

City of Capitola Agenda

Mayor: Michael Termini
Vice Mayor: Jacques Bertrand
Council Members: Ed Bottorff
Stephanie Harlan
Kristen Petersen

Treasurer: Peter Wilk



REVISED
CAPITOLA CITY COUNCIL
REGULAR MEETING

THURSDAY, APRIL 12, 2018

7:00 PM

CITY COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CLOSED SESSION - 5:30 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 NEGOTIATOR [Govt. Code § 54957.6]

Negotiator: Dania Torres Wong

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Heads

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Gov' t. Code § 54956.9(d)(2).
(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, Ed Bottorff, Stephanie Harlan, and Mayor Michael Termini

2. PRESENTATIONS

A. Introduce New Public Works Project Manager Kailash Mozumder

3. REPORT ON CLOSED SESSION

4. ADDITIONAL MATERIALS

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

A. Item 10.B – Three public comment emails

5. ADDITIONS AND DELETIONS TO AGENDA

6. PUBLIC COMMENTS

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

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Council Members/City Treasurer/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Consider Traffic and Parking Commission Application

RECOMMENDED ACTION: Approve the appointment of Melanie Arao for the remaining Village Resident term.

9. 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 public or 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 March 22, 2018, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Consider a Resolution Allocating the 2019 Road Maintenance and Rehabilitation Account Funds
RECOMMENDED ACTION: Adopt resolution.

10. 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. Consider a Resolution Making Changes to the Yellow, Green, and Red Curb Markings along Capitola Avenue from Bay Avenue to Plum Street
RECOMMENDED ACTION: Approve the Resolution designating a yellow loading zone in front of 704 Capitola Avenue and modify curb markings on Capitola Avenue between Bay Avenue and Plum Street.
- B. Framework for Retail Marijuana Sales Ordinances
RECOMMENDED ACTION: Provide direction.
- C. Consider Building Official Options
RECOMMENDED ACTION: Direct staff to:
 - 1. Prepare a contract for a shared Building Official with the City of Scotts Valley; and
 - 2. Meet with appropriate Employee Groups to discuss changes to job descriptions and salary schedules.

11. ADJOURNMENT

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.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
April 12, 2018

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 and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

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

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

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



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: Public Works Department

SUBJECT: Introduce New Public Works Project Manager Kailash Mozumder

DISCUSSION: The Department of Public Works is pleased to introduce Kailash Mozumder as the City's new Public Works Project Manager. Kailash has worked on public and private projects as a consultant for the past 16 years and is excited to bring that experience here to benefit our community. Kailash last worked for ICF management consulting where his experiences included coordinating multiple firms and contractors on complex water, transportation, and public utility projects. Kailash and his family, Bay Area natives, have lived in Capitola since 2014 and he has been an active member of the City's Commission on the Environment since 2015.

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

4/5/2018

Fridy, Linda (lfridy@ci.capitola.ca.us)

From: Yvette Brooks <ybrooks916@gmail.com>
Sent: Wednesday, April 11, 2018 10:01 AM
To: City Council
Cc: Goldstein, Jamie (jgoldstein@ci.capitola.ca.us)
Subject: City Council Meeting 4.12.18
Attachments: Thrive-by-Three-Investing-in-Santa-Cruz-Countys-Youngest-Children-v6-002.pdf; San Joaquin marijuana poll (1).docx; San Joaquin County Cannabis Tax Survey Results - Public Slides (1).pptx

Good Afternoon Capitola City Council Members,

I am writing to you in reference to item 10B. Framework for Retail Marijuana Sales Ordinances. With the possibility of new incoming tax dollars, I believe you as Elected Officials have a unique opportunity to invest. As many of you already know, often monies are set aside for early education and youth programs and just as quickly taken away during budget crisis.

By you earmarking a set aside dedicated to supporting families who have children in early education and our beloved youth programs, this promises that children will no longer be pushed aside in times of crisis.

Our city is experiencing high numbers of homelessness, addiction and crime. Studies show that investing early reduces these numbers drastically.

It is time we take a stand along side cities such as Santa Cruz, and follow in the steps of the County whose Elected Officials have already taken initiative in programs such as Thrive by Three (see attached PDF).

Other cities are begining to have the same conversations:

Monterey County is also polling.

<https://www.surveymonkey.com/r/CountyCannabisTax>

And I have attached the outcomes of San Joaquin's polling data for your reference.

I ask that you dedicate at least 1% of the cities marijuana tax to a Dedicated Children's Fund.

It would be ideal that you place this language alongside the ballot measure so that residents have an opportunity to vote in support of our children.

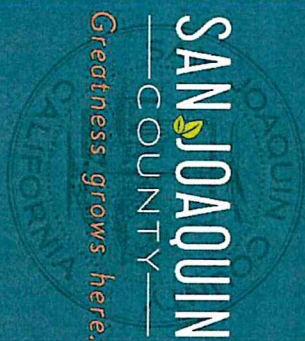
We are their advocates and they are our future.

If you have any questions please email me at any time.

I look forward to seeing how Capitola City Council takes charge in support of its most vulnerable community members and gives voice to such an important issue.

Sincerely,
Yvette Brooks

Communication: Additional Materials 10.B (ADDITIONAL MATERIALS)



Support for a Cannabis Cultivation Tax in San Joaquin County

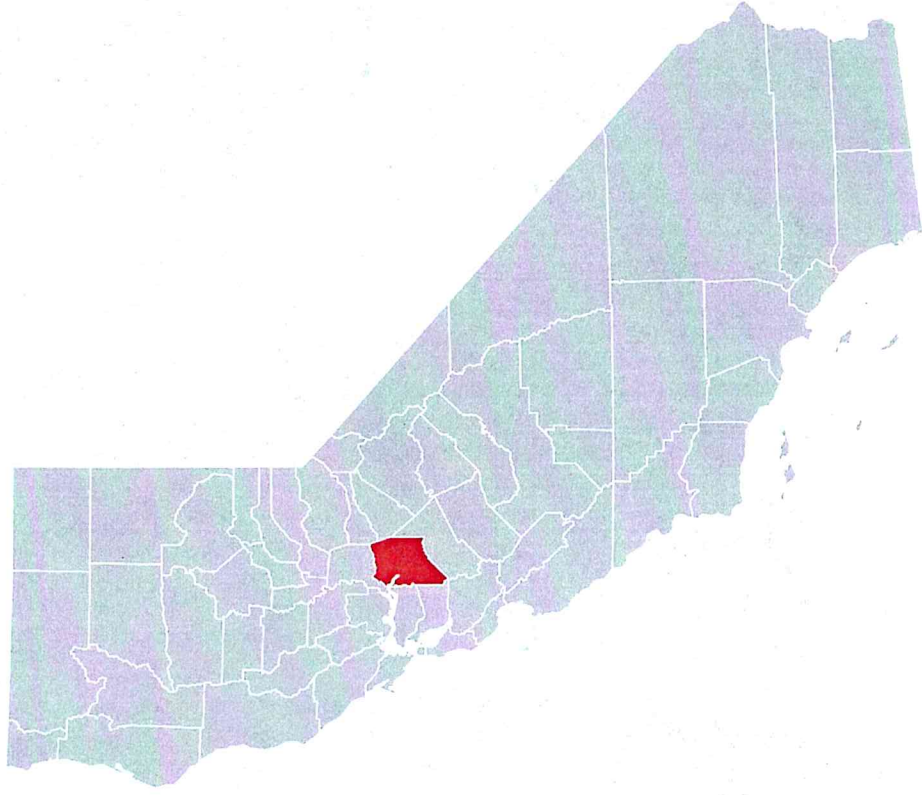
*Key Findings from a Countywide Voter Survey
 Conducted November 2-5, 2017*

Fairbank, Maslin, Mauldin, Metz & Associates – FM3

PUBLIC OPINION RESEARCH & STRATEGY

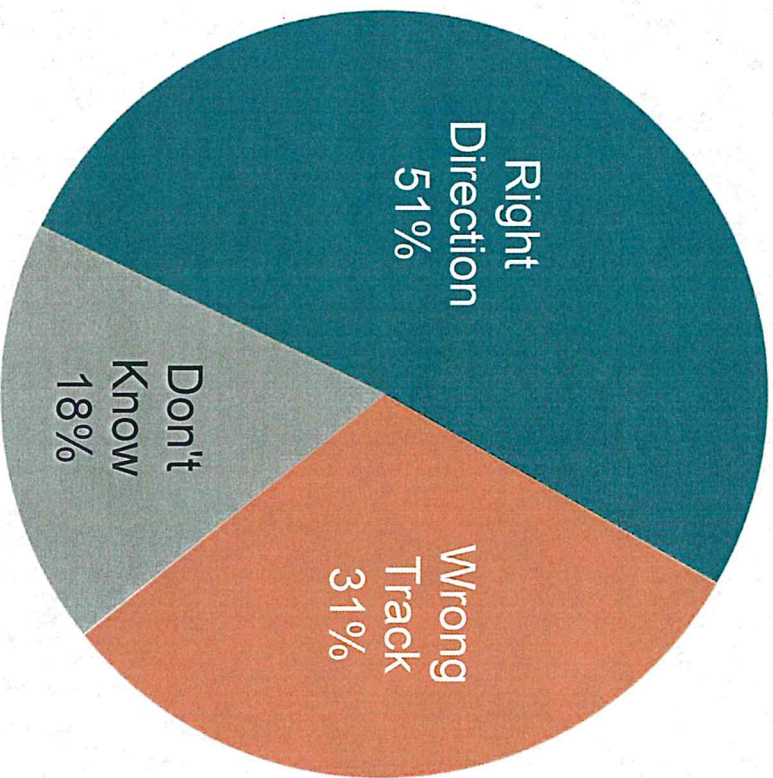
Methodology

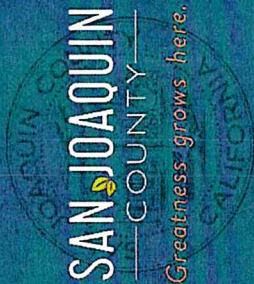
- ✓ 400 telephone interviews with voters likely to cast ballots in June 2018 in San Joaquin County
- ✓ Interviews conducted November 2-5, 2017
- ✓ Interviews on landlines and cell phones, and in English and Spanish
- ✓ Margin of sampling error of +/- 4.9% at the 95% confidence level
- ✓ Some percentages may not sum to 100% due to rounding



Voters feel positive about the direction of the County.

In general, would you say that things in San Joaquin County are generally headed in the right direction, or do you feel that things are pretty seriously off on the wrong track?

