



AGENDA COVER
Regular Joint Meeting of the
**CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY**
MEETING DATE: THURSDAY, OCTOBER 27, 2011

CITY COUNCIL CHAMBERS: 420 CAPITOLA AVENUE, CAPITOLA

CLOSED SESSION
REGULAR JOINT MEETING

6:00 P.M.
7:00 P.M.

Elected Officials

Dennis Norton, Mayor
Michael Termini, Vice Mayor
Stephanie Harlan, Council Member
Kirby Nicol, Council Member
Sam Storey, Council Member

Jacques Bertrand, City Treasurer

City Staff Members

Jamie Goldstein, City Manager
John G. Barisone, City Attorney
Pamela Greeninger, City Clerk
Mike Card, Chief of Police
Derek Johnson,
Community Development Director
Steven Jesberg, Public Works Director
Lisa Murphy,
Administrative Services Director

Notice regarding City Council/Redevelopment Agency Meetings: The Capitola City Council and Redevelopment Agency meet jointly on the 2nd and 4th Thursday of each month at 7:00 p.m., in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The City Council/Redevelopment Agency Agenda and the complete agenda packet are available on the Internet at the City's website: www.ci.capitola.ca.us. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. 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/Redevelopment Agency meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed at 12:00 Noon on the Saturday following the meetings 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.ci.capitola.ca.us by clicking on the Home Page link "View Capitola Meeting Live On-Line." Archived meetings can be viewed from the website at anytime.

It is the intent of the City Council to adjourn by 11:30 p.m.



AGENDA

Regular Joint Meeting of the CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY Thursday, October 27, 2011

6:00 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE

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/Redevelopment Agency Directors on closed session items only.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Surf and Sand, LLC, vs. City of Capitola, et al. (Surf & Sand Mobile Home Park) [Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]

Surf and Sand, LLC, vs. City of Capitola, et al. (Surf & Sand Mobile Home Park) [U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]

Bill Newman, et al. (residents of Surf & Sand Mobile Home Park) vs. Surf and Sand, LLC, Ronald Reed, et al. (Surf and Sand, LLC; Ronald Reed, Cross-Complainants vs. City of Capitola) [Superior Court County of Santa Cruz, Unlimited Jurisdiction, Case No. CV 171783]

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:

- Three cases:
- 1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park
 - 2) Pacific Cove Mobile Home Park Flooding and Closure
 - 3) Save the Plastic Bag Coalition v. County of Santa Cruz

7:00 P.M. - REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY

ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members/Directors Harlan, Termini, Nicol, Storey,
and Mayor/Chairperson Norton

*** * * PRESENTATIONS * * ***

Presentation by Laura E. Segura,
Executive Director of Women's Crisis Support

1. REPORT ON CLOSED SESSION

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

B. Public Comments

Oral Communications allows time for members of the Public to address the City Council/Redevelopment Agency on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

C. Staff Comments

D. City Council/RDA Director/Treasurer Comments/Committee Reports

City Council Members/Redevelopment Agency Directors/City Treasurer may comment on matters of a general nature or identify issues for staff response or future council/RDA consideration. Council Members/RDA Directors/Committee Representatives may present oral updates from standing committees at this time.

E. Committee Appointments

F. Approval of Check Register Reports

1) City: Approval of City Check Register Reports dated October 7 and October 14, 2011.

2) RDA: Approval of Redevelopment Agency Check Register Report dated October 7, 2011.

3. CONSENT CALENDAR

All matters listed under "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 public or the City Council/Redevelopment Agency request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following "Other Business."

A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.

3. CONSENT CALENDAR - Continued

- B. City/RDA: Approve Minutes of the Regular Joint Meeting of the City Council/Redevelopment Agency of September 22, 2011, and the Special Joint Study Session Meeting of the City Council, Redevelopment Agency, and the Finance Advisory Committee of October 12, 2011.
- C. Receive Planning Commission Action Minutes for the Regular Meeting of October 20, 2011.
- D. Accept update report on the Rispin Property Hazard Abatement Project and, by 4/5 vote approval, make the determination that all hazards at the Rispin Property have not been eliminated and there is need to continue action.
- E. Adopt Ordinance Amending Sections 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of the Capitola Municipal Code pertaining to the use of Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware [2nd Reading].
- F. Receive the Quarterly Departmental Financial Report for First Quarter Ending September 30, 2011.
- G. RDA: Receive RDA Quarterly Treasurer's Report for the quarter ended June 30, 2011.

4. PUBLIC HEARINGS

Public Hearings are intended to provide an opportunity for public discussion of each item listed as a Public Hearing. The following procedure is followed for each Public Hearing listed: 1) Staff Explanation; 2) Public Discussion; 3) Council Comments; 4) Close public portion of the Hearing; 5) City Council discussion; and 6) Decision.

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.

4. PUBLIC HEARINGS - Continued

A. Public Hearing to consider Zoning Code Amendments to Title 17 of the Capitola Municipal Code called for in the City's Housing Element. Presentation: Community Development Department.

1) Ordinance Adding Section 17.99.035 pertaining to Allowed Density, and Amending Sections 17.99.040, 17.99.060, and 17.99.070, pertaining to Secondary Dwelling Units [1st Reading];

2) Ordinance Adding Chapter 17.100 and Section 17.03.572 regarding Single Room Occupancy Units, Adding Chapter 17.101 and Section 17.03.573 regarding Small Ownership Units, and Amending Sections 17.22.050, 17.24.060, and 17.27.060 to Allow Single Room Occupancy Units and Small Ownership Units in Commercial/Residential (CR), Neighborhood commercial (CN), and Community Commercial (CC) Zoning Districts [1st Reading];

3) Ordinance Adding Chapter 17.70 to the providing a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations Pursuant to Fair Housing Laws [1st Reading];

4) Ordinance Amending Section 17.36.040 to Add Subsection H. pertaining to Emergency Shelters [1st Reading]; and

5) Ordinance Amending Chapter 17.03 by Adding Sections 17.03.665 and 17.03.688 to define Supportive Housing and Transitional Housing to provide that those uses are and shall be subject only to those Restrictions on Residential Uses applicable to the type of Residential Structure Involved [1st Reading].

5. OTHER BUSINESS

A. Consider recommendations pertaining to Community Development Director and Finance Director vacancies. Staff recommendation:

- 1) authorize the City Manager to execute a Professional Services Agreement in an amount not to exceed \$70,000 with Susan Westman for Interim Community Development Director;
- 2) authorize the City Manager to proceed with recruitment for a full time Finance Director; and
- 3) adopt a resolution amending the FY2011-12 budget approving associated budget revisions.

5. OTHER BUSINESS - Continued

- B. SB 375 Sustainable Community Strategy for Greenhouse Gas Emission Reduction. Staff recommendation: receive report.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

6. COUNCIL/RDA DIRECTOR/STAFF COMMUNICATIONS

7. ADJOURNMENT

Adjourn to the next Regular Joint Meeting of the City Council/Redevelopment Agency to be held on Thursday, November 10, 2011, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: FINANCE DEPARTMENT
 DATE: October 19, 2011
 SUBJECT: APPROVAL OF CITY CHECK REGISTER REPORTS

Recommended Action: By motion and roll call vote, that the City Council approve the attached Check Register Reports for October 7 and October 14, 2011.

DISCUSSION

The attached Check Registers for:

Date	Starting Check #	Ending Check #	Total Checks	Amount
10/7/11	67735	67789	55	\$93,203.07
10/14/11	67790	67857	68	\$86,057.41
10/7/11 Payroll				\$184,816.30
Total				\$364,076.78

The check register of September 30, 2011 ended with check #67734.

Following is a list of checks issued for more than \$10,000.00, and a brief description of the expenditure:

Check	Issued to:	Dept.	Purpose	Amount
67769	PG&E	PW	Monthly Elec, All Sites	\$12,681.87
67776	Soquel Creek Water Dist.	PW	Semi-Monthly Irrigation Water	\$21,404.97
67801	Desmond, Marcello etal	CM	Appraisal, Pac Cove MHP	\$15,975.00
67848	SCC Auditor-Controller	PD	Citation Surcharges, Aug & Sep	\$22,739.00

On March 28, 2002, Council adopted Ordinance 838, which amended the City Municipal Code as follows:

"3.28.010 Auditing. All claims for salaries and wages of officers and employees and payroll-related withholdings, assessments, and attachments against the treasury of the City and all other claims for payment may be audited and allowed by the City Manager or his/her designee prior to payment thereof."

"3.28.050 Approval. All claims against the City treasury are to be allowed for payment by the City Manager or his/her designee and are to be presented to the City Council as an informational item as part of their regularly scheduled meetings after their issuance for ratification."

RESOLUTION NO. 2683 On September 22, 1994, Resolution No. 2683 was passed and adopted by the City Council. This resolution includes the following text:

Be it hereby resolved by the City Council of the City of Capitola that the City Manager is authorized, as cash shortages arise, to make temporary cash loans between and among the General Fund and all other City funds except the Redevelopment Agency; Special Assessment District funds; and The Village and Beach Parking Fund; and

Be it further resolved that such inter-fund loans shall be repaid by the borrowing fund to the lending fund as soon as, in the opinion of the City Manager, it is fiscally prudent to do so; and

Be it further resolved that the City Manager shall report to the City Council at its next regularly scheduled meeting, the amounts of such Interfund loans actually made; the funds from which and to which such Interfund loans were made; and the anticipated date the loans will be repaid.

The bank statement reconciliation has not been completed for the month. Bank reconciliation is completed and reported in conjunction with the monthly Treasurer's report. All checks on these registers have been deducted from the corresponding fund's cash balance. Interfund loans are not recorded on the financial records on a regular basis, except at year-end for financial reporting purposes.

There are several significant timing issues that create cash flow shortages:

- Triple flip delay of Sales Tax from monthly to December and April (~\$500,000/2x year)
- One quarter of the annual Worker's Compensation premium was paid in July (\$100,000)
- One half of the Self Insurance/Liability annual payment was paid in July (\$32,669)
- One third of the Police Communication JPA annual payment was paid in July (\$146,121)

As of 10/19/11 the total cash available is \$2,144,565. The General Operating Fund has a cash balance of \$197,168. Internal Service Funds (#2210 through #2214) were created for City budget purposes and are reclassified for financial reporting into the General Fund. The Compensated Absences Fund (#2216) has a positive cash balance of \$35,038. The Capital Improvement Projects has a positive cash balance of \$949,650. By Council direction the Emergency Reserves Fund (#1020) may not participate in cash loans; the Emergency Reserves Fund has a fund balance of \$83,990.77.

For cash flow purposes these funds are available to the General Fund. A consolidation of these cash balances results in a cash position of \$2,144,565.

CASH POSITION - CITY OF CAPITOLA 10/19/11

	<u>Net Balance</u>
General Fund	197,168
Worker's Comp. Ins. Fund	74,779
Self Insurance Liability Fund	109,644
Stores Fund	8,165
Information Technology Fund	100,916
Equipment Replacement	105,933
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	363,017
Open Space Fund	256
Capital Improvement Projects	949,650
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u>2,144,565</u>

The Emergency Reserve Fund balance is \$83,990.77 and is not included above.

On a fiscal year basis the City's annual budget balances expenditures and revenue in the General Fund. Due to the timing of revenue receipts, during most of the fiscal year General Fund expenditures will outpace revenue.

To resolve this cash flow issue, loans in the amount of \$1,084,895.66 were made from the following funds to the general fund:

From Contingency Reserve fund: \$734,895.66
From Equipment Replacement fund: \$200,000.00
From Information Technology fund: \$50,000.00
From Self Insurance Liability fund: \$100,000.00

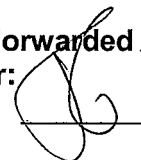
It is anticipated that these loans to General Fund will be repaid by June 30, 2012.

ATTACHMENTS:

Check Registers for October 7 and October 14, 2011.

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
by City Manager:



Checks dated 10/7/11 numbered 67735 to 67789 for a total of \$93,203.07 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 10/7/11 the unaudited cash balance is \$2,034,559

CASH POSITION - CITY OF CAPITOLA 10/7/11

	<u>Net Balance</u>
General Fund	167,868
Worker's Comp. Ins. Fund	74,779
Self Insurance Liability Fund	109,644
Stores Fund	8,388
Information Technology Fund	102,978
Equipment Replacement	105,933
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	274,144
Open Space Fund	256
Capital Improvement Projects	955,531
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>2,034,559</u></u>

The Emergency Reserve Fund balance is \$102,796.92 and is not included above.

On a fiscal year basis the City's annual budget balances expenditures and revenue in the General Fund. Due to the timing of revenue receipts, during most of the fiscal year General Fund expenditures will outpace revenue.

To resolve this cash flow issue, loans in the amount of \$1,084,895.66 were made from the following funds to the general fund:

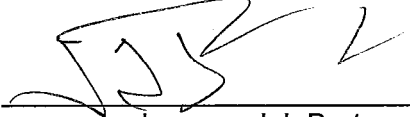
- From Contingency Reserve fund: \$734,895.66
- From Equipment Replacement fund: \$200,000.00
- From Information Technology fund: \$50,000.00
- From Self Insurance Liability fund: \$100,000.00

It is anticipated that these loans to General Fund will be repaid by June 30, 2012.



Jamie Goldstein, City Manager

10/7/11
Date



Jacques J.J. Bertrand, City Treasurer

10.11.11
Date

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67735	10/07/2011	VOID			BEACH HOUSE RENTALS	\$0.00
	Customer Type Standard			Customer Number 10340	Transaction Date 10/06/2011	Transaction Type Prepayment Adjustment
67736	10/07/2011	Open			ACME ROTARY BROOM SERVICE	\$464.39
	Invoice 4136		Date 09/19/2011	Description Sweeper brooms-Fund 1310, Gas Tax		Amount \$464.39
67737	10/07/2011	Open			ALLSAFE LOCK COMPANY	\$64.80
	Invoice 42756 42574 42591		Date 09/19/2011 08/11/2011 09/19/2011	Description Gym keys Keys-Lifeguards Keys-PD		Amount \$8.64 \$12.96 \$43.20
67738	10/07/2011	Open			BEYERS, FRED, C	\$132.00
	Invoice 2012-00000305		Date 10/03/2011	Description Softball/Volleyball Officials Sep/Oct2011		Amount \$132.00
67739	10/07/2011	Open			BLUE CONSTRUCTION MHS	\$2,400.00
	Invoice 1111		Date 04/28/2011	Description Sp 45, 51, and 81 debris removal & repair Fund 1020, Emergency Reserve		Amount \$2,400.00
67740	10/07/2011	Open			BRESLIN-KESSLER, PAUL	\$3,647.15
	Invoice 2012-00000309		Date 10/04/2011	Description Private Lessons, EF 2011		Amount \$3,647.15
67741	10/07/2011	Open			CALE PARKING SYSTEMS USA, INC.	\$6,530.98
	Invoice 124535 124696		Date 08/26/2011 09/14/2011	Description Pay station extra parts Pay station extra parts Fund 1316, Parking Reserve		Amount \$4,312.15 \$2,218.83
67742	10/07/2011	Open			CAPITOLA PEACE OFFICERS ASSOC.	\$778.08
	Invoice POA10-1-11		Date 10/06/2011	Description POA Dues, Employee Funded		Amount \$778.08
67743	10/07/2011	Open			CHAZ TOWING	\$186.00
	Invoice 31357		Date 09/14/2011	Description Towed for evidence		Amount \$186.00
67744	10/07/2011	Open			COMPLETE MAILING SERVICE INC	\$1,169.76
	Invoice 59540		Date 09/21/2011	Description Prepare mailing Late Fall brochure-Rec		Amount \$1,169.76
67745	10/07/2011	Open			DE LAGE LANDEN FINANCIAL SVC	\$334.07
	Invoice 10798975		Date 09/30/2011	Description Monthly Lease Pymt, City Hall Copier Fund 2210, Stores		Amount \$334.07
67746	10/07/2011	Open			DIENTES COMMUNITY DENTAL CARE	\$344.50
	Invoice Q1FY11-12		Date 09/30/2011	Description Q1 Community Grant		Amount \$344.50

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67747	10/07/2011	Open			ENDEMAN, LINCOLN, TUREK & HEATEI	\$312.57
	Invoice		Date	Description		Amount
	292055		08/31/2011	Jul2011 Legal Services, El Granada		\$312.57
67748	10/07/2011	Open			EWING IRRIGATION	\$75.35
	Invoice		Date	Description		Amount
	3907625		09/21/2011	Landscape staples		\$15.38
	3913350		09/22/2011	Irrigation supplies		\$58.81
	3913351		09/22/2011	Irrigation supplies		\$1.16
67749	10/07/2011	Open			EXTRA SPACE STORAGE OF SC	\$262.00
	Invoice		Date	Description		Amount
	Sept 2011		09/30/2011	38th ave storage-PD Acct 2522221		\$262.00
67750	10/07/2011	Open			FAMILIES IN TRANSITION	\$605.50
	Invoice		Date	Description		Amount
	Q1CommGrant		09/30/2011	Q1 Community Grant		\$605.50
67751	10/07/2011	Open			FERRASCI-HARP, AMY	\$1,000.00
	Invoice		Date	Description		Amount
	2		09/01/2011	BIA Promotional Materials Update Fund 1321, BIA		\$1,000.00
67752	10/07/2011	Open			FLYNN, CAROLYN	\$2,800.00
	Invoice		Date	Description		Amount
	CBF-8-2011-2		08/31/2011	Prop 84 & AMBAG		\$2,200.00
	CBF-8-2011-2G		08/31/2011	10/11 CDBG Program Mgnt Fund 1313, Gen Plan, \$2200 Fund 1351, CDBG, \$600		\$600.00
67753	10/07/2011	Open			GALLI UNIFORM COMPANY	\$1,402.40
	Invoice		Date	Description		Amount
	17813		09/08/2011	Uniform Exp, Mendoza-PD		\$23.55
	17814		09/08/2011	New uniforms, Parking Enforcement Off.		\$1,249.06
	17802		09/02/2011	Uniform Exp, Valdez-PD		\$129.79
67754	10/07/2011	Open			GREENWASTE RECOVERY INC	\$401.42
	Invoice		Date	Description		Amount
	869304		09/01/2011	Garbage container-PD		\$401.42
67755	10/07/2011	Open			HOWARD, CHARLIE	\$1,470.00
	Invoice		Date	Description		Amount
	09/19-09/23/11		10/03/2011	Mechanic		\$720.00
	09/26-09/30/11		10/03/2011	Mechanic		\$750.00
67756	10/07/2011	Open			ICMA RETIREMENT TRUST 457	\$6,884.69
	Invoice		Date	Description		Amount
	ICMA10-1-11		10/06/2011	Retirement Plan Contribution, Employee Funded		\$6,884.69
67757	10/07/2011	Open			JACKSON LANDSCAPE	\$2,478.73
	Invoice		Date	Description		Amount
	9562		09/30/2011	Tree Installation		\$2,478.73

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67758	10/07/2011	Open			JENNINGS, LINDA	\$117.00
	Invoice		Date	Description		Amount
	2012-00000303		10/03/2011	Softball/Volleyball Officials Sep/Oct2011		\$117.00
67759	10/07/2011	Open			JIMMIE SMITH PLUMBING, INC.	\$540.90
	Invoice		Date	Description		Amount
	W02223		09/20/2011	Water leak-Esplanade Restrooms		\$540.90
67760	10/07/2011	Open			JOBS AVAILABLE	\$297.50
	Invoice		Date	Description		Amount
	A20005		09/13/2011	City Clerk Ad		\$297.50
67761	10/07/2011	Open			LABOR READY SOUTHWEST INC.	\$1,885.18
	Invoice		Date	Description		Amount
	62141559		09/23/2011	Temporary Staff-PW		\$1,885.18
67762	10/07/2011	Open			LIFESPORT MEDICINE	\$225.00
	Invoice		Date	Description		Amount
	Pearson		09/13/2011	Employee Physical		\$225.00
67763	10/07/2011	Open			LLOYD'S TIRE SERVICE INC.	\$22.17
	Invoice		Date	Description		Amount
	215816		10/03/2011	auto parts		\$22.17
67764	10/07/2011	Open			LUICH, JAY	\$121.00
	Invoice		Date	Description		Amount
	2012-00000301		10/03/2011	Softball/Volleyball Officials Sep/Oct2011		\$121.00
67765	10/07/2011	Open			McMENAMIN, GEORGE	\$538.92
	Invoice		Date	Description		Amount
	R7		10/04/2011	Riparian Restoration FY 11/12		\$538.92
67766	10/07/2011	Open			MID-COUNTY AUTO SUPPLY	\$288.55
	Invoice		Date	Description		Amount
	275811		09/15/2011	Auto parts-Radar Trailer		\$200.42
	275826		09/15/2011	Auto parts-Dump Truck		\$16.08
	275753		09/14/2011	Auto parts-PW F-350		\$21.29
	275739		09/14/2011	Sweeper parts		\$4.25
	275533		09/13/2011	Auto parts-Dump Truck		\$16.08
	275592		09/13/2011	Auto parts-Dump Truck		\$21.35
	275593		09/13/2011	Auto parts-Shop		\$9.08
67767	10/07/2011	Open			NELLA OIL COMPANY	\$4,816.77
	Invoice		Date	Description		Amount
	11-652050		09/15/2011	125 Gal Diesel		\$502.32
	11-652049		09/15/2011	407 Gal Ethanol		\$1,634.89
	11-654228		09/22/2011	160 Gal Diesel		\$626.24
	11-654227		09/22/2011	526 Gal Ethanol		\$2,053.32

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67768	10/07/2011	Open			ORCHARD SUPPLY HARDWARE	\$92.29
	Invoice		Date	Description		Amount
	6007-2430202		09/14/2011	Drills - Cary		\$38.82
	6007-3521559		09/22/2011	auto parts		\$40.51
	6009-1139099		09/08/2011	marking chalk		\$12.96
67769	10/07/2011	Open			PACIFIC GAS & ELECTRIC	\$12,681.87
	Invoice		Date	Description		Amount
	2012-00000295		09/18/2011	Monthly Elec		\$12,681.87
				Fund 1000, Gen Fund=\$3573.15		
				Fund 1300, SLESF=\$253.06		
				Fund 1310, Gas Tax=\$6919.02		
				Fund 1311, Wharf=\$1936.64		
67770	10/07/2011	Open			PALACE ART & OFFICE SUPPLIES	\$5,110.69
	Invoice		Date	Description		Amount
	923129		09/19/2011	Office supplies		\$176.36
	922784		09/19/2011	Paper-PD		\$46.44
	923485		09/21/2011	Office Supplies, City Hall, Fund 2210, Stor		\$32.41
	923549		09/23/2011	Office Supplies, City Hall, Fund 2210, Stor		\$10.83
	924074		09/23/2011	Office Supplies, City Hall, Fund 2210, Stor		\$21.64
	8672968		09/29/2011	Marksmanship supplies		\$10.23
	15096		09/27/2011	Front office panels		\$4,729.40
	924102-1		09/26/2011	Office supplies-PD		\$12.94
	924102		09/26/2011	Office supplies-PD		\$44.03
	923330		09/20/2011	Office supplies-PD		\$41.47
	C924635		10/03/2011	Return Office Supplies, PD		(\$15.06)
67771	10/07/2011	Open			POM INCORPORATED	\$18.49
	Invoice		Date	Description		Amount
	20618		09/08/2011	Parking Meter Parts, PD		\$18.49
67772	10/07/2011	Open			QUARTARARO, ROD, V.	\$66.00
	Invoice		Date	Description		Amount
	2012-00000306		10/03/2011	Softball/Volleyball Officials Sep/Oct2011		\$66.00
67773	10/07/2011	Open			REED, DANIEL, H.	\$99.00
	Invoice		Date	Description		Amount
	2012-00000304		10/03/2011	Softball/Volleyball Officials Sep/Oct2011		\$99.00
67774	10/07/2011	Open			RODGERS, PETER, A	\$88.00
	Invoice		Date	Description		Amount
	2012-00000302		10/03/2011	Softball/Volleyball Officials Sep/Oct2011		\$88.00
67775	10/07/2011	Open			SANTA CRUZ SENTINEL	\$209.26
	Invoice		Date	Description		Amount
	11300009927-2012		09/18/2011	Newspaper subscription		\$209.26

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67776	10/07/2011 Invoice Jul-Sep2011 Jul-Sep11-Irrig.	Open	Date 09/16/2011 09/20/2011	Description Semi-Monthly Water Usage, Irrigation Semi-Monthly Water Usage, Irrigation Fund 1311, Wharf=\$934.22	SOQUEL CREEK WATER DISTRICT	\$21,404.97
67777	10/07/2011 Invoice 301413	Open	Date 09/20/2011	Description Plants	SOQUEL NURSERY GROWERS, INC.	\$7.29
67778	10/07/2011 Invoice 3927	Open	Date 09/29/2011	Description Sports league awards-Rec	SPORT ABOUT	\$195.26
67779	10/07/2011 Invoice Sep2011	Open	Date 10/03/2011	Description Sep2011 financial services	STATLER, WILLIAM	\$1,360.00
67780	10/07/2011 Invoice 2012-00000307	Open	Date 10/03/2011	Description Softball/Volleyball Officials Sep/Oct2011	THILL, WENDY	\$80.00
67781	10/07/2011 Invoice 93030-Oct11	Open	Date 10/01/2011	Description Oct11 Dental & Vision Ins, Employee fund	TLC ADMINISTRATORS, INC.	\$6,726.10
67782	10/07/2011 Invoice PARS10-1-11	Open	Date 10/06/2011	Description PARS Contr, Employee Funded	UNION BANK OF CALIFORNIA	\$384.95
67783	10/07/2011 Invoice 2011-09	Open	Date 09/30/2011	Description Gang Class, Vazquez, Mileage Reimburse	VAZQUEZ, GUILLERMO, E.	\$98.78
67784	10/07/2011 Invoice BH20111007	Open	Date 10/06/2011	Description Refund BIA Payment pd 2x	Beach House Rentals	\$900.00
67785	10/07/2011 Invoice 2001112.002	Open	Date 09/30/2011	Description Class refund	Bergman, Bill	\$72.00
67786	10/07/2011 Invoice 2001109.002	Open	Date 10/03/2011	Description Class Refund	Haber, Marjorie	\$73.00
67787	10/07/2011 Invoice 44658425	Open	Date 09/30/2011	Description Replacement Check, Rec	Kassel, Natalie	\$557.74

City Checks Issued 10/7/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67788	10/07/2011 Invoice 20111004	Open	Date 09/30/2011	Description Flood Claim Settlement Fund 2213, Self Ins Liability	Romandia, Jacob	\$355.00
67789	10/07/2011 Invoice 2012-00000308	Open	Date 09/30/2011	Description CPS refresher course T. Hernandez	Safe Kids Chapter	\$25.00
Check Totals:				Count	Total	\$93,203.07

Checks dated 10/14/11 numbered 67790 to 67857 for a total of \$86,057.41 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 10/14/11 the unaudited cash balance is \$2,199,142

CASH POSITION - CITY OF CAPITOLA 10/14/11

	<u>Net Balance</u>
General Fund	325,756
Worker's Comp. Ins. Fund	74,779
Self Insurance Liability Fund	109,644
Stores Fund	8,165
Information Technology Fund	102,607
Equipment Replacement	105,933
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	287,315
Open Space Fund	256
Capital Improvement Projects	949,650
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>2,199,142</u></u>

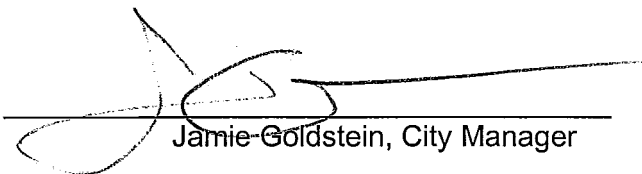
The Emergency Reserve Fund balance is \$83,990.77 and is not included above.

