

City of Capitola Agenda

Mayor: Yvette Brooks
Vice Mayor: Sam Storey
Council Members: Jacques Bertrand
Margaux Keiser
Kristen Petersen



CAPITOLA CITY COUNCIL / SUCCESSOR AGENCY REGULAR MEETING

THURSDAY, JANUARY 28, 2021

7 PM

CLOSED SESSION – 6 PM

An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the Open Session Meeting.

CONFERENCE WITH LABOR NEGOTIATORS (Gov' t Code § 54957.6)

- A. Negotiators: Jamie Goldstein, Larry Laurent, Samantha Zutler
Employee Organizations: (1) Association of Capitola Employees; (2) Police Captains;
3) Mid-Management Group; (4) Department Heads; (5) Confidential Employees; (6)
Capitola Police Officers Association

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL / SUCCESSOR AGENCY- 7 PM

All correspondences received prior to 5:00 p.m. on the Wednesday preceding a Council Meeting will be distributed to Councilmembers to review prior to the meeting. Information submitted after 5 p.m. on that Wednesday may not have time to reach Councilmembers, nor be read by them prior to consideration of an item.

All matters listed on the Regular Meeting of the Capitola City Council Agenda shall be

considered as Public Hearings.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Kristen Petersen, Jacques Bertrand, Margaux Keiser, Sam Storey, and Mayor Yvette Brooks

2. PRESENTATIONS

Presentations are limited to eight minutes.

A. Introduce New Employee Senior Mechanic Gabe Cuzick

B. Introduce New Employee Deputy City Clerk Edna Basa

3. REPORT ON CLOSED SESSION

4. ADDITIONAL MATERIALS

Additional information submitted to the City after distribution of the agenda packet.

5. ADDITIONS AND DELETIONS TO AGENDA

6. PUBLIC COMMENTS

Review Notice of Remote Access for instructions.

7. CITY COUNCIL / STAFF COMMENTS

City Council Members/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration. No individual shall speak for more than two minutes.

8. CONSENT CALENDAR

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.

Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.

A. Approval of Successor Agency Check Register January 1 - December 31, 2020
RECOMMENDED ACTION: Acting as the City Council and Successor Agency, approve the 2020 Successor Agency check register.

B. Consider Approval of the Recognized Obligation Payment Schedule for July 1, 2021, to June 30, 2022 (ROPS 21-22)
RECOMMENDED ACTION: Acting as the City Council and Successor Agency, approve the Recognized Obligation Payment Schedule.

C. Consider the January 14, 2021, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.

- D. Wharf House Lease - 3rd Amendment
RECOMMENDED ACTION: Approve the third Amendment to the Wharf House restaurant lease.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

All items listed in "General Government" are intended to provide an opportunity for public discussion of each item listed. The following procedure pertains to each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.

- A. Receive Update on Pandemic Response and a Presentation from Director of Santa Cruz County Health Services Agency Mimi Hall
RECOMMENDED ACTION: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action; and 2) Receive presentation on COVID-19 Pandemic in Santa Cruz County from Director of Santa Cruz County Health Services Agency, Mimi Hall.
- B. Consider Extending the Partnership with Santa Cruz County Parks for the Capitola Recreation Out-of-School Time Program
RECOMMENDED ACTION: Authorize the City Manager to amend the current Memorandum of Understanding (MOU) with Santa Cruz County Parks to collect revenue and reimburse Capitola for up to \$120,000 for Capitola Recreation's Out-of-School Time (OST) program, for the remaining school year; and adopt the proposed resolution approving the recommended budget amendment.
- C. Receive Presentation on Recommended Uses for the Second Round of Community Development Block Grant - Coronavirus Relief Funding
RECOMMENDED ACTION: Accept staff presentation on the Community Development Block Grant Coronavirus Response- Round 2 (CDBG-CV2) notice of funding availability up to \$320,261 of grant funds for COVID-19 related relief programs, take public input, discuss allocations for round two, and direct staff to return with a resolution in preparation for an application.
- D. Consider a Resolution Accepting a Tobacco Grant
RECOMMENDED ACTION: Adopt a resolution accepting a California Department of Justice Tobacco Grant Funding of \$21,036 to support education, enforcement, and training and authorize amending the Fiscal Year 2020/21 general fund operating budget to increase revenues and expenditures by \$21,036; consider the formation of a Tobacco Grant focus group to assist with local youth education and outreach efforts.

10. ADJOURNMENT

NOTICE OF REMOTE ACCESS

In accordance with the current Santa Cruz County Health Order outlining social distancing requirements and Executive Order N-29-20 from the Executive Department of the State of California, the City Council meeting is not physically open to the public and in person attendance cannot be accommodated.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
January 28, 2021

To watch:

1. Online <http://capitolaca.igam2.com/Citizens/Default.aspx>
2. Spectrum Cable Television channel 8

To join Zoom:

1. Join the Zoom Meeting with the following link:
<https://us02web.zoom.us/j/83661140310?pwd=V0F5TmRFQVpnN3JxNkdxd3NkTlptUT09>
2. If prompted for a passcode, enter **432002**
3. **-OR-** With a landline or mobile phone, call one of the following numbers:
 - a. **1 669 900 6833**
 - 1 408 638 0968**
 - 1 346 248 7799**
4. Enter the meeting ID number: **836 6114 0310**
5. When prompted for a Participant ID, press #

To submit public comment:

When submitting public comment, one comment (via phone **or** email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

1. Zoom Meeting (Via Computer or Phone) Link:
 - A. IF USING COMPUTER:
 - § Use participant option to “raise hand” during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak
 - A. IF CALLED IN OVER THE PHONE:
 - § Press ***9** on your phone to “raise your hand” when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak
1. Send Email:
 - A. During the meeting, send comments via email to publiccomment@ci.capitola.ca.us
 - § Emailed comments on items will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.
 - § Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.
 - § Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.
 - § Emails received by publiccomment@ci.capitola.ca.us outside of the comment period outlined above will not be included in the record.

Note: Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes “final.” Please be advised that in most instances the decision become “final” upon the City Council’s announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 7:00 p.m. (or in no event earlier than 6:00 p.m.), in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
January 28, 2021

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City's website: www.cityofcapitola.org and at Capitola City Hall prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24 hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.cityofcapitola.org by clicking on the Home Page link "**Meeting Agendas/Videos.**" Archived meetings can be viewed from the website at any time.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: Public Works Department

SUBJECT: Introduce New Employee Senior Mechanic Gabe Cuzick

BACKGROUND/DISCUSSION: The Public Works Department is happy to introduce new Senior Mechanic Gabe Cuzick.

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:

A handwritten signature in black ink, appearing to read "JG", is written over a horizontal line.

Jamie Goldstein, City Manager 1/22/2021



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: City Manager Department

SUBJECT: Introduce New Employee Deputy City Clerk Edna Basa

BACKGROUND/DISCUSSION: The City Manager Department is happy to introduce new Deputy City Clerk Edna Basa.

Report Prepared By: Chloe Woodmansee
City Clerk

Reviewed and Forwarded by:

A handwritten signature in black ink, appearing to read "J. Goldstein".

Jamie Goldstein, City Manager 1/22/2021



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: Finance Department

SUBJECT: Approval of Successor Agency Check Register January 1 - December 31, 2020

RECOMMENDED ACTION: Acting as the City Council and Successor Agency, approve the 2020 Successor Agency check register.

BACKGROUND: Below is a list of Successor Agency checks issued in 2020:

Account: Successor Agency				
Date	Starting Check #	Ending Check #	Check Count	Amount
1/31/2020	5050	5050	1	\$12,000
11/13/2020	5051	5051	1	\$12,300

The prior Successor Agency check register report of January 9, 2020, ended with check #5049.

Following is a list of checks issued for more than \$10,000 and a brief description of the expenditure:

Check	Issued to	Dept.	Description	Amount
5050	Castle Mobile Estates	CDD	ROPS 19-20B rental subsidy	\$12,000
5051	Castle Mobile Estates	CDD	ROPS 20-21A rental subsidy	\$12,300

As of December 31, 2020, the unaudited cash balance in the Successor Agency account is \$182,677.97.

ATTACHMENTS:

1. Successor Agency Check Register 2020

Report Prepared By: Mark Sullivan
Senior Accountant

2020 Successor Agency check register
January 28, 2021

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

City of Capitola

Successor Agency checks issued 1/1/20 - 12/31/20

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
5050	01/31/2020	02/29/2020		CASTLE MOBILE ESTATES	\$12,000.00
	Invoice	Date	Description		Amount
	CME012020	01/20/2020	ROPS 19/20B rental subsidy January - June 2020		\$12,000.00
5051	11/13/2020	11/30/2020		CASTLE MOBILE ESTATES	\$12,300.00
	Invoice	Date	Description		Amount
	CME092120	09/21/2020	ROPS 20/21A July - Dec. 2020 rental subsidy		\$12,300.00
Successor Agency Check Totals:					\$24,300.00

Attachment: Successor Agency Check Register 2020 (2020 Successor Agency check register)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: Finance Department

SUBJECT: Consider Approval of the Recognized Obligation Payment Schedule for July 1, 2021, to June 30, 2022 (ROPS 21-22)

RECOMMENDED ACTION: Acting as the City Council and Successor Agency, approve the Recognized Obligation Payment Schedule.

BACKGROUND: Since 2016-17, Health and Safety Code section 34177(o)(1) requires the City of Capitola Successor Agency to adopt a full-year Recognized Obligation Payment Schedule (ROPS). The deadline for submission of ROPS 2021-22 to the California Department of Finance is February 1, 2021. The Countywide Oversight Board tentatively approved the ROPS 2021-22 at their regular meeting on January 19, 2021, subject to approval by the Capitola Successor Agency Board on January 28, 2021. If approved by the Capitola Successor Agency, the County Oversight Board will submit the Capitola ROPS 2021-22 to the California Department of Finance prior to the February 1 submission deadline.

DISCUSSION: Total proposed Capitola Redevelopment Successor Agency ROPS 2021-22 is \$48,000. It includes continued funding of \$48,000 to the Housing Authority Mobile Home Park Rental Assistance Program. The Capitola Redevelopment Successor Agency and the Housing Authority of Santa Cruz County are currently discussing extending the Rental Assistance Program an additional two years through May 12, 2023, subject to the California Department of Finance approval of the Capitola ROPS 2021-22. If approved, the Capitola Redevelopment Successor Agency will utilize the existing fund balance to fund the extension of the program. No funding request is being made for any other items as the obligations have been satisfied and the Capitola Redevelopment Successor Agency is not eligible to receive funding for administrative costs per California Health & Safety Code Section 34141(b)(3).

FISCAL IMPACT: Adoption of this ROPS allows the Successor Agency to make payments on listed obligations during the next fiscal year. The full financial impact to the City and the Successor Agency will not be known until after the County Oversight Board and the Department of Finance completes the review and approval process in accordance with ABX1 26.

