

To the Honorable Mayor, City Council, City Clerk, and People of the City of San Clemente:

We, the undersigned, registered qualified voters and residents of the City of San Clemente, the County of Orange, hereby propose an initiative ordinance to the City and People of San Clemente, and request that the City Council submit the same immediately to the voters of the City of San Clemente for their adoption at an election as provided by law. The full text of the initiative measure is as follows:

The People of the City of San Clemente do ordain as follows:

SECTION 1. Title

This initiative measure (Initiative) shall be known and may be cited as **The San Clemente Natural Hazards Protection and Resilience Act of 2026**

SECTION 2. Findings

The people of the City of San Clemente find and declare the following:

WHEREAS, San Clemente’s unique geography, beach setting, and open space landscapes make it an exceptional place to live, but also expose the City to risks from natural hazards; the core purpose of this Initiative is to fund local efforts that enhance the City’s resilience by protecting beaches and wildfire-prone open space, and reduce risk to public safety and public infrastructure; and

WHEREAS, the people of San Clemente seek to take action to protect the City’s beaches, neighborhoods, public infrastructure and future from natural hazards—specifically wildfires and beach erosion—by funding targeted measures that enhance resilience and mitigate the immediate and long-term impacts of these threats; and

WHEREAS, San Clemente faces the accelerating natural hazard of beach erosion. Decades of disappearing beaches result from both natural forces and the disruption of sand flow caused by upstream flood control structures. This ongoing hazard is intensified by powerful storms and the lack of sand replenishment, resulting in reduced safe beach access and walkable beaches. Urgent action is required, as beach restoration and nourishment are long-term efforts that require sustained local investment; and

WHEREAS, protecting San Clemente’s beaches delivers lasting public benefits by preserving the City’s character and reputation as a world-class surfing community, supporting local small businesses tied to the beach economy, and maintaining open, accessible beaches for residents and visitors alike; and

WHEREAS, our beaches are a cornerstone of San Clemente’s identity—attracting tourism, enhancing property values, and providing families with a treasured connection to the beach and outdoor living. As rising beach erosion threatens this vital resource, preserving the beach is not

only a local public safety and economic priority; it is also a matter of international significance and civic pride—especially with Lower Trestles selected as the surfing venue for the 2028 Olympic Games; and

WHEREAS, wide, sandy beaches serve as a natural buffer—protecting the Beach Trail, public infrastructure, and public beach access points from storm damage; and

WHEREAS, without prompt action, San Clemente risks not only losing the protection provided by wide sandy beaches, but also diminishing its long-term resilience and quality of life for current and future generations; and

WHEREAS, the City of San Clemente, as steward of its beaches, open spaces, and natural systems, and as guardian of public safety, has an obligation to act in the public interest by reducing beach hazards and by protecting, preserving, and enhancing the public’s access to, use of, and enjoyment of its beaches and tidelands for the benefit of current and future generations; and

WHEREAS, City-managed beach hazard protection programs—including sand replenishment, sand retention, and beach and ocean water quality initiatives—are essential to fulfilling this duty by protecting public health and ensuring safe, accessible recreational spaces for swimming, surfing, walking, and community events, all of which are core to San Clemente’s beach town identity and local small business coastal economy; and

WHEREAS, Cal Fire’s 2025 Fire Hazard Severity Zone map designates much of San Clemente east of I-5 as a Very High Fire Risk Zone, requiring urgent action in wildfire risk reduction, flammable brush clearance, and neighborhood-level wildfire prevention; and

WHEREAS, devastating wildfires across California have destroyed lives, homes, and entire communities—underscoring the urgent public benefit of proactive wildfire prevention, enhanced emergency preparedness, and local fire risk mitigation efforts; and