On a fiscal year basis the City's annual budget balances expenditures and revenue in the General Fund. Due to the timing of revenue receipts, during most of the fiscal year General Fund expenditures will outpace revenue.

To resolve this cash flow issue, loans in the amount of \$1,084,895.66 were made from the following funds to the general fund:

- From Contingency Reserve fund: \$734,895.66
- From Equipment Replacement fund: \$200,000.00
- From Information Technology fund: \$50,000.00
- From Self Insurance Liability fund: \$100,000.00

It is anticipated that these loans to General Fund will be repaid by June 30, 2012.



 Jamie Goldstein, City Manager

 10/14/11
 Date

 Jacques J.J. Bertrand, City Treasurer

 Date

City of Capitola
City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67790	10/14/2011 Invoice 2012-00000313	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	ADAMS, BECKY	\$176.80
67791	10/14/2011 Invoice 10036	Open	Date 10/05/2011	Description Tree Trimming	AGRI-CON TREE CARE PROFESSIONA	\$300.00
67792	10/14/2011 Invoice 2012-00000314	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	ARITCHITA, WIND, C.	\$163.80
67793	10/14/2011 Invoice 2659992	Open	Date 09/13/2011	Description Telephone Service, Aug-Sep2011 Fund 2211, Info Tech=\$257.36	AT&T/CALNET 2	\$1,953.25
67794	10/14/2011 Invoice 2012-00000316	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	BARTLETT, GERRY	\$1,319.50
67795	10/14/2011 Invoice 2012-00000317	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	BETZ, SHERRI	\$3,443.05
67796	10/14/2011 Invoice 59343	Open	Date 09/05/2011	Description Rispin Mansion Hazard Elimination Project Fund 1200, CIP	BIGGS CARDOSA ASSOCIATES	\$1,702.50
67797	10/14/2011 Invoice 6773 6775	Open	Date 10/03/2011 10/03/2011	Description Repairs of Slope Failures in Pac Cove Fanmar Way Drainage Improvements Fund 1020, Emer Reserve=\$2142.77 Fund 1200, CIP=\$960.00	BOWMAN & WILLIAMS, INC.	\$3,102.77
67798	10/14/2011 Invoice 871038	Open	Date 10/05/2011	Description Fingerprinting, New Hires	CA DEPARTMENT OF JUSTICE	\$64.00
67799	10/14/2011 Invoice 20110919	Open	Date 09/20/2011	Description Supplies-PD	CVS PHARMACY INC.	\$2.15
67800	10/14/2011 Invoice 2012-00000320	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	DAVIDSON, ANA LUCIA	\$111.80
67801	10/14/2011 Invoice 298525	Open	Date 09/15/2011	Description Appraisal, Pac Cove MHP, final bill Fund 1020, Emer Reserve	DESMOND, MARCELLO & AMSTER	\$15,975.00

City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67802	10/14/2011	Open			DICKS, CHUCK	\$185.25
	Invoice		Date	Description		Amount
	2012-00000321		10/12/2011	Early Fall Instructor Payments 2011		\$185.25
67803	10/14/2011	Open			DOVER TRAVEL CLINIC	\$625.00
	Invoice		Date	Description		Amount
	20111005		10/05/2011	Flu Shot Clinic		\$625.00
67804	10/14/2011	Open			EVANS, PAT	\$185.25
	Invoice		Date	Description		Amount
	2012-00000322		10/12/2011	Early Fall Instructor Payments 2011		\$185.25
67805	10/14/2011	Open			FAIA ARTWORKS	\$591.50
	Invoice		Date	Description		Amount
	2012-00000315		10/12/2011	Early Fall Instructor Payments 2011		\$591.50
67806	10/14/2011	Open			FITZGERALD, AIMEE	\$219.70
	Invoice		Date	Description		Amount
	2012-00000323		10/12/2011	Early Fall Instructor Payments 2011		\$219.70
67807	10/14/2011	Open			FRANCA, CLAUDIO	\$286.00
	Invoice		Date	Description		Amount
	2012-00000324		10/12/2011	Early Fall Instructor Payments 2011		\$286.00
67808	10/14/2011	Open			GALLI UNIFORM COMPANY	\$685.35
	Invoice		Date	Description		Amount
	17844		09/16/2011	Uniform Exp, Explorers - PD		\$324.72
	17849		09/16/2011	Uniform Exp, Mendoza		\$90.00
	17848		09/16/2011	Uniform Exp, Explorers Patches		\$270.63
67809	10/14/2011	Open			GALLI UNIFORM COMPANY	\$408.46
	Invoice		Date	Description		Amount
	17845		09/16/2011	Uniform Exp, Chief		\$408.46
67810	10/14/2011	Open			GONZALEZ, ESMERALDA	\$94.82
	Invoice		Date	Description		Amount
	Costco-10-11		10/07/2011	Reimb. Office supplies-PD		\$94.82
67811	10/14/2011	Open			HILL, CAROL	\$156.00
	Invoice		Date	Description		Amount
	2012-00000325		10/12/2011	Early Fall Instructor Payments 2011		\$156.00
67812	10/14/2011	Open			HO KUK MU SUL CORPORATION	\$105.30
	Invoice		Date	Description		Amount
	2012-00000319		10/12/2011	Early Fall Instructor Payments 2011		\$105.30
67813	10/14/2011	Open			HOPE REHABILITATION SERVICES	\$175.00
	Invoice		Date	Description		Amount
	S140784		09/30/2011	Litter Abatement & Street Cleaning, Sep 11		\$175.00

City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67814	10/14/2011 Invoice 2012-00000326	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	INK, BRUCE	\$296.40
67815	10/14/2011 Invoice 945676-1	Open	Date 09/16/2011	Description Notice to appear Forms - PD	InnerWorkings	\$663.91
67816	10/14/2011 Invoice W02232	Open	Date 09/21/2011	Description Plumbing repair, Pac Cove Laundry Room	JIMMIE SMITH PLUMBING, INC.	\$399.08
67817	10/14/2011 Invoice 115955	Open	Date 09/19/2011	Description Background Investigation Exp, New Hire	JOHNSON, ROBERTS, & ASSOCIATES	\$17.50
67818	10/14/2011 Invoice 2012-00000327	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	KAPLAN, PHIL	\$726.70
67819	10/14/2011 Invoice 2012-00000318	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	KAYAK CONNECTION	\$59.80
67820	10/14/2011 Invoice 0000007	Open	Date 10/11/2011	Description Rispin Mansion Hazard Elimination Project Fund 1200, CIP	KERKO, BRYAN T.	\$3,218.75
67821	10/14/2011 Invoice A146726	Open	Date 09/23/2011	Description Misc.	KING'S PAINT AND PAPER, INC.	\$9.67
67822	10/14/2011 Invoice 2012-00000328	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	KINNAMON, LORRAINE	\$167.70
67823	10/14/2011 Invoice 2012-00000329	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	KRAFT, MARC	\$343.20
67824	10/14/2011 Invoice 2012-00000330	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MARRUJO, SANDY	\$271.70
67825	10/14/2011 Invoice EF2011	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MARTINEZ, OLGA	\$351.00
67826	10/14/2011 Invoice 2012-00000331	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MATTERN, MARK	\$390.00

City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67827	10/14/2011 Invoice 2012-00000332	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MCCUTCHEN, SUELLEN	\$143.00
67828	10/14/2011 Invoice 2012-00000333	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MCDOWELL, KEVIN	\$284.05
67829	10/14/2011 Invoice 2012-00000334	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MCLAUGHLIN, MARY	\$655.20
67830	10/14/2011 Invoice riverview3 riverview3a	Open	Date 10/12/2011 10/12/2011	Description Tree Work, Erosion Control, Native Plantin Riverview Drive flood work Fund 1020, Emer Reserve	McMENAMIN, GEORGE	\$688.38
67831	10/14/2011 Invoice 276807 276805 277183 277022 276417	Open	Date 09/23/2011 09/23/2011 09/27/2011 09/26/2011 09/20/2011	Description Auto Parts, Radar Trailer Sweeper parts-Fund 1310, Gas Tax auto parts-PD vehicles auto parts-PW vehicles Parts, Jade St Playground Equipment	MID-COUNTY AUTO SUPPLY	\$463.80
67832	10/14/2011 Invoice 2860	Open	Date 09/18/2011	Description Background Investigation Exp, New Hire	MID-STATE INVESTIGATIONS, INC.	\$850.00
67833	10/14/2011 Invoice 2012-00000335	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MILES, MITCHELL, A.	\$772.85
67834	10/14/2011 Invoice 41928	Open	Date 09/21/2011	Description Building Correction Notices	MISSION PRINTERS	\$699.38
67835	10/14/2011 Invoice 2012-00000336	Open	Date 10/12/2011	Description Early Fall Instructor Payments 2011	MITCHELL, JEANI	\$932.75
67836	10/14/2011 Invoice 11-656000 11-655999	Open	Date 09/29/2011 09/29/2011	Description 90 Gal Diesel 508 Gal Ethanol	NELLA OIL COMPANY	\$2,335.32
67837	10/14/2011 Invoice 21104661	Open	Date 09/30/2011	Description Sweeper parts Fund 1310, Gas Tax	NIXON-EGLI EQUIPMENT CO.	\$3,195.87

City of Capitola
City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67838	10/14/2011	Open			OFFUTT, MELISSA	\$98.80
	Invoice		Date	Description		Amount
	2012-00000337		10/12/2011	Early Fall Instructor Payments 2011		\$98.80
67839	10/14/2011	Open			ORCHARD SUPPLY HARDWARE	\$469.20
	Invoice		Date	Description		Amount
	6012-4762314		09/19/2011	Small tools		\$84.56
	6012-2782403		09/20/2011	Irrigation supplies		\$33.11
	6008-4762132		09/20/2011	Misc.		\$25.84
	6007-3521284		09/21/2011	Misc.		\$10.78
	6007-3521599		09/22/2011	Drill bits		\$37.87
	6007-3521791		09/23/2011	Street painting supplies		\$95.80
	6011-4792958		09/14/2011	Acrylic - signs		\$148.79
	6007-2436503		08/27/2011	Misc.		\$32.45
67840	10/14/2011	Open			PACIFIC PRODUCTS AND SERVICES	\$1,109.27
	Invoice		Date	Description		Amount
	11119		09/14/2011	Aluminum channel & Tubing		\$1,109.27
67841	10/14/2011	Open			PACIFIC TRUCK PARTS INC.	\$768.14
	Invoice		Date	Description		Amount
	1637621		10/03/2011	Sweeper parts		\$768.14
				Fund 1310, Gas Tax		
67842	10/14/2011	Open			PALACE ART & OFFICE SUPPLIES	\$371.24
	Invoice		Date	Description		Amount
	924635		09/28/2011	Office supplies		\$79.68
	924957		09/29/2011	File boxes-PD		\$15.06
	924685		09/28/2011	Office Supplies, City Hall		\$197.57
	924693		09/28/2011	Office Supplies, City hall		\$3.88
	924909		09/29/2011	Office Supplies, City Hall		\$21.81
	915132		07/28/2011	Office supplies-PD		\$53.24
				Fund 2210, Stores=\$223.26		
67843	10/14/2011	Open			PHOENIX GROUP INFORMATION SYS.	\$1,508.43
	Invoice		Date	Description		Amount
	82011070		09/14/2011	Aug 2011 Citation Processing Fees		\$1,508.43
67844	10/14/2011	Open			POT, TRENISE	\$946.40
	Invoice		Date	Description		Amount
	2012-00000338		10/12/2011	Early Fall Instructor Payments 2011		\$946.40
67845	10/14/2011	Open			ProBUILD COMPANY LLC	\$292.33
	Invoice		Date	Description		Amount
	5554259		08/30/2011	Chalk-Rec		\$292.33
67846	10/14/2011	Open			ROSEMAN, LEWIS	\$2,947.24
	Invoice		Date	Description		Amount
	91511		09/15/2011	Sept 2011 Parking Meter Service		\$2,947.24

City Checks Issued 10/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67847	10/14/2011	Open			ROYAL WHOLESALE ELECTRIC	\$211.68
	Invoice		Date	Description		Amount
	7719-553403		09/14/2011	Light bulbs - Jade St. C.C.		\$21.43
	7719-553472		09/15/2011	Light bulbs - Jade St. C.C.		\$100.67
	7719-553518		09/19/2011	Light bulbs - Jade St. C.C.		\$89.58
67848	10/14/2011	Open			SCC AUDITOR-CONTROLLER	\$22,739.00
	Invoice		Date	Description		Amount
	Cites-Aug11		10/11/2011	Pass thru Citation Surcharges, Aug 2011		\$11,540.00
	Cites-Sep11		10/11/2011	Citation Surcharges, Sep 2011		\$11,199.00
67849	10/14/2011	Open			SANTA CRUZ MUNICIPAL UTILITIES	\$861.80
	Invoice		Date	Description		Amount
	Aug-Sep2011		09/27/2011	WATER BILLS FOR STREET MEDIANS		\$861.80
67850	10/14/2011	Open			SPRINT	\$2,522.27
	Invoice		Date	Description		Amount
	974855313-118		09/29/2011	Cell Phone Service		\$2,522.27
67851	10/14/2011	Open			STEVENS, CLAUDIA	\$149.50
	Invoice		Date	Description		Amount
	2012-00000339		10/12/2011	Early Fall Instructor Payments 2011		\$149.50
67852	10/14/2011	Open			TLC ADMINISTRATORS, INC.	\$175.00
	Invoice		Date	Description		Amount
	14770		10/03/2011	Oct 2011 Admin Fee, Sec 125 plan		\$175.00
67853	10/14/2011	Open			UNITED PARCEL SERVICE	\$13.02
	Invoice		Date	Description		Amount
	954791391		09/24/2011	Shipping		\$13.02
67854	10/14/2011	Open			US BANCORP EQUIPMENT FINANCE	\$92.63
	Invoice		Date	Description		Amount
	186965323		09/23/2011	Canon Copier Lease Agreement, Rec		\$92.63
67855	10/14/2011	Open			WALBRIDGE, BREIGE	\$239.20
	Invoice		Date	Description		Amount
	2012-00000340		10/12/2011	Early Fall Instructor Payments 2011		\$239.20
67856	10/14/2011	Open			Shelton, Michelle	\$74.00
	Invoice		Date	Description		Amount
	2001115.002		10/12/2011	Class Refund-Rec		\$74.00
67857	10/14/2011	Open			Travers, Frances	\$500.00
	Invoice		Date	Description		Amount
	11-101		10/12/2011	Tree Deposit Refund for Permit #11-101		\$500.00
Check Totals:				Count	68	Total \$86,057.41



CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: FINANCE DEPARTMENT
DATE: October 19, 2011
SUBJECT: APPROVAL OF RDA CHECK REGISTER REPORT

Recommended Action: By motion and roll call vote, that the RDA Board approve the Check Register Report dated October 7, 2011 as submitted.

DISCUSSION

The attached Check Register for the referenced date:

Date	Starting Check #	Ending Check #	Total Checks	Amount
10/7/11	3000	3003	4	\$60,020.75

The prior RDA check register report of September 23, 2011 ended with check number 2999.

The following checks were issued for more than \$10,000.00:

Check	Issued to:	Dept.	Purpose	Amount
3001	Housing Authority of SCC	CDD	Jul & Aug Housing Subsidies	\$40,069.75
3003	Millennium Housing Corp	CDD	Castle Mobile Estates Subsidy	\$15,450.00

As of 10/19/11 the unaudited cash balance in the RDA account is \$2,257,844 allocated as follows:

RDA Operating Fund	\$2,273,979
RDA Low/Mod Housing Fund	(\$16,135)

ATTACHMENTS

Check Register Report dated:
October 7, 2011

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
By Executive Director:

RDA Checks Issued 10/7/11


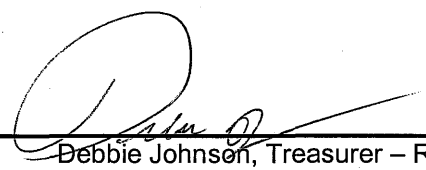
Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
3000	09/30/2011 Invoice 102181	Open	Date 08/31/2011	Description FY 2011-2012 RDA Legal Services	GOLDFARB & LIPMAN, LLP	\$4,041.00
3001	09/30/2011 Invoice 12-01 CSD 12-01CMHP 12-01CTA 12-01CEA 12-02CSD 12-02 CTA 12-02CEA 12-02 CMHP	Open	Date 08/19/2011 08/24/2011 08/24/2011 08/24/2011 09/06/2011 09/06/2011 09/06/2011 09/06/2011	Description July 2011 Security Deposit Program July 2011 Mobile Home Park Rental Assist July 2011 Technical Assistance July 2011 CAB Emergency Housing Assist August 2011 Security Deposit Program August 2011 Technical Assistance August 2011 CAB Emergency Housing As August 2011 Mobile Home Park Assistanc	HOUSING AUTHORITY OF THE COUN	\$40,069.75
3002	09/30/2011 Invoice R7	Open	Date 10/01/2011	Description Rispin Mansion Building Inspections	KOSTELEK, DANIEL	\$460.00
3003	09/30/2011 Invoice FY 11/12-Q1 Q2FY11-12	Open	Date 08/30/2011 09/29/2011	Description Castle Mobile Estates Rent Subsidy Castle Mobile Estates Rent Subsidy Q2FY	MILLENNIUM HOUSING CORPORATIO	\$15,450.00
Check Totals:			Count	4	Total	\$60,020.75

The above listed checks have been printed and released under the RDA Executive Director's approval. Included are checks numbered 3000 through 3003 for \$60,020.75.

These checks has been reviewed and authorized for distribution.

The unaudited cash balance in the RDA account as of 10/7/11 is \$2,257,843.79

RDA Operating Fund	\$2,273,978.66
Low/Mod Housing Fund	(\$16,134.87)

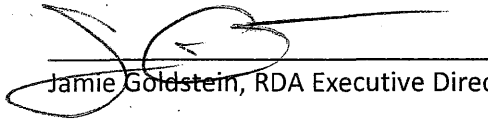

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10/7/11

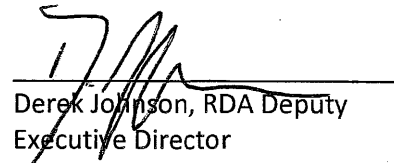
Jamie Goldstein, City Manager Date Debbie Johnson, Treasurer – RDA Date

October 3, 2011

Jamie and Derek,

Per Bill's recommendation below, we are planning to pay the appropriate LowMod invoices and have the cash balance run negative. As tax increment and housing set aside money comes in, the cash account will regain a positive balance. Administrative Policy III-3.C.3. which permits Bill's item #4 is attached.


Jamie Goldstein, RDA Executive Director


Derek Johnson, RDA Deputy Executive Director

Lonnie – As we discussed, I concur that the best approach is to simply charge the pre-existing payment obligation to the appropriate RDA Low/Mod Fund. The resulting credit cash position will be implicitly covered by the operating fund. I don't believe it is necessary to post a due to/due from entry: this typically only needs to occur at year-end if there are in fact credit cash positions in any fund. In fact, for interim reporting purposes, I believe it is more transparent, and thus preferable, to show the fund in a credit cash position.

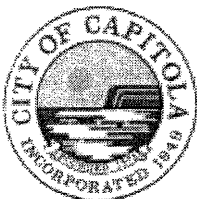
This recommendation assumes that:

1. The RDA low/mod fund will be replenished by the December property tax collection.
2. The RDA operating fund has adequate funds to cover the advance.
3. The payment obligation existed prior to FY 2011-12.
4. And there is some pre-existing Council authorization for this type of cash advance between funds.

Please call or email me if you have any questions concerning my advice.

- Bill

Bill Statler, Interim Finance Director
City of Capitola
420 Capitola Avenue
Capitola CA, 95010
831.475.7300 Cell: 805.459.6326
bstatler@ci.capitola.ca.us
www.ci.capitola.ca.us



2. COUNCIL ACTION TO BE A SCHEDULED BUSINESS ITEM, NOT CONSENT CALENDAR.

For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a scheduled business item, and at a regular or special City Council meeting, consistent with state law. Generally, it shall be the City's policy to submit the proposed debt issuance to the City Council in a study session wherever possible prior to submittal to the full City Council as an action item at a regular or special meeting.

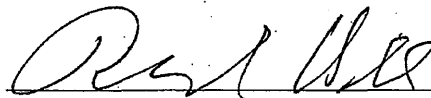
3. INTERNAL BORROWINGS

Provided sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will favor internal over external borrowings to achieve short-term liquidity. In accordance with the City Council Resolution #2683, the Finance Director will initiate and the City Manager will approve inter-fund borrowings, except for year-end accounting entries that create temporary inter-fund loans for the financial statement presentation purposes, and the City Manager will report such borrowings to the Council at its next regular meeting. Interest on inter-fund loans will be recorded only when necessitated by state or federal program requirements, or other contractual or legal obligations.

4. EMPLOYEE COMPENSATION

The City will continue to pay competitive market level compensation to our employees to ensure that the City has the ability to attract and retain well-qualified personnel while ensuring that the City's compensation practices are competitive and consistent with those of comparable employers.

This policy is approved and authorized by:



Richard Hill
City Manager



Item #: **3.B.**

CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: OFFICE OF THE CITY CLERK/REDEVELOPMENT AGENCY SECRETARY

DATE: OCTOBER 14, 2011

SUBJECT: **CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY MINUTE APPROVAL:**
MINUTES OF THE JOINT REGULAR MEETING OF THE CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY OF SEPTEMBER 22, 2011, AND THE SPECIAL JOINT
STUDY SESSION OF THE CITY COUNCIL/REDEVELOPMENT AGENCY/FINANCE
ADVISORY COMMITTEE OF OCTOBER 12, 2011

Recommended Action: By motion that the City Council/Redevelopment Agency Directors approve the subject minutes as submitted.

DISCUSSION

Attached for City Council/Redevelopment Agency review and approval are the Minutes to the subject meetings.

