

# City of Capitola Agenda

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



## CAPITOLA CITY COUNCIL REGULAR MEETING

**THURSDAY, FEBRUARY 25, 2021**

**7 PM**

### **CLOSED SESSION – 5 PM 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 on closed session items only. There will be a report of any final decisions in City Council Chambers during the Open Session Meeting.*

#### **CONFERENCE WITH LABOR NEGOTIATORS (Gov’ t Code § 54957.6)**

Negotiators: Algeria Ford, Larry Laurent  
Employee Organizations: (1) Association of Capitola Employees; (2) Police Captains;  
3) Mid-Management Group; (4) Department Heads; (5) Confidential Employees; (6)  
Capitola Police Officers Association; (7) City Manager

#### **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Initiation of litigation pursuant to Gov’ t Code § 54956.9(d)(4).  
(One potential case)

## REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

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

*All matters listed on the Regular Meeting of the Capitola City Council Agenda shall be considered as Public Hearings.*

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

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

**2. PRESENTATIONS**

*Presentations are limited to eight minutes.*

A. Introduction of Central Fire Protection District New Fire Chief, John Walbridge

**3. REPORT ON CLOSED SESSION**

**4. ADDITIONAL MATERIALS**

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

**5. ADDITIONS AND DELETIONS TO AGENDA**

**6. PUBLIC COMMENTS**

*Please review the Notice of Remote Access for instructions.*

**7. CITY COUNCIL / STAFF COMMENTS**

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

**8. CONSENT CALENDAR**

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

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

A. Consider the January 21, 2021, City Council Special and the February 11, 2021, City Council Regular Meeting Minutes  
RECOMMENDED ACTION: Approve minutes.

B. Loma Vista Amendment  
RECOMMENDED ACTION: Approve the second amendment to the Loma Vista

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA  
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regulatory agreement and declaration of restrictive covenants related to asset limitations.

C. Receive Update on Pandemic Response

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

**9. GENERAL GOVERNMENT / PUBLIC HEARINGS**

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

A. Review the Memorial Program

RECOMMENDED Action: Provide direction.

B. Consider Fiscal Year 2021-22 Budget Principles and Goals

RECOMMENDED ACTION: Adopt the Fiscal Year 2021-22 budget principles and goals, and identify related key projects and programs.

C. Approve Contract Change Order No. 12 for the Capitola Branch Library Project

RECOMMENDED ACTION: Receive report and approve Contract Change Order 12 with Otto Construction for the Capitola Branch Library Project in the total amount of \$582,402.

D. Adopt Resolution Approving a Community Development Block Grant-Coronavirus #2 Application

RECOMMENDED ACTION: Adopt the two proposed resolutions authorizing the City Manager to submit a Community Development Block Grant Coronavirus Response (CDBG-CV) application requesting up to \$330,261 of CDBG-CV round 2 and 3 grant funds for COVID-19 related relief programs and to execute the grant agreement upon award.

**10. ADJOURNMENT**

**NOTICE OF REMOTE ACCESS**

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

**To watch:**

- Online <http://capitolaca.iqm2.com/Citizens/Default.aspx>
- Spectrum Cable Television channel 8

**To join Zoom:**

- Join the Zoom Meeting with the following link:  
<https://us02web.zoom.us/j/87973266995?pwd=Y3laU3VWUXhzVGNQdkpudXlzVDlsQT09>
- If prompted for a passcode, enter **003937**
- **-OR-** With a landline or mobile phone, call one of the following numbers:

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA  
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- 1 669 900 6833
- 1 408 638 0968
- 1 346 248 7799
- Enter the meeting ID number: 879 7326 6995
- When prompted for a Participant ID, press #

**To submit public comment:**

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

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

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

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

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

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

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

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



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: City Manager Department

SUBJECT: Introduction of Central Fire Protection District New Fire Chief, John Walbridge

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Report Prepared By: Jamie Goldstein  
City Manager

**Reviewed and Forwarded by:**

\_\_\_\_\_  
Jamie Goldstein, City Manager      2/19/2021



## CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: City Manager Department

SUBJECT: Consider the January 21, 2021, City Council Special and the February 11, 2021, City Council Regular Meeting Minutes

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RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for Council review and approval are the minutes of the special meeting on January 21 and the regular meeting on February 11, 2021.

ATTACHMENTS:

1. 1-21-21 special draft
2. 2-11-21 draft

Report Prepared By: Chloe Woodmansee  
City Clerk

**Reviewed and Forwarded by:**

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

\_\_\_\_\_  
Jamie Goldstein, City Manager      2/19/2021

**DRAFT CAPITOLA CITY COUNCIL  
CITY COUNCIL WORKSHOP MINUTES  
THURSDAY, JANUARY 21, 2021 - 6 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

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

**2. ADDITIONAL MATERIALS – none**

**3. ADDITIONS AND DELETIONS TO THE AGENDA – none**

**4. PUBLIC COMMENT – none**

**5. GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Review Council Member Handbook, Code of Conduct, and Various City Policies  
RECOMMENDED ACTION: Receive presentations regarding: 1) Council Member Handbook, 2) Code of Conduct, 3) Recusal Policy, 4) Social Media Policy, and 5) provide input on recommended City Policy updates.

City Manager Goldstein, City Attorney Zutler, and Clerk Woodmansee presented materials, Council asked questions on the following topics:

*Code of Conduct:*

Council Member Bertrand asked about the process to file complaints. Attorney Zutler explained that all complaints would end up being reviewed by the City Attorney, and that different complaints will trigger different responses and requirements.

*Abstentions:*

Council Member Bertrand asked if a verbal opinion from the Fair Political Practices Commission (FPPC) verbal opinion on a conflict of interest question could be acted upon; Attorney Zutler suggested that written opinions, via email, be relied upon instead of verbal ones.

Vice-Mayor Storey asked about enforcing the policy. City Manager said that the policy was adopted to set expectations of Council Members, and that if the need for enforcement arose, rules would need to be proposed in an ordinance and then codified.

*Social Media Use:*

Vice-Mayor Storey clarified that a Council Member's social media use is also subject to the Brown Act.

Mayor Brooks clarified that "social media" includes blogging, Next Door, and other outlets as well as Facebook and Instagram.

CAPITOLA CITY COUNCIL SPECIAL WORKSHOP MINUTES  
January 21, 2021

*Policies:*

Mayor Brooks asked that staff review policies and revise/repeal those that are outdated. Council Member Bertrand agreed.

B. Discuss Processes Preparing for and Conducting City Council Meetings

RECOMMENDED ACTION: Receive presentation.

City Manager Goldstein, City Attorney Zutler, and Clerk Woodmansee presented materials.

C. Review City Council Training Requirements/Options

RECOMMENDED ACTION: Receive presentation regarding required training and provide direction regarding further Council training opportunities.

City Manager Goldstein, City Attorney Zutler, and Clerk Woodmansee presented materials.

Mayor Brooks asked that Implicit Bias training be made available for Council as well as City Hall and Police staff.

6. **ADJOURNMENT**

The meeting was closed at 7:40 PM.

\_\_\_\_\_  
Yvette Brooks, Mayor

ATTEST:

\_\_\_\_\_  
Chloé Woodmansee, City Clerk

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

**DRAFT CAPITOLA CITY COUNCIL  
REGULAR MEETING ACTION MINUTES  
THURSDAY, FEBRUARY 11, 2021 - 7 PM**

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

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

**2. PRESENTATIONS**

**A. Introduce New Employee Senior Mechanic Gabe Cuzick**

Public Works Director Jesberg introduced new Senior Mechanic, Gabe Cuzick, who said he appreciates serving the community in this role, to give back and be a part of Capitola's history.

**B. Presentation of Capitola Police Department Officer of the Year Award**

Police Chief McManus presented the Capitola Officer of the year, Brantley Sandretti. Council and Staff thanked Detective Sandretti for his service to Capitola.

**3. ADDITIONAL MATERIALS – none**

**4. ADDITIONS AND DELETIONS TO AGENDA – none**

**5. PUBLIC COMMENTS**

Joanna Whitcup spoke about the excessive speed of traffic along Park Avenue; she asked that something be done before the situation becomes more dangerous.

Leah Samuels (Human Care Alliance) asked Council to consider giving money to local non-profits when developing and approving the City's budget.

**6. CITY COUNCIL / STAFF COMMENTS**

Vice-Mayor Storey reported on recent Art and Cultural Commission activity; no events have been formally announced or cancelled, and the Commission, in collaboration with the Historical Museum, is looking at a potential public art project using the exposed tree stump located in the Lower Pacific Cove Parking Lot.

Council Member Bertrand addressed Joanna Whitcup's concerns. He also encouraged the public to be involved in local government to keep the community strong.

Council Member Petersen commented that in 2019, a subcommittee was formed to discuss how to equitably allocate community grant funding throughout the City.