WHEREAS, San Clemente faces the accelerating natural hazard of wildfire. Thousands of acres of open space across the city are increasingly overgrown with dense, flammable, and invasive vegetation, creating extreme fire danger near homes, neighborhoods, schools, and critical public infrastructure. This ongoing hazard is intensified by high wind events, extended drought conditions, and the lack of sustained wildfire prevention and vegetation management efforts; and

WHEREAS, strengthening wildfire hazard preparedness requires proactive stewardship of open spaces, including vegetation management and ecological restoration, to reduce fire risk, improve neighborhood resilience, and protect lives, property, and our community’s future; and

WHEREAS, the City of San Clemente, as steward of its natural lands and open space, and as guardian of public safety, has an obligation to act in the public interest by reducing wildfire hazards. This includes coordinating and implementing wildfire prevention strategies across both public and private open space. Effective stewardship of these lands—including clearing overgrown vegetation, restoring native plants, and maintaining defensible space—is essential to

protect neighborhoods, public infrastructure, and the lives of current and future residents from the accelerating threat of wildfire; and

WHEREAS, grant funding for natural hazards protection is uncertain, slow, and highly competitive; protecting San Clemente requires a reliable, locally controlled source of funding that allows the City to act decisively and meet required cost-share commitments; and

WHEREAS, investing in the long-term resilience of San Clemente’s beaches and wildfire-prone areas protects lives, property, supports public health, and ensures the community can withstand and recover from future environmental challenges; and

WHEREAS, a legally restricted fund—with clear spending rules, oversight, and public reporting—ensures transparency, protects taxpayer dollars, and delivers direct public benefits to the community by providing financial resources to address imminent harms from natural hazards; and

WHEREAS, both residents and visitors enjoy San Clemente’s beaches and benefit from local fire protection—this measure ensures that residents and visitors contribute fairly to preserving what makes our city special; and

WHEREAS, this measure includes a 10-year sunset clause and requires voter reapproval after eight years to extend beyond the initial 10 years, ensuring accountability and maintaining local control for future generations; and

NOW, THEREFORE, the citizens of San Clemente, by this initiative ordinance, enact the following measure to help keep our community safe, strengthen our resilience to natural hazards, and protect what makes San Clemente special—by restoring our beaches, reducing wildfire risk, and safeguarding public health and safety, so that future generations can continue to enjoy the natural beauty, beach access, and quality of life that define our community.

SECTION 3. Purpose and Intent

To protect San Clemente’s beach resources and neighborhoods from natural hazards, this Initiative enacts a legally restricted, locally controlled special one percent (1%) transactions and use tax within the City of San Clemente, to be administered by the California Department of Tax and Fee Administration. This Initiative ensures dedicated local funding to protect San Clemente’s beaches and wildfire-prone neighborhoods from natural hazards—specifically, beach erosion and wildfire risks—strengthening the city’s resilience for current and future generations.

Revenue from the special transactions and use tax shall be allocated equally between the following two legally restricted purposes:

1. **Beach Protection** – including sand replenishment, sand retention, and beach erosion control; maintenance and repairs of the Beach Trail, beach access points, and the Pier; and beach water quality protection measures related to ocean stormwater management.

- 2. Fire Protection and Wildfire Preparedness** – Including proactive wildfire risk reduction efforts, hazardous vegetation management, and investments in fire emergency response capabilities to enhance public safety and community resilience.

In addition to the purposes described in this Ordinance, up to five hundred thousand dollars (\$500,000) of revenue generated by this special tax may be used to reimburse the City for the actual costs incurred in conducting the elections required to enact or extend this measure. This includes the initial election and the renewal election referenced in Section 3.22.190 of this Ordinance. Reimbursement shall not exceed the amount invoiced by the Orange County Registrar of Voters for the portion of election costs attributable to this initiative and shall not exceed five hundred thousand dollars (\$500,000) in the aggregate, shared equally between the Beach Protection Fund and the Fire Protection and Wildfire Preparedness Fund, and across both elections.