ATTACHMENTS

September 22 and October 12, 2011 Minutes

Report Prepared By: Pamela Greeninger, MMC
City Clerk/RDA Secretary

Reviewed and Forwarded by
City Manager/Executive Director: _____

**CITY OF CAPITOLA
CITY COUNCIL/REDEVELOPMENT AGENCY**

September 22, 2011
Capitola, California

MINUTES OF A REGULAR JOINT MEETING

5:30 P.M - CLOSED SESSION - CITY MANAGER’S OFFICE

At 5:30 p.m. in the City Hall Council Chambers, Mayor/Chairperson Norton noted that all Council Members/Redevelopment Agency Directors were present, with the exception of Council Member/Director Stephanie Harlan. Mayor/Chairperson Norton made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]

Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]

Bill Newman, et al. (residents of Surf & Sand Mobile Home Park) vs. Surf and Sand, LLC,
Ronald Reed, et al. [Superior Court County of Santa Cruz, Unlimited Jurisdiction, Case
No. CV 171783]

Surf and Sand, LLC; Ronald Reed, Cross-Complainants vs. City of Capitola [Superior Court
County of Santa Cruz, Unlimited Jurisdiction, Case No. CV 171783]

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
One Case – Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957)

Title: City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code §54956.8)

Property: McGregor Drive, APN 36-341-02 (City of Capitola, Owner)
City Negotiator: City Manager
Negotiating Parties: City and Soquel Creek Water District
Under Negotiation: Real Property Lease/Sale

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Farmers Insurance Exchange; subrogee of Babette Beyer and
Rainbow City Limits
Claimant: Mid-Century Insurance Company; subrogee of Panache Bath & Body Shop
Claimant: California Capital Insurance Company; subrogee of Stacey Basile, et al.
Claimant: Capitola Associates, LLC
Agency claimed against: City of Capitola

No one from the public was present for the announcement regarding the Closed Session; therefore, the City Council/Redevelopment Agency recessed at 5:31 p.m. to the Closed Session in the City Manager’s Office.

7:00 P.M. – OPEN SESSION**REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY**

Mayor/Chairperson Norton called the Regular Joint Meeting of the Capitola City Council/Redevelopment Agency to order at 7:03 p.m. on Thursday, September 22, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members/Directors Michael Termini, Kirby Nicol, Sam Storey and Mayor/Chairperson Dennis Norton

ABSENT: Council Member/Director Stephanie Harlan

OTHERS: City Treasurer Jacques Bertrand and Redevelopment Agency Treasurer Debbie Johnson

STAFF: City Manager/Executive Director Jamie Goldstein, Deputy City Attorney/RDA General Counsel Adair Paterno, Community Development Director/Deputy Executive Director Derek Johnson, Chief of Police Michael Card, Public Works Director Steve Jesberg, Administrative Services Director Lisa Murphy, and City Clerk/Secretary Pamela Greeninger

*** * * PRESENTATIONS * * ***

**Mayor's Proclamation proclaiming
October 1 to November 3, 2011 as "The Big Read Month" [120-40]**

Mayor Norton read and presented Teresa Landers, Executive Director of the Santa Cruz Public Libraries, with the Mayor's Proclamation proclaiming October 1 to November 3, 2011, as "The Big Read Month."

Ms. Landers said she hoped everyone would take advantage of opportunities during the Big Read Month. She commented on the writing contest for high school students and various events being planned throughout the county to celebrate Edgar Allen Poe.

**Presentation by Brenda Moss, Executive Director of
Senior Network Services [330-30]**

Brenda Moss thanked the Council for the opportunity to discuss the work of Senior Network Services, a senior community resource center, which has been providing services to seniors since 1974. Ms. Moss discussed the various types of services provided by their agency and announced that the phone number is 462-1433. She said the greatest needs for seniors include transportation, housing, health insurance advocacy, and home care.

Mayor Norton thanked her for her presentation

**Presentation by Laura Kasa, Executive Director of
Save Our Shores [330-30]**

Mayor Norton announced that Laura Kasa was unable to attend tonight's meeting and that Michelle Hohensee, Operations Manager, would make the presentation on her behalf.

Using a PowerPoint Presentation, Ms. Hohensee shared information about this year's beach clean-ups in Capitola and the items they pick up. She said they are grateful to Capitola for its grant, which helps fund private and public clean-ups. Ms. Hohensee responded to questions of Council Member regarding "plastic pieces" found in their clean-ups.

1. REPORT ON CLOSED SESSION [520-25]

Deputy City Attorney Adair Paterno reported that the City Council met in Closed Session from 5 p.m. until approximately 6:40 p.m., on those matters listed on the posted agenda. She noted that Council Member/Director Harlan was absent. She then reported as follows:

- The City Council received status reports on the existing litigation matters listed on the posted agenda.
- Under anticipated litigation, the City Council discussed the Noble Gulch storm pipe failure at Pacific Cove Mobile Home Park and took no reportable action.
- The Council then conducted a public employee performance evaluation of the city manager and took no reportable action.
- The Council had a conference with its real property negotiator and gave staff direction on how to proceed but took no reportable action in Closed Session.
- Deputy City Attorney Paterno stated the four liability claims listed on the Closed Session agenda would be acted upon by the City Council on the Open Session agenda under the Consent Calendar.

Mayor Norton announced that a number of students from Soquel High School government class are in attendance at tonight's meeting. He welcomed them and thanked them for coming.

2. ORAL COMMUNICATIONS**A. Additions and Deletions to Agenda**

1) Council Member Storey moved, seconded by Council Member Termini, to continue Consent Item 3.F. liability claim Item 4) Capitola Associates, LLC, in the amount of \$541,724.72, until Council Member Harlan is able to join the Council for discussion of that claim. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

2) Council Member Termini moved, seconded by Mayor Norton, to reorder Item 5.A., Amendments to the Polystyrene Ordinance, prior to Public Hearing Item 4.A. pertaining to the Skate Park, in order for interested parties to participate, because of back-to-school night.

3) Mayor Norton wanted to add an item to the agenda for discussion pertaining to redistricting of the supervisorial boundaries. He said Supervisor Ellen Pirie was in attendance, and he would like to schedule an added item after the consent agenda.

Council Member Termini moved to add the item regarding redistricting to the agenda proposed by Mayor Norton. City Clerk Greeninger said findings would need to be made to add the item to the agenda. Council Member Storey noted that, since this item is not on the agenda, the Council would need to make a finding that there is an emergency in order to add it to the agenda. Deputy City Attorney Adair Paterno said a 2/3 vote would be necessary to do so.

City Manager Goldstein said the Board took action on Tuesday, which was after our agenda was posted and that action would be required before the next regularly scheduled meeting of the Council.

There was considerable discussion regarding the addition of the proposed item to the agenda as an emergency item.

2. A. 3) ORAL COMMUNICATIONS (Continued)

Council Member Nicol offered a substitute motion to take Item 2.B., Public Comments, first to hear from Supervisor Pirie, and then return to Item 2.A., Additions and Deletions to Agenda, for possible addition to the agenda. The motion was seconded by Council Member Storey.

There was further Council discussion regarding the substitute, prior to the following vote: The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

B. Public Comments

1) Angela Flynn expressed concerns regarding the SmartMeters that are being installed in Capitola. She urged the Council to enforce its moratorium.

2) Marilyn Garrett said a meeting was held at the Soquel Grange regarding SmartMeters. She commented on a list of health conditions people experience as a result of SmartMeters and provided a number to call: 655-9502. Ms. Garrett also submitted written information regarding SmartMeters for the Council's information.

3) Supervisor Ellen Pirie, County Board of Supervisors from the 2nd District, addressed the council regarding the supervisorial redistricting matter and said she is not sure why this is becoming controversial. She explained the process that has been followed which began in May when a task force was appointed. The task force met in June, July and August, and in September there were public hearings on the redistricting. At its last meeting the Board voted 5-0 in favor of the redistricting ordinance. Following her discussion, Supervisor Pirie responded to questions of Council Members.

4) An unidentified woman expressed her frustration concerning the SmartMeter situation, saying she is thoroughly disgusted. She is especially concerned about the effects of the meters on her health that she has no control over.

C. Staff Comments

1) Community Development Director Johnson said Target has pulled their demolition permits and will begin work soon at Capitola Mall. They have indicated a July 2012 opening date.

The City Council then returned to Item 2.A., Additions and Deletions to the agenda.

Mayor Norton said he has a number of issues relative to the redistricting item that need to be brought to the attention of the public.

There was considerable Council discussion about placing this matter on the agenda as an emergency item.

Council Member Termini moved to place this item as an emergency item on tonight's agenda for discussion. Mayor Norton seconded the motion. City Clerk Greeninger commented that certain findings would need to be made in order to do so.

Deputy City Attorney Adair Paterno informed the council that in order to add this item to the agenda, 2/3 of the council would need to make two specific findings: 1) that there is a need to take action immediately, and 2) the need to take action came to the attention of the city after the agenda was posted. She said if the council is not going to take any action, then she does not believe the council can make the necessary findings.

2. A. 3) ORAL COMMUNICATIONS (Continued)

Council Member Termini suggested getting a consensus to place this item on the Council's next agenda.

Council Member Termini then amended his motion to place this item on the agenda for discussion and possible action with the necessary findings articulated by the Deputy City Attorney. Council Member Nicol seconded the motion. The motion carried on the following vote: AYES: Council Members Termini, Nicol, and Mayor Norton. NOES: Council Member Storey. ABSENT: Council Member Harlan. ABSTAIN: None.

Council Member Storey expressed his concerns about adding this as an emergency item and stated that he would like to have this item agendaized for a future meeting when staff could provide a report, and the council could have more information about the supervisory lines.

Mayor Norton asked the city manager to bring up the supervisory boundary map on the screen. The mayor then pointed out and stated he believes the logical geographical boundary would be Soquel Creek. Another logical boundary would be 41st Avenue.

Supervisor Pirie and City Manager Goldstein responded to questions and comments made by council members.

There was considerable council discussion regarding this matter prior to the following action being taken:

ACTION: Council Member Termini moved to add this item to the Council's next agenda under Other Business, directing staff to provide a report and include the new supervisory district map in the packet. Council Member Storey seconded the motion, with the added request that Supervisor Leopold be invited to speak to this item at that meeting. The motion carried unanimously.

Council Member Nicol commented that he would hope his colleagues at the Board of Supervisors would make the new maps more easily accessible on the County's website. He would also like to see maps that are clearer to read than the ones currently on the website.

D. City Council/RDA Director/Treasurer Comments/Committee Reports

1) Council Member Nicol welcomed the students from Soquel High who were in attendance at tonight's meeting.

2) Council Member Termini reminded everyone that the Mermaid Triathlon takes place on Sunday, September 25, in Capitola Village.

3) Council Member Storey reported on the recent meeting of the Monterey Bay Unified Air Pollution Control District Board. He announced that the board disbursed about \$1.4 Million in AB 2766 grants for pollution reduction projects throughout the tri-county area. He would encourage staff to look for possible applications from the City of Capitola for grants in the next years' cycle.

4) Mayor Norton said he had a request from someone in the audience who wished to address the Council. He asked that person to come forward.

Terry, a new business owner on Capitola Avenue, expressed concerns about the installation of a SmartMeter at her business, which is health-related. She thought she would be protected against the meters since the City has an ordinance. She was told that PG&E only recognizes the California Public Utilities Commission, not local moratoriums. Terry believes people should have a choice. Mayor Norton explained that there is an opt-out clause, which provides some rights. She thanked the Mayor for the opportunity to speak.

2. ORAL COMMUNICATIONS (Continued)

E. Committee Appointments – NoneF. Approval of Check Register Reports1) City: Approval of City Check Register Reports dated September 2, 2011 and September 9, 2011. [300-10]

[Note: The City Council received a "Revised" Agenda Report for this item prior to the meeting, as the Check Register Report dates were incorrect. The Agenda was also corrected to include the correct dates.]

ACTION: Council Member Termini moved, seconded by Council Member Storey, to approve the Check Register Reports dated September 2 and 9, 2011, including checks numbered 67440 through 67475 in the amount of \$84,590.14, checks numbered 67476 through 67546 in the amount of \$113,367.71, respectively; and payroll disbursements for the September 9, 2011, payroll in the amount of \$174,679.00, for a Grand Total of \$372,636.85, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

2) RDA: No Report.3. **CONSENT CALENDAR**

Mayor/Chairperson Norton asked if there were any items on the Consent Calendar that members of the public or the City Council/Redevelopment Agency Directors wished to pull for separate discussion.

Mayor/Chairperson Norton pulled Item 3.E. Council Member/Director Storey also wished to comment on that item.

Mayor/Chairperson Norton advised Item 3.E. would be discussed at the end of the meeting following Other Business Item 5.D. (*See discussion and action on Page 12082.*)

CONSENT CALENDAR ACTION: Council Member/Director Nicol moved, seconded by Council Member/Director Termini, to approve the Consent Calendar, as recommended, with the exception of Items 3.E. and 3.F.4) (Claim of Capitola Associates, LLC), which was continued to the next meeting under Oral Communications Item 2.A.1). The motion carried on the following vote: AYES: Council Members/Directors Termini, Nicol, Storey, and Mayor/Chairperson Norton. NOES: None. ABSENT: Council Member/Director Harlan. ABSTAIN: None.

A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.

ACTION: The City Council/Redevelopment Agency Directors unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

B. City/RDA: Approve Minutes of the Regular Joint Meeting of the City Council/Redevelopment Agency of September 8, 2011.

ACTION: Council Member/Director Nicol moved, seconded by Council Member/Director Termini, to approve the Minutes of the Regular Joint City Council Meeting of September 8, 2011, as submitted. The motion carried on the following vote: AYES: Council Members/Directors Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member/Director Harlan. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

C. City Treasurer's Report for the month ended August 31, 2011 (Unaudited). [330-80]

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to receive the City Treasurer's Report for the month ended August 31, 2011 (Unaudited), as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

D. Accept update report on the Rispin Property Hazard Abatement Project and, by 4/5 vote approval, make the determination that all hazards at the Rispin Property have not been eliminated and there is need to continue action. [275-60]

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to accept the update report on the Rispin Property Hazard Abatement Project and made the determination that all hazards at the Rispin Property, as detailed in the March 1, 2011, Notice of Summary Abatement Order to Abate Dangerous Buildings and Grounds, have not been eliminated, and there is a need to continue action. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

E. Approve First Amendment to the Cooperative Agreement with Barry Swenson Builder for Village Hotel Planning, and adopt Resolution amending the FY2011-12 budget to accept \$30,000 in funds and to increase the General Plan Maintenance Fund Revenues & Expenditures by \$30,000. [330-10/500-10 A/C: Barry Swenson Builders]

This item was pulled for separate discussion. *(See discussion and action on pages 12082 and 12083.)*

F. Deny liability claims and forward to the City's liability insurance carrier. [Claims Binder]

- 1) Farmers Insurance Exchange; subrogee of Babette Beyer and Rainbow City Limits: \$6,409.89
- 2) Mid-Century Insurance Company; subrogee of Panache Bath & Body Shop: \$12,682.23
- 3) California Capital Insurance Company; subrogee of Stacey Basile, et al.: \$250,000.00
- 4) Capitola Associates, LLC: \$541,724.72 *[Note: This claim was continued.]*

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to deny the claims of the above-listed claimants, with the exception of 4) Capitola Associates, LLC, in the amount of \$541,724.72, and to forward the claims to the City's liability insurance carrier. Item 4 was continued to the next Regular Meeting when Council Member Harlan could participate in the discussion of that claim. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

G. City/RDA: Adopt Uncodified Ordinance of the City of Capitola Determining it will Comply with the Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Redevelopment Agency of the City of Capitola [2nd Reading], and adopt the necessary City Council and Redevelopment Agency Resolutions approving various agreements required to implement the State's Voluntary Alternative Redevelopment Program established as part of the State's FY2011-12 Budget. [760-10/760-25/500-10/760-05 A/C: City/RDA Agency Transfer Payment Agreement/Loan and Repayment Agreement]

3. CONSENT CALENDAR (Continued)

ACTION: Council Member/Director Nicol moved, seconded by Council Member/Director Termini, to take the following actions:

CITY ACTIONS:

1. Adopted **Ordinance No. 962, an Uncodified Ordinance Determining it will Comply with the Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Redevelopment Agency of the City of Capitola**, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.
2. Unanimously authorized the City Manager to notify the Department of Finance, State Controller's Office and the Office of the County Auditor-Controller of the City's participation in the Voluntary Alternative Redevelopment Program.
3. Adopted **City Council Resolution No. 3886, Resolution Approving and Authorizing the Execution of the Agency Transfer Payment Agreement with the Redevelopment Agency of the City of Capitola Pursuant to Part 1.9 of the Redevelopment Law**, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.
4. Adopted **City Council Resolution No. 3887, Resolution Approving and Authorizing the Execution of the Loan and Repayment Agreement with the Redevelopment Agency of the City of Capitola**, as submitted, to ensure that FY2011-2012 Agency housing programs are fully funded. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

RDA ACTIONS:

1. Adopted **Agency Resolution No. 2011-11, Resolution Approving and Authorizing the Execution of the Agency Transfer Payment Agreement with the City of Capitola Pursuant to Part 1.9 of the Redevelopment Law**, as submitted. The motion carried on the following vote: AYES: Directors Termini, Nicol, Storey, and Chairperson Norton. NOES: None. ABSENT: Director Harlan. ABSTAIN: None.
2. Adopted **Agency Resolution No. 2011-12, Resolution Reducing its Deposit to the Low and Moderate Income Housing Fund for the 2011-2012 Fiscal Year and Making Certain Findings and Determinations**, as submitted and authorized the Executive Director to transfer \$150,000 from the Housing Trust Fund for Housing Programs for FY2011-2012 and make certain findings and determinations, as submitted. The motion carried on the following vote: AYES: Directors Termini, Nicol, Storey, and Chairperson Norton. NOES: None. ABSENT: Director Harlan. ABSTAIN: None.
3. Adopted **Agency Resolution No. 2011-13, Resolution Approving and Authorizing the Execution of the Loan and Repayment Agreement with the city of Capitola**, as submitted, to ensure that FY2011-2012 Agency housing programs are fully funded. The motion carried on the following vote: AYES: Directors Termini, Nicol, Storey, and Chairperson Norton. NOES: None. ABSENT: Director Harlan. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

H. Approve a three-year contract with Ed Morrison for Public Works Inspection Services in an amount not to exceed \$30,000 per year, effective January 1, 2012.**[500-10 A/C: Morrison, Ed]**

[NOTE: The City Council received an Additional Material Agenda Report on September 19, 2011, recommending adoption of a budget amendment resolution if the contract were approved.]

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to approve a three-year contract with Ed Morrison for Public Works Inspection Services in an amount not to exceed \$30,000 per year, effective January 1, 2012, and adopt **Resolution No. 3891, Resolution Amending the FY2011-12 General Fund Budget by Transferring \$15,000 from the Public Works Department Salary & Benefits Account to the Public Works Department Contract Services Account for a Public Works Inspection Service Contract**, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

4. PUBLIC HEARINGS

A. Public Hearing to discuss possible Skate Park Locations and Options. Presentation: Public Works Department. [1040-20]

Public Works Director Jesberg summarized the written agenda report utilizing a PowerPoint Presentation, and Deputy City Attorney Paterno discussed liability issues associated with skate board parks. They then responded to questions from council members.

Public Works Director Jesberg shared a map of the Monterey Park site showing different configurations for skate parks. Chief of Police Card commented that the City needs a site that is visible and a high traffic area. He also said videoing of the site is useful in the event something happens, and he would recommend lighting after dark. Mayor Norton noted that the City has an agreement with the neighbors that there will never be lighting in the park.

Council Member Termini read an email he received from William Delaney supporting the proposed skate park.

Mayor Norton opened the public hearing at 8:56 p.m. The following people spoke:

Tory Delfavero, Capitola resident, said she grew up in Capitola and is now raising her 3 sons here. She and a number of her friends and their children would like to see a non-destination skate park in Capitola.

Joy Richardson, resident of Capitola, offered her support for the proposed skate park.

Jacques Bertrand, Capitola resident living on Monterey Avenue, discussed the benefits of a skate park for Capitola families. He said perhaps the Recreation Department could organize activities at the skate park. In addition, he suggested working with the school district cooperatively to see if they would be willing to open the playground area for parking and open the restrooms.

Kristy Caplan, Capitola resident with two sons, supports a skate park in Capitola.

Sandra Wallace, neighbor of the park and a Soquel Union Elementary School District trustee, said she was not speaking for the board, but as a resident. She believes the city needs a skate park for the students at New Brighton Middle School. Due to the proximity of the proposed skate park, which would be next to the district office and the caretaker, she would recommend a noise study be taken. She also stated that when the park was first built, the neighborhood was assured there would be no lights or restrooms.

4. A. PUBLIC HEARINGS (Continued)

Emily Martin stated she has spoken several times regarding her support of a skate park in Capitola. She believes the proposed location at Monterey Park is a good one, since it is close to New Brighton Middle School.

Ted Donnelly, parent of a New Brighton Middle School student, as well as a Trustee for the Soquel Union Elementary School District, stated that he is not speaking as a trustee. Mr. Donnelly believes this is a great move, and he supports the proposed location for a skate park, especially since it is near New Brighton Middle School.

Rick, Capitola resident, said he as well as his three children would be interested in using the skate park. They all enjoy skateboarding, and he strongly supports a park in Capitola. He noted that a number of parents were not able to attend tonight's Council meeting as it is Back to School Night.

Dan Steingrube, resident on Monterey Avenue, said he lives directly across the street from the proposed skate park. He commented on the noise he has had to deal with by people using the parking and playing loud music from their cars, etc. He is not concerned so much with a small skate park; however, he is worried about the use of the facility on evenings and weekends. If the noise at the park gets worse, he will be contacting the police department.

Chris Valdez, Soquel High student and resident of Capitola, said he loves to skate every day, and it would be great to have a place to skate close to home.

Nathan Cross, Capitola resident and a former skateboarder, expressed the need for the city to provide youth in our community with recreational outlets. He encouraged the city council to move forward with a skate park at Monterey Park.

A young boy named Kaleb said he would like a skate park in Capitola.

Derek Finch expressed his support of a skate park in Capitola as he generally has to go to Santa Cruz to skate. He would like it as big as possible.

Mayor Norton closed the public hearing at 9:12 p.m.

Council Member Nicol said there were no comments about taking down the eucalyptus tree. He also commented on the council's previous discussions regarding locations for a skate facility and believes the proposed location is a good one. Council Member Nicol spoke with his neighbor, George Slettehaugh, whose wife was killed in a skateboarding accident, and Mr. Slettehaugh would be honored if the facility could be named in her honor if it is built.

Council Member Termini said he could support a skate park at this location next to New Brighton Middle School. He thinks 4,000 square feet is a good size and that it should be privately funded. With regard to noise, the City needs to respect those concerns of neighbors by installing signage that the park is closed at dusk. He said the council might want to consider a tot lot adjacent to this park, and a restroom would be important. Council Member Termini said Mr. Bertrand's idea for the Recreation Department to have a program in skateboarding is a good one.

Considerable Council discussion was followed by this action:

4. A. PUBLIC HEARINGS (Continued)

ACTION: Council Member Termini moved, seconded by Council Member Nicol, to direct staff to elaborate on the potential costs to design the skate park, to put the project out to the skating community to begin fundraising efforts for a skate park project at Monterey Park, because he anticipates it will cost approximately \$300,000 for the project, and to approve the project in concept.

Under discussion of the motion, Council Member Storey said he supports the motion. Since he has been on the Council, they have had trouble finding the right location. Staff should focus on this site and move forward to see this become a reality. Council Member Storey emphasized that, although the city has the site, it does not have the money; therefore, private funding is critical if the skate park is to be built anytime soon. Although there were individuals from the school district who spoke tonight, staff should communicate with the school district to obtain their position on the proposed skate park.

Council Member Storey also commented on the letter submitted tonight by Richard Lippi, the caretaker for New Brighton Middle School, who expressed his support and interest in being included in the design process.

Mayor Norton identified the following list of items that were brought up by the council or members of the public that he wished to be included on the Public Works Director's list:

- Liability issue
- Sight line from the street
- Signage
- Videoing
- No lighting
- Restrooms (residents do not like the idea of putting a bathroom on the site – look into making arrangements with the school district for the use of bathroom facilities)
- Define age group
- Small in scale, non-destination skate park
- Cost of financing (possibility of forming an organizational group to take on this issue)
- Noise test
- Removal of eucalyptus trees (check with school district)
- Perfect project for community funding
- Staff to come back with an organizational format on how to organize a group who would be the driving force for the skate park.

Council Member Nicol said all the trees should be removed as they would be a hazard. On the noise issue, the city might want to look at some type of boom-box noise discussion.

The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

5. OTHER BUSINESS

A. Environmentally Acceptable Packaging Materials: Ordinance Amending Sections 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of the Capitola Municipal Code pertaining to the use of Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware [1st Reading]. Staff recommendation: adopt ordinance. [930-30]

5. A. OTHER BUSINESS (Continued)

Administrative Services Director Murphy summarized the written agenda report and responded to questions of council members. She also noted that the council has received communications from the Grocers' Association and that staff has been working together with them in drafting the proposed ordinance.

Mayor Norton opened this item to the public for comment at 9:48 p.m.

Sandy Prather, store manager for Capitola Save-Mart, said her company feels it is important to highlight a concern regarding the draft ordinance before the council tonight. Save-Mart believes the ordinance, as written, is overreaching and would include all products that include polystyrene foam. This would include hundreds of products the council may not want to ban for sale. For additional information or questions regarding their concerns, Ms. Prather recommended contacting Alicia Rockwell at Save-Mart Corporate Office or Tim James at the California Grocers' Association.