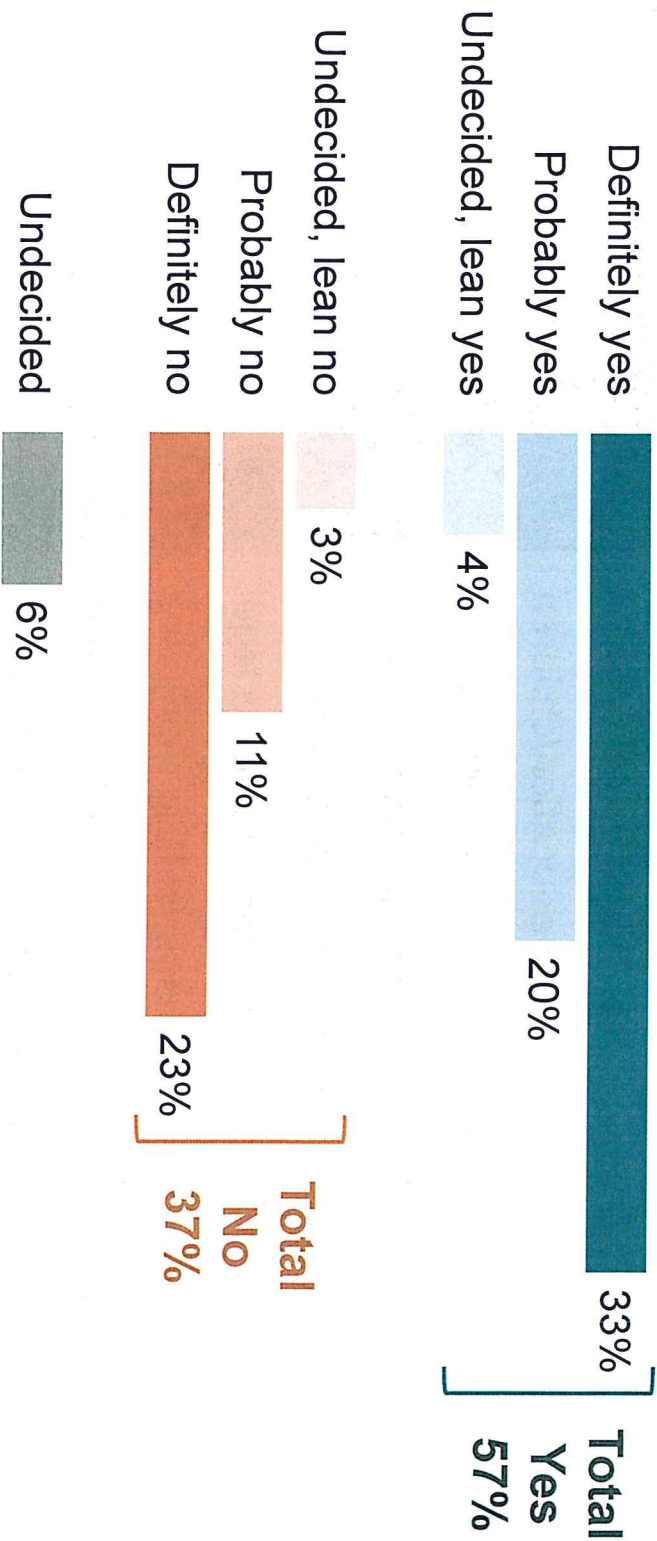




Voter Support for a Cannabis Cultivation Tax

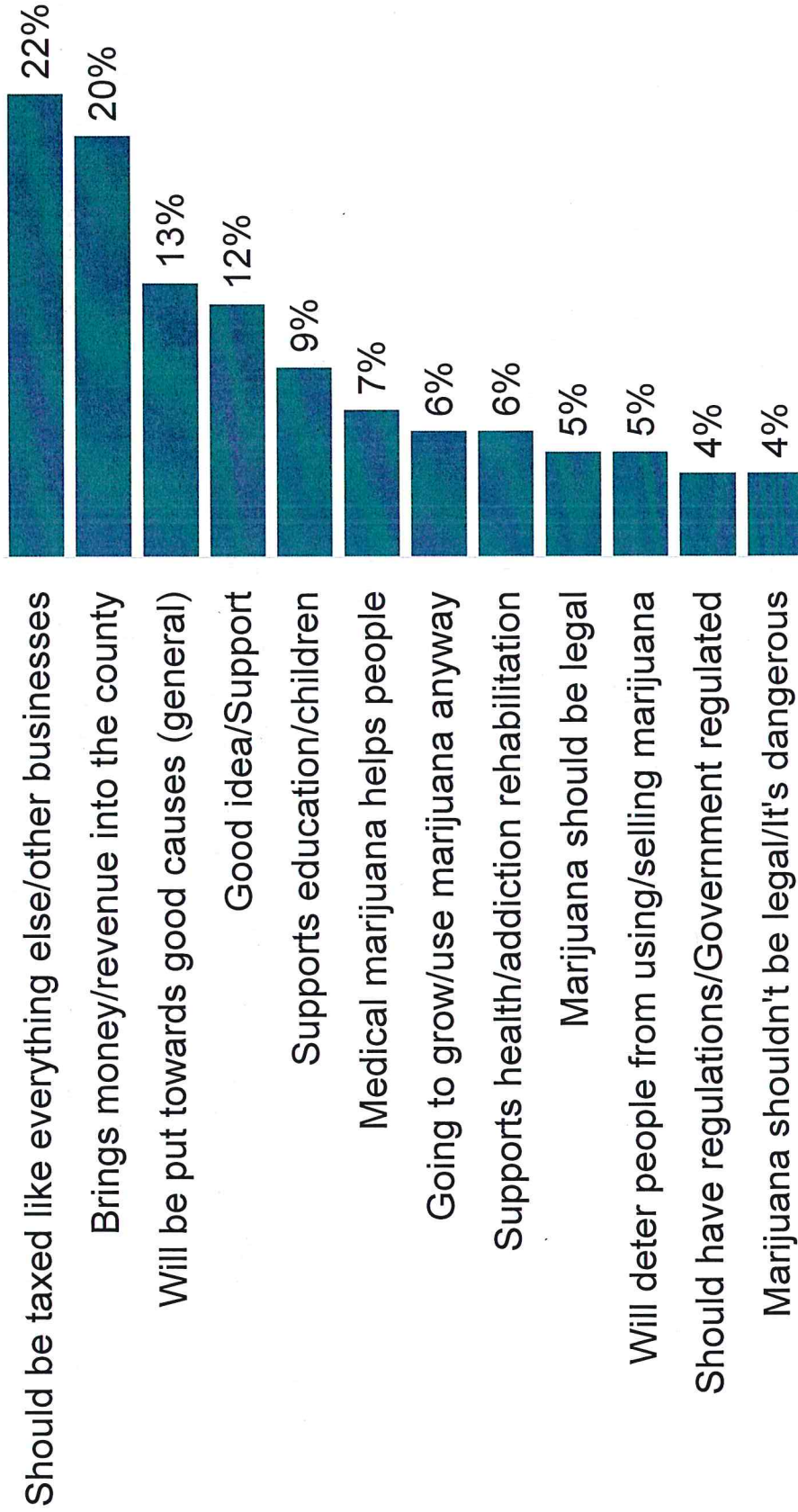
Based on draft ballot language, a solid majority supports the proposed tax.

“In order to provide funding for cannabis enforcement and prosecution; early childhood education/ other programs for children and youth; substance abuse prevention/treatment; and other public health programs, shall the ordinance imposing a tax on commercial cannabis businesses in the unincorporated area of San Joaquin County up to a maximum of \$120 per square foot on cultivation and 15% of gross receipts on other cannabis business activities, with an annual adjustment for inflation, be adopted?”



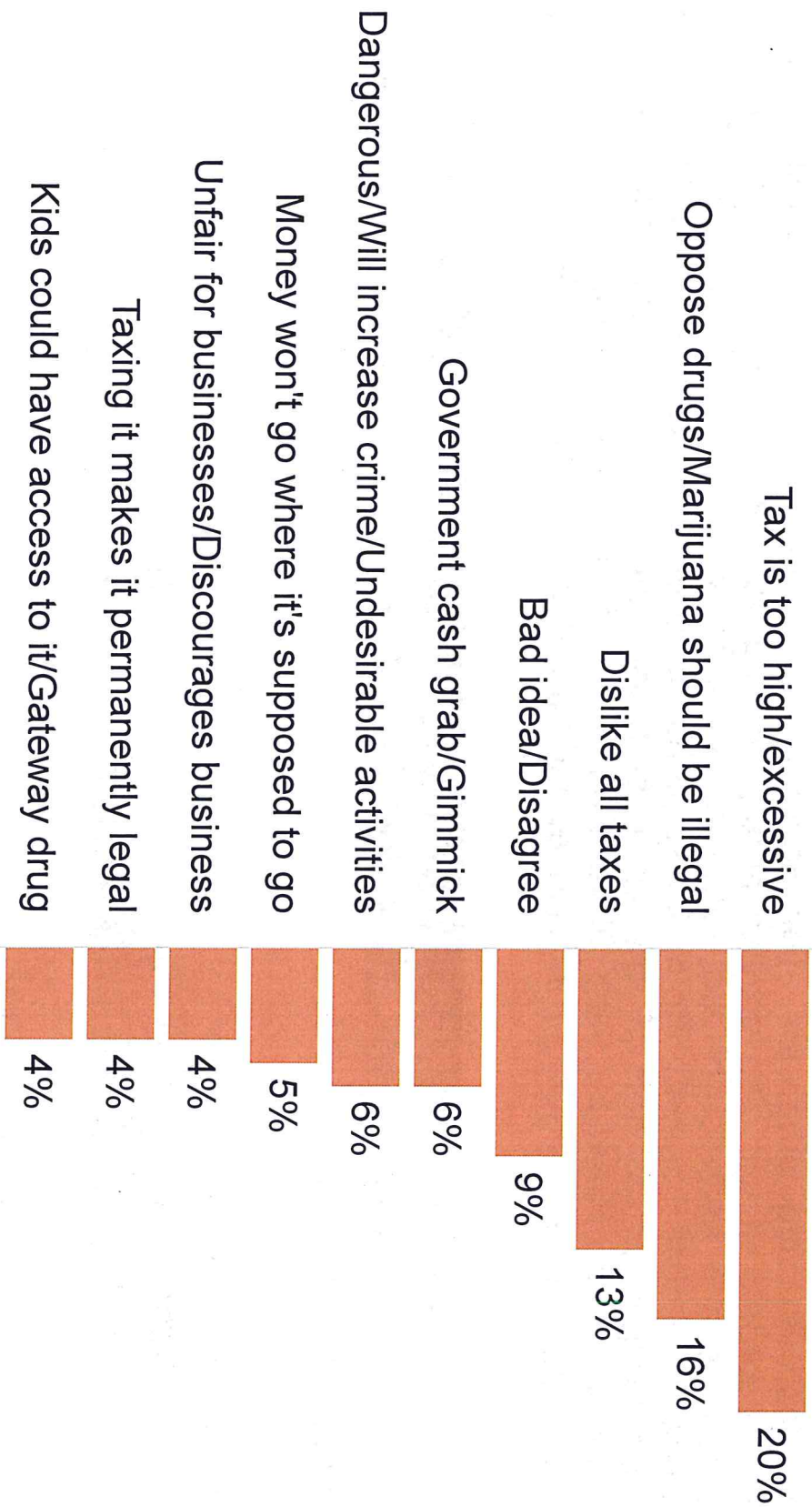
Voters who support the measure think cannabis businesses should be taxed, and like that it will create revenue.

In a few of your own words, what are the main reasons why you would vote YES on this measure?



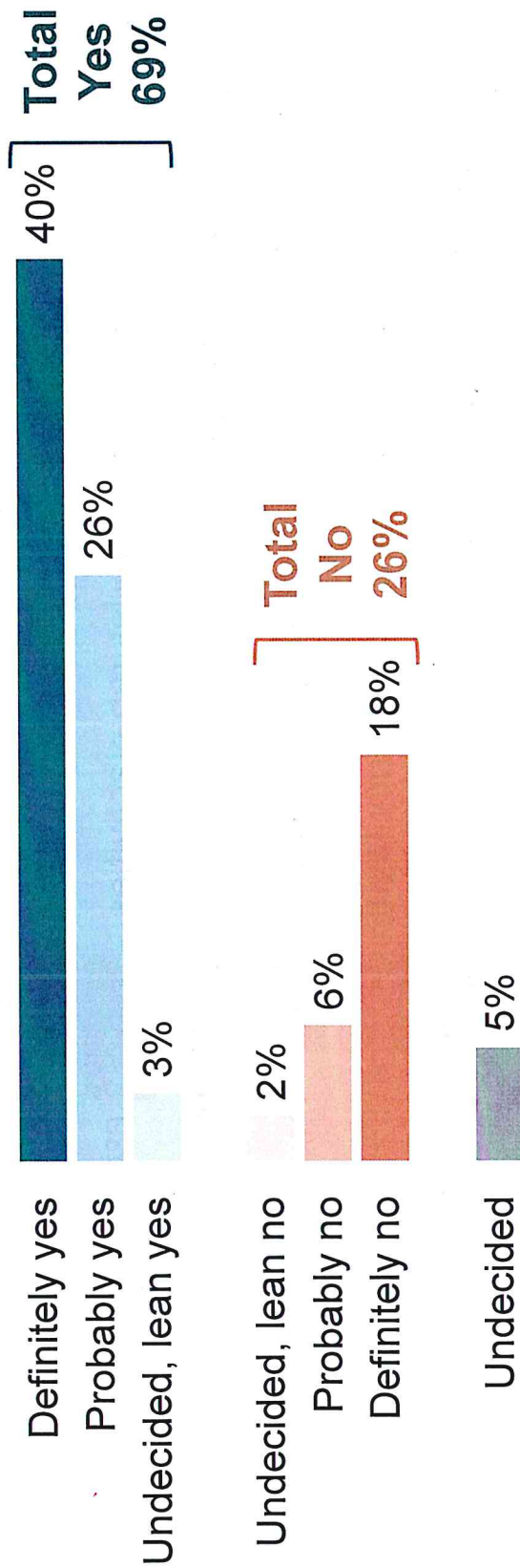
Those opposed have strong anti-tax sentiments, and tend to oppose cannabis cultivation in principle.

In a few of your own words, what are the main reasons why you would vote NO on this measure?



After hearing a statement in favor of the measure, more than two-thirds support it.

Supporters of this measure say that the cannabis industry will benefit from our County; we should ensure that they pay their own way and contribute to the community. This measure will ensure our County has the funding to appropriately regulate these newly-legalized cannabis businesses, and enforce laws protecting our community's public safety, without having to take resources from existing programs. This revenue will allow us to fund substance abuse prevention programs. It will also provide sorely needed, locally-controlled revenue for public health programs and early childhood education services for young children. By expanding access to early childhood care and to family services for parents, we can help ensure that every child in San Joaquin County gets off to a strong start and has the support they need to grow up healthy, happy and prepared for their future. Funds from this measure will be subject to strict accountability provisions, including annual independent audits and citizen oversight.

