

City of Capitola Agenda

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

Treasurer: Peter Wilk



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, APRIL 27, 2017

7:00 PM

CITY COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CLOSED SESSION - 6:15 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 LEGAL COUNSEL - EXISTING LITIGATION **[Govt. Code § 54956.9(d)(1)]**

City of Capitola v. Water Rock Construction, Inc.
Santa Clara Superior Court Case No. 16CV295795

PUBLIC EMPLOYEE PERFORMANCE EVALUATION **[Govt. Code § 54957(b)]**

City Council's Performance Evaluation of the City Attorney

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7:00 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, Michael Termini, Jacques Bertrand, Ed Bottorff, and Mayor Stephanie Harlan

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

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

4. ADDITIONS AND DELETIONS TO AGENDA

5. 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.

6. 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.

7. 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 April 13, 2017, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.

B. Receive Planning Commission Action Minutes for the Regular Meeting of April 6, 2017
RECOMMENDED ACTION: Receive minutes.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
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- C. Approval of City Check Register Reports Dated March 3, March 10, March 17, March 24 and March 31, 2017
RECOMMENDED ACTION: Approve check registers.
- D. Contract for Plein Air Event Coordinator
RECOMMENDED ACTION: Approve \$3,000 contract for 2017 Plein Air event coordinator.

8. 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. Community Development Block Grant Funded Energy Efficiency Program
RECOMMENDED ACTION: Authorize staff to promote a CDBG-funded energy efficiency grant program for lower income residents.
- B. Letter of Opposition to SB 649 Wireless Telecommunications Facilities
RECOMMENDED ACTION: Direct the Vice Mayor to sign a letter on behalf of the City opposing SB 649.
- C. Zoning Code Update
RECOMMENDED ACTION: Accept the staff presentation, discuss the proposed Zoning Code update, identify desired Code revisions, and continue the public hearing to the May 11, 2017, meeting.

9. 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.

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.

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

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.cityofcapitola.org 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 27, 2017

FROM: City Manager Department

SUBJECT: Consider the April 13, 2017, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of regular meeting of April 13, 2017.

ATTACHMENTS:

1. 4-13-17 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

4/20/2017

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, APRIL 13, 2017**

CLOSED SESSION – 5:45 PM

CALL TO ORDER

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

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION
[Govt. Code § 54957(b)]**

City Council's Performance Evaluation of the City Manager

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
[Govt. Code § 54956.9(d)(1)]**

1. City of Capitola v. Water Rock Construction, Inc.
Santa Clara Superior Court Case No. 16CV295795
2. City of Capitola v. D'Angelo
Santa Cruz County Superior Court Case No. CV 181659

There was no one in the audience; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

City Treasurer Peter Wilk was present.

2. PRESENTATIONS

- A. Presentation of Check from Capitola Public Safety Foundation to Operation Surf
[485-10/1050-10]

Michael Termini, chairperson of the Capitola Public Safety Foundation, presented a check for \$2,500 to Operation Surf representative Laura Miller.

3. REPORT ON CLOSED SESSION

City Attorney Tony Condotti reported on the three items heard in closed session. The Council received reports and no reportable action was taken.

4. ADDITIONAL MATERIALS - None

5. ADDITIONS AND DELETIONS TO AGENDA - None

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
April 13, 2017

6. PUBLIC COMMENTS - None

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Bertrand recently attended the local jurisdictions Ad Hoc Homeless Governance Committee and said progress is being made regarding the odor from the pump station near the Nob Hill center.

Council Member Termini noted that the City's Junior Guard program has been officially chartered. The Red Cross will offer a fire safety program on April 22 and invited volunteers. He asked that a discussion about repairing the basketball courts at Jade Street Park be agendized. The Easter Bunny will be in town April 15 for the egg hunt on the beach.

Mayor Harlan attended a recent Chamber of Commerce lunch and noted Capitola made a Scottish newspaper travel section.

Treasurer Peter Wilk as chair of the Committee on the Environment discussed the ban on plastics and new enforcement by both Capitola and Santa Cruz County. He also asked about funding for road repair for Fanmar Way and encouraged the community to provide feedback ahead of the upcoming budget preparation.

City Manager Goldstein commended Assistant to the City Manager Larry Laurent for his work on chartering the Junior Guard program, and also thanked Santa Cruz and Central Fire for their support. He noted the February storms have been declared federal disasters, which will help fund repairs.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

- A. Council Appointment to Commission on the Environment
RECOMMENDED ACTION: That Council Member Termini appoint a representative to the Commission on the Environment.

Council Member Michael Termini met with applicant Megan Sixt to fill his appointment to the Commission on the Environment and nominated Ms. Sixt for the position.

RESULT: COUNCIL CONSENSUS APPROVING THE APPOINTMENT OF MEGAN SIXT TO THE UNFINISHED TERM ON THE COMMISSION ON THE ENVIRONMENT

9. CONSENT CALENDAR

MOTION: APPROVE ITEMS AS RECOMMENDED
RESULT: ADOPTED [UNANIMOUS]
MOVER: Michael Termini, Vice Mayor
SECONDER: Ed Bottorff, Council Member
AYES: Bottorff, Bertrand, Harlan, Termini, Petersen
ABSTAIN: Termini (item B.1)

- A. Consider the March 23, 2017, Special Joint Meeting Minutes and City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.

Attachment: 4-13-17 draft minutes (1821 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
April 13, 2017

B. Approval and Acceptance of the McGregor Park Improvement Project and the Stockton Avenue and Esplanade Intersection Improvements

RECOMMENDED ACTION: Accept the following two projects as complete and authorize the Public Works Department to file Notices of Completion and release all retentions held.

- 1. McGregor Park constructed by Earthworks Paving Inc., at a final cost of \$369,483.96. The final price was \$184,448.96 over the original project bid price due to extensive soil remediation that became necessary once the project started. The retention amount is \$36,948.40.
- 2. Stockton Avenue and Esplanade Intersection Improvements by Anderson Pacific Engineering at a final cost of \$382,369.91. The final price is \$158,441.91 over the original bid amount due to additional work that was added to the project to extend the sidewalk replacement and completely repave Stockton Avenue. The retention amount is \$19,118.50.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Code Enforcement Protocol within the Central Village [570-10]

RECOMMENDED ACTION: Accept presentation and either:

- 1. Direct staff to continue to administer a complaint-based code enforcement program for Village sidewalk signs and outdoor displays; or
- 2. Adopt an Administrative Policy for a proactive code enforcement program for Village sidewalk signs and outdoor displays and direct staff to return with a Fee Schedule amendment to establish a recovery fee for unpermitted signs in the public right of way removed by City staff.

Community Development Director Rich Grunow presented the staff report and a short history of Council direction regarding code enforcement of sidewalk signs and outdoors merchandise displays. Three signs have been approved and one Conditional Use Permit for an outdoor display is currently in effect.

There was no public comment.

Council Member Bottorff noted that the Business Improvement Association worked on the sidewalk sign program and would like to see enforcement. He has seen several non-compliant signs.

MOTION:	ADOPT THE RECOMMENDED ADMINISTRATIVE POLICY AND RETURN WITH A FEE SCHEDULE AMENDMENT
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

B. Review of Fiscal Year 2017/18 Goals and Objectives

RECOMMENDED ACTION: Review Fiscal Year 17/18 goals and provide staff direction.

City Manager Jamie Goldstein presented the staff report and reviewed goal-setting efforts to date.

Attachment: 4-13-17 draft minutes (1821 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
April 13, 2017

Mayor Harlan said her priority projects are the library, wharf, budget, Capital Improvement Plan, Americans with Disabilities Act updates, the Zoning Code update, and the Grand Avenue Pathway. She would like to add minor upgrades to City Hall, especially increasing natural light. In response to the mayor's request for staff feedback, the City Manager concurred that improvements have been delayed, but he cautioned that even the simplest of upgrades is likely to be surprisingly expensive.

Council Member Petersen said she supports the identified priorities and personally is advocating for youth involvement.

Treasurer Wilk asked for clarification on the library funding.

Council Member Bottorff expressed concerns about costs for the library and pensions, which will be the largest expenses.

Council Member Bertrand supports senior exercise equipment and would like more economic development efforts, continued training and community policing, and inclusionary housing.

MOTION:	APPROVE THE LIST OF GOALS AND OBJECTIVES AS AMENDED
RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

11. **ADJOURNMENT**

The meeting was adjourned at 7:58 p.m.

Stephanie Harlan, Mayor

ATTEST:

Linda Fridy, City Clerk

Attachment: 4-13-17 draft minutes (1821 : Approval of City Council Minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: Community Development

SUBJECT: Receive Planning Commission Action Minutes for the Regular Meeting of April 6,
2017

RECOMMENDED ACTION: Receive minutes.