Kristin Jensen Sullivan, on behalf of the Capitola Commission on the Environment, is proud that Capitola has been a model around the Monterey Bay and the state. She said that businesses have been generally supportive of the ordinance and that the goal is to have zero waste. The Capitola Commission on the Environment asked staff to bring these amendments forward to the Council and supports the amendments.

Michelle Hohensee, Save Our Shores, commented that Styrofoam never really breaks down or decomposes. It is a very big problem along the coast, because the products end up in the bay. She commented on the number of Styrofoam pieces being collected by volunteers at coastal cleanups and responded to questions of council members.

Mayor Norton closed the matter to the public at 9:54 p.m. and brought it back to the council for discussion and action.

Council Member Termini questioned whether the council is ready for a first reading or whether the council would consider continuing this item for some word-smithing before a first reading.

Council discussion was followed by this action:

ACTION: Council Member Termini moved, seconded by Council Member Storey, to rewrite the ordinance changes to be more specific and to eliminate the products that the city does not want to control, such as encapsulated floatation devices and coolers, and to focus on banning cups, bowls, plates and meat trays.

Council Member Nicol asked if the direction is to make a list of the banned things. Council Member Termini thinks the ordinance should list the things that are banned.

The motion carried unanimously.

B. Report on Implementation of the Parking Pay Stations in Capitola Village. Staff recommendation: receive report. [470-30]

Public Works Director Jesberg summarized the written agenda report and provided information regarding the implementation of the parking pay stations in Capitola Village around November 1. Once installed, he said there would be a press release and brochures regarding the new parking payment system. After his report he answered questions of council members.

ACTION: It was the consensus of the City Council to accept the report on the Implementation of the Parking Pay Stations in Capitola Village, as submitted.

5. OTHER BUSINESS (Continued)

- C. **Adopt Resolution Accepting the State of California CDBG Disaster Recovery Initiative Grant in the amount of \$250,000 and amending the FY2011-12 budget accordingly, and approve the following agreements associated with the expenditure of the grant funds: [700-10/330-10/500-10 A/C: RBF Consulting/Design, Community & Environment (DCE)/Flynn, Carolyn]**
- 1) **RBF Consulting in the amount of \$93,450 to prepare a Local Hazard Mitigation Plan;**
 - 2) **Amendment to agreement with Design, Community & Environment (DCE) in the amount of \$68,500 for expanded portions of the Safety Element; and**
 - 3) **Amendment to the agreement with consultant Carolyn Flynn in the amount of \$37,500 for project management, grant administration and reporting.**

Community Development Director Johnson summarized the written agenda report utilizing a PowerPoint Presentation, discussed the recommended action, and responded to questions of council members.

Council Members discussed their reluctance to vote for this and expressed concerns about spending \$250,000 to prepare a report even though this is grant money. They also questioned the amendments to the Design, Community & Environment and the Carolyn Flynn agreements.

City Manager Goldstein responded to comments and questions of council members and said he understands the Council's inherent reluctance; however, the State requires all local jurisdictions to prepare a local Hazard Mitigation Plan. Having a plan in place is necessary to receive funding from the state in the event of an emergency. He encouraged the council to approve the staff's recommendation.

City Treasurer Bertrand asked if this study had been in place at the time of the flood this year, whether the city would have obtained relief. City Manager Goldstein said it would not have helped the city in this case.

Considerable Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Mayor Norton, to take the following actions:

1. Adopted **Resolution No. 3888, Resolution Accepting the CDBG Disaster Recovery Initiative (DRI) Grant in the Amount of \$250,000 and Amending the FY 11/12 Budget to Increase CDBG Revenue and Expenditures in the Amount \$250,000 for the DRI Local Hazard Mitigation Plan & Safety Element Update**, as submitted;
2. Authorized the City Manager to execute a standard City contract with RBF Consulting for \$93,450 for development of the City's Local Hazard Mitigation Plan per the Scope of Work as submitted;
3. Authorized the City Manager to execute a contract amendment with Design, Community & Environment for \$68,500 for expanded portions of the Safety Element, including a review of relocating emergency responders, and sea level rise analysis, as submitted; and
4. Authorized the City Manager to execute a contract amendment with consultant Carolyn Flynn for \$37,500 to provide project management of the LHMP consultant team and the Safety Element consultant team, and all DRI grant administration and reporting, as submitted.

The motion carried on the following vote: AYES: Council Members Nicol, Storey, and Mayor Norton. NOES: Council Member Termini. ABSENT: Council Member Harlan. ABSTAIN: None.

5. OTHER BUSINESS (Continued)

D. Professional Services Agreement with William Statler for Interim Finance Director. Staff recommendation: approve agreement with William Statler, and adopt Resolution Amending the FY2011-2012 budget in the amount of \$30,000. [500-10 A/C: Statler, William]

City Manager Goldstein summarized the written agenda report and staff's recommendation to enter into an agreement with William Statler for Interim Finance Director services. He discussed the scope of work and the need for high-level financial expertise.

City Manager Goldstein then introduced Bill Statler, who addressed the council.

Mr. Statler said he is delighted to have an opportunity to serve the City of Capitola and be part of the management team, and he responded to questions of council members.

Council discussion was followed by this action:

ACTION: Council Member Termini moved, seconded by Council Member Storey, to take the following actions:

1. Adopted the proposed Professional Services Agreement with William Statler as the Interim Finance Director in a amount not to exceed \$30,000, as submitted; and
2. Adopted **Resolution No. 3889, Resolution Amending the FY2011-2012 General Fund Budget by Transferring \$30,000 from the Finance Department Salary & Benefits Account to the Finance Department Contract Services Account to Fund the Interim Finance Director Contract**, as submitted.

The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

3. CONSENT CALENDAR (*Items pulled for separate discussion.*)

E. Approve First Amendment to the Cooperative Agreement with Barry Swenson Builder for Village Hotel Planning, and adopt Resolution amending the FY2011-12 budget to accept \$30,000 in funds and to increase the General Plan Maintenance Fund Revenues & Expenditures by \$30,000. [330-10/500-10 A/C: Barry Swenson Builders]

Council Member Storey commented that we are moving ahead of the CDBG grant, and he is concerned that by doing so we might be wasting money.

Community Development Director Johnson said the scope of work has been reduced and that Swenson plans to fully fund the reduced scope. This work will be part of the General Plan work for a Village Hotel.

Council discussion was followed by this action:

ACTION: Council Member Storey moved, seconded by Mayor Norton, to take the following actions:

1. Approved the proposed "First Amendment to the Cooperative Agreement regarding Village Hotel Planning and Parking Structure Financing Costs" between the City and Barry Swenson Builder, accepting \$30,000 in funds for the Capitola Hotel Design Alternatives Study, as submitted; and

3. E. CONSENT CALENDAR *(Items pulled for separate discussion - Continued.)*
2. Adopted **Resolution No. 3890, Resolution Accepting \$30,000 in Funds and Amending the FY2011-12 Budget to Increase General Plan Maintenance Fund Revenues and Expenditures by \$30,000 for the Village Hotel Project**, as submitted.

The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None.

6. **COUNCIL/RDA DIRECTORS/STAFF COMMUNICATIONS** - None

7. **ADJOURNMENT**

The City Council/Redevelopment Agency Meeting was adjourned at 11:10 p.m. to a Special Joint Study Session with the Finance Advisory Committee to be held on Wednesday, October 12, 2011, at 6:00 p.m. in the City Hall Council Chambers, and then to its next Regular Joint Meeting to be held on Thursday, October 13, 2011, at 7:00 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dennis R. Norton, Mayor
Redevelopment Agency Chairperson

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk
Redevelopment Agency Secretary

**CAPITOLA CITY COUNCIL/ REDEVELOPMENT
AGENCY/FINANCE ADVISORY COMMITTEE**

October 12, 2011
Capitola, California

**MINUTES OF A SPECIAL JOINT STUDY SESSION OF THE
CAPITOLA CITY COUNCIL, REDEVELOPMENT AGENCY,
AND FINANCE ADVISORY COMMITTEE**

Mayor/Chairperson Norton called the Special Joint Study Session of the Capitola City Council/Redevelopment Agency/Finance Advisory Committee to order at 6:00 p.m. on Wednesday, October 12, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members/Directors Stephanie Harlan, Michael Termini, Kirby Nicol, Sam Storey and Mayor/Chairperson Dennis Norton

Finance Advisory Committee Members: Chair Robert "Bob" Begun, Vice Chair Christine Buechting, Jacques Bertrand, Kirby Nicol, Michael Termini, Troy (TJ) Welch, and Gary Wetsel

ABSENT: Finance Advisory Committee Member Debbie Johnson

STAFF: City Manager/Executive Director Jamie Goldstein and Interim Finance Director Bill Statler

2. JOINT STUDY SESSION

Joint Study Session to discuss the City's Long Range Fiscal Strategy. Staff recommendation: receive report regarding long term fiscal issues by the Finance Advisory Committee and the City Manager/RDA Executive Director and provide direction to staff.

Council Member/Director Storey requested that the Mayor move discussion regarding community grants to the end of the meeting, as he has a conflict of interest and will need to recuse himself since he is Executive Director of Community Bridges.

Using a PowerPoint Presentation, FAC member Gary Wetsel presented the FAC report and recommendations. City Manager/Executive Director Goldstein and Interim Finance Director Statler responded to questions of participants during discussion.

Council/Agency/Committee discussion and direction focused on obtaining staff's input about the revenue/expenditure concepts outlined in the Finance Advisory Committee report. Staff was directed to return to the Finance Advisory Committee and City Council/RDA with additional analysis for further discussion. In addition, the Council asked the Finance Committee to continue to work with the City Manager on financing options for upcoming major projects.

3. ADJOURNMENT

The Joint Special Study Session was adjourned at approximately 8:30 p.m.

The City Council/Redevelopment Agency to adjourn to its next Regular Joint Meeting to be held on Thursday, October 13, 2011, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

The Finance Advisory Committee to adjourn to its next Regular Meeting to be held on Tuesday, October 18, 2011, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dennis R. Norton, Mayor
Redevelopment Agency Chairperson

Robert "Bob" Begun, Chair
Finance Advisory Committee

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk
Redevelopment Agency Secretary



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: OCTOBER 21, 2011
SUBJECT: PLANNING COMMISSION ACTION MINUTES OF OCTOBER 20, 2011

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Graves, Newman, Smith and Chairperson Ortiz
Absent: Routh
Staff: Community Development Director Johnson
Housing Projects Manager Foster
Intern Marisa Lee
Minute Clerk Uharriet

2. ORAL COMMUNICATIONS

- A. Additions and Deletions to Agenda - NONE
- B. Public Comments - NONE
- C. Commission Comments

Commissioner Newman announced the upcoming GPAC meetings on November 12 and 13, 2011

- D. Staff Comments - NONE

3. APPROVAL OF MINUTES

- A. September 1, 2011 Regular Planning Commission Meeting

Commissioner Smith: Page 25, Section 17.21.080:

17.21.080 Height regulations.

No structure shall exceed twenty-seven feet in height in the C-V zone, except when a restoration of a historic building of Capitola exceeding the height limitation is proposed and has been recommended for approval by the planning commission. In any case, such structures shall provide for adequate light and air, and shall provide for considerations of view from adjacent properties. (Ord. 740 § 7, 1992; Ord. 622 Exhibit A (part), 1987)

Commissioner Smith suggested the height regulations be clarified, as it relates to view.

APPROVAL WITH CHANGES 3-0, COMMISSIONER NEWMAN ABSTAINED.

4. CONSENT CALENDAR

A. 703 RIVERVIEW DRIVE #11-097 APN: 035-042-26

Coastal Permit and Design Permit to remodel an existing two-story single-family residence in the R-1 (Single-Family Residence) Zoning District. This project requires a Coastal Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Categorical Exemption

Property Owner: Steve Goodman & Kathryn Quigg, filed 9/12/11

Representative: Derek Van Alstine

APPROVED WITH CONDITIONS 4-0

5. PUBLIC HEARINGS

A. 116 STOCKTON AVENUE #11-093 APN: 035-231-13

Conditional Use Permit for a retail wine store and wine bar with the sale and dispensing of alcohol in the CN (Neighborhood Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Frederic Feldner, owner/filed: 9/1/11

Representative: Tina Metzger

APPROVED WITH ADDITIONAL CONDITIONS 4-0

5. Business hours will be limited to Sunday-Wednesday 2:00PM-8:00PM 10:00 PM, and Thursday-Saturday 2:00PM-10:00PM.

10. There shall not be any loading or unloading of retail or wholesale deliveries along Stockton Avenue.

B. 115 SAN JOSE AVENUE #11-100 APN: 035-221-27

Conditional Use Permit for a take-out restaurant with the sale and dispensing of alcohol in the CN (Neighborhood Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Peter Dwares, owner/filed: 9/15/11

Representative: Dennis Norton Design

DENIED 4-0

C. ZONING AMENDMENTS TO IMPLEMENT HOUSING ELEMENT ACTION ITEMS

The Planning Commission shall consider amendments to the Capitola Municipal Code to implement action items contained in the 2007-2014 Housing Element. These amendments are as summarized as follows:

1. Amend the Capitola Municipal Code to modify parking, lot size, height, and setback requirements to encourage secondary dwelling units.
2. Amend the Capitola Municipal Code to allow Single Room Occupancy (SRO) and Small Ownership Units (SOU) in the Community Residential, Neighborhood Commercial and Community Commercial Zone Districts.
3. Amend the Capitola Municipal Code to provide Community Development Director approval of reasonable accommodations for persons with disabilities.

4. Amend the Capitola Municipal Code to add emergency shelters as a principally permitted use in the Industrial Park Zone District.
5. Amend the Capitola Municipal Code to specify that transitional and supportive housing is a principally permitted use in all zone districts that allow residential uses.

COMMENTS REFERRED TO CITY COUNCIL.

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT

Adjourn to a Regular Meeting of the Planning Commission to be held on Thursday, November 3, 2011 at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Item #: **3.D.**

CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: DEPARTMENT OF PUBLIC WORKS
DATE: OCTOBER 19, 2011
SUBJECT: RISPIN PROPERTY HAZARD ABATEMENT UPDATE NO. 16

Recommended Action: By motion and roll call vote, take the following actions:

1. Accept this update report on the Rispin Property Hazard Abatement Project, and
 2. By 4/5 approval, make the determination that all hazards at the Rispin Property as detailed in the March 1, 2011, Notice of Summary Abatement Order to Abate Dangerous Buildings and Grounds have not been eliminated and that there is a need to continue action.
-

BACKGROUND

On March 10, 2011, the City Council adopted Resolution No. 3859 declaring that an emergency condition exists as a result of the receipt of an Order to Abate Hazardous Conditions at the Rispin Mansion Property. Pursuant to Public Contracting Code Section 22050 the City Council must review this action at each subsequent regularly scheduled meeting and by 4/5 vote authorize work to continue under the emergency declaration.

DISCUSSION

Project status:

Work on the roof is now complete. By the end of October it is anticipated that the site fencing and painting the mansion will be completed. At this time all hazards on the site will be abated and work under this effort will cease. Staff will be presenting a detailed account of the work completed on the next Council agenda.

FISCAL IMPACT

Contracts in the amount of \$650,000 have been issued. As of October 18, 2011, there has been \$408,588.42.55 in invoices paid.

ATTACHMENTS – None

Report Prepared By: Steven Jesberg
Public Works Director

Reviewed and Forwarded
By City Manager: _____



Item #: **3.E.**

CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: OFFICE OF THE CITY CLERK

DATE: October 18, 2011

SUBJECT: ORDINANCE AMENDING SECTIONS 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 AND 8.36.070 OF THE CAPITOLA MUNICIPAL CODE PERTAINING TO POLYSTYRENE FOAM AND BIODEGRADABLE AND COMPOSTABLE DISPOSABLE FOOD SERVICE WARE [2nd READING]

Recommended Action: By motion and roll call vote, adopt the proposed Ordinance Amending Section 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of the Capitola Municipal Code pertaining to Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware, as submitted.

BACKGROUND

The City Council, at its meeting of October 13, 2011, received a staff agenda report pertaining to changes relative polystyrene and recommended amendments to the City's Municipal Code in that regard.

DISCUSSION

The Administrative Services Director provided information and responded to questions of Council Members regarding the proposed municipal code amendments at the October 13, 2011, City Council meeting. After limited discussion, the City Council took the following action with respect to the proposed ordinance:

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to pass the proposed Ordinance Amending Section 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of the Capitola Municipal Code pertaining to Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware to a second reading, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

The proposed ordinance is before the City Council for its second reading and final adoption. If adopted, the ordinance will take effect in thirty (30) days; on November 26, 2011.

ATTACHMENT

Draft Ordinance

Report Prepared By: Pamela Greeninger, MMC
City Clerk

**Reviewed and Forwarded
By City Manager:** _____

DRAFT

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING SECTIONS 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.60 AND 8.36.070
OF, AND ADDING SECTION 8.36.035 TO, THE CAPITOLA MUNICIPAL CODE
PERTAINING TO POLYSTYRENE FOAM AND BIODEGRADABLE AND
COMPOSTABLE DISPOSABLE FOOD SERVICE WARE**

THE CITY COUNCIL OF THE CITY OF CAPITOLA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Subsection T. of Capitola Municipal Code Section 8.36.010, Findings and intent, is hereby amended to read as follows:

T. Restricting polystyrene foam products that are not wholly encapsulated or encased by a more durable material and replacing non-biodegradable food service ware with biodegradable food service ware products in Capitola will further protect the public health and safety of the residents of Capitola, the City of Capitola's natural environment, waterways and wildlife, would advance the City's goal of Developing a Sustainable City, advance the City's goal of Zero Waste by 2020 and fulfill Article 10 of the Environmental Accords, whereby Capitola partnered with other cities across the globe in signing a commitment to eliminate or restrict the use of one chemical or environmental hazard every year.

Section 2. Subsections F., G., K., L., M., N., and O. of Capitola Municipal Code Section 8.36.020, Definitions, are hereby amended to read as follows:

"F. "Customer" means any person obtaining prepared food, merchandise or product from a restaurant or Retail food vendor, or retail vendor.

G. "Disposable food service ware" means all containers, bowls, plates, trays, cartons, cups, forks, spoons, knives and other items that are designed for one-time use and on, or in, which any restaurant, retail vendor or retail food vendor directly places or packages Prepared Foods or which are used to consume foods. This includes, but is not limited to, service ware for takeout foods and/or leftovers from partially consumed meals prepared at restaurants, sold at restaurants, retail vendors or retail food vendors.

K. "Product" means any product such as coolers, cups, bowls, plates, clamshells, containers, ice chests, packing peanuts or other packing materials, beach or pool toys, or any other product or merchandise containing polystyrene foam that is not encapsulated or encased by a more durable material.

L. "Restaurant" means any establishment located within the City of Capitola that sells Prepared Food for consumption on, near, or off its premises by Customers. Restaurant for purposes of this Chapter includes Itinerant Restaurants, Pushcarts and Vehicular Food Vendors.

M. "Retail Food Vendor" means any store, shop, sales outlet, or other establishment, including a grocery store or a delicatessen, other than a Restaurant, located within the City of Capitola that sells Prepared Food.

N. "Retail vendor" means any store that sells goods or merchandise located or operating within the city of Capitola.

O. "Special Events Promoter" means an applicant for any special events permit issued by the City or any City employee(s) responsible for any City organized special event."

Section 3. Capitola Municipal Code Section 8.36.030 is hereby amended to read as follows:

"8.36.030 Prohibited food service ware.

A. Except as provided in Section 8.36.050, food vendors are prohibited from providing prepared food to customers in disposable food service ware that uses polystyrene foam.

B. All city facilities are prohibited from using polystyrene foam disposable food service ware and all city departments and agencies will not purchase or acquire polystyrene foam disposable food service ware for use at city facilities.

C. City franchisees, special event promoters, contractors and vendors doing business with the City shall be prohibited from using Polystyrene Foam Disposable Food Service Ware in the City of Capitola."

Section 4. Section 8.36.035 is hereby added to the Capitola Municipal Code to read as follows:

"8.36.035 Prohibited retail sales.

No retail vendor or special event promoter in the City of Capitola may sell, rent or otherwise provide any polystyrene foam product which is not wholly encapsulated or encased within a more durable product, except as exempted in section 8.36.050 below. This specifically includes but is not limited to cups, plates, bowls, clamshells and other products intended primarily for food service use, as well as coolers, containers, ice chests, pool or beach toys, packing peanuts or other packaging materials.

Section 5. Subsection B. of Capitola Municipal Code Section 8.36.040, Required Biodegradable and Compostable Disposable Food Service Ware, is hereby amended to read as follows:

"B. All City Facilities will use Biodegradable or Compostable Disposable Food Service Ware."

Section 6. Subsections D., E., and F. of Capitola Municipal Code Section 8.36.050, Exemptions, are hereby amended to read as follows:

"

D. Disposable Food Service Ware composed entirely of aluminum is exempt from the provisions of this Chapter E. Meat trays are exempt from the provisions of this chapter.

F. Products wholly encapsulated or encased by another non-polystyrene product, are exempt from the provisions of this chapter. Examples include surfboards, boats, life preservers, construction materials, craft supplies and durable coolers not principally composed of polystyrene.

G. Emergency Supply and Services Procurement: In a situation deemed by the City Manager to be an emergency for the immediate preservation of the public peace, health or safety, City Facilities, Food Vendors, Retail Vendors, City franchises, contractors and vendors doing business with the City shall be exempt from the provisions of this Chapter.”

Section 7. Subsections A., B., and C. of Capitola Municipal Code Section 8.36.060, Liability and Enforcement, is hereby amended to read as follows:

A. The City Manager or his/her designee will have primary responsibility for enforcement of this Chapter. The City Manager or his/her designee is authorized to promulgate regulations and to take any and all other actions reasonable and necessary to enforce this Chapter, including, but not limited to, entering the premises of any Food or retail Vendor to verify compliance.

B. City facilities, food vendors, retail food vendors, retail vendors and restaurants will be given three (3) months from the effective date of this ordinance to comply with the provisions herein.

C. If, after the first three (3) months of the effective date of this ordinance, the City Manager or his/her designee determines that a violation of this chapter occurred, he/she will issue a written warning notice to the retail food establishment that a violation has occurred, specifying a three (3) month time period for the food or retail vendor to conform to the provisions of this Chapter.”

Section 8. Capitola Municipal Code Section 8.36.070, Violations - Penalties, is hereby amended to read as follows:

“8.36.070 Violations – Penalties.

A. If the City Manager or his/her designee determines that a violation of this Chapter has occurred, he/she will issue a written warning notice to the food or retail vendor or special event promoter that a violation has occurred, and give the offending party three (3) months to conform to the provisions of this Chapter.

B. If the food or retail vendor or special events promoter has subsequent violations of this Chapter, the following penalties will apply:

1. A fine not exceeding one hundred dollars (\$100.00) for the first violation after the warning notice is given.
2. A fine not exceeding two hundred dollars (\$200.00) for the second violation after the warning notice is given.
3. A fine not exceeding five hundred dollars (\$500.00) for the third and any future violations after the warning notice is given.”

Section 9. This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 22nd day of September, 2011, was passed to a second reading on the 13th day of October, 2011, and was finally passed and adopted by the City Council of the City of Capitola on the 27th day of October, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk



Item #: **3.F.**

CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: CITY MANAGERS OFFICE

DATE: OCTOBER 18, 2011

SUBJECT: QUARTERLY DEPARTMENTAL FINANCIAL REPORT – 1ST QUARTER ENDING
SEPTEMBER 30, 2011

Recommended Action: Motion to receive the quarterly report regarding all City Departments' financial status for July through September 2011.

BACKGROUND

It is the policy of the City Council for the staff to prepare a quarterly budget status report regarding the financial status of all of the departments be placed on the consent agenda.

DISCUSSION

Staff has prepared a report (Attachment 1) that provides a budget status update on the following department expenditures: City Manager, Personnel, City Council, Attorney, Art & Cultural, Museum, Finance, Community Development, Public Works, Police, Recreation and Community Grants. The period of review is from July 1 through September 30, 2011.

With 25% of the year completed, 24% of the departments combined budgets have been expended. Detailed discussion on each department is contained in the attached report.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENT

Department Fiscal Status Report

Report Prepared By: Lisa G. Murphy
Administrative Services Director

**Reviewed and Forwarded
By City Manager _____**



Memo

To: City Council
 From: Lisa Murphy, Administrative Services Director
 Date: October 12, 2011
 Re: Department Fiscal Status – As of September 30 (25% of the Fiscal Year Completed)

Summary: The following is a summary of the expenditures for all general fund departments from July 1 through September 30 (25% of the year completed). Departments reviewed include the following; City Council, City Manager, Personnel, City Attorney, Art & Cultural Commission, Museum, Police, Community Development, Finance, Public Works & Recreation. 25% of the year has been completed, therefore it is expected that each department should be within that range for total expenditures unless otherwise noted. The department budgets are composed of four categories; Salary & Benefits, Contract Services, Training & Supplies, Internal Service Charges. Fund Transfers are not within the departments but are a part of the General Fund and therefore are shown in the table below.