SECTION 4. Addition of Chapter 3.22

The San Clemente Municipal Code is hereby amended to add Chapter 3.22 as set forth below, thereby enacting a one percent (1%) special local transactions and use tax within the City of San Clemente, to be administered by the California Department of Tax and Fee Administration

CHAPTER 3.22: SAN CLEMENTE NATURAL HAZARDS PROTECTION AND RESILIENCE SPECIAL TRANSACTIONS AND USE TAX

3.22.010 Title.

The Ordinance codified in this chapter shall be known as the "SAN CLEMENTE NATURAL HAZARDS PROTECTION AND RESILIENCE SPECIAL TRANSACTIONS AND USE TAX." The City of San Clemente hereinafter shall be called "City." This Ordinance shall be applicable in the incorporated territory of the City.

3.22.020 Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, the date of adoption being set forth below.

3.22.030. Purpose.

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted to accomplish those purposes:

A. To impose a specific purpose retail transactions and use tax, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.91 of Part 1.7 of Division 2, which authorizes the City to adopt this tax Ordinance, which shall be operative if approved by a simple majority vote of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose, consistent with the people's constitutional right of initiative.

B. To adopt a specific purpose retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a specific purpose retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State sales and use taxes.

D. To adopt a specific purpose retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

3.22.040 Contract with State.

Prior to the Operative Date, City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax Ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract, and in such a case the Operative Date shall be the first day of the first calendar quarter following the effective date of such a contract.

3.22.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Ordinance.

3.22.060 Place of Sale.

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of a transactions tax proposed by this Ordinance shall be determined under rules and regulations prescribed and adopted or to be prescribed and adopted by the California Department of Tax and Fee Administration or under the Revenue and Taxation Code.

3.22.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in said territory at the rate of one percent (1%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.22.080 Adoption of Provisions of State Law.

Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

For reference of the voters only, the full text of Part 1 of Division 2 of the Revenue and Taxation Code, as codified on July 25, 2025, is set forth as an Appendix to the circulating petition but is not intended to be set forth in full in the Municipal Code.

3.22.090 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
 1. The word "State" is used as part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
 2. The result of that substitution would require action be taken by or against this City or any agency, officer, or employee thereof, rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
 3. In those sections, including but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property that would not otherwise be exempt from this tax while such sales, storage, use or other consumption remains subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715 (except in relation to the Code of Civil Procedure and the Civil Code), 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203 of the Revenue and Taxation Code.

1. "A retailer engaged in business in the City" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds \$500,000. For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.22.100 Permit/Registration Not Required.

A. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

3.22.110 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.
 5. For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property;
1. The gross receipts from the sale of which have been subject to a transactions tax under any State-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered prior to the Operative Date of this Ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.
5. For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subsection (7) of this section, a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City

D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a City imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumptions of which is subject to the use tax.

3.22.120 Amendments of Revenue and Taxation Code.

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance as codified in this chapter; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

3.22.130 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.22.140 Amendments of Ordinance.

The following amendments to this Ordinance as codified in this chapter must be approved by the voters of the City: increasing the tax rate; revising the methodology for calculating the tax, such that a tax increase would result; imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of law); or terminating the tax. Amendments due to legislative changes to Part 1 of Division 2 of the Revenue and Tax Code shall not require voter approval.

3.22.150 Use of Proceeds; Expenditure Plan

To provide a public benefit and to improve San Clemente's resilience to natural hazards by protecting its beach resources and residential neighborhoods from natural hazards, all revenues collected pursuant to this ordinance from the one percent (1.0%) transactions and use tax shall be deposited into two legally restricted special funds, maintained by the City of San Clemente as follows:

A. Beach Protection Fund – Fifty percent (50%) of all tax proceeds shall be deposited into a legally restricted fund dedicated exclusively to the planning, implementation, and maintenance of beach protection and restoration efforts. Expenditures shall be limited to the enumerated purposes in this section and other directly related activities that clearly advance the goals of natural hazard beach protection and restoration as set forth in this Ordinance and The San Clemente Natural Hazard Protection and Resilience Act of 2026. The enumerated purposes are:

1. Sand replenishment, nourishment, and retention projects.
2. Beach erosion control measures.
3. Maintenance, repair, and improvement of the Beach Trail, public beach access points, pedestrian bridges, the Pier, and beachfront restrooms—to ensure safe coastal access, protect critical beach infrastructure, and address damage from erosion and storm events.
4. Beach water quality protection measures related to stormwater management and filtration systems, to keep beaches clean and ocean waters safe for swimming and surfing.

Of the funds deposited into the Beach Protection Fund, at least seventy percent (70%) of total expenditures must be used for the purposes identified in items 1. and 2. above. In addition, up to two hundred fifty thousand dollars (\$250,000) from the Beach Protection Fund may be expended to reimburse the City for its proportional share of the actual costs incurred in

conducting the elections required to enact or extend this tax, including the initial election and the renewal election referenced in Section 3.22.190. Such reimbursement shall not exceed the portion of election costs attributable to this initiative as invoiced by the Orange County Registrar of Voters and shall be limited to a combined total of five hundred thousand dollars (\$500,000) in the aggregate across both funds and both elections.

B. Fire Protection and Wildfire Preparedness Fund – Fifty percent (50%) of all tax proceeds shall be deposited into a legally restricted fund dedicated exclusively to fire prevention, emergency response support, and wildfire risk reduction. Expenditures shall be limited to the enumerated purposes in this section and other directly related activities that clearly advance the goals of wildfire protection as set forth in this Ordinance and The San Clemente Natural Hazard Protection and Resilience Act of 2026. The enumerated purposes are:

1. Support for fire protection and emergency medical response services provided by the Orange County Fire Authority (OCFA), including resources to enhance wildfire readiness, emergency response capabilities, and the firefighters, paramedics, and equipment needed to protect lives, property, and public safety in San Clemente.
2. City-administered, long-term wildfire prevention programs that include planning, risk assessments, and partnerships to reduce wildfire hazards across San Clemente. The City shall direct and carry out these programs citywide—on both public and private lands—to remove flammable vegetation and reduce other fire hazards. Strategies may include mechanical removal, targeted goat and sheep grazing, and other cost-effective vegetation management techniques that can be applied across large or connected areas. Treated areas may also be restored with native, fire-resistant plants to help prevent the regrowth of invasive species, stabilize soils, and reduce the risk of future wildfires.
3. Citywide community outreach, education, and engagement programs focused on wildfire prevention and vegetation management across both public and private property. This includes homeowner and neighborhood wildfire hazard risk reduction strategies, coordination with homeowners' associations (HOAs), neighborhood groups, and community organizations.

In addition, up to two hundred fifty thousand dollars (\$250,000) from the Fire Protection and Wildfire Preparedness Fund may be expended to reimburse the City for its proportional share of the actual costs incurred in conducting the elections required to enact or extend this tax, including the initial election and the renewal election referenced in Section 3.22.190. Such reimbursement shall not exceed the portion of election costs attributable to this initiative as invoiced by the Orange County Registrar of Voters and shall be limited to a combined total of five hundred thousand dollars (\$500,000) in the aggregate across both funds and both elections.

C. Legal Restriction on Use of Funds.

All revenues deposited into the funds described above shall be legally restricted and shall not be used for any other purpose, including but not limited to transfers to the City's General Fund or use for unrelated municipal services or expenditures. Reimbursement of the City's expenses for conducting the elections on this Measure is not an unrelated municipal service or expenditure. All of the above uses are deemed to be a public benefit.

These dedicated funds shall be subject to oversight, annual public reporting, and financial audits, as provided elsewhere in this Ordinance, to ensure transparency, accountability, and alignment with the voter-approved purposes.