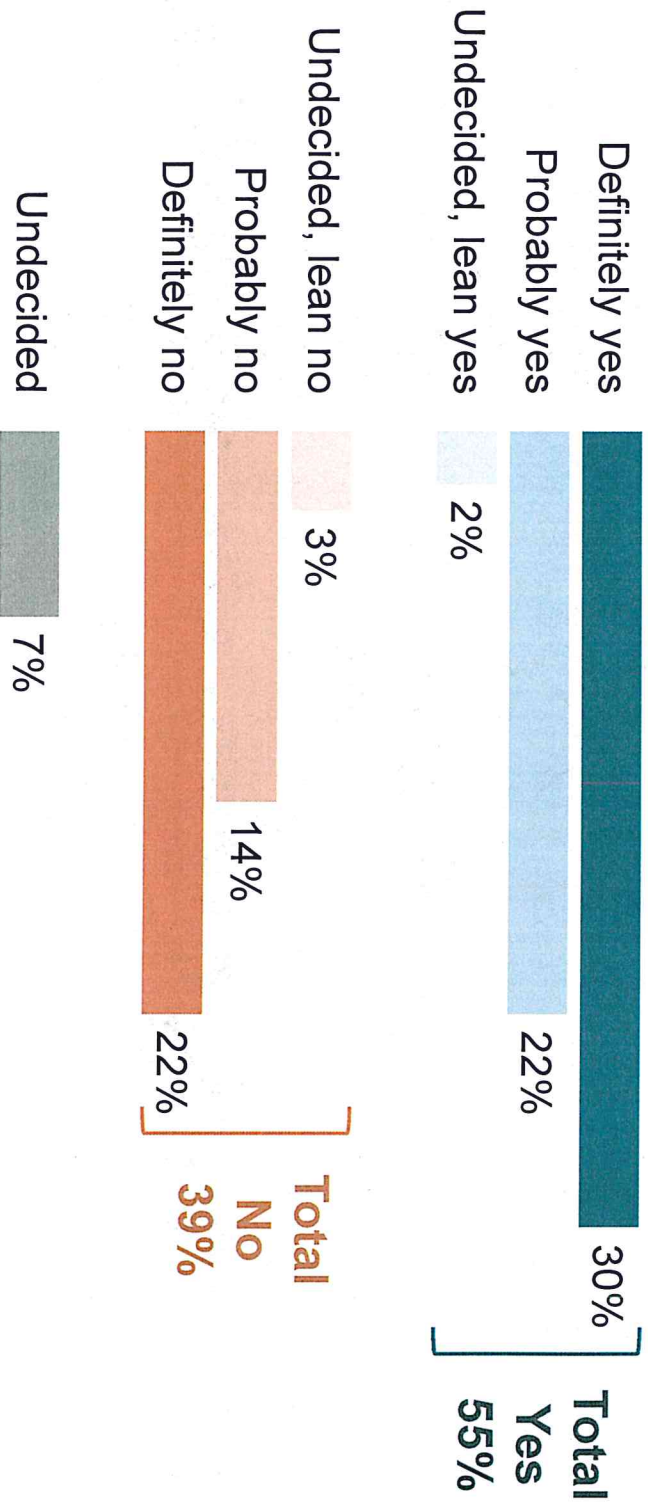


Q8. Having heard this, do you think you would vote "yes" in favor of this measure or "no" to oppose it?

Communication: Additional Materials 10.B (ADDITIONAL MATERIALS)

After a statement opposing the measure, a slim majority supports it.

Opponents of the tax measure say that taxing cannabis cultivation will only encourage more suppliers to stay in the illegal, unregulated and untaxed black market, increasing criminal activity and endangering public health. Others say that taxing cultivation will force growers to move to other counties, depriving us of jobs and future tax revenue.



Younger voters are among the most supportive, particularly after an argument in favor of the measure.

(Total Yes)

Demographic Group	Initial Vote	After Positive Message	After Negative Message
Age			
18-29	69%	80%	58%
30-39	68%	79%	58%
40-49	58%	72%	54%
50-64	47%	62%	60%
65-74	66%	72%	53%
75+	49%	65%	43%
Gender			
Men	57%	69%	52%
Women	58%	69%	57%

Support falls along partisan lines; Democrats and independents strongly back it, while Republicans are more modestly supportive.

(Total Yes)

Demographic Group	Initial Vote	After Positive Message	After Negative Message
Party			
Democrats	65%	80%	56%
Independents	57%	70%	58%
Republicans	48%	56%	51%
Ethnicity			
Whites	60%	68%	54%
Latinos	64%	82%	54%
<i>All Voters of Color</i>	58%	73%	54%
Parents			
Dads	59%	74%	57%
Moms	50%	69%	61%
Men With No Children	55%	67%	50%
Women With No Children	63%	69%	54%

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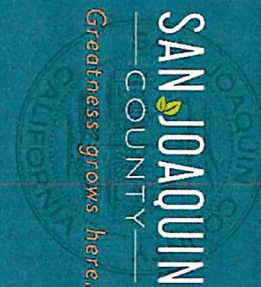
Q2, Q8 & Q9. Do you think you would vote "yes" in favor of this measure or "no" to oppose it?

Geographic differences are relatively modest.

(Total Yes)

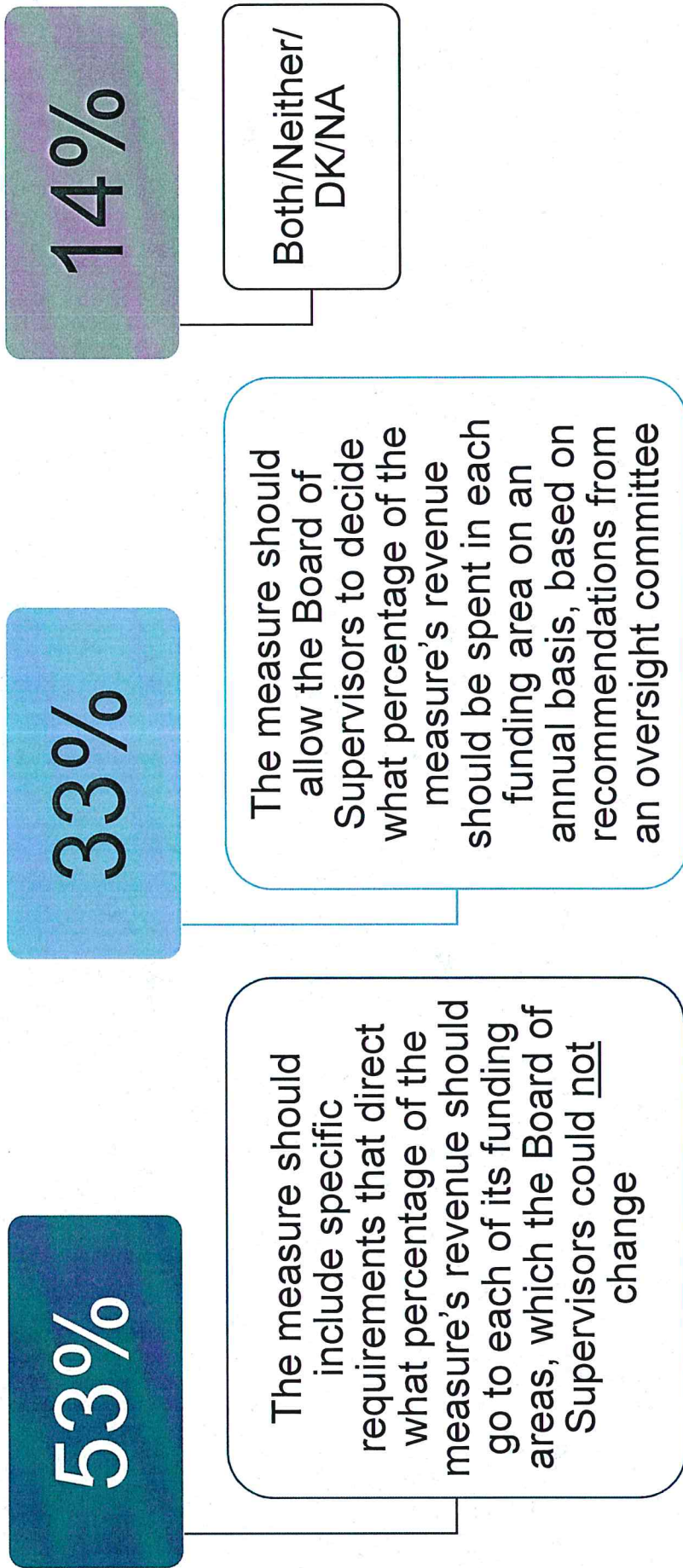
Demographic Group	Initial Vote	After Positive Message	After Negative Message
Supervisory District			
District 1 (Villapudua)	53%	81%	52%
District 2 (Miller)	61%	66%	60%
District 3 (Patti)	63%	75%	57%
District 4 (Winn)	55%	63%	53%
District 5 (Elliott)	53%	66%	50%
City			
Stockton	63%	78%	60%
Tracy	47%	69%	46%
Lodi	53%	67%	51%
Manteca	56%	57%	51%
Other Cities	59%	70%	57%
Unincorporated Area	55%	64%	54%

Elements of the Measure



A majority would prefer that the spending allocations be determined by the measure, and not left up to the board.

The details of this measure have not yet been finalized; which of the following statements come closer to your personal opinion?



Voters are clearly most interested in allocating revenue to early childhood education and youth programs.

I am going to read you a list of the four major areas to which funding from this measure may be dedicated. After I read all four, please tell me which one you think is the most important priority.

■ 1st ■ 2nd ■ 3rd

Early childhood education and other programs for children and youth



Substance abuse prevention and treatment programs



Public health programs



Public safety and cannabis enforcement programs



All/None/Don't know/NA



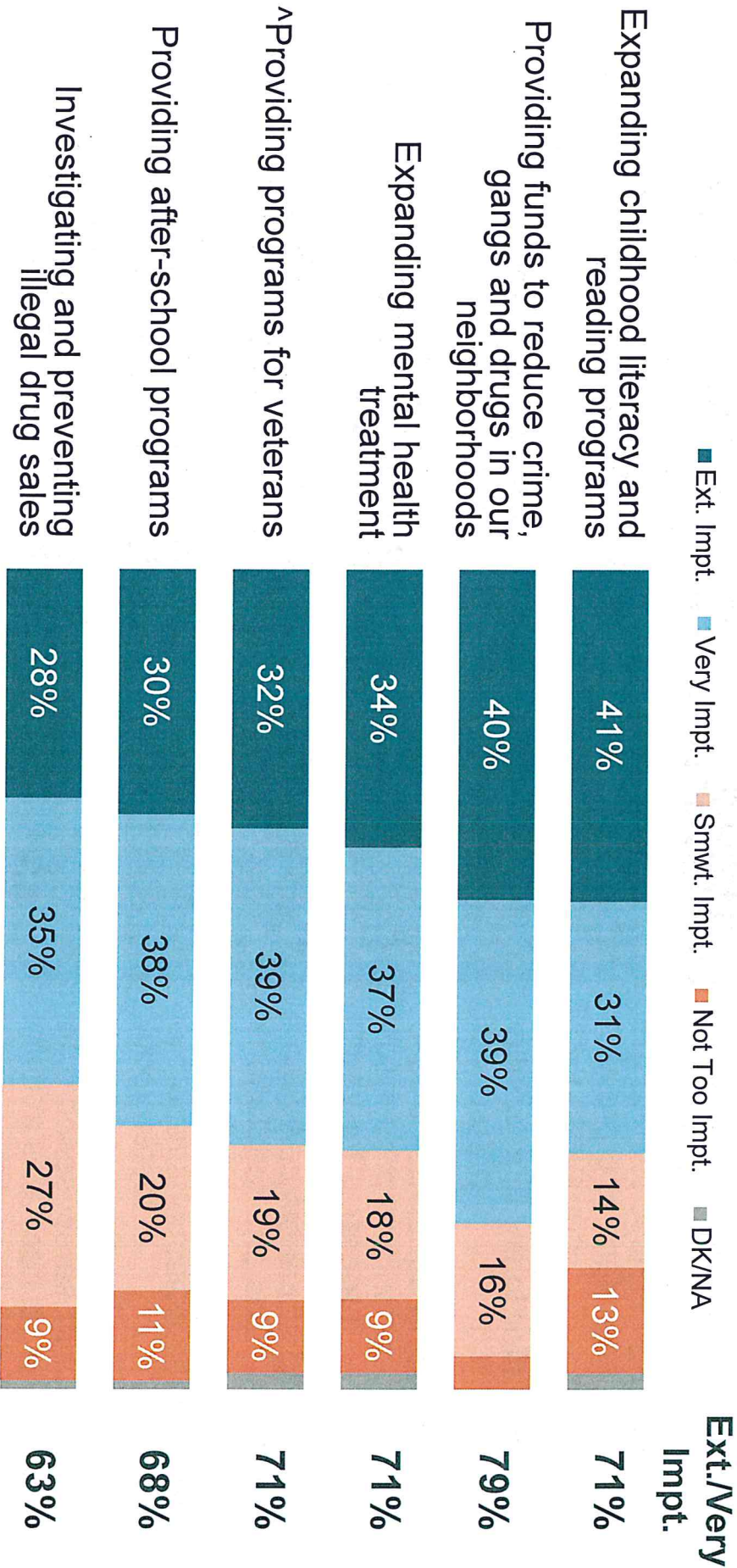
When asked how they would allocate the spending, there was not a dramatic difference between spending areas.