The chart below that combines all departments together by category of expenditure. With 25% of the year completed, 23% of the budget has been expended by the departments. The Fund Transfers have not occurred yet, if they were completed the percentage expended would be 24%.

Of concern at this point is the City Attorney Budget. The special litigation budget of \$50,000 has already expended 40% (\$20,000).

Expense	FY11-12 Budget	FY11-12 Actuals	% Expended
Personnel	\$7,834,262	\$1,890,873	24%
Contract Services	\$2,439,571	\$591,442	33%
Training & Supplies	\$566,954	\$131,757	23%
Community Grants	\$137,500	\$63,478	46%
Internal service fund charges	\$846,700	\$211,675	25%
Fund Transfers	\$832,500		0%
Actual Expenditure Totals:	\$12,657,487	\$2,889,225	23%
Fund Transfers @ 25%		\$208,125	
Estimated Expenditure Total		\$3,097,350	24%

DEPARTMENT ANALYSIS:

Most of the department budgets are within the expected range of expenditures. Some departments have seasonal expenses such as the Art & Cultural Commission, Lifeguards and Recreation; therefore they may have a greater amount of expenditures at the beginning of the fiscal year, but less during the middle of the year. Each Department will be discussed separately below the table.

	FY11-12 Budget	FY11-12 Actuals	% Expended
Expenditures			
10 - City Council	\$88,700	\$28,388	32%
11 - City Manager	\$785,100	\$178,279	23%
12 - Personnel	\$212,800	\$42,156	20%
16 - City Attorney	\$183,600	\$42,741	23%
17 - Finance	\$664,250	\$122,860	18%
18 - Community Grants	\$137,500	\$63,478	46%
Police Dept			
20 - Law Enforcement	\$5,330,173	\$1,332,131	25%
21 - Parking Enforcement	\$419,400	\$92,711	22%
22 - Lifeguard	\$89,700	\$36,850	41%
23 - Animal Services	\$16,200	\$503	3%
Police Dept TOTAL	\$5,855,473	\$1,462,195	25%
30 - Public Works	\$2,166,304	\$473,311	22%
40 - Community Development	\$748,585	\$161,001	22%
50 - Recreation	\$857,175	\$279,397	33%
51 - Museum	\$77,300	\$16,132	21%
52 - Arts & Culture	\$48,200	\$18,885	39%
99 - Transfers	\$832,500	\$0	0%
Expenditure Grand Totals:	\$12,657,487	\$2,888,823	23%

City Council: Expenditures reflect full payment of memberships to AMBAG, LAFCO, League of Cal. Cities, and Begonia Festival. The expenditures will not exceed budget.

	FY11-12 Budget	FY11-12 Actuals	% Expended
Department: 10 City Council			
PER - Personnel	\$41,300	\$10,071	24%
CS - Contract services	\$20,700	\$6,130	30%
TR - Training & Supplies	\$21,400	\$10,862	51%
ISFC - Internal service fund charges	\$5,300	\$1,325	25%
Department Total:City Council	\$88,700	\$28,388	32%

City Manager: The City Managers Department which also includes Personnel Division has expended 22%. There are no areas of concern.

Department: 11 City Manager	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$795,700	\$190,200	24%
CS - Contract services	\$117,700	\$15,029	13%
TR - Training & Supplies	\$32,300	\$2,156	7%
ISFC - Internal service fund charges	\$52,200	\$13,050	25%
Department Total:City Manager	\$997,900	\$220,434	22%

City Attorney: Although the budget is just 23% expended, the majority of those expenditures are for special litigation costs. Special litigation budget is \$50,000 and \$20,000 (40%) has already been expended.

Department: 16 City Attorney	FY11-12 Budget	FY11-12 Actuals	% Expended
CS - Contract services	\$183,600	\$42,741	23%
Department Total:City Attorney	\$183,600	\$42,741	23%

Community Development Department: The CDD also includes the Building Division. Although just 19% has been expended, there are no anticipated savings. Contracts budgeted have not been executed, this is primarily a timing issue.

Community Development	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$ 608,000	\$ 147,700	24%
CS - Contract services	\$ 60,225	\$ 91	0%
TR - Training	\$ 35,100	\$ 1,895	5%
ISFC - Internal service fund charges	\$ 45,260	\$ 11,315	25%
Community Development	\$748,585	\$161,001	22%

Finance Department: Overall, the department is not expected to exceed the adopted budget. There will be savings in Personnel as identified previously by not filling the Finance Director and utilizing a consultant. The estimated savings was \$60,000.

Finance	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$435,000	\$93,123	19%
CS - Contract services	\$190,550	\$19,571	27%
TR - Training & Supplies	\$6,000	\$1,991	33%
ISFC - Internal service fund charges	\$32,700	\$8,175	25%
Department Total:Finance	\$664,250	\$122,860	18%

Police Department: This department is composed of four divisions; Animal Services, Law Enforcement, Parking and Lifeguards. Each division has its own budget and is detailed below. The overall expenditures as a department are within budget.

Law Enforcement	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$4,317,862	\$978,836	19%
CS - Contract services	\$886,137	\$327,956	43%
TR - Training	\$108,654	\$19,697	12%
ISFC - Internal service fund charges	\$542,820	\$135,705	28%
Total:Law Enforcement	\$5,855,473	\$1,462,195	25%

Division Budgets:

Animal Services: The budget for this division is only composed of Contract Services and Materials & Supplies.

Animal Services	FY11-12 Budget	FY11-12 Actuals	% Expended
CS - Contract services	\$15,000	\$453	3%
SUP - Supplies	\$1,000	\$0	0%
ISFC - Internal service fund charges	\$200	\$50	25%
Total:Animal Services	\$16,200	\$503	3%

Law Enforcement: The total expenditures to date for this division are on target with the adopted budget. The Contract Services budget has spent 43% primarily due to the timing of the payment to the 911 JPA which already occurred. Personnel may have a savings due to some vacancies that are in the process of recruitment. The 2nd Quarter Report will have further data from which to extrapolate more information.

Law Enforcement	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$4,028,262	\$898,006	19%
CS - Contract services	\$682,537	\$284,585	43%
TR - Training	\$8,650	\$998	12%
SUP - Supplies	\$86,304	\$17,436	28%
ISFC - Internal service fund charges	\$524,420	\$131,105	25%
Total:Law Enforcement	\$5,330,173	\$1,332,131	25%

Parking: Overall, expenditures are on target with the budget. There is a slight savings in Personnel due to the timing of filling a vacancy.

Parking Enforcement	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$205,200	\$45,153	19%
CS - Contract services	\$188,600	\$42,918	26%
TR - Training	\$10,000	\$740	7%
ISFC - Internal service fund charges	\$15,600	\$3,900	25%
Total:Parking Enforcement	\$419,400	\$92,711	22%

Lifeguards: The Lifeguard division is a seasonal program therefore the expenditures occur during May through September which corresponds with the end of one fiscal year and the beginning of the next fiscal year. This is why 41% of the budget has already been expended. This program is not expected to exceed the adopted budget.

Lifeguard	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$84,400	\$35,677	41%
CS - Contract services	\$0	\$0	0
SUP - Supplies	\$2,700	\$523	19%
ISFC - Internal service fund charges	\$2,600	\$650	25%
Total:Lifeguard	\$89,700	\$36,850	41%

Public Works Department: This department is composed of 4 divisions: Parks, Facilities, Streets and Fleet. Each of the divisions are within the targeted budget range.

Division: 30 Public Works	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$ 1,095,100	\$ 271,537	25%
CS - Contract services	\$ 671,744	\$ 99,479	15%
SUP - Supplies	\$ 279,700	\$ 72,355	26%
ISFC - Internal service fund charges	\$ 119,760	\$ 29,940	25%
Department Total:Public Works	\$ 2,166,304	\$ 473,311	22%

Museum: The Museum expenditures are as expected and will not exceed the budget.

Museum	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$59,600	\$13,831	20%
CS - Contract services	\$5,600	\$16	0%
SUP - Supplies	\$8,500	\$1,384	16%
ISFC - Internal service fund charges	\$3,600	\$900	25%
Department Total:Museum	\$77,300	\$16,132	25%

Art & Cultural: The Art & Cultural Commission budget is primarily expended over the summer, which corresponds to the end of one fiscal year and the beginning of the next. This is a seasonally based program where the majority of the expenditures occur in the beginning of the Fiscal Year.

Arts & Culture	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$12,200	\$3,109	24%
CS - Contract services	\$23,900	\$13,640	57%
SUP - Supplies	\$10,300	\$1,686	16%
ISFC - Internal service fund charges	\$1,800	\$450	25%
Department Total:Arts & Culture	\$48,200	\$18,885	39%

Recreation: Although the Recreation program is year round, most of the programs are in the summer; therefore the expenditures correlate to the seasonality of the program.

Recreation	FY11-12 Budget	FY11-12 Actuals	% Expended
PER - Personnel	\$469,500	\$182,462	36%
CS - Contract services	\$279,415	\$66,788	32%
SUP - Supplies	\$65,000	\$19,332	32%
ISFC - Internal service fund charges	\$43,260	\$10,815	25%
Department Total:Recreation	\$857,175	\$279,397	33%



CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: FINANCE DEPARTMENT

DATE: October 18, 2011

SUBJECT: RDA Quarterly Treasurer's Report for the quarter ended June 30, 2011

Recommended Action: Accept quarterly report.

BACKGROUND

This report presents the Capitola Redevelopment Agency's cash position and investment portfolio as of the quarter ended June 30, 2011. It has been prepared to comply with regulations contained in California Government Code Section 53646. The RDA follows the practice of pooling cash and investments for the RDA funds under its control. Interest earned on pooled cash and investments is allocated quarterly to the funds based on the respective fund's average quarterly cash balance. Interest earned is credited directly to each fund. Capitola RDA cash and investments are composed of operating cash and cash invested in Local Agency Investment Fund (LAIF). The LAIF interest rate for quarter ended June 30, 2011 was 0.46%.

DISCUSSION

RDA cash balance at quarter end was:

Total RDA Cash, 06/30/11			
	RDA Operating	Low/Moderate Income Housing	Total RDA Cash
Bank of America	\$ 2,290,540	\$ 889,328	\$ 3,179,868
Local Agency Investment Fund (LAIF)	\$ 7,125	\$ 1,468	\$ 8,593
Total RDA Cash	\$ 2,297,665	\$ 890,796	\$ 3,188,461

Report prepared by:
Lonnie Wagner, Accountant II

Approved by:
Jamie Goldstein
Executive Director _____

Reviewed and forwarded:
Debbie Johnson
RDA Treasurer _____



Item #: 4.A.

CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: OCTOBER 21, 2011

SUBJECT: PUBLIC HEARING TO CONSIDER ZONING CODE AMENDMENTS TO TITLE 17 OF THE CAPITOLA MUNICIPAL CODE CALLED FOR IN THE CITY'S 2007-2014 HOUSING ELEMENT

Recommended Action: By motion and roll call vote, pass the proposed ordinances related to housing actions called for in the City's 2007-2014 Housing Element to a second reading, as submitted:

- 1) Ordinance Adding Section 17.99.035 pertaining to Allowed Density, and Amending Sections 17.99.040, 17.99.060, and 17.99.070 pertaining to Secondary Dwelling Units [1st Reading];
 - 2) Ordinance Adding Chapter 17.100 and Section 17.03.572 regarding Single Room Occupancy Units, Adding Chapter 17.101 and Section 17.03.573 regarding Small Ownership Units, and Amending Sections 17.22.050, 17.24.060, and 17.27.060 to Allow Single Room Occupancy Units and Small Ownership Units in Commercial/Residential (CR), Neighborhood commercial (CN), and Community Commercial (CC) Zoning Districts [1st Reading];
 - 3) Ordinance Adding Chapter 17.70 to the providing a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations Pursuant to Fair Housing Laws [1st Reading];
 - 4) Ordinance Amending Section 17.36.040 to Add Subsection H. pertaining to Emergency Shelters [1st Reading]; and
 - 5) Ordinance Amending Chapter 17.03 by Adding Sections 17.03.665 and 17.03.688 to define Supportive Housing and Transitional Housing to provide that those uses are and shall be subject only to those Restrictions on Residential Uses applicable to the type of Residential Structure Involved [1st Reading].
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BACKGROUND

On February 11, 2010 the City Council adopted Resolution No. 3803 approving the 2007-2014 Housing Element. The Housing Element contained six action items to be completed within one year of adoption. While the one-year deadline has passed, the Housing Element remains in substantial compliance as the City has been working towards fulfilling the City's commitment. In accordance with Government Code sections 65854 and 65855 a ten-day legal notice was provided for this public hearing.

Chapter six of the Housing Element outlines the City’s housing goals, policies and programs for the 2007-2014 planning period including five-year objectives under each program. Significantly, the State’s approval and certification of the Housing Element was conditioned upon the City’s commitment to take action on a number of items including the following:

Program 1.3	Housing Element Page 6-4	Secondary Dwelling Units	Review current ordinance within one year for possible modifications to the parking, height, lot size, and setback requirements that would encourage increased participation
Program 1.3	Housing Element Page 6-4	Single Room Occupancy Units	Adopt ordinance to allow SROs within one year
Program 3.1	Housing Element Page 6-12	Reasonable Accommodation Ordinance	Adopt ordinance within one year as required by the Federal Fair Housing Act and the California Fair Employment and Housing Act
Program 3.3a	Housing Element Page 6-13	Emergency Shelter Ordinance	Amend zoning to allow emergency shelters by right in the IP zone within one year
Program 3.3b	Housing Element Page 6-14	Transitional & Supportive Housing	Adopt ordinances within one year as required by Senate Bill 2

GPAC Review

The General Plan Advisory Committee (GPAC) reviewed the proposed Housing Element action items as a part of their meeting on September 21, 2011. The GPAC expressed concern about continued mandates from the California Department of Housing and Community Development (HCD) and concern about loss of local control. They were also concerned with the proposed changes to the Accessory Dwelling Unit Ordinance and the impacts those changes may have on existing single-family dwelling neighborhoods.

Planning Commission Review

The Planning Commission reviewed the package of amendments on October 20, 2011. The Planning Commission echoed GPAC concerns about continued mandates from the state and interference in local land use issues. No formal action was taken by the Planning Commission, but did provide comments which are discussed below.

Secondary Dwelling Units

The Planning Commission had strong reservations about modifying changes to parking requirements, allowance of second story detached units and revisions to setbacks to encourage Secondary Dwelling Units (SDU). The Planning Commission was generally supportive of reducing the minimum lot size for SDU from 5,000 ft² to 4,000 ft². The Planning Commission felt it was important that the City Council hold public meetings with Depot Hill and Jewel Box Neighborhood residents prior to adoption as they would be most impacted by a change in minimum lot size.

Single Room Occupancy and Small Ownership Units

There was not clear Planning Commission consensus regarding changes to allow Single Room Occupancy and Small Ownership Units in specified zone districts. While, the Planning Commission appreciated that this type of housing would be accessible to lower economic

segments of the community, they were concerned about mixing this type of housing with commercial uses.

Reasonable Accommodation Policy

The Planning Commission felt that the proposed ordinance to provide a process for persons with disabilities to receive an expedited administrative waiver of development standards to be of value. There was clear consensus that the proposed ordinance would assist residents with disabilities that needed an expedited process for the approval a waiver or modification of development standards.

Emergency Shelters

The Planning Commission reviewed the proposed ordinance to allow Emergency Shelters in the Industrial Park (IP) zone district. They were concerned about design review and wanted to make sure that such shelters would be held to the same design review and development standards as other industrial projects. Additionally, they requested that a transportation plan be included as part of any permit application.

Transitional and Supportive Housing

Transitional and supportive housing was discussed in detail and the Planning Commission expressed concerns about neighborhood compatibility and the potential for undue concentration in particular neighborhoods. The Planning Commission did not provide any specific recommended changes to the proposed ordinance that would allow transitional and supportive housing as required by state housing law.

DISCUSSION

Draft ordinances have been prepared that implement each of the Housing Element action items. The attached proposed zoning amendments and revisions chart (Attachment 1) shows the key actions that are contemplated under the proposed ordinances. These ordinances have been modified to reflect Planning Commission concerns.

Once final ordinances have been adopted by the City Council the ordinances will be submitted to the California Coastal Commission for certification. A resolution will be brought back for adoption at the second reading of the ordinances.

1. Secondary Dwelling Units (Attachment 2)

In the City's 2007-2014 Housing Element it was projected that seven Secondary Dwelling Units (SDUs) would be built during the 2007-2014 planning period. Since January 2007 seven SDUs have actually been built. The adopted Housing Element commits the City to review its current SDU ordinance based on HCD's concern that it may be too restrictive. No actual changes are required at this time. Staff recommends the following revisions as a way to increase participation in the program. Proposed revisions to the ordinance include a revision to allow small (up to 400 square feet) SDUs to be built on lots between 4,000 square feet and 5,000 square feet. State law requires that SDUs be allowed with administrative review only. The current Ordinance meets this requirement for attached and single-story detached units. Staff is proposing that 1 ½ and 2 story detached SDUs be allowed with required Architecture and Site review and a public hearing before the Planning Commission. A copy of the current SDU Municipal Code Chapter 17.99 is attached (Attachment 3).

There are a total of 773 R-1 parcels in the City that are 5,000 square feet or larger that could accommodate an SDU under the City's current ordinance. There are an additional 278 R-1 parcels that are between 4,000 square feet and 5,000 square feet (Attachment 4). It should be noted that the City's Secondary Dwelling Unit Program and the City's Inclusionary Housing Program have

produced the only units in the past ten years that are affordable by definition to low or moderate-income households without requiring direct City, State or Federal financial assistance.

2. Single Room Occupancy and Small Ownership Units (Attachment 5)

Single Room Occupancy Units (SROs) and Small Ownership Units (SOUs) were identified in the 2007-2014 Housing Element of the General Plan as a method of providing affordable housing options to lower-income residents. Action is required by the state only for SROs at this time, however the current Housing Element calls for the city to adopt SOUs within five years. Because SOUs and SROs are so similar, the two have been consolidated into a single ordinance that covers both types of residential development together.

Staff has identified the C-R, CN, and CC districts as the most appropriate zones for SROs and SOUs as a conditional use. There are a total of 121 parcels within these three districts that meet the proposed 7,500 minimum lot size and ¼ mile proximity to a supermarket (Attachment 6).

A survey of parking requirements for SROs in other California cities was conducted to determine the most appropriate parking requirement for SROs and SOUs in Capitola. Results of the survey are outlined in the table below. Staff recommends an SRO/SOU parking requirement of .50 spaces per unit that is less than 300 sq ft. and .75 spaces per unit for units greater than 300 sq. ft.

Parking Survey for SROs and SOUs

City	Parking Spaces per Unit	Other Notes
Santa Cruz	.75 per unit for units < 300 sq. ft 1 per unit for units > 300 sq. ft	-Requirement reduced by .25 spaces/unit if located within ¼ mile of alternative parking, public transportation, or grocery store -Requirement further reduced by .25 spaces/unit if project allows only senior residents
Dana Point	.5 per one-person unit .8 per two-person unit	3 staff spaces
Pasadena	.25 per affordable unit 1 per market rate unit	2 staff spaces
Palo Alto	.75 per affordable unit 1.25 per market rate unit	
Dublin	1	1 guest space for every 3 units
San Diego	.3 for rents restricted to 60% of area median income (AMI) .2 for rents restricted to 50% of AMI 0 for rents restricted to 40% of AMI .5 for market rate units	1 bicycle parking space per unit
San Jose	.25 per unit with shared facilities 1 per unit with private facilities	When located within 2000 feet of public transportation
Berkeley	.125 per unit with shared facilities .25 per unit with private facilities	
Proposed for Capitola	.50 per unit < 300 sq. ft. .75 per unit > 300 sq. ft.	-1 bicycle parking space per unit -Must be located within ¼ mile of supermarket

3. Reasonable Accommodation (Attachment 7)

The Federal Fair Housing Act and the California Fair Employment and Housing Act prohibit discrimination against individuals with disabilities and require cities and counties to take affirmative action to eliminate regulations and practices that deny housing opportunities to individuals with disabilities. Specifically, fair housing laws require that cities and counties provide individuals with

disabilities flexibility in the application of land use, zoning and building regulations, practices and procedures, by modifying or waiving certain requirements when it is necessary in order to eliminate barriers to housing. Policy 3.1 of Chapter 6 of the 2007-2014 Housing Element, the City committed to adopting a reasonable accommodation ordinance within one year.

This ordinance will amend the zoning code to allow the Community Development Director or a designee to grant modifications or waivers to the zoning and land use requirements to give individuals with disabilities equal access to housing opportunities. Staff identified parking and yard encroachment as specific areas where modification or waiver of regulations may be most necessary. The addition of this ordinance puts the City of Capitola in compliance with state and federal law.

4. Emergency Shelters (Attachment 8)

Senate Bill 2 requires California cities and counties to zone at least one district for emergency shelters as a principally permitted use so that at least one emergency shelter may be developed without a conditional use permit. The Housing Element identified the Industrial (IP) zone as the appropriate zone for this program and the State approved this zone (Attachment 9).

The IP zone includes a total of 6.37 acres in eight parcels. Four of the parcels (approximately 2.17 acres) are vacant or underutilized and demonstrate that sufficient land is available for at least one emergency shelter to accommodate the City's identified homeless need. This ordinance proposes an amendment to Chapter 17.36.040 Principal Permitted Uses to include emergency shelters with the restrictions allowed by the State. The proposed ordinance allows for the development of one shelter with a maximum of 30 beds. Given that Capitola's unmet homeless shelter need is for only 13 shelter beds and the desire that homeless services be co-located for improved client access it is highly unlikely that a shelter program will be proposed for Capitola. The addition of this ordinance puts the City of Capitola in compliance with state law. The ordinance was amended based on Planning Commission discussion to require a transportation plan be included so that shelter users can safely travel to and from any permitted facility.

5. Supportive and Transitional Housing (Attachment 10)

Senate Bill 2 provides that transitional and supportive housing constitute a residential use, and requires zoning to treat transitional and supportive housing as a proposed residential use and subject only to those standards and permitting processes that apply to other residential uses in all zones that allow residential uses.

Transitional housing is defined as a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing.

Supportive housing is permanent rental housing linked to a range of support services designed to enable residents to maintain stable independent living. Typically, a portion of the housing is targeted to people who have risk factors such as homelessness, or health challenges such as mental illness or substance addiction. The types of support services that can be provided include medical and mental health care, vocational and employment services, substance abuse treatment, childcare, and independent living skills training. Most supportive housing is built and managed by non-profit housing developers and service providers.

As called for in the Housing Element the proposed zoning amendments will reduce barriers to the permitting and operation of transitional and supportive housing by making them a residential use subject only to the same restrictions that apply to other residential dwellings of the same type in the same zone.

Parking Ordinance Review

In the 2007-2014 Housing Element the City committed to an examination of the parking ordinance to be completed within one year of the adoption of the Housing Element, including the implementation of reductions/incentives as appropriate. The City's parking requirements underwent an update in 2004 and 2009 and based on staff's review of those ordinances the only recommended changes at this time are related to the introduction of SRO and SOUs and the covered parking requirement related to Secondary Dwelling Units. Those changes have been incorporated into these new ordinances and ordinance revisions. Other changes will be examined during the General Plan update process.

CEQA REVIEW

All of the ordinance changes under consideration in this report were included as a part of the Housing Element Update 2007-2014 and reviewed in the Initial Study and Negative Declaration. These studies concluded that no significant environmental impacts would be associated with the project. No further review is required.

FISCAL IMPACT

There are no costs involved in the adoption of the proposed ordinance revisions other than the cost of staff time involved in preparing the documents. The staff time involved will be paid for through the City's General Plan Maintenance Fund. Adopting these proposed ordinances is important in order for the City to maintain its Housing Element in compliance with the State Department of Housing and Community Development (HCD). Not having a housing element in compliance with HCD would make us less competitive in our future applications for Federal funding (CDBG and HOME Programs, for example). Not having a State certified housing element would also make us ineligible to apply for some state funded programs (the BEGIN program and the Workforce Housing Awards Program, for example). Finally, not having a State certified housing element opens the door to lawsuits, typically initiated by individuals or affordable housing advocate agencies, claiming that the City is not meeting its affordable housing obligations.