3.22.160 Independent Annual Audit.

The proceeds resulting from these transactions and use tax shall be subject to the same independent annual audit requirements as other City revenues. The independent auditor's report, which shall include an accounting of the revenues received and expenditures made from the transactions and use tax, will be presented to the City Council and made available for public review.

3.22.170 Implementation

A. Oversight and Management

The City of San Clemente shall be solely responsible for the implementation, administration, and oversight of all programs, projects, and expenditures funded pursuant to this ordinance. All uses of revenue collected under this measure shall comply strictly with the purposes and restrictions set forth herein.

B. City Council Approval Required

All programs, projects, expenditures, contracts, and grant applications funded in whole or in part from the Beach Protection Fund or the Fire Protection and Wildfire Preparedness Fund shall require approval by the San Clemente City Council at a duly noticed public meeting.

C. Operational Planning Requirement

Within twelve (12) months of the effective date of this ordinance, using moneys deposited into the funds established in section 3.22.150 A and B, the City shall prepare and adopt operational plans for protecting and enhancing the City's natural hazards resilience, including:

1. A **Beach Protection Operational Plan** that identifies project priorities, timelines, geographic targets, cost estimates, environmental permitting requirements, and long-term goals for beach restoration and erosion control.
2. A **Wildfire Protection and Preparedness Operational Plan** that establishes a wildfire prevention and risk reduction program, incorporating defensible space best practices, fire fuel load reduction targets and strategies, interagency emergency coordination protocols, and public education objectives.

Each plan shall be reviewed and adopted by resolution of the City Council at least once every four (4) years, or more frequently as needed to reflect emerging risks, funding availability, or new regulatory requirements. Moneys deposited into the funds established in section 3.22.150 A and B may be utilized for the purpose of updating the plans.

D. Interdepartmental and Interagency Coordination

The City may coordinate with local, regional, state, and federal agencies, as well as with Homeowners' Associations and community-based organizations, to implement the goals of this ordinance and maximize the impact of the funds through partnerships and grant leveraging.

E. Administrative and Reporting Duties

City staff shall ensure timely development of required reports, budgets, audits, and public information related to this ordinance, including the preparation of the Annual Accountability Report and submission to the designated Oversight Committee as defined in 3.22.180 Reporting Section.

3.22.180 Reporting and Oversight.

A. Annual Accountability Report

The City of San Clemente shall prepare and publish an Annual Accountability Report detailing the use of revenues generated pursuant to this ordinance from both the Beach Protection Fund and the Fire Protection and Wildfire Preparedness Fund, to provide full transparency and maintain public trust. This report shall be presented to the City Council in a public meeting and made available to the public via the City's website no later than three (3) months after the close of each fiscal year in which the tax is collected.

B. Report Contents

The Annual Accountability Report shall include, but not be limited to, the following:

1. A full accounting of tax revenues received and deposited into both dedicated funds.
2. A categorized breakdown of expenditures by project, program, or operational activity.
3. A summary of progress and outcomes aligned with the most recent Beach Protection Operational Plan and Wildfire Protection and Preparedness Operational Plan.
4. Performance data including relevant metrics, milestones, or deliverables.
5. Identification of unspent funds with proposed future uses.
6. Recommendations for improving efficiency, effectiveness, or alignment with voter intent.

C. Oversight Committee(s) Established.

1. Financial Oversight:

The City's Investment Advisory Committee is hereby designated as the **Financial Oversight Committee** for purposes of this chapter. The Committee shall review all expenditures of funds generated by the transactions and use tax established by this ordinance and ensure that all

disbursements are consistent with the legally authorized purposes of beach protection and restoration, and wildfire protection, as defined herein.

An **Annual Accountability Report** shall be prepared and submitted to the Financial Oversight Committee. The Committee shall review the report, verify that funds have been expended in accordance with this ordinance, and issue a written **Statement of Compliance or Concern**. This statement shall be included in the public record and published alongside the Annual Accountability Report.