I am going to ask you to imagine you are in charge of the revenue from this measure. I would like you to tell me how you would prioritize spending on the four funding areas we discussed before. For this exercise, assume you have \$100 to spend on all four areas. Please tell me how many dollars out of \$100 you would spend on each area, keeping in mind that the total must add up to \$100.

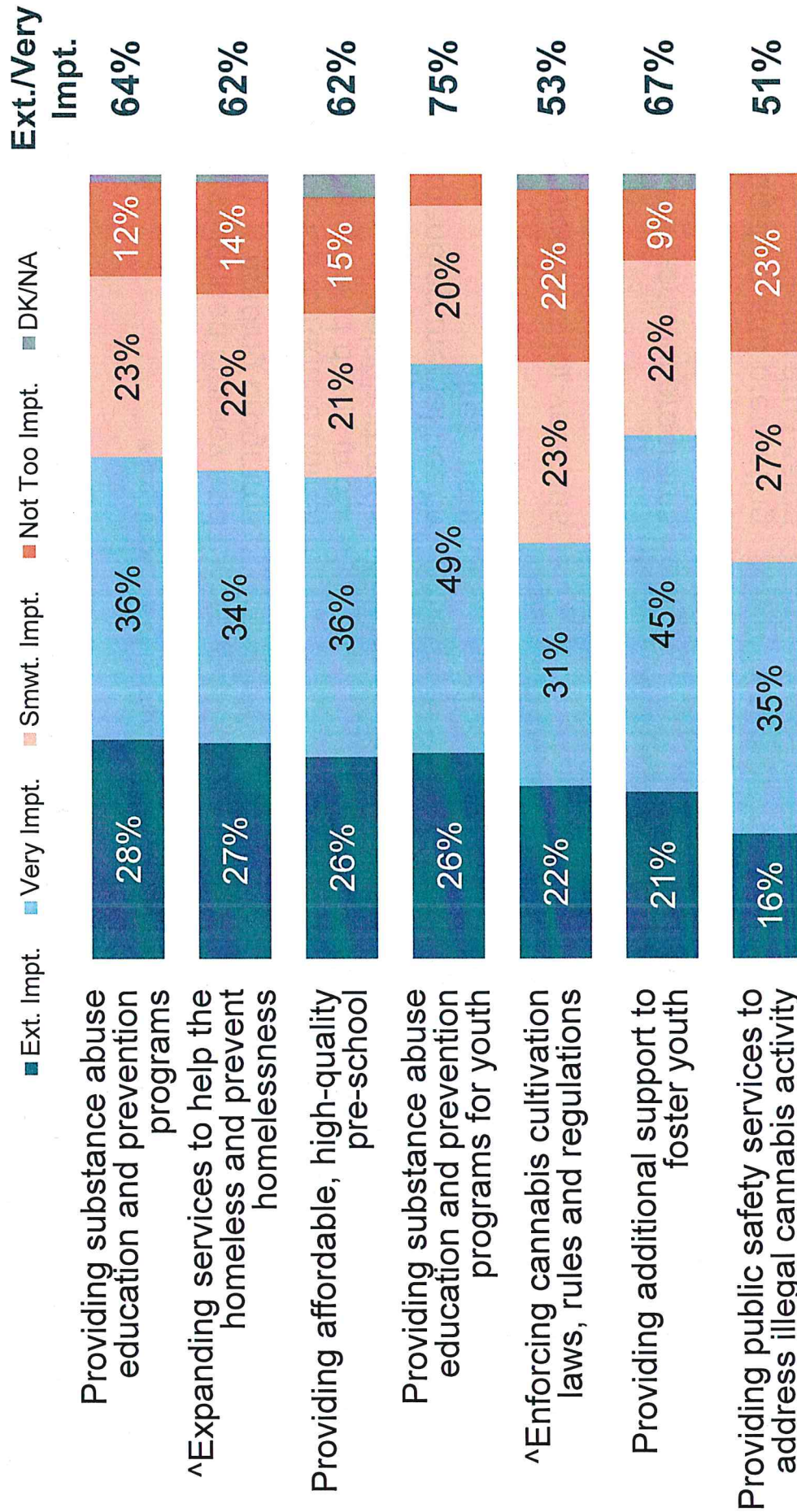
Funding Area	Mean	First Choice
Early childhood education and other programs for children and youth	\$29.70	41%
Substance abuse prevention and treatment programs	\$24.20	21%
Public health programs	\$23.90	17%
Public safety and cannabis enforcement programs	\$22.20	14%

Among more specific funding areas, voters prioritize childhood literacy and crime reduction.

I am going to read you a more specific list of services this measure could fund in San Joaquin County. Please tell me how important it would be to you that each service be funded.



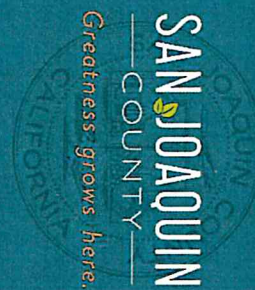
Enforcing cannabis cultivation, support for foster youth, and public safety dedicated to illegal cannabis were all lower tier priorities.



Q7. I am going to read you a more specific list of services this measure could fund in San Joaquin County. Please tell me how important it would be to you that each service be funded. ^Not Part of Split Sample

Communication: Additional Materials 10.B (ADDITIONAL MATERIALS)

Conclusions



Conclusions

1. San Joaquin County voters offer solid majority support for a proposed measure to tax cannabis cultivation; however, that support initially falls short of the two-thirds supermajority required for approval of a special tax.
2. Accordingly, the measure's prospects for success may hinge on:
 - A public education and outreach effort, which the poll data suggests could yield supermajority support;
 - Placing the measure on the ballot through the initiative process, which a recent State Supreme Court decision suggests could permit simple majority approval; or
 - Considering a November election date, when voter turnout could be higher.
3. It will also be critical to make clear that the measure does not itself authorize marijuana cultivation; it simply establishes a tax on the activity.
4. Voters express a clear preference for having spending allocations written into the measure itself.
5. Voters place the highest priority on providing funding for early childhood education and youth programs.
6. At the same time, voters also back funding for public safety and public health programs from the measure.

For more information, contact:



Fairbank, Maslin, Maulin, Metz & Associates - FM3

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Lucia Del Puppo

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Tax Report Preferences

Tax Rate: What rate should be imposed on the industry?

Low	Mid	High
3.5-5% + Most attractive to industry - Lowest possible revenue	3.5-7% + Industry will support + Moderate revenue	3.5%-15% - Industry will not support + Highest potential revenue

Tax Method: Which method do you believe best meets the County's needs?

A	Cultivation: \$ per square foot per harvest. Other license type: Percentage rate. +Discourages diversion. +Certainty for County and Cultivators.
B	Cultivation: \$ per ounce (State method). Other license type: Percentage rate. -Encourages diversion.
C	Percentage range applied to all license types. +Most accurate relationship between tax revenue and gross receipts. -Encourages diversion.

Product Value: If you support a square footage rate, which value should be used to calculate the rate?

Low	Mid	High
\$800 - \$1,000 + Industry will support - beneath current known market range	\$1,000 – 1,500 + Industry will support - within known market range	\$1,500 – 2,000 -Industry will not support - At high end of market range

Tax Allocations to Accounts: Revenue from a special tax can only be spent on the activities or programs identified in the tax measure. Based on the discussion of the Board and presentations made to the Board four categories were proposed and included in the polling. What categories do you support?

Early childhood education and programs for youth and children. 41% in favor	Substance abuse prevention and treatment programs. 21% in favor.	Public health programs. 17% in favor.	Public safety and cannabis enforcement. 14% in favor.	Other:
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Percentage to allocate to Accounts: Polling indicated that there was greater support for a tax measure that mandated allocations to each of the accounts.

	Early childhood education and programs for youth and children.	Substance abuse prevention and treatment programs.	Public health programs.	Public safety and cannabis enforcement.
Voter allocation	30%	24%	24%	22%
Proposed allocation				

Tax Accountability: There are many ways of accounting for the allocations to each of the accounts.

A	<p>Straight percentage. Each account gets a fixed percentage of the revenue each year.</p> <p>+Most predictable and easiest accounting.</p> <p>-Least ability for the County to address costs of starting program or unforeseen circumstances.</p>
B	<p>Escalating. Most favored account or accounts are given a higher escalating percentage. Ex: Account A is guaranteed 40%. Year 1-10%; Year 2 -20%; Year 3-30%; etc.</p> <p>+Guarantees percentage over a period of time.</p> <p>+Allows greater expenditures in early years on other programs.</p> <p>-Limited flexibility in later years.</p>
C	<p>Fixed percentage with True-up. Most favored account is given a fixed guaranteed with a low annual minimum and a higher overall cap. Ex: Account A is guaranteed an annual 5% minimum, and a 10 year minimum of 30%. Each year a minimum of 5% must be spent on that account. At the end of 10 years there is a true-up of the accounts. If less than 30% overall has been spent on that account then an additional contribution must be made in the final year to bring the account up to its overall minimum level.</p> <p>+Provides flexibility to address costs of starting up program and unforeseen matters in any given year.</p> <p>+Guarantees a certain minimum annually and periodic true-up.</p> <p>-Requires disciplined Board and County Administrator to ensure adequate reserves are set aside to meet true-up costs.</p>
	Other:

Thrive by Three: Investing in Santa Cruz County's Youngest Children

A Time to Be Bold

Santa Cruz County is known for its innovative, collaborative approach to solving complex social, economic and environmental problems. Now, the Board of Supervisors and City Councils have a unique opportunity to change the trajectory of health and wellbeing for Santa Cruz County's youngest and most vulnerable citizens by establishing a **dedicated funding stream for early childhood development services**, using a portion of cannabis-related tax revenue, with the intent to:



- **Invest in the earliest years of childhood** (prenatal to three years old), during the most rapid and critical period of brain development.
- **Invest in evidence-based approaches** that achieve “breakthrough outcomes” for young children facing adversity by improving outcomes for their parents and caregivers, including:
 - ✓ Increased percentage of young mothers getting prenatal care in the first trimester
 - ✓ Decreased percentage of babies being born preterm and low birthweight
 - ✓ Decreased percentage of mothers and fathers reporting hardships and emotional distress during pregnancy and the child's first three years of life
 - ✓ Improved parental confidence, parenting practices, and parent-child relationships
 - ✓ Decreased rates of substantiated child maltreatment and entries into foster care among infants and toddlers
 - ✓ Increased access to high-quality care and early learning opportunities for infants and toddlers
- **Invest in improving outcomes for children and families facing the greatest cumulative risk**, giving our community's most vulnerable children equal opportunity to reach their full potential.

Prenatal to Three: It Pays to Invest Early

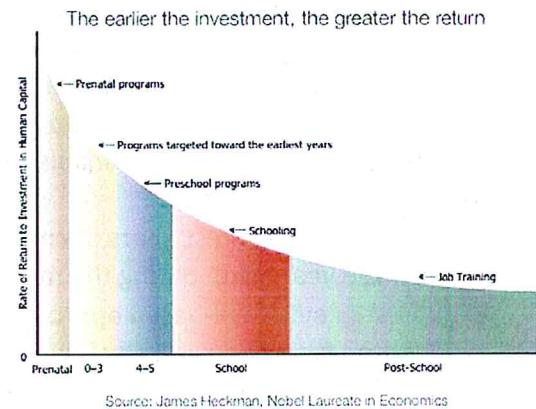
Every child deserves to be happy, healthy, and have equal opportunities to reach their full potential. **The first three years of life – starting in the prenatal period – provide the greatest window of opportunity to build a strong foundation for lifelong health and wellbeing.** During this critical period of development, a healthy brain forms 700 new neural connections every second, reaching 80% of the size of an adult's brain by age three. Responsive, nurturing caregiving in safe, engaging environments fosters healthy brain development, laying a strong foundation for children to develop the social, emotional, cognitive and physical skills needed to thrive in school and throughout life.

However, not all children begin life with the same strong foundation. Exposure to chronic stressors (poverty and discrimination) or adverse childhood experiences (abuse and neglect, parental mental illness and substance abuse, or family violence) can disrupt healthy brain development, creating lifelong negative impacts on learning, behavior and health. As the number of adverse experiences in a child's life increases, so does the risk for developmental

Thrive by Three: Investing in Santa Cruz County's Youngest Children

delays, behavioral problems, low educational attainment, lower wages in adulthood, and poor health outcomes later in life, such as heart disease, diabetes, substance abuse and depression. The cumulative effects of adversity, stress and trauma are even greater for children who lack nurturing relationships with their parents and primary caregivers.