ATTACHMENTS:

1. 04-06-2017 Action

Report Prepared By: Jackie Aluffi

Reviewed and Forwarded by:



**ACTION MINUTES
CAPITOLA PLANNING COMMISSION MEETING
THURSDAY, APRIL 6, 2017
7 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioner TJ Welch: Present, Commissioner Linda Smith: Present, Chairperson Edward Newman: Present, Commissioner Susan Westman: Present, Commissioner Sam Storey: Present

2. ORAL COMMUNICATIONS

- A. Additions and Deletions to Agenda**
- B. Public Comments**
- C. Commission Comments**
- D. Staff Comments**

3. PRESENTATION

- A. Capitola Branch Library Design - Public Works Director Steve Jesberg**

4. APPROVAL OF MINUTES

- A. Planning Commission Minutes for the Regular Meeting of February 2, 2017**

RESULT:	ACCEPTED [3 TO 0]
MOVER:	Susan Westman, Commissioner
SECONDER:	Sam Storey, Commissioner
AYES:	Storey, Welch, Westman
ABSTAIN:	Smith, Newman

5. CONSENT CALENDAR

- A. 224 San Jose Avenue #16-108 APN: 035-184-07 and 035-184-01**
Design Permit and Conditional Use Permit for addition of two-car garage with second story living space on an existing single-family historic structure located in the CV (Central Village) Zoning District.
This project is in the Coastal Zone and requires a Coastal Development Permit, which is not appealable to the California Coastal Commission.
Environmental Determination: Categorical Exemption
Property Owner: Dennis Calvert
Representative: Dennis Norton, filed: 1/17/2017

224 San Jose Avenue was pulled from consent and heard before Item 6.A. under Public Hearings

MOTION: Approve Design Permit, Conditional Use Permit and Coastal Development Permit with amended conditions and findings:

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	Sam Storey, Commissioner
SECONDER:	Susan Westman, Commissioner
AYES:	Newman, Smith, Storey, Welch, Westman

B. 1842 48th Ave #17-008 034-023-32

Design Permit to remodel an existing single-family residence and construct a 546-square foot addition and a new 245 square foot garage, located in the R-1 (Single-Family Residential) zoning district.

This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Dent Organization, Inc.

Representative: Robin Alaga, filed: 1/25/17

MOTION: Approve Design Permit

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Sam Storey, Commissioner
SECONDER:	Linda Smith, Commissioner
AYES:	Newman, Smith, Storey, Welch, Westman

6. PUBLIC HEARINGS

A. 105 Sacramento Avenue #16-133 036-144-05

Design Permit to demolish an existing residence and secondary dwelling unit and construction of a new two-story residence and attached secondary dwelling unit with variance requests for garage setbacks and driveway landscaping, located in the R-1 (Single-Family Residential) Zoning District.

This project is in the Coastal Zone and requires a Coastal Development Permit, which is appealable to the California Coastal Commission after all possible appeals are exhausted through the city.

Environmental Determination: Categorical Exemption

Property Owner: Lani and Tim Holdener

Representative: Derek Van Alstine, filed: 6/28/16

MOTION: Approve Design Permit and Coastal Development Permit

RESULT:	APPROVED [4 TO 0]
MOVER:	TJ Welch, Commissioner
SECONDER:	Linda Smith, Commissioner
AYES:	Newman, Smith, Welch, Westman
RECUSED:	Storey

B. Capitola Mall Redevelopment

MOTION: Continue discussion to next Planning Commission meeting in May to consider options to encourage comprehensive mall redevelopment consistent with adopted General Plan goals.

RESULT:	CONTINUED [UNANIMOUS]	Next: 5/4/201 7 PM
MOVER:	Sam Storey, Commissioner	
SECONDER:	Susan Westman, Commissioner	
AYES:	Newman, Smith, Storey, Welch, Westman	

C. Zoning Code Update All Properties within Capitola

Continuation of Comprehensive Update to the City of Capitola Zoning Code (Municipal Code Chapter 17).

The Zoning Code serves as the Implementation Plan of the City's Local Coastal Program and therefore must be certified by the Coastal Commission.

Environmental Determination: Addendum to the General Plan Update EIR

Property: The Zoning Code update affects all properties within the City of Capitola.

Representative: Katie Herlihy, Senior Planner, City of Capitola

MOTION: Recommend that the City Council review the draft zoning code and initiate the 60-day public review period.

RESULT:	RECOMMENDED [UNANIMOUS]
MOVER:	Susan Westman, Commissioner
SECONDER:	TJ Welch, Commissioner
AYES:	Smith, Newman, Welch, Westman, Storey

7. DIRECTOR'S REPORT**8. COMMISSION COMMUNICATIONS****9. ADJOURNMENT**



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: Finance Department

SUBJECT: Approval of City Check Register Reports Dated March 3, March 10, March 17, March 24 and March 31, 2017

RECOMMENDED ACTION: Approve check registers.

BACKGROUND: Check registers are attached for:

Account: City Main				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
3/03/17	85972	85997	28	\$135,691.21
3/10/17	85998	86074	79	\$218,804.42
3/17/17	86075	86129	56	\$128,627.04
3/24/17	86130	86189	66	\$513,261.65
3/31/17	86190	86260	71	\$91,871.08

The City Main check register dated February 24, 2017, ended with check #85971.

Account: Library				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
3/10/17	13	13	1	\$2,465
3/17/17	14	14	1	\$1,116.50
3/24/17	15	15	1	\$27,490

The Library account check register dated February 24, 2017, ended with check #12.

Account: Payroll				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
3/03/17	5080	5085	100	\$154,556.76
3/17/17	5086	5090	102	\$147,880.68
3/31/17	5091	5096	97	\$158,814.27

The Payroll account check register dated February 17, 2017, ended with check #5079.

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

Approval of City Check Registers
April 27, 2017

expenditure:

Check	Issued to	Dept	Description	Amount
eft407	CalPERS Member Services	FN	PERS contributions PPE 2-3-17	\$48,604.83
eft408	CalPERS Member Services	FN	PERS contributions PPE 2-17-17	\$48,529.48
eft409	CalPERS Health Insurance	FN	March health insurance	\$61,065.37
eft411	IRS	FN	Federal taxes & Medicare	\$27,033.33
eft413	CalPERS Member Services	FN	PERS contributions PPE 2-25-17	\$48,960.22
86090	Kimley-Horn & Associates	PW	Engineering consultant services	\$19,264.21
86105	Santa Cruz Regional 911	PD	Regional 911 services	\$61,219.95
86135	Anderson Pacific Engineering Construction	PW	Stockton Ave. & Esplanade intersection improvements	\$119,317.06
86137	Atchison Barisone Condotti & Kovacevich	CM	February legal services	\$13,153.22
86145	Earthworks	PW	McGregor Park final progress payment	\$75,557.29
86155	ICMA Retirement Trust	FN	457 contributions PPE 03-11-17	\$20,922.40
86167	Nichols Consulting Engineers	PW	Pavement management program	\$59,436
86179	SZS Consulting Group	PW	ADA Self-evaluation and transition plan review/update	\$11,275.80
eft415	CalPERS Health Insurance	FN	April health insurance	\$61,365.56
eft416	CalPERS Member Services	FN	PERS contributions PPE 3-11-17	\$47,767.91
eft418	IRS	FN	Federal taxes & Medicare	\$26,332.42
15	Noll and Tam Architects	PW	Library schematic design services	\$27,490
86212	Emergency Vehicle Specialists	PD	Police vehicle equipment add-ons	\$28,173.32
86235	PG&E	PW	Monthly utilities	\$15,450.80

ATTACHMENTS:

1. 03-03-17 City Check Register
2. 03-10-17 City Check Register
3. 03-17-17 City Check Register
4. 03-24-17 City Check Register
5. 03-31-17 City Check Register

Report Prepared By: Maura Herlihy
Account Technician

Approval of City Check Registers
April 27, 2017

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/20/2017

City accounts payable checks dated 03/03/2017, numbered 85972 to 85997 and 2 EFTs, totaling \$135,691.21, plus 6 Payroll account checks and 94 Payroll EFTs totaling \$154,556.76, for a grand total of \$290,247.97, have been reviewed and authorized for distribution by the City Manager.

As of 3/3/2017, the unaudited cash balance is \$4,513,431.36.

CASH POSITION - CITY OF CAPITOLA 03/03/17

	<u>Net Balance</u>
General Fund	\$891,176.18
Payroll Payables	\$204,844.81
Contingency Reserve Fund	\$1,898,345.66
Facilities Reserve Fund	\$284,870.00
Capital Improvement Fund	\$896,425.94
Stores Fund	\$17,535.73
Information Technology Fund	\$68,168.41
Equipment Replacement	\$110,294.88
Self Insurance Liability Fund	\$91,526.70
Worker's Comp. Ins. Fund	\$16,838.79
Compensated Absences Fund	\$33,404.26
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$4,513,431.36</u>

The Emergency Reserve Fund Balance is \$1,269,705.54 (not included above).

The PERS Contingency Fund Balance is \$300,000.00 (not included in above).



 Jamie Goldstein, City Manager

3/3/17

 Date



 Peter Wilk, City Treasurer

3/7/17

 Date

Attachment: 03-03-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/03/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
85972	03/03/2017	Open			Jaqui Rice	\$34.58
	Invoice		Date	Description		Amount
	Rice051716		05/10/2016	Refund certified mailing fee for records request reissued stale dated check 2210 - ISF - Stores Fund		\$34.58
85973	03/03/2017	Open			A TOOL SHED	\$1,149.00
	Invoice		Date	Description		Amount
	1178525-5		02/23/2017	Skid steer sweeper rental		\$130.62
	1178785-5		02/24/2017	Compactor rental		\$100.00
	1177903-5		02/24/2017	Street message board rental		\$919.00
85974	03/03/2017	Open			ABC SUPPLY CO INC - MBA 742	\$159.30
	Invoice		Date	Description		Amount
	56862306		02/15/2017	Wharf roofing supplies 1311 - Wharf Fund		\$159.30
85975	03/03/2017	Open			ALVAREZ TECHNOLOGY GROUP INC	\$9,399.50
	Invoice		Date	Description		Amount
	40370		03/01/2017	April IT services		\$7,100.00
	40232		02/20/2017	Firewall replacement down payment 2211 - ISF - Information Technology		\$2,299.50
85976	03/03/2017	Open			B & B SMALL ENGINE REPAIR	\$54.63
	Invoice		Date	Description		Amount
	367004		02/27/2017	Chainsaw bar		\$54.63
85977	03/03/2017	Open			BEAR ELECTRICAL SOLUTIONS INC.	\$1,565.00
	Invoice		Date	Description		Amount
	4339		01/30/2017	January traffic signal maintenance - routine		\$616.00
	4338		01/30/2017	January traffic signal maintenance - response 1310 - Gas Tax Fund		\$949.00
85978	03/03/2017	Open			BEN NOBLE URBAN AND REGIONAL PLANNING	\$3,645.00
	Invoice		Date	Description		Amount
	1114		02/01/2017	October thru January zoning code update services 1313 - General Plan Update and Maint		\$3,645.00
85979	03/03/2017	Open			CALIFORNIA LAW ENFORCEMENT ASSOCIATION	\$514.50
	Invoice		Date	Description		Amount
	CLEA022217		02/22/2017	March POA LTD 1001 - Payroll Payables		\$514.50
85980	03/03/2017	Open			ED MORRISON	\$2,240.00
	Invoice		Date	Description		Amount
	MORRISONFEB2017		03/02/2017	February PW inspections		\$2,240.00