**Requested Future Items:**

- Budget update and non-profit funding allocation discussion (Bertrand)
- Reconvene the subcommittee to discuss allocating community grant funds (Petersen)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES  
February 11, 2021

- Consider replacing/updating signage in the Upper/Lower parking lots directing visitors to the beach (Brooks)
- Consider a directory or large sign be installed in the Village, partner with the BIA (Keiser)

7. **CONSENT CALENDAR**

<b>MOTION:</b>	<b>APPROVE, RECEIVE, AND MAKE DETERMINATION AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kristen Petersen, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Council Member
<b>AYES:</b>	Bertrand, Petersen, Storey, Brooks, Keiser

- A. Consider the January 28, 2021, City Council Regular Meeting Minutes  
RECOMMENDED ACTION: Approve minutes.
- B. Planning Commission Action Minutes  
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Registers Dated January 8, January 15, January 22 and January 29.  
RECOMMENDED ACTION: Approve check registers.
- D. Amend the Conflict of Interest Code to Reflect Current Organizational Structure  
RECOMMENDED ACTION: Approve resolution.
- E. Receive Update on Pandemic Response  
RECOMMENDED ACTION: Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19), as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.

8. **GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Capitola Historical Museum 2020 Annual Report  
RECOMMENDED ACTION: Receive report.

Museum Curator Frank Perry presented a brief slide show.

There was no public comment.

Council Member Petersen thanked Curator Perry and the Historical Museum Board for their work, and especially for collecting residents' stories during this unusual time.

Vice-Mayor Storey thanked Curator Perry, as did Council Member Bertrand who shared a quick story about Perry's extensive knowledge of Capitola.

- B. Local Early Action Planning Grant Update and Affordable Housing Nexus Study Contract  
RECOMMENDATION: That the City Council:
1. Receive an update on the City's Local Early Action Planning (LEAP) Grant Projects.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES  
February 11, 2021

- 2. Authorize the City Manager to enter an agreement with Economic and Planning Systems, Inc in the amount of \$40,890 for the LEAP grant project to prepare a residential nexus study and a housing fee feasibility analysis
- 3. Approve a resolution to amend the City budget to include the \$65,000 grant award.

Community Development Director Herlihy presented the staff report.

Vice-Mayor Storey asked about the Economic and Planning Systems, Inc. (EPS) proposal's two options; Director Herlihy replied that staff had not determined which option to select, and that legal considerations would need to be made to decide what to include in the nexus study.

Council Member Bertrand asked if second-home owners are included in the study. Director Herlihy stated that ECS will include second-homes/homeowners impacts in the study, but the fee determination will come later. He also asked about inclusionary housing and if accessory dwelling units could count as a homeowner's affordable housing requirement. Director Herlihy commented that if the deed restriction included an affordability requirement this could be an option.

There was no public comment.

Council Member Bertrand said the study would provide much needed information, particularly on the impact of second-home ownership in Capitola.

<b>MOTION:</b>	<b>RECEIVE UPDATE, AUTHORIZE AGREEMENT WITH EPS</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jacques Bertrand
<b>SECONDER:</b>	Margaux Keiser
<b>AYES:</b>	Bertrand, Petersen, Storey, Brooks, Keiser

<b>MOTION:</b>	<b>APPROVE THE RESOLUTION AMENDING THE BUDGET TO INCLUDE GRANT AWARD</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sam Storey
<b>SECONDER:</b>	Kristen Petersen
<b>AYES:</b>	Bertrand, Petersen, Storey, Brooks, Keiser

- C. Receive a Presentation on the Rispin Park Project and Approve a Resolution Authorizing the Public Works Department to Submit a Grant Application to California State Parks

RECOMMENDED ACTION: Approve the proposed conceptual plan for the Rispin Park Project and adopt the proposed resolution authorizing the submission of an application to California State Parks for Proposition 68 Park Development Funds with awarded funds to be used for the project.

Public Works Director Jesberg briefly outlined the Rispin Park Project and introduced Mike Arnone, the project manager and landscape architect.

Vice-Mayor Storey complimented the conceptual plan and asked about the property's conservation easement. Director Jesberg assured Vice-Mayor Storey that the plan is consistent with the easement. In response to questions, Director Jesberg said the project's timeline includes a six-month grant application review process, plan set finalization and a bidding process, followed by four or five months of construction time.

Attachment: 2-11-21 draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES  
February 11, 2021

Council Member Bertrand asked about a pathway and the elevation of the park; Mr. Arnone said there would be no elevation issues. He also asked about restoring a narrow staircase, to which Mr. Arnone replied that the stairway could be left as-is with some cleanup of plant overgrowth. Lastly, Council Member Bertrand asked about the Bocce court and if there will be accommodations for onlookers. Mr. Arnone explained there are benches nearby with a clear view of the court.

Mayor Brooks asked about long-term impacts of the park’s upkeep. Director Jesberg said there would be more work for the City’s maintenance crew. In response to further questions, Director Jesberg said there would be directional signage, that the mansion will remain closed to the public, and that while some parking can be accommodated at the library across the street, most visitors will have to walk or cycle to the park. The Mayor suggested pavers be considered as a fundraising project, which Director Jesberg said staff could propose once construction on the project begins. Lastly, the Mayor asked if the City should consider prioritizing funding for the project in case the State grant is not awarded. Director Jesberg said staff hopes there will be left-over funding to use from the library project.

There was no public comment.

Council Member Petersen and Council Member Bertrand expressed excitement about the project.

Mayor Brooks asked about the history of Mr. Rispin and expressed concern about naming the park. Council Member Petersen suggested Council approve the conceptual plan, which is independent of the park’s name. Council Member Petersen requested that staff return with additional information about Mr. Rispin so that it can be determined if renaming the park is appropriate or necessary.

<b>MOTION:</b>	<b>APPROVE THE CONCEPTUAL PLAN AND ADOPT THE RESOLUTION AUTHORIZING THE GRANT APPLICATION; DIRECT STAFF TO PROVIDE COUNCIL INFORMATION ON MR. RISPIN PRIOR TO THE PARK’S NAMING</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kristen Petersen, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Council Member
<b>AYES:</b>	Bertrand, Petersen, Storey, Brooks, Keiser

Attachment: 2-11-21 draft (Approve Council Minutes)

9. ADJOURNMENT

The meeting was closed at 8:52 pm.

\_\_\_\_\_  
Yvette Brooks, Mayor

ATTEST:

\_\_\_\_\_  
Chloé Woodmansee, City Clerk



## CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: Community Development

SUBJECT: Loma Vista Amendment

**RECOMMENDED ACTION:** Approve the second amendment to the Loma Vista regulatory agreement and declaration of restrictive covenants related to asset limitations.

**BACKGROUND:** On September 30, 1999, the Capitola Redevelopment Agency and the Loma Vista Mobile Home Park Cooperative entered into a revocable grant agreement, which granted \$846,000 to the Cooperative so the residents could acquire the 90-space mobile home park known as the Loma Vista Estates Mobile Home Park. On March 31, 2000, the Capitola Redevelopment Agency and the Cooperative entered into a regulatory agreement placing occupancy and income requirements on the development. On May 20, 2004, the first amendment to the regulatory agreement was adopted; the amendment modified the definition of the term "adjusted income".

**DISCUSSION:** Loma Vista Estates is an age restricted (55+) mobile home park with 90-spaces located at 4225 Clares Street. The regulatory agreement includes occupancy and income restrictions for new buyers. New buyers must earn less than 120% of area median income for the County of Santa Cruz. Income certification is required at the time of purchasing within the mobile home park. The regulatory agreement also requires that all mobile homes be owner occupied and their owners' principal place of residency. Rentals are not permitted.

The current amendment to the regulatory agreement is to update asset limitation within the agreement. Within age restricted developments, residents tend to have increased assets from savings. To account for this, while maintaining the same income and occupancy limits, the following asset limitations will be incorporated into the regulatory agreement:

- One-person household: \$2,000,000
- Two-person household: \$2,200,000
- Three-or more person household: \$2,500,000

These limits will increase over time based on changes in the Consumer Price Index

**FISCAL IMPACT:** There are no fiscal impacts from the proposed amendment.

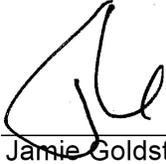
**ATTACHMENTS:**

1. LomaVista.Second Amendment to Reg Agreement.signed\_1 (PDF)

Loma Vista Amendment  
February 25, 2021

Report Prepared By: Katie Herlihy  
Community Development Director

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager      2/19/2021

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Capitola Redevelopment Agency  
420 Capitola Avenue  
Capitola, CA 95010  
Attention: Executive Director

No fee for recording pursuant  
To Government Code Section 27383

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SECOND AMENDMENT TO REGULATORY AGREEMENT AND DECLARATION OF  
RESTRICTIVE COVENANTS

This Second Amendment to Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement” and the “Second Amendment”) is entered into as of \_\_\_\_\_, 2021, by and among the CITY OF CAPITOLA, a public body corporate and politic (“City”) as successor agency to the Capitola Redevelopment Agency (“Agency”), CAPITOLA HOUSING SUCCESSOR, a public body corporate and politic (the “Housing Successor”), and LOMA VISTA ESTATES OWNERS ASSOCIATION, INC., a California nonprofit public benefit corporation (the “Cooperative”).

