One of the unique aspects of the City’s Program is the superiority of uniform products supplied to the participants. In addition to the t-shirt included with enrollment, many parents choose to purchase additional items from the Program’s store not only for their children, but also for themselves. Annual uniform orders are based on enrollment numbers, stock from previous years, and also sizing information gathered during the annual enrollment process.

AGENDA ITEM A.6.
In mid-December, Marine Safety Staff generated quotes from three (3) different vendors for the 2019 uniform order. Through their proposal, Quiksilver was able to distinguish themselves from the other vendors by providing considerably higher quality products, and the most competitive price. While not a requirement of the City’s evaluation process, Quiksilver also has a total of 16 years of demonstrated experience successfully providing uniform apparel to the Solana Beach Marine Safety Department. This continuity in vendor relationship is especially helpful in allowing the Program to utilize some uniform items from year to year, reducing surplus and continuous replacement. Overall, the proposed vendor will allow the City to continue providing a recognizable, high quality, and competitively priced product for the Junior Lifeguard Program participants. The proposed vendor will also be able to meet the City’s time table to deliver the uniforms before the Program start date, which may not be possible with an alternate vendor at this time.

In addition to Quiksilver’s demonstrated experience in successfully providing uniforms to the Program, the City of Newport Beach, California, recently approved a similar deal for a similar program with the same pricing on shorts, visors and hats, and comparable pricing on backpacks and towels (but with a volume discount based on Newport Beach’s significantly larger order numbers). The Solana Beach Junior Lifeguard Program would like to take advantage of a provision in the Newport Beach agreement (section 9) that allows the recommended vendor to work closely and cooperatively with other agencies that may have jurisdiction or interest in the work to be performed for Newport Beach. With the exception of a different logo, Solana Beach will utilize the same products from the Newport Beach agreement and Quiksilver has offered a proposed order based on the quantities our Program needs.

The quantities of uniforms being purchased each year has risen proportionally as Program enrollment has risen. With the success of the Program, this is the first year that the quantities being purchased are sufficiently high for Staff to seek City Council approval. Because the uniforms are sold to the Program participants as part of the enrollment price with additional items purchased both during enrollment and throughout the summer, it was unclear this year whether the City’s procurement thresholds would require City Council approval. Given the enrollment numbers and anticipated uniform/apparel sales, Council authorization is required.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

The Fiscal Year 2018/19 Adopted Budget has appropriated $43,500 for the Program's uniforms. The current proposal from QS Wholesale is for $35,500, thereby requiring no additional funds be appropriated to cover the proposed purchase.

WORK PLAN:
This item is not mentioned in the Work Plan.

OPTIONS:

- Approve Staff recommendation.
- Deny Staff recommendation.
- Provide alternate direction to Staff.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council adopt Resolution 2019-026:

1. Approving the $35,500 purchase from the vendor, QS Wholesale, to add uniform items to the Junior Lifeguard Program store.

2. Authorizing the City Manager to execute an agreement for the uniform purchase through QS Wholesale.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments:

1. Resolution No. 2019-026
RESOLUTION NO. 2019-026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE JUNIOR LIFEGUARD PROGRAM UNIFORM PURCHASE FROM QS WHOLESALE

WHEREAS, the City of Solana Beach (City) runs a highly successful Junior Lifeguard Program (Program) that serves up to 1,000 children over a 10 week period during the summer season, based out of Fletcher Cove; and

WHEREAS, the Program requires participants to wear a uniform; and

WHEREAS, QS Wholesale has provided high quality products at the most competitive price to the City for the past 16 years; and

WHEREAS, the City purchases uniforms to stock the Program store each year for participants to purchase the necessary uniform.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council approves the $35,000 purchase from QS Wholesale to add uniform items to the Junior Lifeguard Program store.

3. That the City Council authorizes the City Manager to execute an agreement for the uniform purchase through QS Wholesale.

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

__________________________
DAVID ZITO, Mayor

APPROVED AS TO FORM:

__________________________
JOHANNA N. CANLAS, City Attorney

ATTEST:

__________________________
ANGELA IVEY, City Clerk
STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: February 27, 2019
ORIGINATING DEPT: Finance
SUBJECT: Council Consideration of Resolutions to Closeout Assessment District Improvement Funds and Authorizing Refunds to Property Owners or Transfer to City for Maintenance of Improvements

BACKGROUND:

Assessment Districts are created when private property owners request public improvements to be made that benefit the private property owners in the District, but not necessarily the rest of the municipality as a whole. The private property owners, therefore, fund the improvements themselves. An example of a public improvement that benefits private property owners is undergrounding power lines to improve their street view. Assessment Districts follow strict regulations to form and require a vote of the affected property owners. Once created, the City manages the funds associated with the revenue and expenditures required to fund the improvements.

Currently, the City has four such Districts with open funds. They are as follows:

- Assessment District 1: Cedros Improvement District
- Assessment District 2005-1: Barbara-Granados Utility undergrounding District
- Assessment District 2005-2: Pacific Utility Undergrounding District
- Assessment District 2006-1 South Solana Sewer District

Some property owners are able to pay for the improvements up front, but for the remainder who cannot, the City issues bonds to fund the improvements immediately. The property owners then pay back the bond through an assessment levied against their property and pay the assessment over a 30-year period. They pay the assessments to the City through their annual consolidated property tax bill. The City then remits the proceeds to the bond trustee for payment to the bondholders.

COUNCIL ACTION:

AGENDA ITEM A.7.
For each Assessment District that property owners approve, the City creates two funds: 1) a fund to track the revenues and expenses of the construction project associated with the District (Improvement Fund) and 2) a fund to track the issuance and repayment of the bond to finance the project (Redemption Fund).

Construction for all the Assessment District projects is complete, so all of the Improvement Funds for the Assessment Districts may be closed out. In addition, all bond obligations for the Cedros Improvement District were made and so the Redemption Fund used to track the issuance and repayment for this bond is ready to be closed out as well. The final accounting for the projects reflects surplus funds that may be returned to the property owners or transferred to the City for maintenance of those improvements.

This item is before the City Council to declare a surplus of funds in the Assessment Districts and to direct Staff on how to distribute the surplus funds.

**DISCUSSION:**

The accounting for each of the four Assessment Districts is outlined separately below. However, when there is a surplus of funds in an Assessment District, the same California code governs what may be done with the funds and so this discussion will be the same for all the Districts and outlined in the final section.

**Cedros Improvement District**

This is the first Improvement District created by the City of Solana Beach in 1989 (Resolution No. 89-35) and was used to finance street improvements to Cedros such as curbs, gutters, sidewalks, driveways, retaining walls, street lights, fire hydrants and water meters. The project was completed in 1991 and the Improvement Fund associated with managing the construction costs of this project was closed in that year. The debt service fund used to manage the property tax assessments and repayment of bond obligations, however, remained open. All principal and interest payments were made and bond obligations have been paid, so the Cedros Redemption Fund is ready to be closed. There is a balance of $13,199 in the fund.

**Barbara-Granados Utility Undergrounding District**

On March 22, 2006, the Barbara/Granados Utility Undergrounding District was approved by Council (Resolution No. 2006-044).

Property owners were given the option to prepay their individual assessment for the work or they could have an assessment levied against their property and the ability to pay the assessment over a 30-year period. The City received $414,641 in prepaid assessments which required the District to generate an additional $1,430,367 through the issuance of assessment district bonds to cover the estimated construction costs. Council subsequently approved the issuance of limited obligation improvement bonds in this amount.
After all revenues and expenditures related to the main line utility undergrounding project were recorded, a surplus of $125,956 remains as detailed in the following table:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>$1,430,366.93</td>
</tr>
<tr>
<td>Prepaid Assessments</td>
<td>$414,641.02</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>$19,049.89</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1,864,057.84</strong></td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$1,647,348.83</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>$85,370.52</td>
</tr>
<tr>
<td>Gains/Loss and Other</td>
<td>$5,382.82</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,738,102.17</strong></td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td><strong>$125,955.67</strong></td>
</tr>
</tbody>
</table>

Pacific Utility Undergrounding District

On March 22, 2006, the Pacific Utility Undergrounding District was approved by Council (Resolution No. 2006-045).

The City received $383,898 in prepaid assessments which required the District to generate an additional $458,656 through the issuance of assessment district bonds to cover the estimated costs of construction. Council subsequently approved the issuance of limited obligation improvement bonds in this amount.

After all revenues and expenditures related to utility undergrounding project were recorded, a surplus of $1,544 remains as detailed in the following table:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>$483,656.12</td>
</tr>
<tr>
<td>Prepaid Assessments</td>
<td>$383,898.43</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>$1,947.75</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$869,502.30</strong></td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$773,359.37</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>$89,957.90</td>
</tr>
<tr>
<td>Gains/Loss and Other</td>
<td>$4,640.85</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$867,958.12</strong></td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td><strong>$1,544.18</strong></td>
</tr>
</tbody>
</table>
South Solana Sewer District

On September 13, 2006, the South Solana Sewer Assessment District was approved by Council (Resolution No. 2006-157).

The Engineer’s Report prepared by Construction Testing & Engineering for the formation of the District estimated that total construction costs for the sewer improvement project would be $751,613 for the main line and $144,300 for the lateral lines.

The City received $343,192 in prepaid assessments which required the District to generate an additional $514,447 through the issuance of assessment district bonds to cover construction costs. Council subsequently approved the issuance of limited obligation improvement bonds in this amount. After lateral line construction was completed, the City refunded homeowners $5,849 in surplus funds, because construction costs were less than the monies collected for this portion of the project.

After all revenues and expenditures related to the main line sewer project were recorded, a surplus of $47,269 remains as detailed in the following table:

<table>
<thead>
<tr>
<th>Bond</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Assessments</td>
<td>514,447.28</td>
</tr>
<tr>
<td>Lateral Prepaids</td>
<td>268,116.61</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>75,075.00</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>12,894.34</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>870,533.23</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>786,964.76</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>30,450.00</td>
</tr>
<tr>
<td>Sewer Lateral Deposit Refunds</td>
<td>5,849.00</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>823,263.76</td>
</tr>
<tr>
<td>Surplus</td>
<td>47,269.47</td>
</tr>
</tbody>
</table>

Surplus Discussion

Section 10427 of the California Streets and Highways Code offers three options for the distribution of surplus funds in excess of $1,000 in the case of bond proceeds: the surplus can be used as 1) a credit toward future payment due on assessments, 2) for maintenance of the project, or 3) the surplus can be used to call bonds, thereby reducing the outstanding assessments and term of the bond debt.
Staff is recommending that the surplus in all funds be credited back to the current property owners in the Assessment Districts. Each parcel's share of the surplus are calculated on a pro-rata basis based on the original benefit calculated for each property when the District was formed. For the parcels where the assessment was prepaid, the owner of record of each respective parcel will receive a direct refund. The property owners in the Cedros Assessment District will also receive a direct refund since all bond obligations have already been paid off.

The property owners who have their assessments collected through the County of San Diego property tax rolls, would receive the pro-rata share of the surplus as a credit toward future payment due on their assessment as set forth in Section 10427.1(c) and (d) of the California Streets and Highways Code.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The payout of surplus funds will not have an impact on the City's budget, because the money is not part of the City's budget. Rather, the money is held in trust by the City on behalf of the property owners.

**WORK PLAN:**

N/A

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments / modifications.
- Deny Staff recommendation and provide direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council:

1. Adopt Resolution 2019-006
   a. Closing the Cedros Improvement District Redemption Fund
   b. Declaring a surplus of funds in the District's Redemption Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code

2. Adopt Resolution 2019-007
   a. Closing the Barbara-Granados Undergrounding District Improvement Fund
b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

3. Adopt Resolution 2019-008
   a. Closing the Pacific Undergrounding District Improvement Fund
   b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

4. Adopt Resolution 2019-009
   a. Closing the South Solana Sewer District Improvement Fund
   b. Declaring a surplus of funds in the District’s Improvement Fund and directing Staff to distribute the surplus funds as provided by Section 10427.1 of the California Streets and Highways Code.

CITY MANAGER’S RECOMMENDATION:

Approve Department Recommendation.

[Signature]
Gregory Wade, City Manager

Attachments:

1. Resolution 2019-006
2. Resolution 2019-007
3. Resolution 2019-008
4. Resolution 2019-009
RESOLUTION 2019–006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DECLARING A SURPLUS IN THE REDEMPTION FUND FOR ASSESSMENT DISTRICT NO. 1 (CEDROS IMPROVEMENT DISTRICT) AND AUTHORIZING REFUNDS TO PROPERTY OWNERS

WHEREAS, the City Council of the City of Solana Beach has conducted proceedings and completed construction for certain works of improvement in a special assessment district pursuant to the terms and provisions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California; and

WHEREAS, said special assessment district is known and designated as Assessment District No. 1 (Cedros Improvement District), hereinafter referred to as the "Assessment District"; and

WHEREAS, after completion of the improvements and payment of all the claims from the Redemption Fund for said Assessment District and the bonds for this Assessment District have been terminated, there remains a surplus in the Redemption Fund; and

WHEREAS, the Council desires at this time to make a determination of the disposition of said surplus as so provided by Section 10427.1 of the California Streets and Highways Code; and

WHEREAS, the Council desires to distribute the surplus as a credit against the assessment pursuant to Section 10427.1 of the California Streets and Highways Code.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council accepts as complete the work of improvement, as set forth and described in the Resolution of Intention for these proceedings, and that all payments have been made for all existing claims, costs and expenses.

3. That the City Council declares that all available surplus monies, at this time remaining in the Redemption Fund, shall be used to benefit property owners within the boundaries of the Assessment District on a pro-rata basis generally determined as follows:
a. The proportionate share of the surplus shall be returned to the person(s) owning the property for which the assessment or installment has been paid.

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

_______________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM:       ATTEST:

_______________________________
JOHANNA N. CANLAS, City Attorney

_______________________________
ANGELA IVEY, City Clerk
RESOLUTION 2019–007

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SOLANA BEACH, CALIFORNIA, DECLARING A SURPLUS
IN THE IMPROVEMENT FUND FOR ASSESSMENT
DISTRICT NO. 2005-1 (BARBARA-GRANADOS UTILITY
UNDERGROUNDING DISTRICT) AND AUTHORIZING
REFUNDS TO PROPERTY OWNERS

WHEREAS, the City Council of the City of Solana Beach has conducted
proceedings and completed construction for certain works of improvement in a special
assessment district pursuant to the terms and provisions of the "Municipal Improvement
Act of 1913", being Division 12 of the Streets and Highways Code of the State of
California; and

WHEREAS, said special assessment district is known and designated as
Assessment District No. 2005-1 (Barbara-Granados Undergrounding District), hereinafter
referred to as the "Assessment District"; and

WHEREAS, after completion of the improvements and payment of all the claims
from the Improvement Fund for said Assessment District, there remains a surplus in the
Improvement Fund; and

WHEREAS, the Council desires at this time to make a determination of the
disposition of said surplus as so provided by Section 10427.1 of the California Streets
and Highways Code; and

WHEREAS, the Council desires to distribute the surplus as a credit against the
assessment pursuant to Section 10427.1 of the California Streets and Highways Code.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does
resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council accepts as complete the work of improvement, as
set forth and described in the Resolution of Intention for these
proceedings, and that all payments have been made for all existing
claims, costs and expenses.

3. That the City Council declares that all available surplus monies, at this
time remaining in the Improvement Fund, shall be used to benefit
property owners within the boundaries of the Assessment District on a
pro-rata basis generally determined as follows:

   a. To those who paid in cash, the proportionate share of the
      surplus shall be returned to the person(s) owning the property
for which the assessment or installment has been paid.

b. Where any part of an individual assessment remains unpaid and is payable in installments, the amount apportioned to each parcel shall be used to reduce outstanding assessments and subsequent assessment payments.

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

________________________
DAVID ZITO, Mayor

APPROVED AS TO FORM:  ATTEST:

________________________
JOHANNA N. CANLAS, City Attorney  ANGELA IVEY, City Clerk
RESOLUTION 2019-008

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DECLARING A SURPLUS IN THE IMPROVEMENT FUND FOR ASSESSMENT DISTRICT NO. 2005-2 (PACIFIC UTILITY UNDERGROUNDING DISTRICT) AND AUTHORIZING REFUNDS TO PROPERTY OWNERS

WHEREAS, the City Council of the City of Solana Beach has conducted proceedings and completed construction for certain works of improvement in a special assessment district pursuant to the terms and provisions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California; and

WHEREAS, said special assessment district is known and designated as Assessment District No. 2005-2 (Pacific Utility Undergrounding District), hereinafter referred to as the "Assessment District"; and

WHEREAS, after completion of the improvements and payment of all the claims from the Improvement Fund for said Assessment District, there remains a surplus in the Improvement Fund; and

WHEREAS, the Council desires at this time to make a determination of the disposition of said surplus as so provided by Section 10427.1 of the California Streets and Highways Code; and

WHEREAS, the Council desires to distribute the surplus as a credit against the assessment pursuant to Section 10427.1 of the California Streets and Highways Code.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council accepts as complete the work of improvement, as set forth and described in the Resolution of Intention for these proceedings, and that all payments have been made for all existing claims, costs and expenses.

3. That the City Council declares that all available surplus monies, at this time remaining in the Improvement Fund, shall be used to benefit property owners within the boundaries of the Assessment District on a pro-rata basis generally determined as follows:

   a. To those who paid in cash, the proportionate share of the surplus shall be returned to the person(s) owning the property
for which the assessment or installment has been paid.

b. Where any part of an individual assessment remains unpaid and is payable in installments, the amount apportioned to each parcel shall be used to reduce outstanding assessments and subsequent assessment payments.

PASSED AND ADOPTED this 27th day of February 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

__________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM: ATTEST:

__________________________
JOHANNA N. CANLAS, City Attorney
ANGELA IVEY, City Clerk
RESOLUTION 2019-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DECLARING A SURPLUS IN THE IMPROVEMENT FUND FOR ASSESSMENT DISTRICT NO. 2006-1 (SOUTH SOLANA SEWER DISTRICT) AND AUTHORIZING REFUNDS TO PROPERTY OWNERS

WHEREAS, the City Council of the City of Solana Beach has conducted proceedings and completed construction for certain works of improvement in a special assessment district pursuant to the terms and provisions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California; and

WHEREAS, said special assessment district is known and designated as Assessment District No. 2006-1 (South Solana Sewer District), hereinafter referred to as the "Assessment District"; and

WHEREAS, after completion of the improvements and payment of all the claims from the Improvement Fund for said Assessment District, there remains a surplus in the Improvement Fund; and

WHEREAS, the Council desires at this time to make a determination of the disposition of said surplus as so provided by Section 10427.1 of the California Streets and Highways Code; and

WHEREAS, the Council desires to distribute the surplus as a credit against the assessment pursuant to Section 10427.1 of the California Streets and Highways Code.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council accepts as complete the work of improvement, as set forth and described in the Resolution of Intention for these proceedings, and that all payments have been made for all existing claims, costs and expenses.

3. That the City Council declares that all available surplus monies, at this time remaining in the Improvement Fund, shall be used to benefit property owners within the boundaries of the Assessment District on a pro-rata basis generally determined as follows:

a. To those who paid in cash, the proportionate share of the surplus shall be returned to the person(s) owning the property
for which the assessment or installment has been paid.

b. Where any part of an individual assessment remains unpaid and is payable in installments, the amount apportioned to each parcel shall be used to reduce outstanding assessments and subsequent assessment payments.

PASSED AND ADOPTED this 27th day of February, 2019, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

____________________________
DAVID ZITO, Mayor

APPROVED AS TO FORM: ATTEST:

____________________________
JOHANNA N. CANLAS, City Attorney

____________________________
ANGELA IVEY, City Clerk
This item is before Council to consider introduction of Ordinance 500 (Attachment 1) amending Chapter 17.70 (Affordable Housing Ordinance) of the Solana Beach Municipal Code (SBMC). Consideration of these amendments reflects the City’s ongoing commitment in promoting affordable housing units within the City, which comply with recent changes in state law.

DISCUSSION:

In both 2017 and 2018, in an effort to address the state’s housing shortage, the California State Legislature passed a number of Housing and Land Use laws that have a significant impact on public agencies. The following is a list of the housing related laws that were passed:

2017 State Laws
SB 2 – Building Homes and Jobs Act
SB 35 – Multi-family Housing project streamlining
SB 540 – Workforce Housing Opportunity Zones (WHOZs) streamlining
AB 73 – Housing sustainability districts streamlining
SB 167 – Housing Accountability Act (HAA) amendments
AB 1505 – Inclusionary Housing amendments
AB 879 – Annual housing development reporting requirements
AB 1397 – Housing Element site inventory changes
AB 72 – HCD authority regarding Housing Element compliance determination
2018 State Laws

- AB 829 – Local government: funding: state assisted projects
- AB 1771/SB 828 – Regional Housing Needs Allocation process modifications
- AB 2238 – Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste
- AB 2372 – Planning and zoning-density bonus floor area ratio bonus
- AB 2797 – Planning and zoning: density bonuses to be consistent with California Coastal Act
- SB 1227 – Density bonuses for student housing

While the State Legislature passed the aforementioned laws in an effort to address the housing supply and affordability crisis, the passage of these housing bills does not signal the end of policy discussion. Staff continues to monitor proposed 2019 housing bills as they progress through the legislative process and will provide additional updates to the City Council in the future.

The changes proposed in Ordinance 500 are consistent with the 2017 and 2018 State laws. The following is a summary of the proposed changes:

1. The Ordinance clarifies the requirement that both for-sale and for-rent developments of five (5) or more units shall construct and set aside 15 percent of all units to very low- or low-income households.

2. Changes to alternatives for provision of affordable units.
   a. SBMC section 17.70.030 provides additional alternatives in providing affordable housing units including preservation and conversion of existing units and legalization of existing unpermitted dwelling units provided affordability restrictions for very low and low income households are recorded.
   b. Given the additional alternatives identified in SBMC section 17.70.030 and the recent state mandates in ministerial approval of accessory dwelling units (ADUs) in residential zones, removal of accessory living units (ALU) provisions as an alternative means for providing on-site affordable housing.
   c. Clarification that payment of Affordable Housing Impact Fees is an alternative for both for-sale and for-rent developments subject to City Council making the following findings provided under SBMC section 17.70.030 (E):
      i. The affordable housing impact fees will be used to provide financial assistance to an identified affordable housing project that: (a) is proposed by an affordable housing developer; (b) has received all
discretionary approvals from the City and the Coastal Commission; and (c) requires additional funds to commence construction.

ii. Provision of the affordable housing impact fee will create more affordable units than would be created by on-site provision of the affordable units.

3. Reduction of Development Impact Fees (DIF) for deed restricted affordable housing units developed. The language proposed for reduction of Development Impact Fees is consistent with the action and direction taken by City Council on November 28, 2018. The reductions are tiered based on the number of affordable housing units proposed. The reductions would apply as follows:

   a. 50% DIF reduction for 1 to 5 affordable units
   b. 75% DIF reduction for 6 to 9 affordable units
   c. 100% DIF reduction for 10 or more affordable units

A redline version with the proposed changes to Chapter 17.70 is included in Attachment 2 of this report.

Findings under SBMC Section 17.76.070

SBMC Section 17.76.070 requires that the following findings are made prior to any amendment to Title 17 Zoning of the SBMC:

A. The proposed amendment is consistent with the general plan.

   B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Ordinance 500 is consistent with the general plan. The proposed revisions implement the affordable housing goals, objectives, policies, and programs of the City's Housing Element. Additionally, the proposed amendments to SBMC Chapter 17.70 are not detrimental to the public interest, health, safety, convenience or welfare of the City. The recommended changes are made to be compliant with state laws and in furtherance of the public interest.

CEQA COMPLIANCE STATEMENT:

This action is exempt from the provisions of the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3) because there is no possibility that the activity in question may have a significant effect on the environment.
FISCAL IMPACT:

There is no fiscal impact as a result of this item.

OPTIONS:

- Approve the proposed amendment and adopt Ordinance No. 500.
- Deny the proposed amendment.
- Provide alternative direction and proposed modifications to Ordinance No. 500.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:


2. Consider introducing Ordinance No. 500 amending Chapter 17.70 (Affordable Housing) of the SBMC.

3. Find the project exempt from CEQA under Guidelines 15061(b)(3).

4. Find that the proposed changes to SBMC Chapter 17.70 are consistent with the General Plan and would not be detrimental to the public interest, health, safety, convenience, or welfare of the City as required under SBMC Section 17.76.070.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments:

1. Ordinance No. 500
2. Redline changes to Chapter 17.70
ORDINANCE 500

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AMENDING CHAPTER 17.70 OF THE SOLANA BEACH MUNICIPAL CODE RELATED TO AFFORDABLE HOUSING

WHEREAS, in 2010, the City Council determined that establishing regulations and standards regarding the provision of affordable housing units is necessary to implement the City’s General Plan relative to the provision of housing units for all economic sectors of its population; and

WHEREAS, the City Council determined that providing affordable units or impact fees would ensure that part of the City’s remaining developable land is used to provide affordable housing; and

WHEREAS, the City continues to be committed to promote affordable housing unit development; and

WHEREAS, in 2018 the California Legislature passed a number of Housing and Land Use laws that have a significant impact on public agencies in an effort to address the state’s housing shortage; and

WHEREAS, the proposed amendment includes development impact fee reductions consistent with City Council direction received on November 28, 2018; and

WHEREAS, the proposed amendment to Chapter 17.70 (Affordable Housing) is consistent with recently passed legislation; and

WHEREAS, on February 27, 2019, the City Council held a duly advertised public hearing to solicit comments, orally and in writing, from the public in consideration of the proposed changes to the Solana Beach Municipal Code (SBMC) Chapter 17.70 - Affordable Housing.

NOW THEREFORE, the City Council of the City of Solana Beach does ordain as follows:

Section 1. All of the above statements are true.

Section 2. The City Council finds that this action is exempt from the provisions of the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3) because there is no possibility that the activity in question may have a significant effect on the environment.

Section 3. Solana Beach Municipal Code Section 17.76.070 requires that the following findings are made prior to any amendment to Title 17 Zoning:
A. The proposed amendment is consistent with the general plan.

B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Section 4. That the City Council hereby finds that the proposed amendment are consistent with the General Plan, in that the proposed revisions implement the affordable housing goals, objectives, policies, and programs of the City’s Housing Element. Additionally, the proposed amendments to SBMC Chapter 17.70 are not detrimental to the public interest, health, safety, convenience or welfare of the City. The recommended changes are made to be compliant with the state laws and in furtherance of the public interest.

Section 5. Chapter 17.70 of the SBMC is hereby amended to read as follows:

Chapter 17.70
AFFORDABLE HOUSING

Sections:
17.70.010 Purpose.
17.70.015 Definitions.
17.70.020 Affordable housing required – for-sale residential projects.
17.70.025 Affordable housing required – rental residential projects.
17.70.027 Fractional units.
17.70.030 Alternatives for provision of affordable units.
17.70.035 Affordable housing design and standards.
17.70.040 Affordable housing plan and affordable housing agreement.
17.70.045 Incentives.
17.70.050 Affordable housing impact fees.
17.70.055 Waivers of affordable housing requirements.
17.70.060 Development Impact Fee Reductions
17.70.065 Enforcement

17.70.010 Purpose.

A. This chapter is adopted to establish regulations and standards regarding the provision of affordable housing. The council hereby determines that this chapter is necessary to assist in meeting the city’s share of the regional housing needs, to implement the city’s general plan and housing element relative to the provision of housing units for all economic sectors of its population, including households with very low and low incomes, and to require affordable housing in both rental and for-sale housing, consistent with the provisions of Government Code Sections 65850(q) and 65850.01.
B. New housing contributes to the demand for goods and services in the city, increasing local employment at wage levels which often do not permit employees to afford housing in the city. Further, new housing construction which does not include affordable units aggravates the existing shortage of affordable housing by absorbing the supply of available residential land. Providing affordable units or impact fees as required by this chapter will ensure that part of the city's remaining developable land is used to provide affordable housing.

17.70.015 Definitions.

Whenever the following terms are used in this chapter, they shall have the meaning established by this section:

A. "Condominium conversion" means conversion of rental multifamily dwellings or apartments to common-interest subdivisions such as condominiums, community apartments, stock cooperatives or planned developments.

B. "For-sale residential project" means a residential project, or portion thereof, that includes the creation of one or more dwelling units that may be sold individually, including condominiums, community apartments, stock cooperatives, planned developments, and individual lots and dwellings. A for-sale residential project also includes a condominium conversion.

C. "Rental residential project" means a residential project, or portion thereof, that creates dwelling units that cannot be sold individually.

D. "Residential project" means the construction, rehabilitation, remodeling, adaptive reuse, or replacement of structures to create one or more dwelling units. For the purposes of this chapter, a residential project includes a condominium conversion.

17.70.020 Affordable housing required – for-sale residential projects.

A. Affordable Units Required. Developers of for-sale residential projects providing five or more dwelling units, or five or more lots for sale for residential purposes, shall construct and set aside 15 percent of all units or lots for sale to very low or low income households (as defined by Health and Safety Code Sections 50105 and 50079.5, respectively) at sales prices affordable to such persons or households. For the purposes of this chapter, a unit is affordable if it meets the requirements for affordable housing costs for very low or low income households established by Health and Safety Code Section 50052.5 and regulations adopted by the California Department of Housing and Community Development (California Code of Regulations Title 25, Sections 6910 through 6924) determining affordability of residential housing units based upon household size and income levels.
B. Term of Affordability. The required affordable units shall remain affordable for 45 years from the date of final inspection, as shown on the inspection record card for the affordable unit.

C. Applicability to Alternatives. If the developer of a residential project proposes to provide for-sale affordable units as part of an alternative permitted by SSMC 17.70.030, the number and affordability of the for-sale affordable units shall be consistent with subsection A of this section, and the term of affordability shall be consistent with subsection B of this section.

D. Relation to Density Bonuses and Other Incentives. If a for-sale residential project receives a density bonus or other incentives pursuant to Section 65915 of the Government Code and the density bonus ordinance (SSMC 17.20.050), then the provisions of this chapter shall not apply to density bonus units as defined in the density bonus ordinance (SSMC 17.20.050), as required by Section 65915 of the Government Code.

17.70.025 Affordable housing required - rental residential projects.

A. Affordable Units Required. Developers of rental residential projects providing five or more dwelling units shall construct and set aside 15 percent of all units for rent to very low or low income households (as defined by Health and Safety Code Sections 50105 and 50079.5, respectively) at rents affordable to such persons or households. For the purposes of this chapter, a unit is affordable if it meets the requirements for affordable rent for very low or low income households established by Health and Safety Code Section 50053 and regulations adopted by the California Department of Housing and Community Development (California Code of Regulations Title 25, Sections 6910 through 6924) determining affordability of residential housing units based upon household size and income levels.

B. Term of Affordability. The required rental affordable units shall remain affordable for 55 years from the date of final inspection, as shown on the inspection record card for the affordable unit.

C. Applicability to Alternatives. If the developer of a residential project proposes to provide rental affordable units as part of an alternative permitted by SSMC 17.70.030, the number and affordability of the rental affordable units shall be consistent with subsection A of this section, and the term of affordability shall be consistent with subsection B of this section.