Attachment: 03-03-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/03/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
85981	03/03/2017	Open			eFolder Inc.		\$125.00
	Invoice		Date	Description		Amount	
	INV00087167		01/31/2017	Monthly record storage fee 2211 - ISF - Information Technology		\$125.00	
85982	03/03/2017	Open			EWING IRRIGATION		\$89.42
	Invoice		Date	Description		Amount	
	2819634		02/16/2017	Roundup		\$89.42	
85983	03/03/2017	Open			FIRST ALARM SECURITY & PATROL INC.		\$310.00
	Invoice		Date	Description		Amount	
	526497		02/22/2017	March McGregor park patrol services		\$310.00	
85984	03/03/2017	Open			GEORGE McMENAMIN		\$850.00
	Invoice		Date	Description		Amount	
	Riparian9		03/01/2017	Riparian restoration services		\$850.00	
85985	03/03/2017	Open			HOUSING AUTHORITY OF SCC		\$2,264.97
	Invoice		Date	Description		Amount	
	17-7CDBG		02/16/2017	January housing rehab. & homeownership assistance 1350 - CDBG Grants		\$2,264.97	
85986	03/03/2017	Open			KATHY D'ANGELO		\$550.00
	Invoice		Date	Description		Amount	
	000V-012082016		02/12/2017	Shoot & edit Urbancic interview		\$550.00	
85987	03/03/2017	Open			LABORMAX STAFFING		\$993.46
	Invoice		Date	Description		Amount	
	26-73592		02/24/2017	Seasonal labor 2/18 - 2/24		\$993.46	
85988	03/03/2017	Open			LIEBERT CASSIDY WHITMORE		\$140.00
	Invoice		Date	Description		Amount	
	1434437		01/31/2017	FLSA OT review		\$140.00	
85989	03/03/2017	Open			PALACE OFFICE SUPPLIES		\$290.05
	Invoice		Date	Description		Amount	
	27117-0		02/15/2017	Chair		\$271.24	
	9362138-0		02/21/2017	Foam boards, blade		\$13.05	
	412772-0		02/22/2017	Signature flags		\$6.01	
				1000 - General Fund	\$13.05		
				2210 - ISF - Stores Fund	\$277.25		
85990	03/03/2017	Open			PHIL ALLEGRI ELECTRIC INC.		\$1,805.00
	Invoice		Date	Description		Amount	
	22216		02/16/2017	Light pole installed corner of Capitola Ave. & San Jose Ave.		\$1,310.00	
	22217		02/16/2017	Wharf light repairs		\$495.00	
				1000 - General Fund	\$1,310.00		
				1311 - Wharf Fund	\$495.00		

Attachment: 03-03-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/03/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
85991	03/03/2017	Open			QUEST SOFTWARE INC.		\$3,157.35
	Invoice		Date	Description		Amount	
	1-2ZWZ7BM		02/17/2017	Hardware maintenance renewals 2211 - ISF - Information Technology		\$3,157.35	
85992	03/03/2017	Open			R.L. HASTINGS & ASSOCIATES, LLC		\$3,200.00
	Invoice		Date	Description		Amount	
	022517-2		02/25/2017	Oversight of HOME long term monitoring of Bay Ave Senior Apts 1370 - HOME Reuse Fund		\$3,200.00	
85993	03/03/2017	Open			SPECTRUM BUSINESS		\$3,650.71
	Invoice		Date	Description		Amount	
	SB021917		02/19/2017	monthly internet service 1000 - General Fund 2211 - ISF - Information Technology	\$1,488.65 \$2,162.06	\$3,650.71	
85994	03/03/2017	Open			STOP COMPANY		\$78.30
	Invoice		Date	Description		Amount	
	4393		02/18/2017	Barricade lights		\$78.30	
85995	03/03/2017	Open			T&T PAVEMENT MARKINGS AND PRODUCTS INC		\$503.26
	Invoice		Date	Description		Amount	
	2017073		02/22/2017	Steel rivets (500)		\$503.26	
85996	03/03/2017	Open			UPEC LIUNA LOCAL 792		\$1,274.00
	Invoice		Date	Description		Amount	
	905		02/06/2017	February UPEC dues 1001 - Payroll Payables		\$1,274.00	
85997	03/03/2017	Open			Tami Corum		\$513.00
	Invoice		Date	Description		Amount	
	16-219		02/24/2017	Tree deposit refund #16-219		\$513.00	
Type Check Totals:							\$38,556.91

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City Checks Issued 03/03/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transact Amo
EFT						
407	02/27/2017	Reconciled	02/28/2017		CalPERS Member Services Division	\$48,604
	Invoice	Date	Description			Amount
	1000824342	02/27/2017	PERS contributions 2-3-17 pay date			\$48,604.83
			1000 - General Fund	(\$0.24)		
			1001 - Payroll Payables	\$48,605.07		
408	02/27/2017	Reconciled	02/28/2017		CalPERS Member Services Division	\$48,529
	Invoice	Date	Description			Amount
	1000824394	02/27/2017	PERS contributions 2-17-17 pay date			\$48,529.48
			1000 - General Fund	(\$0.22)		
			1001 - Payroll Payables	\$48,529.70		
Type EFT Totals:						\$97,134.

	Counts:	Total
CITY - Main City Totals		
Checks	26	\$38,556.
EFTs	2	\$97,134.
All	28	\$135,691.
WELLS - Payroll Totals		
Checks	6	\$3,203.
EFTs	94	\$151,353.
All	100	\$154,556.
Grand Totals:		
Checks	32	\$41,760.
EFTs	96	\$248,487.
All	128	\$290,247.

Attachment: 03-03-17 City Check Register (1820 : Approval of City Check Registers)


City accounts payable checks dated 03/10/2017, numbered 85998 to 86074 and 5 EFTs, totaling \$218,804.42, plus 1 Library account check totaling \$2,465.00, for a grand total of \$221,269.42, have been reviewed and authorized for distribution by the City Manager.

As of 3/10/2017, the unaudited cash balance is \$4,379,013.75.

CASH POSITION - CITY OF CAPITOLA 03/10/17

	<u>Net Balance</u>
General Fund	\$914,091.07
Payroll Payables	\$47,514.18
Contingency Reserve Fund	\$1,898,345.66
Facilities Reserve Fund	\$284,870.00
Capital Improvement Fund	\$896,425.94
Stores Fund	\$17,535.73
Information Technology Fund	\$68,166.54
Equipment Replacement	\$110,294.88
Self Insurance Liability Fund	\$91,526.70
Worker's Comp. Ins. Fund	\$16,838.79
Compensated Absences Fund	\$33,404.26
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$4,379,013.75</u>

The Emergency Reserve Fund Balance is \$1,269,705.54 (not included above).
The PERS Contingency Fund Balance is \$300,000.00 (not included in above).



Jamie Goldstein, City Manager

3/14/17

Date



Peter Wilk, City Treasurer

3/14/17

Date

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Type	Amount	Transaction Amount
85998	03/10/2017	Open			EVENT PHOTOGRAPHY GROUP, INC.			\$27.50
	Licensee Type			Licensee Number	Transaction Type			
	Business			2666	Correct Payment Error			
85999	03/10/2017	Open			A TOOL SHED			\$41.17
	Invoice		Date	Description			Amount	
	1180245-5		03/02/2017	Compactor rental			\$41.17	
86000	03/10/2017	Open			ADRIENNE HARRELL			\$35.10
	Invoice		Date	Description			Amount	
	Harrell030217		03/02/2017	Winter Instructor payment			\$35.10	
86001	03/10/2017	Open			AFLAC			\$989.14
	Invoice		Date	Description			Amount	
	278228		02/28/2017	February supplemental insurance			\$989.14	
				1001 - Payroll Payables				
86002	03/10/2017	Open			ALLSAFE LOCK COMPANY			\$240.84
	Invoice		Date	Description			Amount	
	49191		01/27/2017	Break room lock			\$240.84	
86003	03/10/2017	Open			AT&T/CALNET 3			\$1,845.78
	Invoice		Date	Description			Amount	
	000009269173		02/13/2017	Monthly telephone service & T-1 access			\$766.60	
	000009268505		02/13/2017	Monthly telephone service & T-1 access			\$1,079.18	
				1000 - General Fund	\$1,554.91			
				2211 - ISF - Information Tech	\$290.87			
86004	03/10/2017	Open			AUTOMATION TEST ASSOCIATES			\$40.00
	Invoice		Date	Description			Amount	
	44641		02/22/2017	February wharf meter reading			\$40.00	
				1311 - Wharf Fund				
86005	03/10/2017	Open			B & B SMALL ENGINE REPAIR			\$52.26
	Invoice		Date	Description			Amount	
	365735		02/09/2017	Hexagon nut			\$2.75	
	367313		03/02/2017	Chainsaw chain, wrench			\$49.51	
86006	03/10/2017	Open			BAY PHOTO LAB			\$476.84
	Invoice		Date	Description			Amount	
	6319399		02/24/2017	Museum prints and mounting			\$168.02	
	6315363		02/22/2017	Museum prints and mounting			\$66.29	
	6315367		02/22/2017	Museum prints and mounting			\$52.08	
	6303654		02/16/2017	Museum supplies			\$34.99	
	6319380		02/24/2017	Museum print			\$42.32	
	6332883		03/03/2017	Museum prints and mounting			\$113.14	
86007	03/10/2017	Open			BAYSIDE OIL II INC.			\$1,230.00
	Invoice		Date	Description			Amount	
	23943		02/28/2017	Hazardous material disposal			\$135.00	
	24029		03/01/2017	Hazardous material disposal			\$1,095.00	