RECITALS

A. The Agency and the Cooperative (as assignee of Loma Vista Property Owners, Inc.) entered into a Revocable Grant Agreement dated September 30, 1999, as amended by that First Amendment to Revocable Grant Agreement dated March 31, 2000, under which the Agency agreed to grant Eight Hundred Forty-Six Thousand Dollars (\$846,000) (the “Grant”) to the Cooperative to pay acquisition costs of a ninety (90)-space mobilehome park known as the Loma Vista Estates Mobilehome Park (the “Development”), located at 4225 Clares Street, in the City of Capitola, County of Santa Cruz (the “Property”), as described in Exhibit A to the Regulatory Agreement (defined below).

B. The Agency and the Cooperative also entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated March 15, 2000, and recorded against the Property on March 31, 2000, in the Official Records of Santa Cruz County as Instrument number 2000-0015525 (the “Regulatory Agreement”). The Regulatory Agreement places occupancy and income requirements on the Development. Terms not separately defined herein shall have the meaning set forth in the Regulatory Agreement.

C. The Agency and the Cooperative also entered into a First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants dated May 20, 2004, recorded as Inst. No. 2004-0039496 of the Official Records of Santa Cruz County (“First Amendment”).

D. The First Amendment amended the Regulatory Agreement to change the definition of Adjusted Income to conform to 24 CFR 5.609 and 24 CFR 5.611.

E. 24 CFR 5.609(b)(3) states, in part, that when a “family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.”

G. On February 1, 2012 the Capitola Redevelopment Agency (the “RDA”) became the City of Capitola, as Successor Agency to the former Capitola Redevelopment Agency. On that same day, the housing assets of the RDA Low and Moderate Income Housing Fund, then maintained by the RDA and including the Regulatory Agreement and the Agency interest in the Property, was transferred to the Housing Successor.

H. On April 24, 2014, the City implemented an Affordable Housing Asset Policy for Mobile Home Parks with Income Restrictions (“Asset Policy”), and has, through objections from the Cooperative and with exceptions, been applying that policy in conjunction with provisions of its IHO to prospective residents in the Development. The City has also discussed changes to its Inclusionary Housing Ordinance (“IHO”) that would establish asset limitations for prospective residents in the Development.

I. The Cooperative contends that the City does not have the legal authority to apply any asset limitation other than that contained in the Regulatory Agreement to prospective residents in the Development, absent a written and recorded amendment to the Regulatory Agreement executed by the City, the Housing Successor and the Cooperative. The City contends that it does have such authority.

J. In order to create clarity for prospective residents in the Development, and to resolve the dispute between the Cooperative on the one hand and the City and the Housing Successor on the other hand, as described in Recitals H and I, above, the parties desire to amend the Regulatory Agreement to add an asset limitation for all prospective residents in the Development, which asset limit will be the only asset limit applicable to prospective residents in the Development, all as more particularly set forth herein.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, the City, the Housing Successor and the Cooperative hereby amend the Regulatory Agreement and agree as follows:

**Section 1.** Recitals. The Recitals set forth above are and for all purposes shall be interpreted as being an integral part of this Second Amendment, constituting acknowledgments and agreements among the parties and are incorporated herein by reference.

**Section 2.** Addition to Regulatory Agreement. The parties agree to add the below Section 2.8 to the Regulatory Agreement.

Section 2.8. Asset Requirement:

Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)

(a) All new residents of the Development who first occupy the Development after the date of recordation of this Second Amendment shall not have assets in excess of:

- (1) One person household: \$2,000,000
- (2) Two person household: \$2,200,000
- (3) Three or more person household: \$2,500,000

This restriction will be known as the “Asset Limit.”

(b) The cost of the coach purchased in the Development by a prospective new resident shall be excluded from the Asset Limit.

(c) The Asset Limit shall be increased on July 1 each year in accordance with the increase in the annual San Francisco - Oakland – Hayward, CA all urban consumers Price Index (not seasonally adjusted) for the month published immediately prior to July 1 over the same index for the same month of the prior calendar year. If there is no increase, or if there is a decrease, then no change in the Asset Limit shall occur for such year. After recordation of this Second Amendment, in no event shall the Asset Limit in any given year be lower than the Asset Limit of the immediately preceding year.

(d) Potential new residents shall be referred to the Housing Successor for income and asset certification in accordance with the terms of the Regulatory Agreement, as modified herein. The Cooperative shall not approve the occupancy of a new resident or execute a lease or occupancy with a new resident unless the applicant meets the requirements of the Asset Limit and the income qualifications in Section 2.2 of the Regulatory Agreement. The Housing Successor may in its discretion waive these requirements.

**Section 3.** Asset Policy/IHQ. City and Housing Successor acknowledge and agree that the Asset Policy shall not apply to the Development. City and Housing Successor agree not to take any action to impose, apply or enforce the Asset Policy with respect to the Development. The parties acknowledge and agree that the Regulatory Agreement, as modified by the First Amendment and this Second Amendment, is a binding contract between the City, Housing Successor and the Cooperative that can only be amended by a written agreement between City, Housing Successor and the Cooperative recorded in the Official Records of Santa Cruz County, California. If any future City Council of the City of Capitola adopts any new policy, procedure, declaration or ordinance that would have the effect of imposing any asset limit other than as authorized in this Second Amendment, the City will pay \$100,000 to the Cooperative and, at the option and discretion of the Cooperative, this Second Amendment shall be rendered void and of no force or effect; provided, however, that nothing herein shall prohibit the Cooperative from pursuing specific performance of this Second Amendment and/or seeking declaratory relief under this Second Amendment. Moreover, nothing herein authorizes the City (including any future City Council of the City) to take legislative action for the purpose of altering the City’s obligations under this Second Amendment or the Regulatory Agreement.

**Section 4.** Conflict. To the extent that the terms of this Second Amendment conflict with those of the Regulatory Agreement or the First Amendment, this Second Amendment shall prevail.

**Section 5.** Full Force and Effect. Except as set forth in this Second Amendment, the Regulatory Agreement, as modified by the terms of the First Amendment, has not been amended and is in full force and effect, including the Income Requirements in Section 2.2. The Regulatory Agreement, as modified by the First Amendment and this Second Amendment, represents the entire agreement and understanding of the parties relative to the subject matter set forth therein.

**Section 6.** Counterparts. This Second Amendment may be signed in counterparts, each of which shall constitute one and the same instrument.

**Section 7.** Recording. This Second Amendment shall be recorded in the Official Records of Santa Cruz County.

**Section 8.** Authority. Each party executing this Second Amendment represents and warrants to the other parties that such party has full authority to enter into this Second Amendment, that all necessary approvals and consents have been obtained in connection with execution and delivery of this Second Amendment, and that, when fully executed and recorded, this Second Amendment will be the legally binding obligation of such party in accordance with its terms.

**SIGNATURES ON FOLLOWING PAGE**

Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)

By signing below, the Parties agree to the terms of this Second Amendment as of the date first written above.

CITY:

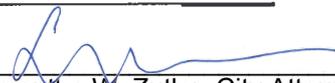
CITY OF CAPITOLA, a public body, corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

HOUSING SUCCESSOR;

CAPITOLA HOUSING SUCCESSOR, a public body, corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form:   
Samantha W. Zutler, City Attorney

COOPERATIVE:

LOMA VISTA ESTATES OWNERS ASSOCIATION, INC., a California nonprofit public benefit corporation

By:   
Name: PATRICIA CARNEY  
Its: PRESIDENT

**NOTARY ACKNOWLEDGMENTS FOLLOW**

Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)

City Notary Acknowledgment

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

STATE OF CALIFORNIA }

COUNTY OF SANTA CRUZ }

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

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

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)

### Housing Successor Notary Acknowledgment

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

STATE OF CALIFORNIA }

COUNTY OF SANTA CRUZ }

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

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

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)

Cooperative Notary Acknowledgment

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

STATE OF CALIFORNIA }

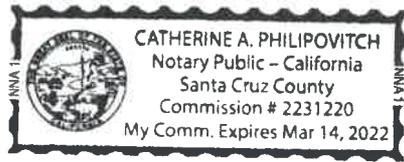
COUNTY OF SANTA CRUZ }

On January 28, 2021, before me, Catherine A. Philipovitch, Notary Public, personally appeared Patricia Carney, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: Catherine A. Philipovitch (Seal)



Attachment: LomaVista.Second Amendment to Reg Agreement.signed\_1 (Loma Vista Amendment)



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: City Manager Department

SUBJECT: Receive Update on Pandemic Response

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

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

Since March 2020, State and local health officers have issued health orders to stop the spread of COVID-19; in Santa Cruz County this included March, April, and May Shelter-In-Place orders that were more restrictive than statewide guidance. Since then, the County Health Officer has incorporated all Orders of the State Public Health Officer, which set baseline statewide restrictions on travel and non-residential business activities.