D. Relation to Density Bonuses and Other Incentives. If a rental residential project receives a density bonus or other incentives pursuant to Section 65915 of the Government Code and the density bonus ordinance (SSMC 17.20.050), then the provisions of this chapter shall not apply to density bonus units as defined in the density bonus ordinance (SSMC 17.20.050), as required by Section 65915 of the Government Code.
17.70.027 Fractional units.

A. Fractional Units. When the calculation of the number of affordable units required for a residential project results in a fraction of one-half or more, one additional affordable unit shall be provided. When the calculation results in a fraction of less than one-half, the developer shall either provide an additional affordable unit or pay an affordable housing impact fee calculated by multiplying the area (in square feet) of the average market-rate unit in the project by the fraction, and multiplying that number by the impact fee per square foot. (Example: if the average market-rate unit has 2,500 square feet, and there is a fraction of 0.2, the impact fee would total 500 multiplied by the impact fee per square foot.)

B. Fractional Unit Alternative. As an alternative, the developer may increase the number of bedrooms in the affordable unit(s) as follows:

1. One additional bedroom for fractions of greater than zero but not more than 0.3;
2. Two additional bedrooms for fractions greater than 0.3 but not more than 0.5;
3. Three additional bedrooms for fractions greater than 0.5 but not more than 0.7.

17.70.030 Alternatives for provision of affordable units.

A. Rental Units in a For-Sale Residential Project.

1. As permitted by Government Code Section 65589.8, a developer of a for-sale residential project may propose to provide rental affordable units rather than for-sale affordable units. The term and affordability of the rental affordable units and the affordable housing agreement and rent regulatory agreement shall conform with the provisions of SBMC 17.70.025(C).

2. If the developer elects to provide rental affordable units, at least 15 percent of the units in the residential project shall be rented to very low or low income households at affordable rents.

3. The rent regulatory agreement shall include provisions for sale of the affordable units and relocation benefits for tenants of the rental affordable units if the owner of the residential project later determines to offer any affordable units in the residential project for sale. The owner shall provide all notices to prospective tenants of the residential project required by state law and shall additionally, at the time sale of the units is proposed, provide all tenants of the rental affordable units with the same notices, rights, and relocation benefits as provided by state law and the municipal code for tenants in condominium conversions. The owner shall provide written notice to the city at least 90 days before offering any rental
affordable unit for sale. The owner shall provide as many for-sale affordable units at affordable housing cost as are required by SBMC 17.70.020(A). At the time of sale, documents acceptable to the community development director, all consistent with the requirements of this chapter, shall be recorded against the for-sale affordable units for a term of 45 years from the date of sale.

B. Construction of Off-Site Affordable Housing.

1. As an alternative to the construction of affordable units on-site, a developer may propose to construct an affordable housing development on other property within the city. If the units will be for-sale affordable units, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.020(C). If the units will be rental affordable units, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.025(C).

2. The affordable housing plan required by SBMC 17.70.040(A) shall provide evidence of the following, in addition to the requirements of SBMC 17.70.040(A):

   a. Financing or a viable financing plan, which may include public funding, shall be in place for the off-site affordable units.

   b. The off-site location must be suitable for the proposed affordable housing, consistent with any adopted affordable housing guidelines and the Housing Element, will not tend to cause residential segregation, and be located within the same planning (community) area with appropriate infrastructure and services. Any off-site alternative must comply with the density, intensity and development standards that are permitted under the zone for the site.

3. The affordable housing agreement required by SBMC 17.70.040(B) shall contain the following, in addition to the requirements of SBMC 17.70.040(B):

   a. Prior to issuance of a building permit for any unit in the residential development, the off-site development shall have all discretionary permits and approvals necessary for the construction of the affordable housing, and the developer or qualified affordable housing developer approved by the city shall have purchased the site for the off-site affordable housing.

   b. Prior to occupancy of any unit in the residential development, a building permit shall have been issued for all units in the affordable housing development.

   c. Alternative phasing may be approved as part of the approval of the affordable housing plan.
C. Preservation or Conversion of Existing Units. As an alternative to the construction of affordable units on-site, a developer may propose to preserve existing affordable units at risk of loss or convert market-rate units to affordable units, if the preservation or conversion of these units is consistent with Government Code Section 65583.1 and allows the City to substitute the preservation or conversion of these units for the obligation to identify sites.

D. Legalization of Existing Unpermitted Dwelling Units. As an alternative to the construction of affordable units on-site, a developer may acquire or place deed restrictions upon existing housing units within the city constructed without building permits, for occupancy by very low or low income households at prices or rents affordable to such households subject to the following standards and conditions:

1. The developer must demonstrate ownership of the unpermitted dwelling units or an executed agreement with the owner(s) of the dwelling units agreeing to record an affordable housing agreement against the property and to grant the developer access to perform any required rehabilitation or improvements.

2. The existing unpermitted housing units must not have a separate address that was included in the most recent United States Census.

3. The unit(s) shall be ready for occupancy by an eligible household prior to final inspection, as shown on the inspection record card, for any market-rate units in the residential project.

4. A building permit shall be obtained for each unpermitted dwelling unit. Any substandard unit shall be rehabilitated in conformance with applicable local ordinances and state statutes.

5. If the units will be for-sale affordable units, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.020(C). If the units will be rental affordable units, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.025(C).

E. Payment of Affordable Housing Impact Fees. As an alternative to the construction of affordable units on-site, a developer may propose to pay affordable housing impact fees adopted by city council resolution to mitigate the residential project's impact on the need for affordable housing in the city, if the City Council makes both of the following findings:

1. The affordable housing impact fees will be used to provide financial assistance to an identified affordable housing project that: (a) is proposed by an affordable housing developer; (b) has received all discretionary approvals from the City and the Coastal Commission; and (c) requires additional funds to commence construction.
2. Provision of the affordable housing impact fee will create more affordable units than would be created by on-site provision of the affordable units.

Any approved affordable housing impact fees shall be paid prior to the first issuance of a building permit for the residential development.

17.70.035 Affordable housing design and standards.

A. When an affordable unit is required pursuant to this chapter, such unit may be constructed as a separate single-family dwelling unit or may be combined with other dwelling units. Affordable units shall be designed to be integrated into the residential style of the residential project, and shall have the same general bulk, scale, and height as market-rate units in the development. Subject to approval of the community development director or designee, affordable units may have different interior finishes and features than market-rate units in the same residential development project, so long as the finishes and features are durable, of good quality and consistent with contemporary standards for new housing.

B. Affordable units shall be comparable to market-rate units in overall number of bedrooms and the proportion of units in each bedroom category. For multifamily residential projects, the affordable units shall be integrated into the project and located so as not to create a geographic concentration of affordable units within the residential project, unless required to provide housing for senior citizens or to obtain financial assistance from state or federal agencies.

C. All affordable units shall be constructed and occupied concurrently with or prior to the construction and final inspection of market-rate units. In phased residential projects, affordable units may be constructed and occupied in proportion to the number of units in each phase of the residential project. Alternative phasing may be approved as part of the affordable housing plan.

17.70.040 Affordable housing plan and affordable housing agreement.

A. Affordable Housing Plan. An affordable housing plan shall be submitted as part of the first approval of any residential project subject to this chapter and shall be processed, reviewed, and approved, conditionally approved, or denied concurrently with all other applications required for the residential project. The affordable housing plan may indicate that the developer intends to pay affordable housing impact fees. However, if affordable units are proposed to be provided, the affordable housing plan shall include the following, as applicable:

1. Number, affordability level, unit type, tenure, number of bedrooms, location, unit size (square feet), and design of all affordable units.
2. Construction schedule and phasing of affordable units in relation to market-rate units.

3. Any requested alternative pursuant to SBMC 17.70.030, including information as required by SBMC 17.70.030 and reasonably required by the community development director to demonstrate compliance with SBMC 17.70.030 regarding the requirements for that alternative.

4. Such additional information as may be required by the community development director to ensure conformance of the project with this chapter or the general plan or any specific plan.

The approved affordable housing plan for a residential development may be amended prior to issuance of any building permit for the residential development, if applicable. A request for a minor modification of an approved affordable housing plan may be granted by the city manager if the modification is substantially in compliance with the original affordable housing plan and conditions of approval. Other modifications to the affordable housing plan shall be processed in the same manner as the original plan.

B. Affordable Housing Agreement – Timing.

1. Prior to final or parcel map approval for the residential project, or, if a tentative or parcel map is not requested for the residential development, prior to issuance of any building permit within the residential development, an affordable housing agreement between the developer and the city shall be recorded against the property included in the residential project. The affordable housing agreement shall be binding on all future owners and successors in interest.

2. The affordable housing agreement and other required agreements shall be prepared by the city at the developer’s expense. After approval of the affordable housing plan, the city manager is authorized to approve the affordable housing agreement and any additional documents necessary to implement this section.

C. Affordable Housing Agreement – Contents. The affordable housing agreement shall be consistent with the affordable housing plan and shall include, but not be limited to, the following:

1. Number, affordability level, unit type, tenure, number of bedrooms, location, unit size (square feet), and design of all affordable units.

2. A description of the household income group(s) to be accommodated by the housing development, and the standards for determining the corresponding affordable rent or affordable sales price and housing cost.
3. Description of provisions for income certification and screening of potential purchasers or renters of affordable units, resale control mechanisms (in for-sale units), and ongoing monitoring and administration.

4. Term of affordability.

5. A schedule for completion of affordable units and phasing of development in relation to construction of market-rate units.

6. A description of remedies for breach of the agreement by either party.

7. For for-sale affordable units, conditions governing the initial sale and resale of affordable units to eligible households to ensure continued compliance with the restrictions of this chapter; and a condition requiring disclosure by the developer to the buyer of affordable units of the existence of the deed restrictions affecting the resale of the property.

8. For rental affordable units, conditions establishing rules and procedures for qualifying tenants, setting rental rates, filling vacancies, operating and maintaining rental affordable units, and annually monitoring affordable units. A rent regulatory agreement acceptable to the city shall be recorded against the residential project prior to issuance of a building permit for any dwelling unit in the residential project. The rent regulatory agreement shall include the developer’s agreement to the limitations on rents required by SBMC 17.70.025(A).

9. If an alternative is approved pursuant to SBMC 17.70.030, provisions to ensure that the affordable housing is provided and that the requirements applied to the alternative have been complied with. Where off-site property is proposed for affordable housing, additional restrictions or agreements may be required to be recorded against the off-site property.

10. Other provisions needed to ensure implementation and compliance with this chapter, to ensure continued affordability of the units, or to comply with state or federal law.

17.70.045 Incentives.

Certain types of affordable housing are relatively more desirable in satisfying the city’s affordable housing goals and housing element goals. Although nothing in this chapter establishes a right to receive any additional incentive from the city or any other party or agency to enable the developer to meet the obligations of this chapter, the city council at its sole discretion may discount city fees, expedite the application process, or provide other assistance when it finds that provision of such assistance is needed to meet housing needs identified in the housing element which otherwise would not be met through the implementation of this chapter.
17.70.050 Affordable housing impact fees.

A. Any affordable housing impact fees shall be set by city fee resolution or other action of the city council. Fees may be based on a fee per dwelling unit, fee per square foot, or any other reasonable basis. The city council may review the fees from time to time at its sole discretion and may, based on that review, adjust the fee amount. Affordable housing impact fees shall not exceed the cost of mitigating the impact of residential projects on the need for affordable housing in the city.

B. All affordable housing impact fees shall be deposited into a separate account to be designated the city of Solana Beach housing fund. The fees collected and all earnings from investment of the fees shall be expended exclusively to provide or assure continued provision of affordable housing in the city through acquisition, construction, development assistance, rehabilitation, financing, rent or other subsidies, provision of supportive services, or other methods, and for costs of administering programs which serve those ends. The housing assisted shall be of a type, or made affordable at a cost or rent, for which there is a need in the city and which is not adequately supplied in the city by private housing development in the absence of public assistance and to the extent feasible shall be utilized to provide for low and very low income housing.

17.70.055 Waivers of affordable housing requirements.

A. As part of an application for the first approval of a residential project, a developer may request that the requirements of this chapter be waived or modified, based upon a showing that applying the requirements of this chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result. Any request for a waiver or modification shall be submitted concurrently with the project application. The developer shall set forth in detail the factual and legal basis for the claim, including all supporting technical documentation, and shall bear the burden of presenting the requisite evidence to demonstrate the alleged unconstitutional result. Any request for a waiver or modification based on this section shall be reviewed and considered at the same time as the project application. In deciding whether to grant the waiver or modification, the city council shall assume each of the following when it is applicable to the project:

1. The developer will provide the most economical inclusionary units feasible in terms of construction, design, location and tenure.

2. The developer is likely to obtain housing subsidies when such funds are reasonably available.

B. The waiver or modification may be approved only to the extent necessary to avoid an unconstitutional result, based upon legal advice provided by or at the behest of the city attorney, after adoption of written findings, based on legal analysis and the evidence. If a waiver or modification is granted, any change in the project shall invalidate the waiver or
modification, and a new application shall be required for a waiver or modification pursuant to this section.

**17.70.060 Development Impact Fee Reductions.**

A. The City Manager is authorized to reduce City Development Impact Fees (DIF) for affordable housing units developed, provided that a deed restriction consistent with State law affordability provisions is recorded for a minimum of 55 years. Reductions shall apply to all City DIF including, but not limited to, park, fire, sewer, and transportation fee. The reduced DIF shall only apply to the fees that would have been collected on the affordable unit. The following reductions shall apply based on the number of affordable units being developed as part of the overall project:

- 50% DIF reduction for 1 to 5 affordable units
- 75% DIF reduction for 6 to 9 affordable units
- 100% DIF reduction for 10 or more affordable units

**17.70.065 Enforcement.**

A. The City Attorney shall be authorized to enforce the provisions of this chapter and all affordable housing agreements, regulatory agreements, and all other covenants or restrictions placed on affordable units, by civil action and any other proceeding or method permitted by law.

B. Failure of any official or agency to fulfill the requirements of this chapter shall not excuse any applicant or owner from the requirements of this chapter. No permit, license, map, or other approval or entitlement for a residential development shall be issued, including without limitation a final inspection or certificate of occupancy, until all applicable requirements of this chapter have been satisfied.

C. The remedies provided for herein shall be cumulative and not exclusive and shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.

**Section 6. Severability.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Chapter, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections,
subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code §36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 27th day of February, 2019; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the ____ day of _____________, 2019, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

______________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM:

______________________________
JOHANNA N. CANLAS, City Attorney

ATTEST:

______________________________
ANGELA IVEY, City Clerk
Chapter 17.70
AFFORDABLE HOUSING

Sections:
17.70.010  _Purpose._
17.70.015  _Definitions._
17.70.020  _Affordable housing required – For-sale for-sale residential projects._
17.70.025  _Requirements for Affordable housing required – rental residential projects._
17.70.027  _Fractional units._
17.70.030  _Alternatives to for provision of on-site for-sale affordable units._
17.70.035  _Affordable housing design and standards._
17.70.040  _Affordable housing plan and affordable housing agreement._
17.70.045  _Incentives._
17.70.050  _Affordable housing impact fees._
17.70.055  _Waivers of affordable housing requirements._
17.70.060  _Development Impact Fee Reductions_  
17.70.065  _Enforcement_  

17.70.010 Purpose.
A. This chapter is adopted to establish regulations and standards regarding the provision of affordable housing units. The council hereby determines that this chapter is necessary to assist in meeting the city's share of the regional housing needs, to implement the city's general plan and housing element relative to the provision of housing units for all economic sectors of its population, including households with very low and low incomes, and to require affordable housing in both rental and for-sale housing, consistent with the provisions of Government Code Sections 65850(g) and 65850.01.

B. New housing contributes to the demand for goods and services in the city, increasing local employment at wage levels which often do not permit employees to afford housing in the city.
Further, new housing construction which does not include affordable units aggravates the existing shortage of affordable housing by absorbing the supply of available residential land. Providing affordable units or impact fees as required by this chapter will ensure that part of the city’s remaining developable land is used to provide affordable housing.

17.70.015 Definitions.
Whenever the following terms are used in this chapter, they shall have the meaning established by this section:

A. "Condominium conversion" means conversion of rental multifamily dwellings or apartments to common-interest subdivisions such as condominiums, community apartments, stock cooperatives or planned developments.

B. "For-sale residential project" means a residential project, or portion thereof, that includes the creation of one or more dwelling units that may be sold individually, including condominiums, community apartments, stock cooperatives, planned developments, and individual lots and dwellings. A for-sale residential project also includes a condominium conversion.

C. “Rental residential project” means a residential project, or portion thereof, that creates dwelling units that cannot be sold individually.

D. "Residential project" means the construction, rehabilitation, remodeling, adaptive reuse, or replacement of structures to create one or more dwelling units. For the purposes of this chapter, a residential project includes a condominium conversion.

17.70.020 Affordable housing required – For-sale for-sale residential projects.
A. Affordable Units Required. Developers of for-sale residential projects providing five or more dwelling units, or five or more lots for sale for residential purposes, shall construct and set aside 15 percent of all units or lots for sale to very low or low income households (as defined by Health and Safety Code Sections 50105 and 50079.5, respectively) at sales prices affordable to such persons or families. For the purposes of this chapter, a unit is affordable if it meets the requirements for affordable housing costs for very low or low income households established by Health and Safety Code Section 50052.5 and regulations adopted by the California Department of Housing and Community Development (California Code of Regulations Title 25, Sections 6910 through 6924) determining affordability of residential housing units based upon family size and income levels.
1. Fractional Units. When the calculation of the number of affordable units required for a for-sale residential project results in a fraction of one-half or more, one additional affordable unit shall be provided. When the calculation results in a fraction of less than one-half, the developer shall either provide an additional affordable unit or pay an affordable housing impact fee calculated by multiplying the area (in square feet) of the average market-rate unit in the project by the fraction, and multiplying that number by the impact fee per square foot. (Example: if the average market-rate unit has 2,500 square feet, and there is a fraction of 0.2, the impact fee would total 500 multiplied by the impact fee per square foot.)

2. Fractional Unit Alternative. As an alternative, the developer may increase the number of bedrooms in the affordable unit(s) as follows:
   a. One additional bedroom for fractions of greater than zero but not more than 0.3;
   b. Two additional bedrooms for fractions greater than 0.3 but not more than 0.6;
   c. Three additional bedrooms for fractions greater than 0.5 but not more than 0.7.

B. Term of Affordability. The required affordable units shall remain affordable for 45 years from the date of final inspection, as shown on the inspection record card for the affordable unit.

C. Applicability to Alternatives. If the developer of a residential project proposes to provide for-sale affordable units as part of an alternative permitted by SBMC 17.70.030, the number and affordability of the for-sale affordable units shall be consistent with subsection A of this section, and the term of affordability shall be consistent with subsection B of this section.

D. Relation to Density Bonuses and Other Incentives. If a for-sale residential project receives a density bonus or other incentives pursuant to Section 65915 of the Government Code and the density bonus ordinance (SBMC 17.20.050), then

   1. Any affordable units that were used to qualify the project for the density bonus or incentives must be provided in addition to the affordable units required by this chapter and do not meet the affordable housing requirements of this chapter.

   2. The provisions of this chapter shall not apply to density bonus units as defined in the density bonus ordinance (SBMC 17.20.050), as required by Section 65915 of the Government Code.

17.70.025 Requirements for Affordable housing required - rental residential projects.
A. Affordable Housing Impact Fees. For rental residential projects of five or more dwelling units, prior to the issuance of a building permit for each market-rate rental dwelling unit, affordable housing impact fees shall be paid to mitigate the rental residential project's impact on the need for affordable housing in the city.

B. Alternatives to Payment of Affordable Housing Impact Fees. A developer of a rental residential project must pay the affordable housing impact fee unless the developer chooses and qualifies for one of the following alternatives:

1. Governmental Financial Contribution or Regulatory Incentive. The developer may submit an affidavit to the city stating that any rental affordable units proposed by the developer are not subject to Civil Code Section 1944.52(a) or any other provision of the Costa Hawkins Rental Housing Act (Civil Code Sections 1944.51 et seq.) inconsistent with controls on rents, because, pursuant to Civil Code Sections 1944.52(b) and 1954.53(a)(2), prior to approval of the residential project, the developer will enter into a contract with the city or another public agency agreeing to the limitations on rents contained in subsection C of this section in consideration for a direct financial contribution or any form of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code. The developer may request that the city waive the affordable housing impact fee as a direct financial contribution to the rental residential project.

2. Development Agreement. The developer of a rental residential project may apply to enter into a development agreement with the city pursuant to Government Code Sections 65864 et seq. to provide rental affordable units as an alternative to the payment of the affordable housing impact fee. The development agreement must obligate the developer to provide rental affordable units consistent with the provisions of subsection C of this section.

C. Standards for Rental Affordable Units. Any rental affordable units proposed as an alternative to the payment of the affordable housing impact fee shall be subject to a rent regulatory agreement with a term of 55 years and shall be required to be rented. A. Affordable Units Required. Developers of rental residential projects providing five or more dwelling units shall construct and set aside 15 percent of all units for rent to very low or low income households at affordable rents consistent with (as defined by Health and Safety Code Sections 50105 and 50075.5, respectively) at rents affordable to such persons or households. For the purposes of this chapter, a unit is affordable if it meets the requirements for affordable rent for very low or low income households established by Health and Safety Code Section 50053 and regulations adopted by the California Department of Housing and Community Development (California Code of Regulations Title 25, Sections 6910 through 6924). If the developer wishes to qualify for one of the alternatives listed in
subsection B of this section, at least 15 percent of the total units in the rental residential project shall be rented to very low or low-income households at affordable rents. Determining affordability of residential housing units based upon household size and income levels.

B. Term of Affordability. The required rental affordable units shall remain affordable for 55 years from the date of final inspection, as shown on the inspection record card for the affordable unit.

C. Applicability to Alternatives. If the developer of a residential project proposes to provide rental affordable units as part of an alternative permitted by SBMC 17.70.030, the number and affordability of the rental affordable units shall be consistent with subsection A of this section, and the term of affordability shall be consistent with subsection B of this section.

D. Relation to Density Bonuses and Other Incentives. If the rental residential project receives a density bonus or other incentives pursuant to Section 65915 of the Government Code and the density bonus ordinance (SBMC 17.20.050), then:

1. Affordable housing impact fees must be paid and cannot be waived unless rental affordable units as required by subsection C of this section are provided in addition to any affordable units that were used to qualify the project for the density bonus or incentives, and the developer qualifies for one of the alternatives listed in subsection B of this section; and

2. The provisions of this chapter shall not apply to density bonus units as defined in the density bonus ordinance (SBMC 17.20.050), as required by Section 65915 of the Government Code.

E. Applicability to For-Sale Housing Alternatives. If the developer of a for-sale project proposes to provide rental affordable units as part of an alternative permitted by SBMC 17.70.030, the rental affordable units shall be affordable to very low or low-income households at the affordable rents and for the term required in subsection C of this section, and the developer must qualify for one of the alternatives listed in subsection B of this section.

A. Fractional Units. When the calculation of the number of affordable units required for a residential project results in a fraction of one-half or more, one additional affordable unit shall be provided. When the calculation results in a fraction of less than one-half, the developer shall either provide an additional affordable unit or pay an affordable housing impact fee calculated by multiplying the area (in square feet) of the average market-rate unit in the project by the fraction, and multiplying that number by the impact fee per square foot. (Example: if the average market-rate unit has 2,500 square feet and the calculation results in a fraction of 0.35, the developer shall provide an additional affordable unit or pay an affordable housing impact fee calculated by multiplying 2,500 by 0.35, and multiplying that number by the impact fee per square foot.)
square feet, and there is a fraction of 0.2, the impact fee would total 500 multiplied by the impact fee per square foot.)

B. Fractional Unit Alternative. As an alternative, the developer may increase the number of bedrooms in the affordable unit(s) as follows:

1. One additional bedroom for fractions of greater than zero but not more than 0.3;
2. Two additional bedrooms for fractions greater than 0.3 but not more than 0.5;
3. Three additional bedrooms for fractions greater than 0.5 but not more than 0.7.

17.70.030 Alternatives for provision of on-site for-sale affordable units.

A. Affordable Accessible Living Units (ALUs). As an alternative to providing for sale single-family dwelling units as affordable units, a developer may instead offer to provide an affordable accessory living unit (ALU) for each for-sale affordable unit otherwise required, subject to the standards of SBMC 17.20.040(D) for accessory living units. The term and affordability of the ALUs and the affordable housing agreement and rent regulatory agreement shall conform with the provisions of SBMC 17.70.025(E). The city council may from time to time specify by resolution a form of assistance to be provided to ALUs designated as affordable units.

B. Rental Units in a For-Sale Residential Project.

1. As permitted by Government Code Section 65589.8, a developer of a for-sale residential project may propose to provide rental affordable units rather than for-sale affordable units. The term and affordability of the rental affordable units and the affordable housing agreement and rent regulatory agreement shall conform with the provisions of SBMC 17.70.025(E).

2. If the developer elects to provide rental affordable units, at least 15 percent of the units in the residential project shall be rented to very low or low income households at affordable rents.

3. The rent regulatory agreement shall include provisions for sale of the affordable units and relocation benefits for tenants of the rental affordable units if the owner of the residential project later determines to offer any affordable units in the residential project for sale. The owner shall provide all notices to prospective tenants of the residential project required by state law and shall additionally, at the time sale of the units is proposed,
provide all tenants of the rental affordable units with the same notices, rights, and relocation benefits as provided by state law and the municipal code for tenants in condominium conversions. The owner shall provide written notice to the city at least 90 days before offering any rental affordable unit for sale. The owner shall provide as many ownership-for-sale affordable units at affordable ownership housing cost as are required by SBMC 17.70.020(A). At the time of sale, documents acceptable to the community development director, all consistent with the requirements of this chapter, shall be recorded against the ownership-for-sale affordable units for a term of 45 years from the date of sale.

GB. Construction of Off-Site Affordable Housing.

2. An affordable housing development may be part of a larger residential or mixed-use development project. A nonprofit housing developer may participate in the construction and operation of an affordable-housing development. This section is intended to provide a method for the actual construction and operation of affordable housing developments.

1. As an alternative to the construction of for-sale-affordable units on-site, a developer may agree to propose to construct and operate an affordable housing development on other property within the city for occupancy by low or very low income households at prices or rents affordable to such households. The off-site affordable units must be located within the city of Solana Beach. If the residential project is located within the redevelopment project area, the off-site affordable units shall provide equivalent redevelopment affordable-housing production credit under Health and Safety Code Section 33413 as would be obtained if the affordable units were located on-site. If the units will be rental, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.025(E). If the off-site affordable units are for-sale affordable units, the number, affordability, and term of affordability of the affordable units and the affordable housing agreement and rent regulatory agreement shall conform with the provisions of SBMC 17.70.025(E). The number of off-site rental affordable units shall equal at least 15 percent of the number of units in the residential project and shall be rented to very low or low income households at affordable rents, as specified in SBMC 17.70.025(E).

2. The affordable housing plan required by SBMC 17.70.040(A) shall provide evidence of the following, in addition to the requirements of SBMC 17.70.040(A):
a. Financing or a viable financing plan, which may include public funding, shall be in place for the off-site affordable units.

b. The off-site location must be suitable for the proposed affordable housing, consistent with any adopted affordable housing guidelines and the Housing Element, will not tend to cause residential segregation, and be located within the same planning area with appropriate infrastructure and services. Any off-site alternative must comply with the density, intensity and development standards that are permitted under the zone for the site.

3. The As an alternative to the construction of for-sale-affordable housing agreement required by SBMC 17.70.040(B) shall contain the following, in addition to the requirements of SBMC 17.70.040(B):

a. Prior to issuance of a building permit for any unit in the residential development, the off-site development shall have all discretionary permits and approvals necessary for the construction of the affordable housing, and the developer or qualified affordable housing developer approved by the city shall have purchased the site for the off-site affordable housing.

b. Prior to occupancy of any unit in the residential development, a building permit shall have been issued for all units in the affordable housing development.

c. Alternative phasing may be approved as part of the approval of the affordable housing plan.

C. Preservation or Conversion of Existing Units. As an alternative to the construction of affordable units on-site, a developer may propose to preserve existing affordable units at risk of loss or convert market-rate units to affordable units, if the preservation or conversion of these units is consistent with Government Code Section 65583.1 and allows the City to substitute the preservation or conversion of these units for the obligation to identify sites.

D. Legalization of Existing Unpermitted Dwelling Units. As an alternative to the construction of affordable units in existing housing, a developer may acquire or place deed restrictions upon existing housing units, or interests therein, within the city constructed without building permits, for occupancy by very low or low income households at prices or rents affordable to such households subject to the following standards and conditions:
1. The existing housing units must be located within the city of Solana Beach. If the residential project is located within the redevelopment project area, the purchase of the existing housing units shall provide equivalent redevelopment affordable housing production credit under Health and Safety Code Section 33413 as would be obtained if the affordable units were constructed on-site.

1. The developer must demonstrate ownership of the unpermitted dwelling units or an executed agreement with the owner(s) of the dwelling units agreeing to record an affordable housing agreement against the property and to grant the developer access to perform any required rehabilitation or improvements.

2. The existing unpermitted housing units must not have a separate address that was included in the most recent United States Census.

2. The unit(s) shall be ready for occupancy by an eligible household prior to final inspection, as shown on the inspection record card, for any unrestricted market-rate units in the residential project.

3. A building permit shall be obtained for each unpermitted dwelling unit. Any substandard unit shall be rehabilitated in conformance with applicable local ordinances and state statutes.

4. If the existing units will be for-sale affordable units, the number, affordability, and term of affordability of the affordable units shall conform with the provisions of SBMC 17.70.020(C). If the existing units will be rental affordable units, the number, affordability, and term of affordability of the affordable units and the affordable housing agreement and rent regulatory agreement shall conform with the provisions of SBMC 17.70.025(E). The number of off-site rental affordable units shall equal at least 15 percent of the number of units in the residential project and shall be rented to very low or low-income households at affordable rents, as specified in SBMC 17.70.025(E); 17.70.025(C).

5. If approved by the city council, a nonprofit corporation specializing in housing management of the county of San Diego department of housing and community development may participate in the acquisition and/or operation of the affordable unit(s).

6. This section is intended to provide a method for the actual acquisition, rehabilitation and operation of affordable units at diverse locations throughout the city. After approval of the affordable housing plan, the city manager is authorized to approve the acquisition/operation plan and any additional documents necessary to implement this section. Any proposed units to be acquired in the area defined in the Eden
Gardens master plan shall require a public hearing and city council approval due to existing high concentration of affordable units in that area. Payment of Affordable Housing Impact Fees. As an alternative to the construction of affordable units on-site, a developer may propose to pay affordable housing impact fees adopted by city council resolution to mitigate the residential project's impact on the need for affordable housing in the city, if the City Council makes both of the following findings:

1. The affordable housing impact fees will be used to provide financial assistance to an identified affordable housing project that: (a) is proposed by an affordable housing developer; (b) has received all discretionary approvals from the City and the Coastal Commission; and (c) requires additional funds to commence construction.

2. Provision of the affordable housing impact fee will create more affordable units than would be created by on-site provision of the affordable units.

Any approved affordable housing impact fees shall be paid prior to the first issuance of a building permit for the residential development.