ATTACHMENTS:

1. ROPS 21-22 forms

Report Prepared By: Jim Malberg
Finance Director

Approve ROPS 21-22
January 28, 2021

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

**Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period**

Successor Agency: Capitola

County: Santa Cruz

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 24,000	\$ 24,000	\$ 48,000
B Bond Proceeds	-	-	-
C Reserve Balance	24,000	24,000	48,000
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ -	\$ -	\$ -
F RPTTF	-	-	-
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ 24,000	\$ 24,000	\$ 48,000

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Attachment: ROPS 21-22 forms (Approve ROPS 21-22)

**Capitola
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail
July 1, 2021 through June 30, 2022**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$196,072		\$48,000	\$-	\$24,000	\$-	\$-	\$-	\$24,000	\$-	\$24,000	\$-	\$-	\$-	\$24,000
8	Housing Rental Assistance Program	Miscellaneous	05/12/2011	03/13/2021	Housing Authority of the County of Santa Cruz	\$2,627,100 Housing Rental Assistance Program Agreement	Capitola Project Area	196,072	N	\$48,000	-	24,000	-	-	-	\$24,000	-	24,000	-	-	-	\$24,000
9	Millennium Housing	Miscellaneous	03/18/2011	03/18/2021	Millennium Housing of California, Inc.	\$2,000,000 Housing Loan Agreement	Capitola Project Area	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
10	Administrative Allowance	Admin Costs	02/01/2012	06/30/2021	Capitola City Treasurer	\$250,000 Annual Administrative Allowance	Capitola Project Area	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
13	Rispin/Peery Park	Litigation	09/30/2014	06/30/2018	Capitola City Treasurer	ADA injunctive relief	Capitola Project Area	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

Attachment: ROPS 21-22 forms (Approve ROPS 21-22)

Capitola
Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/18) RPTTF amount should exclude "A" period distribution amount.			344,236			
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller					242,363	ROPS 18-19A \$192,363 + 18-19B \$50,000 = \$242,363
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)			196,028		196,028	ROPS 18-19: \$53,665 Castle Mobile Home Estates + \$65,000 Housing Authority + \$30,000 Admin Allowance + 47,363 loan repayment = \$196,028
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/19)	\$-	\$-	\$148,208	\$-	\$46,335	

Attachment: ROPS 21-22 forms (Approve ROPS 21-22)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
	C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						

Attachment: ROPS 21-22 forms (Approve ROPS 21-22)

Capitola
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

Item #	Notes/Comments
8	The Capitola Successor Agency is working with the Housing Authority of Santa Cruz County to extend the Mobile Home Park Rental Assistance Program an additional two years through 3/13/2023 as permitted in the agreement. The estimated cost to extend the program an additional two years at \$4,000 per month is \$96,000. The Capitola Successor Agency currently has an estimated fund balance of \$180,000 and is proposing to utilize existing fund balance in order to extend the program two additional years.
9	
10	
13	

Attachment: ROPS 21-22 forms (Approve ROPS 21-22)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: City Manager Department

SUBJECT: Consider the January 14, 2021, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for Council review and approval are the minutes of the regular meeting on January 14, 2021.

ATTACHMENTS:

1. 1-14-21 draft

Report Prepared By: Chloe Woodmansee
City Clerk

Reviewed and Forwarded by:

A handwritten signature in black ink, appearing to be "J. Goldstein".

Jamie Goldstein, City Manager 1/22/2021

**DRAFT CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JANUARY 14, 2021 - 7 PM**

CALL TO ORDER AND ROLL CALL

Mayor Brooks called the meeting to order at 6 p.m.

Council Member Ed Bottorff: Remote, Council Member Jacques Bertrand: Remote, Vice Mayor Sam Storey: Remote, Council Member Kristen Petersen: Remote, Mayor Yvette Brooks: Remote.

No members of the public were present, and the Council adjourned to the virtual meeting with the following items to be discussed in Closed Session:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Gov't Code § 54956.9(d)(4))
Initiation of litigation, one potential case

CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov't Code § 54956.8)
Property: Wharf House, 1400 Wharf Road, Capitola, CA
City Negotiator: Larry Laurent
Negotiating Parties: Willie Case
Under Negotiation: Price and terms of payment

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Jacques Bertrand: Remote, Council Member Kristen Petersen: Remote, Vice Mayor Sam Storey: Remote, Mayor Yvette Brooks: Remote, Council Member Margaux Heiser: Remote.

2. PRESENTATIONS

A. Introduce New Employee Account Clerk Leda Laidlaw-Hunter

Finance Director Malberg introduced the new Account Clerk.

B. Introduce New Employee Personnel Analyst Renee DeMar

Assistant to the City Manager Laurent introduced the new Personnel Analyst.

C. Presentation from Santa Cruz Metropolitan Transit District CEO Alex Clifford

CEO Alex Clifford presented on the status of Santa Cruz County Metro and highlighted operational changes made to address the COVID-19 pandemic.

Vice Mayor Storey asked for more details about the potential on-demand bus services. Mr. Clifford said that the service will be offered as "door to door".

Council Member Bertrand asked about the special facility proposed near Dominican Hospital. Mr. Clifford explained that SC METRO will own the land and build their own facility to include a park-ride lot, transit staff, customer service, ADA compliance, and other administrative

Attachment: 1-14-21 draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 14, 2021

support. He noted that for the project to move forward, a Cal Facilities Grant is necessary.

- 3. **REPORT ON CLOSED SESSION** – direction was given to staff
- 4. **ADDITIONAL MATERIALS** – one updated contract for Item 9.D
- 5. **ADDITIONS AND DELETIONS TO AGENDA** – none
- 6. **PUBLIC COMMENTS** – none
- 7. **CITY COUNCIL / STAFF COMMENTS**

Public Works Director Mesberg announced that the City received bids for the Bay Avenue Sidewalk project and that construction will start in six to eight weeks.

Recreation Supervisor Bryant-LeBlond announced the three winners of Reflections 2020 art contest:

Note: Make a Plan by Myra Eastman, (professional) Be of Good Courage by Teri Goldner Robbins (Novice) and The Mask by Ila Bonney (youth)

Council Member Bertrand commended the surfers who recently saved several sailing students in Santa Cruz after they capsized near the harbor. The children were not harmed because of the surfers' quick action and bravery.

Mayor Brooks reminded the community that Grey Bears is looking for volunteers.

Council Member Petersen thanked all healthcare workers and encouraged the community to continue wearing masks and practicing social distancing.

8. **CONSENT CALENDAR**

MOTION:	APPROVE, RECEIVE, ADOPT, AND MAKE DETERMINATION AS RECOMMENDED
RESULT:	ADOPTED UNANIMOUS
MOVER:	Sam Storey
SECONDER:	Jacques Bertrand
ACTIONES:	Bertrand, Petersen, Storey, Brooks, Meiser

- A. Consider the December 10, 2020, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Approval of City Check Registers Dated November 20, December 4, December 11 and December 18
RECOMMENDED ACTION: Approve check registers.
- C. Receive Audit Report for Fiscal Year 2019-20
RECOMMENDED ACTION: Receive report.
- D. Consider an Amended 2021 Meeting Schedule for the City Council/Successor Agency 520-40
RECOMMENDED ACTION: Adopt the amended regular meeting schedule for 2021.

Attachment: 1-14-21 draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 14, 2021

- E. Receive update on the City's Pandemic Response
RECOMMENDED ACTION: Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.

9 GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Consider Extending the Temporary COVID-19 Outdoor Activities and Encroachment Agreement to a Date Certain.
RECOMMENDED ACTION: Direct staff to prepare the necessary documentation to allow outdoor dining and other commercial outdoor activities to continue until May 31st.

Community Development Director Herlihy presented a brief staff report.

Council Member Petersen asked for clarification regarding the Stay Home Order. Director Herlihy replied that though under current Orders outdoor dining is not allowed, extending the activity encroachment agreements to a date certain would apply only if/when the area is again allowed outdoor dining, and explained that staff brought this before Council early so that businesses can prepare.

Mayor Brooks confirmed that the encroachment agreement permits are still free. In response to a question, Mayor Brooks was told that a re-evaluation of the outdoor activity encroachment permit program would be brought before Council in May.

There was no public comment.

MOTION:	APPROVE STAFF RECOMMENDATION B DIRECTING STAFF TO ALLOW OUTDOOR DINING/ACTIVITIES TO CONTINUE UNTIL MAY 31, 2021
RESULT:	ADOPTED UNANIMOUS
MOVER:	Kristen Petersen
SECONDER:	Macques Bertrand
ACTIONES:	Bertrand, Petersen, Storey, Brooks, Geiser

- B. Review Council Appointments
RECOMMENDED ACTION: Appoint representatives to City advisory bodies and review appointments on County/Regional boards, committees, and commissions.

After a brief staff report by Clerk Woodmansee, Council made the following appointments:

Architecture Site Committee:

- Frank Phanton
- Daniel Gomez
- Daniel Townsend
- Carolyn Swift

Art Cultural Commission:

- Vice Mayor Storey will continue as representative

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 14, 2021

Commission on the Environment:

- Council Member Petersen appointed Cathlin Atchison
- Vice Mayor Storey appointed Meredith Peet
- Mayor Brooks appointed Michelle Beritzhoff-Law
- Council Member Bertrand appointed Peter Wilk
- Council Member Weiser will serve

Finance Advisory Committee:

- Mayor Brooks will serve
- Vice Mayor Storey will serve
- Council Member Weiser appointed Anthony Rovai
- Council Member Bertrand appointed Paul Estey
- Council Member Petersen appointed Laura Alioto

Art & Cultural Commission:

- Vice Mayor Storey will continue as representative

Criminal Justice Council:

- Council Member Petersen
- Council Member Weiser

SC County Flood Control & Water District:

- Council Member Bertrand
- Council Member Petersen as alternate

SC County Library Financing Authority:

- Council Member Petersen
- Council Member Bertrand as alternate

SC County Regional Transportation Committee:

- Council Member Bertrand

SC Library Advisory Commission:

- Mike Termini

C. Consider Entering a Lifeguarding Contract with the City of Santa Cruz Marine Safety Division

RECOMMENDED ACTION: Authorize the City Manager to sign two-year contract in an amount not to exceed \$91,500 per year with the City of Santa Cruz Marine Safety Division.

Recreation Supervisor Bryant-LeBlond presented the staff report.

Vice Mayor Storey asked a question about contract language allowing for Santa Cruz to request an increase in compensation. Staff clarified that this was standard and included in the chance of an extended season where more life-guard service is required.

There was no public comment.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 14, 2021

MOTION:	AUTHORIZE THE CITY MANAGER TO SIGN THE TWO-YEAR CONTRACT WITH THE CITY OF SANTA CRUZ MARINE SAFETY DIVISION IN AN AMOUNT NOT TO EXCEED \$91,500 PER YEAR
RESULT:	ADOPTED UNANIMOUS
MOVER:	Sam Storey
SECONDER:	Jacques Bertrand
ACTIONES:	Bertrand, Petersen, Storey, Brooks, Geiser

D. Junior Guard Instructor Training Contract

RECOMMENDED ACTION: Authorize the City Manager to sign two-year contract in an amount not to exceed \$17,000 per year with Central Fire Protection District.

Recreation Supervisor Bryant-LeBlond presented the staff report.

Council Member Bertrand asked if Central Fire staff would remain the same, staff replied yes.

There was no public comment.

Fire Chief Walbridge thanked Council and said that in consolidating with Aptos and La Selva, Central Fire will broaden the range of services.

MOTION:	AUTHORIZE THE CITY MANAGER TO SIGN TWO-YEAR CONTRACT WITH CENTRAL FIRE PROTECTION DISTRICT NOT TO EXCEED \$17,000 PER YEAR
RESULT:	ADOPTED UNANIMOUS
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Risten Petersen, Council Member
ACTIONES:	Bertrand, Petersen, Storey, Brooks, Geiser

E. Consider Increasing the Number of Available Surf & Coffee Permits for 2021

RECOMMENDED ACTION: Receive report and consider increasing the maximum number of Morning Village Parking Permit Program Surf and Coffee Permit from 50 to 75 to allow for expanded program participation.

Captain Dally presented a brief staff report.

Council Member Geiser confirmed that the permits are annual and expressed an interest in lowering the permit price for local applicants.

Council Member Bertrand confirmed that local merchants were not concerned about an increase in the number of permits. Captain Dally replied that in discussing the permit program with the Business Improvement Area, merchants were supportive of the increase.

Council Member Petersen asked for how many permits had been made out for out-of-county residents. Captain Dally replied that the answer was unknown, and emphasized that the program has sold out within days for several years in a row.