*Blueprint for a Safer Economy & Local Tier Status*

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

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

Date	Tier Assignment	Weeks in Tier
August 31	Widespread Tier	Two
September 8	Substantial Tier	Seven

COVID-19 Emergency- Update 20  
February 25, 2021

October 27	Moderate Tier	Two
November 10	Substantial Tier	Two
November 16	Widespread Tier	Thirteen +

As of February 17, 54 California Counties are in the Purple-Widespread tier, one County is in the Substantial-Red tier, and three are in the Moderate-Orange tier.

*Santa Cruz County Restrictions*

On January 25, 2021, Governor Newsome announced that the Regional Stay-Home Order had ended for the entire state. The Blueprint for a Safer Economy orders remain in place, and Santa Cruz County remains within the Purple Widespread tier. Although the Regional Stay-Home Order is no longer in effect, all individuals living within the State of California are currently ordered to stay home or at their place of residence, except for permitted work, local shopping or other permitted errands, or as otherwise authorized.

*Local Case Numbers and Statistics*

As of February 19, 2021, the Bay Area Region's ICU availability is 24%. The Region has a four-week availability projection of 36.5% as of February 15.

There are 14,394 known COVID-19 cases in Santa Cruz County; of the known cases 396 are in the City of Capitola. There have been 172 deaths due to COVID-19 in our County.

In Santa Cruz County, the rate of new cases per day per 100k is at 16.2, with an adjusted case rate for tier assignment of 12.2. There is an overall positivity rate of 3.5%. For a county to move forward into the Red-Substantial tier, the rate of new cases needs to be less than 7 per 100k.

*Vaccine & Testing Status*

Good news was reported earlier this week when EMS Medical Director Dr. David Ghilarducci said that 43,452 people in the county have received their first does of the COVID-19 vaccine. The number accounts for nearly 20% of the County's population. About 11,000 people have received their second dose. As discussed by Santa Cruz County Health Services Agency Director, Mimi Hall, the various COVID-19 vaccines have been formulated to stop those vaccinated from becoming severely ill, not to stop those from catching and spreading the virus.

The County continues to focus on individuals aged 65-years+ as well as some persons based on their occupation. It remains unclear when City staff will qualify for vaccinations on a wider scale. Some first-responder staff in the Police Department have received vaccines.

On Thursday, February 11, 2021, the City offered its first onsite COVID-19 rapid-testing clinic to all employees and insured household members, through the private company Virtual Hearing Solutions. The clinic was strictly for those without symptoms to reduce asymptomatic spread and was offered on a voluntary basis. Staff plans to offer regular testing on a weekly basis, with the second clinic held on Thursday, February 18.

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

If major changes occur between the date of agenda publication and the City Council meeting,

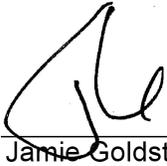
COVID-19 Emergency- Update 20  
February 25, 2021

further updates on the regional and local coronavirus response can be provided in a verbal report at the meeting.

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

Report Prepared By: Chloe Woodmansee  
City Clerk

**Reviewed and Forwarded by:**



\_\_\_\_\_  
Jamie Goldstein, City Manager      2/19/2021



## CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 25, 2021

FROM: City Manager Department  
SUBJECT: Review the Memorial Program

RECOMMENDED Action: Provide direction.

BACKGROUND: The memorial bench program in the City of Capitola began in the 1990s. The original intent of the program was to allow for the installation of memorial plaques on benches in Capitola Village and the Wharf to help pay for them. Individual benches and inscriptions were requested by letter and required approval by the City Council.

The official City of Capitola Memorial Program was established in 2002. The purpose of the program was to provide a uniform procedure for the purchase and placement of memorial items in the City of Capitola. In addition to benches, the program includes plaques on Capitola Wharf and along the railing of Grand Avenue on Depot Hill. The City Council approves the memorial location and number of memorials in the location. Staff processes the memorial requests in the order in which they are received.

The City Memorial Program includes memorial plaques, memorial benches, and memorial trees. The program currently includes approximately 500 installed memorials, and fewer than 10 available memorial spaces in the approved locations. None of the available spaces have ocean views.

In the past three years, more than 65 memorials have been installed, most along the Depot Hill railing.

DISCUSSION: Currently there are a fewer than 10 benches available in approved locations; at Jade Street and McGregor Park. There are no available memorial spaces with ocean views.

Most people inquiring about memorials want an ocean view and generally start by requesting a bench along the Esplanade or a plaque on Capitola Wharf. These locations have been full for several years. As an alternative to the Esplanade and Wharf, Staff has been directing people to the Grand Avenue railing on Depot Hill. The Depot Hill railing location is now full.

The Memorial Program was last updated in 2017 to include a lottery procedure for when a memorial space becomes available in a previously full location. The City has held one lottery with over 40 submissions for two available benches along the Esplanade.

In addition to the Memorial Program, the City has a 30-year employee recognition program which includes installing a plaque on the wharf. This will need to be amended due to the lack of available spaces in that location. No City employee can reach the 30-year milestone for at least four years.

Review the Memorial Program  
February 25, 2021

Staff needs direction on the future of the memorial program. If the program is to continue, new memorial locations will need to be approved by the City Council. Possible options are opening new locations for plaques and benches; or establishing a multiple memorial location, such as a memorial wall, on which many memorial plaques could be installed.

Staff has identified a few potential additional locations for plaques:

- Wooden railing along Cliff Avenue on Depot Hill overlooking Capitola Village (25 spaces)
- Wooden railing along Cliff Drive entering from west (50 spaces)
- Wooden retaining wall in upper Esplanade Park (20 spaces)

Although these locations have ocean views, all have potential concerns. The Depot Hill location may increase traffic in front of residences. The Cliff Drive location has quite a bit of vehicle traffic and would not be ideal for memorial visitors. Lastly, due to environmental factors the Esplanade Park location may not be permanent. Staff has not identified additional locations for more benches. A memorial wall could accommodate more memorials in a smaller area; however, staff has not been able to identify a location with an ocean view that would be appropriate for a wall type memorial structure.

The current memorial program allows people to request memorials without requiring a Council hearing to approve/deny each request. Currently, the plaque program requires a significant amount of staff time for coordination and installation. In addition, the current plaque program covers quite a bit of area, especially along the ocean. Additional plaque locations would increase the area of the program. It is possible that the multiple memorial solution would require less staff time for installation. However, it is probable that this type of memorial program would require an outside contractor to perform the installation in groups on a set timeline, instead of individually as requests are made.

Staff will bring a plan back before Council based on the recommended direction received.

**FISCAL IMPACT:** The memorial program is designed to be cost neutral for the life of the memorial and includes the purchasing cost, installation, and maintenance.

**ATTACHMENTS:**

1. Memorial Program Policy
2. 30-Year Employee Recognition Program Policy

Report Prepared By: Larry Laurent  
Assistant to the City Manager

**Reviewed and Forwarded by:**



\_\_\_\_\_  
Jamie Goldstein, City Manager      2/19/2021



## ADMINISTRATIVE POLICY

Number: I-7  
 Issued: 3/14/02  
 Revised: 9/12/02  
 Revised: 12/9/04  
 Revised: 6/28/07  
 Revised: 4/26/12  
 Revised: 10/27/16  
 Revised: 8/24/2017  
 Jurisdiction: City Council

### MEMORIAL PROGRAM

- I. PURPOSE: To establish a uniform procedure for the purchase and placement of memorial items in the City of Capitola.

It is the intent of the City to allow citizens to memorialize loved-ones while at the same time balancing the needs of the City. This policy is meant to emphasize the importance of the memorials while assuring that they are consistent with City policies and do not negatively impact City resources.

- II. POLICY:

1. The City has four approved memorial programs: Memorial Benches, Memorial Plaques on Capitola Wharf, Memorial Plaques on the Grand Avenue railing, and Memorial Trees. The policy may be amended to add other programs as directed by the City Council.
2. Applications for a memorial item will be received and approved by the City Manager or his/her designee, with site selection review by the Public Works Department.
3. All memorial items costs, including asset materials, installation materials, staff time for installation and maintenance will be covered by the application fee. The applicable fees will be reviewed and adjusted annually by the City Council to ensure cost recovery.
4. Memorial assets become the property of the City of Capitola. Arrangements can be made with the City for the return of plaques upon request or the removal of the asset.

- III. PROCEDURE:

1. Customers may download or request information and an application for a memorial item. If required, City staff will send the customer an informational letter along with a list of currently available sites.
2. Customer will take a photograph of the desired location and submit along with application and payment. If necessary, City staff will coordinate with Public Works Department to schedule a site meeting for approval of exact location of the memorial item. A receipt will be issued, and the application

with a copy of the receipt and photograph are given to the City staff for ordering and the Public Works Department for installation.