17.70.035 Affordable housing design and standards.
A. When an affordable unit is required pursuant to this chapter, such unit may be constructed as a separate single-family dwelling unit or may be combined with other dwelling units. Affordable units shall be designed to be integrated into the residential style of the residential project, and shall have the same general bulk, scale, average square footage, same mix, and height as market-rate units in the development. Subject to approval of the community development director or designee, affordable units may have different interior finishes and features than unrestricted market-rate units in the same residential development project, so long as the finishes and features are durable, of good quality and consistent with contemporary standards for new housing.

B. Affordable units shall be comparable to market-rate units in overall number of bedrooms and the proportion of units in each bedroom category. For multifamily residential projects, the affordable units shall be integrated into the project and located so as not to create a geographic concentration of affordable units within the residential project, unless required to provide housing for senior citizens or to obtain financial assistance from state or federal agencies.

C. All affordable units shall be constructed and occupied concurrently with or prior to the construction and final inspection of unrestricted market-rate units. In phased residential projects, affordable units may be constructed and occupied in proportion to the number of units in each
phase of the residential project. Alternative phasing may be approved as part of the affordable housing plan.

17.70.040 Affordable housing plan and affordable housing agreement.
A. Affordable Housing Plan. An affordable housing plan shall be submitted as part of the first approval of any residential project subject to this chapter and shall be processed, reviewed, and approved, conditionally approved, or denied concurrently with all other applications required for the residential project. The affordable housing plan for a rental residential project may indicate that the developer intends to pay affordable housing impact fees. However, if affordable units are proposed to be provided, the affordable housing plan shall include the following, as applicable:

1. Number, affordability level, unit type, tenure, number of bedrooms, location, unit size (square feet), and design of all affordable units.

2. Construction schedule and phasing of affordable units in relation to unrestricted-market-rate units.

3. Description of provisions for income certification and screening of potential purchasers and/or renters of affordable units, resale control mechanisms, and ongoing monitoring and administration.

4. Any requested alternative pursuant to SBMC 17.70.030, including information as required by SBMC 17.70.030 and reasonably required by the community development director to demonstrate compliance with SBMC 17.70.030 regarding the requirements for that alternative.

5. If the affordable units are proposed for rental occupancy, the developer’s agreement to the limitation on rents as required by SBMC 17.70.025(B) and any city assistance requested.

6. Such additional information as may be required by the community development director to ensure conformance of the project with this chapter or the general plan or any specific plan.

The approved affordable housing plan for a residential development may be amended prior to issuance of any building permit for the residential development, if applicable. A request for a minor modification of an approved affordable housing plan may be granted by the city manager if the modification is substantially in compliance with the original affordable housing plan and conditions of approval. Other modifications to the affordable housing plan shall be processed in the same manner as the original plan.
B. Affordable Housing Agreement – Timing.

1. Prior to final or parcel map approval for the residential project, or, where a tentative or parcel map is not being processed, prior to issuance of building permits for such parcels within the residential development, an affordable housing agreement (or memorandum thereof) between the developer and the city shall be recorded against the property included in the residential project. The affordable housing agreement shall be binding on all future owners and successors in interest.

2. The affordable housing agreement and other required agreements shall be prepared by the city at the developer’s expense. After approval of the affordable housing plan, the city manager is authorized to approve the affordable housing agreement and any additional documents necessary to implement this section.

C. Affordable Housing Agreement – Contents. The affordable housing agreement shall be consistent with the affordable housing agreement and shall include, but not be limited to, the following:

1. The total number of affordable units.

2. The number affordability level, unit type, tenure, number of bedrooms, location, unit size (square feet), and number of bedrooms of the design of all affordable units.

3. A description of the household income group(s) to be accommodated by the housing development, and the standards for determining the corresponding affordable rent or affordable sales price and housing cost.

4. Description of provisions for income certification and screening of potential purchasers or renters of affordable units, resale control mechanisms (in for-sale units), and ongoing monitoring and administration.

5. Term of affordability.

6. A schedule for completion of affordable units and phasing of development in relation to construction of unrestricted market-rate units.

7. A description of remedies for breach of the agreement by either party (the city may identify tenants or qualified purchasers as third-party beneficiaries under the agreement).
7. For for-sale affordable units, conditions governing the initial sale and resale of affordable units to eligible households to ensure continued compliance with the restrictions of this chapter; and a condition requiring disclosure by the developer to the buyer of affordable units of the existence of the deed restrictions affecting the resale of the property.

8. For rental affordable units, conditions establishing rules and procedures for qualifying tenants, setting rental rates, filling vacancies, operating and maintaining rental affordable units, and annually monitoring affordable units. A rent regulatory agreement acceptable to the city shall be recorded against the residential project prior to issuance of a building permit for any dwelling unit in the residential project. The rent regulatory agreement shall include the developer’s agreement to the limitations on rents required by SBMC 47.70.025(817.70.025(A).

9. Conditions providing the city or its designee an option to buy the for sale affordable unit(s) for the purposes of providing affordable housing.

10. If an off-site alternative is approved pursuant to SBMC 17.70.030(C) or (D), provisions to ensure that the affordable housing is provided off-site. Additional and that the requirements applied to the alternative have been complied with. Where off-site property is proposed for affordable housing, additional restrictions or agreements may be required to be recorded against the off-site property.

11. Other provisions needed to ensure implementation and compliance with this chapter, to ensure continued affordability of the units, or to comply with state or federal law.

17.70.045 Incentives.
Certain types of affordable housing are relatively more desirable in satisfying the city’s affordable housing goals and housing element goals. Although nothing in this chapter establishes a right to receive any additional incentive from the city or any other party or agency to enable the developer to meet the obligations of this chapter, the city council at its sole discretion may discount city fees, expedite the application process, or provide other assistance when it finds that provision of such assistance is needed to meet housing needs identified in the housing element which otherwise would not be met through the implementation of this chapter.
17.70.050 Affordable housing impact fees.

A. Affordable Any affordable housing impact fees shall be set by city fee resolution or other action of the city council. Fees may be based on a fee per dwelling unit, fee per square foot, or any other reasonable basis. The city council may review the fees from time to time at its sole discretion and may, based on that review, adjust the fee amount. Affordable housing impact fees shall not exceed the cost of mitigating the impact of residential projects on the need for affordable housing in the city.

B. All affordable housing impact fees shall be deposited into a separate account to be designated the city of Solana Beach housing fund. The fees collected and all earnings from investment of the fees shall be expended exclusively to provide or assure continued provision of affordable housing in the city through acquisition, construction, development assistance, rehabilitation, financing, rent or other subsidies, provision of supportive services, or other methods, and for costs of administering programs which serve those ends. The housing assisted shall be of a type, or made affordable at a cost or rent, for which there is a need in the city and which is not adequately supplied in the city by private housing development in the absence of public assistance and to the extent feasible shall be utilized to provide for low and very low income housing.

17.70.055 Waivers of affordable housing requirements.

A. As part of an application for the first approval of a residential project, a developer may request that the requirements of this chapter be waived or modified, based upon a showing that applying the requirements of this chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result. Any request for a waiver or modification shall be submitted concurrently with the project application. The developer shall set forth in detail the factual and legal basis for the claim, including all supporting technical documentation, and shall bear the burden of presenting the requisite evidence to demonstrate the alleged unconstitutional result. Any request for a waiver or modification based on this section shall be reviewed and considered at the same time as the project application. In deciding whether to grant the waiver or modification, the city council shall assume each of the following when it is applicable to the project:

1. The developer will provide the most economical inclusionary units feasible in terms of construction, design, location and tenure.

2. The developer is likely to obtain housing subsidies when such funds are reasonably available.
B. The waiver or modification may be approved only to the extent necessary to avoid an unconstitutional result, based upon legal advice provided by or at the behest of the city attorney, after adoption of written findings, based on legal analysis and the evidence. If a waiver or modification is granted, any change in the project shall invalidate the waiver or modification, and a new application shall be required for a waiver or modification pursuant to this section.

17.70.060 Development Impact Fee Reductions

A. The City Manager is authorized to reduce City Development Impact Fees (DIF) for affordable housing units developed, provided that a deed restriction consistent with State law affordability provisions is recorded for a minimum of 55 years. Reductions shall apply to all City DIF including, but not limited to, park, fire, sewer, and transportation fee. The reduced DIF shall only apply to the fees that would have been collected on the affordable unit. The following reductions shall apply based on the number of affordable units being developed as part of the overall project:

- 50% DIF reduction for 1 to 5 affordable units
- 75% DIF reduction for 6 to 9 affordable units
- 100% DIF reduction for 10 or more affordable units

17.70.065 Enforcement.

A. The City Attorney shall be authorized to enforce the provisions of this chapter and all affordable housing agreements, regulatory agreements, and all other covenants or restrictions placed on affordable units, by civil action and any other proceeding or method permitted by law.

B. Failure of any official or agency to fulfill the requirements of this chapter shall not excuse any applicant or owner from the requirements of this chapter. No permit, license, map, or other approval or entitlement for a residential development shall be issued, including without limitation a final inspection or certificate of occupancy, until all applicable requirements of this chapter have been satisfied.

C. The remedies provided for herein shall be cumulative and not exclusive and shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.
Dear Honorable Mayor and City Councilmembers,

Gregory Wade, City Manager
February 27, 2019

Community Development Department

Subject: Public Hearing: Request for DRP and SDP to Construct a Replacement Single-Story, Single-Family Residence with an Attached Three-Car Garage and Perform Associated Site Improvements at 236 Patty Hill Dr. (Case #17-18-01 Applicants: Nicholas P. Nicholas and Karen Hirsch; APN: 263-670-27; Resolution No. 2019-022)

Background:

The Applicants, Nicholas P. Nicholas and Karen Hirsch, are requesting City Council approval of a Development Review Permit (DRP) and Structure Development Permit (SDP) to demolish an existing single-story, single-family residence with an attached two-car garage, construct a replacement single-story, single-family residence with an attached three-car garage, and perform associated site improvements. The 12,793 square-foot lot is located at 236 Patty Hill Drive. The property is located within the Low Residential/Specific Plan (LR/SP) Zone, which is implemented by the “236 Patty Hill Specific Plan”. It is also located in the Hillside Overlay Zone (HOZ) and the Scenic Area Overlay Zone (SAOZ).

The project proposes grading in the amounts of approximately 26 cubic yards of cut, 131 cubic yards of fill, 46 cubic yards of excavation for footings, 195 cubic yards of removal and recompaction, and 136 cubic yards of export, for a total of 398 cubic yards of aggregate grading. Additional information regarding proposed grading is provided later in this report.

The project meets three thresholds for a DRP: 1) development on property located within the SAOZ; 2) proposed aggregate grading in excess of 100 cubic yards; and 3) proposed floor area in excess of 60 percent of the maximum floor area allowable under the applicable floor area ratio.

The maximum building height of the proposed residence would be 16.81 feet above pre-existing grade, with the highest point of the roof 131.23 feet above Mean Sea Level (MSL).

City Council Action:
__________________________________________________________
__________________________________________________________
__________________________________________________________

Agenda Item B.2.
The proposed residence would exceed 16 feet in height from the existing grade; therefore, the project is subject to the View Assessment requirements of Solana Beach Municipal Code (SBMC) Chapter 17.63 and a SDP is required.

The issue before the Council is whether to approve, approve with conditions, or deny the Applicants' request as contained in Resolution 2019-022 (Attachment 1).

**DISCUSSION:**

The Applicants propose to demolish the existing residence and construct a 3,704 square-foot, single-story, single-family residence on a 12,793 square foot lot. The Applicants are also proposing an attached 728 square foot three-car garage, as well as associated site improvements including cut and fill grading; a spa; a fire pit; a driveway and other hardscape features; a covered patio; fencing, walls, and retaining walls; landscaping; and a bioretention area. The project plans are provided in Attachment 2.

The project site is located on the north side of Patty Hill Drive, between North Rios Avenue and Barbara Avenue. Patty Hill Drive slopes upward from west to east. The adjacent parcel to the east fronts on Barbara Avenue, which is at a higher elevation than the subject property, while adjacent properties to the west (fronting on Patty Hill Drive) and north (fronting on Midori Court) are at lower elevations. Although the existing building pad is relatively level, the site topography slopes up to the east to the neighboring property and up to the south to the Patty Hill right-of-way. The referenced slopes currently exceed 25 percent and the property is located within the limits of the HOZ, which prohibit grading in slopes in excess of 25 percent. The project's compliance with the HOZ regulations is analyzed later in this report.

The subject site is unique as it is subject to a one-lot specific plan, which was adopted on February 3, 1998 via Ordinance 243 (Attachment 3). The stated purpose of the “236 Patty Hill Specific Plan” (referred to as the PHSP), which is shown on the Zoning Map as LR/SP, was “to allow for the re-development of one existing 2,008 square-foot, single-level home at Patty Hill Drive in the City of Solana Beach.” The PHSP primarily utilizes the Low Residential (LR) zoning standards, with certain exceptions and conditions, including: an increased east side yard setback from 10 to 20 feet and a decreased rear yard setback from 25 to 15 feet; the requirement that a new structure have a slab foundation on the existing grade of 114.42 feet MSL, which is the same pad elevation as the existing structure; and several conditions regarding limitations on landscaping, prohibition of any pool or spa draining anywhere except via a sewer clean-out near the pool/spa equipment, and limitations on how pets are kept. The PHSP states that Solana Beach Zoning Ordinance for the LR Zone shall be utilized for any applicable issues that are not addressed in the Specific Plan.

Table 1 (on the following page) provides a comparison of the Solana Beach Municipal Code (SBMC) applicable zoning regulations and the PHSP with the Applicants' proposed design.
Table 1

LOT INFORMATION

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<th>Property Address:</th>
<th>Zoning Designation:</th>
<th># of Units Allowed:</th>
<th># of Units Requested:</th>
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<td>1 Dwelling Unit</td>
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<tr>
<td>Below Max. Floor Area by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,306 ft²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max. Allowable Height:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*25 ft.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max. Proposed Height:</td>
<td>**16.81 ft.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest Point/Ridge:</td>
<td>131.23' MSL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Height above pre-existing grade
*The PHSP limits new construction to a single level, but does not include a maximum height; therefore, the LR regulations apply

PROPOSED PROJECT INFORMATION

Floor Area Breakdown:
- Main Floor Living Area 3,704 ft²
- Attached 3-Car Garage/Storage 728 ft²
- Subtotal 4,432 ft²
- Off-Street Parking Exemption - 400 ft²
- Total Floor Area: 4,032 ft²

Proposed Grading:
- Cut: 26 yd³ Fill: 131 yd³ Excavation for Footings: 46 yd³
- Removal/Recompaction: 195 yd³ Export: 136 yd³

Proposed Parking: Attached 3-Car Garage
Proposed Fences and Walls: Yes
Proposed Accessory Dwelling Unit: No
Proposed Accessory Structure: No

Required Permits:
- DRP: 1) development on property located within SAOZ; 2) total proposed square footage exceeds 60 percent of maximum allowable floor area; and 3) proposed aggregate grading quantity exceeds 100 cubic yards
- SDP: proposed residence exceeds 16 feet from existing grade

Hillside Overlay Zone (HOZ) Compliance:

The subject property is located within an area designated as Hillside Overlay Zone (HOZ) on the City’s zoning map. The purpose of the HOZ is to restrict the grading of natural slopes with an inclination of 25 percent or greater in order to: 1) preserve the natural

Staff has prepared draft findings for approval of the project in the attached Resolution 2019-022 for Council’s consideration based upon the information in this report. The applicable SBMC sections are provided in italicized text and conditions from the Community Development, Engineering, and Fire Departments are incorporated in the Resolution of Approval. The Council may direct Staff to modify the Resolution to reflect the findings and conditions it deems appropriate as a result of the public hearing process. If the Council determines the project is to be denied, Staff will prepare a Resolution of Denial for adoption at a subsequent Council meeting.

The following is a discussion of the findings for a DRP as it applies to the proposed project as well as references to recommended conditions of approval contained in Resolution 2019-022.

Hillside Overlay Zone (HOZ) Compliance:

The subject property is located within an area designated as Hillside Overlay Zone (HOZ) on the City’s zoning map. The purpose of the HOZ is to restrict the grading of natural slopes with an inclination of 25 percent or greater in order to: 1) preserve the natural
topography and scenic qualities of the city; 2) protect native coastal sage/chaparral and grassland habitat; 3) preserve existing watersheds; and 4) reduce the potential for environmental hazards. SBMC Section 17.48.020(D)(1) exempts any development for which site-specific analysis indicates that no portion of the project, including grading, would be located in slopes exceeding 25 percent slope. A Slope Analysis is provided in the project plans (Attachment 2).

The eastern slope (shown in yellow and red on the Slope Analysis) is considered the “pre-existing grade” (defined as “the natural grade of the site or graded condition of the site as of July 1, 1985” in SBMC Section 17.08) and has slopes in excess of 25 and 40 percent. The eastern slope is currently retained by an approximately 2.5-foot retaining wall that would be maintained. In compliance with the provisions of the HOZ, there would be no grading in the pre-existing eastern, steep slope with the project.

The southern slope (shown in blue hatching on the Slope Analysis) is also in excess of 25 and 40 percent, however, this slope was manufactured in 1997 under an City-issued Grading Permit (SBGR-66) for required street improvements (widening of Patty Hill Drive) adjacent to the subject property with the approval of the Midori Court Subdivision. The southern slope (east of the driveway curb cut) is currently retained by a low retaining wall (less than 2.5 feet) that would be removed. The project includes grading that would cut further into the southern slope (east of the driveway curb cut) and construct a new retaining wall, relatively parallel to the front property line, in order to expand the driveway area. The project also includes grading in the southern slope (west of the driveway curb cut) for the bioretention area. Since the southern slope was manufactured under a City-issued Grading Permit after July 5, 1985, the slope is not subject to the grading limitations of the HOZ and the proposal is permissible, subject to the Council’s discretion of the DRP.

The proposed single-family residence and associated site improvements, including grading, would not be located in the in pre-existing slopes exceeding 25 percent slope. Therefore, the project can be found to be exempt from the requirements of the HOZ.

Development Review Permit Compliance (SBMC Section 17.68.40):

A DRP is required for the following reasons: 1) development on property located within the SAOZ; 2) the total proposed square footage exceeds 60 percent of the maximum floor area allowable under the applicable floor area ratio (total floor area of 4,032); and 3) the proposed aggregate grading quantity exceeds 100 cubic yards (total grading of 398 cubic yards, including cut and fill).

In addition to meeting zoning requirements, the project must also be found in compliance with development review criteria. The following is a list of the development review criteria topics:

1. Relationship with Adjacent Land Uses
2. Building and Structure Placement
3. Landscaping
4. Roads, Pedestrian Walkways, Parking, and Storage Areas
5. Grading
6. Lighting
7. Usable Open Space

The Council may approve, or conditionally approve, a DRP only if all the findings listed below can be made. Resolution 2019-022 provides the full discussion of the findings.

1. The proposed development is consistent with the general plan and all applicable requirements of the zoning ordinance including special regulations, overlay zones, and specific plans.

2. The proposed development complies with the development review criteria.

3. All required permits and approvals issued by the city, including variances, conditional use permits, comprehensive sign plans, and coastal development permits have been obtained prior to or concurrently with the development review permit.

4. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the Applicants obtaining the required permit or approval from the other agency.

If the above findings cannot be made, the Council shall deny the DRP. The following is a discussion of the applicable development review criteria as they relate to the proposed project.

Relationship with Adjacent Land Uses:

The property is located within the LR/SP Zone, which is implemented by the PHSP, the HOZ, and SAOZ, as described earlier in this report. The surrounding neighborhood consists of a mix of one- and two-story single-family residences. Properties to the north (on Midori Court and the west side of South Rios Avenue) and to the west (on Patty Hill Drive) are in the North Rios Specific Plan and are in the SAOZ. Properties on the east side of Midori Court are also in the HOZ. Properties to the south are in the LR Zone and the Scaled Residential Overlay Zone (SROZ). Properties to the east, on the west side of Barbara Avenue north of Patty Hill Drive, are in the LR Zone, the SAOZ, and the HOZ. Properties on the east side of Barbara Avenue, both north and south of Patty Hill Drive, are in the LR Zone and the SROZ.

The project, as designed, is consistent with the permitted uses for the LR Zone as described in SBMC Sections 17.20.010 and 17.12.020, and with the PHSP as described in Ordinance 243. The property is designated Low Density Residential in the General Plan, which is intended for single-family residences developed at a maximum density of three dwelling units per acre. The proposed development could be found to be consistent with the objectives of the General Plan as it encourages the development and
maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

The property is located in the Coastal Zone. As a condition of project approval, the Applicants would be required to obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission prior to the issuance of a Building Permit.

Building and Structure Placement:

The Applicants propose to demolish the existing single-story, single-family residence and attached two-car garage and construct a replacement single-story, single-family residence with attached three-car garage, and perform associated site improvements. The proposed residence would be set back 25 feet from the front (south) property line abutting Patty Hill Drive, 11 feet from the west interior property line, 20 feet from the east interior property line, and 15 feet from the rear (north) property line, in compliance with both the LR Zone and the PHSP. Rather than being directly parallel to the property lines, the residence has been designed at an angle to take advantage of the views to the north and west.

As required by the PHSP, the proposed house is one story. Due to the requirement of the PHSP, the slab foundation for the proposed residence must remain consistent with the existing grade of the existing residence of 114.42 feet MSL. A majority of the building pad is proposed to be at 114.4 feet MSL, which is consistent with the existing residence, with the great room, kitchen, and foyer slightly elevated at 116.7 feet MSL. Although the house is a split level, it is still considered a one-story house and therefore could be considered consistent with the requirement of the PHSP.

Driveway access would be taken from Patty Hill Drive just east of the center of the property. Pedestrian access to the main entrance of the residence would be taken from a walkway from Patty Hill Drive, which also connects to the proposed driveway. The Applicants are proposing to construct a covered patio with a fireplace and outdoor kitchen off the great room. The square footage of the covered patio does not contribute to the maximum allowable floor area because it is not enclosed on more than two sides. An outdoor spa at grade level is proposed off the master bedroom in the rear-yard setback.

The 3,704 square-foot residence would include the following features: great room, kitchen, foyer, powder room, guest/tv room with attached bathroom, two bedrooms with attached bathrooms, master suite with bedroom, sitting area, walk-in closet and attached bathroom, and mudroom/laundry. There also would be an attached 728 square-foot three-car garage. The SBMC parking regulations require two off-street parking spaces per single-family residence. The Code indicates that when required spaces are provided in a garage, 200 square feet of floor area is exempted for each required space. The development is required to provide two parking spaces; therefore, the project is afforded a 400 square-foot exemption.
The PHSP does not have specific requirements for maximum allowable floor area, but it does indicate that “the City of Solana Beach Zoning Ordinance for the LR zone shall be utilized for any applicable issues that are not addressed in this Specific Plan”; therefore, the FAR allowance would be the same as properties zoned LR, such as the parcel directly adjacent to the site on the west side of Barbara Avenue. The maximum floor area calculation for this project is as follows:

<table>
<thead>
<tr>
<th>FAR Allowance</th>
<th>Maximum Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.60 for first 5,000 ft²</td>
<td>3,000 ft²</td>
</tr>
<tr>
<td>0.30 for 5,000 to 20,000 ft²</td>
<td>2,338 ft²</td>
</tr>
<tr>
<td><strong>Total Allowable Floor Area:</strong></td>
<td><strong>5,338 ft²</strong></td>
</tr>
</tbody>
</table>

As shown in Table 1, the total proposed floor area would be 4,032 square feet, which is 1,306 square feet below the maximum allowable floor area for the 12,793 square-foot lot. The proposed project, as designed, meets the minimum required setbacks and is below the maximum allowable floor area for the property.

Neighborhood Comparison:

Staff compared the proposed project to 28 other properties within the surrounding area. This area includes properties along both sides of Patty Hill Drive, Midori Court, North Rios Avenue, Barbara Avenue, and along the west side of North Granados Avenue, as shown on the following Zoning Map:

The properties evaluated in this comparison have diverse zoning regulations, as summarized below.

- Properties on the west side of Barbara Avenue north of Patty Hill Drive are located within the LR Zone but not in the SROZ, as is the case with the subject property. They have a tiered floor area calculation of 0.60 for the first 5,000 square feet of lot area, 0.30 for the next 15,000 square feet and 0.15 for the remaining lot area.
• Properties on Midori Court are located within the North Rios Specific Plan have a maximum allowable Floor Area Ratio (FAR) of .50 of the lot area.

• The remainder of the properties in the comparison are located within the LR and LMR Zones and the SROZ; therefore, they have a lower maximum floor area allowance that uses a tiered calculation of 0.50 for the first 6,000 square feet of lot area, 0.175 for the next 9,000 square feet, 0.10 for the next 4,000 square feet and 0.05 for the remainder of the lot.

The existing homes in the neighborhood comparison range in size from 877 square feet to 4,481 square feet, according to the County Assessor records. It should be noted that the County Assessor does not include the garage, covered porch area, unfinished basement, or accessory building area in the total square footage. Accordingly, the building area of the proposed project has been calculated for comparison purposes by deleting the area of the proposed three-car garage, as follows:

| Project Gross Building Area: | 4,432 ft² |
| Delete Attached Garage: | - 728 ft² |
| Project Area for Comparison to Assessor’s Data: | 3,704 ft² |

Table 2 is based upon the County Assessor’s data and SanGIS data. It contains neighboring lot sizes, the square footage of existing development and the maximum allowable square footage for potential development on each lot.

<table>
<thead>
<tr>
<th>#</th>
<th>Property Address</th>
<th>Lot Size in ft²</th>
<th>Existing ft² Ongoing</th>
<th>Proposed / Recently Approved ft²</th>
<th>Max. Allowable ft²</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>236 Patty Hill Dr</td>
<td>12,793</td>
<td>1,450</td>
<td>3,704</td>
<td>5,338</td>
<td>PHSP</td>
</tr>
<tr>
<td>2</td>
<td>234 Patty Hill Dr</td>
<td>17,244</td>
<td>2,963</td>
<td>4,968</td>
<td>4,688</td>
<td>NRSP</td>
</tr>
<tr>
<td>3</td>
<td>217 Patty Hill Dr</td>
<td>10,000</td>
<td>2,263</td>
<td>3,700</td>
<td>4,836</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>4</td>
<td>629 Barbara Ave</td>
<td>16,494</td>
<td>3,314</td>
<td>5,048</td>
<td>3,875</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>5</td>
<td>627 Barbara Ave</td>
<td>17,700</td>
<td>3,864</td>
<td>4,313</td>
<td>4,313</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>6</td>
<td>630 Barbara Ave</td>
<td>13,500</td>
<td>4,102</td>
<td>3,875</td>
<td>3,875</td>
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</tr>
<tr>
<td>7</td>
<td>620 Barbara Ave</td>
<td>11,000</td>
<td>877</td>
<td>3,875</td>
<td>3,875</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>8</td>
<td>624 Barbara Ave</td>
<td>11,000</td>
<td>3,538</td>
<td>3,875</td>
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<td>LR/SROZ</td>
</tr>
<tr>
<td>9</td>
<td>705 Barbara Ave</td>
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<td>4,770</td>
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<tr>
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<td>711 Barbara Ave</td>
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<td>3,928</td>
<td>4,650</td>
<td>4,650</td>
<td>LR</td>
</tr>
<tr>
<td>11</td>
<td>717 Barbara Ave</td>
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<td>1,831</td>
<td>4,650</td>
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<td>LR</td>
</tr>
<tr>
<td>12</td>
<td>255 Patty Hill Dr</td>
<td>10,200</td>
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<td>3,735</td>
<td>3,735</td>
<td>LR/SROZ</td>
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<tr>
<td>13</td>
<td>708 Barbara Ave</td>
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<td>1,882</td>
<td>3,858</td>
<td>3,858</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>14</td>
<td>635 N Granados Ave</td>
<td>10,866</td>
<td>3,852</td>
<td>3,852</td>
<td>3,852</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>15</td>
<td>621 N Granados Ave</td>
<td>21,100</td>
<td>4,088</td>
<td>5,643</td>
<td>5,643</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>16</td>
<td>643 N Granados Ave</td>
<td>10,100</td>
<td>3,068</td>
<td>3,718</td>
<td>3,718</td>
<td>LR/SROZ</td>
</tr>
<tr>
<td>17</td>
<td>701 Midori Ct</td>
<td>14,328</td>
<td>2,831</td>
<td>7,164</td>
<td>7,164</td>
<td>NRSP</td>
</tr>
</tbody>
</table>
Fences, Walls and Retaining Walls:

Within front and street (exterior side) yard setback areas, the SBMC Section 17.20.040(O) allows fences and walls, or any combination thereof, to be no higher than 42 inches in height as measured from existing grade, except for an additional two feet of fence that is at least 80% open to light. Fences, walls and retaining walls located within the rear and interior side yards, are allowed to be up to six feet in height with an additional 24 inches that is 50% open to light and air. However, the SBMC also permits fences or walls to be 5 feet high in the front-yard setback to comply with pool fencing requirements.

There is an existing L-shaped retaining wall that runs roughly parallel to the east property line, approximately 10 to 16 feet west of the property line along the base of the pre-existing eastern slope. The retaining wall turns to run roughly southwest to intersect with the south property line. This wall retains the existing manufactured southern slope along the south side and southeast corner of the property. See the Slope Analysis Exhibit provided in the project plans (Attachment 2). The project proposes to keep the portion of the wall that parallels the east property line and move the portion that runs roughly parallel to Patty Hill Drive to enlarge the driveway. The proposed relocation of the retaining wall will cut into the existing manufactured southern slope, which is 40 percent or greater. It is permissible to grade in this slope because it was created after the City’s incorporation as a result of construction of the Midori Court Subdivision.

A new retaining wall is proposed near the southwest corner of the property for the bioretention area, while another is proposed in the rear yard adjacent to the spa. A new gate and fence would be provided at each front corner of the residence to screen condensers on the west side of the house and trash receptacles on the east side. Low walls are also provided in the front and rear setbacks.

As proposed, the fences and walls shown on the plans comply with the requirements of SBMC 17.20.040(O) and 17.60.070(C). If the Applicants decide to modify any of the proposed fences and walls or construct additional fences and walls on the project site, a condition of project approval indicates that they would be required to be in compliance with the Municipal Code.
Landscape:

The project is subject to the current water efficient landscaping regulations of SBMC Chapter 17.56. A Landscape Documentation Package is required for new development projects with an aggregate landscape equal to or greater than 500 square feet requiring a building permit, plan check or development review.

The landscape plan is also subject to conditions in the PHSP. The PHSP limits the maximum height of trees to 25 feet or roof top height, whichever is less; therefore, the maximum height of trees shall be limited to the maximum height of the proposed roof, which is 131.23 feet MSL or just under seventeen feet. A condition has been added that limits tree heights to roof top height as provided for in the PHSP, and the conceptual landscape plan reflects this condition.