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City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86008	03/10/2017	Open			BIOBAG AMERICAS INC.	\$2,545.83
	Invoice		Date	Description		Amount
	447319		03/03/2017	Dog waste bags		\$2,545.83
86009	03/10/2017	Open			BOBBY'S PIT STOP INC.	\$40.75
	Invoice		Date	Description		Amount
	0352255		01/23/2017	2011 Ford F250 smog inspection		\$40.75
86010	03/10/2017	Open			CALE AMERICA INC.	\$1,829.00
	Invoice		Date	Description		Amount
	143977		02/27/2017	February active meters		\$1,829.00
86011	03/10/2017	Open			CALIF ASSOC FOR PROPERTY & EVIDENCE INC.	\$135.00
	Invoice		Date	Description		Amount
	Garrett2017		03/01/2017	2017 membership for B. Garrett		\$45.00
	Gonzalez2017		03/01/2017	2017 membership for E. Gonzalez		\$45.00
	2017Hernandez		03/01/2017	2017 membership for T. Hernandez		\$45.00
86012	03/10/2017	Open			CALIF DEPT OF FISH & WILDLIFE	\$561.00
	Invoice		Date	Description		Amount
	PeeryPark1602		03/07/2017	Peery Park LSA Notification		\$561.00
86013	03/10/2017	Open			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,694.75
	Invoice		Date	Description		Amount
	POA022517		02/25/2017	POA and gym dues PPE 2/25/17 1001 - Payroll Payables		\$1,694.75
86014	03/10/2017	Open			CAROLYN FLYNN	\$2,760.00
	Invoice		Date	Description		Amount
	CBF-03-2017		03/06/2017	February affordable housing program admin. 1000 - General Fund \$960.00 5552 - Cap Hsg Succ- Program \$1,800.00		\$2,760.00
86015	03/10/2017	Open			COASTAL WATERSHED COUNCIL	\$124.00
	Invoice		Date	Description		Amount
	1559		03/07/2017	February urban watch community outreach		\$124.00
86016	03/10/2017	Open			COMMUNITY PRINTERS	\$1,421.37
	Invoice		Date	Description		Amount
	17631011		03/02/2017	Winter 2017 newsletter		\$1,421.37
86017	03/10/2017	Open			D & G SANITATION	\$306.48
	Invoice		Date	Description		Amount
	238413		02/28/2017	Fencing for Esplanade park		\$54.25
	238414		02/28/2017	McGregor park portable toilet rental		\$252.23
86018	03/10/2017	Open			ELEVATOR SERVICE COMPANY INC.	\$170.00
	Invoice		Date	Description		Amount
	11140		03/01/2017	Quarterly elevator lube and inspection		\$170.00

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86019	03/10/2017	Open			EWING IRRIGATION	\$234.58
	Invoice		Date	Description		Amount
	2851758		02/24/2017	Jute netting, staples		\$193.11
	2865682		02/28/2017	Grass seed		\$41.47
86020	03/10/2017	Open			FBINAA CA SF	\$70.00
	Invoice		Date	Description		Amount
	FBINAA030117		03/01/2017	Sgt. Sloma & Gonzalez luncheon/training		\$70.00
86021	03/10/2017	Open			FIRST ALARM SECURITY & PATROL INC.	\$351.61
	Invoice		Date	Description		Amount
	FA103116-b		10/31/2016	Credit for recurring fees		(\$157.28)
	991528		02/15/2017	Community Center alarm 3/1-5/31/17		\$208.89
	526506		02/22/2017	March patrol for Jade St. Park		\$300.00
86022	03/10/2017	Open			FLYERS ENERGY LLC	\$2,348.28
	Invoice		Date	Description		Amount
	17-414724		02/16/2017	141 gallons ethanol		\$426.30
	17-414727		02/16/2017	58 gallons diesel		\$166.78
	17-412215		02/10/2017	50 gallons diesel		\$142.06
	17-412214		02/10/2017	560 gallons ethanol		\$1,613.14
86023	03/10/2017	Open			GARDAWORLD	\$175.07
	Invoice		Date	Description		Amount
	10286038		03/01/2017	March armored car transportation service		\$175.07
86024	03/10/2017	Open			GLOBAL ENVIRONMENTAL PRODUCTS INC	\$250.20
	Invoice		Date	Description		Amount
	636171		02/07/2017	Sweeper dipstick 1310 - Gas Tax Fund		\$250.20
86025	03/10/2017	Open			GRANITE ROCK COMPANY	\$659.34
	Invoice		Date	Description		Amount
	1015048		02/28/2017	Concrete 1310 - Gas Tax Fund		\$659.34
86026	03/10/2017	Open			HOLLISTER HONDA	\$17.30
	Invoice		Date	Description		Amount
	185799		03/01/2017	Chain cleaner and lube		\$17.30
86027	03/10/2017	Open			HOME DEPOT CREDIT SERVICES	\$355.20
	Invoice		Date	Description		Amount
	4050586		02/08/2017	Rope, quick link		\$139.49
	1013384		02/01/2017	Sprayer, epoxy putty		\$27.80
	6026966		02/16/2017	Plumbing supplies		\$28.49
	5010901		02/27/2017	Drill bits		\$21.54
	13582		02/02/2017	Sidewalk repair		\$64.15
	8223099		02/14/2017	Wharf supplies		\$63.07
	9584523		02/23/2017	Glass cleaner, keys		\$10.66
				1000 - General Fund	\$292.13	
				1311 - Wharf Fund	\$63.07	

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City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86028	03/10/2017	Open			HOSE SHOP	\$274.42
	Invoice		Date	Description		Amount
	394825		03/02/2017	Nylon sleeves, cable ties		\$89.53
	394620		02/22/2017	Hose assembly kit		\$184.89
86029	03/10/2017	Open			HUMBOLDT PETROLEUM LLC	\$26.00
	Invoice		Date	Description		Amount
	086234		02/15/2017	February vehicle cleaning		\$26.00
86030	03/10/2017	Open			ICMA RETIREMENT TRUST 457	\$4,895.21
	Invoice		Date	Description		Amount
	41347437		02/25/2017	457 contributions PPE 2-25-17 1001 - Payroll Payables		\$4,895.21
86031	03/10/2017	Open			JACKIE YEUNG	\$2,097.73
	Invoice		Date	Description		Amount
	021717		02/17/2017	Police training and mileage reimbursement		\$921.19
	021117		02/11/2017	Police training and mileage reimbursement		\$1,176.54
86032	03/10/2017	Open			JaVelco Equipment Service Inc.	\$695.19
	Invoice		Date	Description		Amount
	51871		02/16/2017	Carbide cutter and retainer shaft		\$695.19
86033	03/10/2017	Open			LABORMAX STAFFING	\$993.46
	Invoice		Date	Description		Amount
	26-73848		03/03/2017	Seasonal labor		\$993.46
86034	03/10/2017	Open			LAS ANIMAS CONCRETE	\$528.72
	Invoice		Date	Description		Amount
	123998		02/23/2017	Wharf Rd. sand slurry 1310 - Gas Tax Fund		\$528.72
86035	03/10/2017	Open			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA	\$2,239.99
	Invoice		Date	Description		Amount
	CIGNA022817		02/28/2017	February LTD, STD, AD&D, life insurance 1000 - General Fund (\$0.14) 1001 - Payroll Payables		\$2,239.99
86036	03/10/2017	Open			MAR-KEN K-9 TRAINING CENTER	\$240.00
	Invoice		Date	Description		Amount
	015-17		02/28/2017	February K-9 training		\$240.00
86037	03/10/2017	Open			MID COUNTY AUTO SUPPLY	\$528.10
	Invoice		Date	Description		Amount
	26048		02/17/2017	Sweeper fluids		\$56.21
	27619		03/03/2017	Fuses		\$34.93
	25086		02/08/2017	Battery tender		\$155.98
	27388		03/01/2017	Battery terminals		\$93.27
	27339		03/01/2017	Battery cables		\$187.71
				1000 - General Fund		\$471.89
				1310 - Gas Tax Fund		\$56.21

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City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86038	03/10/2017	Open			MISSION LINEN SUPPLY	\$840.59
	Invoice		Date	Description		Amount
	504308691		02/13/2017	Recreation mats & mops		\$67.73
	504039041		01/02/2017	Recreation mats & mops		\$67.73
	504281582		02/08/2017	Linen service, towels		\$77.54
	504260886		02/06/2017	Mats for PD		\$48.18
	504325948		02/15/2017	Linen & mat service		\$101.59
	504372269		02/22/2017	Linen service		\$77.54
	504352276		02/20/2017	CPD mat service 2/20/17		\$48.18
	504406273		02/27/2017	Center mats & mops		\$67.73
	504446279		03/06/2017	CPD mat service 3/6/17		\$48.18
	504426498		03/01/2017	Linen services		\$33.65
	504325947		02/15/2017	Linen services		\$33.65
	504372268		02/22/2017	Linen services		\$33.65
	504281581		02/08/2017	Linen services		\$33.65
	504426499		03/01/2017	Linen service		\$101.59
86039	03/10/2017	Open			NANCY HOWELLS	\$209.30
	Invoice		Date	Description		Amount
	Howells030217		03/02/2017	Winter Instructor payment		\$209.30
86040	03/10/2017	Open			NORTH BAY FORD	\$1,550.39
	Invoice		Date	Description		Amount
	259724		02/14/2017	2008 F350 resistor assembly		\$45.27
	314842		02/22/2017	2011 Ford F250 flywheel & starter repairs		\$1,505.12
86041	03/10/2017	Open			O'REILLY AUTO PARTS	\$141.12
	Invoice		Date	Description		Amount
	2763-271101		03/01/2017	Wiper fluid, diesel exhaust fluid		\$39.54
	2763-268038		02/16/2017	night sticks, oil filters		\$101.58
86042	03/10/2017	Open			OLIVE SPRINGS QUARRY INC.	\$191.87
	Invoice		Date	Description		Amount
	107690		02/27/2017	Wharf Rd. asphalt 1310 - Gas Tax Fund		\$191.87