3. Upon installation, the City staff will notify the customer.

#### IV. MEMORIAL PROGRAMS

1. Municipal Plaques: Memorial plaques may be purchased on a railing along the Capitola Wharf or Grand Avenue.
  - a. Location:
    1. **Wharf**: No more than one plaque will be placed on the top railing unless the additional plaque is for a relative. If possible, the City should be notified of this intent when the first plaque is purchased.
    2. **Grand Avenue**: No more than one plaque for every eight feet of railing along Grand Avenue unless the additional plaque is for a relative. If possible, City should be notified of this intent when the first plaque is purchased.
  - b. Plaque: The plaques are made of bronze, and are eight inches by three inches (8"x3"). The customer will determine inscriptions on the plaque, which will be ordered and installed by the City.
  - c. Cost: The cost of the plaque, installation and maintenance is determined by their actual cost, and is reviewed annually by the City Council (see application for current cost).
  - d. Maintenance/ Replacement/ Removal: The City will maintain plaques. The City of Capitola will determine when the plaque is no longer reasonable to maintain and needs to be either replaced or removed. Upon such determination, the customer will be notified by mail. The customer may elect to purchase another plaque or relinquish the site. If a reasonable attempt to contact the customer fails, the City will open the site for purchase after 60 days. If the plaque is missing or damaged, the customer may elect to purchase another plaque or relinquish the site. Replacement plaques will be charged at the City's direct replacement cost, not including maintenance.
2. Memorial Benches: A Memorial Bench Program was established in 1993. The primary purpose of the program was to aid the City in the maintenance of the benches along the Esplanade. The popularity of the program led to the expansion of the bench placements to include other areas of the City, as listed below. When the approved number of benches have been purchased, the locations are considered "full". Customers may choose the inscription for the plaque, the plaques will be ordered and installed by the City.
  - a. Bench Locations:
    1. Esplanade
    2. Jade Street Park
    3. Wharf
    4. Cortez Park
    5. Depot Hill

Administrative Procedure I-7  
 Memorial Benches  
 Page 3 of 4

6. Monterey Park
7. Cliff Ave /Grand Ave
8. Noble Gulch Park
9. Prospect Avenue
10. Peery Park
11. McGregor Park
12. Cliff Dr.
13. Soquel Creek Park
14. Depot Hill Park
15. Riverview
16. Lawn Way
17. Library
18. Hihn Park
19. Capitola Road and Wharf Road
20. Rispin Park

- b. Maintenance, Removal or Replacement of Existing Benches: The City will maintain all benches. The City will determine when a Memorial Bench is no longer reasonable to maintain or it is necessary to remove for any reason. Upon such determination, the customer will be notified by mail and the customer may elect to purchase another bench or relinquish the bench. If after a reasonable attempt to contact the customer fails, the City may dispose of the plaque and the bench location may become available for purchase.
  - c. Plaque: The plaques are made of bronze, and are eight inches by three inches (8"x2"). The customer will determine inscriptions on the plaque, which will be ordered and installed by the City.
  - d. Cost: The cost of the bench, plaque, installation and maintenance is determined by their actual cost, and is reviewed annually by the City Council (see application for current cost).
  - e. Damage: If a plaque is damaged or unreadable, the customer will be notified by mail and the customer may elect to purchase another plaque or relinquish the bench. If a reasonable attempt to contact the customer fails, the City will proceed with removal within 60 days and make the bench available. If the customer does not wish to replace the plaque, another customer may purchase a plaque to be placed there and the original plaque will be returned if desired. Replacement benches will be charged at City's direct replacement cost not including maintenance.
3. Memorial Trees:
- a. An existing tree in the City may be memorialized with a plaque placed at the foot of the tree, mounted on a cement platform. Approval of memorializing an existing tree will be at the discretion of the Public Works Department, unless it is deemed necessary by the City Manager to be approved by the City Council.
  - b. A customer may purchase a new tree to be planted and memorialized with a plaque in the City with the approval of the Public Works Department and the City Council.

Administrative Procedure I-7  
 Memorial Benches  
 Page 4 of 4

- c. Plaque: The plaques are made of bronze, and are 4” x 4”. The customer will determine inscription on the plaque, which will be ordered and installed by the City.
  - d. Cost: The cost of the plaque, installation and maintenance is determined by their actual cost, and is reviewed annually by the City Council (see application for current cost).
  - e. Maintenance/ Replacement/ Removal: The City will maintain plaques for the life of the plaque. The City will determine when the plaque is no longer reasonable to maintain and needs to be either replaced or removed. Upon such determination, the customer will be notified by mail. The customer may elect to purchase another plaque or relinquish the site. If a reasonable attempt to contact the customer fails, the City will open the site for purchase after 60 days. Replacement Plaques will be charged at the City’s direct replacement cost, not including maintenance.
  - f. If it is determined that the tree is to be permanently removed for any reason or is destroyed, the plaque will be returned to the customer. If a reasonable attempt to contact the customer fails, the City will proceed with removal.
  - g. Program Completion: The program will continue until it is determined by the Public Works Department and the City Council to be complete or it begins to negatively impact City resources.
4. Memorial space availability in previously “full” locations
- a. At such time as a bench or plaque space becomes available in a previously “full” location, the City will follow a lottery procedure to determine who will have first right to purchase the memorial.
    - 1. The City will announce the location and number of memorial spaces available.
    - 2. The City will publicize the lottery information.
    - 3. The lottery will remain open for a minimum of four weeks.
    - 4. Interested parties will submit a complete memorial program application to enter the lottery.
    - 5. Upon the closing of the lottery, the City Clerk will randomly select those eligible for the memorial space.
    - 6. The eligible applicant will have two weeks to submit payment for the memorial.
    - 7. If applicant does not submit payment, another applicant name will be drawn.

  
 Jamie Goldstein  
 City Manager



ADMINISTRATIVE POLICY

9.A.2

Number: II-12

Issued: 01/08/04

Jurisdiction: City Council

30 YEAR EMPLOYEE RECOGNITION PROGRAM

I. PURPOSE

The purpose of this program is to recognize an individual who has worked for the City of Capitola for 30 consecutive years. The employee will have provided exceptional effort to the benefit of the Capitola community.

II. POLICY

It is the Policy of the City of Capitola to recognize an employee who has provided 30 years of exceptional service and effort to the benefit to the Capitola community or its residents.

III. CRITERIA

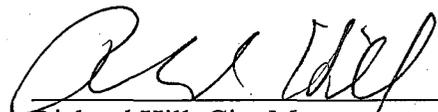
The recipient of the City of Capitola 30 Year Recognition Award must be one who has worked for 30 consecutive years, and has provided a significant benefit to the Capitola community or its residents.

IV. PROCEDURE

The City Council will award the City of Capitola 30 Year Employee Recognition Wharf Plaque to the employee. The plaque will be placed on the Capitola Municipal Wharf in a location determined by the employee.

The Wharf Plaque may read: In honor of \_\_\_\_\_ for his/her 30 Years of Service to the City of Capitola 1970 – 2000.

This policy is approved and authorized by:

  
Richard Hill, City Manager

RH/lgm

Attachment: 30-Year Employee Recognition Program Policy (Review the Memorial Program)



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: Finance Department

SUBJECT: Consider Fiscal Year 2021-22 Budget Principles and Goals

**RECOMMENDED ACTION:** Adopt the Fiscal Year 2021-22 budget principles and goals, and identify related key projects and programs.

**BACKGROUND:** Each year the City prepares and adopts an annual budget. The annual budget drives the City's operations, giving City Council direction to the City Manager regarding day-to-day functions. The budget not only outlines the City's financial plan, but also establishes the framework in which the City will provide services to the community. Principles and goals identified in the budget establish metrics against which actual performance can be measured.

**DISCUSSION:** To ensure the prepared draft budget is consistent with the Council's direction, the City adopts budget principles for the upcoming fiscal year. While the budget principles provide an overarching guide to budget development, the Council can provide more specific direction by identifying key projects/programs. The key projects/programs for the City Council can be specific projects (such as the library or wharf), planning efforts (such as Coastal Commission certification of zoning ordinance), or service changes (such as implementing changes from the Recreation Strategic Plan).

One important reason to adopt budget principles and identify key projects is to increase focus on the Council's overall priorities and help to clearly articulate those priorities to Capitola residents and other stakeholders. Staff suggests that the Council identify five or six key projects for the upcoming fiscal year that are consistent with the overall budget principles. At the hearing, staff can help facilitate a Council dialog to develop these projects. Then in preparing the draft budget, staff will integrate the budget principles and key projects, including attainable goals and metrics associated with each key project.

The intent of this item is to discuss Council's priorities heading into budget development. The proposed budget principles serve as the high-level policy for the budget development, but the key projects allow for more concrete short-term priorities to be developed.