The PHSP prohibits planting of species listed in the San Elijo Lagoon Conservancy (SELC) list dated October 18, 1996. The City prohibits planting of invasive species, so the requirements of this condition are already addressed. A separate condition has been added to require that native or drought-tolerant and non-invasive plant materials and water-conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

The Applicants provided a conceptual landscape plan that has been reviewed by the City's third-party landscape architect, who has recommended approval. The Applicants will be required to submit detailed construction landscape drawings that will be reviewed by the City's third-party landscape architect for conformance with the conceptual plan and conditions of approval. In addition, the City's third-party landscape architect will perform inspections during the construction phase of the project.

Parking:

SBMC Section 17.52.040 and the Off-Street Parking Design Manual (OSPDM) require two (2) parking spaces for a single-family residence. The Applicants are proposing to construct an attached, three-car garage. The existing driveway would be removed, and the garage would be accessed by a new driveway off Patty Hill Drive along the south property line, to the east of the existing driveway. SBMC Section 17.08.030 indicates that required parking up to 200 square feet per parking space provided in a garage is exempt from the floor area calculation. The proposed garage will provide three parking spaces within an attached garage. Two spaces are required; therefore, 400 square feet of garage area is exempt from the project’s floor area calculation.

Grading:

An aggregate total of 398 cubic yards of grading is proposed, including approximately 26 cubic yards of cut, 131 cubic yards of fill, 46 cubic yards of excavation for footings, 195 cubic yards of removal and recompaction, and 136 cubic yards to be exported. In addition to the grading required to prepare the site for the new residence and site improvements, grading is required to move a portion of an existing retaining wall in the southeast portion
of the site further to the south to provide the new driveway. Grading is also proposed to provide a stormwater bioretention area at the southwest corner of the site.

Lighting:

A condition of project approval requires that all new exterior lighting fixtures comply with the Citywide lighting regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

Usable Open Space:

The project consists of construction of a new single-family residence, attached garage, and associated site improvements; therefore, usable open space and recreational facilities are not required according to SBMC 17.20.040.

Scenic Area Overlay Zone (SAOZ) Compliance:

The purpose of the specific requirements of the SAOZ is to regulate development in areas of high scenic value to preserve and enhance the scenic resources present within, and adjacent to, such areas and to assure the exclusion of incompatible uses and structures. It is further recognized that the preservation and enhancement of scenic resources within the City of Solana Beach provides important social, recreation, and economic benefits for both residents and visitors. Specific review criteria is required for properties within the designated areas of the SAOZ. These are established to ensure that proposed development does not interfere with or degrade those visual features of the site or adjacent sites that contribute to its scenic attractiveness, as viewed from the scenic highway or the adjacent scenic, historic, or recreational resource. The following specific criteria shall be evaluated when they are applicable:

1. Building Characteristics
2. Building and Structure Placement
3. Landscaping
4. Roads, Pedestrian Walkways, Parking and Storage Areas
5. Aboveground Utilities
6. Grading
7. Signs
8. Lighting

An application for development in the SAOZ also requires submittal of a view analysis consisting of an accurate representation of the development as viewed from at least three separate and critical points exterior to the development site (viewpoints) and which show the treatment of the scenic resources present on the site as related to those resources which are adjacent to the site. The view analysis map (Figure 1) below shows the location of the viewpoints. The view analysis is provided in Attachment 4.
The project site is not located near any of the view corridors designated in the City's adopted Land Use Plan (LUP) or the scenic viewpoints and roadways designated in the General Plan. The NRSP, however, indicates that there are view corridors on or adjacent to the property. Therefore, the map was used to determine which scenic views should be analyzed.

Figure 1: View Analysis Map

The site is located on the north side of Patty Hill Drive, between North Rios Avenue to the west and Barbara Avenue to the east. As seen in Figure 1, Barbara Avenue crosses Patty Hill Drive in an offset manner, in two locations. The "leg" of Barbara Avenue that is south of Patty Hill Drive intersects Patty Hill Drive at the southeast corner of the subject lot; this is the location of Viewpoints #1 and #2. The "leg" of Barbara Avenue that is north of Patty Hill Drive is at higher elevation and is farther to the east of the subject site than is the southern "leg". The northwest intersection of Barbara Avenue and Patty Hill Drive is the location of Viewpoint #3.

As Patty Hill Drive rises from west to east, the lots on Patty Hill Drive have been graded to step up to follow the increase in elevation. This confluence of varied road and topography elevations in this area results in the subject property being at a higher elevation than the property directly to the west; at a lower elevation than the properties that front on the southern "leg" of Barbara Avenue, which are southeast of the property; and at an even lower elevation than the properties that front Barbara Avenue on the north "leg" of Barbara Avenue.

The following is a review according to the development review criteria listed above.
Building Characteristics

All development shall be compatible with the topography, vegetation and colors of the natural environment and with the scenic, historic and recreation resources of the designated areas.

The pre-existing topography would be maintained with the project and site grading would only occur in the area of the property with manufactured slopes. Therefore, the design of the proposed residence could be considered to be compatible with the existing topography. The project has been conditioned to be constructed with exterior colors that are natural dark or earth toned to the extent feasible.

Building and Structure Placement

The placement of buildings and structures shall not detract from the visual setting or obstruct significant views, and shall be compatible with the topography of the site and adjacent areas. In prime viewshed areas designated in the general plan, building and structures should not be placed along bluff-top silhouette lines or on the adjacent slopes within view from a lagoon area, but should be clustered along the bases of the bluffs and on the mesa tops set back from the bluff-top silhouette lines. Buildings and structures should be sited to provide unobstructed view corridors from the nearest scenic highway, or view corridor road. These criteria may be modified when necessary to mitigate other overriding environmental considerations such as protection of habitat or wildlife corridors.

As shown in the View Analysis in Attachment 4, the design of the proposed residence would not obstruct significant views. In addition, the proposed design went through the required 30-day public noticing period required for the Structure Development Permit because the proposed residence would exceed 16 feet in height from the pre-existing grade. The entire process is discussed further in this report. No appeals were received by the City; therefore, it could be found that the proposed design, as story poled, would not obstruct significant views.

In compliance with site-specific regulations set forth in the PHSP, the project would maintain the existing building pad elevation and limit the residence to a single story.

The project site is not located on or near a scenic roadway as defined in Exhibit 4 (Scenic Viewpoints and Roadways) of the Conservation and Open Space Element of the City's General Plan.

Landscaping

The removal of native vegetation shall be minimized and the replacement vegetation and landscaping shall be compatible with the vegetation of the designated area. Landscaping and plantings shall be used to the maximum extent practicable to screen those features listed in paragraphs (F)(4), (5) and (6) of this subsection. Landscaping and plantings shall not obstruct significant views, either when installed or when they reach mature growth.
The site was previously developed and no native landscape remains. The project is required to comply with the Water Efficient Landscaping Regulations of SBMC 17.56, which require native, non-invasive plant species for any new landscaping. The PHSP also prohibits planting of invasive species. A separate condition has been added to require that native or drought-tolerant and non-invasive plant materials and water-conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

The PHSP limits the maximum height of trees to 25 feet or roof top height, whichever is less; therefore, the maximum height of trees shall be limited to the maximum height of the proposed roof, which is 131.23 feet MSL or just under seventeen feet. A condition has been added that limits tree heights to roof top height as provided for in the PHSP. The required landscape plan demonstrates compliance with this condition.

Roads, Pedestrian Walkways, Parking and Storage Areas.

Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas shall be screened from view, to the maximum extent feasible, from either the scenic highway or the adjacent scenic, historic, or recreational resource. Acceptable screening methods shall include, but are not limited to, the use of existing topography, the strategic placement of buildings and structures, or landscaping and plantings which harmonize with the natural landscape of the designated area.

The proposed new driveway, which takes access from Patty Hill Drive near the center of the lot, will provide access to a three-car garage. The proposed and existing retaining walls and proposed vegetation along the southeast corner of the site would screen a portion of the driveway and garage from the street. The refuse storage area is proposed to be located on the east side of the garage, behind a gated fence, and will not be visible to the public. The air conditioning units are proposed to be located on the west side of the house and would also be screened from public view by a wall, gate, and vegetation.

Aboveground Utilities

Utilities shall be constructed and routed underground except in those situations where natural features prevent undergrounding or where safety considerations necessitate aboveground construction and routing.

Utilities are already underground on Patty Hill Drive.

Grading

The alteration of the natural topography of the site shall be minimized and shall avoid detrimental effects to the visual setting of the designated area and the existing natural drainage system. Alterations of the natural topography shall be screened from view from either the scenic highway or the adjacent scenic, historic, or recreational resource by landscaping and plantings which harmonize with the natural landscape of the designated area.
area, except when such alterations add variety to or otherwise enhance the visual setting of the designated area. However, design emphasis shall be placed on preserving the existing quality of scenic resources rather than concealment of disturbances or replacement in kind. In portions of the scenic area overlay zone containing sensitive lands, grading may be severely restricted or prohibited.

The project site is located within the boundaries of the HOZ, which was discussed earlier in this report. The proposed residence replaces an existing residence with a relatively flat building pad. Grading is proposed to expand the building pad and driveway area, and to provide site improvements, including low walls and retaining walls, a patio, fire pit, spa, hardscape, and landscape. The pre-existing slope along the east property line would not be graded. A portion of the existing slope constructed with Grading Permit SBGR-66 in 1997 located in the southeast corner of the lot is proposed to be graded to provide a driveway. This manufactured slope was created after the City’s incorporation and could be graded subject to the Council’s discretion. All slopes are proposed to be landscaped in accordance with the requirements of the SBMC and the PHSP.

Signs

Off-site signs shall be prohibited in areas subject to the scenic area overlay zone, except temporary real estate signs pursuant to SBMC 17.64.060. The number, size, location, and design of all other signs shall be consistent with the Comprehensive Sign Ordinance (Chapter 17.64 SBMC) and shall not detract from the visual setting of the designated area or obstruct significant views.

The project consists of a new single-family residence, attached garage, and associated site improvements; therefore, signs are not proposed as part of the development.

Lighting

The interior and exterior lighting of the buildings and structures and the lighting of signs, roads and parking areas shall be compatible with the lighting permitted in the designated area. All exterior lighting, including lighting in designated “dark sky” areas, shall be in conformance with SBMC 17.60.060 (Exterior Lighting Regulations).

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area. The project is not located within the Dark Sky Overlay.

Structure Development Permit Compliance:

The Applicants propose to construct a residence with a maximum height of 16.81 feet. Since the project exceeds 16 feet in height above the existing grade, the project is required to comply with all the View Assessment requirements of SBMC Chapter 17.63 and the Applicants were required to complete the Structure Development Permit (SDP)
process. The Applicants had story poles erected onsite, and a final Story Pole Height Certification was issued by a licensed land surveyor which showed a maximum building height of 16.81 feet above pre-existing grade with the highest pole at 131.23 feet above MSL. Notices for View Assessment were mailed to property owners and occupants within 300 feet of the project site, which established a deadline to file for View Assessment on January 7, 2019. No applications for View Assessment were received. However, it should be noted that informal concerns were raised with Staff at the public counter and over the phone as well as with the Applicants by neighbors to the southeast. In response, the Applicants removed one chimney from the plans. Since no applications for View Assessment were received, the requirements for the approval of an SDP have been met. The SDP will be issued administratively with the DRP should the Council determine that the findings can be made to approve the project.

As a condition of project approval, the Applicants will be required to submit a height certification signed by a licensed land surveyor prior to the framing inspection certifying that that the maximum building height of the structure will not exceed 16.81 feet in height or 131.23 feet above MSL from pre-existing grade. The height certification will also verify that the framing materials and the proposed roofing materials will not exceed the maximum building heights approved by the SDP.

Public Hearing Notice:

Notice of the City Council Public Hearing for the project was published in the Union Tribune more than 10 days prior to the public hearing. The same public notice was mailed to property owners and occupants within 300 feet of the proposed project site on Thursday, February 14, 2019. As of the date of preparation of this Staff Report, Staff has not received any formal correspondence from the community regarding the project. The Applicants provided a narrative regarding the design and neighbor outreach to the City Council, which has been included in Attachment 5.

Conditions from the Planning, Engineering, and Fire Departments have been incorporated into the Resolution of Approval.

In conclusion, the proposed project, as conditioned, could be found to be consistent with the Zoning regulations, the PHSP, and the General Plan. Should the Council determine that the findings can be made to approve the project; the SDP will be issued administratively with the DRP.

**CEQA COMPLIANCE STATEMENT:**

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines. Class 3 consists of construction and location of limited numbers of new, small facilities or structures. Examples of this exemption include one single-family residence or second dwelling unit in a residential zone. In urbanized areas, up to three-single-family residences may be constructed or converted under this exemption.
FISCAL IMPACT: N/A

WORK PLAN: N/A

OPTIONS:

- Approve Staff recommendation adopting the attached Resolution 2019-022.
- Approve Staff recommendation subject to additional specific conditions necessary for the City Council to make all required findings for the approval of a DRP.
- Deny the project if all required findings for the DRP cannot be made.

DEPARTMENT RECOMMENDATION:

The proposed project meets the minimum zoning requirements under the SBMC and the PHSP, may be found to be consistent with the General Plan, and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt Resolution 2019-022 conditionally approving a DRP to construct a new single-level, single-family residence with an attached three-car garage and perform associated site improvements at 236 Patty Hill Drive, Solana Beach.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments:

1. Resolution 2019-022
2. Project Plans
3. 236 Patty Hill Specific Plan
4. Visual Analysis
5. Applicant's Narrative
RESOLUTION 2019-022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A DEVELOPMENT REVIEW PERMIT AND AN ADMINISTRATIVE STRUCTURE DEVELOPMENT PERMIT TO CONSTRUCT A REPLACEMENT, SINGLE-STORY, SINGLE-FAMILY RESIDENCE AND ATTACHED THREE-CAR GARAGE AND PERFORM ASSOCIATED SITE IMPROVEMENTS AT 236 PATTY HILL DRIVE, SOLANA BEACH

APPLICANTS: Nicholas P. Nicholas and Karen Hirsch

CASE NO.: 17-18-01 DRP/SDP

WHEREAS, Nicholas P. Nicholas and Karen Hirsch (hereinafter referred to as "Applicants") have submitted an application for a Development Review Permit (DRP) and administrative Structure Development Permit (SDP) pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

WHEREAS, the Public Hearing was conducted pursuant to the provisions of Solana Beach Municipal Code Section 17.72.030; and

WHEREAS, at the Public Hearing on February 27, 2019, the City Council received and considered evidence concerning the proposed application; and

WHEREAS, the City Council of the City of Solana Beach found the application request exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearing and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.

2. That the request for a DRP and an administrative SDP to demolish an existing single-story, single-family residence with an attached two-car garage, construct a replacement, single-story, single-family residence with an attached three-car garage, and perform associated site improvements on a lot is conditionally approved based upon the following findings and subject to the following conditions.
3. FINDINGS

A. In accordance with Section 17.68.040 (Development Review Permit) of the City of Solana Beach Municipal Code, the City Council finds the following:

I. The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones and specific plans.

General Plan Consistency: The proposed project, as conditioned, is consistent with the City’s General Plan designation of Low Density Residential, which allows for single-family residential development with a maximum density of three dwelling units per acre. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17) (SBMC 17.20.030 and 17.48.040), which delineates maximum allowable Floor Area Ratio (FAR), Permitted Uses and Structures (SBMC Section 17.20.020), which provides for uses of the property for a single-family residence. Further, the proposed project adheres to all property development regulations established for the Low Residential (LR) Zone and cited by SBMC Section 17.020.030, and with the “236 Patty Hill Specific Plan (PHSP)” as described in Ordinance 243. It also complies with the specific development regulations of the Scenic Area Overlay Zone (SAOZ) and the Hillside Overlay Zone (HOZ) as cited in SBMC Sections 17.48.010 and 17.28.020, respectively.

The design of the proposed project is consistent with the provisions for minimum yard dimensions (i.e., setbacks) and the maximum FAR, maximum building height, and parking requirements.

II. The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040.F:

a. Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and where feasible, complimentary to existing and potential development in the immediate vicinity of the project site. Site planning on the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects,
as well as protection of the property from adverse surrounding influences.

The property is located within the LR/SP Zone that is implemented by the PHSP. The surrounding neighborhood consists of a mix of one- and two-story single-family residences. Properties to the north (on Midori Court) and to the west (on Patty Hill Drive) are in the North Rios Specific Plan; they are also in the SAOZ. Properties to the south are in the LR Zone and the Scaled Residential Overlay Zone (SROZ). Properties to the east, on the west side of Barbara Avenue north of Patty Hill Drive are in the LR Zone, the SAOZ, and the HOZ. Properties on the east side of Barbara Avenue, both north and south of Patty Hill Drive, are in the LR Zone and the SROZ.

The project, as designed, is consistent with the permitted uses for the LR Zone as described in SBMC Sections 17.20.010 and 17.12.020, and with the PHSP as described in Ordinance 243.

The property is located in the Coastal Zone. As a condition of project approval, the Applicants would be required to obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission (CCC) prior to the issuance of a Building Permit.

b. Building and Structure Placement: Buildings and structures shall be sited and designed in a manner which visually and functionally enhances their intended use.

The Applicants propose to demolish the existing single-story, single-family residence and attached two-car garage and construct a new single-story, single-family residence with attached three-car garage and associated site improvements. The residence will be set back 25 feet from the front (south) property line abutting Patty Hill Drive, 11 feet from the west interior property line, 20 feet from the east interior property line, and 15 feet from the rear (north) property line, in compliance with both the LR Zone and the PHSP. Rather than being directly parallel to the property lines, the residence has been designed at an angle to take advantage of the views to the north and west.

As required by the PHSP, the proposed house is one story. Due to the requirement of the PHSP, the slab foundation for the proposed residence must remain consistent with the existing grade of the existing residence of 114.42 feet MSL. A majority of the building pad is proposed to be at 114.4 feet MSL, which is
consistent with the existing residence, with the great room, kitchen, and foyer slightly elevated at 116.7 feet MSL. Although the house is designed as a split level, it is still considered a one-story house and therefore could be considered consistent with the requirement of the PHSP.

Driveway access will be taken from Patty Hill Drive just east of the center of the property. Pedestrian access to the main entrance of the residence will be taken from a walkway from Patty Hill Drive, which also connects to the proposed driveway. The Applicants are proposing to construct a covered patio with a fireplace and outdoor kitchen off the great room. The square footage of the covered patio does not contribute to the maximum allowable floor area because it is not enclosed on more than two sides. An outdoor spa at grade level is proposed off the master bedroom.

The 3,704 square foot residence will include the following features: great room, kitchen, foyer, powder room, guest/tv room with attached bathroom, two bedrooms with attached bathrooms, master suite with bedroom, sitting area, walk-in closet and attached bathroom, and mudroom/laundry. There will also be an attached three-car garage. The SBMC parking regulations require two off-street parking spaces per single family residence. The Code indicates that when required spaces are provided in a garage, 200 square feet of floor area is exempted for each required space. The site is required to provide two parking spaces; therefore, the project is afforded a 400 square-foot exemption.

c. Landscaping: The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. Trees and other large plantings shall not obstruct significant views when installed or at maturity.

The project is subject to the current water efficient landscaping regulations of SBMC Chapter 17.56. A Landscape Documentation Package is required for new development projects with an aggregate landscape equal to or greater than 500 square feet requiring a building permit, plan check or development review.

The landscape plan is also subject to conditions in the PHSP. The PHSP limits the maximum height of trees to 25 feet or roof top height, whichever is less; therefore, the maximum height of trees shall be limited to the maximum height of the proposed roof, which
is 131.23 feet MSL or just under seventeen feet. A condition has been added that limits tree heights to roof top height as provided for in the PHSP, and the conceptual landscape plan reflects this condition.

The PHSP prohibits planting of species listed in the San Elijo Lagoon Conservancy (SELC) list dated October 18, 1996. The City prohibits planting of invasive species, so the requirements of this condition are already addressed. A separate condition has been added to require that native or drought-tolerant and non-invasive plant materials and water-conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

The Applicants provided a conceptual landscape plan that has been reviewed by the City’s third-party landscape architect, who has recommended approval. The Applicants will be required to submit detailed construction landscape drawings that will be reviewed by the City’s third-party landscape architect for conformance with the conceptual plan and conditions of approval. In addition, the City’s third-party landscape architect will perform inspections during the construction phase of the project.

d. Roads, Pedestrian Walkways, Parking and Storage Areas: Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.

SBMC Section 17.52.040 and the Off-Street Parking Design Manual (OSPDM) require two (2) parking spaces for a single-family residence. The Applicants are proposing to construct an attached, three-car garage. The existing driveway will be removed, and the garage will be accessed by a new driveway off Patty Hill Drive along the south property line, to the east of the existing driveway. SBMC Section 17.08.030 indicates that required parking up to 200 square feet per parking space provided in a garage is exempt from the floor area calculation. The proposed garage will provide three parking spaces within an attached garage. Two spaces are required; therefore, 400 square feet of garage area is exempt from the project’s floor area calculation.
e. **Grading:** To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.

An aggregate total of 398 cubic yards of grading is proposed, including approximately 26 cubic yards of cut, 131 cubic yards of fill, 46 cubic yards of excavation for footings, 195 cubic yards of removal and recompaction, and 136 cubic yards to be exported. In addition to the grading required to prepare the site for the new residence and site improvements, grading is required to move a portion of an existing retaining wall in the southeast portion of the site farther to the south to provide the new driveway. Grading is also proposed to provide a stormwater bioretention area at the southwest corner of the site.

f. **Lighting:** Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

g. **Usable Open Space:** Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.

The project consists of the replacement of a single-family residence, therefore, usable open space and recreational facilities are not required according to SBMC 17.20.040.

III. All required permits and approvals, including variances, conditional use permits, comprehensive sign plans, and coastal development permits,
have been obtained prior to or concurrently with the development review permit.

All required permits, including a Structure Development Permit, are being processed concurrently with the Development Review Permit.

IV. If the development project also requires a permit or approval to be issued by a state or federal agency, the City Council may conditionally approve the development review permit upon the Applicants obtaining the required permit or approval from the other agency.

The Applicants are required to obtain approval from the California Coastal Commission prior to issuance of Building or Grading Permits.

B. In accordance with Section 17.48.010 (Hillside Overlay Zone) of the City of Solana Beach Municipal Code, the City Council finds the following:

I. SBMC Section 17.48.020(D)(1) exempts any development for which site-specific analysis indicates that no portion of the project, including grading, would be located in slopes exceeding 25 percent slope.

The eastern slope (shown in yellow and red on the Slope Analysis) is considered the “pre-existing grade” (defined as “the natural grade of the site or graded condition of the site as of July 1, 1985” in SBMC Section 17.08) and has slopes in excess of 25 and 40 percent. The eastern slope is currently retained by an approximately 2.5-foot retaining wall that will be maintained. In compliance with the provisions of the HOZ, there will be no grading in the pre-existing eastern, steep slope with the project.

The southern slope (shown in blue hatching on the Slope Analysis) is also in excess of 25 and 40 percent, however, this slope was manufactured in 1997 under an City-issued Grading Permit (SBGR-66) for required street improvements (widening of Patty Hill Drive) adjacent to the subject property with the approval of the Midori Court Subdivision. The southern slope (east of the driveway curb cut) is currently retained by a low retaining wall (less than 2.5 feet) that will be removed. The project includes grading that will cut further into the southern slope (east of the driveway curb cut) and construct a new retaining wall, relatively parallel to the front property line, in order to expand the driveway area. The project also includes grading in the southern slope (west of the driveway curb cut) for the bioretention area. Since the southern slope was manufactured under a City-issued Grading Permit after July 5, 1985, the slope is not subject to the grading limitations of the HOZ.
The proposed single-family residence and associated site improvements, including grading, will not be located in the in pre-existing slopes exceeding 25 percent slope. Therefore, the project can be found to be exempt from the requirements of the HOZ.

C. In accordance with Section 17.48.020 (Scenic Area Overlay Zone) of the City of Solana Beach Municipal Code, the City Council finds the following:

I. Building Characteristics. All development shall be compatible with the topography, vegetation and colors of the natural environment and with the scenic, historic and recreation resources of the designated areas.

The pre-existing topography will be maintained with the project and site grading will only occur in the area of the property with manufactured slopes. Therefore, the design of the proposed residence is compatible with the existing topography. The project has been conditioned to be constructed with exterior colors that are natural dark or earth toned to the extent feasible.

II. Building Structure and Placement. The placement of buildings and structures shall not detract from the visual setting or obstruct significant views, and shall be compatible with the topography of the site and adjacent areas. In prime viewshed areas designated in the general plan, building and structures should not be placed along bluff-top silhouette lines or on the adjacent slopes within view from a lagoon area, but should be clustered along the bases of the bluffs and on the mesa tops set back from the bluff-top silhouette lines. Buildings and structures should be sited to provide unobstructed view corridors from the nearest scenic highway, or view corridor road. These criteria may be modified when necessary to mitigate other overriding environmental considerations such as protection of habitat or wildlife corridors.

As shown in the View Analysis provided for this project, the design of the proposed residence will not obstruct significant views. In addition, the proposed design went through the required 30-day public noticing period required for the Structure Development Permit because the proposed residence will exceed 16 feet in height from the pre-existing grade. No appeals were received by the City; therefore, it could be found that the proposed design, as story polied, will not obstruct significant views.

In compliance with site-specific regulations set forth in the PHSP, the project would maintain the existing building pad elevation and limit the residence to a single story.
The project site is not located on or near a scenic roadway as defined in Exhibit 4 (Scenic Viewpoints and Roadways) of the Conservation and Open Space Element of the City’s General Plan.

III. Landscaping. The removal of native vegetation shall be minimized and the replacement vegetation and landscaping shall be compatible with the vegetation of the designated area. Landscaping and plantings shall be used to the maximum extent practicable to screen those features listed in paragraphs (F)(4), (5) and (6) of this subsection. Landscaping and plantings shall not obstruct significant views, either when installed or when they reach mature growth.

The site was previously developed and no native landscape remains. The project is required to comply with the Water Efficient Landscaping Regulations of SBMC 17.56, which require native, non-invasive plant species for any new landscaping. The PHSP also prohibits planting of invasive species. A separate condition has been added to require that native or drought-tolerant and non-invasive plant materials and water-conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

The PHSP limits the maximum height of trees to 25 feet or roof top height, whichever is less; therefore, the maximum height of trees shall be limited to the maximum height of the proposed roof, which is 131.23 feet MSL or just under seventeen feet. A condition has been added that limits tree heights to roof top height as provided for in the PHSP. The required landscape plan demonstrates compliance with this condition.

IV. Roads, Pedestrian Walkways, Parking and Storage Areas. Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas shall be screened from view, to the maximum extent feasible, from either the scenic highway or the adjacent scenic, historic, or recreational resource. Acceptable screening methods shall include, but are not limited to, the use of existing topography, the strategic placement of buildings and structures, or landscaping and plantings which harmonize with the natural landscape of the designated area.

The proposed new driveway, which takes access from Patty Hill Drive near the center of the lot, will provide access to a three-car garage. The proposed and existing retaining walls along the southeast corner of the site would screen a portion of the driveway and garage from the street, as will the proposed vegetation. The refuse storage area is proposed to be located on the east side of the garage, behind a fence.
with gate, and will not be visible to the public. The air conditioning units are proposed to be located on the west side of the house and also will be screened from public view by a wall, gate, and vegetation.

V. Aboveground Utilities. Utilities shall be constructed and routed underground except in those situations where natural features prevent undergrounding or where safety considerations necessitate aboveground construction and routing.

Utilities are already underground on Patty Hill Drive.

VI. Grading. The alteration of the natural topography of the site shall be minimized and shall avoid detrimental effects to the visual setting of the designated area and the existing natural drainage system. Alterations of the natural topography shall be screened from view from either the scenic highway or the adjacent scenic, historic, or recreational resource by landscaping and plantings which harmonize with the natural landscape of the designated area, except when such alterations add variety to or otherwise enhance the visual setting of the designated area. However, design emphasis shall be placed on preserving the existing quality of scenic resources rather than concealment of disturbances or replacement in kind. In portions of the scenic area overlay zone containing sensitive lands, grading may be severely restricted or prohibited.

The project site is located within the boundaries of the HOZ. The proposed residence replaces an existing residence with a relatively flat building pad. Grading is proposed to expand the building pad and driveway area, and to provide site improvements, including low walls and retaining walls, a patio, fire pit, spa, hardscape, and landscape. The pre-existing slope along the east property line would not be graded. A portion of the existing slope constructed with Grading Permit SBGR-66 in 1997 located in the southeast corner of the lot is proposed to be graded to provide a driveway. This manufactured slope was created after the City’s incorporation and could be graded subject to the Council’s discretion. All slopes are proposed to be landscaped in accordance with the requirements of the SBMC and the PHSP.

VII. Signs. Off-site signs shall be prohibited in areas subject to the scenic area overlay zone, except temporary real estate signs pursuant to SBMC 17.64.060. The number, size, location, and design of all other signs shall be consistent with the Comprehensive Sign Ordinance (Chapter 17.64 SBMC) and shall not detract from the visual setting of the designated area or obstruct significant views.
The project consists of a new single-family residence, attached garage, and associated site improvements; therefore, signs are not proposed as part of the development.

VIII. Lighting. The interior and exterior lighting of the buildings and structures and the lighting of signs, roads and parking areas shall be compatible with the lighting permitted in the designated area. All exterior lighting, including lighting in designated “dark sky” areas, shall be in conformance with SBMC 17.60.060 (Exterior Lighting Regulations).

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area. The project is not located within the Dark Sky Overlay.

D. In accordance with Section 17.63.040 (Structure Development Permit) of the Solana Beach Municipal Code, the City Council finds the following:

Notices were mailed to all property owners and residents within 300 feet of the property and the deadline to file for View Assessment was January 7, 2019. No applications for View Assessment were received. Therefore, the requirements for the approval of a SOP have been met. The SOP will be issued administratively with the DRP should the Council determine that the findings can be made to approve the project.

As a condition of project approval, once construction has begun, the Applicants will be required to submit a height certification, prior to the framing inspection, for the tallest portion of the residence and also the highest point above Mean Sea Level (MSL). The Height Certification will be signed by a licensed land surveyor and will verify that the framing materials and the proposed roofing materials will not exceed the maximum building heights approved by the SDP.

4. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicants shall provide for and adhere to the following conditions:

A. Community Development Department Conditions:

I. The Applicants shall pay required Fire Mitigation, Park Development and Public Use Facilities Impact Fees, as established by SBMC Chapter 15.60, Chapter 15.65, Chapter 15.66, and Resolution 2018-
II. Building Permit plans must be in substantial conformance with the plans presented to the City Council on February 27, 2019 and located in the project file with a submittal date of February 15, 2019.

III. Prior to requesting a framing inspection, the Applicants will be required to submit two height certifications signed by a licensed land surveyor certifying that the building envelope (which is represented by the story poles) is in conformance with the plan as approved by the City Council on February 27, 2019 and the certified story pole plot plan, and that the maximum building height of the structure will not exceed 16.81 feet in height or 131.23 feet above MSL from pre-existing grade.

IV. The project shall comply with all requirements and conditions in the "236 Patty Hill Specific Plan," pursuant to the provisions of Ordinance 243, adopted by the City Council on February 3, 1998.

V. Any proposed onsite fences, walls and any proposed railing located on top or any combination thereof shall comply with applicable regulations of SBMC Section 17.20.040 and 17.60.070 (Fences and Walls).