ATTACHMENTS

1. Chart of Proposed Zoning Code Amendments
2. Draft Secondary Dwelling Unit Ordinance
3. Current Secondary Dwelling Unit Municipal Code
4. Map of Potential Secondary Dwelling Unit Sites
5. Draft Single Room Occupancy and Small Ownership Units Ordinance
6. Map of Potential Single Room Occupancy and Small Ownership Units Sites
7. Draft Reasonable Accommodation Ordinance
8. Draft Emergency Shelter Ordinance
9. Map of District Zoned for Emergency Shelters
10. Draft Transitional and Supportive Housing Ordinance

Report Prepared By: David Foster, Housing and Redevelopment Project Manager
Marisa Lee, Community Development Intern

**Reviewed and Forwarded
By City Manager:** _____

Chart of Proposed Zoning Code Amendments

Current Code No.	Existing Code Item	New Code No.	Proposed Code Item
Chapter 17.99 Secondary Dwelling Unit	Zoning: SDUs are principally permitted in R-1 zone	Chapter 17.99 Secondary Dwelling Unit	Zoning: - -Single-story and attached SDUs are principally permitted in R-1 zone - 1 ½ and 2 story detached SDUs are subject to Architecture and Site review permit and a public hearing before the Planning Commission
	Parking: Must meet underlying zoning requirement for combined square footage of habitable space		Parking: Same
	Unit size: 1. 500 sq. ft. for lots of 5,000 min. sq. ft. 2. 600 sq. ft. for lots over 7,500 sq. ft. 3. 800 sq. ft. for lots over 10,000 sq. ft.		Unit size: 1. Up to 400 sq. ft. for lots between 4,000 & 4,999 sq. ft. 2. 500 sq. ft. for lots between 5,000 and 7,499 sq. ft. 3. 600 sq. ft. for lots from 7,500 to 9,999 sq. ft. 4. 800 sq. ft. for lots over 10,000 sq. ft.
	Setbacks: Attached SDUs: Same as setbacks for main building Detached SDUs: 5 ft. side yard and 8 ft. rear yard		Setbacks: Same
	Occupancy: Owner must reside in either the main house or the SDU		Occupancy: Same
	Height & stories: Attached SDUs: Shall meet lesser of existing dwelling height or height limit of underlying zoning Detached SDUs: Maximum building height is 15 ft. Two story detached SDUs not allowed		Height & stories: Attached SDUs: Same. Detached SDUs: Maximum height for single story is 15 ft. and 22 ft. for 1 ½ and 2 story units subject to Arch & Site and Planning Commission approval
	Covered Parking: No discussion		Covered parking: same
	Front or Exterior Yard Parking: No discussion		Front or Exterior Yard Parking: same
	Tandem Parking: No discussion		Tandem Parking: same
None		17.100 Single Room Occupancy Units (SROs)	Definition of SRO: Cluster of small residential units in which sanitary facilities and kitchens may be provided within the unit or shared
			Zoning: Allows SROs as conditional use in C-R (Commercial/Residential), CN

Current Code No.	Existing Code Item	New Code No.	Proposed Code Item
			(Neighborhood Commercial) and CC (Community Commercial) districts in accordance with state law and the five-year objectives of the City of Capitola Housing Element of the General Plan
			Details requirements for size, configuration, common and private facilities, laundry, bathrooms, kitchens, storage
			Parking: 0.5 spaces per unit less than 300 sq. ft.; 0.75 spaces per unit over 300 sq. ft. One bicycle space per unit
			Management: Project with 12 or more units shall provide 24-hour management and have a dwelling unit for the manager. All projects must have management plan approved by Community Development Director
			Location: Must be within ¼ mile of a supermarket, must be part of a mixed-use project where the nonresidential use is on the ground floor facing the street
None		17.101 Small Ownership Units (SOUs)	Definition: Dwelling unit containing no more than one bedroom and floor area ranging from 400 to 650 sq. ft., located on a separate subdivided parcel and included in a residential development where all dwelling units are SOU units and are offered for sale to the general public
			Zoning: Allows SOUs as conditional use in C-R (Commercial/Residential), CN (Neighborhood Commercial) and CC (Community Commercial) districts
			Density: Units shall comply with development standards of the zoning district in which they are located, except requirements for minimum lot area per dwelling unit shall not apply
			Parking: One space per unit. One Class I bicycle storage facility per unit
			Management: Project with 12 or more units shall provide 24-hour management and have a dwelling unit for the manager. All projects must have management plan approved by

Current Code No.	Existing Code Item	New Code No.	Proposed Code Item
			Community Development Director
None		Chapter 17.70 Reasonable Accommodation	Purpose: To comply with Federal Fair Housing Act, California Fair Employment and Housing Act, and the City of Capitola Housing Element (2010)
			Parking: Standard parking spaces may be converted to an accessible space or access aisle without the requirement for a modification
			Yard Encroachments: Required yards may be reduced based upon review by Community Development Director in consideration of the nature of the reported disability
			Definition of disability as per the California Fair Employment and Housing Act: Someone who has a physical or mental impairment that limits one or more major life activities; anyone who is regarded as having such impairment; or anyone with a record of such impairment
			Application requirements: Name and address of applicant, name and address of property owner, address of property, description of requested accommodation, reason accommodation is necessary
			Review Procedure: Community Development Director or designee makes written determination within 30 days with description of basis for decision
			Appeals: Applicant may appeal an adverse decision within 30 days, in writing. Appeals presented to Planning Commission and then City Council
			Findings: Not part of another matter which requires approval of the Planning Commission; would not significantly affect others; housing will be used by an individual with disabilities; would not impose undue financial or administrative burden; would not require a fundamental alteration in land

Current Code No.	Existing Code Item	New Code No.	Proposed Code Item
			use and zoning or building program; would not create adverse health and safety conditions
None		17.36.040 Emergency Shelters	Emergency shelters added as principal permitted use, as per Senate Bill 2, in the IP (Industrial Park) district for one Emergency Shelter with up to 30 beds
			Security, physical characteristics, refuse, laundry, common facilities, management, density, terms of stay, parking requirements and transportation plans and restrictions as allowed by Senate Bill 2
None		17.03.665 Supportive Housing and 17.03.688 Transitional Housing	Definitions of Transitional and Supportive Housing as per Senate Bill 2
			Transitional and Supportive Housing considered a residential use
			Subject only to same restrictions that apply to other residential uses of the same type in the same zone

DRAFT

ATTACHMENT 2

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADDING SECTION 17.99.035 TO THE CAPITOLA MUNICIPAL CODE PERTAINING
TO ALLOWED DENSITY, AND AMENDING SECTIONS 17.99.040, 17.99.060,
AND 17.99.070 OF THE CAPITOLA MUNICIPAL CODE
PERTAINING TO SECONDARY DWELLING UNITS**

BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS
FOLLOWS:

Section 1. Section 17.99.035 is hereby added to the Capitola Municipal Code to read
as follows:

“17.99.035 Allowed density.

In compliance with Government Code Section 65852.2(b)(5) residential second units shall
not count toward the allowable density for purposes of determining consistency with the
Comprehensive Plan and zone density standards.”

Section 2. Section 17.99.040 of the Capitola Municipal Code is hereby amended to
read as follows:

“17.99.040 Permit procedures.

The following secondary dwelling units shall be principally permitted within the zoning
district specified in Section 17.99.030 and subject to the design standards in Section 17.99.060,
administrative review for compliance and a building permit:

1. Any attached or one-story detached secondary dwelling unit meeting the same
development standards as permitted for the primary residence in the zoning district
and meeting the design standards in Section 17.99.060, or
2. any single-story secondary dwelling unit that meets the design standards in Section
17.99.060, shall require administrative review for compliance with Section 17.99.060
from the community development department and a building permit.

Any secondary dwelling unit not meeting the requirements above, including proposed 1 ½
story and two story detached units, shall be subject to: (1) an architecture and site review permit
with a public hearing before the planning commission, and (2) the findings as described in
Section 17.99.050., and (3) the development standards as described in Section 17.99.060.”

Section 3. Capitola Municipal Code Section 17.99.060 and Subsections 1, 2, 5, 8, 9,
and 10 thereof, are hereby amended to read as follows: [NOTE: All other subsections are
unchanged and remain in full force and effect.]

“17.99.060 Design and development standards.

All principally permitted secondary dwelling units must conform to the following design and
development standards:

1. Parking. Parking requirements shall meet the underlying zoning requirement for
the combined square footage of habitable space of the subject property (see Section 17.99.080
for parking incentives).

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2. Unit Size. The floor area for secondary dwelling units shall not exceed ~~five-four~~ hundred (400) square feet for lots between ~~five-four~~ thousand and ~~seven-four~~ thousand ~~nine hundred and ninety-nine (4,000 to 4,999)~~ ~~five hundred~~ square feet. For lots between five thousand and seven thousand four hundred and ninety-nine (5,000 to 7,499) square feet the secondary dwelling unit shall not exceed five hundred (500) square feet. If a lot exceeds seven thousand five hundred (7,500) square feet, a secondary dwelling unit may be up to six hundred forty (640) square feet and, for lots in excess of ten thousand (10,000) square feet, a secondary dwelling unit may be up to eight hundred (800) square feet. In no case may any combination of habitable buildings occupy more than sixty percent floor area ratio (FAR) of the subject property. No secondary dwelling units shall be allowed on lot sizes less than ~~five-four~~ thousand (4,000) square feet.

5. Setbacks for Detached Secondary Dwelling Units. a A minimum five-foot side-yard setback and minimum eight-foot rear-yard setback are required for detached single-story structures containing a secondary dwelling unit. Detached secondary dwelling units shall be no higher than one story. If any portion of a secondary dwelling unit is located in front of the main building, then the front and side yard setbacks shall be the same as a main building in the zoning district. The entrance to the detached secondary dwelling unit shall face the interior of the lot unless the secondary dwelling unit is directly accessible from an alley or a public street. Openings (e.g., doors and windows) on exterior walls that are closest to and face adjacent residentially-zoned properties shall be designed to ensure that privacy and access to light and ventilation is not diminished on adjacent properties.

8. Occupancy.

~~The property owner must occupy either the primary or secondary dwelling.~~

a. The owner of the lot shall reside on said lot, in either the principal dwelling or in the residential second unit except when a) disability or infirmity require institutionalization of the owner, or b) the Community Development Director approves in writing owner's written request for a temporary absence due to illness, temporary employment relocation, sabbatical, extended travels, or other good cause.

b. For purposes of this chapter, the property owner is the majority owner of the property as shown in the most recent Santa Cruz County assessor's roll.

c. If there is more than one property owner of record the owner with the majority interest in the property shall be deemed the property owner for purposes of this chapter. Any property owner of record holding an equal share interest in the property may be deemed the majority property owner if no other property owner owns a greater interest.

d. Upon resale of the property, the new owner shall reside on the property or the use of the residential second unit shall be discontinued and the residential second unit shall be:

(1) If attached, converted into a portion of the principal dwelling; or,

(2) If detached, removed or converted into a legal accessory structure.

9. Building Height and Stories.

a. The maximum building height for detached secondary dwelling units shall be fifteen feet, and the building height of a proposed attached secondary dwelling unit shall not exceed the lesser of either the height of the existing primary residential structure or the maximum height limit of the zoning district in which the project is located.

b. If the design of the main dwelling has special roof features that match the detached secondary dwelling unit, the maximum building height of the secondary dwelling unit may be exceeded to include such similar special roof features subject to review by the architecture and site review committee and approval of the planning commission.

10. Alley Orientation. When a secondary dwelling unit is adjacent to an alley, every effort shall be made to orient the secondary dwelling unit toward the alley with the front access door and windows facing the alley. Parking provided off the alley shall maintain a twenty-four foot back-out area, which may include the alley. Fences shall be three feet six inches along the alley. However, higher fencing up to six feet can be considered in unusual privacy, security or design circumstances subject to review and approval of the planning commission.”

Section 4. Subsections C. and D. of Section 17.99.070 of the Capitola Municipal Code are hereby amended to read as follows:

“17.99.070 Deed restrictions.

C. The ~~administrative review or the architecture and site review permit, whichever applies, use permit~~ for the secondary dwelling unit shall be in effect only so long as the owner of record occupies either the main residence or the secondary dwelling unit;

D. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement and/or revoking the ~~administrative review or the architecture and site review use permit, whichever applies;”~~

Section 5. Subsections C., D., and E. are hereby added to Section 17.99.080 of the Capitola Municipal Code to read as follows:

Section 6 This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 27th day of October, 2011, and was passed and adopted by the City Council of the City of Capitola on the ___ day of ___, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

ORDINANCE NO.

4

APPROVED:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

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CAPITOLA MUNICIPAL CODE

Chapter 17.99 SECONDARY DWELLING UNITS

17.99.010 Definitions.

“Secondary dwelling unit” means a self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single lot. A secondary unit will be considered as attached to the primary residential unit for the purposes of this chapter when the secondary dwelling unit shares at least one common wall with the primary residential unit. All other secondary dwelling units for purposes of this chapter will be considered detached. (Ord. 886 § 1 (part), 2005; Ord. 858 § 1 (part), 2003)

17.99.020 Purpose.

The purpose of secondary dwelling units is to allow for an increase in the supply of affordable housing, in conformance with the goals and policies of the housing element of the city of Capitola general plan, while maintaining the single-family character of the neighborhoods of the city. (Ord. 858 § 1 (part), 2003)

17.99.030 Locations permitted.

Notwithstanding any other provisions of this code, secondary dwelling units shall be allowed in the single-family residence district (R-1). (Ord. 858 § 1 (part), 2003)

17.99.040 Permit procedures.

Any attached or one-story detached secondary dwelling unit meeting the same development standards as permitted for the primary residence in the zoning district and meeting the design standards in Section 17.99.060, or any single-story secondary dwelling unit that meets the design standards in Section 17.99.060, shall require administrative review for compliance with Section 17.99.060 from the community development department and a building permit.

Any secondary dwelling unit not meeting the requirements above shall be subject to: (1) an architecture and site review permit with a public hearing before the planning commission, (2) the findings as described in Section 17.99.050, and (3) the development standards as described in Section 17.99.060. (Ord. 858 § 1 (part), 2003)

17.99.050 Findings required for architecture and site review permitted secondary dwelling units.

Before approval or modified approval of an application for a secondary dwelling unit requiring a conditional use permit, the decision making body shall find that:

A. Exterior design of the secondary dwelling unit is compatible with the existing residence on the lot through architectural use of building forms, height, construction materials, colors, landscaping, and other methods that conform to acceptable construction practices;

B. The exterior design is in harmony with, and maintains the scale of, the neighborhood;

C. The secondary dwelling unit does not result in excessive noise, traffic or parking congestion;

D. The property fronts on an adequate water main and sewer line each with the capacity to serve the additional secondary dwelling unit;

E. The site plan provides adequate open space and landscaping that is useful for both the secondary dwelling unit and the primary residence. Open space and landscaping provides for privacy and screening of adjacent properties;

F. The location and design of the secondary dwelling unit maintains a compatible relationship to adjacent properties and does not significantly impact the privacy, light, air, solar access or parking of adjacent properties;

G. The secondary dwelling unit generally limits the major access stairs, decks, entry doors, and major windows to the walls facing the primary residence, or to the alley if applicable. Windows that impact the privacy of the neighboring side or rear yard have been minimized. The design of the secondary dwelling unit shall relate to the design of the primary residence and shall not visually dominate it or the surrounding properties;

H. The site plan shall be consistent with physical development policies of the general plan, any required or optional element of the general plan, and any area plan or specific plan or other city policy for physical development. If located in the coastal zone, a site plan shall also be consistent with policies of the local coastal plan;

I. The orientation and location of buildings, structures, open spaces and other features of the site plan are such that they maintain natural resources including significant trees and shrubs to the extent feasible and minimize alteration of natural land forms;

J. The site plan is situated and designed to protect views along the ocean and of scenic coastal areas. Where appropriate and feasible, the site plan restores and enhances the visual quality of visually degraded areas. (Ord. 858 § 1 (part), 2003)

17.99.060 Design and development standards.

All secondary dwelling units must conform to the following design and development standards:

1. **Parking.** Parking requirements shall meet the underlying zoning requirement for the combined square footage of habitable space of the subject property.

2. **Unit Size.** The floor area for secondary dwelling units shall not exceed five hundred square feet for lots between five thousand and seven thousand five hundred square feet. If a lot exceeds seven thousand five hundred square feet, a secondary dwelling unit may be up to six hundred forty square feet and, for lots in excess of ten thousand square feet, a secondary dwelling unit may be up to eight hundred square feet. In no case may any combination of habitable buildings occupy more than sixty percent floor area ratio (FAR) of the subject property. No secondary dwelling units shall be allowed on lot sizes less than five thousand square feet.

3. Existing Development on Lot. A single-family dwelling shall exist on the lot or shall be constructed in conjunction with the secondary dwelling unit.

4. Number of Secondary Dwelling Units Per Parcel. Only one secondary dwelling unit shall be allowed for each parcel.

5. Setbacks for Detached Secondary Dwelling Units. A minimum five-foot side-yard setback and minimum eight-foot rear yard setback are required for detached single-story structures containing a secondary dwelling unit. Detached secondary dwelling units shall be no higher than one story. If any portion of a secondary dwelling unit is located in front of the main building, then the front and side yard setbacks shall be the same as a main building in the zoning district. The entrance to the detached secondary dwelling unit shall face the interior of the lot unless the secondary dwelling unit is directly accessible from an alley or a public street. Openings (e.g., doors and windows) on exterior walls that are closest to and face adjacent residentially-zoned properties shall be designed to ensure that privacy and access to light and ventilation is not diminished on adjacent properties.

6. Setbacks for Attached Secondary Dwelling Units. Attached secondary dwelling units shall meet the same setbacks as a main building in the zoning district.

7. Other Code Requirements. The secondary dwelling unit shall meet the requirements of the Uniform Building Code.

8. Occupancy. The property owner must occupy either the primary or secondary dwelling.

9. Building Height and Stories.

a. The maximum building height for detached secondary dwelling units shall be fifteen feet, and the building height of a proposed attached secondary dwelling unit shall not exceed the lesser of either the height of the existing primary residential structure or the maximum height limit of the zoning district in which the project is located.

b. If the design of the main dwelling has special roof features that match the detached secondary dwelling unit, the maximum building height of the secondary dwelling unit may be exceeded to include such similar special roof features subject to review by the architecture and site review committee and approval of the planning commission.

10. Alley Orientation. When a secondary dwelling unit is adjacent to an alley, every effort shall be made to orient the secondary dwelling unit toward the alley with the front access door and windows facing the alley. Parking provided off the alley shall maintain a twenty-four foot back-out area, which may include the alley. Fences shall be three feet six inches along the alley. However, higher fencing up to six feet can be considered in unusual privacy, security or design circumstances subject to review and approval of the planning commission.

11. Design. The design of the secondary dwelling unit shall relate to the design of the primary residence by use of the similar exterior wall materials, window types, door and window trims, roofing materials and roof pitch.

12. **Open Space and Landscaping.** The site plan provides open space and landscaping that is useful for both the secondary dwelling unit and the primary residence. Landscaping shall be provided which provides for the privacy and screening of adjacent properties.

13. **Mobile Units.** Vehicles of any kind, with or without wheels, and trailers are prohibited as secondary dwelling units. (Ord. 860 § 1, 2003; Ord. 858 § 1 (part), 2003)

17.99.070 Deed restrictions.

Before obtaining a building permit for a secondary dwelling unit, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the present owner and stating that:

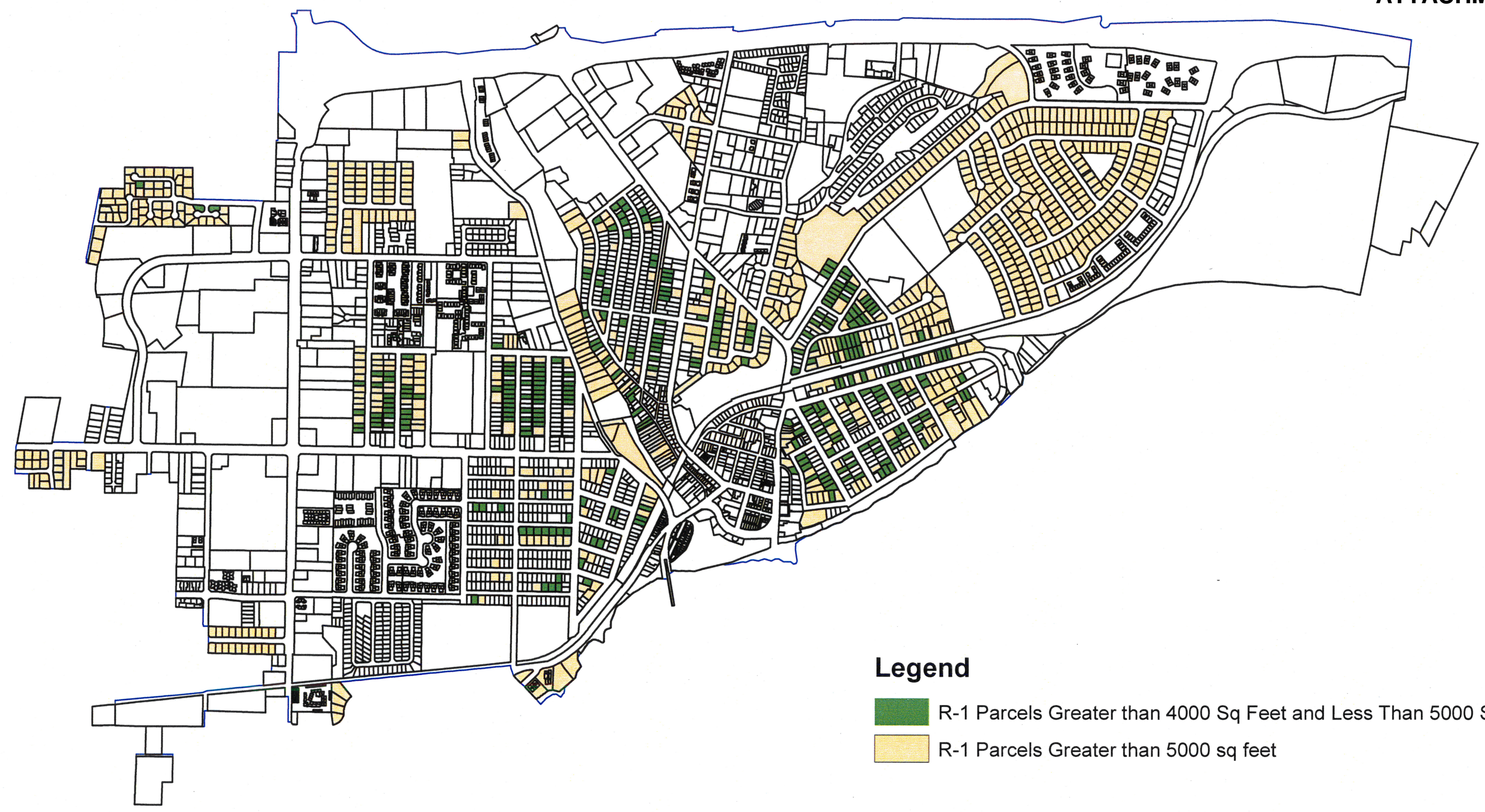
- A. The secondary dwelling unit shall not be sold separately;
- B. The unit is restricted to the approved size;
- C. The administrative review or the architecture and site review permit, whichever applies, for the secondary dwelling unit shall be in effect only so long as the owner of record occupies either the main residence or the secondary dwelling unit;
- D. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement and/or revoking the administrative review or the architecture and site review permit, whichever applies;
- E. The deed restrictions shall lapse upon removal of the secondary dwelling unit. (Ord. 858 § 1 (part), 2003)

17.99.080 Zoning incentives.

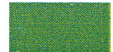

The following incentives are to encourage construction of secondary dwelling units:

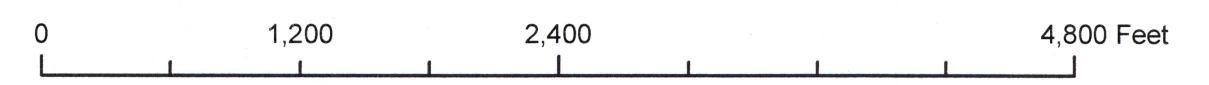
A. **Affordability Requirements for Fee Waivers.** Secondary dwelling units proposed to be rented at low or very low income levels, as established by the city, may have development fees waived per the city's fee schedule (Resolution No. 3183, adopted 12/13/01, as amended). Landlords of secondary dwelling units shall be relieved of the affordability condition upon payment of fees in the amount previously waived as a result of affordability requirements, subject to an annual CPI increase commencing with the date of application for building permit. Applicants of affordable secondary dwelling units must record a deed restriction limiting the rent to low or very low-income levels prior to issuance of a building permit.

B. **Historic Properties.** Secondary dwelling units proposed on properties that contain local, state, or federal historic building(s) or potentially historic building(s), as identified by a professional architectural historian approved by the city, may be entitled to certain waivers with respect to setbacks, parking, height, unit size, and other design features as deemed appropriate by the planning commission, for the purposes of preserving the architectural character of the primary residence. (Ord. 858 § 1 (part), 2003)



Legend

-  R-1 Parcels Greater than 4000 Sq Feet and Less Than 5000 Sq feet
-  R-1 Parcels Greater than 5000 sq feet



ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADDING CHAPTER 17.100 AND SECTION 17.03.572 TO THE MUNICIPAL CODE REGARDING
SINGLE ROOM OCCUPANCY UNITS, ADDING CHAPTER 17.101 AND SECTION 17.03.573 TO
THE MUNICIPAL CODE REGARDING SMALL OWNERSHIP UNITS,
AND AMENDING SECTIONS 17.22.050, 17.24.060, AND 17.27.060 OF THE MUNICIPAL CODE
TO ALLOW SINGLE ROOM OCCUPANCY UNITS AND SMALL OWNERSHIP UNITS IN
COMMERCIAL/RESIDENTIAL (C-R), NEIGHBORHOOD COMMERCIAL (CN),
AND COMMUNITY COMMERCIAL (CC) ZONING DISTRICTS**

BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS
FOLLOWS:

Section 1. Chapter 17.100 is hereby added to the Capitola Municipal Code to read as
follows:

“CHAPTER 17.100

SINGLE ROOM OCCUPANCY (SRO) UNITS

- 17.100.010 Definition
- 17.100.020 Purpose
- 17.100.030 Development Standards
- 17.100.040 Locations Permitted

17.100.010 Definition. “Single-Room Occupancy” or “SRO” units are a cluster of residential units of a smaller size than normally found in multiple dwellings within a residential hotel, motel, or facility providing sleeping or living facilities in which sanitary facilities may be provided within the unit and/or shared, and kitchen or cooking facilities may be provided within the unit or shared within the housing project.