Council Member Storey asked if a 25 permit increase would meet the demand of those on the permit wait list – Captain Dally clarified that there is not an official wait list, and that an increase of 25 permits is a moderate reasonable first step to modifying the program, so as not to take away from metered parking in the Village.

There was no public comment.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 14, 2021

City Manager Goldstein suggested that if Council desired a more substantial change to the Coffee and Surf Permit Program, they discuss this during the budget goals discussion scheduled for some time in February.

Mayor Brooks agreed and asked that Police begin tracking how many calls are received seeking additional permits.

Council Member Bertrand asked that the parking issues be addressed in the future.

Mayor Brooks asked that staff research if the Coastal Commission would take issue with treating "locals" differently than other permit applicants, if the program were to be changed.

MOTION:	APPROVE STAFF RECOMMENDATION AND INCREASE THE SURF AND COFFEE PERMIT PROGRAM BY 25 PERMITS
RESULT:	ADOPTED UNANIMOUS
MOVER:	Margaux Eiser
SECONDER:	Risten Petersen
ACTIONES:	Bertrand, Petersen, Storey, Brooks, Eiser

10 ADJOURNMENT

The meeting was closed at 8:52 PM.

Katie Brooks, Mayor

ATTEST:

Chloe Woodmansee, City Clerk

Attachment: 1-14-21 draft (Approve Council Minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: City Manager Department
SUBJECT: Wharf House Lease - 3rd Amendment

RECOMMENDED ACTION: Approve the third Amendment to the Wharf House restaurant lease.

BACKGROUND: The City owns the restaurant facility on the Capitola Wharf, which is currently leased to Willie Case for use as the Wharf House Restaurant. At present, Santa Cruz County is under the State of California COVID-19 Regional Stay Home Order as part of the Bay Area Region. The Stay Home Order does not allow either indoor or outdoor dining, only take out and pick-up services.

DISCUSSION: Mr. Case contacted the City to request that the City waive rent for the Wharf House while the Stay Home Order is in place. Due to the restaurant's location at the end of the Capitola Wharf, a takeout-only operation model is not feasible.

The current lease allows staff to approve a rent waiver when the Wharf is closed, but not when for situations such as the Stay Home order. Rent waivers last occurred in April, May, and June 2020, because of wharf repairs and the closures due to COVID-19 public health orders.

The proposed third amendment to the Wharf House restaurant lease allows for a rent waiver for January and February 2021, if the Stay Home order is in effect and the restaurant cannot offer indoor or outdoor dining. If the Stay Home Order is rescinded during January or February, restaurant shall be responsible for the prorated amount of rent due for all days in January and February on which indoor and outdoor dining are permissible.

If it appears the Stay Home order will extend beyond the end of February, staff will bring options to the City Council.

FISCAL IMPACT: The fiscal impact of the rent waivers for January and February 2021 is \$8,598.40.

ATTACHMENTS:

1. Wharf House Lease 3rd amendment

Report Prepared By: Larry Laurent
Assistant to the City Manager

Wharf House Lease - 3rd Amendment
January 28, 2021

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

3rd AMENDMENT TO WHARF RESTAURANT LEASE BETWEEN
CITY OF CAPITOLA AND WILLIE CASE

This 3rd Amendment to Wharf Restaurant Lease Between City of Capitola and Willie Case ("3rd Amendment") is made and entered into as of this ____ day of January, 2021 ("Effective Date"), by and between the City of Capitola ("Lessor") and Willie Case ("Lessee") (individually referred to herein as "Party" and collectively as "Parties").

Section 4.m shall be added to read;

The purpose of this 3rd Amendment is to provide economic relief to Lessee for the time period during which the State of California Regional Stay at Home Order, issued on December 3, 2020 ("State Order") is applicable to Santa Cruz County, and thus indoor and outdoor dining is prohibited.

The Lessor shall waive rent for the months of January 2021 and February 2021.

If the State Order is lifted or becomes no longer applicable to the City of Capitola prior to March 1, 2021, and there are no other legal restrictions prohibiting the Wharf Restaurant from offering indoor or outdoor dining, the rent waiver shall cease, and Lessee shall be responsible for the prorated amount of rent due for all days in January and February on which indoor and outdoor dining are permissible.

IN WITNESS WHEREOF, the Parties have executed, delivered and intend this 3rd Amendment as of the date set forth above.

By: Willie Case

Date: _____

CITY OF CAPITOLA

By: Jamie Goldstein, City Manager

Date: _____

Attachment: Wharf House Lease 3rd amendment (Wharf House Lease - 3rd Amendment)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: City Manager Department

SUBJECT: Receive Update on Pandemic Response and a Presentation from Director of Santa Cruz County Health Services Agency Mimi Hall

RECOMMENDED ACTION: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action; and 2) Receive presentation on COVID-19 Pandemic in Santa Cruz County from Director of Santa Cruz County Health Services Agency, Mimi Hall.

BACKGROUND: In December 2019, an outbreak of a respiratory illness linked to the novel coronavirus (COVID-19) was first identified. In March 2020, the state of California, the County of Santa Cruz, and the City of Capitola each declared a state of emergency due to the virus. Also in March, the World Health Organization declared COVID-19 a pandemic.

Since March, State and local health officers have issued health orders to stop the spread of COVID-19; in Santa Cruz County this included March, April, and May Shelter-In-Place orders that were more restrictive than statewide guidance. Since then, the County Health Officer has incorporated all Orders of the State Public Health Officer, which set baseline statewide restrictions on travel and non-residential business activities.

Blueprint for a Safer Economy & Local Tier Status

On August 28, 2020, the State Monitoring List was replaced by the Blueprint for a Safer Economy. In this new system, every county in California is assigned to a tier based on its rate of new COVID-19 cases and positivity. The tiers, from most restrictive to least, are: Purple-Widespread; Red- Substantial; Orange- Moderate; and Yellow- Minimal.

At the start of this system on August 31, Santa Cruz County was placed in the Purple-Widespread tier. Originally, tier assignments were announced weekly, on Tuesdays. Since the surge in November, the California Department of Public Health (CDPH) has announced that tier assignments may be announced at any time and could occur more than once a week. The table below shows where Santa Cruz County has fallen within the tier system since its implementation.

Date	Tier Assignment	Weeks in Tier
August 31	Widespread Tier	Two

COVID-19 Emergency- Update 18 & Presentation
January 28, 2021

September 8	Substantial Tier	Seven
October 27	Moderate Tier	Two
November 10	Substantial Tier	Two
November 16	Widespread Tier	Nine+

California State Regional Stay-Home Order

On December 3, Governor Newsom announced a new Regional Stay-Home Order, to go in effect in any region with less than 15% of Intensive Care Unit (ICU) hospital availability. California has been divided into five regions for the purposes of the order, with Santa Cruz County in the Bay Area Region. The Order mandates restrictions for the entire region, additional to those required under any County's current tier assignment.

Under this Order, within 48 hours of reaching the <15% threshold, regions following must adhere to the following restrictions:

- No private gatherings of any size
- Sector operations (except for critical infrastructure and retail) close
- 100% masking and physical distancing in all other sectors

In the Bay Area Region, the Order commenced on Thursday, December 17, at 11:59pm, and was implemented because data released by the state showed ICU capacity fell below the threshold of 15% availability. The Order states that once triggered, it will remain in effect for at least three weeks. After that period, the order will only be lifted when a region's projected ICU capacity meets or exceeds 15%, which will be assessed on a weekly basis after the initial three-week period. As of January 22, the Bay Area Region's ICU capacity is 6.6%.

In summary, the Regional Stay Home orders the following:

- Residents stay home except for when conducting essential business and exercising or conducting other permitted outdoor activities
- A prohibition on leisure travel (hotels and lodging entities cannot accept or honor in-state reservations for non-essential travel)
- Grocery stores to limit capacity to 35%
- Other retail to limit capacity to 20%
- Remote work whenever possible
- Restaurants must limit services to delivery and take-out options (no indoor or outdoor dining is allowed)
- Bars, breweries, wineries, and distilleries must close entirely other than internal production and retail operations

Local Case Numbers and Statistics

On January 8, 2021, the COVID-19 total case number in Santa Cruz County was 10,108; 245.

As of January 22, there are 12,533 known cases in the County; of the known cases 330 are in the City of Capitola. There have been 120 deaths in our County.

In Santa Cruz County, the rate of new cases per day per 100k is at 71.3, with an adjusted case rate for tier assignment of 39.3. There is an overall positivity rate of 10.3%.

COVID-19 Emergency- Update 18 & Presentation
January 28, 2021

DISCUSSION: Due to the City, County, and State's emergency declarations, City departments continue to implement strategies to protect the community and employees while maintaining essential levels of service to the public.

Santa Cruz County Health Services Agency

Mimi Hall, Director of the Santa Cruz County Health Services Agency, will provide an update on the local status of COVID-19 pandemic and vaccination efforts at the City Council meeting.

FISCAL IMPACT: Fiscal impacts from the pandemic have been accounted for in the updated FY 20/21 Budget. Those impacts are being reviewed on a quarterly basis by the City Council. In addition, the City Council has set aside \$600,000 to help ensure the City has available resources should the pandemic result in further unforeseen impacts. The next scheduled budget review will occur in early March.

Report Prepared By: Chloe Woodmansee
City Clerk

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: City Manager Department

SUBJECT: Consider Extending the Partnership with Santa Cruz County Parks for the Capitola Recreation Out-of-School Time Program

RECOMMENDED ACTION: Authorize the City Manager to amend the current Memorandum of Understanding (MOU) with Santa Cruz County Parks to collect revenue and reimburse Capitola for up to \$120,000 for Capitola Recreation's Out-of-School Time (OST) program, for the remaining school year; and adopt the proposed resolution approving the recommended budget amendment.

BACKGROUND: For the 2020/21 school year, Capitola Recreation, in partnership with the Soquel Union Elementary School District (SUESD), launched the Out-of-School Time (OST) program to assist students and working families by providing a distance learning "classroom," recreation activities, homework support, and healthy snack. The program is operated under the childcare guidance provided by the California Department of Public Health (CDPH) and Santa Cruz County Public Health Orders.

Each student is enrolled in a stable group or pod. Students do not change groups and groups do not mix with each other. Each group is assigned stable staff and a specific room that is not shared with any other group. Capitola Recreation, in partnership with Shorelife Community Church, can provide space for five stable groups using multiple sites within the City.

In, October 2020, the City entered into a Memorandum of Understanding (MOU) with Santa Cruz County Department of Parks, Open Spaces, and Cultural Services (County Parks), which currently runs a similar distance learning and enrichment programs. The MOU is intended to reduce the fee charged to participating families. Under the current MOU, County Parks reimburses the City for all direct OST expenses. County Parks is responsible for collecting fees from registered participants. City staff have access to County Parks registration system (ACTIVENet); requiring an additional Data Privacy Agreement and allowing Capitola Recreation to serve its traditional support role in answering questions and assisting participants registering in the ACTIVENet system.

The MOU with County Parks ended on December 31, 2020.

DISCUSSION: To continue the partnership with County Parks, Staff recommends an amendment to the MOU stating that County Parks would provide up to \$120,000 in funding to the City for the remaining school year to support OST. The proposed MOU will be separately distributed prior to the January 28 City Council meeting. In order to receive this funding, the

County OST Grant #2
January 28, 2021

Capitola OST program is required to have a CalWORKS participant enrolled at each site (Shorelife and Jade St Community Center). The current program meets this requirement.

Before entering into the MOU, the City and SUESD each allocated funds available for an OST Scholarship. Since entering the MOU, scholarship distribution has been on hold because the County Parks fee structure provided an affordable rate. This also allowed the City to reserve scholarship funding if no new agreement was available for the remainder of the school year. The funds needed to cover expenses exceeds the \$120,000 provided by County Parks. To cover the difference in expenses, Staff proposes to allocate unused scholarship funds and reduce planned expenditures, thereby providing a net neutral budget as detailed on the resolution approving the budget amendment (Attachment 1).