VI. The Applicants shall obtain required California Coastal Commission (CCC) approval of a Coastal Development Permit, Waiver or Exemption as determined necessary by the CCC, prior to the issuance of a grading or building permit.

VII. Any new exterior lighting fixtures shall be in conformance with the City-Wide Lighting Regulations of SBMC 17.60.060.

VIII. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities that render them detrimental to the surrounding area.

IX. The Applicants shall provide a full Landscape Documentation Package in compliance with SBMC Chapter 17.56 prior to building permit issuance, which will be reviewed and inspected by the City’s third-party landscape professional.

X. Native or drought-tolerant and non-invasive plant materials and water-conserving irrigation systems are required to be incorporated into the landscaping and compatible with the surrounding area to the extent feasible.

XI. All landscaping shall be maintained so that it does not exceed the
height of the rooftop of the proposed residence when installed or at maturity.

XII. The exterior structure shall utilize natural dark or earth tones and that the light, bright and reflective materials shall be minimized to the extent feasible.

XIII. The Applicants shall comply with the regulations of the noise ordinance of SMBC 7.34.

XIV. Construction vehicles shall be parked on the subject property at all times when feasible. If construction activity prohibits parking on the subject property, the Applicants shall ensure construction vehicles are parked in such a way to allow sufficient vehicular access on the street and minimize impact to the surrounding neighbors.

XV. The Applicants shall connect to temporary electrical service as soon as feasible to the satisfaction of the City.

B. Fire Department Conditions: Please note that this list provides detailed Fire Department requirements and is not meant to be an all-inclusive plan check list of the Fire Department comments.

I. ACCESS ROAD MINIMUM DIMENSIONS: Fire apparatus access roads shall have an unobstructed improved width of not less than 20 feet; curb line to curb line, and an unobstructed vertical clearance of not less than 13 feet 6 inches. Exception: Single-Family residential driveways; serving no more than two single-family dwellings, shall have minimum of 16 feet, curb line to curb line, of unobstructed improved width. Access roads shall be designed and maintained to support the imposed loads of not less than 75,000 pounds and shall be provided with an approved paved surface to provide all-weather driving capabilities. A minimum 16 feet in width fire access shall extend to within 150 feet hose pull from the furthest corner of the first story per an approved route.

II. GRADE: The gradient for a fire apparatus access roadway shall not exceed 20.0%. Grades exceeding 15.0% (incline or decline) shall not be permitted without mitigation. Minimal mitigation shall be a surface of Portland cement concrete, with a deep broom finish perpendicular to the entire direction of travel. Additional mitigation measures may be required where deemed appropriate. The angle of departure and angle of approach of a fire access roadway shall not exceed seven degrees (12 percent).
III. GATES: All gates or other structures or devices, which could obstruct fire access roadways or otherwise hinder emergency operations, are prohibited unless they meet standards approved by the Fire Department. An approved emergency key-operated switch and/or an approved emergency traffic control-activating strobe light sensor shall be installed per Solana Beach Fire Department standards.

IV. ADDRESS NUMBERS/STREET NUMBERS: Approved numbers and/or addresses shall be placed on all new and existing buildings and at appropriate additional locations as to be plainly visible and legible from the street or roadway fronting the property from either direction of approach. Said numbers shall contrast with their background, and shall meet the following minimum standards as to size: 4” high with a \( \frac{1}{2} \)” inch stroke width for residential buildings, 8” high with a \( \frac{1}{2} \)” stroke for commercial and multi-family residential buildings, 12” high with a 1” stroke for industrial buildings. Additional numbers shall be required where deemed necessary by the Fire Marshal, such as rear access doors, building corners, and entrances to commercial centers.

V. AUTOMATIC FIRE SPRINKLER SYSTEM-ONE AND TWO FAMILY DWELLINGS: Structures shall be protected by an automatic fire sprinkler system designed and installed to the satisfaction of the Fire Department. Plans for the automatic fire sprinkler system shall be approved by the Fire Department prior to installation.

VI. CLASS “A” ROOF: All structures shall be provided with a Class “A” Roof covering to the satisfaction of the Solana Beach Fire Department.

C. Engineering Department Conditions:

I. Obtain an Encroachment Permit in accordance with Chapter 11.20 of the Solana Beach Municipal Code, prior to the construction of any improvements within the public right-of-way including, but not limited to, demolition and construction of surface improvements. All proposed improvements within the public right-of-way shall comply with City standards including, but not limited to, the Off-Street Parking Design Manual.

II. The Applicants shall construct concrete curb, gutter and sidewalk to replace the existing driveway opening and shall construct a G-14A driveway approach as shown on the Preliminary Grading Plan prepared by Pasco, Laret, Suiter and Associates.

III. All construction demolition materials shall be recycled according to the City’s Construction and Demolition recycling program and an approved Waste Management Plan shall be submitted.
IV. Construction fencing shall be located on the subject property unless the Applicants have obtained an Encroachment Permit in accordance with Chapter 11.20 of the Solana Beach Municipal Code which allows otherwise.

V. Obtain a Grading Permit in accordance with Chapter 15.40 of the Solana Beach Municipal Code. Conditions prior to the issuance of a Grading Permit shall include, but not be limited to, the following. Due to actual field conditions encountered during construction, additional Engineering Department conditions may be added as warranted.

   a. The Grading Plan shall be prepared by a Registered Civil Engineer and approved by the City Engineer. On-site grading design and construction shall be in accordance with Chapter 15.40 of the Solana Beach Municipal Code.

   b. A Soils Report shall be prepared by a Registered Soils Engineer and approved by the City Engineer. All necessary measures shall be taken and implemented to assure slope stability, erosion control and soil integrity. The Grading Plan shall incorporate all recommendations contained in the soils report.

   c. Provide a Drainage Report prepared by a Registered Civil Engineer. This report shall address the design for detention basin and corresponding outflow system to ensure the rate of runoff for the proposed development is at or below that of pre-existing condition. Detention basin easement(s) will be required over the proposed basin site. All recommendations of this report shall be incorporated into the Preliminary Grading Plan.

   d. An easement shall be recorded for maintenance of the detention basins by the property owner(s) in perpetuity, prior to the occupancy of this project.

   e. All retaining walls and drainage structures shall be shown. Retaining walls shown on the Grading Plan shall conform to the San Diego Regional Standards or be designed by a licensed Civil Engineer. Engineering calculations for all designed walls with a surcharge and nonstandard walls shall be submitted at Grading Plan check. Retaining walls may not exceed the allowable height within the property line setback as determined by the City of Solana Beach Municipal Code. Contact the Community Development Department for further information.

   f. The Applicants are responsible to protect the adjacent properties during construction. If any grading or other types of construction are anticipated beyond the property lines, the Applicants shall
obtain a written permission from the adjoining property owners for incidental grading or construction that may occur and submit the letter to the City Engineer prior to the anticipated work.

g. Pay grading plan check fee in accordance with the current Engineering Fee Schedule at initial grading plan submittal. Inspection fees shall be paid prior to issuance of the grading permit.

h. Obtain and submit grading security in a form prescribed by the City Engineer.

i. Obtain haul permit for import/export of soil. The Applicants shall transport all excavated material to a legal disposal site.

j. Submit certification from the Engineer of Record and the Soils Engineer that all public or private drainage facilities and finished grades are functioning and are installed in accordance with the approved plans. This shall be accomplished by the Engineer of Record incorporating as-built conditions on the Mylar grading plans and obtaining signatures of the Engineer of Record and the Soils Engineer certifying the as-built conditions.

k. An Erosion Prevention and Sediment Control Plan shall be prepared. Best management practices shall be developed and implemented to manage storm water and non-storm water discharges from the site at all times during excavation and grading activities. Erosion prevention shall be emphasized as the most important measure for keeping sediment on site during excavation and grading activities. Sediment controls shall be used as a supplement to erosion prevention for keeping sediment on site.

l. Show all proposed on-site private drainage facilities intended to discharge water run-off. Elements of this design shall include a hydrologic and hydraulic analysis verifying the adequacy of the facilities and identify any easements or structures required to properly convey the drainage. The construction of drainage structures shall comply with the standards set forth by the San Diego Regional Standard Drawings.

m. Post Construction Best Management Practices meeting City and RWQCB Order No. R9-2013-001 requirements shall be implemented in the drainage design.

n. No increased cross lot drainage shall be allowed.
5. **ENFORCEMENT:** Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.1.6 and 1.18 in addition to any applicable revocation proceedings.

6. **EXPIRATION:** The Development Review Permit for the project will 24 months from the date of this Resolution, unless the Applicants have obtained building permits and has commenced construction prior to that date, and diligently pursued construction to completion. An extension of the application may be granted by the City Council according to SBMC 17.72.110.

7. **INDEMNIFICATION AGREEMENT:** The Applicants shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney’s fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicants of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicants shall pay all of the costs related thereto, including without limitation reasonable attorney’s fees and costs. In the event of a disagreement between the City and Applicants regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicants shall not be required to pay or perform any settlement unless such settlement is approved by the Applicants.

**NOTICE TO APPLICANTS:** Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, deductions, reservations or other exactions described in this resolution commences on the effective date of this resolution. To protest the imposition of any fee, deductions, reservations or other exactions described in this resolution you must comply with the provisions of Government Code Section 66020. Generally the resolution is effective upon expiration of the tenth day following the date of adoption of this resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.
PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, held on the 27th day of February 2019, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

______________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM: ATTEST:

______________________________
JOHANNA N. CANLAS, City Attorney

______________________________
ANGELA IVEY, City Clerk
SLOPE ANALYSIS EXHIBIT

SLOPES TABLE

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<th>TYPE</th>
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<td>SLOPES 4-8%</td>
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BLUE HATCH REPRESENTS GRADED SLOPES PER CITY OF SOLANA BEACH Dwg. No. SBGR-A5

236 PATTY HILL DRIVE

PATTY HILL DRIVE
NOTES:
- AUTOMATIC IRRIGATION SYSTEM CONTROLLERS FOR WATERING PRODUCED ON THE MULCH AND INSTALLATION OF THE TYPE OF FINAL INSPECTION PANEL COMPLY WITH THE REQUIREMENTS OF THE LOCAL CODE.
- SYSTEMS CONTROLLERS SHALL BE WEATHER RESISTANT, HOUSING BASED THAT AUTOMATICALLY ADJUST IRRIGATION TIMES IN RESPONSE TO CHANGES IN PLANT NEEDS AS WEATHER CONDITIONS CHANGE.

CONTROLLER SYMBOLS:
- WATER METER (W)
- FLOW METER (F)
- PRESSURE METER (P)
- ELECTRONIC CONTROLLER (EC)
- VALVE (V)
- SENSOR (S)

NOTES:
- NO FAUXHEAD IRRIGATION LINES OF MORE THAN 12" IN ANY DIRECTION.
- ALL SPRINKLERS IN THE SAME ZONE SHALL HAVE A MAXIMUM VARIETY OF 12 INCH PER MINUTE SPRINKLERS WHICH CONNECT ON A COMMON MAIN. SPRINKLERS WHICH HAVE THE SAME RATE OF SPRAY SHALL BE CONNECTED TO THE SAME MAIN. SPRINKLERS WHICH HAVE THE SAME RATE OF SPRAY SHALL BE CONNECTED TO THE SAME MAIN.

PIPING SIZING CHART:
- 3/4" Diameter 15 GPM
- 1" Diameter 22 GPM
- 1 1/4" Diameter 31 GPM

IRRIGATION HEAD LEGEND:
- HIGH: SPRINKLER HEADS ARE LOCATED ABOVE THE GRADE.
- LOW: SPRINKLER HEADS ARE LOCATED BELOW THE GRADE.

IRRIGATION PLAN
- SCALE: 1/8" = 1'-0"
- DRAWN: 12-30-19
- CHECKED: G. Suggs
- PRINTED: 12-31-19
- Scale: 1/8" = 1'-0"
IRRIGATION SPECIFICATIONS

1. PLAN
   A. The plan is schematic. All irrigation equipment is to be located in the areas
      indicated on the plan. Any changes to the location of the equipment
      shall be approved in writing by the owner. In addition, any change to the
      size, shape, or location of the irrigation equipment shall be approved in writing
      by the owner.
   B. The irrigation system shall include all valves and
      and their installation to provide a complete system in
      accordance with plans and specifications.

2. SUBMISSION OF MATERIALS
   A. All materials will be used in accordance with the
      specifications. The contractor shall submit samples
      of all materials for approval by the owner.

3. INSTALLATION
   A. The contractor shall not install any equipment as shown on the plan unless
      the equipment is being installed in the exact location shown on the plan.
      Any changes to the location of the equipment shall be approved in writing
      by the owner.
   B. The irrigation system shall be installed in accordance with the
      specifications. The contractor shall be responsible for any mistakes
      made in the installation.

4. GROUNDS
   A. All additional work on the grounds shall be performed
      by the contractor. Any changes to the grounds shall
      be approved in writing by the owner.

5. PLANTS AND SEEDS
   A. Plants and seed shall be planted in accordance with
      the specifications. Any changes to the planting
      shall be approved in writing by the owner.

6. TABLES
   A. All tables shall be installed in accordance with
      the specifications. Any changes to the tables
      shall be approved in writing by the owner.

7. WATER TRENCHES
   A. Water trenches shall be dug in accordance with
      the specifications. Any changes to the trenching
      shall be approved in writing by the owner.

8. TESTS
   A. All tests shall be conducted in accordance with
      the specifications. Any changes to the testing
      shall be approved in writing by the owner.

9. WARRANTY
   A. The contractor shall provide a warranty for the
      irrigation system for a period of one year from the
      date of completion.

10. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

11. ASSURANCE
    A. The contractor shall assure the owner that all
        work will be completed in accordance with the
        specifications.

12. QUESTIONS
    A. All questions concerning the installation of the
        irrigation system shall be directed to the
        contractor.

13. CONSTRUCTION
    A. The contractor shall be responsible for the
        construction of the irrigation system. Any
        changes to the construction shall be approved in
        writing by the owner.

14. PAYMENTS
    A. Payment shall be made to the contractor in
        accordance with the terms of the contract.

15. CHANGE ORDER
    A. Any change order shall be in writing and
        approved by the owner.

16. LIENS
    A. No liens shall be filed against the property
        until all work has been completed and
        approved by the owner.

17. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

18. COMMISSION
    A. The irrigation system shall be maintained
        by the contractor for a period of one year from
        the date of completion.

19. WARRANTY
    A. The contractor shall provide a warranty for the
        irrigation system for a period of one year from the
        date of completion.

20. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

21. COMMISSION
    A. The irrigation system shall be maintained
        by the contractor for a period of one year from the
        date of completion.

22. WARRANTY
    A. The contractor shall provide a warranty for the
        irrigation system for a period of one year from the
        date of completion.

23. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

24. COMMISSION
    A. The irrigation system shall be maintained
        by the contractor for a period of one year from the
        date of completion.

25. WARRANTY
    A. The contractor shall provide a warranty for the
        irrigation system for a period of one year from the
        date of completion.

26. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

27. COMMISSION
    A. The irrigation system shall be maintained
        by the contractor for a period of one year from the
        date of completion.

28. WARRANTY
    A. The contractor shall provide a warranty for the
        irrigation system for a period of one year from the
        date of completion.

29. COMPLIANCE
    A. The contractor shall comply with all local, state, and
        federal laws and regulations.

30. COMMISSION
    A. The irrigation system shall be maintained
        by the contractor for a period of one year from the
        date of completion.
AREA

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<td>IRRI_GATED PLANTING</td>
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<td>WATER FEATURE</td>
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WATER EFFICIENCY PLAN

Nicholas Residence
234 Patty Hill Drive
San Jose, CA 95127

Scale: 1/8"=1'-0"

L-7
of 8 sheets

North
ALL WORK TO BE PER LOCAL CODES

- All HO outlets in landscaping to be GFI protected and set 6" min. above GFI height or per local code.
- Transformer to be installed as per code with 120V, 30A, 1.5KVA, and 3 outlets.
- Fixtures to have frosted glass.
- Fixtures not to be directed to neighbor lots.
- Landscaping contractor shall verify the field for correct wire gauge, voltage, sleeves & best location for transformer, protocols, and sound system.

**LANDSCAPE LIGHTING LEGEND**

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<td>Down Light - FX Luminaire</td>
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<td>DUPLEX OUTLET W/ COVER AND GFI PLUGED</td>
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ORDINANCE NO. 243

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA ADOPTING THE ONE-LOT PATTY HILL RESIDENTIAL SPECIFIC PLAN WITHIN THE TEXT OF CHAPTER 17, ZONING, OF THE SBMC TO IMPLEMENT A NEW SPECIFIC PLAN ZONING DESIGNATION AND AMENDING THE OFFICIAL ZONING MAP FOR THE CITY TO CHANGE THE ZONING DESIGNATION FOR CERTAIN REAL PROPERTY LOCATED NEAR THE INTERSECTION OF PATTY HILL AND BARBARA AVENUE FROM LOW RESIDENTIAL TO LOW RESIDENTIAL/SPECIFIC PLAN

APPLICANT: JENSEN / BROADMOOR BEACH II
CASE NO.: 17-97-25

WHEREAS, the above referenced applicant has submitted the "236 Patty Hill Specific Plan", pursuant to the provisions of Ordinance No. 223, to amend the Zoning Ordinance text applicable to the property owned by the applicant; and

WHEREAS, the Specific Plan implements Council Resolution No. 96-94 which provisionally approved the General Plan Amendment and required a Specific Plan for the subject property; and

WHEREAS, the application has been duly processed according to applicable law; and

WHEREAS, on January 20, 1998, the City Council held a duly noticed public hearing to consider the above referenced application; and

WHEREAS, at the hearing the City Council received and considered evidence concerning the proposed application; and

WHEREAS, the City Council has determined this request to be Categorically Exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines; and

WHEREAS, this decision is based upon the application, evidence presented at the hearings, written correspondence and petitions submitted to the City Council, visits to the site and other legislative facts;

NOW THEREFORE, the City Council of the City of Solana Beach, California, does ordain as follows:

SECTION 1. The zoning designation for Assessor Parcel Number 263-280-30 is changed from Low Residential to Low Residential/Specific Plan.
SECTION 2. The Community Development Director shall amend the Official Zoning Map for the City to reflect the new zoning classification, including the adoption of the Specific Plan for the above described real property. The zoning classification adopted Specific Plan shall be shown on the Zoning Map as follows: "LR/SP" 236 Patty Hill Specific Plan adopted February 3, 1998.

SECTION 3. The 236 Patty Hill Specific Plan dated December 1, 1997, a copy of which is on file with the City Clerk, is hereby adopted as set forth in Exhibit A. The Specific Plan primarily utilizes the Low Residential (LR) zoning standards with the exception of an increased eastern side yard setback from 10 feet to 20 feet and a decreased rear yard setback from 25 feet to 15 feet.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after the date of its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this Ordinance to be published in a newspaper of general circulation within the City of Solana Beach as required by law.

INTRODUCED at a regular meeting of the City Council of the City of Solana Beach held on the 20th day of January, 1998, and thereafter,

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach held on the 3rd day of February, 1998, by the following vote:

AYES: Councilmembers – Tompkins, Dodson, Campbell, Kellejian, Rentería
NOES: Councilmembers – None
ABSTAIN: Councilmembers – None
ABSENT: Councilmembers – None

PAUL S. TOMPKINS, Mayor

ATTEST: 

KATHRYN A. KIRK, City Clerk

APPROVED AS TO FORM:

CELIA A. BREWER, City Attorney

The foregoing is the original of Ordinance No. 243 duly passed and adopted by the Solana Beach City Council at their regular meeting held February 3, 1998.
Kathryn A. Kirk deposes and says:

That I am the duly appointed and qualified City Clerk of the City of Solana Beach;

That in compliance with the State laws of the State of California, Ordinance No. 243, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ADOPTING THE ONE-LOT PATTY HILL RESIDENTIAL SPECIFIC PLAN WITHIN THE TEXT OF CHAPTER 17, ZONING, OF THE SOLANA BEACH MUNICIPAL CODE (SBMC) TO IMPLEMENT A NEW SPECIFIC PLAN ZONING DESIGNATION AND AMENDING THE OFFICIAL ZONING MAP FOR THE CITY TO CHANGE THE ZONING DESIGNATION FOR CERTAIN REAL PROPERTY LOCATED NEAR THE INTERSECTION OF PATTY HILL AND BARBARA AVENUE FROM LOW RESIDENTIAL TO LOW RESIDENTIAL/SPECIFIC PLAN.

A certified copy of the full text of Ordinance No. 243, along with the names of those City Council Members voting for and against said Ordinance, was caused to be posted in the Office of the City Clerk.

Kathryn A. Kirk, City Clerk
February 6, 1998
SPECIFIC PLAN

236 Patty Hill Drive
Solana Beach, California

December 1, 1997
Final Plan

Submitted to:
The City of Solana Beach

Applicant:
Doug Jensen
Purpose of the Specific Plan
This Specific Plan has been prepared to allow for the re-development of one existing 2,008 square foot, single level home located at 236 Patty Hill Drive in the City of Solana Beach. Applicant proposes to remodel and add on to the existing home or construct a new single level home on subject property. The City of Solana Beach Zoning Ordinance for the LR Zone shall be utilized for any applicable issues that are not addressed in this Specific Plan.

This Specific Plan is to be adopted by City Ordinance and will become the zoning and land use document for the subject property binding upon applicant and any successors. This proposed Specific Plan is consistent with the City of Solana Beach General Plan.

Location and Physical Description
The subject land is located at 236 Patty Hill Drive, Solana Beach. The existing 2,008 square foot residence is situated on an approximately 15,000 square foot lot.

Relevant Documents
The following documents shall apply to the subject home:

- California Coastal Commission Development Regulations
- State of California Planning, Zoning & Development Law Article 8- Specific Plan Preparation, 1995 (See attached copy)
- City of Solana Beach Municipal Zoning Ordinance and Building regulations and City of Solana Beach View Assessment, (If future homeowner wishes to add a second story)
- SELC list of plant species not to be planted dated October 18, 1996

Project Review Process
Once this Specific Plan has been approved by City Council, the City of Solana Beach Planning and Engineering Staff shall require that all related building permits are in substantial conformance with City Standards and the regulations contained within this document. Applicant shall process re-development in the same fashion as any other typical applicant within the City of Solana Beach. Additional City Council review and/or approval shall not be required provided Applicant conforms with this Specific Plan.

Minimum Setbacks:
New Construction:
25' Front, 15' Rear and 10' West, 20' East Side Yard set backs.
Remodel Construction:
Existing Front, 15' Rear and 10' West, 20' East Side yard set backs.

Grading:
The existing residence is on a raised foundation with a crawl space beneath. In the event of new construction, a slab foundation on the existing grade of 114.42 is anticipated. Applicant shall have the right to fill in the existing crawl space and level the building pad by importing the necessary amount of compatible soil. All work shall be performed to the satisfaction of City Engineer.
Additional Conditions
• Applicant shall not plant any of those plant species listed on the SELC list dated October 18, 1996.
• Pool and Spa, if any, shall be constructed with a sewer clean out near the pool equipment. Pools or Spas shall never be drained anywhere except via said clean out.
• Applicant shall seek general rules provided by San Elijo Lagoon Conservancy for educational use.
• Applicant shall not feed pet cats out doors.
• Tree heights shall be limited to 25 feet, or roof top height, which ever is less.
• Dogs shall be kept on a leash when outside their fenced yard.

Public Services
Water and Sewer service will be provided, utilizing the existing public facilities provided by Santa Fe Irrigation and City of Solana Beach.

Storm drainage shall utilize the North Rios Subdivision Curbs, gutters and inlets.

Gas and Electric services will be provided by San Diego Gas & Electric Company. Telephone and Cable television is also available.

Police and Fire Protection services will be provided by the City of Solana Beach. Postal Service will be provided by the U.S. Postal Service.

Trash services may be provided by Coast Waste Management or prevailing contractor serving the City of Solana Beach.

END OF TEXT
Mr. Doug Jenson
Broadmoor Homes
San Diego, Ca. 92121

Dear Doug,

Here is the plant list you requested. The following plants shall not be planted within your proposed project. However, we recommend you use the list that I faxed to you today for all your plants. The list is from the Tree of Life Wholesale Nursery which specializes in native drought resistant plants. This would be a great bonus for the project if you were to set the example that native vegetation for landscaping is a wise choice.

List of Species Not to be Planted

1. Acacia
2. Giant reed grass
3. Ice plant
4. Ivy (German & English)
5. Pampas Grass
6. Eucalyptus
7. Saltbush
8. Pepper Trees (any species)
9. Casterbean
10. Pines (except Torrey pines)
11. Myoporum
12. No Ornamental Grasses
13. Bamboo species

Sincerely,

Doug Gibson
Executive Director
Article 8. Specific Plans

65450. After the legislative body has adopted a general plan, the planning agency may, or if so directed by the legislative body, shall, prepare specific plans for the systematic implementation of the general plan for all or part of the area covered by the general plan.

(Repealed and added by Stats. 1984, Ch. 1009.)

(Section 65450.1 repealed by Stats. 1984, Ch. 1009.)

65451. (a) A specific plan shall include a text and a diagram or diagrams which specify all of the following in detail:

(1) The distribution, location, and extent of the uses of land, including open space, within the area covered by the plan.

(2) The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the plan and needed to support the land uses described in the plan.

(3) Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.

(4) A program of implementation measures including regulations, programs, public works projects, and financing measures necessary to carry out paragraphs (1), (2), and (3).

(b) The specific plan shall include a statement of the relationship of the specific plan to the general plan.

(Repealed and added by Stats. 1984, Ch. 1009; Amended by Stats. 1985, Ch. 1199.)

65452. The specific plan may address any other subjects which in the judgment of the planning agency are necessary or desirable for implementation of the general plan.

(Repealed and added by Stats. 1984, Ch. 1009.)

65453. (a) A specific plan shall be prepared, adopted, and amended in the same manner as a general plan, except that a specific plan may be adopted by resolution or by ordinance and may be amended as often as deemed necessary by the legislative body.

(b) A specific plan may be repealed in the same manner as it is required to be amended.

(Repealed and added by Stats. 1984, Ch. 1009; Amended by Stats. 1985, Ch. 1199.)

65454. No specific plan may be adopted or amended unless the proposed plan or amendment is consistent with the general plan.

(Added by Stats. 1984, Ch. 1009.)

65455. No local public works project may be approved, no tentative map or parcel map for which a tentative map was not required may be approved, and no zoning ordinance may be adopted or amended within an area covered by a specific plan unless it is consistent with the adopted specific plan.

(Added by Stats. 1984, Ch. 1009.)

65456. (a) The legislative body, after adopting a specific plan, may impose a specific plan fee upon persons seeking governmental approvals which are required to be consistent with the specific plan. The fees shall be established so that, in the aggregate, they defray but not estimated to exceed, the cost of preparation, adoption, and administration of the specific plan, including costs incurred pursuant to Division 11 (commencing with Section 21000) of the Public Resources Code. As nearly as can be estimated, the fee charged shall be a pro rata amount in accordance with the applicant's relative benefit derived from the specific plan. It is the intent of the Legislature in providing for such fees to charge persons who benefit from specific plans for the costs of developing specific plans which result in savings to them by reducing the cost of documenting environmental consequences and advocating changed land uses which may be authorized pursuant to the specific plan.

(b) Notwithstanding Section 60016, a city or county may require a person who requests adoption, amendment, or repeal of a specific plan to deposit with the planning agency an amount equal to the estimated cost of preparing the plan, amendment, or repeal prior to its preparation by the planning agency.

(c) Copies of the documents adopting or amending the specific plan, including the diagrams and text, shall be made available to local agencies and shall be made available to the general public as follows:

(1) Within one working day following the date of adoption, the clerk of the legislative body shall make the documents adopting or amending the plan, including the diagrams and text, available to the public for inspection.

(2) Within two working days after receipt of a request for a copy of the documents adopting or amending the plan, including the diagrams and text, accompanied by payment for the reasonable cost of copying, the clerk shall furnish the requested copy to the person making the request.

(3) A city or county may charge a fee for a copy of a specific plan or amendments to a specific plan in an amount that is reasonably related to the cost of providing that document.

(Added by Stats. 1985, Ch. 328 and Ch. 1199; Amended by Stats. 1990, Ch. 1572.)

65457. (a) Any residential development project, including any subdivision, or any zoning change that is undertaken to implement and is consistent with a specific plan for which an environmental impact report has been certified after January 1, 1980, is exempt from the requirements of Division 11 (commencing with Section 21000) of the Public Resources Code. However, if after adoption of the specific plan, an event as specified in Section 21166 of the Public Resources Code occurs, the exemption provided by this subdivision does not apply unless and until a supplemental environmental impact report for the specific plan is prepared and certified in accordance with the provisions of Division 11 (commencing with Section 21000) of the Public Resources Code. After a supplemental environmental impact report is certified, the exemption specified in this subdivision applies to projects undertaken pursuant to the specific plan.

(b) An action or proceeding alleging that a public agency has approved a project pursuant to a specific plan without having previously certified a supplemental environmental impact report for the specific plan, where required by subdivision (a), shall be commenced within 30 days of the public agency's decision to carry out or approve the project.

(c) This section does not supersede but provides an alternative procedure to Section 21080.7 of the Public Resources Code.

(Added by Stats. 1984, Ch. 1009.)
NICHOLAS RESIDENCE
236 PATTY HILL DR, Solana Beach, CA 92075
Date: 02/05/2019

VIEW ANALYSIS
VIEW 3

ISLAND ARCHITECTS
- 858.456.1591 • 858.456.1597 • www.islandarch.com
Re: 236 Patty Hill Dr.
Date: 01/17/2019

City Council Narrative

Before the discretionary process, Island Architects and the owners of 236 Patty Hill Dr. (project property) arranged for preliminary story poles to be erected. Early neighborhood input was desired so design could take neighbor’s interest into consideration. Invitations were delivered to all neighbors for a presentation of the project plans and an open house on November 7, 2017. Approximately 15 people were in attendance, Island Architects presented the project plans, answered neighbor’s questions, and along with the Owner, had follow up meetings at neighbor’s homes to better understand their concerns from neighbor’s vantage point.

The formal View Assessment Story Poles were erected November 1, 2018 and remained in place until the View Assessment deadline of January 7, 2019. These second story poles were lower than the 2017 preliminary poles by 1'-4" on the Eastern half of the house and 2'-4" lower on the Western half of the house. The reduced building height was in response to neighbor’s view concerns.

Owner again met with 2 of the neighbors to view the 2nd story poles and agreed to eliminate the center Chimney and master fireplace. As of View Assessment deadline no appeals were filed.

Neighbor’s concerns were as followed and addressed accordingly.

- 702 Midori Ct. directly to the north had two concerns:
  o Potential of northern most windows to view onto their property below – Solution: added window location and size to final story poles to illustrate there would be no view onto their property.
  o Potential for downhill drainage onto their property below – Solution: proposed design directs all drainage to a swale and away from all neighbors, in addition a low wall along the property line will act as a dam. Owner, Architect, and Civil engineer met with Neighbor at 702 Midori to illustrate solution and alleviated his concerns.