17.100.020 Purpose. The purpose of these regulations is to provide additional options for affordable housing rentals and ownership by allowing the development of reduced-size dwelling units, defined as single-room occupancy (SRO) units, with limited parking requirements to provide additional options for affordable housing opportunities.

17.100.030 Development Standards.

A) Unit Size. The net area of a SRO unit may range from a minimum of one hundred fifty square feet to a maximum of four hundred square feet, with the average unit size being no greater than three hundred forty-five square feet.

B) Configuration. In locations where the SRO units will be facing the main street and sidewalk the SRO use shall be on the upper floors only, and joined with commercial use which shall be on the ground floor facing the street. The SRO entry lobby may face the street on the ground floor and SROs may be located on the ground floor facing the side streets or interior of the site.

C) Private Facilities. SRO units of 220 square feet or more are required to have a kitchen and a full bathroom. Any area that may be used for food preparation must be defined in building plans and meet the requirements of the State of California Health and Safety Code. A full bathroom shall contain at least a toilet, sink and bathtub, shower, or shower/bath combination. A partial (or half) bathroom shall have at least a toilet and sink. All SRO units must have a full closet.

D) Common Facilities. SRO projects shall have at least ten square feet of common usable open space per unit. However, no SRO project shall provide less than two hundred square feet of common outdoor open space and two hundred square feet of common indoor open space. Maintenance areas, laundry facilities, storage (including bicycle storage), and common hallways shall not be included as usable indoor common space. Landscape areas that are less than eight feet wide shall not be included as outdoor common space. Common open spaces shall be designed to accommodate appropriate furnishings and shall be furnished for use by residents. Appropriate furnishings for indoor spaces may include such items as lounge chairs, couches, tables with chairs, desks, and televisions. Outdoor furnishings may include such items as outdoor benches, tables with chairs, barbeques, and shade umbrellas.

E) Laundry. Laundry facilities that have a minimum of two washers and two dryers must be provided in a separate room. Additional washers and dryers must be provided for any development that has more than twenty units at the ratio of one washer and one dryer for every additional twenty units.

F) Bathrooms. Common bathrooms must be located on any floor with units that do not have full bathrooms. Common bathrooms shall be either single occupant use with provisions for privacy or multi-occupant use with separate provisions for men and women. Common bathrooms shall have shower or bathtub facilities at a ratio of one for every seven units or fraction thereof. Each shared shower or bathtub facility shall be provided with an interior lockable door.

G) Kitchens. Complete common cooking facilities/kitchens must be provided if any unit within the project does not have a kitchen. One complete cooking facility/kitchen shall be provided within the project for every twenty units or portion thereof or have one kitchen on any floor where units without kitchens are located.

H) Storage Facilities. All SRO units must have access to a separate usable storage space within the project. Storage spaces must be at least ten square feet and large enough to store either a bicycle or an electric wheelchair.

I) Parking. There shall be 0.5 parking spaces per unit for each unit less than 300 square feet and .75 parking spaces per unit for each unit greater than 300 square feet. One bicycle parking space shall be supplied for each unit. The requirement may be reduced by .25 spaces per unit if the project allows for only senior residents. Covered parking is not required.

J) Management. A SRO project with twelve or more units shall provide twenty-four-hour on-site management, and include a dwelling unit designated for the manager. All SRO projects must have a management plan approved by the City of Capitola Community Development Director. The management plan shall contain management policies, maintenance plans, rental procedures, tenant rules, and security procedures.

K) Other Standards.

1. The site must be located within one-quarter mile of a supermarket.
2. The lot size must be greater than 7,500 square feet.
3. The SRO must be part of a mixed use project, sharing the site and/or building with a use that is allowed under Principal Permitted Uses, and complies with the following requirements:

- (a) The SRO development and the mixed use business are under one ownership.

(b) The nonresidential use occupies the ground floor of the development facing the main commercial street. The SRO units are located on the floors above or on the ground floor facing the side street or interior of the property.

17.100.040 Locations Permitted. SRO developments may be located in the following zoning districts with conditional use permits:

- A) C-R Commercial/Residential
- B) CN Neighborhood Commercial
- C) CC Community Commercial"

Section 2. Section 17.03.572 shall be added to the Capitola Municipal Code to read as follows:

“17.03.572 Single Room Occupancy (SRO) Units. ‘Single-Room Occupancy’ or ‘SRO’ units are a cluster of residential units of a smaller size than normally found in multiple dwellings within a residential hotel, motel, or facility providing sleeping or living facilities in which sanitary facilities may be provided within the unit and/or shared, and kitchen or cooking facilities may be provided within the unit or shared within the housing project.”

Section 3. Chapter 17.101 shall be added to the Capitola Municipal Code to read as follows:

“CHAPTER 17.101

SMALL OWNERSHIP UNITS (SOU)

17.101.010 Definition

17.101.020 Purpose

17.101.030 Development Standards

17.101.040 Covenants, Conditions, and Restrictions

17.101.050 Locations Permitted

17.101.010 Definition. “Small ownership unit” or “SOU” is a dwelling unit containing no more than one bedroom and floor area ranging from four hundred to six hundred fifty square feet, located on a separate subdivided parcel and included in a residential development where all dwelling units are SOU units and are offered for sale to the general public.

17.101.020 Purpose. The purpose of these regulations is to provide additional options for affordable housing ownership by allowing the development of reduced-size dwelling units, as well as providing incentives for the development of reduced-size ownership dwelling units, defined as Small Ownership Units (SOU).

17.101.030 Development Standards.

A) **Density.** SOU units shall comply with the underlying development standards of the zoning district in which they are located, except that requirements for minimum lot area per dwelling unit shall not apply to SOU units.

B) **Unit Size.** The floor area of SOU units may range from a minimum of four hundred square feet to a maximum of six hundred fifty square feet.

C) Unit Configuration. SOU units will each have one bathroom with a sink, shower and toilet, and will each have a space for food preparation with a sink, stovetop and oven. SOU units may have a maximum of one bedroom. No additional separate enclosed rooms with doors, except for bathrooms, shall be allowed in SOU units.

D) Open Space. A residential project comprised of SOU units shall contain at least one hundred fifty square feet of usable open space per SOU unit. This requirement may be met by any combination of private and/or common open space. Common landscaped areas less than ten feet wide shall not be included in usable open space.

E) Storage Facilities. All SOU units shall have access to private usable storage space containing a minimum of two hundred cubic feet. The required storage space may be incorporated into private garages or carports; provided, that the garage or carport has adequate space for a vehicle.

F) Bicycle Parking. One Class I bicycle storage facility shall be provided for each SOU unit. The required private usable storage space provided for each SOU unit may be utilized to meet this requirement.

G) Parking. Parking must be provided at a rate of one space per unit. Covered parking is not required.

H) Management. A SOU project with twelve or more units shall provide twenty-four-hour on-site management, and include a dwelling unit designated for the manager. All SOU projects must have a management plan approved by the City of Capitola Community Development Director. The management plan shall contain management policies, maintenance plans, procedures, ownership rules, and security procedures. The City of Capitola will be named as a third party beneficiary. Modifications or amendments to the Covenants, Conditions, and Restrictions will require approval by the Community Development Director.

17.101.040 Covenants, Conditions, and Restrictions.

A) All projects comprised of SOU units shall be common interest developments as defined by Section 1351 of the California Civil Code.

B) Prior to approval of a final map for a residential project comprised of SOU units, the city attorney and Community Development Director shall review the project's covenants, conditions, and restrictions to ensure that they conform to the requirements of this section. The approved covenants, conditions and restrictions shall be recorded against the residential project concurrently with recordation of the final map.

C) Covenants, conditions, and restrictions for a residential project comprised of SOU units shall conform with all provisions of state law, including requirements for maintenance reserves, and shall in addition include the following provisions:

1. Prohibition on the use of garages and carports for any use other than parking moving vehicles and other uses specifically identified in the approved plans;
2. Prohibition on rental of more than fifty percent of the SOU units in the residential project;
3. Requirement that any SOU unit that is rented be managed by a single management company designated by the homeowners association to manage all rental units in the residential project; and

4. Requirement that the homeowners association submit an annual report to the city identifying all rental units; verifying compliance with restrictions on the use of garages and carports; and identifying the management company responsible for managing all rental units in the development.

17.101.050 Locations Permitted. SOU developments may be located in the following zoning districts with conditional use permits:

- A) C-R Commercial/Residential
- B) CN Neighborhood Commercial
- C) CC Community Commercial"

Section 4. Section 17.03.573 shall be added to the Capitola Municipal Code to read as follows:

“17.03.573. Small Ownership Units (SOU). ‘Small ownership unit’ or ‘SOU’ is a dwelling unit containing no more than one bedroom and floor area ranging from four hundred to six hundred fifty square feet, located on a separate subdivided parcel and included in a residential development where all dwelling units are SOU units and are offered for sale to the general public.”

Section 5. Section 17.22.050 of the Capitola Municipal Code shall be amended to add sub-sections T. and U. to read as follows:

“T. Single Room Occupancy Units (SROs) as defined in section 17.03.572 and according to the standards defined in Chapter 17.100.

U. Small Ownership Units (SOUs) as defined in section 17.03.573 and according to the standards defined in Chapter 17.101.”

Section 6. Section 17.24.060 of the Capitola Municipal Code shall be amended to add sub-sections M. and N. to read as follows:

“M. Single Room Occupancy Units (SROs) as defined in section 17.03.572 and according to the standards defined in Chapter 17.100.

N. Small Ownership Units (SOUs) as defined in section 17.03.573 and according to the standards defined in section 17.101.”

Section 7. Section 17.27.060 of the Capitola Municipal Code shall be amended to add sub-sections W. and X. to read as follows:

“W. Single Room Occupancy Units (SROs) as defined in section 17.03.572 and according to the standards defined in Chapter 17.100.

X. Small Ownership Units (SOUs) as defined in section 17.03.573 and according to the standards defined in section 17.101.”

Section 8. This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 27th day of October, 2011, and was passed and adopted by the City Council of the City of Capitola on the __ day of __, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
DISQUALIFIED:

APPROVED:

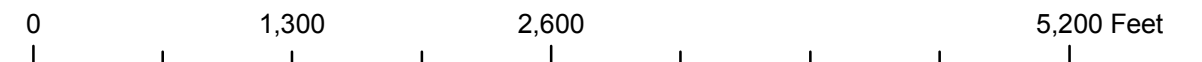
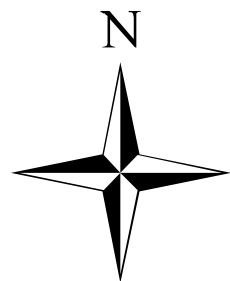
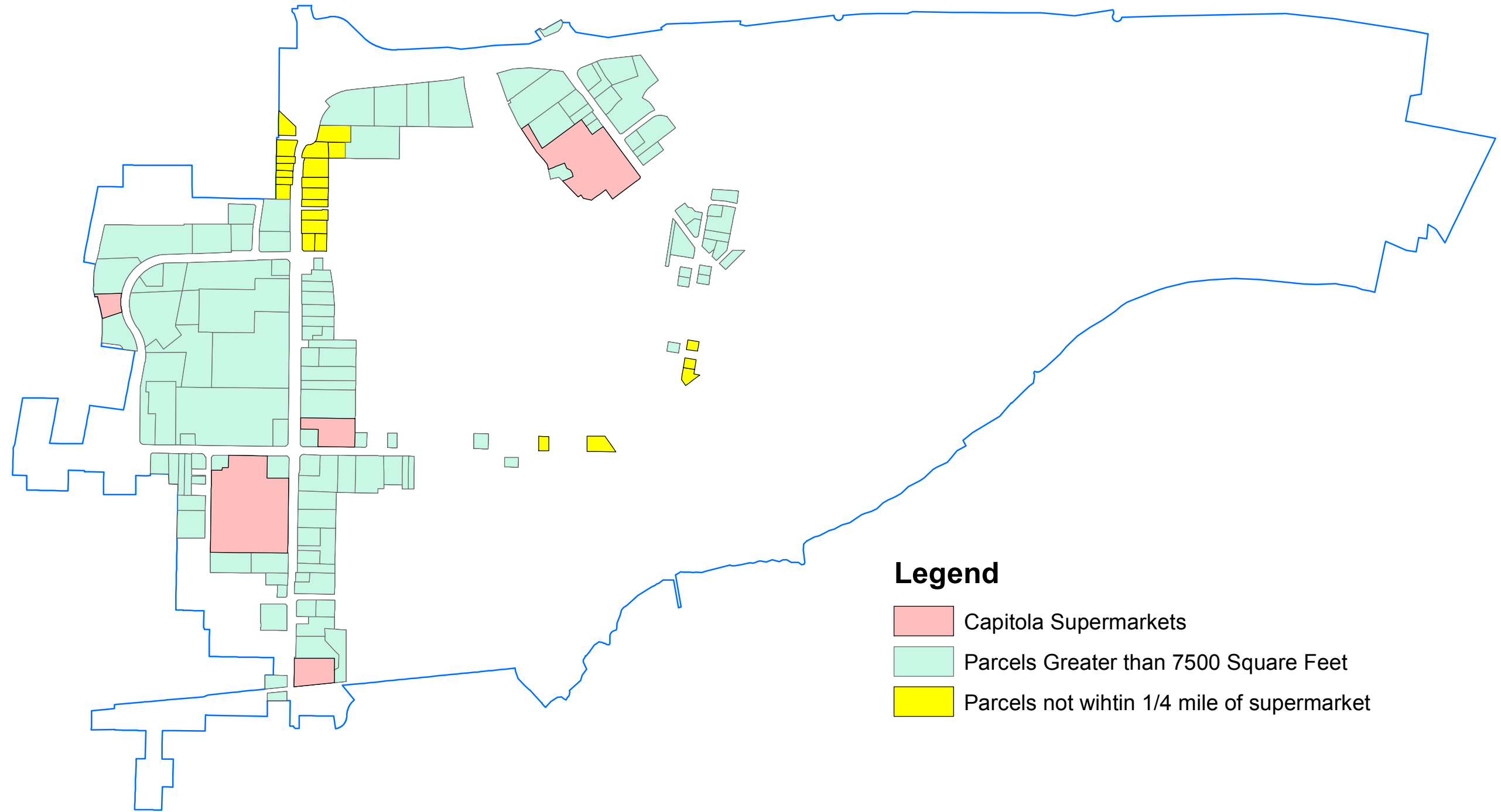
Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

Parcels in the CC, CN or CR Zones greater than 7500 square feet and within 1/4 mile of a Supermarket

ATTACHMENT 6



ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADDING CHAPTER 17.70 TO THE CAPITOLA MUNICIPAL CODE
PROVIDING A PROCEDURE FOR REASONABLE ACCOMMODATION IN THE
CITY’S LAND USE AND ZONING AND BUILDING REGULATIONS
PURSUANT TO FAIR HOUSING LAWS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

Section 1. Chapter 17.70 is hereby added to the Capitola Municipal Code to read as follows:

“CHAPTER 17.70

PROCEDURE FOR REASONABLE ACCOMMODATION

- 17.70.010 Purpose
- 17.70.020 Definition of Disability
- 17.70.030 Notice to the Public of Availability of Accommodation Process
- 17.70.040 Amendments
- 17.70.050 Requesting Reasonable Accommodation
- 17.07.060 Review Procedure
- 17.07.070 Appeals
- 17.07.080 Findings

17.70.010 Purpose. The Federal Fair Housing Act and the California Fair Employment and Housing Act require local governments to make reasonable accommodations (modifications or exceptions) to their land use regulations and practices, when necessary, to provide disabled persons an equal opportunity for housing. In response to this law, the City of Capitola Housing Element (2010) includes Policy 3.1 which encourages *“the accessibility and utilization of universal design principles in new housing construction as well as through conversion of existing housing to create environments that can be used by all people.”* This program promotes implementation of State standards for the provision of disabled accessible units. In order to enable people with disabilities flexibility in zoning standards when seeking access to housing, amendments to the parking standards, yard encroachments, and allowed modifications are proposed to comply with the intent and purpose of fair housing laws.

17.70.020 Definition of Disability. An individual with a disability is someone who has a physical or mental impairment that limits one or more major life activities; anyone who is regarded as having such impairment; or anyone with a record of such impairment. A request for reasonable accommodation may be made by any individual with a disability, his or her representative, or a developer or provider of housing for individuals with disabilities, when the application of a land use, zoning or building regulation, policy, practice or procedure acts as a barrier to fair housing opportunities.

17.70.030 Notice to the Public of Availability of Accommodation Process. Notice of the availability of reasonable accommodation shall be prominently displayed at public information counters in the planning, zoning and building departments, advising the public of the availability of the procedure for eligible individuals. Forms for requesting reasonable accommodation shall be available to the public in the Planning and Building and Safety departments.

17.70.040 Amendments.

A. Parking. Parking spaces may be converted from a standard parking space to an accessible space or access aisle without triggering the requirement for a modification, even if the conversion results in fewer spaces than required by the Zoning Ordinance. This is allowable as long as the accessible parking requirements are not triggered by an expansion of an existing use or new development.

B. Yard Encroachments. Required yards may be reduced based upon review by the Community Development Director in consideration of the nature of the reported disability. Accommodating structures and improvements may include accessible parking spaces, access aisles or accessibility ramps to be placed within required yards without the need of a modification. This change does not eliminate the need for a building permit, building code compliance, or design review if required.

17.70.050 Requesting Reasonable Accommodation. In order to make housing available to an individual with a disability, any eligible person as defined in Section 17.70.020 may request, in the form of a letter, a reasonable accommodation in land use, zoning and building regulations, policies, practices and procedures.

Requests for reasonable accommodation shall provide the following information:

1. The applicant's name, address, and telephone number.
2. The name and address of the property owner.
3. The address of the property for which the request is being made.
4. Description of the requested accommodation and the regulation(s), policy or procedure for which accommodation is sought.
5. Reason that the requested accommodation may be necessary for the individual(s) with the disability to use and enjoy the dwelling.

Any information identified by an applicant as confidential shall be retained in a manner so as to respect the privacy rights of the applicant and shall not be made available for public inspection.

A request for reasonable accommodation in regulations, policies, practices and procedures may be filed at any time that the accommodation may be necessary to ensure equal access to housing. A reasonable accommodation does not affect an individual's obligations to comply with other applicable regulations not at issue in the requested accommodation.

If an individual needs assistance in making the request for reasonable accommodation, the jurisdiction will provide assistance to ensure that the process is accessible.

17.07.060 Review Procedure. The Community Development Director, or his designee, shall make a written determination within 30 days and either grant, grant with modifications, or deny a request for reasonable accommodation. The statement will include a description of the basis for the decision. If the reviewing authority fails to render a written decision on the request for reasonable accommodation within the thirty day time period, the request shall be deemed granted.

If necessary to reach a determination on the request for reasonable accommodation, the reviewing authority may request further information from the applicant consistent with fair housing laws, specifying in detail the information that is required. In the event that a request for additional information is made, the 30 day period to issue a decision is stayed until the applicant responds to the request.

17.07.070 Appeals. Within thirty days of the date of the reviewing authority's written decision, an applicant may appeal an adverse decision. Appeals from the adverse decision shall be made in writing. Appeals will be presented to the Planning Commission, and then to City Council.

If an individual needs assistance in filing an appeal on an adverse decision, the jurisdiction will provide assistance to ensure that the appeals process is accessible.

All appeals shall contain a statement of the grounds for the appeal. Any information identified by an applicant as confidential shall be retained in a manner so as to respect the privacy rights of the applicant and shall not be made available for public inspection.

17.07.080 Findings.

1. The requested modification is not part of the approval of a tentative subdivision map, conditional use permit, development plan, site plan, or any other matter which requires approval of the Planning Commission;
2. If granted, the modification would not significantly affect persons or property owners other than those entitled to notice;
3. The housing in question will be used by an individual with disabilities protected under fair housing laws;
4. The requested accommodation is necessary to make housing available to the individual with disabilities;
5. The requested accommodation would not impose an undue financial or administrative burden on the jurisdiction;
6. The requested accommodation would not require a fundamental alteration in the nature of the jurisdiction's land use and zoning or building program;
7. The requested accommodation would not create adverse health and safety conditions.

Section 2. This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 27th day of October, 2011, and was passed and adopted by the City Council of the City of Capitola on the ___ day of ___, 2011, by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:
 DISQUALIFIED:

APPROVED:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC

Pamela Greeninger, City Clerk

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING SECTION 17.36.040 OF THE CAPITOLA MUNICIPAL CODE
TO ADD SUBSECTION H. PERTAINING TO EMERGENCY SHELTERS**

BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

Section 1. Subsection H. is hereby added to the Capitola Municipal Code Section 17.36.040 to read as follows:

“H. One Emergency Shelter with a maximum of 30 beds. Emergency shelters will comply with the following development standards:

1. Lighting: Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood.
2. Physical Characteristics: Compliance with applicable state and local housing, building, and fire code requirements.
3. Security: Facility shall have on-site security during hours of operation. Parking and outdoor facilities shall be designed to provide security for residents, visitors and employees.
4. Laundry Facilities: The development shall provide laundry facilities or services adequate for the number of residents.
5. Common Facilities: Facility shall contain amenities appropriate to the population to be served to include the following:
 - a) Central cooking and dining room
 - b) Recreation room
 - c) Counseling services
 - d) Child care facilities
 - e) Other support services
6. Outdoor Activity: For the purpose of noise abatement, organized outdoor activities may only be conducted between the hours of eight a.m. and ten p.m.
7. Refuse: Homeless shelters shall provide a refuse storage area that is in accordance with City requirements for accessory refuse structures. The storage area shall accommodate a standard-sized trash bin adequate for use on the parcel, or other enclosures as approved by the Planning Director. The refuse enclosure shall be accessible to refuse collection vehicles.
8. Homeless Shelter Provider: The agency or organization operating the shelter shall comply with the following requirements:

- a) Temporary shelter shall be available to residents for no more than six months.
 - b) Staff and services shall be provided to assist residents to obtain permanent shelter and income.
 - c) The provider shall have a written management plan including, as applicable, provisions for staff training, good neighbor policies, security, transportation, client supervision, food services, screening of residents to insure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents. Such plan shall be submitted to and approved by the planning, inspections, and permitting department prior to operation of the emergency shelter. The plan shall include a floor plan that demonstrated compliance with the physical standards. The operator of each emergency shelter shall annually submit the management plan to the planning, inspections and permitting department with updated information for review and approval. The city council may establish a fee by resolution, to cover the administrative cost of review of the required management plan.
9. Maximum Unit Density: The number of beds shall be limited to three times the maximum number of dwelling units which would otherwise be permitted for a multiple-family district (R-M).
10. Limited Terms of Stay: The maximum term of staying at an emergency shelter is 6 months in a consecutive 12-month period.
11. Parking: The emergency shelter shall provide on-site parking at a rate of one space per staff member plus one space per six occupants allowed at the maximum capacity.
12. Bicycle Parking: The shelter shall provide secure bicycle parking at a rate of one space per occupant.”