Scientists and economists agree that **investing in high-quality early childhood development programs** – such as early care and education, developmental and behavioral health services, and parenting and family support – **produces the greatest benefits to children, families and society.** New research from Nobel Laureate James Heckman and colleagues shows that investments in high quality early childhood development programs for disadvantaged children can deliver a **13% annual return on investment** by improving life outcomes related to health, education, employment, and social behaviors, which in turn decreases the costs to taxpayers for government-funded treatment and remediation services.ⁱ Similarly, benefit-cost analyses from the Washington State Institute for Public Policy show investing in evidence-based parenting programs yields as much as \$8 for every \$1 spent.ⁱⁱ Heckman states, “The highest rate of return... comes from investing as early as possible. Starting at age three or four is too little too late, as it fails to recognize that skills beget skills in a complementary and dynamic way. **Efforts should focus on the first years [of childhood] for the greatest efficiency and effectiveness.**”ⁱⁱⁱ



The Need to Invest Early in Santa Cruz County

While many young children and families in Santa Cruz County are healthy and thriving, there are also warning signs that too many young children are starting life at a disadvantage. Most notably:

- **Nearly one in five children under age five is living in extreme poverty**, and only 50% of all families in Santa Cruz County can afford basic living expenses.^{iv}
- **Young mothers in Santa Cruz County are less likely to initiate prenatal care in the first trimester of pregnancy.** In 2015, only 71% of mothers ages 24 and under initiated prenatal care in the first trimester, compared to 84% of all mothers. The disparity is even greater among teen mothers – only 69% of mothers ages 19 and under initiated early prenatal care.^v
- **Babies born to Latina mothers are more likely to be born preterm (9%) or with low birth weight (7%),** compared to all mothers (8.5% and 6.7%, respectively).^{vi}
- Although the 2015 birth rate for teen mothers (ages 15-19) reached an historic low of 14.9 births per 1,000 young women^{vii}, **the teen birth rate for Latinas was significantly higher as recently as 2013 (44.2 per 1,000 young women).**^{viii}
- **Mothers are reporting hardships and emotional distress during and after pregnancy that elevate the risk of poor child health and developmental outcomes.** In the 2013-14 Maternal and Infant Health Assessment Survey, nearly 16% of mothers in Santa Cruz County

Thrive by Three: Investing in Santa Cruz County's Youngest Children

reported prenatal depressive symptoms, 15% reported postpartum depressive symptoms, 8% experienced intimate partner violence during pregnancy, and 5% reported they had no practical or emotional support during pregnancy. Another 5% of local mothers reported they had to move during pregnancy due to problems paying rent or mortgage, while nearly 4% were homeless or did not have a regular place to sleep during their pregnancy.^{ix}

- Although **the rate of substantiated allegations of child maltreatment** has been steadily declining in Santa Cruz County, the rate **remains higher for children under age three** (9.6 per 1,000 children) compared to all children (6.8 per 1,000). Within the birth – 3-year-old child population, **infants enter foster care at an exponentially higher rate** (10.1 per 1,000 children) than toddlers (2.6 per 1,000).^x
- **Fifty-one percent of mothers with infants are in the labor force,^{xi} yet there is an inadequate supply of high-quality child care for infants and toddlers, particularly for low-income working families.** In 2014-15, 55% of infants and toddlers in low-income working families qualified for full-time subsidized child care but were not enrolled.^{xii} Although this may partially reflect parental choice, it is more likely to reflect the difficulty in finding affordable, accessible, high-quality infant and toddler care. As a result, many working parents are forced to leave their children with untrained caregivers or in settings that do not provide high-quality care and education.

Taken together, these data point out risk factors that could pose lifelong threats to children's health and wellbeing. However, they also highlight opportunities to make targeted and effective investments that could change the course of health and development for Santa Cruz County's most vulnerable children.

Invest in “Breakthrough Outcomes” for Our Youngest Children

The growing knowledge base about brain development, adverse childhood experiences, and the interaction between genes and the environment (epigenetics) has led Jack Shonkoff, MD, of the Center on the Developing Child at Harvard University, to advocate for a shift in early childhood policy and practice to better reflect these four tenets:^{xiii}

- 1) **Early experiences affect lifelong health**, not just learning;
- 2) **Healthy brain development requires protection from toxic stress**, not just enrichment;
- 3) Achieving breakthrough outcomes for young children facing adversity requires using evidence-based approaches to **support the adults who care for them to transform their own lives**; and
- 4) More effective interventions are needed in **the prenatal period and first 3 years after birth for the most disadvantaged children and families.**

Other bodies of research support Shonkoff's recommended policy shifts, noting in particular that “the parenting that surrounds the child and the context in which parenting takes place have been found to be the best predictors of outcomes for children [and are] the ‘building blocks’ of children's health and development.”^{xiv} In fact, **supportive and responsive relationships with caring adults, particularly in early childhood, can prevent or reverse the damaging effects of chronic stress, adversity and trauma.**

Thrive by Three: Investing in Santa Cruz County's Youngest Children

In its 2016 "Parenting Matters" report, the National Academies of Sciences' Committee on Supporting Parents of Young Children identified the following **research-based parenting practices associated with positive child outcomes** for physical, social, emotional, behavioral, and cognitive development:^{xv}

- Contingent responsiveness ("serve and return") – adult behavior that occurs immediately after a child's behavior and that is related to the child's focus of attention, such as a parent smiling back at a child;
- Showing warmth and sensitivity;
- Routines and reduced household chaos;
- Shared book reading and talking to children;
- Practices that promote children's health and safety – in particular receipt of prenatal care, breastfeeding, vaccination, ensuring children's adequate nutrition and physical activity, monitoring, and household/vehicle safety; and
- Use of appropriate (less harsh) discipline.

Based on the compendium of science and local indicators of risk, it's clear that targeted, dedicated public investments are needed to achieve these "breakthrough outcomes" for the most vulnerable children and families in Santa Cruz County:

- ✓ Increased percentage of young mothers getting prenatal care in the first trimester
- ✓ Decreased percentage of babies being born preterm and low birthweight
- ✓ Decreased percentage of mothers and fathers reporting hardships and emotional distress during pregnancy and the child's first three years of life
- ✓ Improved parental confidence, parenting practices, and parent-child relationships
- ✓ Decreased rates of substantiated child maltreatment and entries into foster care among infants and toddlers
- ✓ Increased access to high-quality care and early learning opportunities for infants and toddlers

Taking a Stand on Early Childhood Investments

Although there is a growing awareness of the importance of early childhood, local, state and federal policies have not yet aligned with the science and economics of investing in early childhood. The United States is among the most prosperous nations in the world, yet UNICEF ranks the U.S. as **26th out of 29 developed countries in overall child wellbeing**, measured by key health, education, housing, and economic indicators.^{xvi} It seems inconceivable that children's overall wellbeing in the United States – the land of opportunity – could be so low, only slightly higher than in Lithuania, Latvia and Romania.

And yet this shocking fact is not entirely surprising, considering that in the United States:

- **Federal investments in children remained flat in 2014 at 10 percent of the budget**, compared to 44 percent spent on adults (via Social Security, Medicare and Medicaid) and 17 percent spent on defense. The children's share of the federal budget is expected to decline even further, to below 8 percent by 2025.^{xvii}

Thrive by Three: Investing in Santa Cruz County's Youngest Children

- Of the total public spending on child and family benefits in 2011, **only 14 percent was spent on early childhood (0-5 years old)**, compared to 41 percent spent on children 6-11 years old and 45 percent spent on children 12-17 years old. This meager investment in early childhood **placed the U.S. dead last among 30 countries** studied by the Organization for Economic Cooperation and Development (OECD). By contrast, the Scandinavian and Western European countries that rank highest in child wellbeing spent between 24 percent (Netherlands) to 35 percent (Iceland) on children 0-5 years old.^{xviii}
- Per capita expenditures on children 0-5 years old also place the U.S. in the bottom third of OECD countries. Norway, ranked by UNICEF as the second highest country in overall child wellbeing^{xix}, spent \$98,446 per capita on children 0-5 years old in 2011 – **more than four times the United States' per capita expenditures on early childhood** (\$23,214).^{xx}

At a local level, public funds tend to be restricted for purposes that fulfill state and federal mandates, many of which are intended to treat or remediate problems that are deeply entrenched in families and communities. In addition, many families who are economically disadvantaged or culturally isolated still face barriers to accessing the high-quality, proven programs that will create the opportunities for their children to succeed in school and life.

A rudimentary analysis of FY 2016-17 budgets indicates that the County and City of Santa Cruz are allocating approximately 4 and 8 percent, respectively, of their discretionary funds (formerly known as Community Programs now known as CORE Investments) for services for children ages 0-3 and their families. These low percentages shrink to less than 1 percent when early childhood investments are calculated as a percentage of the County's total General Fund (.04 percent) and the City's total General Fund (.10 percent).

The Santa Cruz County Board of Supervisors, the Santa Cruz City Council, and the Watsonville City Council have the chance to alter this trend by establishing an Early Childhood Development Fund, using a portion of cannabis-related tax revenue. **Creating this dedicated funding stream would make a definitive statement about the County's and Cities' commitment to invest in their youngest and most vulnerable citizens**, and could serve as a catalyst for strengthening the countywide system of early childhood development services by emphasizing prevention, innovation, accountability, and measurable results.

It is especially critical to seize this opportunity to dedicate a portion of the new cannabis cultivation tax revenue for early childhood development services, given **the progressive decline in Proposition 10 tobacco tax revenue across the state**. Over the last 17 years, First 5 Santa Cruz County has invested over \$63 million in health, early learning and family support programs to promote the optimal development of young children from birth through five years old. While these strategic investments have effectively improved the lives of thousands of local children and families, First 5 revenues alone cannot sustain or scale these efforts. In FY 2016-17, Santa Cruz County's allocation of Proposition 10 tax revenue is approximately \$2 million, less than half of the initial disbursement of \$5.5 million in FY 1999-00. **Given the scientific evidence about the importance of investing in the earliest years of childhood, we cannot afford to scale**

Thrive by Three: Investing in Santa Cruz County's Youngest Children

back on our collective efforts to ensure that all children in our community have the same opportunity to thrive and reach their full potential.

Children's Funds: A Growing Movement

The County of Santa Cruz, the City of Santa Cruz, and the City of Watsonville have the potential to be part of a **growing global movement to establish dedicated local funding streams for children's services**. In addition to the early childhood investments made by European countries described earlier, many cities and counties in other states have established dedicated funding streams through various legislative and voter initiatives, including Portland (OR), Seattle and King County (WA), San Antonio (TX), and a collection of counties in Missouri and Ohio.

In California alone, over a dozen cities and counties have established or are in various stages of establishing such dedicated funding streams. A handful of relevant and timely examples are listed below.

- **San Francisco** became the first community in the nation to guarantee funding for children's services by amending the city charter and creating a dedicated Children's Fund in 1991. A 4% local property tax generates approximately \$70 million annually, which funds a wide array of early childhood and youth development services. San Francisco voters have renewed and expanded the Children's Fund two times since its inception.
- **San Mateo County** is implementing "The Big Lift," a collective impact initiative to close the achievement gap and improve third-grade reading proficiency. The Big Lift receives approximately \$10 million per year from Measure A tax revenue (½-cent sales tax approved by voter initiative in 2012) and \$7.5 million from the Social Innovation Fund (a program of the Corporation for National and Community Service).
- **The City of Oakland** established the Oakland Fund for Children and Youth (OFCY) in 1996 when voters passed the Kids First! Initiative (Measure K). The measure amended the City Charter to allocate a portion of the unrestricted General Fund for children's services. In 2009, voters reauthorized funding through 2022, specifying a 3% set-aside of General Funds for the OFCY (approximately \$14 million per year). Ninety percent of OFCY funds are allocated for direct services for children up to age 20, and 10% of funds are allocated for administration (staffing, evaluation, strategic planning, grant management).
- **Humboldt County** voters approved Measure S, a cannabis cultivation tax, in November 2016. The tax revenue will provide an estimated \$7.3 million per year of dedicated funding for an array of services, including child and family mental health programs.

A Time for Action

The science of risk and resilience in early childhood is no longer "nice to know," but rather an imperative for policymakers to take action. Now is the time for County and City leaders to demonstrate their commitment to creating equity and opportunities for all Santa Cruz County residents by establishing a dedicated funding stream for investments in early childhood development. The health, education, and wellbeing of our youngest and most vulnerable children depend on it. The safety and economic vibrancy of our whole community depend on it, now and for generations to come.