- 234 Patty Hill Dr. directly to the west was concerned of views onto their property below.
  o upon seeing the elevation facing their property had only clearstory windows, with no site line to their property they were supportive of the project.

- Neighbors at 630, 624, and 620 Barbara Ave all had concerns of potential view blockage.
  o Final View Assessment Story Poles were reduced by 1'-4" on the Eastern half of the house and 2'-4" lower on the Western half of the house.
  o Chimney was removed from the center of the house; all 3 neighbors were then in support of the project.

As of View Assessment deadline no appeals were filed, and neighbors were in support of the project due to Owner’s flexibility in making adjustments.

Thank you,
California Government Code Section 53600 requires timely reporting of local agency investment transactions and portfolio to the agency's legislative body.

This item is before Council to accept and file the Cash and Investment Report for the quarter ended December 31, 2018.

DISCUSSION:

The investment objectives for the City of Solana Beach are 1) to provide safety to ensure the preservation of capital in the overall portfolio, 2) to provide sufficient liquidity for cash needs and 3) to generate a market rate of return consistent with the Investment Policy. The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark yield. In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the Investment Policy and all applicable regulations governing the funds.

The attached Quarterly Cash and Investment Report ensures that the City complies with Section 53600. The City's investment portfolio complies with the City's Investment Policy that is approved annually by the City Council. The majority of City funds are invested in Chandler Asset Management (Chandler), Public Agency Retirement Services (PARS), and Local Agency Investment Fund (LAIF).

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA

CITY COUNCIL ACTION:

AGENDA ITEM C.1.
FISCAL IMPACT:
None

WORK PLAN:
N/A

OPTIONS:

- Receive reports
- Provide direction

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council accepts and files the attached Cash and Investment Report for the quarter ended December 31, 2018.

CITY MANAGER’S RECOMMENDATION:

Approve Department Recommendation

[Signature]

Gregory Wade, City Manager

Attachments:

1. Cash and Investment Report – December 31, 2018
2. Chandler Asset Quarterly Investment Report – December 31, 2018
### City of Solana Beach
### Cash and Investment Report
### December 31, 2018

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Custodian</th>
<th>Maturity</th>
<th>Current Stated Yield</th>
<th>Percent of Portfolio</th>
<th>Cost Value (Rounded)</th>
<th>Market Value (Rounded)</th>
<th>Current Quarter Yield</th>
<th>Quarter Interest Earned (Rounded)</th>
<th>Fiscal Year to Date Interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Checking Account</td>
<td>Union Bank of California</td>
<td>On Demand</td>
<td>N/A</td>
<td>3.19%</td>
<td>$1,279,762</td>
<td>$1,279,762</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Payroll Account</td>
<td>Union Bank of California</td>
<td>On Demand</td>
<td>N/A</td>
<td>0.62%</td>
<td>$248,122</td>
<td>$248,122</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Worker's Comp - Checking</td>
<td>Union Bank of California</td>
<td>On Demand</td>
<td>N/A</td>
<td>0.04%</td>
<td>$17,581</td>
<td>$17,581</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Successor Agency - Checking</td>
<td>Union Bank of California</td>
<td>On Demand</td>
<td>N/A</td>
<td>0.30%</td>
<td>$121,747</td>
<td>$121,747</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>SEA Lockbox</td>
<td>River City Bank</td>
<td>On Demand</td>
<td>N/A</td>
<td>4.11%</td>
<td>$1,051,977</td>
<td>$1,051,977</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>State of CA</td>
<td>On Demand</td>
<td>N/A</td>
<td>9.27%</td>
<td>$3,722,481</td>
<td>$3,722,481</td>
<td>2.40%</td>
<td>11,410</td>
<td>275,958</td>
</tr>
<tr>
<td>Chandler Asset Management (CMA) Investment Portfolio</td>
<td>US Bank</td>
<td>1 to 3 years</td>
<td>N/A</td>
<td>77.24%</td>
<td>$31,007,970</td>
<td>$30,745,040</td>
<td>2.88%</td>
<td>135,365</td>
<td>297,419</td>
</tr>
<tr>
<td>Public Agency Retirement Services (PARS)</td>
<td>US Bank</td>
<td>Varied</td>
<td>N/A</td>
<td>5.22%</td>
<td>$2,066,602</td>
<td>$2,000,948</td>
<td>-7.21%</td>
<td>66,374</td>
<td>80,672</td>
</tr>
<tr>
<td>Wells Fargo Advantage Money Market RDA Refunding Bond Series 2017</td>
<td>Wells Fargo Bank (Cash with Fiscal Agent)</td>
<td>Varied</td>
<td>N/A</td>
<td>0.00%</td>
<td>$53</td>
<td>$53</td>
<td>0.00%</td>
<td>$53</td>
<td>$53</td>
</tr>
</tbody>
</table>

**Total Cash and Investments**

|                |               |               | 100.00% | $40,146,394 | $39,787,811 | $216,277 | $407,102 |

(1) Funds may be withdrawn with 24 hours notice
(2) Source: Monthly Pooled Money Investment Account Market Valuation as reported by LAIF
(3) Source: US Bank Asset Summary
(4) Source: US Bank Asset Summary
(5) Source: CMA US Bank statements
(6) Includes realized investment gains/losses of current quarter
(7) Includes accrued interest
(8) Quarter Yield as of September 16 PARS statement

I certify that this report accurately reflects all pooled investments and is in compliance with Government Code Section 53640-53645 as amended January 1, 1996, as well as the investment policy of the City of Solana Beach as approved annually by the City Council.

Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

Date: 2/19/19

Approved by:
Marie Marron Berkuti
Finance Manager/Treasurer

Prepared by:
Catherine Wong
Accountant
City of Solana Beach

Period Ending December 31, 2018
| SECTION 1 | Economic Update |
| SECTION 2 | Account Profile |
| SECTION 3 | Portfolio Holdings |
| SECTION 4 | Transactions |
Section 1 | Economic Update
Economic Update

The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points in December to a range of 2.25%-2.50%. Although recent economic data has softened, the rate hike was widely expected. The Fed's long-run fed funds rate target was lowered to 2.8% from the previous estimate of 3.0%. However, the Fed did little to acknowledge the changing market dynamics and tightening financial conditions, reaffirming their strong economic forecast for 2019 and emphasizing the balance sheet reduction strategy remains on track. Although the modest adjustment in the Fed's projections was a step in the right direction, some market participants were expecting a more dovish tone from the Fed Chair. We continue to believe the terminal fed funds rate will be below 3.0% and believe the Fed is at risk of making a policy error if monetary policy continues to tighten at the same quarterly pace of 2018. We believe there is a high probability that the Fed will keep monetary policy on hold at least through the first quarter.

Interest rate sensitive sectors such as housing and autos have softened, and financial conditions have tightened in recent months as equity prices have declined, borrowing costs have increased, and the US dollar has strengthened. Although labor market conditions remain tight, we expect the pace of job growth is likely to slow as the economy is at or near full employment. Meanwhile, inflation pressures remain subdued. Though we don't foresee a recession in the near-term, economic growth has eased. The economy is expected to grow 2.5% this year versus 2.9% in 2018.

Treasury yields declined in December. At month-end, the 2-year Treasury yield was down nearly 30 basis points to 2.49%, while the 10-year Treasury yield was down slightly more than 30 basis points to 2.68%. The spread between 2- and 10-year Treasury yields was just 20 basis points at year-end.
U.S. payrolls rose by 312,000 in December, well above the consensus forecast of 184,000. October and November payrolls were revised up by a total of 58,000. On a trailing 3-month and 6-month basis payrolls increased by an average of 254,000 and 222,000 per month, respectively, more than enough to absorb new entrants into the labor market. The unemployment rate increased to 3.9% in December from 3.7% in November as the labor participation rate increased to 63.1% from 62.9%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, was unchanged at 7.6%. Wages jumped 0.4% in December on a month-over-month basis, exceeding expectations of 0.3%. Wages were up 3.2% on a year-over-year basis in December, versus up 3.1% year-over-year in November. The average workweek increased to 34.5 hours in December from 34.4 hours in November.
The Consumer Price Index (CPI) was up just 1.9% year-over-year in December, versus up 2.2% year-over-year in November, as energy prices pulled down the index month-over-month. Core CPI (CPI less food and energy) was up 2.2% year-over-year in December, unchanged on a year-over-year basis from November. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in November, versus up 2.0% year-over-year in October. Core PCE (excluding food and energy) was up 1.9% on a year-over-year basis in November, versus up 1.8% in October. Core PCE inflation, which is the Fed’s primary inflation gauge remains below the Fed’s 2.0% target.
December retail sales data were delayed due to the government shutdown. On a year-over-year basis, retail sales were up 4.2% in November, versus up 4.8% year-over-year in October. On a month-over-month basis, retail sales increased 0.2% in November, above expectations for a 0.1% increase, following growth of 1.1% in October. October sales were likely boosted in part by a hurricane-related rebound in auto sales and building materials. Lower gas prices held back monthly retail sales growth in November, but sales growth excluding autos and gas was solid. The Consumer Confidence Index remains strong but eased to 128.1 in December from 136.4 in November. Looking ahead, labor market strength should continue to support consumer confidence and spending trends.
The Index of Leading Economic Indicators (LEI) rose 0.2% month-over-month in November, following a downwardly revised 0.3% decline in October. Based on the index, the Conference Board believes the US economy will continue to grow at a pace of about 2.8% in early 2019 and then moderate in the second half of the year. The Chicago Fed National Activity Index (CFNAI) increased to 0.22 in November from a sharply downwardly revised 0.0 in October (previously 0.24). On a 3-month moving average basis, the index declined to 0.12 in November from 0.23 in October.
December housing starts data were delayed due to the government shutdown. In November, total housing starts were stronger than expected, up 3.2% to a 1.256 million annualized rate. The growth was driven by multi-family starts which rose 22.4%. Single-family starts declined 4.6% in November. Permits rose 5.0% in the month. According to the Case-Shiller 20-City home price index, home prices were up 5.0% year-over-year in October, versus up 5.2% in September. The housing sector has softened as mortgage rates have increased.
The Institute for Supply Management (ISM) manufacturing index fell to 54.1 in December from 59.3 in November. Despite the large decline, a reading above 50.0 suggests the manufacturing sector is expanding. The Industrial Production index was up 4.0% year-over-year in December versus up 4.1% year-over-year in November. On a month-over-month basis, the manufacturing component of the index jumped 1.1% in December, following a 0.1% increase in November. Capacity Utilization increased to 78.7% in December from 78.6% in November, but remains below the long-run average of 79.8% indicating there is still excess capacity for growth.
Third quarter GDP grew at an annualized rate of 3.4% (revised down slightly from the second estimate of 3.5%). This follows growth of 4.2% in the second quarter. Inventories and consumer spending drove growth in the third quarter, while net exports were a drag. The consensus forecast calls for GDP growth of 2.6% in the fourth quarter of 2018, 2.1% in the current quarter, and 2.5% for the full year 2019.
On a year-over-year basis, Treasury yields have increased and the Treasury yield curve has flattened. The spread between 2-Year and 10-year Treasury yields narrowed from 52 basis points to 20 basis points in 2018. Rate hikes by the Federal Reserve have put upward pressure on rates, while supply and demand imbalances, technical factors, weakening global economic growth, and subdued inflation expectations have contributed to the curve flattening.
Section 2 | Account Profile
Investment Objectives

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.
City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

<table>
<thead>
<tr>
<th>Category</th>
<th>Standard</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Issues</td>
<td>No limitations</td>
<td>Complies</td>
</tr>
<tr>
<td>Federal Agencies</td>
<td>25% per agency issuer</td>
<td>Complies</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>&quot;A&quot; or higher by a NRSRO; 30% maximum; 5% max per issuer</td>
<td>Complies</td>
</tr>
<tr>
<td>Supranationals</td>
<td>&quot;AA&quot; rated or higher by a NRSRO; 30% max; 10% max per issuer; US dollar</td>
<td>Complies at time of</td>
</tr>
<tr>
<td></td>
<td>denominated; Issued by: IBRA, IFC, IADB</td>
<td>purchase*</td>
</tr>
<tr>
<td>Corporate Medium Term Notes</td>
<td>&quot;A&quot; or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a</td>
<td>Complies</td>
</tr>
<tr>
<td></td>
<td>corporation organized and operating within the U.S. or by depository</td>
<td></td>
</tr>
<tr>
<td></td>
<td>institutions licensed by the U.S. or any state and operating within the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>FDIC insured Time Deposits/</td>
<td>Amount per institution limited to the max covered under FDIC; 20%</td>
<td>Complies</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>maximum (combination of FDIC insured and collateralized TDs/CDs); 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>max per issuer</td>
<td></td>
</tr>
<tr>
<td>Collateralized Time Deposits/</td>
<td>20% maximum (combination of FDIC insured and collateralized TDs/CDs); 5%</td>
<td>Complies</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>max per issuer</td>
<td></td>
</tr>
<tr>
<td>Negotiable Certificates of</td>
<td>No rating required if amount of the NCD is covered by FDIC insured limit;</td>
<td>Complies</td>
</tr>
<tr>
<td>Deposit</td>
<td>If above FDIC insured limit, requires &quot;A-1&quot; rated or higher by a NRSRO;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;A&quot; rated long term issuer by a NRSRO; 30% maximum (inclusive of CDABS);</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5% max per issuer</td>
<td></td>
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<tr>
<td>Banker's Acceptances</td>
<td>&quot;A-1&quot; or higher short term rating by a NRSRO; or &quot;A&quot; or higher long term</td>
<td>Complies</td>
</tr>
<tr>
<td></td>
<td>by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity</td>
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<tr>
<td>Commercial Paper</td>
<td>&quot;A-1&quot; or higher short term rating by a NRSRO; &quot;A&quot; rated long term issuer</td>
<td>Complies</td>
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<tr>
<td></td>
<td>by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Issuer is a corporation organized and operating in U.S. with assets in</td>
<td></td>
</tr>
<tr>
<td></td>
<td>excess of $500 million; 10% max of the issuer's outstanding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>commercial paper</td>
<td></td>
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<tr>
<td>Asset-Backed Securities/Mortgage-</td>
<td>&quot;AA&quot; or higher by a NRSRO; &quot;A&quot; rated issuer rating or higher by a NRSRO;</td>
<td>Complies</td>
</tr>
<tr>
<td>Backed Securities</td>
<td>20% maximum; 5% max per Asset-backed or Commercial Mortgage security</td>
<td></td>
</tr>
<tr>
<td></td>
<td>issuer; There is no issuer limitation on any Mortgage security where the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>issuer is the U.S. Treasury or a Federal City/GSE.</td>
<td></td>
</tr>
<tr>
<td>Mutual Funds and Money</td>
<td>Highest rating or &quot;AAA&quot; rated by two NRSROs; or SEC registered adviser</td>
<td>Complies</td>
</tr>
<tr>
<td>Market Funds</td>
<td>with AUM &gt;$500 million and experience greater than 5 years; 20% maximum</td>
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</tr>
<tr>
<td></td>
<td>combined in Money Market Mutual Funds and Mutual Funds; 10% max per</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mutual Fund; 20% max per Money Market Mutual Fund</td>
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<tr>
<td></td>
<td>Futures and Options; Inverse Floaters; Range notes; Interest-only strips</td>
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</tr>
<tr>
<td></td>
<td>from mortgage backed securities; Zero interest accrual securities;</td>
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<tr>
<td></td>
<td>Margin; Reverse Repurchase Agreements; Securities lending;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foreign currency denominated; Purchases of securities issued by fossil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>fuel companies that directly source the majority of their revenue from</td>
<td></td>
</tr>
<tr>
<td></td>
<td>oil, gas, and or coal production.</td>
<td></td>
</tr>
<tr>
<td>Prohibited Securities</td>
<td>1 year max maturity; collateralized 103% of market value; Not used by</td>
<td>Complies</td>
</tr>
<tr>
<td></td>
<td>investment adviser</td>
<td></td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>Maximum amount permitted by LAIF; Not used by investment adviser</td>
<td>Complies</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>Pursuant to CGC; Not used by investment adviser</td>
<td>Complies</td>
</tr>
<tr>
<td>(LAIF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Trust of California</td>
<td></td>
<td>Complies</td>
</tr>
<tr>
<td>(CALTRUST)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Callable Securities</td>
<td>20% maximum (does not include &quot;make whole call&quot; securities)</td>
<td>Complies</td>
</tr>
<tr>
<td></td>
<td>No more than 5% in any single issuer, except US Gov, Agencies,</td>
<td>Complies</td>
</tr>
<tr>
<td></td>
<td>Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise</td>
<td></td>
</tr>
<tr>
<td></td>
<td>specified in the investment policy</td>
<td></td>
</tr>
<tr>
<td>Max per issuer</td>
<td></td>
<td>Complies</td>
</tr>
<tr>
<td>Maximum Maturity</td>
<td>5 years</td>
<td>Complies</td>
</tr>
</tbody>
</table>

*GE (36962G7M0) was downgraded by Moody's (Baa1) and S&P (BBB+) in October 2018 and by Fitch (BBB+) in November 2018; compiled at time of purchase.
<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Maturity (yrs)</td>
<td>1.87</td>
<td>1.75</td>
<td>1.56</td>
</tr>
<tr>
<td>Average Modified Duration</td>
<td>1.80</td>
<td>1.66</td>
<td>1.48</td>
</tr>
<tr>
<td>Average Purchase Yield</td>
<td>n/a</td>
<td>1.87%</td>
<td>1.69%</td>
</tr>
<tr>
<td>Average Market Yield</td>
<td>2.53%</td>
<td>2.68%</td>
<td>2.69%</td>
</tr>
<tr>
<td>Average Quality**</td>
<td>AAA</td>
<td>AA/Aa1</td>
<td>AA/Aa1</td>
</tr>
<tr>
<td>Total Market Value</td>
<td>30,882,190</td>
<td>31,948,474</td>
<td></td>
</tr>
</tbody>
</table>

*ICE BAML 1-3 Yr US Treasury/Agency Index

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.
As of December 31, 2018

City of Solana Beach – Account #10471

<table>
<thead>
<tr>
<th>Issue Name</th>
<th>Investment Type</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of United States</td>
<td>US Treasury</td>
<td>25.38%</td>
</tr>
<tr>
<td>Federal National Mortgage Association</td>
<td>Agency</td>
<td>12.43%</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>Agency</td>
<td>10.06%</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>Agency</td>
<td>8.63%</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corp</td>
<td>Agency</td>
<td>7.76%</td>
</tr>
<tr>
<td>Intl Bank Recon and Development</td>
<td>Supranational</td>
<td>2.08%</td>
</tr>
<tr>
<td>IBM Corp</td>
<td>US Corporate</td>
<td>1.90%</td>
</tr>
<tr>
<td>Paccar Financial</td>
<td>US Corporate</td>
<td>1.64%</td>
</tr>
<tr>
<td>Bank of New York</td>
<td>US Corporate</td>
<td>1.62%</td>
</tr>
<tr>
<td>Costco Wholesale Corporation</td>
<td>US Corporate</td>
<td>1.60%</td>
</tr>
<tr>
<td>Inter-American Dev Bank</td>
<td>Supranational</td>
<td>1.54%</td>
</tr>
<tr>
<td>US Bancorp</td>
<td>US Corporate</td>
<td>1.46%</td>
</tr>
<tr>
<td>Toyota Motor Corp</td>
<td>US Corporate</td>
<td>1.45%</td>
</tr>
<tr>
<td>PNC Financial Services Group</td>
<td>US Corporate</td>
<td>1.44%</td>
</tr>
<tr>
<td>Honda Motor Corporation</td>
<td>US Corporate</td>
<td>1.37%</td>
</tr>
<tr>
<td>Home Depot</td>
<td>US Corporate</td>
<td>1.36%</td>
</tr>
<tr>
<td>Deere &amp; Company</td>
<td>US Corporate</td>
<td>1.34%</td>
</tr>
<tr>
<td>State Street Bank</td>
<td>US Corporate</td>
<td>1.30%</td>
</tr>
<tr>
<td>Praxair</td>
<td>US Corporate</td>
<td>1.29%</td>
</tr>
<tr>
<td>United Parcel Service</td>
<td>US Corporate</td>
<td>1.27%</td>
</tr>
<tr>
<td>Oracle Corp</td>
<td>US Corporate</td>
<td>1.27%</td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>US Corporate</td>
<td>1.14%</td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co</td>
<td>US Corporate</td>
<td>1.13%</td>
</tr>
<tr>
<td>General Electric Co</td>
<td>US Corporate</td>
<td>1.13%</td>
</tr>
<tr>
<td>Exxon Mobil Corp</td>
<td>US Corporate</td>
<td>1.01%</td>
</tr>
<tr>
<td>Microsoft</td>
<td>US Corporate</td>
<td>0.98%</td>
</tr>
<tr>
<td>Wells Fargo Corp</td>
<td>US Corporate</td>
<td>0.98%</td>
</tr>
<tr>
<td>Apple Inc</td>
<td>US Corporate</td>
<td>0.97%</td>
</tr>
<tr>
<td>First American Govt Oblig Fund</td>
<td>Money Market Fund Fd</td>
<td>0.96%</td>
</tr>
<tr>
<td>International Finance Corp</td>
<td>Supranational</td>
<td>0.67%</td>
</tr>
<tr>
<td>HSBC Holdings PLC</td>
<td>US Corporate</td>
<td>0.65%</td>
</tr>
<tr>
<td>Toyota ABS</td>
<td>ABS</td>
<td>0.64%</td>
</tr>
<tr>
<td>Honda ABS</td>
<td>ABS</td>
<td>0.54%</td>
</tr>
<tr>
<td>Charles Schwab Corp/The</td>
<td>US Corporate</td>
<td>0.52%</td>
</tr>
<tr>
<td>Nissan ABS</td>
<td>ABS</td>
<td>0.51%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Quality Distribution

City of Solana Beach
December 31, 2018 vs. September 30, 2018

As of December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>&lt;A</th>
<th>NR</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/18</td>
<td>7.3%</td>
<td>70.1%</td>
<td>20.9%</td>
<td>1.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>09/30/18</td>
<td>13.1%</td>
<td>64.7%</td>
<td>21.2%</td>
<td>0.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Source: S&P Ratings
City of Solana Beach
Portfolio Compared to the Benchmark as of December 31, 2018

Duration Distribution

As of December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>0 - 0.25</th>
<th>0.25 - 0.50</th>
<th>0.50 - 1</th>
<th>1 - 2</th>
<th>2 - 3</th>
<th>3 - 4</th>
<th>4 - 5</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>10.0%</td>
<td>10.0%</td>
<td>16.5%</td>
<td>25.3%</td>
<td>21.1%</td>
<td>17.1%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>0.1%</td>
<td>0.0%</td>
<td>2.6%</td>
<td>55.3%</td>
<td>42.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

*ICE BAML 1-3 Yr US Treasury/Agency Index
Investment Performance

City of Solana Beach

Total Rate of Return Annualized Since Inception 03/31/2016

<table>
<thead>
<tr>
<th>TOTAL RATE OF RETURN</th>
<th>3 months</th>
<th>12 months</th>
<th>2 years</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Solana Beach</td>
<td>1.11%</td>
<td>1.79%</td>
<td>1.32%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>1.05%</td>
</tr>
<tr>
<td>ICE BAML 1-3 Yr US Treasury/Agency Index</td>
<td>1.29%</td>
<td>1.60%</td>
<td>1.02%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>0.74%</td>
</tr>
</tbody>
</table>

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
### Investment Comparison

**City of Solana Beach**

<table>
<thead>
<tr>
<th>Period</th>
<th>L&amp;I Earnings Estimate</th>
<th>Gross Income Earned (Chandler Managed Portfolio)</th>
<th>Income Earned (Chandler Managed Portfolio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2016 - Dec 2016</td>
<td>$113,770</td>
<td>$185,849</td>
<td>$169,455</td>
</tr>
<tr>
<td>2017</td>
<td>$327,563</td>
<td>$439,162</td>
<td>$410,891</td>
</tr>
<tr>
<td>January 2018</td>
<td>$37,870</td>
<td>$39,237</td>
<td>$36,842</td>
</tr>
<tr>
<td>February 2018</td>
<td>$38,500</td>
<td>$44,122</td>
<td>$41,628</td>
</tr>
<tr>
<td>March 2018</td>
<td>$45,967</td>
<td>$45,823</td>
<td>$43,328</td>
</tr>
<tr>
<td>April 2018</td>
<td>$48,397</td>
<td>$46,392</td>
<td>$43,897</td>
</tr>
<tr>
<td>May 2018</td>
<td>$53,044</td>
<td>$47,385</td>
<td>$44,888</td>
</tr>
<tr>
<td>June 2018</td>
<td>$54,085</td>
<td>$48,351</td>
<td>$45,848</td>
</tr>
<tr>
<td>July 2018</td>
<td>$58,567</td>
<td>$50,419</td>
<td>$47,914</td>
</tr>
<tr>
<td>August 2018</td>
<td>$60,258</td>
<td>$48,396</td>
<td>$45,887</td>
</tr>
<tr>
<td>September 2018</td>
<td>$56,579</td>
<td>$46,284</td>
<td>$43,867</td>
</tr>
<tr>
<td>October 2018</td>
<td>$57,748</td>
<td>$46,188</td>
<td>$43,906</td>
</tr>
<tr>
<td>November 2018</td>
<td>$56,380</td>
<td>$43,669</td>
<td>$41,424</td>
</tr>
<tr>
<td>December 2018</td>
<td>$60,757</td>
<td>$47,367</td>
<td>$45,122</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$1,069,485</strong></td>
<td><strong>$1,178,644</strong></td>
<td><strong>$1,104,897</strong></td>
</tr>
</tbody>
</table>

*Income earned net of Chandler fees*
Section 3 | Portfolio Holdings
### Holdings Report

**City of Solana Beach - Account #10471**

#### ABS

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Cost Value</th>
<th>Mkt Price</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody's/S&amp;P</th>
<th>Maturity Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>89231UA09</td>
<td>Toyota Auto Receivables 2016-8</td>
<td>33,661.01</td>
<td>05/02/2016</td>
<td>33,660.29</td>
<td>33,480.36</td>
<td>0.11%</td>
<td>Faa / AAA</td>
<td>1.29</td>
<td>2020-04-15</td>
</tr>
<tr>
<td>43814QAC2</td>
<td>Honda Auto Receivables 2016-2 A3</td>
<td>31,168.76</td>
<td>05/24/2016</td>
<td>31,168.15</td>
<td>31,045.40</td>
<td>0.10%</td>
<td>Faa / NR</td>
<td>1.29</td>
<td>2025-04-15</td>
</tr>
<tr>
<td>6S47GAB6</td>
<td>Nissan Auto Receivables 2016-8 A2A</td>
<td>158,473.15</td>
<td>08/16/2017</td>
<td>158,466.95</td>
<td>158,006.76</td>
<td>0.51%</td>
<td>Faa / NR</td>
<td>1.37</td>
<td>2029-08-15</td>
</tr>
<tr>
<td>89237RA84</td>
<td>Toyota Auto Receivable 2017-C A3</td>
<td>164,238.04</td>
<td>07/25/2017</td>
<td>164,237.48</td>
<td>163,579.11</td>
<td>0.53%</td>
<td>Faa / AAA</td>
<td>1.54</td>
<td>2020-07-15</td>
</tr>
<tr>
<td>43814UAG4</td>
<td>Honda Auto Receivables 2018-2 A3</td>
<td>135,000.00</td>
<td>05/22/2018</td>
<td>134,997.06</td>
<td>135,134.19</td>
<td>0.44%</td>
<td>NR / AAA</td>
<td>3.38</td>
<td>2021-05-18</td>
</tr>
</tbody>
</table>

**TOTAL ABS** | 522,542.96 | 1.93% | 522,542.91 | 3.04% | 410,65 (1,294.08) | Aaa | 0.65 |

#### Agency

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Cost Value</th>
<th>Mkt Price</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody's/S&amp;P</th>
<th>Maturity Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>3133EFZNO</td>
<td>FFCB Note</td>
<td>500,000.00</td>
<td>04/12/2019</td>
<td>499,306.09</td>
<td>499,159.50</td>
<td>0.12%</td>
<td>Faa / AA+</td>
<td>1.02</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3133GOU53</td>
<td>FNMA Note</td>
<td>260,000.00</td>
<td>04/12/2016</td>
<td>259,420.72</td>
<td>259,420.72</td>
<td>0.16%</td>
<td>Aaa / AA+</td>
<td>1.01</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>31337R WM2</td>
<td>FHLB Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>499,159.50</td>
<td>499,159.50</td>
<td>0.18%</td>
<td>Faa / AA+</td>
<td>1.00</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3133EDV K</td>
<td>FFCB Note</td>
<td>180,000.00</td>
<td>04/12/2016</td>
<td>179,743.68</td>
<td>179,743.68</td>
<td>0.21%</td>
<td>Aaa / AA+</td>
<td>0.99</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3137EDT79</td>
<td>FHLMC Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>498,177.00</td>
<td>498,177.00</td>
<td>0.29%</td>
<td>Aaa / AA+</td>
<td>0.98</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3137EDG1</td>
<td>FHLMC Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>497,743.68</td>
<td>497,743.68</td>
<td>0.31%</td>
<td>Aaa / AA+</td>
<td>0.97</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3135GEZ E6</td>
<td>FNMA Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>497,743.68</td>
<td>497,743.68</td>
<td>0.33%</td>
<td>Aaa / AA+</td>
<td>0.96</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3133EFW52</td>
<td>FFCB Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>496,575.00</td>
<td>496,575.00</td>
<td>0.35%</td>
<td>Aaa / AA+</td>
<td>0.95</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3137EDK2</td>
<td>FHLMC Note</td>
<td>500,000.00</td>
<td>04/12/2016</td>
<td>495,833.00</td>
<td>495,833.00</td>
<td>0.37%</td>
<td>Aaa / AA+</td>
<td>0.93</td>
<td>2019-04-12</td>
</tr>
<tr>
<td>3133EDV9</td>
<td>FFCB Note</td>
<td>220,000.00</td>
<td>04/12/2016</td>
<td>220,000.00</td>
<td>220,000.00</td>
<td>0.39%</td>
<td>Aaa / AA+</td>
<td>0.91</td>
<td>2019-04-12</td>
</tr>
</tbody>
</table>