2. Operational Oversight:

In addition to financial oversight, the City may establish a separate **Operational Oversight Committee** to provide periodic review of project implementation, performance outcomes, and alignment with the City's wildfire and beach protection operational plans. The structure, responsibilities, and reporting frequency of the Operational Oversight Committee shall be determined by resolution of the City Council.

D. Transparency and Public Access

All reports, supporting documentation, and Oversight Committee findings shall be posted on the City of San Clemente's official website and maintained in a publicly accessible archive for the duration of the tax's effective period.

3.22.190 Term

If this measure is approved by voters, the sales tax increase shall take effect on the operative date, which is the day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

The measure shall remain in effect for a period of 10 years.

An election shall be held on the question whether the tax imposed by the Ordinance shall be renewed ("Renewal Election") in the calendar year beginning eight years after the Operational Date at a general municipal election. If a simple majority vote affirms the measure in the Renewal Election, it shall be extended for one additional 10-year term.

If the measure fails to receive a simple majority at the Renewal Election, the sales tax increase shall expire at the end of the 10-year period beginning with the Operational Date, ensuring an orderly conclusion to funded programs and projects.

3.22.200 Severability.

If any provision of this Ordinance as codified in this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. Such invalidity

shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

The People of the City of San Clemente hereby declare that they would have adopted this Ordinance as codified in this chapter irrespective of the invalidity of any particular portion thereof and intend that the invalid portions should be severed, and the balance of the Ordinance be enforced.

Section 5. Competing Measures.

This Initiative adopts a transactions and use tax for the purpose of funding specific programs, establishing a tax amount in consideration of an appropriate amount of new taxation to be imposed in the City of San Clemente. By voting for this Initiative, the voters expressly declare their intent that any other City of San Clemente measure that appears on the same ballot as this Initiative and imposes new or increased taxes in San Clemente, or otherwise conflicts with any provision of this Initiative, shall be deemed to conflict with the scheme adopted by this Initiative. Because of this conflict, if this Initiative and any such other City of San Clemente measure receive a majority of votes by the voters voting thereon at the same election, then the measure receiving the most votes in favor shall prevail and no provision of the other measure shall take effect.

Section 6. Interpretation and Application

This Initiative shall be broadly construed in order to achieve its purpose. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City in a manner that facilitates the purposes set forth in this Initiative.

This Initiative shall be interpreted so as to be consistent with all applicable Federal and State laws, rules, and regulations. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion of this Initiative is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, it is the will of the voters that such decision shall not affect the validity of the remaining portions of this Initiative. The voters hereby declare that this Initiative, and each section, subsection, paragraph, subparagraph, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, parts, or portions were declared invalid or unconstitutional. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Initiative that can be given effect without the invalid application.

If any portion of this Initiative is held by a court of competent jurisdiction to be invalid, we, the People of the City of San Clemente, indicate our strong desire that: (1) the City Council use its best efforts to sustain and re-enact that portion; and (2) the City Council implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express intent of this Initiative, including adopting or reenacting any such portion in a manner consistent with this Initiative, if possible.

Any singular term shall include the plural, and any plural term shall include the singular. The title and captions of the various sections in this Initiative are for convenience and organization only and are not intended to be referred to in construing the provisions of this Initiative.

Section 7. Adoption

Pursuant to Elections Code Section 9217, this Initiative shall be considered as adopted upon the date that the vote by the electorate of the City of San Clemente is declared by the City Council and shall become effective ten (10) days after that date.

Section 8. Implementation

This Initiative authorizes City of San Clemente officers and employees to take all steps necessary to implement this Initiative in the manner required by law, including any applicable amendments to the laws as necessary.

Appendix

This Appendix is provided for the reference of the voters only. The provisions are not to be codified in the San Clemente Municipal Code, but rather the Code will incorporate by reference the state law, as set forth in Revenue and Tax Code sections 7261 and 7262.