Thrive by Three: Investing in Santa Cruz County's Youngest Children

Endnotes

- ⁱ García, Jorge Luis, James J. Heckman, Duncan Ermini Leaf, and María José Prados. "The Life-cycle Benefits of an Influential Early Childhood Program." (2016)
- ⁱⁱ Washington State Institute for Public Policy, Benefit-Cost Results, <http://www.wsipp.wa.gov/BenefitCost>
- ⁱⁱⁱ Heckman, J. 2014. Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy. www.heckmanequation.org
- ^{iv} Children Now 2016-17 California County Scorecard (<http://pub.childrenow.org/2016/county/santa-cruz/>)
- ^v Santa Cruz County Health Services Agency, Public Health Division. *Births, Santa Cruz County, 2015*. Santa Cruz County, CA. August 2016.
- ^{vi} *ibid*
- ^{vii} *ibid*
- ^{viii} Kidsdata.org: Teen births by Race/Ethnicity (2013) <http://www.kidsdata.org>
- ^{ix} Maternal and Infant Health Assessment (MIHA) Survey Data Snapshots, 2013-2014. California Department of Public Health. 2016.
- ^x Webster, D., Armijo, M., Lee, S., Dawson, W., Magruder, J., Exel, M., Cuccaro-Alamin, S., Putnam-Hornstein, E., Wiegmann, W., Rezvani, G., Eyre, M., Sandoval, A., Yee, H., Xiong, B., Benton, C., Tobler, A., White, J., & Kai, C. (2016). CCWIP reports. Retrieved 11/21/2016, from University of California at Berkeley California Child Welfare Indicators Project website. URL: http://cssr.berkeley.edu/ucb_childwelfare
- ^{xi} U.S. Census Bureau, "Table B13012: Women 16 to 50 years who had a birth in the past 12 months by marital status and labor force status," American Community Survey.
- ^{xii} Santa Cruz County Child Care Planning Council. *Santa Cruz County Early Care and Education Needs Assessment, June 2016 – 2021*.
- ^{xiii} Shonkoff, J. (2016). Capitalizing on Advances in Science to Reduce the Health Consequences of Early Childhood Adversity. *JAMA Pediatrics*, 170(10): 1003-1007. doi:10.1001/jamapediatrics.2016.1559. Published online August 22, 2016.
- ^{xiv} *Measuring What Matters: A Guide for Children's Centres*. Roberts, Donkin & Pillas, 2014.
- ^{xv} *Parenting Matters: Supporting Parents of Children Ages 0-8*, National Academy of Sciences, 2016.
- ^{xvi} Peter Adamson, Innocenti Report Card 11. Florence, Italy: The Unicef Office of Research, 2013.
- ^{xvii} Isaacs, J., Edelsetin, S., Hahn, H., Steele, E., and Steurerle, C.E. 2009. Kids' Share 2015: Report on Federal Expenditures on Children through 2014. Washington, DC: Urban Institute. <http://www.urban.org/research/publication/kids-share-2015-report-federal-expenditures-childrethrough-2014>.
- ^{xviii} OECD Family database, <http://www.oecd.org/els/family/database.htm>
- ^{xix} Peter Adamson, Innocenti Report Card 11. Florence, Italy: The Unicef Office of Research, 2013.
- ^{xx} OECD Family database, <http://www.oecd.org/els/family/database.htm>

Fridy, Linda (lfridy@ci.capitola.ca.us)

From: Allison Guevara <allison@allisonguevara.com>
Sent: Wednesday, April 11, 2018 1:35 PM
To: Yvette Brooks
Cc: City Council; Goldstein, Jamie (jgoldstein@ci.capitola.ca.us)
Subject: Re: City Council Meeting 4.12.18

Thank you, Yvette for leading this call to action!

This is another huge opportunity for our community. I fully support the Capitola City Council allocating at least 1% of the cities marijuana tax to a Dedicated Children's Fund so that our youngest children thrive and create a flourishing future for all.

In community,
Allison

--
Allison Guevara, Social Impact Consultant
M. (831) 239-2898 | allison@allisonguevara.com

On Wed, Apr 11, 2018 at 12:01 PM, Yvette Brooks <ybrooks916@gmail.com> wrote:
Good Afternoon Capitola City Council Members,

I am writing to you in reference to item 10B. Framework for Retail Marijuana Sales Ordinances. With the possibility of new incoming tax dollars, I believe you as Elected Officials have a unique opportunity to invest. As many of you already know, often monies are set aside for early education and youth programs and just as quickly taken away during budget crisis.

By you earmarking a set aside dedicated to supporting families who have children in early education and our beloved youth programs, this promises that children will no longer be pushed aside in times of crisis.

Our city is experiencing high numbers of homelessness, addiction and crime. Studies show that investing early reduces these numbers drastically.

It is time we take a stand along side cities such as Santa Cruz, and follow in the steps of the County whose Elected Officials have already taken initiative in programs such as Thrive by Three (see attached PDF).

Other cities are begining to have the same conversations:
Monterey County is also polling.
<https://www.surveymonkey.com/r/CountyCannabisTax>

And I have attached the outcomes of San Joaquin's polling data for your reference.

I ask that you dedicate at least 1% of the cities marijuana tax to a Dedicated Children's Fund.

It would be ideal that you place this language alongside the ballot measure so that residents have an opportunity to vote in support of our children.

We are their advocates and they are our future.

If you have any questions please email me at any time.

I look forward to seeing how Capitola City Council takes charge in support of its most vulnerable community members and gives voice to such an important issue.

Sincerely,
Yvette Brooks

Fridy, Linda (lfridy@ci.capitola.ca.us)

From: Yvette Brooks <ybrooks916@gmail.com>
Sent: Thursday, April 12, 2018 4:33 PM
To: City Council
Subject: Fwd: City Council Meeting 4.12.18

----- Forwarded message -----

Date: Thu, Apr 12, 2018, 4:32 PM
Subject: City Council Meeting 4.12.18
To: Yvette Brooks <ybrooks916@gmail.com>
Cc: David Brody <dbrody@first5scc.org>

Good Afternoon Capitola Council members,

Greetings from Santa Cruz. First and foremost thank you for your service!

I recognize that you have a unique opportunity coming before you this evening as you consider including cannabis businesses in Capitola. It's rare new revenue streams come to cities. As you consider this possibility I encourage you to identify ways to reinvest a portion of the revenue into early childhood education and youth prevention.

As you explore the possibility and future path for your city, please don't hesitate to reach out to me if you have any questions about what Santa Cruz City has done, or what's happening around the state (which I've been tracking!).

All the best and thank you again,

Martine Watkins

Communication: Additional Materials 10.B (ADDITIONAL MATERIALS)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: City Manager Department

SUBJECT: Consider Traffic and Parking Commission Application

RECOMMENDED ACTION: Approve the appointment of Melanie Arao for the remaining Village Resident term.

BACKGROUND: In late Fall 2017, founding Traffic and Parking Commission member Margaret Kinstler announced her resignation and the City Clerk began recruitment to fill the unfinished term as one of two Village Resident appointments. When no applications were received by the original deadline, the recruitment was extended as open until filled. The opening was included in press releases to local media and on the City website, and the notice was distributed by the Capitola Village Residents Association.

DISCUSSION: On March 14, the city received an application from Melanie Arao, a resident of Depot Hill (Attachment 1). The Village Resident category has been interpreted in the past as someone living within the Central Village Zoning District, although the founding resolution does not define the boundaries. Additionally, the remaining Village Resident representative lives just outside the Central Village and nevertheless was appointed by the City Council in 2013. Therefore, staff is bringing to the City Council the question of whether it wishes to consider Ms. Arao a Village Resident for purposes of appointment to the commission. Her home is quite near the neighborhood entrance and Monterey Avenue. No other applications have been received.

If the Council decides Ms. Arao is an eligible applicant, it may also appoint her to the unfinished term at this time.

FISCAL IMPACT: None.

ATTACHMENTS:

1. Arao Traffic and Parking Application

Report Prepared By: Linda Fridy
City Clerk

Traffic and Parking Commission Application
April 12, 2018

Reviewed and Forwarded by:



Jamie Goldstein, City Manager 4/5/2018

RECEIVED

MAR 14 2018

CITY OF CAPITOLA



CITY of CAPITOLA BOARDS AND COMMISSIONS APPLICATION

Application for:

- Art & Cultural Commission
[Artist; Arts Professional; At Large Member]
Please underline category above.
- Architecture & Site Committee
[Architect; Landscape Architect; Historian]
Please underline category above.
- Finance Advisory Committee
[Business Representative; At Large Member]
Please underline category above.
- Traffic & Parking Commission
[Village Resident; Village Business Owner; At Large Member]
Please underline category above.
- Historical Museum Board
- Planning Commission
- Library Advisory Committee
- Other Committee _____

Name: Arao Last McLanie First

Residential Neighborhood: Central Ave.

Occupation: RN at Watsonville hospital ER

Describe your qualifications and interest in serving on this Board/Commission/Committee: _____

I just think seasonal passes should be available to public to park in the lot across from me on public lot - and included in junior quarters to decrease taking spots in my residential neighborhood - and some height maximums on cars on street

(Use additional paper, if necessary)

Please Note: Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

3/14/18
Date

McLanie Arao
Signature of Applicant

Mail or Deliver Application to:
 Capitola City Hall
 Attn: City Clerk
 420 Capitola Avenue, Capitola, CA 95010

All information contained in this page of the application is public data and will be made available for public review and copying for anyone requesting it, and may be posted on the website of the City of Capitola. All information in this page will be provided to the Capitola City Council in a public forum and will be reviewed in public. It will therefore be part of the public record.

Attachment: Arao Traffic and Parking Application (Traffic and Parking Commission Application)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: City Manager Department

SUBJECT: Consider the March 22, 2018, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the regular meeting of March 22, 2018.

ATTACHMENTS:

1. 3-22-18 draft minutes

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

4/5/2018

**DRAFT
CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, MARCH 22, 2018**

CALL TO ORDER

Vice Mayor Bertrand called the meeting to order at 5:45 p.m. with the following items to be discussed in Closed Session:

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Govt. Code §54956.9(d)(1)]

City of Capitola v. D'Angelo

Santa Cruz County Superior Court Case No. CV 181659

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Gov't Code § 54956.9(d)(4).

CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code §54957.6]

Negotiator: Dania Torres Wong

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Heads

LIABILITY CLAIMS [Govt. Code §54956.95]

Claimant: Norm Gaedtke

Agency claimed against: City of Capitola

There was no public comment; therefore, the City Council recessed to Closed Session in the City Manager's Office. Mayor Termini joined the Council during Closed Session.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Stephanie Harlan: Present, Council Member Ed Bottorff: Present, Mayor Michael Termini: Present, Vice Mayor Jacques Bertrand: Present, Council Member Kristen Petersen: Present.

Treasurer Peter Wilk was present.

2. PRESENTATIONS

A. Red Cross Month Proclamation [120-40]

Mayor Termini presented a proclamation to Michele Averill, COE of the Central Coast Red Cross. She said the local chapter will install more free smoke alarms this May. Mayor Termini noted that the small local chapter is one of the top providers of volunteers, who respond around the country and world.

3. REPORT ON CLOSED SESSION

Attorney Condotti reported that for the four items on the agenda, the Council received a report and gave direction. The liability claim is also item 8.D.

4. ADDITIONAL MATERIALS

- A. Item 8.G – One public comment
- B. Item 9.A – Three items: one staff memo and two communications

5. ADDITIONS AND DELETIONS TO AGENDA - None

6. PUBLIC COMMENTS - None

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Manager Jamie Goldstein reported the City just received the latest sales tax payment, covering the holiday season, which showed a 2.8 percent decline year-to-year. This information will be factored into the budget preparations.

Treasurer Wilk noted the city is paying \$135 an hour for contracting the building official. He said the costs are much higher than salaried employees and suggested saving money by raising salaries.

Council Member Petersen thanked the latest commissions to include youth membership. She also noted the Community Action Board has an emergency eviction program available.

Council Member Bertrand attended the recent Central Fire District standards of coverage presentation. Chief Steve Hall said he was pleased with the results and the full report is available online.

Mayor Termini thanked Public Works for its efforts clearing drains and roads with recent rains.

Police Chief Terry McManus updated Council on recent ICE (Immigration and Customs Enforcement) action in the jurisdiction. The City was notified in the early hours of March 7 that action would take place. No assistance was requested or provided. The action followed existing policy, which encourages the cooperation of the immigrant community.

Mayor Termini announced Operation Surf’s program for wounded veterans will hold its opening ceremonies in Capitola tomorrow morning.

8. CONSENT CALENDAR

MOTION:	APPROVE OR DENY AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Jacques Bertrand, Vice Mayor
AYES:	Harlan, Bottorff, Termini, Bertrand, Petersen

- A. Consider the March 8, 2018, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.

Attachment: 3-22-18 draft minutes (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
March 22, 2018

- B. Planning Commission Action Minutes
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Registers Dated February 2, February 7, February 16 and February 23, 2018
RECOMMENDED ACTION: Approve check registers.
- D. Liability Claim of Norm Gaedtke [Claims Binder]
RECOMMENDED ACTION: Reject liability claim.
- E. Consider Amended Library Naming Policy [230-10]
RECOMMENDED ACTION: Approve amended Library Donor Recognition Policy.
- F. Consider a Resolution Updating Commission on the Environment Membership [230-10]
RECOMMENDED ACTION: Adopt resolution.
- G. Consider a Resolution Updating Traffic and Parking Commission Membership [230-10]
RECOMMENDED ACTION: Adopt resolution.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Appeal of a Director Decision Not To Relinquish a Public Right-of-Way
RECOMMENDED ACTION: Uphold staff's determination to deny a Private Improvement Permit and a Revocable Encroachment Permit for 211 Monterey Avenue.

Community Development Director Richard Grunow presented the staff report.

Attorney David Beck spoke on behalf of the appellant. He provided an overview of property history and privacy concerns as outlined in the revised appeal letter. He noted that staff initially indicated a fence could be placed at the property line and was later issued a fence permit in 2015. Regarding the free flow of pedestrian traffic, he pointed to two "bottlenecks" at the edge of the two adjoining buildings.