**TOTAL Agency** | 1,988,48 | 1.62% | 1,988,48 (5,644.65) | 0.41 | Aaa / AA+ | 1.03 |
## Holdings Report

### City of Solana Beach - Account #10471

**As of December 31, 2018**

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Book Yield</th>
<th>Cost Value Book Value</th>
<th>Mkt Price Mkt TTMM</th>
<th>Market Value Accrued Inc.</th>
<th>% of Port. Gain/loss</th>
<th>Moody’s S&amp;P &amp; Fitch</th>
<th>Maturity Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>3137EADM8</td>
<td>FHLMC Note</td>
<td>500,000.00</td>
<td>05/17/2016</td>
<td>1.13%</td>
<td>501,970.00</td>
<td>98.97</td>
<td>494,833.50</td>
<td>1.61%</td>
<td>Aaa / AA+</td>
<td>0.75</td>
</tr>
<tr>
<td>3137ECD89</td>
<td>FNMA Note</td>
<td>300,000.00</td>
<td>11/10/2016</td>
<td>1.22%</td>
<td>298,131.00</td>
<td>98.87</td>
<td>296,023.50</td>
<td>0.96%</td>
<td>Aaa / AA+</td>
<td>0.74</td>
</tr>
<tr>
<td>3138FT873</td>
<td>FNMA Callable Note 1X 2/7/2014</td>
<td>650,000.00</td>
<td>05/12/2017</td>
<td>1.55%</td>
<td>658,365.50</td>
<td>99.39</td>
<td>646,061.65</td>
<td>2.11%</td>
<td>AAA / AA+</td>
<td>1.79</td>
</tr>
<tr>
<td>3139G0JU5</td>
<td>FNMA Callable Note 1X 3/6/2014</td>
<td>280,000.00</td>
<td>05/18/2016</td>
<td>1.33%</td>
<td>284,376.40</td>
<td>99.04</td>
<td>277,311.72</td>
<td>0.99%</td>
<td>AAA / AA+</td>
<td>1.54</td>
</tr>
<tr>
<td>3139G1H66</td>
<td>FHLMC Note</td>
<td>100,000.00</td>
<td>04/25/2016</td>
<td>1.35%</td>
<td>106,250.00</td>
<td>100.41</td>
<td>100,414.30</td>
<td>0.33%</td>
<td>Aaa / AA+</td>
<td>1.21</td>
</tr>
<tr>
<td>3133EFL12</td>
<td>FFCB Note</td>
<td>650,000.00</td>
<td>04/13/2017</td>
<td>1.51%</td>
<td>650,758.50</td>
<td>98.68</td>
<td>641,432.35</td>
<td>2.08%</td>
<td>Aaa / AA+</td>
<td>1.28</td>
</tr>
<tr>
<td>3137EFP72</td>
<td>FHLMC Note</td>
<td>650,000.00</td>
<td>04/19/2017</td>
<td>1.48%</td>
<td>647,626.50</td>
<td>98.49</td>
<td>640,160.30</td>
<td>2.08%</td>
<td>Aaa / AA+</td>
<td>1.26</td>
</tr>
<tr>
<td>3135G0U35</td>
<td>FNMA Note</td>
<td>700,000.00</td>
<td>06/8/2018</td>
<td>1.68%</td>
<td>701,295.00</td>
<td>100.56</td>
<td>703,927.70</td>
<td>2.28%</td>
<td>AAA / AA+</td>
<td>1.30</td>
</tr>
<tr>
<td>3133EJW98</td>
<td>FHLMC Note</td>
<td>600,000.00</td>
<td>11/28/2018</td>
<td>2.95%</td>
<td>600,750.00</td>
<td>101.05</td>
<td>606,371.00</td>
<td>1.98%</td>
<td>Aaa / AA+</td>
<td>2.79</td>
</tr>
<tr>
<td>3134EF774</td>
<td>FFCB Note</td>
<td>600,000.00</td>
<td>12/11/2018</td>
<td>2.87%</td>
<td>602,996.00</td>
<td>101.31</td>
<td>607,876.80</td>
<td>1.98%</td>
<td>AAA / AA+</td>
<td>2.55</td>
</tr>
<tr>
<td>3135G0T88</td>
<td>FNMA Note</td>
<td>600,000.00</td>
<td>Various</td>
<td>2.04%</td>
<td>645,156.00</td>
<td>98.52</td>
<td>640,381.95</td>
<td>2.09%</td>
<td>AAA / AA+</td>
<td>2.87</td>
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<tr>
<td>3133G069</td>
<td>FHLMC Note</td>
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<td>2.81%</td>
<td>681,828.70</td>
<td>98.31</td>
<td>680,142.70</td>
<td>2.23%</td>
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<td>3133E0G30</td>
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<td>578,358.00</td>
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<td>578,232.60</td>
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<td>608,279.80</td>
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<td>496,258.80</td>
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<td>3133G0979</td>
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<td>485,610.00</td>
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<td>5,343.75</td>
<td>5.69%</td>
<td>AAA / AA+</td>
<td>3.79</td>
</tr>
</tbody>
</table>

**TOTAL Agency**

| 12,099,000.00 | 1.85% | 12,092,444.69 | 2.55% | 55,809.98 | (72,439.37) | Aaa | 1.67 |
# Holdings Report

## City of Solana Beach - Account #10471

### Securities

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Maturity</th>
<th>Duration</th>
</tr>
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<tbody>
<tr>
<td>31846V203</td>
<td>First American Govt Obligation Fund Class Y</td>
<td>296,913.60</td>
<td>296,913.60</td>
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**TOTAL Money Market Fund**

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<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Duration</th>
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<tbody>
<tr>
<td>296,913.60</td>
<td>296,913.60</td>
<td>2.05%</td>
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<td>0.00</td>
</tr>
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</table>

### Supranational

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Maturity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>459058FA6</td>
<td>Intl. Bank Recon &amp; Development Note</td>
<td>650,000.00</td>
<td>645,060.00</td>
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<td>Aaa / AAA</td>
<td>1.25</td>
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<tr>
<td>4581XGCM4</td>
<td>Inter-American Dev Bank Note</td>
<td>480,000.00</td>
<td>478,862.40</td>
<td>1.70%</td>
<td>AAA</td>
<td>1.33</td>
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<tr>
<td>45950DCMO</td>
<td>International Finance Corp Note</td>
<td>205,000.00</td>
<td>204,297.30</td>
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<td>AAA / AAA</td>
<td>2.07</td>
<td></td>
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</tbody>
</table>

**TOTAL Supranational**

<table>
<thead>
<tr>
<th>Par Value/Units</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,335,000.00</td>
<td>1,328,319.70</td>
<td>1.77%</td>
<td>Aaa</td>
<td>1.38</td>
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</tbody>
</table>

### US Corporate

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Maturity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>94974FCQ8</td>
<td>Wells Fargo Corp Note</td>
<td>300,000.00</td>
<td>304,455.80</td>
<td>1.59%</td>
<td>A2 / A-</td>
<td>0.04</td>
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</tr>
<tr>
<td>30231GAP7</td>
<td>Exxon Mobil Corp Note</td>
<td>150,000.00</td>
<td>151,548.00</td>
<td>1.32%</td>
<td>AAA / AAA+</td>
<td>0.16</td>
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</tr>
<tr>
<td>30231GAD4</td>
<td>Exxon Mobil Corp Callable Note Cont 2/15/2019</td>
<td>150,000.00</td>
<td>152,516.80</td>
<td>1.70%</td>
<td>NR</td>
<td>0.19</td>
<td></td>
</tr>
<tr>
<td>91159HHH6</td>
<td>US Bancorp Callable Note Cont 3/25/2013</td>
<td>150,000.00</td>
<td>154,552.50</td>
<td>1.71%</td>
<td>A1 / +</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>037833AQ3</td>
<td>Apple Inc Note</td>
<td>300,000.00</td>
<td>306,734.80</td>
<td>1.33%</td>
<td>AAA / AAA+</td>
<td>0.35</td>
<td></td>
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<tr>
<td>89236IDE2</td>
<td>Toyota Motor Credit Corp Note</td>
<td>150,000.00</td>
<td>149,790.00</td>
<td>1.65%</td>
<td>Aa3 / AA-</td>
<td>0.30</td>
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<tr>
<td>02655WBE0</td>
<td>American Honda Finance Note</td>
<td>225,000.00</td>
<td>223,434.00</td>
<td>1.46%</td>
<td>A2 / A+</td>
<td>0.53</td>
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</tr>
<tr>
<td>594918B83</td>
<td>Microsoft Note</td>
<td>305,000.00</td>
<td>304,685.85</td>
<td>1.14%</td>
<td>AAA / AAA</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td>06406HCW7</td>
<td>Bank of New York Callable Note Cont 8/11/2019</td>
<td>500,000.00</td>
<td>508,033.60</td>
<td>1.74%</td>
<td>AA</td>
<td>0.70</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL US Corporate**

<table>
<thead>
<tr>
<th>Par Value/Units</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,335,000.00</td>
<td>1,317,899.05</td>
<td>1.77%</td>
<td>Aaa / AAA</td>
<td>1.42</td>
</tr>
<tr>
<td>CUSIP</td>
<td>Security Description</td>
<td>Par Value/Units</td>
<td>Purchase Date</td>
<td>Book Yield</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------</td>
<td>-----------------</td>
<td>---------------</td>
<td>------------</td>
</tr>
<tr>
<td>24422ETJ8</td>
<td>John Deere Capital Corp Note 1.250% Due 10/09/2019</td>
<td>419,000.00</td>
<td>Various</td>
<td>1.15%</td>
</tr>
<tr>
<td>36662G7M0</td>
<td>General Electric Capital Corp Callable Note 1X 2/200% Due 03/19/2020</td>
<td>350,000.00</td>
<td>12/13/2016</td>
<td>2.06%</td>
</tr>
<tr>
<td>46629HKA7</td>
<td>JPMorgan Chase Callable Note Cont 12/23/2019 2.250% Due 02/23/2020</td>
<td>460,000.00</td>
<td>07/17/2018</td>
<td>3.06%</td>
</tr>
<tr>
<td>8923GD6U6</td>
<td>Toyota Motor Credit Corp Note 1.950% Due 04/17/2020</td>
<td>150,000.00</td>
<td>04/24/2016</td>
<td>1.91%</td>
</tr>
<tr>
<td>09353REF9</td>
<td>PNC Bank Callable Note 5/2/2020 2.300% Due 06/06/2020</td>
<td>450,000.00</td>
<td>06/07/2017</td>
<td>2.03%</td>
</tr>
<tr>
<td>437076RQ4</td>
<td>Home Depot Note 1.800% Due 06/06/2020</td>
<td>425,000.00</td>
<td>06/24/2017</td>
<td>1.22%</td>
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<tr>
<td>40428PVP8</td>
<td>HSBC USA Inc Note 2.750% Due 08/07/2020</td>
<td>200,000.00</td>
<td>05/18/2017</td>
<td>3.16%</td>
</tr>
<tr>
<td>857477AS2</td>
<td>State Street Bank Note 2.550% Due 08/18/2020</td>
<td>400,000.00</td>
<td>Various</td>
<td>2.52%</td>
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<tr>
<td>02655WA42</td>
<td>American Honda Finance Note 2.450% Due 02/24/2020</td>
<td>200,000.00</td>
<td>02/07/2017</td>
<td>2.16%</td>
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<tr>
<td>74005BPP8</td>
<td>Praxair Note 2.250% Due 09/24/2020</td>
<td>400,000.00</td>
<td>04/25/2017</td>
<td>1.98%</td>
</tr>
<tr>
<td>44931HA89</td>
<td>IBM Credit Corp Note 1.800% Due 03/20/2021</td>
<td>600,000.00</td>
<td>12/14/2017</td>
<td>2.26%</td>
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<tr>
<td>2214OKA4J</td>
<td>Costco Wholesale Corp Note 2.150% Due 05/18/2021</td>
<td>500,000.00</td>
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<tr>
<td>808513AWS5</td>
<td>Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/11/2021</td>
<td>160,000.00</td>
<td>06/17/2018</td>
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<td>69371RM42</td>
<td>Paccar Financial Corp Note 3.150% Due 08/09/2021</td>
<td>500,000.00</td>
<td>08/08/2018</td>
<td>3.16%</td>
</tr>
<tr>
<td>6838OBX60</td>
<td>Oracle Corp Callable Note Cont 8/01/21 1.300% Due 09/15/2021</td>
<td>250,000.00</td>
<td>10/12/2017</td>
<td>2.11%</td>
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<tr>
<td>8923GTP7</td>
<td>Toyota Motor Credit Corp Note 2.600% Due 01/11/2022</td>
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<td>04/18/2018</td>
<td>3.10%</td>
</tr>
<tr>
<td>6838OBX80</td>
<td>Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022</td>
<td>150,000.00</td>
<td>06/13/2018</td>
<td>3.11%</td>
</tr>
</tbody>
</table>

As of December 31, 2018
# Holdings Report

## City of Solana Beach - Account #10471

### As of December 31, 2018

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Book Value</th>
<th>Cost Value</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Maturity Duration</th>
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<tbody>
<tr>
<td>084664BT7</td>
<td>Berkshire Hathaway Note</td>
<td>350,000.00</td>
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<td>346,510.50</td>
<td>346,510.50</td>
<td>349,197.10</td>
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<td>AA2 / AA</td>
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<tr>
<td>911312BC9</td>
<td>UPS Callable Note Conv. 4/16/2022</td>
<td>400,000.00</td>
<td>04/10/2018</td>
<td>390,204.00</td>
<td>390,204.00</td>
<td>390,262.80</td>
<td>1.27%</td>
<td>A1 / A+</td>
<td>3.38</td>
</tr>
<tr>
<td>911312BC9</td>
<td>UPS Callable Note Conv. 4/16/2022</td>
<td>2,350,000.00</td>
<td>05/16/2018</td>
<td>1,175,000</td>
<td>1,175,000</td>
<td>2,686.60</td>
<td>58.80</td>
<td>NR</td>
<td>3.29</td>
</tr>
</tbody>
</table>

**TOTAL US Corporate**

8,944,000.60 2.15% 8,949,441.40 3.04% 53,014.17 (104,429.22) A+ 1.54

### US Treasury

<table>
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<th>CUSIP</th>
<th>Security Description</th>
<th>Nominal Value</th>
<th>Purchase Date</th>
<th>Book Value</th>
<th>Cost Value</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Maturity Duration</th>
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<tbody>
<tr>
<td>912828AK63</td>
<td>US Treasury Note</td>
<td>500,000.00</td>
<td>05/18/2016</td>
<td>502,091.52</td>
<td>502,091.52</td>
<td>499,750.00</td>
<td>1.63%</td>
<td>Aaa / A+</td>
<td>0.04</td>
</tr>
<tr>
<td>912828AL09</td>
<td>US Treasury Note</td>
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<td>259,826.22</td>
<td>259,826.22</td>
<td>258,050.00</td>
<td>0.84%</td>
<td>Aaa / A+</td>
<td>0.04</td>
</tr>
<tr>
<td>912828AN43</td>
<td>US Treasury Note</td>
<td>500,000.00</td>
<td>10/03/2016</td>
<td>497,970.43</td>
<td>497,970.43</td>
<td>495,215.00</td>
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<tr>
<td>912828ATNO</td>
<td>US Treasury Note</td>
<td>260,000.00</td>
<td>04/14/2016</td>
<td>259,183.68</td>
<td>259,183.68</td>
<td>257,377.50</td>
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<td>Aaa / A+</td>
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</tr>
<tr>
<td>912828AUB1</td>
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<td>260,061.65</td>
<td>260,061.65</td>
<td>256,922.64</td>
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<td>Aaa / A+</td>
<td>0.75</td>
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<tr>
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<td>US Treasury Note</td>
<td>525,000.00</td>
<td>Various</td>
<td>524,848.25</td>
<td>524,848.25</td>
<td>517,268.33</td>
<td>1.68%</td>
<td>Aaa / A+</td>
<td>0.92</td>
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<td>912828BFL4</td>
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<td>259,320.40</td>
<td>259,320.40</td>
<td>256,170.98</td>
<td>0.83%</td>
<td>Aaa / A+</td>
<td>1.00</td>
</tr>
<tr>
<td>912828BHT3</td>
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<td>450,000.00</td>
<td>05/18/2016</td>
<td>450,381.58</td>
<td>450,381.58</td>
<td>443,495.15</td>
<td>1.44%</td>
<td>Aaa / A+</td>
<td>1.08</td>
</tr>
<tr>
<td>912828BH08</td>
<td>US Treasury Note</td>
<td>450,000.00</td>
<td>03/08/2017</td>
<td>445,666.98</td>
<td>445,666.98</td>
<td>442,582.20</td>
<td>1.44%</td>
<td>Aaa / A+</td>
<td>1.21</td>
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<tr>
<td>912828BQ2Q</td>
<td>US Treasury Note</td>
<td>200,000.00</td>
<td>06/28/2017</td>
<td>195,688.17</td>
<td>195,688.17</td>
<td>193,570.40</td>
<td>0.63%</td>
<td>Aaa / A+</td>
<td>2.50</td>
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<tr>
<td>912828B9T3</td>
<td>US Treasury Note</td>
<td>600,000.00</td>
<td>08/14/2017</td>
<td>586,923.89</td>
<td>586,923.89</td>
<td>578,695.30</td>
<td>1.88%</td>
<td>Aaa / A+</td>
<td>2.75</td>
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<tr>
<td>912828B6G7</td>
<td>US Treasury Note</td>
<td>400,000.00</td>
<td>08/30/2017</td>
<td>393,673.23</td>
<td>393,673.23</td>
<td>386,655.40</td>
<td>1.25%</td>
<td>Aaa / A+</td>
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</tr>
<tr>
<td>912828BU18</td>
<td>US Treasury Note</td>
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<td>01/30/2018</td>
<td>689,226.56</td>
<td>689,226.56</td>
<td>690,429.60</td>
<td>2.24%</td>
<td>Aaa / A+</td>
<td>3.00</td>
</tr>
<tr>
<td>912828B8P6</td>
<td>US Treasury Note</td>
<td>550,000.00</td>
<td>08/15/2017</td>
<td>543,578.01</td>
<td>543,578.01</td>
<td>534,294.75</td>
<td>1.74%</td>
<td>Aaa / A+</td>
<td>3.09</td>
</tr>
</tbody>
</table>

### Notes

- The table includes a breakdown of US Treasury Notes with various maturities and ratings, as of December 31, 2018.
- The holdings include both Notes and Callable Notes, with details on purchase dates, book values, and market values.
- The ratings range from Aaa to A, with various Maturity Durations provided.
# Holdings Report

## City of Solana Beach - Account #10471

As of December 31, 2018

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Cost Value</th>
<th>Mkt Price</th>
<th>Market Value</th>
<th>% of Port</th>
<th>Moody/Standard &amp; Poors</th>
<th>Maturity Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>912828W5S</td>
<td>US Treasury Note 1.875% Due 02/28/2022</td>
<td>700,000.00</td>
<td>Various</td>
<td>685,585.94</td>
<td>99.18</td>
<td>687,285.20</td>
<td>2.24%</td>
<td>Aaa/AA+</td>
<td>3.16</td>
</tr>
<tr>
<td>912828T6</td>
<td>US Treasury Note 1.750% Due 03/31/2022</td>
<td>600,000.00</td>
<td>09/15/2017</td>
<td>599,509.82</td>
<td>97.76</td>
<td>586,546.40</td>
<td>1.91%</td>
<td>Aaa/AA+</td>
<td>3.25</td>
</tr>
<tr>
<td>912828XWS</td>
<td>US Treasury Note 1.750% Due 06/30/2022</td>
<td>750,000.00</td>
<td>Various</td>
<td>725,751.95</td>
<td>97.58</td>
<td>731,835.75</td>
<td>2.37%</td>
<td>Aaa/AA+</td>
<td>3.50</td>
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<tr>
<td>TOTAL US Treasury</td>
<td></td>
<td>7,965,000.00</td>
<td>1.63%</td>
<td>7,890,420.27</td>
<td>7,816,050.90</td>
<td>25.38%</td>
<td>Aaa/AA+</td>
<td>2.09</td>
<td></td>
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<tr>
<td>TOTAL PORTFOLIO</td>
<td></td>
<td>31,072,456.56</td>
<td>1.88%</td>
<td>31,007,969.57</td>
<td>30,745,026.88</td>
<td>100.00%</td>
<td>Aaa/AA</td>
<td>1.75</td>
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</tr>
<tr>
<td>TOTAL MARKET VALUE PLUS ACCRUALS</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td>30,862,190.40</td>
</tr>
</tbody>
</table>
Section 4 | Transactions
## Transaction Ledger

**City of Solana Beach - Account #10471**

### September 30, 2018 through December 31, 2018

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Settlement Date</th>
<th>CUSIP</th>
<th>Quantity</th>
<th>Security Description</th>
<th>Price</th>
<th>Acq/Disp Yield</th>
<th>Amount</th>
<th>Interest Earned</th>
<th>Total Amount</th>
<th>Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACQUISITIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>10/05/2018</td>
<td>3135GOT94</td>
<td>500,000.00</td>
<td>FNMA Note 2.375% Due: 01/19/2023</td>
<td>97.122</td>
<td>3.10%</td>
<td>485,610.00</td>
<td>2,506.94</td>
<td>488,116.94</td>
<td>0.00</td>
</tr>
<tr>
<td>Purchase</td>
<td>11/29/2018</td>
<td>313380GI0</td>
<td>600,000.00</td>
<td>FHLB Note 2% Due: 09/09/2022</td>
<td>96.393</td>
<td>3.02%</td>
<td>578,358.00</td>
<td>1,666.67</td>
<td>581,024.67</td>
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<tr>
<td>Purchase</td>
<td>11/29/2018</td>
<td>3133832U8</td>
<td>600,000.00</td>
<td>FHLB Note 3% Due: 09/10/2021</td>
<td>100.125</td>
<td>2.95%</td>
<td>600,750.00</td>
<td>3,950.00</td>
<td>604,700.00</td>
<td>0.00</td>
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<tr>
<td>Purchase</td>
<td>12/12/2018</td>
<td>3133EJT74</td>
<td>600,000.00</td>
<td>FFCB Note 3.05% Due: 11/15/2021</td>
<td>100.499</td>
<td>2.87%</td>
<td>602,994.00</td>
<td>1,372.50</td>
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<tr>
<td>Purchase</td>
<td>12/13/2018</td>
<td>084664BT7</td>
<td>350,000.00</td>
<td>Berkshire Hathaway Note 3% Due: 05/15/2022</td>
<td>99.003</td>
<td>3.31%</td>
<td>346,510.50</td>
<td>816.67</td>
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<tr>
<td>Purchase</td>
<td>12/21/2018</td>
<td>3130AFE78</td>
<td>600,000.00</td>
<td>FHLB Note 3% Due: 12/09/2022</td>
<td>100.868</td>
<td>2.77%</td>
<td>605,208.00</td>
<td>2,250.00</td>
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<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,250,600.00</td>
<td>13,562.78</td>
<td>3,232,993.28</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>TOTAL ACQUISITIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,250,000.00</td>
<td>13,562.78</td>
<td>3,232,993.28</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>DISPOSITIONS</strong></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturity</td>
<td>10/05/2018</td>
<td>3133EFX69</td>
<td>500,000.00</td>
<td>FFCB Note 0.96% Due: 10/05/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>500,000.00</td>
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<td>153.60</td>
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<tr>
<td>Maturity</td>
<td>10/24/2018</td>
<td>89236TAY1</td>
<td>156,000.00</td>
<td>Toyota Motor Credit Corp Note 2% Due: 10/24/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>150,000.00</td>
<td>0.00</td>
<td>150,000.00</td>
<td>-2,460.00</td>
</tr>
<tr>
<td>Maturity</td>
<td>11/01/2018</td>
<td>96121T6GB</td>
<td>700,000.00</td>
<td>Westpac Banking Corp Yankee CD 2.66% Due: 11/01/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>700,000.00</td>
<td>10,975.22</td>
<td>710,975.22</td>
<td>0.00</td>
</tr>
<tr>
<td>Maturity</td>
<td>11/19/2018</td>
<td>3133EFPJ0</td>
<td>300,000.00</td>
<td>FFCB Note 1.29% Due: 11/15/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>300,000.00</td>
<td>0.00</td>
<td>300,000.00</td>
<td>-1,842.00</td>
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<tr>
<td>Maturity</td>
<td>11/30/2018</td>
<td>912828A34</td>
<td>260,000.00</td>
<td>US Treasury Note 1.25% Due: 11/30/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>260,000.00</td>
<td>0.00</td>
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<td>-2,418.06</td>
</tr>
<tr>
<td>Maturity</td>
<td>12/05/2018</td>
<td>3133EGM69</td>
<td>600,000.00</td>
<td>FFCB Note 1.1% Due: 12/05/2018</td>
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<td>600,000.00</td>
<td>0.00</td>
<td>600,000.00</td>
<td>1,860.00</td>
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</tbody>
</table>
## Transaction Ledger

### City of Solana Beach - Account #10471

**September 30, 2018 through December 31, 2018**

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Settlement Date</th>
<th>CUSIP</th>
<th>Quantity</th>
<th>Security Description</th>
<th>Price</th>
<th>Acc/Disp Yield</th>
<th>Amount</th>
<th>Interest</th>
<th>Total Amount</th>
<th>Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity</td>
<td>12/14/2018</td>
<td>3133EFSJ7</td>
<td>375,000.00</td>
<td>FFCB Note 1.3% Due: 12/14/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>375,000.00</td>
<td>0.00</td>
<td>375,000.00</td>
<td>-1,995.00</td>
</tr>
<tr>
<td>Maturity</td>
<td>12/14/2018</td>
<td>3135G0G72</td>
<td>260,000.00</td>
<td>FNMA Note 1.125% Due: 12/14/2018</td>
<td>100.00</td>
<td>0.00</td>
<td>260,000.00</td>
<td>0.00</td>
<td>260,000.00</td>
<td>-730.60</td>
</tr>
</tbody>
</table>

**Subtotal**

| Quantity | 3,145,000.00 | 10,975.22 | 3,155,975.22 | -7,432.06 |

**TOTAL DISPOSITIONS**

| Quantity | 3,145,090.00 | 10,975.22 | 3,155,975.22 | -7,432.06 |
Important Disclosures


Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source IICE Data Indices, LLC ("IICE"), used with permission. IICE permits use of the IICE indices and related data on an "as is" basis; IICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither IICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. IICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend Chandler Asset Management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AAA/Aaa/AAA by S&P, Moody's and Fitch respectively.
ICE BAML 1-3 Yr US Treasury/Agency Index

The ICE BAML 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and non-subordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies. (Index: G1A0. Please visit www.mlindex.ml.com for more information)
BACKGROUND:

The City of Solana Beach (City) is in the process of renovating La Colonia Park, and the project that is currently under construction includes the construction of a skate park.

Section 11.12.020 of the Solana Beach Municipal Code (SBMC) lists acts that are unlawful on public beaches or in public parks. SBMC section 11.12.020(AA) currently prohibits skateboarding in and around La Colonia Park.

This item is before City Council to consider introducing Ordinance 501, amending SBMC section 11.12.020(AA) to allow skateboarding in the designated areas of La Colonia Park being constructed as a skate park.

DISCUSSION:

SBMC section 11.12.020 currently provides in relevant part:

It is unlawful for any person to do any of the following acts in or upon any park or beach within the city:

***

AA. To ride or propel a skateboard within La Colonia Park or on the sidewalk adjoining La Colonia Park;

Construction of the Skate Park located in La Colonia Park is underway with the ribbon cutting ceremony scheduled for this spring. Therefore, the SBMC requires an amendment at least as to the new skateboarding area. While skateboarding in this area...
is contemplated, there are other areas in La Colonia Park that are not planned for skateboarding; skateboarding in those non-designated areas would interfere with the use, enjoyment and activities planned for such non-skateboarding areas. Therefore, Staff recommends amending SBMC section 11.12.020(AA) (Attachment 1) to allow skateboarding in the designated area of La Colonia Park being constructed as a skate park, while still prohibiting skateboarding in non-designated areas, including in or around the basketball court and on the adjoining sidewalks.

**CEQA COMPLIANCE STATEMENT:**

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this item.

**WORK PLAN:**

Building a skate park at La Colonia Park is part of the Work Plan and construction has been started.

**OPTIONS:**

- Introduce Ordinance 501 amending SBMC section 11.12.020(AA) to allow skateboarding in the designated area of La Colonia being constructed as a skate park
- Do not introduce Ordinance 501
- Provide direction

**DEPARTMENT RECOMMENDATION:**

Staff recommends the City Council introduce Ordinance 501 amending SBMC section 11.12.020(AA) to allow skateboarding in the designated area of La Colonia being constructed as a skate park.

**CITY MANAGER’S RECOMMENDATION:**

Approve Department Recommendation.

![Signature](Signature)

Gregory Wade, City Manager

**Attachments:**

1. Ordinance 501
ORDINANCE 501

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AMENDING SECTION 11.12.020(AA) OF THE SOLANA BEACH MUNICIPAL CODE TO ALLOW SKATEBOARDING IN DESIGNATED AREAS AT LA COLONIA PARK

WHEREAS, Section 11.12.020 of the Solana Beach Municipal Code (SBMC) lists unlawful acts on public beaches or parks; and

WHEREAS, SBMC section 11.12.020(AA) currently prohibits skateboarding in and around La Colonia Park; and

WHEREAS, the City of Solana Beach (City) is constructing a skatepark at La Colonia Park.

NOW THEREFORE, the City Council of the City of Solana Beach does ordain as follows:

Section 1. All of the above statements are true.

Section 2. The City Council finds that this action is not a project under the California Environmental Quality Act ("CEQA") because there is no development or physical change that would result from the adoption of this ordinance.

Section 3. Section 11.12.020(AA) of the Solana Beach Municipal Code shall be amended to read as follows (with underlined text indicating additions):

AA. To ride or propel a skateboard within La Colonia Park or on the sidewalk adjoining La Colonia Park except in the areas designated as authorized skateboarding areas;

Section 4. Severability. In the event that any court of competent jurisdiction holds any section, subsection, paragraph, sentence, clause or phrase in this Ordinance to be unconstitutional, preempted or otherwise invalid, the invalid portion shall be severed from this Ordinance and shall not affect the validity of the remaining portions of this Ordinance. The City hereby declares that it would have adopted each section, subsection, paragraph, sentence, clause or phrase in this Ordinance irrespective of whether any one or more sections, subsections, paragraphs, sentences, clauses or phrases in this Ordinance might be declared unconstitutional, preempted or otherwise invalid.

Section 5. Conflicts with Prior Ordinances. In the event that any City ordinance or regulation, in whole or in part, adopted prior to the effective date of this Ordinance,
conflicts with any provisions in this Ordinance, the provisions in this Ordinance will control.

**EFFECTIVE DATE:** This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code Section 36933.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Solana Beach, California, on the 27th day of February, 2019; and

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Solana Beach, California, on the _____ day of ______________, 2019, by the following vote:

| AYES: | Councilmembers – |
| NOES: | Councilmembers – |
| ABSTAIN: | Councilmembers – |
| ABSENT: | Councilmembers – |

__________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM: 

__________________________
JOHANNA N. CANLAS, City Attorney

ATTEST:

__________________________
ANGELA IVEY, City Clerk
BACKGROUND:

All California cities and counties are required by Article 10.6 of the Government Code to adopt a Housing Element as part of their General Plan. Housing Elements are subject to detailed statutory requirements, as well as mandatory review by the California Housing and Community Development Department (HCD). The Housing Element of the City of Solana Beach General Plan includes required programs that describe actions or techniques that carry out the goals and policies of the City’s Housing Element. The programs also specify primary responsibility for carrying out the action and an estimated timeframe for its accomplishment.

Housing Element law requires a parcel-specific inventory (Residential Land Inventory) of appropriately zoned, available, and suitable sites that could provide realistic opportunities for the provision of housing to all income segments within the community. Program 19 of the Housing Element identifies three City-owned sites in the Residential Land Inventory that are viable for affordable housing. Two sites are existing City parking lots and the third site is occupied by City Hall. One site (Site 2) is the subject of an approved application for ten very low income units (Hitzke Development). In Spring 2018, the City Council authorized issuance of a request for proposals (RFP) for the City Hall site. No responses were received for the City Hall site RFP. Program 19 also calls for the City to issue a RFP for affordable housing developments for the remaining City-owned site (Site 4), also known as the Distillery site.
This item is before the City Council for the consideration of Resolution 2019-023 (Attachment 1), authorizing the City Manager to issue a RFP for an affordable housing development opportunity at 140 S. Sierra Avenue, Solana Beach.