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transactor Amount
86043	03/10/2017	Open			ORCHARD SUPPLY HARDWARE	\$601.48
	Invoice		Date	Description		Amount
	157220		02/08/2017	Rat traps and bait		\$12.61
	061845		02/06/2017	Mulch		\$18.52
	024897		02/08/2017	Mulch		\$18.52
	157400		02/10/2017	Key safe		\$32.97
	049305		02/15/2017	Paint		\$6.18
	035857		02/16/2017	Smoke alarm, measuring tapes		\$59.75
	037391		02/22/2017	Dish soap		\$27.58
	158480		02/24/2017	Saw and wire nuts		\$36.05
	048404		02/10/2017	Cable ties		\$26.27
	159687		03/07/2017	Clevis grab hook		\$10.29
	048160		02/09/2017	Eye bolts, weldable rod		\$27.91
	048571		02/12/2017	Graffiti removal supplies		\$41.10
	157385		02/10/2017	Corner braces		\$12.33
	049230		02/15/2017	Sledge hammers		\$58.73
	049371		02/16/2017	Nuts and bolts		\$1.81
	158476		02/24/2017	Retainer cord, tooth locks		\$11.20
	020093		02/27/2017	Trash cans and lap links		\$32.84
	158913		03/01/2017	Eye slip hooks		\$26.78
	158738		02/27/2017	Hammer		\$20.60
	041575		03/01/2017	Gloves, bucket, shovel		\$35.01
	021497		03/04/2017	Snips, center punch, safety gloves		\$37.07
	042865		03/07/2017	Septonic treatment, root destroyer		\$47.36
				1000 - General Fund	\$554.12	
				1311 - Wharf Fund	\$47.36	
86044	03/10/2017	Open			PACIFIC MONARCH	\$4,900.00
	Invoice		Date	Description		Amount
	48657	deposit	03/02/2017	Lifeguard competition transportation deposit		\$4,900.00
86045	03/10/2017	Open			PALACE OFFICE SUPPLIES	\$168.58
	Invoice		Date	Description		Amount
	412473-0		02/21/2017	Supplies		\$106.20
	412079-2		02/22/2017	Office supplies		\$47.11
	9365699-0		03/06/2017	Museum exhibit supplies		\$15.27
86046	03/10/2017	Open			PAPE MACHINERY	\$67.83
	Invoice		Date	Description		Amount
	10309758		02/22/2017	Fuel filters		\$67.83
86047	03/10/2017	Open			POLAR AUTOMOTIVE & RADIATOR	\$360.00
	Invoice		Date	Description		Amount
	21310		02/10/2017	Sweeper radiator repair		\$360.00
				1310 - Gas Tax Fund		
86048	03/10/2017	Open			PRAXAIR DISTRIBUTION INC.	\$94.94
	Invoice		Date	Description		Amount
	76297686		02/21/2017	Acetylene rental		\$94.94

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86049	03/10/2017	Open			PREFERRED BENEFIT INSURANCE ADMIN.	\$5,262.70
	Invoice		Date	Description		Amount
	EIA20253		03/01/2017	March dental and vision insurance		\$5,262.70
				1000 - General Fund	\$73.10	
				1001 - Payroll Payables	\$5,189.60	
86050	03/10/2017	Open			PUBLIC ENGINES INC.	\$597.00
	Invoice		Date	Description		Amount
	24480		03/01/2017	Command central analytics subscription renewal		\$597.00
86051	03/10/2017	Open			RANDALL J. WIESE	\$1,500.00
	Invoice		Date	Description		Amount
	232765		03/07/2017	Emergency tree work 615 Riverview Dr.		\$1,500.00
86052	03/10/2017	Open			ROGERS ANDERSON MALODY & SCOTT LLP	\$2,600.00
	Invoice		Date	Description		Amount
	53604		01/31/2017	Preparation of State Controller's financial transactions report		\$2,600.00
86053	03/10/2017	Open			SAN LORENZO LUMBER	\$214.47
	Invoice		Date	Description		Amount
	55-0247151		03/01/2017	Wood - Grand Ave. fence		\$89.95
	55-0247234		03/01/2017	Wood - Grand Ave. fence		\$124.52
86054	03/10/2017	Open			SANTA CLARA COUNTY OFFICE OF THE SHERIFF	\$302.11
	Invoice		Date	Description		Amount
	1800056201		02/07/2017	2016 COPLINK South Bay information sharing system		\$302.11
86055	03/10/2017	Open			SANTA CRUZ COUNTY INFORMATION SERVICES	\$521.99
	Invoice		Date	Description		Amount
	March2017		03/01/2017	March open query scan charges		\$521.99
86056	03/10/2017	Open			SANTA CRUZ FIRE EQUIPMENT CO.	\$243.36
	Invoice		Date	Description		Amount
	100511		03/03/2017	Recreation center fire supression system service/repairs		\$243.36
86057	03/10/2017	Open			SANTA CRUZ MUNICIPAL UTILITIES	\$139.95
	Invoice		Date	Description		Amount
	SCMU021317		02/13/2017	Monthly water service for medians		\$139.95
86058	03/10/2017	Open			SANTA CRUZ SENTINEL	\$428.84
	Invoice		Date	Description		Amount
	1035939		02/28/2017	February legal notices		\$428.84
86059	03/10/2017	Open			SIRCHIE	\$259.05
	Invoice		Date	Description		Amount
	0290442-IN		02/22/2017	Evidence supplies		\$259.05

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86060	03/10/2017	Open			SOQUEL CREEK WATER DISTRICT		\$3,100.22
	Invoice		Date	Description		Amount	
	SCWD0222717		02/28/2017	Monthly water usage and irrigation fees		\$3,100.22	
				1000 - General Fund	\$2,770.85		
				1311 - Wharf Fund	\$329.37		
86061	03/10/2017	Open			STAPLES ADVANTAGE		\$19.30
	Invoice		Date	Description		Amount	
	8043199137		02/18/2017	Chief's signature stamp		\$19.30	
86062	03/10/2017	Open			SUPPLYWORKS		\$1,368.60
	Invoice		Date	Description		Amount	
	392596375		02/21/2017	Cleaning supplies		\$1,368.60	
86063	03/10/2017	Open			TERRY T. DOWELL		\$585.00
	Invoice		Date	Description		Amount	
	Dowell030717		03/07/2017	Early Spring Instructor Payment 2017		\$585.00	
86064	03/10/2017	Open			UNITED PARCEL SERVICE		\$16.27
	Invoice		Date	Description		Amount	
	0000954791087		02/25/2017	shipping		\$9.57	
	0000954791526		12/24/2016	shipping		\$6.70	
86065	03/10/2017	Open			UNITED STATES POSTAL SERVICE		\$5,100.00
	Invoice		Date	Description		Amount	
	67064LS		02/23/2017	Late Spring 2017 brochure postage		\$5,100.00	
86066	03/10/2017	Open			US BANK PARS		\$300.74
	Invoice		Date	Description		Amount	
	PARS022517		03/03/2017	PARS contributions PPE 2-25-17		\$300.74	
				1001 - Payroll Payables			
86067	03/10/2017	Open			Carmen Calautti		\$20.00
	Invoice		Date	Description		Amount	
	Calautti022417		02/24/2017	Citation refund		\$20.00	
86068	03/10/2017	Open			Helia Marie Carvalho		\$41.00
	Invoice		Date	Description		Amount	
	Carvalho022417		02/24/2017	Citation refund		\$41.00	
86069	03/10/2017	Open			Janet Gianopoulos		\$58.50
	Invoice		Date	Description		Amount	
	2002855.002		02/28/2017	Class refund		\$58.50	
86070	03/10/2017	Open			Nancy & Jeff Luchetti		\$3.15
	Invoice		Date	Description		Amount	
	Luchetti030917		03/09/2017	Design permit deposit refund		\$3.15	
86071	03/10/2017	Open			Portola Hotel		\$2,318.90
	Invoice		Date	Description		Amount	
	POSTtraining3117		03/01/2017	Lodging for team building (POST)		\$2,318.90	