In order to prevent impact to the participants enrolled in OST, January's registration proceeded under the partnership.

FISCAL IMPACT: If approved, this MOU and budget amendment will allow the Recreation OST program to continue to operate revenue and cost neutral while providing a much-needed service to the community.

ATTACHMENTS:

1. OST Mid-year Budget Amendment
2. OST Program budget amendment reso

Report Prepared By: Nikki Bryant Bryant LeBlond
Recreation Supervisor

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

City of Capitola Budget Adjustment Form



Date 1/21/2021

Requesting Department Rereation

Administrative Council

Item # TBD

Council Date 1/28/2021

Council Approval _____

Revenues		
Account #	Account Description	Increase/Decrease
1000-50-50-525-3470.025	Recreation fees-OST	(306,110)
1000-50-50-525-3350.010	Local Govt/ Agency - SC County	120,000
1000-50-50-525-3700.450	Other Revenue Scholarship	39,000
Total		(147,110)

Expenditures		
Account #	Account Description	Increase/Decrease
1000-50-50-525-4120.100	Wages Temporary (seasonal)	103,973
1000-50-50-525-4305.900	CS-Gen/ Admin Contracts	9,810
1000-50-50-525-4400.100	Training & Memberships-Reg	7,300
1000-50-50-525-4450.500	Supplies	13,819
Total		134,902

Net Impact (282,012)

Purpose: Recreation Outside-of-Schooltime (OST) mid year adjustment

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

Attachment: OST Mid-year Budget Amendment (County OST Grant #2)

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AMENDING THE FISCAL YEAR 2020-21 BUDGET

WHEREAS, the Capitola Recreation Division, in partnership with the Soquel Union Elementary School District, is operating an Out-of-School Time Program (OST) to provide services to students and working families and

WHEREAS, the City entered a Memorandum of Understanding (MOU) with Santa Cruz County Department of Parks, Open Spaces, and Cultural Services in which the County reimburses the City for all direct OST expenses, an MOU that will be amended stating that the County will provide up to \$120,000 in funding to the City to support the OST program for the remaining school year and

WHEREAS, in amending the current MOU the City must also amend the fiscal year 2021-21 budget

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola hereby continues its partnership with the Santa Cruz County Department of Parks, Open Spaces, and Cultural Services and authorizes an amendment to the FY 2020-21 Police Department budget by increasing revenues and expenditures as follows:

Category	FY 2020-21 Budget Amendment
Revenue	
Recreation fees-OST	306,110
Local Government/Agency – SC County	120,000
Other Revenue Scholarship	39,000
<i>Total</i>	<i>147,110</i>
Expenditures	
Wages (temp. seasonal)	103,973
CS-Gen/Admin Contracts	9,810
Training & Memberships-Reg	7,300
Supplies	13,819
<i>Total</i>	<i>134,902</i>

BE IT FURTHER RESOLVED that the Finance Department shall record these changes into the City's accounting records in accordance with appropriate accounting practices.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 28th day of January, 2021, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Yvette Brooks, Mayor

ATTEST:

Chloe Woodmansee, City Clerk

Attachment: OST Program budget amendment reso (County OST Grant #2)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: Community Development

SUBJECT: Receive Presentation on Recommended Uses for the Second Round of Community Development Block Grant - Coronavirus Relief Funding

RECOMMENDED ACTION: Accept staff presentation on the Community Development Block Grant Coronavirus Response- Round 2 (CDBG-CV2) notice of funding availability up to \$320,261 of grant funds for COVID-19 related relief programs, take public input, discuss allocations for round two, and direct staff to return with a resolution in preparation for an application.

BACKGROUND: On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to support preparation for and response to the community impacts of the COVID-19 pandemic. The state of California received approximately \$19 million in CARES ACT funds that will be distributed in multiple rounds by the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Program.

In the first round of CDBG-CV, Capitola was allocated \$88,010 in CARES Act funding. The City also utilized \$80,632.35 of CDBG Program Income funds toward coronavirus relief. Within the first round, applicants could provide aid with three Federally defined activities and one additional activity for the program income funds. On January 14, 2021, staff was notified the City's first-round application was approved. Currently, HCD is reviewing the subrecipient agreements. Once the agreements are approved, the non-profits identified in the City's application may begin receiving funds.

On December 18, 2020, the HCD published the Notice of Funding Availability (NOFA) for round two and three of CARES Act funding. The HCD modified the process to combine the second and third rounds into one review. The City of Capitola will receive a total of \$320,261 in rounds two and three.

To submit an eligible CDBG application, the City must hold a public hearing to discuss the potential application and allow public input. The January 28, 2021, City Council meeting will serve as the first public hearing to discuss the funding opportunity, followed by a second public hearing at the February 11, 2021, City Council meeting to adopt a resolution identifying how the funds will be utilized.

DISCUSSION: CDBG-CV funding may be utilized on activities that address immediate and

CDBG-CV Grant #2
January 28, 2021

medium-term responses to the COVID-19 pandemic. Eligible activities must be related to preparation, prevention, response, and recovery of the COVID-19 pandemic. The City of Capitola is a CDBG-eligible non-entitlement jurisdiction, which means the City must apply for funding rather than automatically receive a direct allocation. HCD guidance identified up to \$320,261 of available CDBG-CV grant funds for the City of Capitola in round two and three.

CDBG allocations must be used for four specific activities, listed below. In the first round of funding, HCD allowed each City to choose up to three activities and one additional activity for program income funds. The activities identified by HCD for CDBG-CV funding are as follows:

1. Public services to respond to COVID-19 impacts:
 - Includes food distribution and rental assistance programs
2. Public facility improvements to increase capacity for healthcare facilities:
 - Includes conversion of public facilities to healthcare facilities
 - *Likely not applicable in Capitola*
3. Housing facilities for persons experiencing homelessness:
 - Includes providing shelter to homeless in response to COVID-19
 - Homeless Action Partnership (HAP)
4. Economic development to support needs for working capital and furniture, fixtures, and equipment focusing on safety requirements:
 - Includes Business Assistance Loans and Micro Enterprise Loans

In the first round, the City of Capitola funded four entities all of which were “public service” activity responses to Covid-19 impacts. The following table lists the activity, subrecipient, and amount awarded within the first round.

Activity	Subrecipient	
Public service – Rental Assistance	Community Action Board	\$20,000
Public Service - Food	Community Bridges – Meals on Wheels	\$66,924
Public Service - Food	Grey Bears	\$15,750
Public Service - Food	Second Harvest Food Bank	\$37,298
Administration	17%	\$28,669
	TOTAL	\$168,641

In the second round, HCD modified the parameters. Cities which funded three activities in the first round are limited to one new activity in the second round. HCD is also allowing cities to provide additional funds to an activity funded in the first round.

During the first round, City Council had discussions on funding economic development in the second round. To prepare for this discussion, staff published an economic development survey for 30 days to assess how local businesses have been impacted by the pandemic (Attachment 1). Unfortunately, the results show that up to 43 percent of the businesses that responded are in jeopardy of possibly closing due to the financial impact. Seventy percent of the businesses responded that they would be interested in applying for a CDBG grant with the city.

In Summer 2020, the City Council created an ad-hoc committee to recommend how funds would be allocated in the first round of CDBG. The ad hoc committee consists of Mayor Brooks and Council Member Petersen, with staff support from the Community Development Director, and the Assistant to the City Manager. The committee has met twice since the NOFA for the second round was released. During the first meeting, the committee reviewed results of the

CDBG-CV Grant #2
January 28, 2021

survey and learned the new parameters for round two. At the second ad-hoc meeting, the committee discussed several ways in which to allocate funds in round two.

Ultimately, Mayor Brooks and Council Member Petersen recommended allocating an additional \$15,000 to each of the previous food distributors which received funding in the first round and utilizing the rest of the funds to create 30 economic development grants for up to \$7,500 to cover rent and utilities for up to three months. They did not recommend funding rental assistance further, because significant rental assistance funds for will be distributed by the County and available to Capitola residents.

FISCAL IMPACT: The grant will add \$320,261 in CDBG-CV funds for coronavirus relief.

ATTACHMENTS:

1. Capitola Business Covid-19 Survey Results (PDF)

Report Prepared By: Katie Herlihy
Community Development Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

Q1 Number of Employees

Answered: 125 Skipped: 7

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

#	RESPONSES	DATE
1	2	1/11/2021 3:20 PM
2	10	1/11/2021 9:17 AM
3	1	1/10/2021 11:37 PM
4	3	1/10/2021 8:51 PM
5	15	1/10/2021 1:44 PM
6	2	1/9/2021 9:13 AM
7	2	1/8/2021 6:51 PM
8	2	1/7/2021 12:35 PM
9	18	1/7/2021 11:33 AM
10	24	1/6/2021 8:56 PM
11	1	1/6/2021 6:45 PM
12	6	1/6/2021 3:02 PM
13	2	1/6/2021 1:05 PM
14	0	1/6/2021 11:49 AM
15	3	1/6/2021 10:22 AM
16	5	1/6/2021 9:52 AM
17	4	1/6/2021 6:28 AM
18	4	1/5/2021 11:22 PM
19	10	1/5/2021 10:22 PM
20	0	1/5/2021 8:01 PM
21	4	1/5/2021 4:01 PM
22	21	1/5/2021 3:54 PM
23	1	1/5/2021 3:14 PM
24	4	1/5/2021 2:22 PM
25	5	1/5/2021 2:19 PM
26	2	1/5/2021 1:45 PM
27	3 including all of us	1/5/2021 1:24 PM
28	0	1/5/2021 1:17 PM
29	1	1/5/2021 12:23 PM
30	1	1/5/2021 11:38 AM
31	8	1/5/2021 11:37 AM
32	15	1/5/2021 11:34 AM
33	0	1/5/2021 11:34 AM
34	1	1/5/2021 11:31 AM
35	1	1/5/2021 10:45 AM
36	60	1/5/2021 10:32 AM
37	3	1/5/2021 10:19 AM

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

38	1	1/5/2021 10:14 AM
39	2	1/5/2021 10:13 AM
40	20	1/5/2021 10:06 AM
41	1	1/5/2021 10:04 AM
42	4	1/5/2021 10:00 AM
43	0	1/5/2021 10:00 AM
44	6	1/5/2021 10:00 AM
45	12	1/5/2021 9:58 AM
46	3	1/5/2021 9:57 AM
47	10	1/5/2021 9:56 AM
48	2	1/5/2021 9:54 AM
49	5	1/5/2021 9:54 AM
50	0	1/5/2021 9:51 AM
51	8	1/5/2021 9:50 AM
52	1	12/28/2020 7:39 PM
53	8	12/26/2020 7:21 PM
54	50	12/24/2020 10:57 AM
55	7	12/21/2020 5:43 PM
56	1	12/21/2020 5:18 PM
57	1	12/19/2020 10:10 AM
58	2	12/18/2020 7:09 PM
59	15	12/18/2020 9:28 AM
60	3.5	12/18/2020 7:15 AM
61	5	12/17/2020 4:00 PM
62	10	12/16/2020 7:41 PM
63	5	12/16/2020 6:06 PM
64	8	12/16/2020 1:16 PM
65	0	12/16/2020 11:25 AM
66	1	12/16/2020 10:15 AM
67	8	12/16/2020 10:14 AM
68	60	12/16/2020 9:15 AM
69	0	12/16/2020 8:12 AM
70	1	12/16/2020 5:49 AM
71	1	12/16/2020 3:41 AM
72	2	12/15/2020 10:34 PM
73	6	12/15/2020 9:11 PM
74	My self	12/15/2020 8:45 PM
75	65	12/15/2020 7:30 PM