Budget Principles have been broken down into three categories:

- Ø Fiscal Policy Principles
  - § Maintain a balanced budget that ensures ongoing expenditures can be met with ongoing revenues
  - § Use one-time revenues for one-time expenditures

FY 2021/22 Budget Principles and Goals  
February 25, 2021

- § Ensure the budget plans for future cost increases and attainable revenue projections
- Ø Public Service Principles
  - § Maintain, and improve upon, the transparency of City operations and accessibility of government
  - § Recognize the high priority the community places on the public's safety
  - § Analyze future service level increases with their long-term financial impacts to ensure financial stability
- Ø Public Improvement Principles
  - § Maintain the City's infrastructure by providing maximum funding for the pavement management system
  - § Maintain and improve Capitola's natural resources and sustainable green programs
  - § Ensure maintenance and cleanliness of City facilities, sidewalks, and streets

Staff presented the preliminary FY 2020-21 Budget Principles and Goals to City Council on March 12, 2020. City Council provided feedback with direction to staff to assemble the meeting input into final goals for inclusion in the budget. However, with the designation of COVID-19 as a global pandemic that same week and the subsequent Shelter-In-Place Orders issued in Santa Cruz County the following week, Council and staff's attention shifted to budget reductions to navigate the fiscal impacts associated with COVID-19. The FY 2020-21 Budget Principles & Goals were never formally adopted. A copy of the notes from last year's hearing are included as attachment 1.

A summary listing of the FY 2019-20 Adopted Budget workplans are listed in the attached table with a detailed listing provided in attachment 2. The status of the adopted FY 2019-20 workplan is as follows:

- Fiscal Policy
  - Develop options for Council consideration to address rising CalPERS costs – ongoing
  - Work with the Finance Advisory Committee to identify future revenue options – ongoing
- Public Service
  - Continue working with Capitola Mall ownership group to redevelop the mall – on hold due to COVID-19 pandemic
  - Work towards Coastal Commission certification of zoning code update – ongoing
    - § Zoning Code Certification by Coastal Commission – anticipated Spring 2021
    - § Adopt Objective Standards for Mixed Use and Multifamily – anticipated Winter 2021
  - Respond to COVID-19
    - § Administer CDBG Grant funds – anticipate round one funding Spring 2021
    - § Collaborated with regional partners on State Rental Assistance Program
    - § Worked with local restaurateurs to establish parameters for outside dining
    - § Updated City Hall operation protocols to ensure health and safety of public and staff
- Public Improvements, status summarized below:

CIP Project	Project Status	Funding Status
41 <sup>st</sup> Ave. Adaptive Signal Control	Working with Caltrans	Grant funded
Monterey & Park Railroad Station Park & Pathway	On hold at the RTC	In design, RTC funding to follow

FY 2021/22 Budget Principles and Goals  
February 25, 2021

Pavement Management Program	On-going	Funded annually
Rispin Park	Contingent on grant funding	Waiting grant approval
Utility Undergrounding	Working with utility providers	Funded
Roundabout Design at Capitola Ave & Bay Ave	TBD following completion of utility undergrounding	Pre-design funded, project funding to follow
Wharf Improvement	Received one permit and anticipate receiving remaining two permits by June 2021	\$2 million of grant funding plus available Measure F funding
Capitola Ave. Sidewalk	Under construction	Funded
Clares Pedestrian Improvements	In design	Funded
Flume Rehabilitation	Anticipate completion April 2021	Funded
Library	Anticipate completion April 2021	Funded
Jetty Rehabilitation	Anticipate completion April 2021	Funded
Wharf storm damage repairs	Completed	Funded
Grand Ave. path storm damage repairs	Completed	Funded
Chittenden Ln. storm drain repairs	Completed	Funded
Park Ave. Sidewalks	Completed	Funded
Park Ave. Storm Damage	Completed	Funded
Brommer Street Project	Completed	Funded

While there was no new funding in the general fund for Capital Improvement Projects in FY 2020-21, as noted above, some previously funded projects have been or will be completed while others may cross into FY 2021-22. A few projects are ongoing and may span several fiscal years. Additionally, the FY 2020-21 adopted budget included approximately \$703,200 of restricted road funding from SB 1, Santa Cruz County Measure D, and Gas Tax revenues that were utilized for street projects including the City's pavement management program.

Staff has also identified several potential initiatives for next year which Council may wish to include in the workplan. These efforts are singled-out because they will likely involve significant community input, multijurisdictional coordination, or potentially challenging tradeoffs if they are included.

Potential Initiative	Notes
Mall redevelopment	On hold, pending application from developer
Zoning Code certification by Coastal Commission	Coastal Commission hearing scheduled for late Winter
Renew efforts to improve Community Grant process	Effort placed on hold during pandemic
Update City Administrative Policies	Will require policy updates on many future meeting agendas
Consider long term plans for City Hall/Pacific Cove site	Item place on hold in 2014
Village parking rates	Potential new project
Consider long term plans for outdoor dining	Potential new project
City/School District partnership for recreation amenities at Monterey Park/NBMS	Potential new project
Consider partnership with City of Scotts Valley for recreation services	Potential new project

FY 2021/22 Budget Principles and Goals  
February 25, 2021

FISCAL IMPACT: The annual review and revision of budget principles and key projects-programs is the first step in the budget process. The budget principles clearly articulate the City's financial management strategies.

ATTACHMENTS:

1. Budget Principles & Goals Meeting Notes
2. Budget Principles & Goals

Report Prepared By: Jim Malberg  
Finance Director

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager      2/19/2021

	Petersen	Brooks	Storey	Bertrand	Bottoff
Develop options for Council consideration to address rising CalPERS costs	X				
evaluate potential tax measures to offset impacts of mall	X	X			
Continue working with Capitola Mall ownership group to redevelop the mall					
Work toward Coastal Commission certification of zoning code update	X				
Respond to COVID-19	X				
Complete funded CIPs	X				
Complete library, jetty, flume	X				
Obtain all permits for wharf	X				
Explore grant opportunities for public safety, CIP and environmental policies and outreach programs	X	X			
Create 3 year fiscal plan for mall redevelopment impacts (in house)	X	X			
Support creation and expansion of hotels in appropriate locations		X			
Cut unnecessary memberships	X	X			
Monitor revenue impacts from COVID19, quickly			X		
Review village hotel parking permits				X	
Work with SUSD to allow alcohol at community center				X	
Go above and beyond keeping residents informed, ensure all members made aware of projects that affect them		X			
Make available free feminine hygiene for all public restrooms	X	X			
Collaborate with local partners to update one local play structure to universal design for children of all abilities		X			
Expand emergency response planning and pursue grants for city hall generator	X	X			
Have city council create and set priorities for community grants		X			
Seek opportunities to help people stay connected during COVID19			X		
Establish plan for children's fund considering Parks and Rec strategic plan and needs for scholarships	X	X			
Staff develop a list of projects associated with mall redevelopment		X			
Evaluate traffic flow at Cliff and Wharf, possible roundabout	X	X			
Sidewalks on Kennedy and McGregor	X	X			
Rispin Park			X		
Clares complete street project			X	X	
Seek grant with school district regarding soccer field				X	

## Budget Principles

Fiscal Policy	Public Service	Public Improvements
Maintain a balanced budget that ensures ongoing expenditures can be met with ongoing revenues	Maintain, and improve upon, the transparency of City operations and accessibility of government	Maintain the City's infrastructure by providing maximum funding for the pavement management system
Use one-time revenues for one-time expenditures	Recognize the high priority the community places on the public's safety	Maintain and improve Capitola's natural resources and sustainable green programs
Ensure the budget plans for future cost increases and attainable revenue estimates	Analyze future service level increases with their long-term financial impacts to ensure financial stability	Ensure maintenance and cleanliness of City facilities, sidewalks, and streets

## Key Projects/Programs - Workplan

Budget Principle	Key Project/Program	Lead Department	Expected FY Outcome
Fiscal	Develop options for Council consideration to address rising CalPERS costs	Finance	Identify options in budget. Continue monitoring long term revenue-expenditure projections with FAC and Council
	Complete review & evaluation of Community Grant Program	City Manager	Bring results of evaluation to Council to consider implementing recommendations
	Work with FAC to identify future revenue options	Finance	Bring FAC revenue recommendations to City Council for review
Public Service	Continue working with Capitola Mall ownership group to redevelop the mall	Community Development	Work with Mall owners to prepare mall redevelopment submittal and establish City's technical review team
	Evaluate parking meter technology	Police	Re-program Cale pay-stations to improve ease of use and develop plan to replace 2G meters on Cap Ave
	A&C focus on 41st corridor and library	City Manager	Work with A&C to develop public art projects for Council consideration
	Complete Recreation strategic plan	Recreation	Complete public process and prepare draft plan for Council consideration
	Work toward Coastal Commission certification of zoning code update	Community Development	Prepare submittal to Coastal Commission for zoning code update, excluding geologic hazards and non-conforming uses and structures
	Complete licensing of two cannabis retail locations and develop audit & inspection plan	Police	Issue two retail cannabis permits Develop plan for bi-annual inspection of cannabis business
	Use dedicated children's fund for youth programming	City Manager	Options identified in proposed budget
	Consider reallocating freed up General Fund for Community Center	City Manager	Options identified in proposed budget
	Grow relationship with Central Fire for lifeguard services	Recreation	Develop contract with Central Fire for all lifeguard services
of the City" report	City Manager	State of City report to be incorporated into City Manager Budget Message and presentation	
Public Improvements	Complete funded CIPs. 18/19 CIPs	Public Works	Projects progression toward completion maximized
	Complete library construction and wharf design	Public Works	Library construction complete, Wharf CEQA document prepared
	Evaluate unfunded CIP's	Public Works	Complete review of overall CIP Program
	Complete Rispin Park	Public Works	Complete construction



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: Public Works Department

SUBJECT: Approve Contract Change Order No. 12 for the Capitola Branch Library Project

**RECOMMENDED ACTION:** Receive report and approve Contract Change Order 12 with Otto Construction for the Capitola Branch Library Project in the total amount of \$582,402.