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86072	03/10/2017	Open			ARCHIVES & ARCHITECTURE LLC	\$4,030.00
	Invoice		Date	Description		Amount
	15-196		01/27/2017	114 Grand Ave. standards review		\$1,040.00
	16-108		01/27/2017	224 San Jose Ave. standards review		\$1,430.00
	16-132		03/02/2017	1810 Wharf Rd. historic resource description		\$1,560.00
86073	03/10/2017	Open			BEN NOBLE URBAN AND REGIONAL PLANNING	\$1,103.00
	Invoice		Date	Description		Amount
	1121		03/01/2017	February zoning code update services 1313 - General Plan Update and Maint		\$1,103.00
86074	03/10/2017	Open			CHRISTINE CANDELARIA	\$1,318.08
	Invoice		Date	Description		Amount
	6		03/06/2017	BIA administrative and outreach services 1321 - BIA - Capitola Village-Wharf BIA		\$1,318.08
Type Check Totals:						\$74,125.54
EFT						
409	03/06/2017	Open			CalPERS Health Insurance	\$61,065.37
	Invoice		Date	Description		Amount
	2230		03/06/2017	March health insurance 1000 - General Fund		\$61,065.37
				1001 - Payroll Payables		\$58,407.34
410	03/07/2017	Open			EMPLOYMENT DEVELOPMENT DEPT	\$6,502.12
	Invoice		Date	Description		Amount
	1-703-171-456		03/07/2017	State taxes PPE 02-25-17 1001 - Payroll Payables		\$6,502.12
411	03/07/2017	Open			INTERNAL REVENUE SERVICE	\$27,033.33
	Invoice		Date	Description		Amount
	83661141		03/07/2017	Federal taxes and Medicare PPE 2-25-17 1001 - Payroll Payables		\$27,033.33
412	03/06/2017	Open			STATE DISBURSEMENT UNIT	\$1,117.84
	Invoice		Date	Description		Amount
	OJCREBH6658		03/06/2017	Garnishments PPE 2-25-17 1001 - Payroll Payables		\$1,117.84
413	03/08/2017	Open			CalPERS Member Services Division	\$48,960.22
	Invoice		Date	Description		Amount
	1000829482-5		03/08/2017	PERS contributions 3-3-17 pay date 1000 - General Fund (\$0.21) 1001 - Payroll Payables		\$48,960.22
Type EFT Totals:						\$144,678.84

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/10/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
Library - Library						
<u>Check</u>						
13	03/10/2017	Open			BOGARD CONSTRUCTION INC	\$2,465.00
	Invoice		Date	Description		Amount
	160707-06		02/27/2017	Library project management services		\$2,465.00
				1360 - Library Fund		
Type Check Totals:						\$2,465.00

Attachment: 03-10-17 City Check Register (1820 : Approval of City Check Registers)

	Counts:	Totals
CITY - Main City Totals		
Checks	74	\$74,125.54
EFTs	5	\$144,678.81
All	79	\$218,804.42
Library - Library Totals		
Checks	1	\$2,465.00
EFTs	0	\$0.00
All	1	\$2,465.00
Grand Totals:		
Checks	75	\$76,590.54
EFTs	5	\$144,678.81
All	80	\$221,269.42

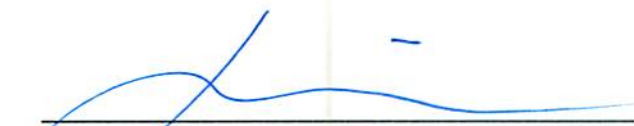
City accounts payable checks dated 3/17/2017, numbered 86075 to 86129 and 1 EFT, totaling \$128,627.04, plus 1 Library account check totaling \$1,116.50, 5 Payroll account checks and 97 EFTs, totaling \$147,880.68, for a grand total of \$277,624.22, have been reviewed and authorized for distribution by the City Manager.

As of 3/17/2017, the unaudited cash balance is \$4,187,854.35.


CASH POSITION - CITY OF CAPITOLA 03/17/17

	<u>Net Balance</u>
1000 General Fund	\$318,992.20
1001 Payroll Payables	\$186,386.27
1010 Contingency Reserve Fund	\$1,898,345.66
1025 Facilities Reserve Fund	\$284,870.00
1200 Capital Improvement Fund	\$874,771.73
2210 Stores Fund	\$25,852.75
2211 Information Technology Fund	\$116,321.11
2212 Equipment Replacement	\$129,794.88
2213 Self Insurance Liability Fund	\$198,526.70
2214 Worker's Comp. Ins. Fund	\$120,588.79
2216 Compensated Absences Fund	\$33,404.26
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,187,854.35</u></u>


The Emergency Reserve Fund Balance is \$1,269,705.54 (not included above).
The PERS Contingency Fund Balance is \$300,000.00 (not included above).




 Jamie Goldstein, City Manager



 Peter Wilk, City Treasurer



 Date



 Date

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/17/2017

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
86075	03/17/2017	Open			ANDREW DALLY	\$630.00
	Invoice		Date	Description		Amount
	030317		03/03/2017	Education reimbursement		\$630.00
86076	03/17/2017	Open			B & B SMALL ENGINE REPAIR	\$158.98
	Invoice		Date	Description		Amount
	367812		03/09/2017	Chainsaw repair		\$24.61
	367813		03/09/2017	Chainsaw repair		\$134.37
86077	03/17/2017	Open			BEAR ELECTRICAL SOLUTIONS INC.	\$475.00
	Invoice		Date	Description		Amount
	4431		02/28/2017	City Hall parking lot lights LED upgrade		\$475.00
86078	03/17/2017	Open			BOWMAN & WILLIAMS INC.	\$2,390.00
	Invoice		Date	Description		Amount
	11024		03/03/2017	Rispin/Peery Park engineering services 1200 - Capital Improvement Fund		\$2,390.00
86079	03/17/2017	Open			C&N TRACTORS	\$20.33
	Invoice		Date	Description		Amount
	85134W		03/15/2017	Link pins		\$20.33
86080	03/17/2017	Open			CLASSIC VAPOR CLEANERS	\$561.13
	Invoice		Date	Description		Amount
	CVC030117		03/01/2017	February uniform cleaning		\$561.13
86081	03/17/2017	Open			COASTAL WATERSHED COUNCIL	\$3,341.84
	Invoice		Date	Description		Amount
	1561		02/28/2017	NPDES Public Education & Outreach		\$3,341.84
86082	03/17/2017	Open			COMPLETE MAILING SERVICE INC.	\$689.92
	Invoice		Date	Description		Amount
	1703		03/06/2017	Newsletter mailing		\$689.92
86083	03/17/2017	Open			FERGUSON ENTERPRISES INC.	\$92.66
	Invoice		Date	Description		Amount
	5245932		03/02/2017	Wharf metering faucet 1311 - Wharf Fund		\$92.66
86084	03/17/2017	Open			FRANK PERRY	\$196.88
	Invoice		Date	Description		Amount
	030717		03/07/2017	Nature of Capitola exhibit supplies & books		\$196.88
86085	03/17/2017	Open			GAIL S PENNIMAN	\$175.50
	Invoice		Date	Description		Amount
	Penniman031417		03/10/2017	Early Spring Instructor Payment 2017		\$175.50
86086	03/17/2017	Open			GARDAWORLD	\$3.95
	Invoice		Date	Description		Amount
	20217390		02/28/2017	Armored car service		\$3.95

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/17/2017

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
86087	03/17/2017	Open			HUMBOLDT PETROLEUM LLC	\$6.50
	Invoice		Date	Description		Amount
	086281		02/28/2017	PD car wash		\$6.50
86088	03/17/2017	Open			INTERSTATE BATTERY SYSTEMS OF SAN JOSE	\$23.06
	Invoice		Date	Description		Amount
	519339		03/09/2017	Batteries		\$23.06
86089	03/17/2017	Open			KATHY D'ANGELO	\$20.00
	Invoice		Date	Description		Amount
	000V-03082017		03/08/2017	2 DVD dubs - Jo Jo Urbancic		\$20.00
86090	03/17/2017	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$19,264.21
	Invoice		Date	Description		Amount
	097763120-1116		11/30/2016	Engineering Consultant Services		\$3,500.00
	097763120-0217		02/28/2017	Engineering Consultant Services 1200 - Capital Improvement Fund		\$15,764.21
86091	03/17/2017	Open			KINGS PAINT AND PAPER INC.	\$236.67
	Invoice		Date	Description		Amount
	A0248676		03/13/2017	Paint		\$236.67
86092	03/17/2017	Open			LABORMAX STAFFING	\$993.46
	Invoice		Date	Description		Amount
	26-74126		03/10/2017	Seasonal labor		\$993.46
86093	03/17/2017	Open			MACKAY METERS INC	\$261.58
	Invoice		Date	Description		Amount
	1046744		02/28/2017	February parking meter & credit card fees		\$261.58
86094	03/17/2017	Open			MAR-KEN K-9 TRAINING CENTER	\$240.00
	Invoice		Date	Description		Amount
	039-17		03/10/2017	March K-9 training		\$240.00
86095	03/17/2017	Open			MILLER'S TRANSFER & STORAGE CO.	\$142.65
	Invoice		Date	Description		Amount
	88751		03/04/2017	Monthly record storage and warehouse handling		\$142.65
86096	03/17/2017	Open			MOFFATT AND NICHOL	\$2,798.80
	Invoice		Date	Description		Amount
	724915		03/13/2017	Wharf evaluation		\$2,446.30
	719599		07/15/2016	Wharf condition assessment 1311 - Wharf Fund		\$352.50
86097	03/17/2017	Open			MUNISERVICES LLC	\$1,264.63
	Invoice		Date	Description		Amount
	0000044717		02/28/2017	STARS service 3rd quarter 2016		\$1,264.63