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

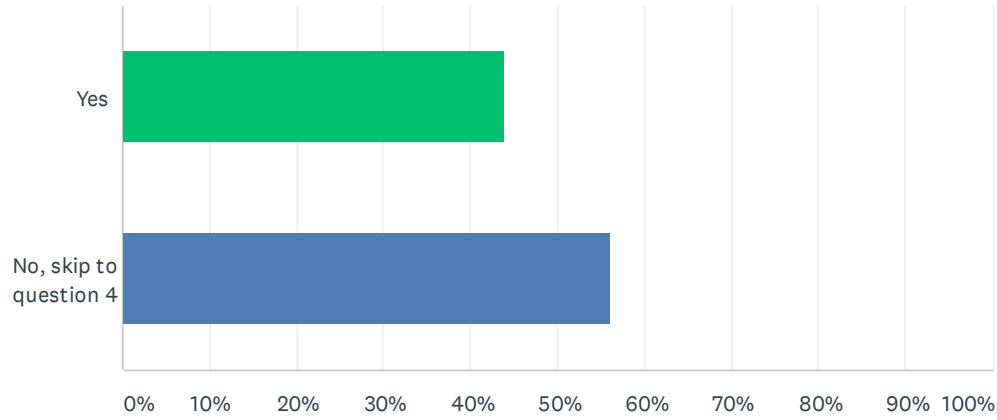
76	0	12/15/2020 6:50 PM
77	5	12/15/2020 6:48 PM
78	Just myself	12/15/2020 5:51 PM
79	4	12/15/2020 4:51 PM
80	1	12/15/2020 4:03 PM
81	0	12/15/2020 3:03 PM
82	7	12/15/2020 2:58 PM
83	4	12/15/2020 2:42 PM
84	1	12/15/2020 2:41 PM
85	8	12/15/2020 2:15 PM
86	1	12/15/2020 2:04 PM
87	1	12/15/2020 2:02 PM
88	2	12/15/2020 1:41 PM
89	7	12/15/2020 1:14 PM
90	2	12/15/2020 1:03 PM
91	2	12/15/2020 12:54 PM
92	20 before pandemic. 7 now.	12/15/2020 12:21 PM
93	6	12/15/2020 12:14 PM
94	0	12/15/2020 12:14 PM
95	6	12/15/2020 12:13 PM
96	0	12/15/2020 12:12 PM
97	2	12/15/2020 11:56 AM
98	22	12/15/2020 11:22 AM
99	7	12/15/2020 11:22 AM
100	2	12/15/2020 11:01 AM
101	11	12/15/2020 10:57 AM
102	1	12/15/2020 10:57 AM
103	Just me	12/15/2020 10:56 AM
104	9	12/15/2020 10:55 AM
105	2	12/15/2020 10:55 AM
106	1	12/15/2020 10:54 AM
107	2	12/15/2020 10:47 AM
108	40	12/15/2020 10:47 AM
109	1	12/15/2020 10:42 AM
110	Self	12/15/2020 10:41 AM
111	0	12/15/2020 10:41 AM
112	0	12/15/2020 10:40 AM
113	1	12/15/2020 10:39 AM

114	14	12/15/2020 10:37 AM
115	5	12/15/2020 10:28 AM
116	5	12/15/2020 10:28 AM
117	4	12/15/2020 10:27 AM
118	90	12/15/2020 10:25 AM
119	2	12/15/2020 10:24 AM
120	1	12/15/2020 10:23 AM
121	self	12/15/2020 10:21 AM
122	0	12/15/2020 10:20 AM
123	3	12/15/2020 10:15 AM
124	3	12/15/2020 10:14 AM
125	12	12/15/2020 10:14 AM
126	5	12/15/2020 10:12 AM

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q2 Is your business in danger of closing in the next 12 months?

Answered: 132 Skipped: 0

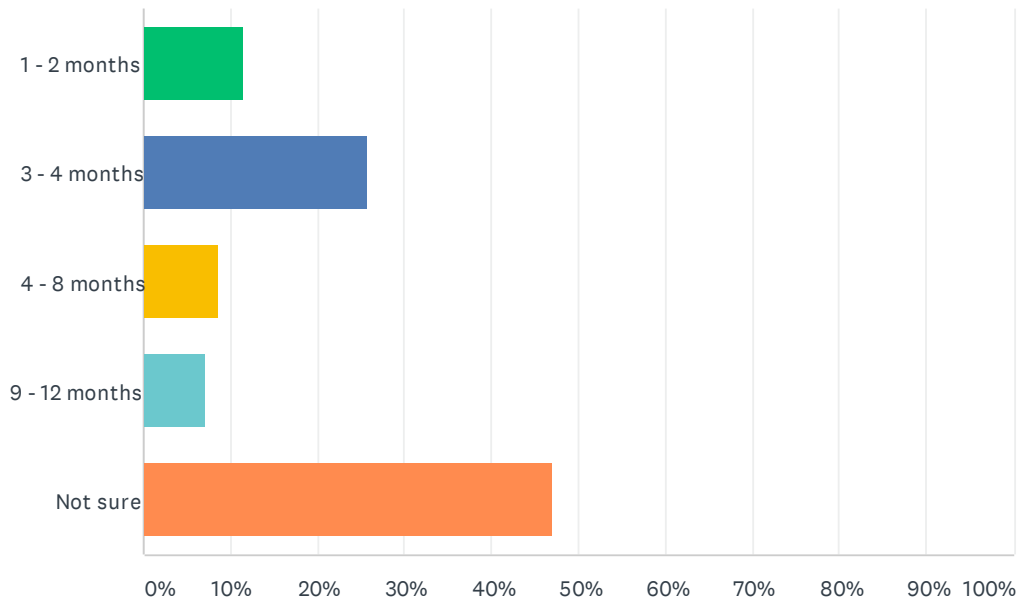


ANSWER CHOICES	RESPONSES	
Yes	43.94%	58
No, skip to question 4	56.06%	74
TOTAL		132

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q3 To the best that you can predict, how long can you continue to remain open?

Answered: 70 Skipped: 62

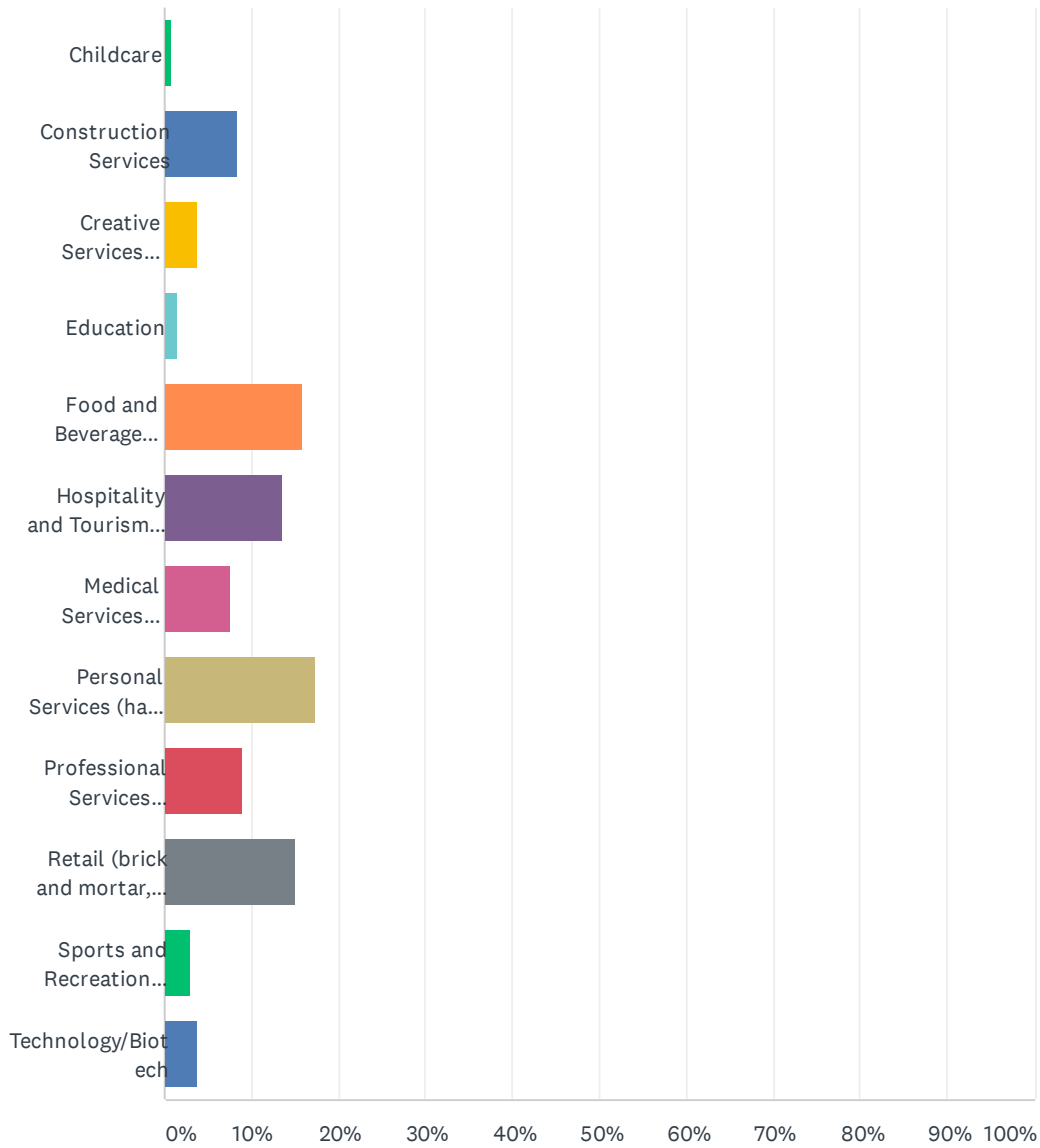


ANSWER CHOICES	RESPONSES	
1 - 2 months	11.43%	8
3 - 4 months	25.71%	18
4 - 8 months	8.57%	6
9 - 12 months	7.14%	5
Not sure	47.14%	33
TOTAL		70

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q4 What industry are you primarily involved in? *