**BACKGROUND:** The conflict with the power lines and the library building construction have led to almost one year in delays to the project. The original completion date for the project was February 16, 2020; with rain delays this date was pushed back to May 16, 2020. The delays caused by the conflict with PG&E lines have now pushed this date to March 30, 2021. The contractor is due compensation for delays caused by City-supplied documents created by third parties. In this case the plans which sited the building too close to the wires were provided by the City and prepared by the City's architect, Noll & Tam. In July 2020 the City Council approved Contract Change Order No. 8 which extended the contract to June 30, 2020. Contract Change Order No. 12, which is before you now, will compensate Otto for contract delays through December 31, 2021.

**DISCUSSION:** Change Order No. 12 has been anticipated, but staff was unable to calculate the final impacts of the wire conflict until PG&E had completed their work to relocate the wires. This work was completed in late October 2020. Since its completion, Otto Construction and the City's Project Manager have been working on itemizing Change Order No. 12 while at the same time Otto has moved full speed ahead on finishing the project.

**FISCAL IMPACT:**

The table below provides an itemization of the current revenue sources:

<b>Funding Source</b>	<b>Amount</b>
Measure S	\$ 10,269,600
Successor Agency	\$ 2,741,568
City General Fund	\$ 1,552,492
Friends (donations)	\$ 600,000
County Library Funds	\$ 510,337
Investment earnings	\$ 130,000
<b>Total</b>	<b>\$ 15,803,997</b>

Library CCO for PG&E  
February 25, 2021

The above table itemizes the total available revenue to the project. The approved project budget revenue has not been amended by the City Council and remains at the original amount of \$15,150,000. If it becomes necessary for the projected expenditures to exceed the original budgeted revenue, staff will bring a budget amendment to the City Council for consideration.

The total approved project cost, including Contract Change Order 12 is now \$14,964,167 as itemized below:

Item	Current Budget
Construction (including CCO No 12)	\$ 12,572,591
Architecture and Engineering Fees	\$ 1,516,755
Permits/Special Inspections	\$ 149,816
Project Management	\$ 297,061
Misc	\$ 18,494
Furniture, Fixtures, & Equipment	\$ 408,000
PG&E Costs	\$ 1,450
<b>Total</b>	<b>\$ 14,964,167</b>

Based on these budget numbers, the project has a remaining contingency balance of \$839,830. Additional change orders are anticipated with the approximate value of \$325,000, including extending the contract date to March 30, 2021.

**ATTACHMENTS:**

1. Library CCO 12

Report Prepared By: Steve Jesberg  
Public Works Director

**Reviewed and Forwarded by:**



\_\_\_\_\_  
Jamie Goldstein, City Manager 2/19/2021

EXHIBIT 9  
**CHANGE ORDER**  
**CITY OF CAPITOLA**

Project Name: CAPITOLA BRANCH LIBRARY Change Order No: 12  
 Project Permit Number: 20180129 Date: 2/3/2021  
 To Contractor: Otto Construction  
 Address: 1717 2nd Street Sacramento, CA 95811

You are hereby instructed that the contract in caption is modified as herein specifically set forth, but that in all other respects the Contract remains unaltered.

Description	PCO/Ref. Doc.	Amount	Time
1 Provide all labor and materials to implement the work described in PCO 10.0, and subsequent revisions, as required due to delay in the relocation of PG&E high voltage powerlines. This item is for all-inclusive costs for compensable delays from the current Contract completion date through December 31, 2020. <i>(It should be noted that Otto's bid included a daily rate for compensable delay, of \$2,564/day, and the rate of \$2,070/day is being submitted per this PCO).</i>	PCO 10.01, Bulletin 10/10R1	\$ 378,810	183
2 Provide all labor and materials to incorporate high roof steel redesign changes associated with Bulletin #10R1, and subsequent response to RFI 90, RFI 100, RFI 108, RFI 141, RFI 142 and 143. Includes, but not limited to, shop detailing and design, installation, and crane rental.	PCO 10.1R4, Bulletin 10/10R1, RFI 90, RFI 100, RFI 108, RFI 141, RFI 142 and 143	\$ 7,681	0
3 Provide all labor and materials to maintain temporary structural bracing associated with the structure redesign changes per Bulletin 10 and Bulletin 10R1, and the response to RFI 197 (series). Due to the proximity of the high voltage lines to the building, the structure could not be fully completed. The structural engineer required structural wall bracing (interior) be maintained until the entire roof, truss and shear wall diaphragm per Bulletin 10R1 was complete.	PCO 10.4, Bulletin 10/10R1, RFI 197 (series)	\$ 16,325	0
4 Provide all labor and materials for incorporating structural redesign changes associated with Bulletin 10 and Bulletin 10R1, and the response to RFI 197 (series), so work could continue, and allows for temporary dry-in of the structure, while the PG&E overhead high voltage line relocation work was being finalized. This item allows a portion of the high roof and finishes to be installed. After the overhead line relocation occurred, the building required roofing and structure demolition to allow for installation of the sistered (added-on) trusses. This item includes, but is not limited to, demolition and reinstalling roof framing and structural framing infill work.	PCO 10.5, Bulletin 10/10R1, RFI 197 (series)	\$ 94,542	0
5 Provide all labor and materials for single-ply roofing installation and structural redesign repairs and changes, associated with Bulletin 10 and Bulletin 10R1, and the response to RFI 197 (series), to allow work to continue (and allow for temporary building dry-in). Work includes, but is not limited to, structural revisions at Gridline 1 and Gridline 15, installation of roofing up to the steel splice points near Gridline A, structural repairs following the PG&E high voltage line relocation, final structural framing installation and associated final single-ply roofing (original roof work) installation and repairs.	PCO 10.6, Bulletin 10/10R1, RFI 197 (series)	\$ 24,202	0
6 Provide all labor and materials to install and maintain temporary exterior waterproofing and required stormwater control (SWPP) as a result of the structural redesign changes per with Bulletin 10 and Bulletin 10R1, and the response to RFI 197 (series). This item includes, but is not limited to, installation and maintenance of required temporary exterior weatherproofing, associated wood framing, installation and maintenance of visqueen/temporary sheet membrane, associated single-ply roofing removal and repair (rework of roof), and additional one (1) year of SWPP implementation.	PCO 10.7, Bulletin 10/10R1, RFI 197 (series)	\$ 35,759	0
7 Provide all labor and materials to install scaffolding as needed to complete the exterior finishes and structural modifications due to structural redesign changes per Bulletin 10 and Bulletin 10R1, and responses to RFI 197 (series). This is for the time between November 3, 2020 and January 28, 2021.	PCO 10.8, Bulletin 10/10R1, RFI 197 (series)	\$ 25,083	0
<b>TOTAL</b>		<b>\$ 582,402</b>	<b>183</b>

Contractor waives any claim for further adjustments of the Contract Sum and the Contract Time related to the above described change in the Work. This Change Order is complete accord and satisfaction for all items in this change order.

ADD: Five Hundred Eighty Two Thousand Four Hundred and Two Dollars (\$582,402)

This change order HAS altered the Contract Completion Date. The Completion Date is: December 31, 2020.

**Attachment: Library CCO 12 (Library CCO for PG&E)**

<u>Adjustment of Contract Sum</u>	
Original Contract Sum:	<u>\$ 12,325,000</u>
Prior Adjustments:	<u>\$ (334,511)</u>
Contract Sum Prior to this Change:	<u>\$ 11,990,489</u>
Adjustment for this Change:	<u>\$ 582,402</u>
Revised Contract Sum:	<u>\$ 12,572,891</u>

<u>Adjustment of Contract Time</u>	
Original Contract Time:	<u>410</u>
	(Days)
Prior Adjustments:	<u>135</u>
	(Days)
Contract Time Prior to this Change:	<u>545</u>
	(Days)
Adjustment for this Change:	<u>183</u>
	(Days)
Revised Contract Time:	<u>728</u>
	(Days)

**Recommended:**

By: \_\_\_\_\_ 2/3/2021  
 Date  
 David Tanza / Bogard Construction  
 City's Representative

**Reviewed and Recommended:**

By: \_\_\_\_\_  
 Date  
 Steve Jesberg, Public Works Director  
 City of Capitola

**Approved: City of Capitola**

By: \_\_\_\_\_  
 Date  
 Jamie Goldstein, City Manager

**Accepted:**

By: \_\_\_\_\_  
 (Contractor Signature) Date  
 \_\_\_\_\_  
 Printed Name  
 Otto Construction

**Attachment: Library CCO 12 (Library CCO for PG&E)**



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 25, 2021**

FROM: Community Development

SUBJECT: Adopt Resolution Approving a Community Development Block Grant-Coronavirus #2 Application

**RECOMMENDED ACTION:** Adopt the two proposed resolutions authorizing the City Manager to submit a Community Development Block Grant Coronavirus Response (CDBG-CV) application requesting up to \$330,261 of CDBG-CV round 2 and 3 grant funds for COVID-19 related relief programs and to execute the grant agreement upon award.