**DISCUSSION:**

Site 4 in the Residential Land Inventory of the City’s Housing Element identifies the City owned parking lot, located at 140 S. Sierra Avenue, as a potential site for development of affordable housing. The 1.0-acre site is currently developed as a public parking lot with approximately 117 parking spaces. The Residential Land Inventory for this site assumes that public parking spaces would be incorporated into the parking structure for the new residential units. However, as noted in the RFP, the City is willing to consider other alternatives from proposers.

The site is located within the General Commercial (C) Zone of the Highway 101 Corridor Specific Plan (Specific Plan), in the Plaza District, which allows mixed-use development at twenty (20) dwelling units per acre; therefore, the site has potential for twenty (20) dwelling units. Additionally, affordable housing projects may be eligible for a density bonus in accordance with State law, for up to twenty-seven (27) dwelling units. The RFP requests proposals for development of an affordable housing development for low- and very-low income residents. Additional project assumptions in the RFP are provided below:

- The entire site is one (1) parcel that is owned by the City of Solana Beach. The City would prefer to retain ownership, however, proposers are asked to identify the manner in which they propose to hold interest in the Property on which the Project would be developed, in accordance with State law.
- The dwelling units would be planned, built, managed, operated, and maintained by the selected developer.
- An affordable residential project is desired for a mix of income levels.
- Some revenue to the City is expected from the rental of the affordable dwelling units.
- The Project should be limited to two (2) stories and a maximum of twenty-seven (27) feet.
- The project would meet or exceed zero net energy standards.
- The Project would implement the City’s greenhouse gas (GHG) emissions reduction strategies in accordance with the City’s Climate Action Plan, including participation in the City’s Community Choice Aggregation, “SEA Green” product, or the SDG&E equivalent.
- Electric Vehicle (EV) charging stations would be made available to the public and Project residents.

The RFP requires respondents to provide information regarding: the development team; examples of comparable development experience, with a preference for examples of
projects that are within the San Diego region and are similar in scale and context to the proposed Project, especially small, infill projects; the envisioned development concept and conceptual plans that demonstrate high quality architectural design and sensitivity to the local context; financial information, including a conceptual financing plan, a financing proposal, and a financial pro forma; and a preliminary project timeline and construction schedule.

Once the responses are received and reviewed, the City's anticipated process is to compile a short-list of developers, possibly conduct interviews, and ultimately select a preferred developer. The selected developer would enter into an Exclusive Negotiation Agreement (ENA) with the City while negotiating the terms of a Disposition and Development Agreement (DDA). Staff notes that selection of the developer and approval of an ENA and DDA would require City Council approval. Staff also notes that issuance of this RFP does not commit or obligate the City to accept any proposals submitted in response to this RFP.

**CEQA COMPLIANCE STATEMENT:**

Consideration of the release of a RFP is not a project as defined by the California Environmental Quality Act (CEQA). If and when a preferred developer is selected and development of an affordable housing project is pursued, the project will be evaluated in compliance with CEQA.

**FISCAL IMPACT:**

Issuance of an RFP does not have a fiscal impact. The RFP requires each respondent to submit a conceptual financing plan, a financing proposal, and a financial pro forma. If the City decides to pursue the project, potential fiscal impacts would be evaluated based on the evaluation of that information.

**WORK PLAN:**

Issuance of this RFP is consistent with the fifth bulleted item under Item C ("Unprioritized Community Character Issues" section) of the FY 2018/19 Work Plan, and is a requirement of the Housing Element.

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with modifications.
- Do not approve Staff recommendation and provide direction.
DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council adopt Resolution 2019-023 authorizing the City Manager to issue a Request for Proposals for an affordable housing development on City-owned property located at 140 S. Sierra Avenue, Solana Beach (Distillery Site).

CITY MANAGER RECOMMENDATION:

Approve Department Recommendation.

[Signature]
Gregory Wade, City Manager

Attachments:

1. Resolution 2019-023
2. RFP—City of Solana Beach Affordable Housing Development Opportunity
RESOLUTION NO. 2019-023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ISSUE A REQUEST FOR AN AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITY AT 140 SOUTH SIERRA AVENUE, SOLANA BEACH, CA

WHEREAS, all California Cities and Counties are required by Article 10.6 of the Government Code to adopt a Housing Element as part of their General Plan; and

WHEREAS, Housing Elements are subject to detailed statutory requirements as well as mandatory review by the California Housing and Community Development Department; and

WHEREAS, the Housing Element of the City of Solana Beach General Plan includes required programs that describe actions or techniques that carry out the goals and policies of the City’s Housing Element in an estimated timeline; and

WHEREAS, Housing Element Law requires a parcel specific inventory of appropriately zoned, available and suitable sites that could provide realistic opportunities for the provision of housing in all income segments; and

WHEREAS, Program 19 of the Housing Element identifies the City Hall property as a viable City-owned site for affordable housing in the Residential Land Inventory; and

WHEREAS, the program calls for the City to issue a Request for Proposals (RFP) for affordable housing on the site.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.

2. That the City Council authorizing the City Manager to issue a Request for Proposals for an affordable housing development opportunity on the City-owned property at 140 S. Sierra Avenue, Solana Beach.
PASSED AND ADOPTED this 27th day of February, 2019, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

DAVID A. ZITO, Mayor

APPROVED AS TO FORM:                ATTEST:

JOHANNA N. CANLAS, City Attorney     ANGELA IVEY, City Clerk
INTRODUCTION

The City of Solana Beach ("City") is interested in receiving proposals from qualified affordable housing developers ("Proposers") to develop 20-27 very low- or low-income dwelling units located at the public parking lot located at 140 South Sierra Avenue, Solana Beach, CA 92075. The site is zoned General Commercial and is located within the Plaza District of the Highway 101 Corridor Specific Plan.

This is a request for proposals (RFP) from qualified individuals, consultants, and development teams to submit a proposal and their qualifications to plan and build affordable housing consistent with the City's Housing Element of the General Plan identified as Site 4 (Attachment 1). All proposers are strongly encouraged to review and become familiar with the Housing Element of the Solana Beach General Plan, the Highway 101 Specific Plan, the Off-Street Parking Design Manual, and the City's View Assessment regulations (Chapter 17.63) and Guidelines.

The City intends to hold one or more public information meetings during the course of the development of this site to keep the public informed of the status of the project.

The Housing Element identifies the Distillery site for possible development of 20-27 dwelling units (up to 20 du/ac) including a parking structure to provide parking for both the public and the new residential units. The combined development could result in a "mixed use development".

KEY ASSUMPTIONS

1. The property is owned by the City of Solana Beach;
2. The property would remain under City ownership;
3. There will be no net loss of available public parking spaces;
4. Adequate parking will be provided for residential units;
5. Development of Electric Vehicle (EV) charging stations for both the public and residential parking would expected;
6. All planning and zoning requirements of the City would be met;
7. The dwelling units would be planned, built, managed, operated and maintained by the Proposer;
8. A rental project is desired, not for-sale dwelling units;
9. Some revenue to the City is expected from the rental of the affordable dwelling units;
10. The project would meet or exceed zero net energy standards;
11. The Project would implement the City’s greenhouse gas (GHG) emissions reduction strategies in accordance with the City’s Climate Action Plan, including participation in the City’s Community Choice Aggregation, “SEA Green” product, or the SDG&E equivalent.

EXISTING DEED RESTRICTIONS AND EASEMENTS

The site is currently developed with approximately 117 public parking spaces. Eighty-two of the spaces are deed restricted pursuant to Special Conditions of the California Coastal Commission and approximately twenty-six (26) spaces are restricted based on an existing agreement that is due to expire in 2022. The following is a brief summary of the existing deed restrictions and easements on recorded against the property that are currently in effect:

- In accordance with California Coastal Commission Special Conditions for Permit Application No. 6-05-040-3A, seventy-four (74) of the spaces may not be leased and will have a 4-hour time limit between the hours of 6am and 7pm, except Sundays and holidays when they will not be restricted and eight (8) leased spaces will have a 2-hour time limit in effect between the hours of 6am and 7pm, except on Sundays and holidays when they will not be restricted. A Deed Restriction is recorded on the property detailing the Special Conditions as recorded DOC# 2014-0501975 dated November 18, 2014.

- Additionally, a Mutual Easement and Parking Agreement is in place granting an easement for the parking of motor vehicles upon the northernmost two rows of parking spaces (approximately 26 parking spaces), between the hours of 7am and 5pm, Monday through Friday of each week. The Mutual Easement and Parking Agreement also grants parking of motor vehicles over that portion of the former Chart House Parcel (Brixton building) from 5pm to 2am daily. This Agreement is a 40 year agreement that was executed on August 16, 1982.

- A fifteen (15) foot wide easement on the easterly portion of the property granting access to adjoining property owners for road purposes is recorded on the property.

- Utility easements have been granted to Santa Fe Irrigation District and San Diego Gas and Electric Company.

A copy of the Preliminary Title Report and documents mentioned above are available upon request.
TECHNICAL SPECIFICATIONS FOR SUBMITTALS

The Proposal shall include the following elements:

1. Cover letter (one page maximum)
2. Description of approach to development (three pages maximum)
3. Experience on similar work or related relevant projects
4. Preliminary cost proposal and project proforma
5. Preliminary project timeline and construction schedule
6. Conceptual architectural drawings
7. Summary of qualifications (three pages maximum)
8. Résumés of key personnel (one page per person)
9. Three references (one page maximum)

Respondents shall provide their understanding of the project, identify proposed team members, and explain the responsibilities of team members, including who will be the key staff person responsible for general project management and day-to-day coordination with the City. Proposals should include sufficient detail to allow a thorough evaluation and comparative analysis of the team.

EVALUATION PROCESS AND CRITERIA

All proposals will be evaluated utilizing the criteria below. The City may hold oral interviews with top-ranked proposers. If an agreement cannot be negotiated with the top-ranked team, negotiations will be terminated. Nothing herein requires the City to award a contract and the City retains the right to use its independent judgment to evaluate the qualifications of the proposal and can reject any or all proposals.

Submittals will be evaluated according to the following criteria:

1. Project Team: the submittal will be evaluated on the team’s ability to meet the City’s needs and the ability to commit the resources and time necessary to complete the project.
2. Experience on Similar Work: The team will be evaluated on experience with similar work, relevance of experience, and level of client satisfaction from list of provided references.
3. Interviews: Interviews may be conducted as a part of the evaluation process.
4. Timeline and Budget: The submittals will be evaluated on the proposed timeline and preliminary project proforma.
CONCLUSION

The City of Solana Beach desires to implement its affordable housing obligations outlined in the City’s Housing Element of the General Plan. The City is interested in partnering with an affordable housing developer to make this happen.

The City has allocated 6 months to complete the selection process and have a development and disposition agreement in place by the Spring of 2020. The submittal deadline for this RFP is July 15, 2019. Interviews are tentatively scheduled for the week of September 16, 2019. Please forward all inquiries to Joseph Lim, Community Development Director, at 858-720-2434 or via email at jlim@cosb.org.

Proposals must be received on or before July 15, 2019. Proposals shall be submitted to:

City of Solana Beach  
c/o Joseph Lim, Community Development Director  
635 South Highway 101  
Solana Beach, CA 92075

Thank you in advance for your Proposal.

Gregory Wade  
City Manager

Attachments:

Attachment 1 – Distillery Site Aerial  
Attachment 2 – Assessor Map
STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: February 27, 2019
ORIGINATING DEPT: City Manager/City Attorney
SUBJECT: Adoption of Ordinance 485 Related City Council Monthly Compensation

BACKGROUND:

Under state law, as a general law city, the City Council is to establish by ordinance a salary up to a ceiling dependent on the population of the city. The salary established by council action may be increased “but the amount of the increase may not exceed an amount equal to five percent for each calendar year from the operative date of the last adjustment of salary” unless the electorate approves a higher salary. The five percent increase is non-compounded. Thus, the adjustment is computed as five percent multiplied by the number of years since the last salary adjustment. The last City Council compensation adjustment was approved on July 9, 2008 with adoption of Ordinance 389. The approved monthly increase was from $593.82 to $712.58 and took effect in December 2008 when the new term commenced for three councilmembers.

The item is before the City Council to consider adopting Ordinance 485 increasing its monthly compensation effective after the November 2020 general election.

DISCUSSION:

As noted above, any increase to the Council monthly compensation is dictated by a formula established in state law—five percent multiplied by the number of years since the last adjustment. Five percent of $712.58 is $35.63. Eleven years have passed since the last adjustment in 2008. Thus, the Council may adjust its monthly compensation by up to $391.93 ($35.63 x 11 = $391.93) for a maximum total monthly compensation of $1,104.51.

---

1 California Government Code section 36516.

CITY COUNCIL ACTION:


AGENDA ITEM C.4.
At the February 13th Council Meeting, the City Council considered and declined to adopt the maximum increase to its compensation as allowed under state law. Instead, the City Council introduced Ordinance 485, increasing its monthly compensation to $860 for Councilmembers and providing $960 monthly compensation for the separately-elected mayor.

If Ordinance 485 is adopted, the approved salary increase will not take place until after the November 2020 election.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The increase to $860 and $960 respectively per month in Council compensation will be included in the second year of the upcoming two-year budget cycle for Fiscal Years 2019/20 and 2020/21 that will be considered for approval by Council in June 2019. It is anticipated that there will be sufficient funds in the two-year budget to cover an approved increase in monthly Council compensation.

**WORK PLAN:** N/A

**OPTIONS:**

- Discuss and consider changes, if any, to Councilmember compensation.
- Provide direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance No. 485 amending Solana Beach Municipal Code (SBMC) section 2.04.020 to reflect the compensation adjustment to take effect when a new term of office commences in December 2020.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation

Gregory Wade, City Manager

**Attachments:**

1. Ordinance No. 485
ORDINANCE NO. 485

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AMENDING TITLE 2, CHAPTER 2.04 OF THE SOLANA BEACH MUNICIPAL CODE BY THE AMENDMENT OF SECTION 2.04.020 TO ADJUST THE AMOUNT OF MONTHLY COMPENSATION PAID TO MEMBERS OF THE CITY COUNCIL AS AUTHORIZED BY GOVERNMENT CODE §36516

WHEREAS, Section 2.04.020 of the Solana Beach Municipal Code sets forth the salary for each member of the City Council of the City of Solana Beach; and

WHEREAS, the City Council has previously established the salary of its members at $712.58 per month pursuant to the applicable statutory formula; and

WHEREAS, the City Council has not increased the amount of monthly compensation paid to its members since 2008 and desires to provide a salary increase as authorized by law.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does ordain as follows:

Section 1. Title 2, Chapter 2.04, Section 2.04.020.A. is amended to read as follows:

A. Each member of the City Council, with the exception of the separately elected Mayor, shall receive as salary the sum of $860.00 per month.

1. The separately elected Mayor shall receive the sum of $960.00 per month.

Section 2. Title 2, Chapter 2.04, Section 2.04.020.D. is amended to read as follows:

D. The salary authorized by subsection A of this section shall become operative only on and after the date upon which one or more of the members of the City Council becomes eligible for such increase pursuant to Government Code Section 36516.5 by virtue of beginning a new term of office following the election to be held in November, 2020. Until subsection A of this section becomes operative, the salary of the members of the city council shall be $712.58 per month.

This ordinance shall become effective thirty days following its adoption. Within

ATTACHMENT 1
fifteen days after its adoption the City Clerk shall cause this ordinance to be published pursuant to state law.

**INTRODUCED** at a regular meeting of the City Council of the City of Solana Beach, California held on the 13th day of February 2019, and thereafter,

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Solana Beach, California, on the 27th day of February, 2019, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

______________________________
DAVID A. ZITO, Mayor

APPROVED AS TO FORM:         ATTEST:

______________________________
JOHANNA N. CANLAS, City Attorney
______________________________
ANGELA IVEY, City Clerk
Approximately half of the Solana Beach Citizen Commission members’ two-year term appointments expire every January. At the January 23, 2019 City Council Meeting, Council considered appointments for the 17 vacancies, but did not make appointments for applicants who submitted their application after the advertised submittal deadline, leaving the following vacancies on two Citizen Commissions:

<table>
<thead>
<tr>
<th>Vacancies</th>
<th>Commission</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Parks &amp; Recreation Commission</td>
<td>Terms until 2021</td>
</tr>
<tr>
<td>1</td>
<td>Parks &amp; Recreation Commission</td>
<td>Term until 2020</td>
</tr>
<tr>
<td>2</td>
<td>Public Arts Commission</td>
<td>Terms until 2021</td>
</tr>
<tr>
<td>1</td>
<td>Public Arts Commission</td>
<td>Term until 2020</td>
</tr>
</tbody>
</table>

The two short terms ending January 2020 are due to resignations. In December 2018, Nancy Pfeiffer resigned from the Public Arts Commission and on January 23rd Council appointed Jolene Koester to the Budget & Finance Commission causing a vacancy on the Parks & Recreation Commission.

All appointments to Citizen Commissions are conducted in accordance with Council Policy No. 5 - Appointment of Citizens to Boards, Commissions, Committees, and Task Forces (Attachment 2). Following the January 23rd Council Meeting, it was determined that all of the recent applicants who submitted their application late, would be able to utilize their same application for re-consideration. All new applicants were required to complete and file a Citizen Interest Form (application) and submit it to the City Clerk for formal application processing.

This report is before City Council to appoint applicants to fill the remaining 7 vacancies on the Parks & Recreation Commission and the Public Arts Commission.

CITY COUNCIL ACTION: ________________________________

AGENDA ITEM C.5.
DISCUSSION:

Council will consider appointments to the remaining seven vacancies on the Parks & Recreation Commission and the Public Arts Commission.

Notification/Recruitment Efforts

A new Vacancy Notice (Attachment 3) was prepared and posted on January 24th with a deadline date of February 15th by 5:00 p.m. All un-appointed applicants from the January 23rd Council meeting were sent an email explaining the new recruitment period and the remaining open positions. They were given the opportunity to confirm that they wanted to be reconsidered, with their prior application submitted as-is or they could submit a new application if they preferred to do so. For the applicants who did not respond, a final reminder was sent February 14th to confirm their interest; all responded for reconsideration. Two e­blasts were also sent out to inform the public of the openings.

Application Process

The Application deadline was posted for February 15, 2019 at 5:00 p.m. to process and distribute all applications with the agenda packet. No late applications were considered and no late applications were submitted.

Distribution to Council

This Staff Report contains an Application Worksheet (Attachment 4) outlining each applicant’s Commission selection(s) and their respective application submittals. The applications were distributed to Council with the Agenda packet (Attachment 6) and are on file with the City Clerk’s Office for review.

Appointment Protocol and Deadline

As outlined in Solana Beach Municipal Code (SBMC) Section 2.60, appointment designations for the Parks & Recreation Commission and the Public Arts Commission are both by Council­at-Large.

Member Requirements

SBMC Sections 2.64, 2.72, 2.74, 2.84, Resolution 2007-160, and Resolution 2015-127 outline some of the duties of the Commissions; however, there are other duties and assignments provided in relation to various opportunities and issues that occur throughout the year. To carry out the Commission’s work, SBMC Section 2.60.010 outlines the requirements of meeting attendance. As a legislative body, like the City Council, Citizen Commissions are required to fulfill a responsibility of participating in each meeting for all matters brought before the Commission. In addition, the Commission Handbook, provided to each appointed/re-appointed member, and posted online, provides various other requirements, regulations, guidelines, and procedures for Commission members.

Member Appointment

The official start date of the appointed Commission members takes effect once the official oath is administered by the City Clerk. The swear-in may take place before or at the first
meeting of the Commission as coordinated with the City Clerk’s Office. The official oath is required in order to begin participating in Commission business.

FISCAL IMPACT:

There is no significant fiscal impact associated with this annual appointment process. Pursuant to City Council Policy 19 (Background Check Requirements for Citizen Commissions), new appointees are required to complete a background check for which they may be reimbursed for up to a maximum of $20.00. Current members re-appointed, without a break in service, will have already completed background checks, which continue to be monitored; therefore, additional background checks are not required when a Commission member is reappointed. The Human Resources department incurs the cost for background checks for new Commission members.

WORK PLAN: N/A

OPTIONS:

• Approve Staff recommendation and proceed with appointments for vacancies.
• Do not make appointments, leaving vacancies or lack of quorum, and/or consider an application recruitment extension.

DEPARTMENT RECOMMENDATION:

Staff recommends that City Council:

1. Appoint four (4) members to the Parks and Recreation Commission nominated/appointed by Council-at-large for two-year terms.
   a. Three (3) vacancies for two-year terms until 2021.
   b. One (1) vacancy for a one-year term until 2020.

2. Appoint three (3) members to the Public Arts Commission nominated/appointed by Council-at-large for the following positions/terms:
   a. Two (2) vacancies for two-year terms until 2021.
   b. One (1) vacancy for a one-year term until 2020.
CITY MANAGER’S RECOMMENDATION:

Approve Department recommendation.

Gregory Wade, City Manager

Attachments:

1. Current Member List
2. Policy No. 5
3. Vacancy Notification Flyer
4. Worksheet outlining openings and applicants’ choice(s)
5. List of Applicants
6. Applications (in separate binder) Available at City Hall
# Solana Beach Citizen Commissions

## Member List

### Budget & Finance: 5 members

- Must be at least 18 years old, a city resident & property owner within the City of Solana Beach.
- All members serve at the pleasure of each individual Councilmember's nomination.

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointment Date</th>
<th>Expiration Date</th>
<th>Appointed By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jolene Koester</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Edgenauer</td>
</tr>
<tr>
<td>Jeff Lyle</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Zito</td>
</tr>
<tr>
<td>Kevin (Ed) Murphy</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Nichols</td>
</tr>
<tr>
<td>Sharon Gross</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Zito</td>
</tr>
<tr>
<td>Judith Hamilton</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Marshall</td>
</tr>
</tbody>
</table>

### Climate Action: 9 members

- Five Members must be at least 18 years old and a resident within the City of Solana Beach.
- Two members must be professionals from the scientific or environmental community. Resident or Non-Resident
- Two Current Councilmembers, or 1 Councilmember and one from another position, as determined by Council.
- All members are appointed by the Council At-Large.

#### Residents

- Patricia Larchet | 01-23-19 | January 2021 | Council |
- Peter Zahn | 01-23-19 | January 2021 | Council |
- Heidi Dewar | 01-24-18 | January 2020 | Council |
- Mary Yang | 01-24-18 | January 2020 | Council |
- Jonathan Goodmacher | 01-24-18 | January 2020 | Council |

#### Professionals

- Chester Koblinsky | 01-23-19 | January 2021 | Council |
- Sarah Richmond | 01-24-18 | January 2020 | Council |

#### Councilmember(s)

- Judy Hegenauer | 01-23-19 | January 2021 | Council |
- Kristi Becker | 01-23-19 | January 2021 | Council |

### Parks & Recreation: 7 members

- Must be at least 18 years old and a city resident within the City of Solana Beach.
- All members are appointed by the Council At-Large.

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointment Date</th>
<th>Expiration Date</th>
<th>Appointed By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagary Krulce</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Council</td>
</tr>
<tr>
<td>VACANT</td>
<td>January 2019</td>
<td>Council</td>
<td></td>
</tr>
<tr>
<td>VACANT (resignation)</td>
<td>January 2020</td>
<td>Council</td>
<td></td>
</tr>
<tr>
<td>Linda Swindell</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>Tracy Richmond</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>VACANT</td>
<td>January 2019</td>
<td>Council</td>
<td></td>
</tr>
<tr>
<td>VACANT</td>
<td>January 2019</td>
<td>Council</td>
<td></td>
</tr>
</tbody>
</table>

### Public Arts: 7 members

- Must be at least 18 years old and a city resident within the City of Solana Beach. All members are appointed by the Council At-Large.

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointment Date</th>
<th>Expiration Date</th>
<th>Appointed By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharon Klein</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>Jeffrey McMillan</td>
<td>02-28-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>Deborah Ann Sweet</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Council</td>
</tr>
<tr>
<td>VACANT</td>
<td>January 2019</td>
<td>Council</td>
<td></td>
</tr>
<tr>
<td>VACANT (resignation)</td>
<td>January 2020</td>
<td>Council</td>
<td></td>
</tr>
<tr>
<td>Brad Auerbach</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>VACANT</td>
<td>January 2019</td>
<td>Council</td>
<td></td>
</tr>
</tbody>
</table>

### View Assessment: 7 members

- Must be at least 18 years old, city resident, & property owner within the City of Solana Beach.
- Five members serve at the pleasure of each individual Councilmember's nomination & two members are appointed by the Council At-Large.

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointment Date</th>
<th>Expiration Date</th>
<th>Appointed By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Pasko</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Hegenauer</td>
</tr>
<tr>
<td>Jill Morris</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Edson</td>
</tr>
<tr>
<td>Molly Fleming</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>Pat Coad</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Council</td>
</tr>
<tr>
<td>Gary Garber</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Marshall</td>
</tr>
<tr>
<td>Matthew Cohen</td>
<td>01-23-19</td>
<td>January 2021</td>
<td>Becker</td>
</tr>
<tr>
<td>Paul Bishop</td>
<td>01-24-18</td>
<td>January 2020</td>
<td>Zito</td>
</tr>
</tbody>
</table>
PURPOSE:
The purpose of this policy is to establish a consistent process and procedure for appointments to City sponsored Citizen Boards, Commissions, Committees and Task Forces.

POLICY STATEMENT:
Appointments to Citizen Boards, Commissions, Committees and Task Forces are made in accordance with the municipal code and/or specific guideline, as provided, to provide consistency.

POLICY PROCEDURES:

1. All private citizens interested in serving on any Board, Commission, Committee or Task Force or similar group must complete and file with the City Clerk a Citizen Interest Form (application) which may be obtained from the City Clerk's office.

2. Nominations
Councilmembers may nominate private citizens for appointment subject to ratification by a majority of the City Council. Such ratification shall take place at a regular City Council meeting and a duly docketed agenda item.

3. Appointment Protocol

   a. Appointments will be made in accordance with municipal code requirements. For example, the municipal code may require that a Commission have five positions appointed by individual Councilmembers.

   b. Appointments that are not outlined in the municipal code and are at-large appointment positions may be nominated by any Councilmember. In the event of multiple appointments, appointments may be divided among individual Councilmembers to share the appointment responsibilities. If the appointments are...
shared, it will be for that one time and will not be construed as official individual appointments that would carry forward.

c. The decision to proceed with an individual appointment alternative for at-large positions will be subject to majority vote of the City Council with such vote taking place at a regular City Council Meeting.

4. Appointments to Outside Agencies
When the City is asked by an outside agency to recommend a private citizen to serve on a Board, Commission, Committee or Task Force or similar group, such recommendation shall be made by the Council and approved by a majority vote of the City Council.


**PUBLIC NOTICE**
**CITY'S CITIZEN COMMISSION POSITION OPENINGS**

**CITY OF SOLANA BEACH VOLUNTEERS SERVING ON BEHALF OF THE CITY COUNCIL**

Applications are being accepted through Friday, February 15, 2019, 5:00 p.m. City Council is scheduled to make appointments at the February 27, 2019 City Council Meeting.

---

### Parks & Recreation:

**Three vacancies – terms will expire January 2021**

**One vacancy – term will expire January 2020**

This Commission participates in reviewing certain matters regarding the City’s parks, programs, and conducts certain City events.

<table>
<thead>
<tr>
<th>Regular Meeting Schedule:</th>
<th>2nd Thursday of each month at 4:00 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition:</td>
<td>7 members who are all appointed by the Council At-large.</td>
</tr>
<tr>
<td>Position’s Requirements:</td>
<td>At least 18 yrs. old • Resident of the City.</td>
</tr>
</tbody>
</table>

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### Public Arts:

**Two vacancies – terms will expire January 2021**

**One vacancy – term will expire January 2020**

This Commission participates in reviewing certain matters regarding community art opportunities and conducts certain City events.

<table>
<thead>
<tr>
<th>Regular Meeting Schedule:</th>
<th>4th Tuesday of each month at 5:30 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition:</td>
<td>7 members who are all appointed by the Council At-large.</td>
</tr>
<tr>
<td>Position’s Requirements:</td>
<td>At least 18 yrs. old • Resident of the City.</td>
</tr>
</tbody>
</table>

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See the City’s website for more meeting information, meeting agendas, members, and further information. ✤

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Citizen Interest Forms (Applications) and additional information on the Commissions can be found on the City’s website at www.cityofsolanabeach.org (Left tabs: City Government, City Clerk, Citizen Committees) OR at City Hall, 635 S. Highway 101, Solana Beach, (858) 720-2400. Please contact the City Clerk with any questions regarding the recruitment/appointment process.
**City of Solana Beach Citizen Commissions 2019 Appointments**

Applications DUE: February 15, 2019

**APPLICANTS**
In order by 1st choices

<table>
<thead>
<tr>
<th>Date Recvd</th>
<th>Last Name</th>
<th>First Name</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-26-19</td>
<td>Kearns</td>
<td>Shannon</td>
<td>Only choice</td>
</tr>
<tr>
<td>1-28-19</td>
<td>Paul</td>
<td>Valeri</td>
<td>1st choice</td>
</tr>
<tr>
<td>1-28-19</td>
<td>McClendon</td>
<td>Shawn</td>
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<td>Felger</td>
<td>Steven</td>
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<tr>
<td>2-14-19</td>
<td>Rudman</td>
<td>Deanne</td>
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<td>Ostrow</td>
<td>Stephen</td>
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<tr>
<td>2-15-19</td>
<td>de Pagter</td>
<td>Christine</td>
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<tr>
<td>2-15-19</td>
<td>Echo-Hayes</td>
<td>Carla</td>
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**MEMBERS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>Tracy Richmond</td>
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<tr>
<td>Linda Swindell</td>
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<tr>
<td>VACANT (Council)</td>
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<tr>
<td>Peter-McConville</td>
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<tr>
<td>Ashley-Sammis</td>
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<td>Rachel-Friedman</td>
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<td>Larsa-Harnack</td>
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<td>Steve-Ostrow</td>
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<tr>
<td>Cindy-Neptune</td>
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<tr>
<td>Deborah-Ann-Sweet</td>
<td>Council</td>
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**Parks & Recreation**

- 3 Vacancies (til 2021)
- 1 Vacancy (til 2020)

Appointments by: Council-at-large

**Public Arts**

- 2 Vacancies (til 2021)
- 1 Vacancy (til 2020)

Appointments by: Council-at-large

**ATTACHMENT 4**

Revised 02-15-19
City of Solana Beach
Citizen Commission Members
Appointed by City Council

Deadline – February 15, 2019  5:00 p.m.

LIST OF APPLICANTS

<table>
<thead>
<tr>
<th>Applicants</th>
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<td>de Pagter</td>
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<td>Paul</td>
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<td>Rudman</td>
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