Property owner Maor Katz said he made a number of decisions based on his belief that he had a valid fence permit.

In public comment, Peter Wilk noted there are bottlenecks and suggested approving a compromise.

Council clarified what diagram was presented at the time the fence permit was issued.

Council Member Harlan said that while she is sympathetic, she does not wish to grant the full encroachment request. Council Member Petersen agreed and expressed concern about setting a precedent that errors cannot be corrected. Council Member Bottorff noted the City has made many efforts to improve sidewalks and he does not wish to undo those efforts. There was consensus support for a compromise.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
March 22, 2018

MOTION:	DENY THE APPEAL AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Harlan, Bottorff, Termini, Bertrand, Petersen

The Council also wished to provide staff with direction for achieving a compromise that would address the appellant's concerns. Council Member Bottorff proposed allowing a fence a distance of 33 inches from the home at regulation height. Council also supported refunding the fence permit and appeal fees, and encouraged working with the appellant to address any hazards created by the handicapped ramp and to relocate any personalized bricks.

Staff discouraged any increase in fence height out of concern for setting a precedent and the potential design issues that an application for a front yard fence exceeding 42 inches could experience at the Planning Commission.

MOTION:	RECOMMEND THAT STAFF WORK WITH THE APPELLANT ON A PERMIT APPLICATION FOR A COMPROMISE PROJECT ALLOWING A FENCE NO MORE THAN 33 INCHES FROM FRONT OF THE HOME AT THE ALLOWED 42- INCH HEIGHT AND A REFUND OF FENCE AND APPEAL FEES.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Jacques Bertrand, Council Member
AYES:	Harlan, Bottorff, Termini, Bertrand, Petersen

B. General Plan Clean-up Discussion

RECOMMENDED ACTION: Authorize staff to initiate the proposed General Plan Amendments

Director Grunow presented the staff report, identifying areas in which there is conflict between the updated General Plan and the newly adopted Zoning Code, such as map zoning changes and nomenclature. He highlighted the change to portions of the north side of Capitola Avenue from commercial to multi-use, which was not included in the written staff report.

There was no public comment.

In response to the Planning Commission request for additional comment time, Council Member Bottorff recommend a 60-day public comment period. The Council supported moving forward with the amendments as recommended.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
March 22, 2018

MOTION:	AUTHORIZE STAFF TO INITIATE PROPOSED GENERAL PLAN AMENDMENTS WITH A 60-DAY PUBLIC COMMENT PERIOD
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jacques Bertrand, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Harlan, Bottorff, Termini, Bertrand, Petersen

- C. Report on Soquel Creek Management Plan
RECOMMENDED ACTION: Accept report.

Don Alley, who has worked with the City as a fish biologist since 1990 monitoring the Soquel Creek lagoon, presented the report. The management plan was last updated in 2004. Efforts have focused on plans to restore steelhead and coho. His overview addressed both the upper watershed and lagoon. He noted he works closely with Public Works staff. Some steelhead spawn and yearlings live in the lagoon, and the current flume improvement project is vital to managing the lagoon.

Seven of the last 11 years have been dry, which adversely impacts steelhead, and he shared steelhead counts. He said the City's habitat is excellent and declines are due to dry weather. Another recent project is trying to restore cattails. He would also like to find ways to have larger wood remain in the habitat. Expensive options are to replace the bridge or install wing walls to prevent buildup. Another option is to secure wood in place. Preserving shade trees and limiting erosion in the upper watershed will also improve conditions. He also expressed concern about cigarette butts making their way from the decks into the habitat.

Mr. Wilk from the Commission on the Environment noted that volunteer ivy pulling to support tree health was done as much as allowed without permits. A professional crew has been funded, likely working in August or September.

RESULT:	RECEIVED REPORT
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10. ADJOURNMENT

The meeting adjourned at 8:41 p.m.

Michael Termini, Mayor

ATTEST:

Linda Fridy, City Clerk



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: Public Works Department

SUBJECT: Consider a Resolution Allocating the 2019 Road Maintenance and Rehabilitation Account Funds

RECOMMENDED ACTION: Adopt resolution.

BACKGROUND: Senate Bill 1, known as the Road Maintenance and Rehabilitation Account (RMRA), was signed into law in April 2017 to address the state's basic road maintenance and critical safety needs. In fiscal year 2018/2019 Capitola will receive approximately \$168,750 from RMRA.

SB1 requires the City to adopt a resolution prior to May 1 each year indicating how the City's RMRA allocation will be used for the following fiscal year.

DISCUSSION: The highest priority road project in the Capital Improvement Program is the pavement rehabilitation of 42nd Avenue from Jade Street to Capitola Avenue, Diamond Avenue from 42nd Avenue to 45th Avenue and Ruby Court. This project was initiated in 2016 but delayed due to funding shortages. The estimated project cost for this project is \$770,000 and staff is recommending the following funding plan:

RMRA 2018/19	\$168,700
RMRA 2019/20	\$168,700
Measure D 2019/20	\$300,000
City Funds 2019/20	\$130,000

The two-year allocation of RMRA funds will facilitate the completion of the design and construction documents in 2018/19 and then allow for construction in fall of 2019 when the other funding is available.

The spreadsheet in Attachment 1, which was originally adopted by the City Council in July 27, 2017, shows the five-year plan for RMRA and Measure D allocations and now includes updates based on the above allocation of RMRA funds and a STIP (State Transportation Improvement Program) grant award to the Brommer Street project that is scheduled for 2018/19.

FISCAL IMPACT: This allocation of the RMRA funds will be shown in the budget and Capital Improvement Program documents, which will be presented to the Council in May.

SB 1 Project List 2018/19
April 12, 2018

ATTACHMENTS:

1. Capitola Measure D 5 year list 2018 (PDF)

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/5/2018

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
 ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2018-19 FUNDED BY
 SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City are aware of the projects proposed for funding in the community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1 by resolution, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City, will receive an estimated \$168,750 in RMRA funding in Fiscal Year 2018-19 from SB 1; and

WHEREAS, this is the second year in which the City is receiving SB 1 funding that will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City has prioritized funding for roadway improvements; and

WHEREAS, the funding from SB 1 will help the City maintain and rehabilitate 26 miles of roadway throughout the City this year and into the future; and

WHEREAS, a 2017 Pavement Management Program update was completed by the City which found that the City's streets and roads are in fair condition, and this revenue will help increase the overall quality of the road system and over the next decade will bring the streets and roads into a good condition; and

WHEREAS, the SB 1 project list and overall investment in local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED that the City of Capitola adopts the following project list for the 2018/19 fiscal year:

The pavement rehabilitation project on 42nd Avenue from Jade Street to Capitola Road, Diamond Avenue from 42nd Avenue to 45th Avenue, and Ruby Court. The design and

SB 1 Project List 2018/19
April 12, 2018

construction documents will be constructed in fiscal year 2018/19 and the project constructed in fall of 2019. The estimated life of the new pavement is 25 years.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Capitola at a regular meeting held on the 12th day of April, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Termini, Mayor

ATTEST:

Linda Fridy, City Clerk

**City of Capitola Capital Improvement Program
Amended Measure D and RMRA Expenditure Plan: 5-Year Plan (FY18/19-FY22/23))**

Name/Road/ limits	Description, complete streets components	Total cost estimate	Measure D Funds	Road Maintenance Rehab Account	Other funds	Schedule	Major project*	Benefits	Status
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Recommended Projects

						year	Yes/no	Road/Bike/Ped	
Highway 1 Interchange Bike Lane Improvements	enhance bike lanes at 41st Avenue, Bay Avenue and Park Avenue interchanges - Green Bike Lanes	\$ 200,000	65,000	58,000	77,000	2017/18	no	Bike	complete
Citywide Slurry Seal		\$ 355,000	220,000	-	135,000	2017/18	no	Road	bid 6/18
42nd Avenue, Diamond Ave, Ruby Court Pavement rehab*	repave road, reconstruct curb ramps	\$ 770,000	300,000	336,000	134,000	2018/19 2019/20	no	Road/Ped	delayed 2019/20
Brommer Street Improvements	Road, bike and sidewalk improvements between 41st Ave and 38th Ave	\$ 770,000	300,000		470,000	2019/20 2018/19	no	Road/Bike/Ped	Moved up to 2018/19
Fanmar Avenue Improvements	Pavement and drainage improvements	\$ 550,000	250,000	150,000	150,000	2020/21	no	Road	no change
McGregor Drive road way Improvements	Sidewalk, bike lane and pavement improvements - east of Park Avenue	\$ 1,000,000	300,000	150,000	550,000	2021/22	no	Road/Bike/Ped	no change
			1,435,000	694,000	1,516,000				

* two year allocation of RMRA funds (2018/19 and 2019/20)

Other Eligible Projects

Capitola Avenue Improvements	Sidewalk, bike lane and pavement improvements from Bay Avenue to Village	\$ 1,250,000				TBD	yes	Road/Bike/Ped	no change
Capitola Avenue Roundabout	Roundabout at Capitola Avenue & Bay Avenue	\$ 1,100,000				TBD	yes	Road/Bike/Ped	no change
Hill Street Sidewalks	Sidewalk from Rosedale to Bay Ave	\$ 400,000				TBD	no	Ped	no change

*For Major Projects (e.g. require CEQA, over \$1M, and/OR lots of public interest), provide separate one-page summary with longer description, describe consistency with the

Attachment: Capitola Measure D 5 year list 2018 (SB 1 Project List 2018/19)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: Public Works Department

SUBJECT: Consider a Resolution Making Changes to the Yellow, Green, and Red Curb Markings along Capitola Avenue from Bay Avenue to Plum Street

RECOMMENDED ACTION: Approve the Resolution designating a yellow loading zone in front of 704 Capitola Avenue and modify curb markings on Capitola Avenue between Bay Avenue and Plum Street.

BACKGROUND: In an effort to help resolve some of the congestion issues at the Bay/Capitola Avenue intersection, and in response to a large volume of calls for service, over the past 18 months the Police Department has performed nearly 200 “extra checks” for illegal parking near the intersection of those two streets. During that same period, officers issued 27 citations for illegal parking.

Analysis reveals the majority of the complaints are for delivery trucks double-parking or parking in red zones to make deliveries to the bakery located at 504 Bay Avenue (Gayle’s Bakery and Rosticceria). To better understand the scope of the issue, public works and police interviewed the complainants, bakery management, and delivery truck drivers. Patrons of the local businesses and employees occupy most of the on-street parking on Capitola Avenue and Bay Avenue.

Commercial delivery vendors require an area to temporarily park and make distributions of perishable and non-perishable goods. Under current conditions, commercial vehicles double-park on Capitola Avenue to make deliveries to the adjacent businesses. Large vehicles consume the entire northbound lane of Capitola Avenue and present a significant traffic hazard. Officers continue to respond to complaints concerning this intersection and have issued appropriate parking citations.

In addition to the police work, staff has received complaints from neighbors related to impacts from commercial spillover parking into adjacent residential neighborhoods. In response, staff has held multiple meetings with neighbors and management of Gayle’s Bakery to discuss the issues and potential remedies. The proposed modifications to curb markings were identified as a reasonable and cost-effective measure the City could take to alleviate the problem.

DISCUSSION: Staff has developed a series of proposed changes to the street parking along Capitola Avenue that would provide a loading zone for deliveries and maximize available on-street parking. City staff is recommending the following changes:

1. Designate a loading zone in front of 704 Capitola Avenue. Pursuant to the municipal code, the loading zone would only allow stopping/parking for deliveries from 8 a.m. to 1

Capitola Avenue Parking and Loading
April 12, 2018

p.m., after 1 p.m. the parking spaces would become 2-hour public parking. These spaces are currently open public parking with no time limits. The building at 704 Capitola Avenue. serves as the operations center for the bakery, receiving many of the deliveries. By creating a loading zone at this location, bakery staff has indicated they will direct delivery vehicles to utilize this loading zone, thereby hopefully eliminating a great deal of the double and red zone parking.

2. Repeal the designation of two 24-minute parking spaces in front of 708 Capitola Avenue. These 24-minute spaces (green zones) were created as short-term parking for the liquor store that closed several years ago. This space is now occupied by a yoga studio and the need for short-term parking is no longer present. The business center at 706/708 Capitola Avenue has approximately 50 on-site parking spaces.
3. Repeal the designation of one 24-minute parking space in front of 715 Capitola Avenue. This space provides short-term parking for the businesses at this address; however there are 21 on-site spaces that staff believes adequately serve the property.
4. Direct Public Works to make small adjustments to existing red zone areas to maximize parking along the street. This will include reducing a 32-foot red curb in front of 706 Capitola Avenue by five feet, shortening a 22-foot red curb in front of 712 Capitola Avenue by five feet, and shortening the red curb at 715 Capitola Ave by five feet.

In addition to adding the loading zone, freeing up otherwise short-term parking spaces in the area will help mitigate some of the impacts of spillover parking into the neighborhood. Staff was unable to identify similar changes to the parking along Bay Avenue.