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/17/2017

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
86098	03/17/2017	Open			PALACE OFFICE SUPPLIES	\$330.85
	Invoice		Date	Description		Amount
	414717-0		03/07/2017	Envelopes and paper		\$104.31
	415431-0		03/10/2017	Office supplies		\$31.14
	414826-0		03/08/2017	Office supplies		\$173.47
	415751-0		03/14/2017	Office supplies		\$21.93
				1000 - General Fund	\$204.61	
				2210 - ISF - Stores Fund	\$126.24	
86099	03/17/2017	Open			PAPA	\$250.00
	Invoice		Date	Description		Amount
	031717		03/17/2017	PAPA membership fees - Kotila & Franchi		\$250.00
86100	03/17/2017	Open			PEELLE TECHNOLOGIES INC.	\$1,229.60
	Invoice		Date	Description		Amount
	COCPT2988		02/28/2017	Document preparation & scanning		\$1,229.60
				1317 - Technology Fee Fund		
86101	03/17/2017	Open			PHIL ALLEGRI ELECTRIC INC.	\$95.00
	Invoice		Date	Description		Amount
	22308		03/10/2017	Esplanade service call		\$95.00
86102	03/17/2017	Open			SAM STOREY	\$250.00
	Invoice		Date	Description		Amount
	022617		02/26/2017	Digital reading device reimbursement		\$250.00
86103	03/17/2017	Open			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$7,013.50
	Invoice		Date	Description		Amount
	740a		02/28/2017	February citation processing		\$7,013.50
86104	03/17/2017	Open			SANTA CRUZ COUNTY SANITATION DISTRICT	\$1,393.14
	Invoice		Date	Description		Amount
	035-021-42		02/21/2017	Soquel Pump Station Sewer Charges 2016/17		\$1,393.14
86105	03/17/2017	Open			SANTA CRUZ REGIONAL 911	\$61,219.95
	Invoice		Date	Description		Amount
	SCR031517		03/15/2017	Regional 911 service		\$61,219.95
86106	03/17/2017	Open			SECURITY SHORING AND STEEL PLATES INC	\$162.00
	Invoice		Date	Description		Amount
	150932		02/24/2017	Steel plates and lifting eye		\$162.00
86107	03/17/2017	Open			SERVPRO OF SANTA CRUZ	\$204.07
	Invoice		Date	Description		Amount
	5406		02/16/2017	Vehicle biohazard cleanup		\$204.07
86108	03/17/2017	Open			SHIELDS CONSULTING GROUP INC.	\$1,750.00
	Invoice		Date	Description		Amount
	1618-1		03/06/2017	State mandated cost reimbursement consulting		\$1,750.00

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/17/2017

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
86109	03/17/2017	Open			STATE STEEL COMPANY	\$77.06
	Invoice		Date	Description		Amount
	123446		03/15/2017	Steel		\$77.06
86110	03/17/2017	Open			SUMMIT UNIFORMS	\$905.89
	Invoice		Date	Description		Amount
	39026		02/07/2017	Uniform for Damsen		\$140.29
	39170		02/13/2017	Uniform for Sandretti		\$237.08
	39171		02/13/2017	Uniform for Moreno		\$394.76
	39422		02/27/2017	Uniform for Quolas		\$133.76
86111	03/17/2017	Open			T MOBILE	\$2,937.13
	Invoice		Date	Description		Amount
	TM022817		02/28/2017	Monthly cell phone usage		\$2,937.13
86112	03/17/2017	Open			TYLER TECHNOLOGIES	\$2,555.35
	Invoice		Date	Description		Amount
	045-182597		02/16/2017	New World analytics implementation and training		\$2,550.00
	045-183008		02/23/2017	New World analytics training mileage		\$5.35
86113	03/17/2017	Open			UNITED STATES POSTAL SERVICE	\$225.00
	Invoice		Date	Description		Amount
	permit7013		02/20/2017	Bulk permit 7013 annual fee 2210 - ISF - Stores Fund		\$225.00
86114	03/17/2017	Open			VICTORIA M JOHNSON	\$139.75
	Invoice		Date	Description		Amount
	Johnson031017		03/10/2017	Early Spring Instructor Payment 2017		\$139.75
86115	03/17/2017	Open			WELLS FARGO BANK	\$8,145.00
	Invoice		Date	Description		Amount
	WF030217		03/02/2017	Monthly credit card purchases		\$8,145.00
				Purchases over \$500 threshold:		
				Ford F250 repairs	\$1,468.69	
				Dell computer	\$1,084.40	
				PD refrigerator	\$1,319.31	
				internal hard drives	\$ 728.64	
				1000 - General Fund		\$3,647.43
				1300 - SLESF - Supl Law Enfc		\$1,851.19
				1313 - General Plan Update and Maint		\$26.00
				2210 - ISF - Stores Fund		\$24.95
				2211 - ISF - Information Technology		\$2,595.43
86116	03/17/2017	Open			WESTERN EXTERMINATOR COMPANY	\$109.00
	Invoice		Date	Description		Amount
	4906753		02/28/2017	City Hall - rodent control		\$54.50
	4911383		02/28/2017	Turnouts - rodent control		\$54.50

City Checks Issued 03/17/2017

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
86117	03/17/2017	Open			ZEE MEDICAL SERVICE CO.	\$56.79
	Invoice		Date	Description		Amount
	66607639		03/08/2017	Medical supplies 2210 - ISF - Stores Fund		\$56.79
86118	03/17/2017	Open			Coastal Creations c/o Adam Barnardi	\$213.00
	Invoice		Date	Description		Amount
	16-202		03/09/2017	Permit deposit refund 231 Esplanade deck design		\$213.00
86119	03/17/2017	Open			David Boles	\$121.00
	Invoice		Date	Description		Amount
	2002867.002		03/08/2017	Refund of Jr. Guard and Camp NR fees		\$121.00
86120	03/17/2017	Open			David Kraemer	\$136.00
	Invoice		Date	Description		Amount
	16-212		03/09/2017	Deposit refund 502 Pine St. condo conversion		\$136.00
86121	03/17/2017	Open			Frank Pieper	\$495.85
	Invoice		Date	Description		Amount
	17-010		03/09/2017	Tree deposit refund		\$495.85
86122	03/17/2017	Open			Helia Marie Carvalho	\$41.00
	Invoice		Date	Description		Amount
	Carvalho030817		03/08/2017	Citation refund #188126601		\$41.00
86123	03/17/2017	Open			Howard Allen	\$513.00
	Invoice		Date	Description		Amount
	16-214		03/09/2017	Tree deposit refund		\$513.00
86124	03/17/2017	Open			Loretta Souza	\$36.00
	Invoice		Date	Description		Amount
	Souza030817		03/08/2017	Citation refund #199124401		\$36.00
86125	03/17/2017	Open			Mario Bena	\$0.60
	Invoice		Date	Description		Amount
	16-165		03/09/2017	Deposit refund 501 Bay Ave. historic determination		\$0.60
86126	03/17/2017	Open			Mark Kane	\$1,231.00
	Invoice		Date	Description		Amount
	16-026		03/09/2017	Deposit refund 109 Central Ave.		\$1,231.00
86127	03/17/2017	Open			Santa Cruz Property Management Co.	\$1,593.00
	Invoice		Date	Description		Amount
	16-219		03/09/2017	Deposit refund 1240 41st Ave.		\$1,593.00
86128	03/17/2017	Open			Steve Allen	\$56.20
	Invoice		Date	Description		Amount
	16-099		03/09/2017	Deposit refund 1500 Wharf Rd.		\$56.20

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/17/2017

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
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86129	03/17/2017	Open			Valerie Mojeiko	\$500.00
	Invoice		Date	Description		Amount
	0202		03/04/2017	Art and culture retreat facilitation		\$500.00

Type Check Totals: \$127,973.48

EFT

414	03/13/2017	Open			WELLS FARGO BANK	\$653.56
	Invoice		Date	Description		Amount
	WF031317		03/13/2017	March client analysis charges		\$653.56

Type EFT Totals: \$653.56

Library Account

Check

14	03/17/2017	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$1,116.50
	Invoice		Date	Description		Amount
	8961126		02/28/2017	Capitola Branch Library Traffic & Parking Study 1360 - Library Fund		\$1,116.50

Type Check Totals: \$1,116.50

CITY - Main City Totals

	Counts:	Totals:
Checks	55	\$127,973.48
EFTs	1	\$653.56
All	56	\$128,627.04

Library Account Totals

Checks	1	\$1,116.50
EFTs	0	\$0.00
All	1	\$1,116.50

WELLS - Payroll Totals

Checks	5	\$3,097.91
EFTs	97	\$144,782.77
All	102	\$147,880.68

Grand Totals:

Checks	61	\$132,187.89
EFTs	98	\$145,436.33
All	159	\$277,624.22

Attachment: 03-17-17 City Check Register (1820 : Approval of City Check Registers)


City accounts payable checks dated 3/24/2017, numbered 86130 to 86189 and 6 EFTs, totaling \$513,261.65, plus 1 Library account check totaling \$27,490, for a grand total of \$540,751.65, have been reviewed and authorized for distribution by the City Manager.

As of 3/24/2017, the unaudited cash balance is \$4,479,219.03.

CASH POSITION - CITY OF CAPITOLA 03/24/17

	<u>Net Balance</u>
General Fund	\$1,052,680.94
Payroll Payables	\$19,380.82
Contingency Reserve Fund	\$1,898,345.66
Facilities Reserve Fund	\$284,870.00
Capital Improvement Fund	\$609,185.58
Stores Fund	\$21,762.17
Information Technology Fund	\$110,679.23
Equipment Replacement	\$129,794.88
Self Insurance Liability Fund	\$198,526.70
Worker's Comp. Ins. Fund	\$120,588.79
Compensated Absences Fund	\$33,404.26
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$4,479,219.03</u>

The Emergency Reserve Fund Balance is \$1,269,705.54 (not included above).
The PERS Contingency Fund Balance is \$300,000.00 (not included above).