Answered: 132 Skipped: 0



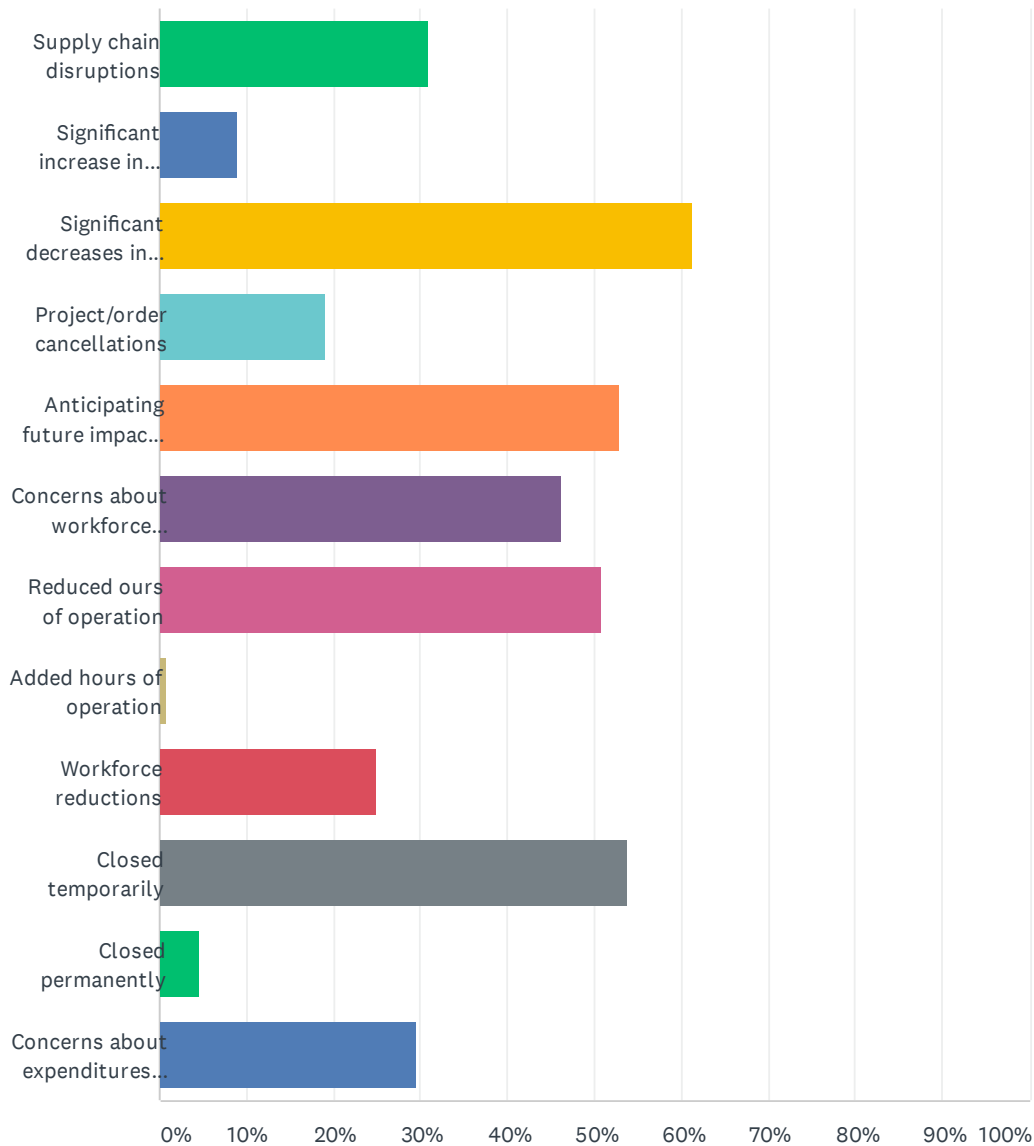
Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

ANSWER CHOICES	RESPONSES	
Childcare	0.76%	1
Construction Services	8.33%	11
Creative Services (artist, media, photography, architecture, advertising, marketing, performing arts, etc.)	3.79%	5
Education	1.52%	2
Food and Beverage Services (restaurants, fast food, casual, breweries, wineries, distilleries, distribution, etc.)	15.91%	21
Hospitality and Tourism (lodging, travel, tours, marine activities, attractions, etc.)	13.64%	18
Medical Services (dental, general practice, mental health, etc.)	7.58%	10
Personal Services (hair salons, massage, acupuncture, caregiver, personal assistant, etc.)	17.42%	23
Professional Services (attorneys, accountants, etc.)	9.09%	12
Retail (brick and mortar, online, home-based, antiques, clothing, jewelry, etc.)	15.15%	20
Sports and Recreation (fitness, bike shops, surfing, etc.)	3.03%	4
Technology/Biotech	3.79%	5
TOTAL		132

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q5 Tell us how your business has been impacted by COVID-19. Check all that apply.

Answered: 132 Skipped: 0



Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

ANSWER CHOICES	RESPONSES	
Supply chain disruptions	31.06%	41
Significant increase in consumer demand	9.09%	12
Significant decreases in consumer demand	61.36%	81
Project/order cancellations	18.94%	25
Anticipating future impacts due to closures and delays	53.03%	70
Concerns about workforce health and safety	46.21%	61
Reduced ours of operation	50.76%	67
Added hours of operation	0.76%	1
Workforce reductions	25.00%	33
Closed temporarily	53.79%	71
Closed permanently	4.55%	6
Concerns about expenditures/purchasing supplies crucial to operations	29.55%	39
Total Respondents: 132		

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q6 In a few words, please tell us about your most immediate business need(s).

Answered: 99 Skipped: 33

#	RESPONSES	DATE
1	I need increased foot traffic and customers.	1/11/2021 3:20 PM
2	Web and tech help, clients and ability to practice massage. money rot stay open	1/10/2021 11:37 PM
3	Keeping the kids safe, staffing issues, getting necessary supplies to keep facility sterilized	1/10/2021 8:51 PM
4	lack of foot traffic in Capitola Village has caused us to close our Capitola location temporarily. The sales were not there to support the staff needed and we are eating the rent.	1/10/2021 1:44 PM
5	More dogs to walk? Don't think you can help me there...!	1/9/2021 9:13 AM
6	Paying rent and expenses	1/8/2021 6:51 PM
7	Money. I've paid 100% of my rent, my permits and required taxes - IN FULL - during the last 10 months. My sales are DOWN 60% overall from 2019. How about cutting those fees by the same % amount?? I don't want a loan. That just puts me in debt.	1/7/2021 12:35 PM
8	It's a rough situation. Grants would help.... I'm \$5000 over the limit to apply for the grant which is so unfair because my business is down almost a million. so I can't apply. I have 4 store fronts and all were heavily affected. another round of pp loans would help.	1/6/2021 8:56 PM
9	Funding, in a Grant form to help pay rent, utilities, payroll, & operate safely would be beneficial to my business being able to remain open. The PUA assistance does not aid enough, compared to my regular income prior to the Covid-19 Pandemic. If you make over a certain amount, it is considered "excessive earnings" & no funding is aided. I believe the weekly amount is around \$167/week. This is not enough to operate a business on.	1/6/2021 6:45 PM
10	Need financial support	1/6/2021 1:05 PM
11	We opened a week before lockdown, so we've been hit very hard and have been unable to receive federal, state, or local resources.	1/6/2021 11:49 AM
12	money to pay employees and operating expense that I continue to receive.	1/6/2021 10:22 AM
13	Financial structure! Help from the community.	1/6/2021 9:52 AM
14	Cash!	1/6/2021 6:28 AM
15	Funding, The demand to alter and added training and stay within the operational guidelines to stay open has cost us to use out of pocket expenses. There is no funding available to cover these expenses. which put us into deeper debt.	1/5/2021 10:22 PM
16	The most important need is for families to feel safe in the community so that they want their children out of the house participating in in person classes.	1/5/2021 4:01 PM
17	Due to the medical fragility of my patients, and disruptions in PPE supply access, I had to move my healthcare business online. Poor internet and cellular access at my home office location in the mountains has been the primary barrier to continuing business. This led to me relocating in recent weeks and I am unsure whether I will be able to continue serving the Capitola community when it is safe to return to in-person patient care.	1/5/2021 3:14 PM
18	Need financial aid	1/5/2021 2:56 PM
19	That business opens up again. My business has started to recover. However, It is down 45% this year. I also training new people so the expenses are high and income so so. Rent would be very helpful.	1/5/2021 2:22 PM
20	none	1/5/2021 1:45 PM
21	Vaccinations to begin. Borders to open up for travel	1/5/2021 1:24 PM
22	I am in the tourist oriented business in Capitola. Vacation rentals. Also food business	1/5/2021 1:17 PM
23	People including me need to feel safe being near others	1/5/2021 12:10 PM
24	This is a new business through my home in Capitola. Due to Covid, I had to give up my other business, an acupuncture office in Santa Cruz. I now rent space in someone else's office in Santa Cruz, but am not working due to Covid.	1/5/2021 11:38 AM
25	To reopen.	1/5/2021 11:37 AM

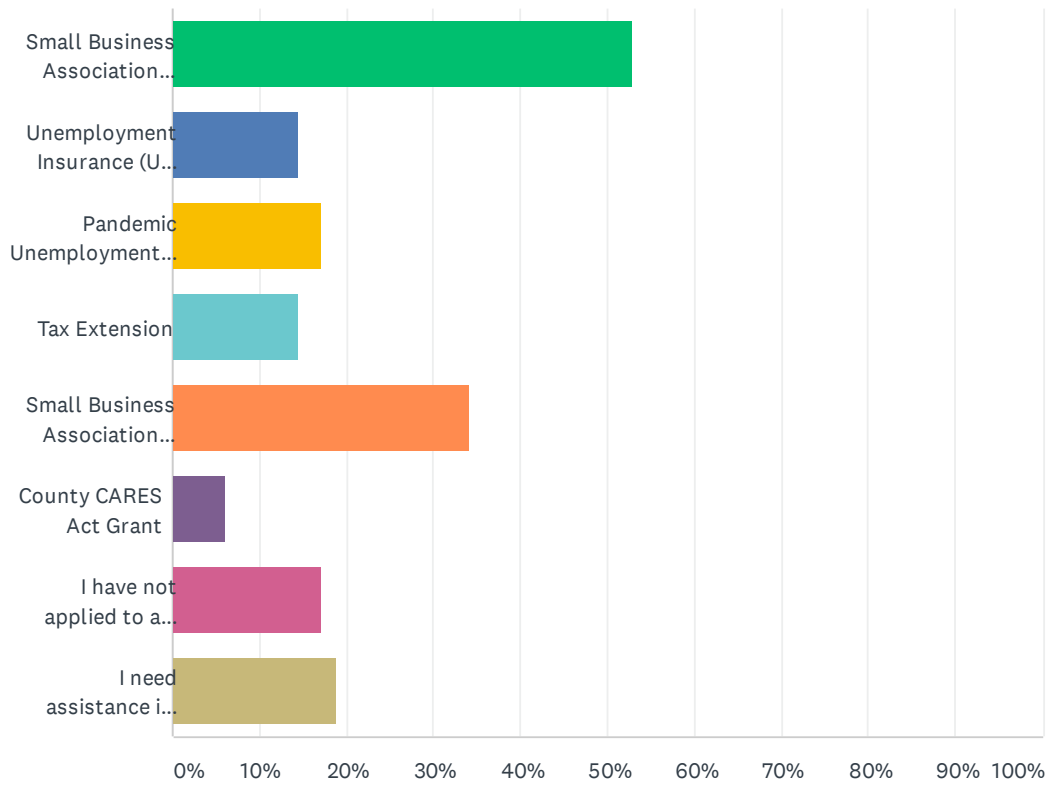
26	healthy employees	1/5/2021 11:34 AM
27	OPEN UP CALIFORNIA SO PEOPLE CAN GO BACK TO WORK!	1/5/2021 11:34 AM
28	National vaccination.	1/5/2021 11:31 AM
29	grant for rent and inventory	1/5/2021 10:19 AM
30	To be open	1/5/2021 10:14 AM
31	Getting my main employee back to work, to take the load off me	1/5/2021 10:13 AM
32	We need to be allowed to stay open	1/5/2021 10:06 AM
33	Ability to remain open.	1/5/2021 10:04 AM
34	Better Direction to employers regarding workplace rules during COVID crisis. (i.e. restrooms etc.)	1/5/2021 10:00 AM
35	Need to relocate and down size ASAP. We currently have 18k sq ft and if we can get down to 10k we can cut our cost and stay in business. Capitola doesn't have many spots for me to go and something would need to be changed from retail to c4 so I could move in. PLEASE HELP!!!	1/5/2021 9:58 AM
36	Materials	1/5/2021 9:57 AM
37	As we are in Commercial Insurance Industry, when business is down with our clients, our revenue is down. Simple trickle down economics.	1/5/2021 9:56 AM
38	Need of financial assistance for lease payments, utilities and payroll	1/5/2021 9:54 AM
39	Economic recovery. Nationwide	12/28/2020 7:39 PM
40	Re-open hair salons. We are operating safely. Cash to pay rent or rent waivers.	12/26/2020 7:21 PM
41	PPE supplies	12/24/2020 10:57 AM
42	In addition to PPP, we got an SBA loan. That is the sole reason we are not currently in jeopardy of closing. However, if we cannot get profitable, it would be best to use the money to pay off debt and close the doors.	12/21/2020 5:43 PM
43	staying open	12/21/2020 5:18 PM
44	Normalized economy and social health situauton	12/19/2020 10:10 AM
45	We need more opportunity to sell our products.	12/18/2020 7:09 PM
46	payroll	12/18/2020 9:28 AM
47	FUNDS FOR PAYROLL & RENT	12/17/2020 4:00 PM
48	My business is operating as normal with increased sales to date over last year.	12/16/2020 7:41 PM
49	reduction in rents, tax credits, cash flow	12/16/2020 6:06 PM
50	capital to continue operation	12/16/2020 1:16 PM
51	Customers are scared to come in, and even when we have demand, we are only allowed to operate at 25%. We are about to be shut down again. Already shut down for 17 weeks of 2020. income dwindling. struggling to feed family, pay bills.	12/16/2020 10:15 AM
52	Capital to pay bills for our business that has been closed since March. We are still paying rent, pge, internet, garbage and insurance	12/16/2020 10:14 AM
53	Supplies and customers	12/16/2020 5:49 AM
54	Funds for rent and advertising	12/16/2020 3:41 AM
55	Open up the wedding business	12/15/2020 10:34 PM
56	Finance support	12/15/2020 9:11 PM
57	Relief from landlord's lease. Our landlord has offered no forgiveness for any kind to any of the remaining tenants of the Mercantile, in fact has owner has demanded full payment with rent	12/15/2020 6:48 PM