Section 2. This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 27th day of October, 2011, and was passed and adopted by the City Council of the City of Capitola on the ___ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

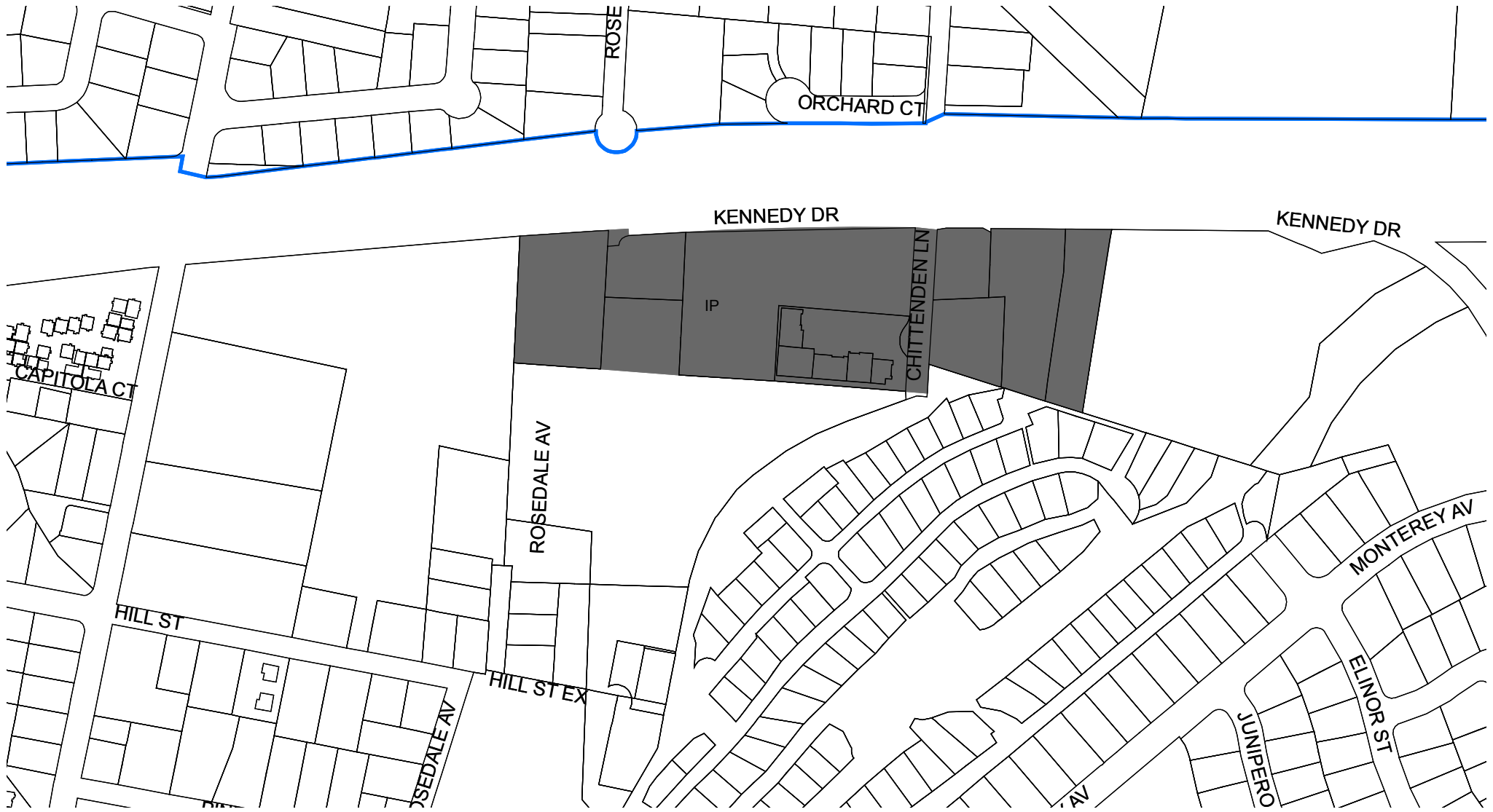
APPROVED:

Dennis R. Norton, Mayor



ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

ATTACHMENT 9
IP Zone for Emergency Shelters



Legend

-  Industrial Park Zone
-  CityLimits

DRAFT

ATTACHMENT 10

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING CHAPTER 17.03 OF THE CAPITOLA MUNICIPAL CODE BY
ADDING SECTIONS 17.03.665 AND 17.03.688 TO DEFINE SUPPORTIVE HOUSING
AND TRANSITIONAL HOUSING TO PROVIDE THAT THOSE USES ARE AND SHALL BE
SUBJECT ONLY TO THOSE RESTRICTIONS ON RESIDENTIAL USES APPLICABLE TO
THE TYPE OF RESIDENTIAL STRUCTURE INVOLVED**

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BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS
FOLLOWS:

Section 1. Section 17.03.665 is hereby added to the Capitola Municipal Code to read as
follows:

“17.03.665 Supportive Housing.

“Supportive Housing” means housing with no limit on length of stay and that is occupied
by a target population as defined in subdivision (d) of Section 53260 of the California Health &
Safety Code, and that is linked to onsite or offsite services that assist residents in retaining
housing, improving their health status, maximizing their ability to live and, when possible, work in
the community. “Target population” means adults with low incomes having one or more
disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health
conditions, or individuals eligible for services provided under the Lanterman Developmental
Disabilities Services Act and may, among other populations, include families with children, elderly
persons, young adults aging out of the foster care system, individuals exiting from institutional
settings, veterans, or homeless people. In all cases, Supportive Housing is and shall be treated
as a residential use and shall be subject only to those restrictions that apply to other residential
uses of the same residential housing type located in the same zoning district.”

Section 2. Section 17.03.688 is hereby added to the Capitola Municipal Code to read as
follows:

“17.03.688 Transitional Housing.

“Transitional Housing” means residential units operated under program requirements that
call for: 1) the termination of any assistance to an existing program recipient, and 2) the
subsequent recirculation of the assisted residential unit to another eligible program recipient at
some predetermined future point in time, which shall be no less than six months. Transitional
Housing may be provided in all residential housing types. In all cases, Transitional Housing is
and shall be treated as a residential use and shall be subject only to those restrictions that apply
to other residential uses of the same residential housing type located in the same zoning district.

As per California Health and Safety Code 50801, Transitional Housing shall limit rents and
service fees to an ability-to-pay formula reasonably consistent with the United States Department
of Housing and Urban Development’s requirements for subsidized housing for low-income
persons.”

Section 3. This ordinance shall take effect and be in full force thirty (30) days after its
final adoption.

ORDINANCE NO.

2

This ordinance was introduced on the 27 day of October, 2011, and was passed and adopted by the City Council of the City of Capitola on the ___ day of ____, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

APPROVED:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk



Item #: **5.A.**

CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: CITY MANAGER'S DEPARTMENT
DATE: OCTOBER 21, 2011
SUBJECT: CONSIDER AUTHORIZING A CONTRACT WITH SUSAN WESTMAN FOR INTERIM COMMUNITY DEVELOPMENT DIRECTOR AND AUTHORIZING THE RECRUITMENT FOR FULL TIME FINANCE DIRECTOR

Recommended Action: By motion and roll call vote, that the City Council take the following actions:

1. Authorize the City Manager to execute a Professional Services Agreement in an amount not to exceed \$70,000 with Susan Westman as Interim Community Development Director;
2. Authorize the City Manager to begin a recruitment for a full time Finance Director; and
3. Adopt the proposed Resolution Amending the FY2011-12 Budget by transferring \$70,000 from the Community Development Department Salary Account to the Community Development Department Contract Services Account to fund the proposed Interim Community Development Contract.

BACKGROUND

Earlier this month, Community Development Director Derek Johnson announced his resignation from the City to take the position as Community Development Director with the City of San Luis Obispo. Mr. Johnson's last day with the City will be November 4.

The City recently filled the vacant Finance Director position through the approval of a contract for interim Director services with Bill Statler. With the Community Development Director vacancy, the City has two important department head positions that are not filled with permanent staff.

DISCUSSION

Staff is recommending the City fill the vacant Community Development Director position through the remainder of this fiscal year with an interim appointment and immediately begin recruiting for a full-time Finance Director.

With the City currently engaged in the process of updating its General Plan, staff recommends a contract with Susan Westman to serve as an interim Community Development Director through the remainder of this fiscal year. Ms. Westman has previously served as Community Development Director and City Manager for the City of Capitola. In addition, Ms. Westman has served as the City Manager for the City of Fremont and on an interim basis for Scotts Valley, Town of Moraga, Half Moon Bay, and City of El Cerrito.

Interim Finance Director Bill Statler has agreed to end his existing contract as soon as a full time Finance Director can be hired. In addition, Mr. Statler will assist the City in the recruitment process, helping to vet potential candidates and using professional affiliations to generate awareness of the opportunity.

FISCAL IMPACT

Using an interim Community Development Director for the remainder of the fiscal year will result in a net budget savings of approximately \$45,000. That potential savings will be allocated to offset the increased expenditure associated with hiring a full time Finance Director. The net impact of the overall strategy will depend on when a new Finance Director can be hired. The adopted FY 2011/12 budget included both a full time Finance and CDD director in the second-year projections.

ATTACHMENTS

1. Contract
2. Budget Resolution

Report Prepared By: Jamie Goldstein, City Manager

**Reviewed and Forwarded
By City Manager:** _____

**CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT**

**Interim Community Development Director Contract
Susan Westman**

THIS AGREEMENT is entered into on October 27, 2011, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Susan Westman, hereinafter called "Consultant".

WHEREAS, City desires certain services described in Appendix One and Consultant is capable of providing and desires to provide these services;

NOW, THEREFORE, City and Consultant for the consideration and upon the terms and conditions hereinafter specified agree as follows:

**SECTION 1
Scope of Services**

The services to be performed under this Agreement are for Interim Community Development Director and further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

All work performed by Consultant, or under its direction, shall be sufficient to satisfy the City's objectives for entering into this Agreement and shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession.

Consultant shall not undertake any work beyond the scope of work set forth in Appendix One unless such additional work is approved in advance and in writing by City. The cost of such additional work shall be reimbursed to Consultant by City on the same basis as provided for in Section 4.

If, in the prosecution of the work, it is necessary to conduct field operations, security and safety of the job site will be the Consultant's responsibility excluding, nevertheless, the security and safety of any facility of City within the job site which is not under the Consultant's control.

Consultant shall meet with City Manager, or other City personnel, or third parties as necessary, on all matters connected with carrying out of Consultant's services described in Appendix One. Such meetings shall be held at the request of either party hereto. Review and City approval of completed work shall be obtained monthly, or at such intervals as may be mutually agreed upon, during the course of this work.

**SECTION 3
Duties of the City**

City shall make available to Consultant all data and information in the City's possession which City deems necessary to the preparation and execution of the work, and City shall actively aid and assist Consultant in obtaining such information from other agencies and individuals as necessary.

The City Manager may authorize a staff person to serve as his or her representative for conferring with Consultant relative to Consultant's services. The work in progress hereunder shall be reviewed from time to time by City at the discretion of City or upon the request of Consultant. If the work is satisfactory, it will be approved. If the work is not satisfactory, City will inform Consultant of the changes or revisions necessary to secure approval.

SECTION 4 **Fees and Payment**

Payment for the Consultant's services shall be made upon a schedule and within the limit, or limits shown, upon Appendix Two. Such payment shall be considered the full compensation for all personnel, materials, supplies, and equipment used by Consultant in carrying out the work. If Consultant is compensated on an hourly basis, Consultant shall track the number of hours Consultant, and each of Consultant's employees, has worked under this Agreement during each fiscal year (July 1 through June 30) and Consultant shall immediately notify City when the number of hours worked during any fiscal year by any of Consultant's employees reaches 900 hours. In addition each invoice submitted by Consultant to City shall specify the number of hours to date Consultant, and each of Consultant's employees, has worked under this Agreement during the current fiscal year.

SECTION 5 **Changes in Work**

City may order major changes in scope or character of the work, either decreasing or increasing the scope of Consultant's services. No changes in the Scope of Work as described in Appendix One shall be made without the City's written approval. Any change requiring compensation in excess of the sum specified in Appendix Two shall be approved in advance in writing by the City.

SECTION 6 **Time of Beginning and Schedule for Completion**

This Agreement will become effective when signed by both parties, and will terminate on the earlier of:

- The date Consultant completes the services required by this Agreement, as agreed by the City; or
- The date either party terminates the Agreement as provided below.

Work shall begin on or about October 27, 2011.

In the event that major changes are ordered or Consultant is delayed in performance of its services by circumstances beyond its control, the City will grant Consultant a reasonable adjustment in the schedule for completion provided that to do so would not frustrate the City's objective for entering into this Agreement. Consultant must submit all claims for adjustments to City within thirty calendar days of the time of occurrence of circumstances necessitating the adjustment.

SECTION 7 **Termination**

City shall have the right to terminate this Agreement at any time upon giving ten days written notice to Consultant. Consultant may terminate this Agreement upon 30 days written notice to City. In the event of termination, City shall pay the Consultant for all services performed and accepted under this Agreement up to the date of termination.

**SECTION 8
Indemnification**

The City hereby agrees to defend, indemnify and hold harmless the Consultant from and against all claims, damages, losses, judgments, liabilities, expenses and other costs including litigation costs and attorney's fee, for injuries or damages to third persons, including but not limited to injury to person or property or wrongful death, arising directly or indirectly, out of any negligent act or omission of Consultant and alleged to have resulted, directly or indirectly, or wholly or partially, from Consultant's performance under this Agreement. This indemnification provision shall not be construed to, and shall not, serve to indemnify Consultant against claims arising out of Consultant's intentional or criminal misconduct.

**SECTION 9
Confidentiality**

Consultant acknowledges that in acting as Interim Community Development Director she will be entrusted with confidential information. Consultant agrees to the best of her ability as the law permits, to maintain said information in strict confidence.

**SECTION 10
Civil Rights Compliance/Equal Opportunity Assurance**

Every supplier of materials and services and all consultants doing business with the City of Capitola shall be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and shall be an equal opportunity employer as defined by Title VII of the Civil Rights Act of 1964 and including the California Fair Employment and Housing Act of 1980. As such, consultant shall not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. Consultant agrees to abide by all of the foregoing statutes and regulations.

**SECTION 11
Legal Action/Attorneys' Fees**

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he or she may be entitled. The laws of the State of California shall govern all matters relating to the validity, interpretation, and effect of this Agreement and any authorized or alleged changes, the performance of any of its terms, as well as the rights and obligations of Consultant and the City.

**SECTION 12
Assignment**

This Agreement shall not be assigned without first obtaining the express written consent of the Director after approval of the City Council.

SECTION 13 Amendments

This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the City and Consultant. Consultant acknowledges that no such amendment shall be effective until approved and authorized by the City Council, or an officer of the City when the City Council may from time to time empower an officer of the City to approve and authorize such amendments. No representative of the City is authorized to obligate the City to pay the cost or value of services beyond the scope of services set forth in Appendix Two. Such authority is retained solely by the City Council. Unless expressly authorized by the City Council, Consultant's compensation shall be limited to that set forth in Appendix Two.

SECTION 14 Miscellaneous Provisions

1. *Project Manager.* Director reserves the right to approve the project manager assigned by Consultant to said work. No change in assignment may occur without prior written approval of the City.
2. *Consultant Service.* Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.
3. *Licensure.* Consultant warrants that he or she has complied with any and all applicable governmental licensing requirements.
4. *Other Agreements.* This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter, and no other agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.
5. *City Property.* Upon payment for the work performed, or portion thereof, all drawings, specifications, records, or other documents generated by Consultant pursuant to this Agreement are, and shall remain, the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with the City's use and/or occupancy of the project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.
6. *Consultant's Records.* Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred for this project. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final City payment for Consultant's services.
7. *Independent Contractor.* In the performance of its work, it is expressly understood that Consultant, including Consultant's agents, servants, employees, and subcontractors, is an independent contractor solely responsible for its acts and omissions, and Consultant shall not be considered an employee of the City for any purpose.
8. *Conflicts of Interest.* Consultant stipulates that corporately or individually, its firm, its employees and subcontractors have no financial interest in either the success or failure of any project which is, or may be, dependent on the results of the Consultant's work product prepared pursuant to this Agreement.

9. *Notices.* All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed to the respective parties as follows:

CITY
CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010

CONSULTANT
Susan C. Westman
507 Riverview Drive
Capitola, CA 95010

By: _____
Benjamin Goldstein, City Manager

By: _____
Susan C. Westman

Dated: _____

Dated: _____

Approved as to Form:

John G. Barisone, City Attorney

APPENDIX ONE
Interim Community Development Director
Scope of Work

Susan Westman, Interim Community Development Director shall perform all of the duties required of the Community Development Director as provided for in the City of Capitola Municipal Code and the administrative procedures and regulations adopted by the City of Capitola City Council as well as those duties to be performed by a Community Development Director under State and Federal law. Interim Community Development Director understands that the performance of these duties shall require her attendance at City of Capitola Planning Commission and City Council meetings regularly scheduled for Thursday evenings of each month and at such other times as the Council or City Manager may require.

Susan Westman, Interim Community Development Director, shall perform her duties to the best of her ability in accordance with the highest professional and ethical standards of the profession.

Susan Westman, Interim Community Development Director, shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement, and as required by state law, Susan Westman must complete required disclosure forms.

**APPENDIX TWO
Fees and Payments**

For the services preformed, City will pay consultant on a time-charge plus expense basis, monthly as charges accrue, the sum of consultant's salary expenses and non-salary expenses.

Salary expenses include the actual direct pay of personnel assigned to the project (except for routine secretarial and account services) plus payroll taxes, insurance, sick leave, holidays, vacation, and other fringe benefits. The percentage of compensation attributable to salary expenses includes all of Consultant's indirect overhead costs and fees. For purposes of this Agreement, Consultant's salary expenses and non-salary expenses will be compensated at the rates set forth in the fee schedule attached to this appendix and in accordance with the terms set forth therein. Non-salary expenses include travel, meals and lodging while traveling, materials other than normal office supplies, reproduction and printing costs, equipment rental, computer services, service of subconsultants or subcontractors, and other identifiable job expenses. The use of Consultant's vehicles for travel shall be paid at the current Internal Revenue Service published mileage rate.

Salary payment for personnel time will be made at the rates set forth in the attached fee schedule for all time charged to the project. Normal payroll rates are for 40 hours per week. Consultant shall not charge the City for personnel overtime salary at rates higher than those set forth in the attached fee schedule without the City's prior written authorization.

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$70,000 (Seventy Thousand Dollars and Zero Cents), without specific, written advance authorization from the City.

Payments shall be made monthly by the City, based on itemized invoices from the Consultant which list actual costs and expenses. Such payments shall be for the invoice amount. The monthly statements shall contain the following affidavit signed by a principal of the Consultant's firm:

"I, Susan Westman, hereby certify that the charge of \$_____ as summarized above and shown in detail on the attachments is fair and reasonable, is in accordance with the terms of the Agreement dated October 27, 2011, and has not been previously paid."

Consultant	Hourly Rate
Susan Westman	\$80.00

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE FY2011-2012 GENERAL FUND BUDGET BY TRANSFERRING \$70,000
FROM THE COMMUNITY DEVELOPMENT DEPARTMENT SALARY ACCOUNT TO THE
COMMUNITY DEVELOPMENT DEPARTMENT CONTRACT SERVICES ACCOUNT TO FUND
THE INTERIM COMMUNITY DEVELOPMENT DIRECTOR CONTRACT**

WHEREAS, the Community Development Director Derek Johnson announced his resignation from the City, effective November 2011; and

WHEREAS, the City of Capitola funded a Community Development Director position in the FY11-12 Budget at 100% of funding; and

WHEREAS, the City has determined that it is in its best interest to hire an Interim Community Development Director; and

WHEREAS, the Interim Community Development Director will be a consultant and be funded in contract services as opposed to salary and benefits thus resulting in the need for a budget amendment; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the FY2011-2012 General Fund Budget shall be amended to transfer \$70,000 from the Community Development Department Salary Account to the Community Development Department Contract Services Account for the Interim Community Development Director contract.

BE IT FURTHER RESOLVED that the Finance Director is directed to 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 27th day of October, 2011, by the following vote:

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

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: OCTOBER 19, 2011

SUBJECT: INFORMATIONAL ITEM ON GREENHOUSE GAS EMISSIONS REDUCTION
PLANNING

Recommended Action: Receive a briefing on SB 375 and greenhouse gas emissions reduction planning.

BACKGROUND

The purpose of this item is to brief the City Council on regional planning activities that will likely affect Capitola. These regional planning activities will be considered and integrated into the City's General Plan update. While, the schedule and timing of regional and local planning activities are not completely synchronized, careful consideration of the potential impacts of the mandated regional planning efforts with the City's General Plan update will potentially better position the City to be able to accommodate a future housing allocation from AMBAG.

DISCUSSION

SB 375 is an incentive based bill that provides significant financial, planning and environmental incentives to encourage orderly, compact development with a explicit goal of reducing greenhouse gas emissions. The intent of the legislation is to provide a comprehensive approach to reducing greenhouse gas emissions from the land use and transportation sector. All other emission sectors (energy, industrial, vehicle fleet, etc) are being directly regulated by the state. The stated purpose of the legislation is to coordinate funding and regulatory incentives to align transportation, housing and land use planning to produce:

- Shorter commutes, VMT reduction and congestion relief
- Reduced greenhouse gas (GHG) emissions and air pollution
- Reduced fossil fuel consumption
- Increased conservation of farmlands and habitat
- Increased opportunities for more housing choices for all economic segments of the population including anticipated population and employment growth

The Housing Element and SB 375

With the passage of SB 375, future Housing Elements will play a role in addressing climate change. The authors of the SB 375 intended to link housing, planning, and transportation to greenhouse gas reduction. Housing Elements play a key role in this linkage by:

1. Requiring AMBAG and to create land use and transportation plans to meet GHG targets through the adoption of a Sustainable Communities Strategy (SCS) that meets GHG targets.
2. Changing the Regional Housing Needs Assessment (RHNA) allocation process and

- Housing Element law so that RHNA is based on meeting the GHG targets in the SCS.
3. Extending the RHNA cycle to eight years so that the Regional Transportation Plan (RTP) and RHNA cycles match.
 - a. AMBAG is scheduled to adopt the SCS in 2013 and Capitola's Housing Element Update will be due in late 2014.
 - b. Jurisdictions must then rezone sites and make other changes called for in the Housing Element within three years of adoption.
 - i. If jurisdictions do not meet the RHNA obligations in their Housing Element developers can propose projects for sites at densities that would have been needed to meet RHNA.
 4. Exempts certain transit-oriented projects from the California Environmental Quality Act (CEQA) that are consistent with the SCS.

The Sustainable Communities Strategy (SCS)

Under SB 375, the SCS must identify a regional development pattern and transportation system that can meet the regional greenhouse gas targets from the automobile and light truck sectors for 2020 and 2035. The California Air Resources Board (CARB) adopted targets for each of the 18 MPOs across the state. AMBAG and CARB adopted the following targets for the Monterey Bay Area in September 2010:

- 2020: 0% increase from 2005 per capita GHG emissions levels**
2035: 5% reduction from 2005 per capita GHG emissions levels

As required by law, the SCS will:

1. Identify the general location of uses, residential densities, and building intensities within the region.
2. Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period.
3. Identify areas within the region sufficient to meet the projected eight-year demand for housing.
4. Identify a transportation network to service the transportation needs of the region.
5. Gather and consider the best practically available scientific information regarding resource areas and farmland in the region.
6. Consider state housing goals.
7. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the State.
8. Allow the Regional Transportation Plan to comply with the federal Clean Air Act.

Relationship between the Blueprint and the SCS

The AMBAG Board recently reviewed and accepted the plan *Envisioning the Monterey Bay Area: A Blueprint for Sustainable Growth and Smart Infrastructure*. Commonly referred to as "The Blueprint," this plan laid the foundation for the development of the region's first SCS.

The Blueprint planning effort piloted a comprehensive regional planning process in the Monterey Bay Area over the course of the last three years. It introduced regional concepts of sustainable growth to local planners, elected officials and residents.

The Blueprint presents a vision for how the region might achieve the greenhouse gas targets issued

by CARB. The designation of *Priority Areas* throughout the region suggests a development pattern for the SCS. This pattern shows an improvement from the forecasted current patterns (i.e. a 1% increase from 2005 per capita GHG levels vs. a 13% increase) - but falls short of the 0% increase target. A copy of the blueprint is available at www.plancapitola.com

Further analysis and collaborative planning across the region will be necessary to show achieve the 5% reduction by 2035.

AMBAG approach to develop SCS for the Monterey Bay Area

For the Monterey Bay Area, these requirements will require extensive coordination between three regional transportation planning agencies, two major transit agencies, 21 local jurisdictions, two councils of government and AMBAG.

To ensure region-wide participation in SB 375 planning efforts, AMBAG's planning framework includes a set of regional coordination efforts and planning processes that will include:

1. An ongoing Working group with the Santa Cruz County Regional Transportation Commission, the Transportation Agency for Monterey County, the San Benito Council of Governments, and AMBAG.
2. A quarterly Planning Directors' Forum to address Regional Transportation Plan and Metropolitan Transportation Plan issues.
3. Monthly or quarterly meetings of an AMBAG Board Ad-Hoc Policy Committee to address SB 375 planning issues.
4. Land Use and Transportation Initiatives including funding through AMBAG for a "Joint Work Plan".
5. For the Sustainable Communities Strategy a Regional Advisory Committee of local planning and redevelopment staff, community leaders and others to meet quarterly with AMBAG staff to explore Smart Growth Development Strategies that will assist in the implementation of the SCS.

In addition to these efforts, AMBAG Staff will engage elected officials and the public through a series of SB 375 required public workshops.

Capitola Staff will be participating in technical and other advisory roles to help best craft a plan that takes into account, the jobs and housing environment and the constraints and opportunities for housing. Staff will be briefing the General Plan Advisory Committee, Planning Commission and City Council throughout the SCS process to ensure that the City's General Plan considers the anticipated RHNA assignment and SCS implications.

It is likely that Capitola will receive a greater housing allocation as a result of the longer eight-year planning period and because portions of Capitola have been designated as a "Priority Area" for infill growth in the Blueprint. Anticipating the impacts of a larger allocation in the current General Plan update than has been historically allocated to Capitola will help balance various planning issues.

Report Prepared By: David Foster
Housing and Redevelopment Project Manager

Reviewed and Forwarded
By City Manager: _____