A resolution approving these changes has been prepared for the Council's consideration. Notice of this hearing has been mailed to all properties within 500 feet of Gayle's Bakery.

FISCAL IMPACT: Costs associated with repainting street curbs can be funded through the existing Public Works street maintenance budget.

ATTACHMENTS:

1. Resolution Changes to Capitola Ave. Curb Markings
2. Capitola Avenue and Bay Avenue On-Street Parking Map

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

4/5/2018

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
DESIGNATING A YELLOW LOADING ZONE
IN FRONT OF 704 CAPITOLA AVENUE AND REMOVING EXISTING GREEN ZONES
ALONG CAPITOLA AVENUE BETWEEN BAY AVENUE AND PLUM STREET**

WHEREAS, City staff has received complaints concerning various on-street parking issues in the area of the intersection of Bay Avenue and Capitola Avenue; and

WHEREAS, the parking complaints are predominantly a result of commercial delivery truck double parking or parking in red zones to make deliveries to nearby businesses along with overflow parking of customers and employees of the businesses using all available on-street parking; and

WHEREAS, efforts to control and resolve the issues through enforcement actions have proven ineffective due to the lack of options for the delivery trucks; and

WHEREAS, options to modify the on-street parking along Capitola Avenue have been identified that would create a new loading zone as prescribed in the Capitola Municipal Code Chapter 10.36.170; and

WHEREAS, an evaluation of 24-minute parking spaces along Capitola Avenue showed they may be eliminated to make them available for longer term parking.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Capitola to approve the following changes to the parking along Capitola Avenue:

1. Designate parking spaces on Capitola Avenue fronting 704 Capitola Avenue as a yellow zone (loading zone), in accordance with CMC 10.36.170
2. Repeal the designation of two green zones (24-minute parking) in front of 708 Capitola Avenue
3. Repeal the designation of one green zone in front of 715 Capitola Avenue
4. Direct Public Works to make adjustments to the existing red zones in the area to maximize the availability of public parking in the area without compromising safety

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12th day of April, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Termini, Mayor

ATTEST:

Linda Fridy, City Clerk

Attachment: Resolution Changes to Capitola Ave. Curb Markings (Capitola Avenue Parking and Loading)

Capitola Avenue and Bay Avenue On-Street Parking Map



24-minute Zone at 715 Capitola Ave

24-minute Zone at 708 Captola Ave

Proposed Loading Zone

Bay Avenue

Capitola Avenue

Attachment: Capitola Avenue and Bay Avenue On-Street Parking Map (Capitola Avenue Parking and Loading)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: Community Development

SUBJECT: Framework for Retail Marijuana Sales Ordinances

RECOMMENDED ACTION: Provide direction.

BACKGROUND: The City Council adopted Urgency Ordinance No. 989 on January 9, 2014, to prohibit commercial cultivation and processing of medical marijuana within the City of Capitola. In 2016, California voters approved Proposition 64 which decriminalized the possession, use, and sale of recreational marijuana for adults 21 or older and authorized the recreational sale of marijuana beginning on January 1, 2018.

On March 9, 2017, the City Council held a public hearing to consider the 2014 ordinance in light of Proposition 64. Citing concerns with the lack of state regulations and guidance on commercial marijuana activities, the Council ultimately adopted an amended ordinance to ban all commercial marijuana uses, except for laboratory testing facilities. The City Council also directed staff to schedule a review of the ordinance once state regulations were adopted for commercial marijuana activities.

The City Council reviewed the ordinance on February 8, 2018, and expressed support to retain current prohibitions on manufacturing, cultivation, and recreational delivery services. The Council also directed staff to return with additional information and recommendations to allow limited retail sales exclusively in the Regional Commercial zoning district.

DISCUSSION: In addition to providing information requested at the February 8 meeting, staff seeks direction on several policy matters outlined below to facilitate the preparation of an ordinance.

Public Safety Considerations

The City Council requested additional information including crime statistics related to retail marijuana sales, facility security measures, requirements to display the green cross sign, and projected staffing demands to review license applications and properly monitor retail marijuana outlets.

The State of California Bureau of Cannabis Control began issuing licenses for cannabis-related businesses on January 1, 2018. Criminal activity and analysis associated with state licensees has not been examined during the first three months of the program. Currently, three jurisdictions within the Santa Cruz County have adopted ordinances to allow retail/commercial cannabis activity: Santa Cruz County, the city of Santa Cruz, and the city of Watsonville. An

Framework for a Retail Marijuana Sales Ordinance
April 12, 2018

informal query of crimes associated and criminal concern revealed no significant concern related to their permitted business, nor were there any “quality of life” type concerns expressed.

Physical security measures are critical towards managing crime potential and nuisance activity associated with licensed retail businesses. The following list are some of the best practices recognized by public safety associations and the League of California Cities.

- Alarm systems (perimeter, fire, panic) at all sites
- Exterior and interior cameras systems (360 degree). Evidence provided to law enforcement upon request
- Camera and security systems shall allow for remote monitoring and recording, supported by uninterruptable 24-hour power supply
- Certified security personnel on-site during business hours
- Perimeter lighting systems for after-hours security
- Hardened point of sale security utilizing bullet resistant glass and remote monitoring
- All employees must pass Live Scan background check
- Premises subject to law enforcement inspection to ensure compliance
- Products shall not be attractive to children or easily confused with candy or foods that do not contain cannabis
- Packages must be resealable, tamper-evident, child resistant, and properly labeled

The green cross commonly seen outside marijuana businesses is not required by statute and could be prohibited if desired.

Tax and Fiscal Considerations

Retail sales of marijuana have potential to generate revenue for the City. Most cities and counties in California charge a 5 percent to 10 percent local tax on retail marijuana sales. Any local tax would be in addition to the mandated 6 percent state sales tax and 15 percent state marijuana tax. Staff estimates a single retail marijuana establishment could generate approximately \$200,000 to \$300,000 in annual revenue to the City, depending on the City’s tax rate and an establishment’s sales volume.

If the City Council decides to proceed with allowing retail marijuana sales, staff recommends that a “not-to-exceed” 10 percent tax measure be placed on the November 2018 ballot. Most jurisdictions who have established a local cannabis tax have sought voter approval for a not-to-exceed tax, asking voters to approve a maximum amount that the City Council could adjust in the future based on market conditions. This tax would allow the City to capture some revenue from marijuana sales that could be used, in part, to offset any increased demands for City services.

Currently both Santa Cruz County and the City of Santa Cruz have a voter-approved not-to-exceed 10 percent cannabis tax on retail sales. The County currently has its tax set at 7 percent while Santa Cruz City increased its to 8 percent on January 1, 2018. Additionally, a ballot measure would allow for a high degree of citizen engagement on the issue; Capitola voters would decide if they want to allow retail marijuana sales in the City.

Law enforcement officials throughout the state have expressed concerns related to the overall cannabis tax rate’s potential impact on illegal cannabis sales. To date no consensus has been reached regarding the threshold at which a tax would drive black market sales, therefore staff recommends flexibility in a local tax rate to allow the City to adjust as best practices are

Framework for a Retail Marijuana Sales Ordinance
April 12, 2018

developed.

Zoning Considerations

To allow retail marijuana sales in the City, staff will need to draft an amendment to the recently adopted Zoning Code to establish retail marijuana sales as a conditionally allowed use type and to include appropriate conditions and performance standards to minimize land use conflicts. Based on previous Council direction and a review of best practices applied by other California agencies, staff recommends the following zoning parameters for retail marijuana sales establishments:

- Limit uses to the Regional Commercial zoning district, which is an approximately 2,800-foot long area along 41st Avenue between Capitola Road and Highway 1.
- Establish a 1,000-foot minimum path of travel (buffer) distance between schools and churches, and a minimum 500-foot buffer distance between retailers.
- Require retailers to be in a location with independent access. A permit would not be issued for a location that shares an entryway with another business.
- Require retailers to obtain a revocable Conditional Use Permit and maintain a current Cannabis Retailing permit, as outlined below.

Cannabis Retailing Permit

Staff also recommends the establishment of a new municipal code section that requires a Cannabis Retailing Permit. Such permits would require renewal on a periodic basis, and incorporate best-practice physical security and retailing measures. In addition, the ordinance would:

- Allow a maximum of one, two or three Cannabis Retailing Permits.
- Establish a competitive, merit-based permit issuance system that accounts for legal cannabis retail experience, civil and criminal records, operations and security plans, and residency. The Council may also include criteria to promote minority- or woman-owned businesses, employee wages/benefits, or other factors.
- Permits would not be transferable to other business operators and would not run with the property.
- Require operators to undergo periodic review by the Police and Community Development Departments. If the retailer has serious or multiple violations, the Police Chief and/or Community Development Director may suspend or revoke the Cannabis Retailing Permit.
- Prohibit specific products that are attractive to children or youth and products with packaging or labeling that is attractive to children or youth.
- Incorporate and require compliance with conditional use permit requirements.

Process

If directed by City Council, staff will draft new and amended ordinances for future Planning Commission and City Council consideration. Staff will also simultaneously initiate preparation of a ballot initiative, which could include a community survey process to help gauge voter attitudes toward a local cannabis tax. Staff would work with the City Attorney to craft the ordinances so

Framework for a Retail Marijuana Sales Ordinance
April 12, 2018

they would only go into effect if a ballot measure passed in November 2018. Staff anticipates that ordinance development will take several months, but would need to be completed by early August to meet election deadlines.

FISCAL IMPACT: Based on state-wide and local data provided by the Santa Cruz County, staff estimates an average retail cannabis operation would have \$3 million to \$4 million in annual sales. If Council decides to proceed with allowing cannabis sales within the City, the City will collect 1 percent of regular sales tax, one-half percent district sales tax (Measure O and Measure F), and the cannabis tax approved by the voters. These revenues will help offset costs associated with any increased demand for city services.

Report Prepared By: Rich Grunow
Community Development Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/5/2018



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 12, 2018

FROM: City Manager Department
SUBJECT: Consider Building Official Options

RECOMMENDED ACTION: Direct staff to:

1. Prepare a contract for a shared Building Official with the City of Scotts Valley; and
2. Meet with appropriate Employee Groups to discuss changes to job descriptions and salary schedules.

BACKGROUND: The City of Capitola has had a budgeted building official on staff since its incorporation in 1949. The building official is responsible for ensuring compliance with the California Building Code, the State Housing Code and the International Existing Building Code. In addition, the building official serves as the City of Capitola's Americans with Disabilities Act (ADA) compliance officer.

Last August, the City's building official resigned to take a position with the City of Belvedere in the North Bay. The City has been unsuccessful in recruiting a building official since that time. Other jurisdictions throughout Northern California are also reporting challenges recruiting and retaining qualified building officials due to market competition and the robust private construction industry.

As an interim solution, the City entered a contract with the private consulting firm 4Leaf to provide temporary, part-time building official services. On an annual basis, that contract cost is approximately \$135,000.

DISCUSSION: To better understand the building official job market staff has surveyed other area cities and posted vacancies throughout Northern California. Based on the City's salary schedule, the City's building official salary is approximately 15 percent below current market conditions.

In an effort to explore innovative solutions to fill the City's Building Division needs, the City reviewed the current responsibilities within the division and opened discussions with other local cities to explore the possibility of a shared-service model.

Staff has concluded the current workload in the division could be managed with a part-time building official, a full-time building inspector, and a part-time development services technician. This would not impact the overall Community Development Department staffing level, would improve the match between workload and job descriptions, and potentially reduce overall costs.

The City of Scotts Valley has not had an internal building official position for an extended period. Its building official position has been covered in recent years through a contract with a private

Building Official Options
April 12, 2018

consulting firm.

Scotts Valley management has indicated an interest in exploring a shared-service model with the City of Capitola. While the overall terms of such a relationship would require a contract, the basic terms of the relationship, as proposed by staff, would include:

- Shared building official model, employed by Capitola but also serves as building official in Scotts Valley pursuant to a contract between the two cities
- Building official would work approximately 50 percent for each jurisdiction
- Term – three years
- Termination - either party must provide three months' notice of termination during the first year of the contract; thereafter either party may terminate the agreement on July 1 any given year with notice prior to December 31.
- Contract is terminated if building official is no longer employed by the City of Capitola
- Capitola would provide a building official vehicle; those costs would be incorporated into the contract
- Scotts Valley would reimburse Capitola for 50 percent of the direct employee cost (salary, actual benefits, current PERS normal cost), plus 40 percent overhead (Medicare, human resources, payroll, workman's compensation insurance, Public Employee Retirement System unfunded liability, etc.), plus a portion of vehicle cost; or \$105,000, whichever is less
- Each party would be solely responsible for any claims arising out of employee's work for each jurisdiction
- Scotts Valley would participate in hiring process
- Annual employee evaluation would be completed in coordination with both jurisdictions

The Scotts Valley City Council is scheduled to review this same proposal on April 18.

FISCAL IMPACT: Under the proposed model, staff projects a roughly \$30,000 to \$40,000 annual cost savings over the prior Building Division staffing model with a full time building official and full time building inspector. Actual savings would depend on the final contract terms and the actual salary step of the building official and proposed development services technician.

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

4/5/2018