	increases. This will force us to shutter in two to three months.	
58	Things are fine at the moment. My future concern is how long-term unemployment will impact real estate values	12/15/2020 5:51 PM
59	Finance	12/15/2020 4:51 PM
60	Small salon business help with rent	12/15/2020 4:03 PM
61	As a self-employed independent contractor, I run my business from home. I have been using savings and credit to cover home mortgage and living expenses. Since business development is not feasible in the current climate, I have limited business operation costs to absolute minimum to save money.	12/15/2020 3:03 PM
62	It is hard to predict what our needs might be in 2021 and beyond, however we don't have any current needs.	12/15/2020 2:58 PM
63	Paying rent and supplies and employees.	12/15/2020 2:42 PM
64	To pay for our lease and bills while we are closed and not making any income	12/15/2020 2:15 PM
65	Annual business fees, liability insurance fees, vehicle repairs, maintenance and loan payments, web page maintenance. Just staying in business costs about \$11,000 annually.	12/15/2020 2:04 PM
66	Cash and /or lack of funds for mortgage.	12/15/2020 2:02 PM
67	We loan or grant to sustain	12/15/2020 1:41 PM
68	Money supply	12/15/2020 1:14 PM
69	Money	12/15/2020 1:03 PM
70	Revenue	12/15/2020 12:54 PM
71	Continued regulatory relief and rent assistance.	12/15/2020 12:21 PM
72	Our outdoor seating is what is helping us . Without it we don't have any business. My biggest concern is winter. Tents are to expensive to purchase. We need help.	12/15/2020 12:18 PM
73	Any revenue to continue paying down debt, paying employees and paying for past and future orders	12/15/2020 12:14 PM
74	payment of the lease, all employees have been let go	12/15/2020 12:14 PM
75	Need more renters	12/15/2020 12:12 PM
76	I've received no government assistance and have been denied pua from the edd also. I have taken a small business loan out and watch that money dwindle away while the pandemic has caused my sales to be around 75% less than it would be.	12/15/2020 11:56 AM
77	Cash flow...healthy workers	12/15/2020 11:51 AM
78	We need cash flow to pay mortgage	12/15/2020 11:22 AM
79	Need financial assistance to keep my employees and pay rent. I also need to make some building changes for safety, like being able to open the windows.	12/15/2020 11:22 AM
80	Cash. Hard to pay bills or make payroll with loss in demand and closures due to COVID.	12/15/2020 11:01 AM
81	winter operation will be almost impossible unless we can go back to in door dining	12/15/2020 10:57 AM
82	Financial support	12/15/2020 10:57 AM
83	We need financial help to stay open.	12/15/2020 10:55 AM
84	I can't think of anything	12/15/2020 10:55 AM
85	Money. Grant's or forgivable loans.	12/15/2020 10:54 AM
86	As a vacation rental owner I am interested in seeing the businesses associated with tourism staying open and able to serve visitors to the area...especially shops, restaurants and special events such as the Art and Wine Festival.	12/15/2020 10:47 AM
87	Money to keep people employed and pay rent	12/15/2020 10:47 AM

88	The tourists being bused into the area have no positive impact on my vacation rental home. They are a nuisance as they climb on our beach houses to take photos damaging the historical beach homes. They come in front of the venetian beach homes on the walkways not wearing masks. The city has not done anything to alleviate the problem.	12/15/2020 10:42 AM
89	We had 33 weddings on the books I. 2020. We did 6 and scaled back. We are schedule 2021 but it's only penciled in.	12/15/2020 10:41 AM
90	To be able to operate the gym, to be open to the public for business. Revenue to pay operating expenses.	12/15/2020 10:39 AM
91	Additional capital may be needed in 2021 depending on how the year goes.	12/15/2020 10:37 AM
92	Matl shortages causing delays in build out, landlord unwilling to share Covid related costs	12/15/2020 10:30 AM
93	having a successful business while protecting team members , patients and our community	12/15/2020 10:28 AM
94	Maintaining a safe working environment. Patients and employee numbers in the building	12/15/2020 10:28 AM
95	Decreasing hotel occupancy/revenue due to pandemic and government restrictions.	12/15/2020 10:25 AM
96	Help with back rent and utilities	12/15/2020 10:24 AM
97	customers!	12/15/2020 10:23 AM
98	Help with rent so the office can continue until after covid ends. Also business income needs help.	12/15/2020 10:20 AM
99	Not having my rent raised.	12/15/2020 10:14 AM
100	When we don't have enough staff because they have called in with possible COVID symptoms.	12/15/2020 10:14 AM

Q7 Please select all of the federal, state or local resources your business has utilized:

Answered: 117 Skipped: 15

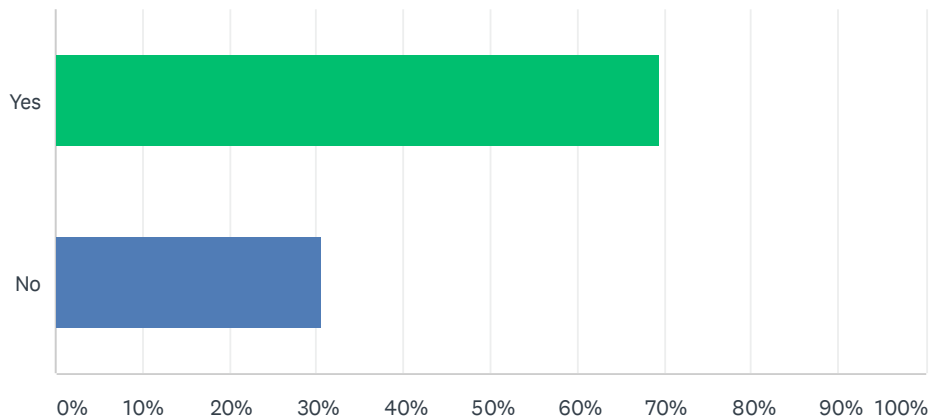


ANSWER CHOICES	RESPONSES	
Small Business Association Paycheck Protection Program	52.99%	62
Unemployment Insurance (UI) Work Sharing Program	14.53%	17
Pandemic Unemployment Assistance (PUA)	17.09%	20
Tax Extension	14.53%	17
Small Business Association Economic Injury Disaster Loan (EIDL)	34.19%	40
County CARES Act Grant	5.98%	7
I have not applied to any of the above and do not intend to apply	17.09%	20
I need assistance in determining what funding programs might be best for me	18.80%	22
Total Respondents: 117		

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q8 The City of Capitola may receive Federal Grant funds to assist local businesses which have been negatively impacted by COVID-19. The grant money may be utilized by a business to cover rent, utilities, and Covid-19 related improvements. The grant funds would not require repayment. To qualify, fifty percent of the employees must be below moderate-income levels (1 person household \$74,350 max; 2 person household \$85,000 max). Would you be interested in applying for a grant?

Answered: 124 Skipped: 8

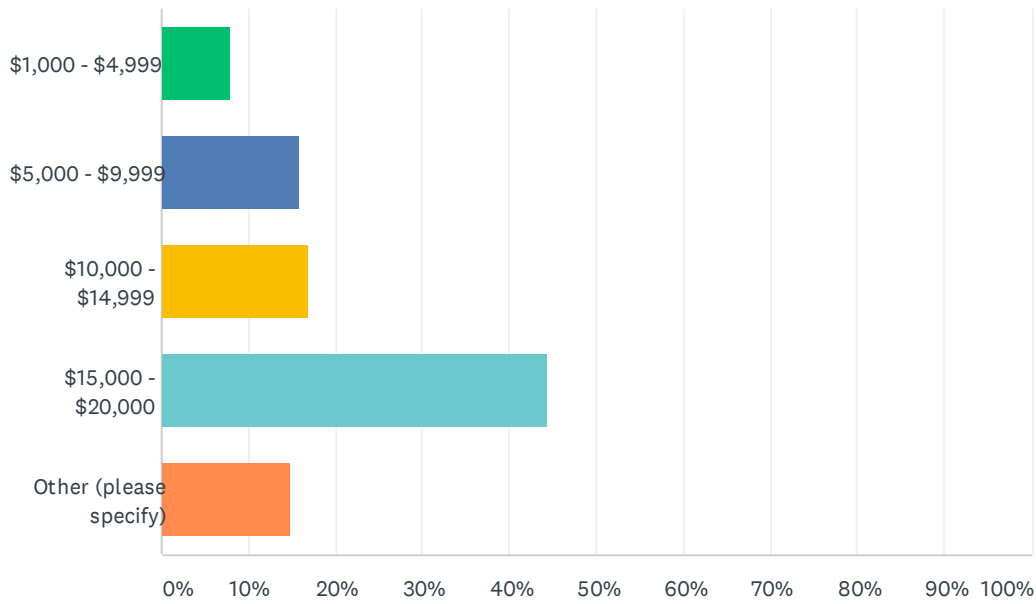


ANSWER CHOICES	RESPONSES	
Yes	69.35%	86
No	30.65%	38
TOTAL		124

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q9 If you answered yes to Question 8 (Grant), please estimate the amount of funds you would apply for to help your business remain open.

Answered: 88 Skipped: 44

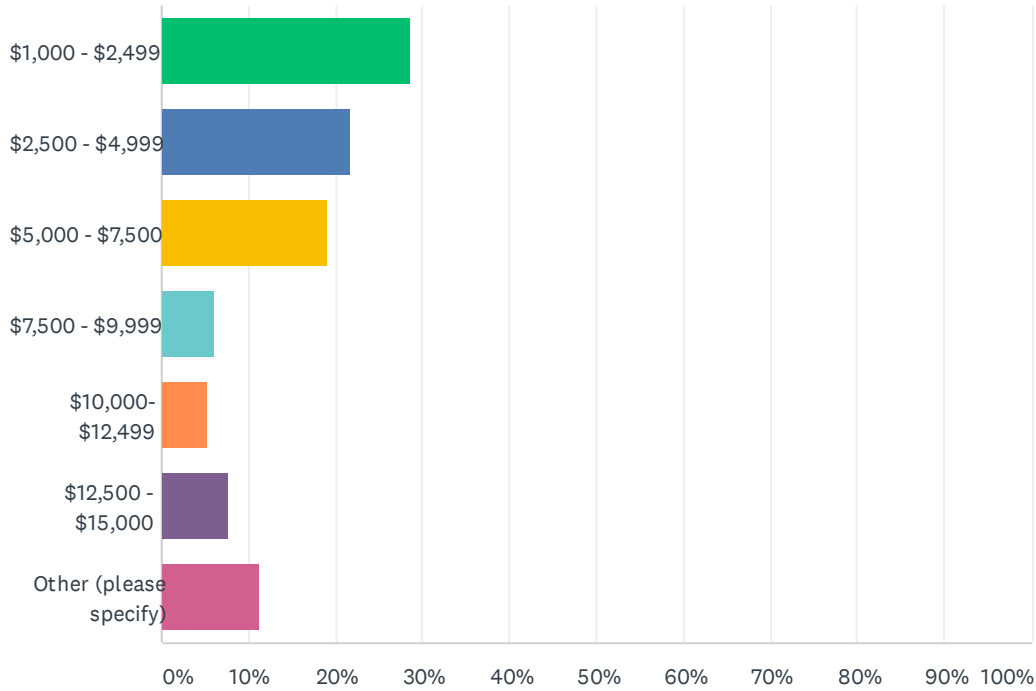


ANSWER CHOICES	RESPONSES
\$1,000 - \$4,999	7.95% 7
\$5,000 - \$9,999	15.91% 14
\$10,000 - \$14,999	17.05% 15
\$15,000 - \$20,000	44.32% 39
Other (please specify)	14.77% 13
TOTAL	88

Attachment: Capicola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q10 Estimate the amount of funds necessary to cover 1 month of rent/mortgage and utilities for your business.