**BACKGROUND:** On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to support preparation for and response to the community impacts of the COVID-19 pandemic. The state of California received approximately \$90 million in CARES Act funds that will be distributed in multiple rounds by the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Program.

In the first round of CDBG-CV, Capitola was allocated \$88,010 in CARES Act funding. The City also utilized \$80,632.35 of CDBG Program Income funds toward coronavirus relief. During the first round, applicants could provide aid for three federally-defined “activities” and one additional activity for the program income funds. The City funded four entities all of which fit into the “public service” activity. The following table lists the activity, subrecipient, and amount awarded within the first round:

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

On January 14, 2021, staff was notified the City’s first-round application was approved. Currently, HCD is reviewing the subrecipient agreements and drafting the standard agreement. Once the standard agreement is in place, the non-profits identified in the City’s application may begin receiving funds.

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

On December 18, 2020, the HCD published the Notice of Funding Availability (NOFA) for round two and three of CARES Act funding which released approximately \$44 million. The HCD modified the process to combine the second and third rounds into one review. The City of Capitola will receive a total of \$320,261 total in rounds two and three (CDBG-CV2/CV3).

On January 28, 2021, City Council held a public hearing to discuss the funding opportunity and receive public input. Public comment was made by representatives of Grey Bears, Second Harvest Food Bank, and Community Bridges. The City Council directed staff to allocate \$15,000 to each of the food distribution programs funded in the first round and utilize the remaining funds to support local businesses with forgivable economic development loans for rent and utilities.

ANALYSIS: The City of Capitola is a CDBG-eligible non-entitlement jurisdiction, which means the City must apply for funding rather than automatically receive a direct allocation. HCD guidance identified up to \$320,261 of available CDBG-CV grant funds for the City of Capitola in round two and three.

CDBG-CV funding may be utilized on activities that address immediate and medium-term responses to the COVID-19 pandemic. Eligible activities must be related to preparation, prevention, response, and recovery of the COVID-19 pandemic. CDBG allocations may only be utilized for four specific activities identified by HCD, as follows:

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

In the first round of funding, HCD allowed each City to choose up to three activities and one additional activity for program income funds. In the second and third round, HCD modified the parameters. Cities which funded three activities in the first round are limited to one new activity in the second and third round. HCD is also allowing cities to provide additional funds to the activities funded in the first round.

As directed at the Council meeting on January 28, 2021, the City will allocate an additional \$15,000 to each of the food distributors which previously received funding in the first round and use the remainder of the funds for economic development business assistance grants. The grants program will fund up to \$7,500 for local businesses to pay for rent and utilities in support of retaining low-income jobs in the City.

The Santa Cruz Small Business Development Center (SBDC) has agreed to partner with the City of Capitola in administrating the proposed grant program. Typically, non-profits that administer a grant also collect an administration fee to cover their cost. SBDC generously offered to waive the administration costs associated with program to allow all the funding to go to local businesses. With this new partnership, the City will be able to fund an additional seven grants, increasing the assistance from 25 businesses to a new total of 32 businesses.

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

HCD is currently drafting guidance for CDBC-CV economic development activities. Once the guidance is published, staff will work with the ad-hoc committee to finalize the details of the City's forgivable loan program.

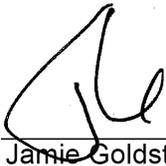
Two resolutions are required as part of the HCD application. The first resolution is for the portion of the funds providing additional money to activities from round one, and the second resolution is for the new economic development activity.

Also, the City's CDBG consultant, Paul Ashby, will provide an overview of the recently released annual CDBG NOFA during the February 25, 2021, council meeting. This funding is separate from the Cares Act funding related to COVID-19. Mr. Ashby will provide an overview of the 2021 program and the potential applicability to Capitola.

FISCAL IMPACT: The proposed grant will bring in \$320,261 of CDBG-CV2 and CV-3 funds to the City. Upon award, staff will bring forth a resolution and budget amendment to City Council.

Report Prepared By: Katie Herlihy  
Community Development Director

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager      2/19/2021

## RESOLUTION NO.

### A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM- CORONAVIRUS RESPONSE ROUND 2 AND 3 (CDBG-CV2 AND CV3) NOFA DATED DECEMBER 18, 2020

BE IT RESOLVED by the City Council of the City of Capitola, as follows:

#### **SECTION 1:**

The City Council has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount, not to exceed, of \$320,261 for the following CDBG-CV2 and CV3 activities pursuant to the December 2020 CDBG-CV2 and CV3 Notice of Funding Availability (NOFA):

#### **List activities and amounts**

Economic Development – Business Assistance Program not to exceed \$264,761

#### **SECTION 2:**

The City hereby approves the use of Program Income in an amount of \$0 for the CDBG-CV2 and CV3 activities described in Section 1.

#### **SECTION 3:**

The City acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

#### **SECTION 4:**

The City hereby authorizes and directs the City Manager, or designee, to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

#### **SECTION 5:**

If an application is approved, the City Manager, or designee, is authorized to enter into, execute and deliver the grant agreement (*i.e.*, Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant.

#### **SECTION 6:**

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

If an application is approved, the City Manager, or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Capitola held on February 25, 2021, by the following vote:

*[Instruction: Fill in all four (4) vote-count fields below. If none, indicate "0" for that field.]*

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Yvette Brooks, Mayor  
Capitola City Council

**STATE OF CALIFORNIA**  
City of Capitola

I, Chloe Woodmansee, City Clerk of the City of Capitola, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 25<sup>th</sup> day of February, 2021.

\_\_\_\_\_  
Chloe Woodmansee, City Clerk of the  
City of Capitola , State of California

By: \_\_\_\_\_  
Name and Title

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

**RESOLUTION NO.**

**A RESOLUTION APPROVING AN AMENDMENT TO THE 2020  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CORONAVIRUS  
RESPONSE ROUND 1 (CDBG-CV1) STANDARD  
AGREEMENT TO ADD ADDITIONAL FUNDS FROM THE 2020  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CORONAVIRUS  
RESPONSE ROUND 2 AND 3 NOFA DATED  
DECEMBER 18, 2020**

BE IT RESOLVED by the City Council of the City of Capitola as follows:

**SECTION 1:**

The City Council has reviewed and hereby approves the submission to the State of California ("State") of application(s) to add additional funding to the City's existing CDBG-CV1 Standard Agreement with the State ("Standard Agreement") for the following new CDBG- CV2 and CV3 activities pursuant to the State's December 2020 CDBG-CV2 and 3 Notice of Funding Availability ("NOFA"):

**Current CDBG-CV1 Activities**

Public Service – Food Assistance / Meals on Wheels	\$80,633
Public Service – Second Harvest Food Bank	\$42,285
Public Service – Grey Bears Healthy Food	\$20,738

**Amount of New CDBG-CV2 and 3 Funds to Be Added to Activities**

Public Service – Food Assistance / Meals on Wheels	\$18,500
Public Service – Second Harvest Food Bank	\$18,500
Public Service – Grey Bears Healthy Food	\$18,500

**Total Amount of All CDBG-CV Activities**

Public Service – Food Assistance / Meals on Wheels	\$99,133
Public Service – Second Harvest Food Bank	\$60,785
Public Service – Grey Bears Healthy Food	\$39,238

**SECTION 2:**

The City hereby approves the use of Program Income in an amount of \$0 for the new CDBG-CV2 and CV3 activities described in Section 1 above.

**SECTION 3:**

The City acknowledges compliance with all state and federal public participation requirements in the development of its application(s) for the new CDBG-CV2 and CV-3 activities described in Section 1 above.

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

**SECTION 4:** The City hereby authorizes and directs the City Manager, or designee, to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

**SECTION 5:** If an amendment to the Standard Agreement is approved as contemplated above, the City Manager, or designee, is authorized to enter into, execute and deliver an amendment to the Standard Agreement and any and all other documentation why may be required by the State from time to time for the purposes of this grant.

**SECTION 6:** If an amendment to the Standard Agreement is approved, the City Manager, or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with this grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Capitola held on February 25<sup>th</sup> by the following vote:

*[Instruction: Fill in all four (4) vote-count fields below. If none, indicate "0" for that field.]*

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Yvette Brooks, Mayor  
City Council

STATE OF CALIFORNIA  
City of Capitola

I, Chloe Woodmansee, City Clerk of the City of Capitola, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 25<sup>th</sup> day of February, 2021.

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Chloe Woodmansee, City Clerk of the  
City of Capitola, State of California

CDBG-CV2 and CV3 Resolutions  
February 25, 2021

By: \_\_\_\_\_  
Name and Title