Answered: 115 Skipped: 17

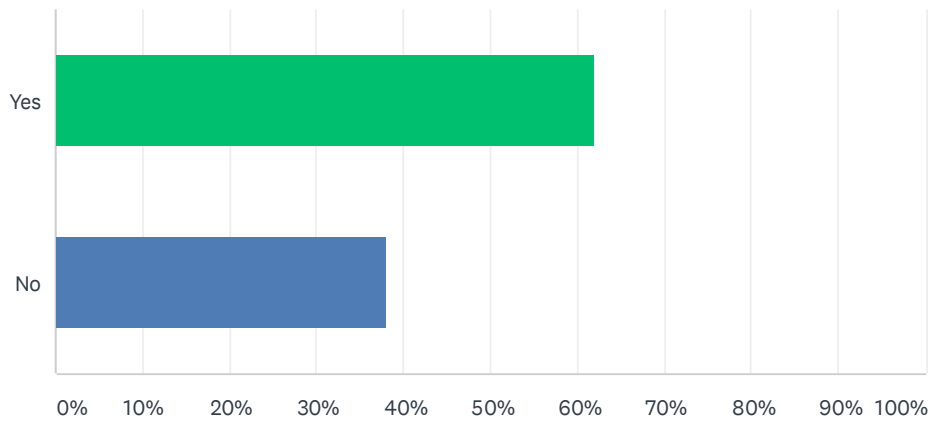


ANSWER CHOICES	RESPONSES	
\$1,000 - \$2,499	28.70%	33
\$2,500 - \$4,999	21.74%	25
\$5,000 - \$7,500	19.13%	22
\$7,500 - \$9,999	6.09%	7
\$10,000- \$12,499	5.22%	6
\$12,500 - \$15,000	7.83%	9
Other (please specify)	11.30%	13
TOTAL		115

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q11 The City of Capitola is one of the recipients of a county-wide Revolving Loan Fund (RLF) focused on helping local businesses maintain operations through the pandemic. After the first of the year local businesses will be able to apply for funds. Are you interested in learning more about the RLF?

Answered: 129 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	62.02%	80
No	37.98%	49
TOTAL		129

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)

Q12 Santa Cruz County's Small Business Development Center (SBDC) is a premier hub of experts experienced in Mainstreet, tech street, and agribusiness. Business owners and aspiring entrepreneurs receive free in-depth advising and low-cost training to obtain capital, launch businesses, grow sales and create jobs. If you are interested in engaging with the SBDC, please include your area of interest below.

Answered: 48 Skipped: 84

Q13 Please provide your contact information so we may better serve you with information on available funding and training. This information will not be published.

Answered: 117 Skipped: 15

ANSWER CHOICES	RESPONSES	
Name	99.15%	116
Company	94.87%	111
Address	90.60%	106
Address 2	0.00%	0
City/Town	0.00%	0
State/Province	0.00%	0
ZIP/Postal Code	0.00%	0
Country	0.00%	0
Email Address	99.15%	116
Phone Number	95.73%	112

Attachment: Capitola Business Covid-19 Survey Results (CDBG-CV Grant #2)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 28, 2021

FROM: Capitola Police Department

SUBJECT: Consider a Resolution Accepting a Tobacco Grant

RECOMMENDED ACTION: Adopt a resolution accepting a California Department of Justice Tobacco Grant Funding of \$21,036 to support education, enforcement, and training and authorize amending the Fiscal Year 2020/21 general fund operating budget to increase revenues and expenditures by \$21,036; consider the formation of a Tobacco Grant focus group to assist with local youth education and outreach efforts.

BACKGROUND: The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) provides local public agencies with funding to promote a healthier California by reducing illegal sales and marketing of cigarettes and tobacco products, including e-cigarettes, to minors. The Office of the Attorney General makes these annual funds available to local law enforcement agencies through the California Department of Justice Tobacco Grant Program.

DISCUSSION: In February 2020, staff researched grant opportunities specific to tobacco-related issues including, compliance, education, and enforcement. In July 2020, the California Department of Justice announced the FY 20/21 Tobacco Grant Program and requested proposals from agencies wishing to participate. Staff applied for and was awarded the proposed two-year Tobacco Grant. The purpose of this grant is for officers to perform retailer compliance checks, retailer training programs, public education outreach, parent engagement and education, tobacco retail inspections, and prevention/deterring use of tobacco products on school premises.

With Council concurrence, staff proposes forming a focus group comprised of local stakeholders, including Santa Cruz County Public Health, New Brighton Middle School, and potentially a City Council representative. The groups' involvement will be to provide valuable input to satisfy our grant objectives by identifying the most effective means to deliver youth outreach and education concerning tobacco use and prevention.

FISCAL IMPACT: This two-year program is a reimbursement grant. The funds from this grant must be used for grant-related overtime, equipment, and supplies.

ATTACHMENTS:

1. Capitola PD Acceptance Letter

2021 Tobacco Grant *
January 28, 2021

2. PD Tobacco Grant RESO
3. NBMS Support Letter
4. Tobacco Grant - PD Budget Amendment

Report Prepared By: Andrew Dally
Police Captain

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 1/22/2021

XAVIER BECERRA
Attorney General

State of California
DEPARTMENT OF JUSTICE



DIVISION OF OPERATIONS
TOBACCO GRANT PROGRAM
P.O. BOX 160187
SACRAMENTO, CA 95816-0187
Telephone: (916) 210-6422
E-Mail Address: TobaccoGrants@doj.ca.gov

December 31, 2020

Andrew Dally,
Police Captain
Capitola Police Dept.
422 Capitola Avenue
Capitola, CA 95010

Re: Tobacco Grant Award Notification FY 20/21

Dear Andrew Dally:

Congratulations! On behalf of the California Department of Justice, I am excited to inform you that your agency's grant application for funds authorized under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 has been approved for Funding in the amount of \$21,036¹.

The California Department of Justice was excited to receive applications totaling over \$82 million to support local law enforcement agencies in educating minors about the harms of tobacco products, enforcing state and local tobacco laws, and conducting retailer enforcement. Consequently, some awards were approved with modifications.

In order to accept the award, your agency must, within 15 calendar days of the date of this letter, respond with a signed Letter of Intent (template attached) affirming either 1) your agency will seek a resolution to accept the award, if your agency has a governing body; or 2) no governing body exists and no resolution is required. The letter can be sent via email to TobaccoGrants@doj.ca.gov with subject line "FY 20-21_Letter of Intent_[Agency Name]" and/or hard copy to:

CA Department of Justice
Division of Operations
Tobacco Grant Program
P.O. Box 160187
Sacramento, CA 95816-0187

If the Letter of Intent is **only** being sent via hard copy, it must be postmarked within 15 days of the date of this letter. Upon receipt of the Letter of Intent, the Local Assistance Unit

¹Award amounts are subject to change due to appeals or declinations of awards.

December 31, 2020

Page 2

within the California Department of Justice will provide documents as part of your grant agreement (Memorandum of Understanding, Handbook, etc.).

Also provided with the electronic version of this letter is the approved Budget Detail which will reflect any necessary modifications. If you wish to realign the approved funds, please reference the attached instruction sheet and return your revised Budget Detail with your letter of intent.

If you have any questions about this process, please do not hesitate to contact me at (916) 210-7006 or at TobaccoGrants@doj.ca.gov.

Sincerely,



STACY HEINSEN
Manager, Tobacco Grant Program

For XAVIER BECERRA
Attorney General

Attachment: Capitola PD Acceptance Letter (2021 Tobacco Grant *)

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AMENDING THE FISCAL YEAR 2020-21 BUDGET

WHEREAS, the Capitola Police Department is a recipient of a California Department of Justice Tobacco grant and

WHEREAS, a budget amendment must be enacted before funds can be accepted and expended for their intended and legally mandated purposes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola hereby accepts a California Department of Justice Tobacco Grant Program grant of \$21,036 and authorizes an amendment to the FY 2020-21 Police Department budget by increasing both revenues and expenditures by \$21,036 as follows:

Category	FY 2020-21 Budget Amendment
Revenue	
State Government Grants	\$21,036
Expenditures	
Overtime Grant funded	\$ 21,036

BE IT FURTHER RESOLVED that the Finance Department shall record these changes into the City's accounting records in accordance with appropriate accounting practices.

BE IT FURTHER RESOLVED that these grants will be expended pursuant to the conditions of the grant program.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 28th day of January, 2021, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Mette Brooks, Mayor

ATTEST:

Chloe Woodmansee, City Clerk

Attachment: PD Tobacco Grant RESO (2021 Tobacco Grant *)



New Brighton Middle School

A California Distinguished School

www.nbms.santacruz.k12.ca.us

July 23, 2020

Craig Broadhurst
Principal
cbroadhurst@suesd.org

Christina Hadreas
Assistant Principal
chadreas@suesd.org

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Office Manager
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250 Washburn Ave
Capitola, CA 95010
831-464-5660
FAX 464-5515

To Whom It May Concern:

I am writing this letter in support of Captain Andrew Dally and Capitola Police Department's (CPD) application for at Proposition 56 Tobacco Enforcement Grant. New Brighton Middle School/Soquel Union Elementary School District and the CPD have always enjoyed a strong, positive relationship of mutual support. CPD assists us regularly in maintaining a safe and healthy school environment.

The grant will enable CPD and NBMS to collaborate in the area of tobacco use prevention via educating students. Furthermore, it will allow CPD to examine best practices regarding tobacco use prevention, and for the department to become more knowledgeable about crime problems associated with tobacco use, and the spatial occurrence of sales. This information will also be used to help educate and prevent tobacco use among NBMS students.

I am confident that CPD will achieve the goals they have regarding the Tobacco Enforcement Grant, and that they will positively affect and reduce tobacco use by NBMS students. I give my full support to CPD regarding their grant request, thank you for considering their application and please contact me if you have further questions.

Sincerely,

Craig Broadhurst
Principal
New Brighton Middle School

Attachment: NBMS Support Letter (2021 Tobacco Grant *)

City of Capitola Budget Adjustment Form



Date 1/21/2021

Requesting Department Police

Administrative Council

Item # TBD

Council Date 1/28/2021

Council Approval _____

Revenues		
Account #	Account Description	Increase/Decrease
1000-20-20-000-3320.100	State Government Grants	21,036
Total		21,036

Expenditures		
Account #	Account Description	Increase/Decrease
1000-20-20-000-4130.200	Overtime Grant funded	21,036
Total		21,036

Net Impact -

Purpose: CA Dept. of Justice Tobacco grant budget

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

Attachment: Tobacco Grant - PD Budget Amendment (2021 Tobacco Grant *)