Jamie Goldstein, City Manager

3/24/17

Date



Peter Wilk, City Treasurer

3/28/17

Date

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86130	03/24/2017 Invoice 100142	Open	03/16/2017	Pump track soil stabilizer and application	ACTION SPORTS CONSTRUCTION	\$2,000.00	\$2,000.00
86131	03/24/2017 Invoice 1963	Open	03/01/2017	CDBG admin and reporting 1350 - CDBG Grants	ADAMS ASHBY GROUP INC	\$600.00	\$600.00
86132	03/24/2017 Invoice 134013	Open	03/15/2017	Pumping water & oil from elevator shaft, dispose of debris	ADVANCED CHEMICAL TRANSPORT INC.	\$2,084.94	\$2,084.94
86133	03/24/2017 Invoice 00000210	Open	03/06/2017	Annual website hosting, maintenance & support 2211 - ISF - Information Technology	AHA CONSULTING INC.	\$2,400.00	\$2,400.00
86134	03/24/2017 Invoice 40533	Open	03/09/2017	Firewall replacement 2211 - ISF - Information Technology	ALVAREZ TECHNOLOGY GROUP INC	\$2,690.42	\$2,690.42
86135	03/24/2017 Invoice 1604-03	Open	12/13/2016	Stockton Ave. & Esplanade intersection improvements 1200 - Capital Improvement Fund	ANDERSON PACIFIC ENGINEERING CONSTRUCTION	\$119,317.06	\$119,317.06
86136	03/24/2017 Invoice ATT030117	Open	03/01/2017	Monthly long distance charges 1000 - General Fund 2211 - ISF - Information Tech	AT&T	\$9.12	\$9.12
86137	03/24/2017 Invoice ABCK030117	Open	02/28/2017	February legal services	ATCHISON BARISONE CONDOTTI & KOVACEVICH	\$13,153.22	\$13,153.22
86138	03/24/2017 Invoice 0343932-IN	Open	03/13/2017	Barricades, cones, and signs	BAY AREA BARRICADE SERVICE INC.	\$1,908.70	\$1,908.70
86139	03/24/2017 Invoice 0352455 0352661	Open	03/09/2017 03/20/2017	1999 Ford Ranger tie rod issue identified 2011 Tahoe throttle body assembly replacement and test	BOBBY'S PIT STOP INC.	\$60.00 \$852.44	\$912.44
86140	03/24/2017 Invoice POA031717	Open	03/17/2017	POA dues and gym fees 1001 - Payroll Payables	CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,571.25	\$1,571.25

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86141	03/24/2017 Invoice 2136	Open			CAPITOLA-SOQUEL CHAMBER OF COMMERCE		\$7,500.00
			Date	Description		Amount	
			03/15/2017	April - June contract payment		\$7,500.00	
86142	03/24/2017 Invoice 103250/1 103323/1	Open			CENTRAL HOME SUPPLY		\$182.10
			Date	Description		Amount	
			03/16/2017	Wattle - Riverview		\$72.91	
			03/20/2017	Wattle & stakes		\$109.36	
86143	03/24/2017 Invoice 17530	Open			CLEAN BUILDING MAINTENANCE CO.		\$3,719.13
			Date	Description		Amount	
			02/28/2017	February cleaning fees		\$3,719.13	
				1000 - General Fund	\$3,453.63		
				1311 - Wharf Fund	\$265.50		
86144	03/24/2017 Invoice CSW022817	Open			CRYSTAL SPRINGS WATER CO.		\$316.78
			Date	Description		Amount	
			02/28/2017	Monthly Drinking Water		\$316.78	
86145	03/24/2017 Invoice 2166	Open			EARTHWORKS PAVING CONTRACTORS INC		\$75,557.29
			Date	Description		Amount	
			09/23/2016	McGregor Park final progress payment		\$75,557.29	
				1200 - Capital Improvement Fund			
86146	03/24/2017 Invoice 11316	Open			ELEVATOR SERVICE COMPANY INC.		\$221.25
			Date	Description		Amount	
			03/16/2017	Elevator maintenance		\$221.25	
86147	03/24/2017 Invoice 6713	Open			EMERGENCY VEHICLE SPECIALISTS INC.		\$2,373.96
			Date	Description		Amount	
			03/07/2017	2017 Toyota Highlander equipment add-ons		\$2,373.96	
				1300 - SLESF - Supl Law Enfc			
86148	03/24/2017 Invoice 2913539 2913540 2920454 2927545 2936942 2936943	Open			EWING IRRIGATION		\$955.10
			Date	Description		Amount	
			03/09/2017	Irrigation supplies		\$140.14	
			03/09/2017	Irrigation supplies		\$162.84	
			03/10/2017	Irrigation supplies		\$107.19	
			03/11/2017	Irrigation supplies		\$29.88	
			03/14/2017	Irrigation supplies		\$142.62	
			03/14/2017	Weed block fabric, staples, shovel		\$372.69	
86149	03/24/2017 Invoice 006005	Open			EXTREME TOWING		\$200.00
			Date	Description		Amount	
			03/07/2017	2008 Ford F450 tow		\$200.00	
86150	03/24/2017 Invoice 5-710-70331	Open			FEDERAL EXPRESS		\$78.25
			Date	Description		Amount	
			02/17/2017	Document deliveries		\$78.25	
				1000 - General Fund	\$51.00		
				1350 - CDBG Grants	\$27.25		

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transacti Amou
86151	03/24/2017	Open			FIRST ALARM SECURITY & PATROL INC.	\$225.00
	Invoice		Date	Description		Amount
	303941		03/16/2017	Quarterly monitoring for evidence room		\$225.39
86152	03/24/2017	Open			FLYERS ENERGY LLC	\$4,583.00
	Invoice		Date	Description		Amount
	17-424173		03/03/2017	129 gallons diesel		\$366.01
	17-424170		03/03/2017	832 gallons ethanol		\$2,547.27
	17-427521		03/09/2017	170 gallons diesel		\$474.33
	17-427517		03/09/2017	400 gallons ethanol		\$1,195.58
86153	03/24/2017	Open			GLOBAL ENVIRONMENTAL PRODUCTS INC	\$2,121.00
	Invoice		Date	Description		Amount
	636632		03/02/2017	Sweeper parts		\$1,503.07
	636891		03/20/2017	Sweeper parts 1310 - Gas Tax Fund		\$618.68
86154	03/24/2017	Open			HOUSING AUTHORITY OF SCC	\$4,082.00
	Invoice		Date	Description		Amount
	17-8CDBG		03/08/2017	CDBG housing rehab. & homeownership assistance		\$3,221.35
	17-8CSD		03/08/2017	February security deposit program 1350 - CDBG Grants 5552 - Cap Hsg Succ- Program	\$3,221.35 \$861.00	\$861.00
86155	03/24/2017	Open			ICMA RETIREMENT TRUST 457	\$20,922.40
	Invoice		Date	Description		Amount
	41356180		03/17/2017	457 contributions PPE 03-11-17 1001 - Payroll Payables		\$20,922.40
86156	03/24/2017	Open			JIM CLARK	\$578.41
	Invoice		Date	Description		Amount
	31617		03/16/2017	Backflow tests		\$578.41
86157	03/24/2017	Open			JOHN'S ELECTRIC MOTOR SERVICE	\$118.87
	Invoice		Date	Description		Amount
	14196		02/10/2017	Pump repair		\$118.87
86158	03/24/2017	Open			KBA Docusys Inc.	\$583.42
	Invoice		Date	Description		Amount
	INV521205		03/01/2017	Copier usage charges		\$124.69
	INV521206		03/01/2017	Copier usage charges		\$369.14
	INV525481		03/13/2017	Copier usage charges		\$52.99
	INV521992		03/02/2017	Recreation copier usage charges 1000 - General Fund 2211 - ISF - Information Tech	\$36.42 \$36.42	\$36.42
86159	03/24/2017	Open			LABORMAX STAFFING	\$993.46
	Invoice		Date	Description		Amount
	26-74427		03/17/2017	Seasonal labor		\$993.46

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86160	03/24/2017	Open			LEAGUE OF CALIFORNIA CITIES		\$200.00
	Invoice		Date	Description		Amount	
	103572		03/14/2017	2017 local streets & roads needs assessment		\$200.00	
86161	03/24/2017	Open			LIEBERT CASSIDY WHITMORE		\$1,363.00
	Invoice		Date	Description		Amount	
	1436027		02/28/2017	FLSA compliance review		\$1,363.00	
86162	03/24/2017	Open			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA		\$2,230.15
	Invoice		Date	Description		Amount	
	CIGNA031717		03/01/2017	March LTD, STD, Life, AD&D insurance		\$2,230.15	
				1000 - General Fund	(\$9.98)		
				1001 - Payroll Payables	\$2,240.13		
86163	03/24/2017	Open			MARK GONZALEZ		\$169.00
	Invoice		Date	Description		Amount	
	031917		03/19/2017	Food reimbursement for incident 17c-00565		\$169.00	
86164	03/24/2017	Open			MARQUART MUSEUM CONSULTING		\$2,160.00
	Invoice		Date	Description		Amount	
	06-01-20170301		03/01/2017	Museum archiving		\$2,160.00	
86165	03/24/2017	Open			METROPOLITAN TRANSPORTATION COMMISSION		\$1,500.00
	Invoice		Date	Description		Amount	
	4926-AR10357		03/15/2017	StreetSaver Annual subscription		\$1,500.00	
				1310 - Gas Tax Fund			
86166	03/24/2017	Open			MISSION PRINTERS		\$95.38
	Invoice		Date	Description		Amount	
	54661		03/14/2017	Business cards for Ed Bottorff		\$95.38	
				2210 - ISF - Stores Fund			
86167	03/24/2017	Open			NICHOLS CONSULTING ENGINEERS CHTD		\$59,436.00
	Invoice		Date	Description		Amount	
	303055508		09/20/2016	Pavement management program		\$56,300.00	
	303055509		10/18/2016	Pavement management program		\$1,680.00	
	303055511		12/14/2016	Pavement management program		\$1,456.00	
				1200 - Capital Improvement Fund			
86168	03/24/2017	Open			NORTH BAY FORD		\$140.00
	Invoice		Date	Description		Amount	
	315339		03/08/2017	2008 Ford F450 fuse replacement		\$140.00	
86169	03/24/2017	Open			OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR		\$145.24
	Invoice		Date	Description		Amount	
	20616		03/21/2017	Alternator		\$145.24	

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86170	03/24/2017	Open			PALACE OFFICE SUPPLIES		\$597.4
	Invoice		Date	Description		Amount	
	416491-0		03/17/2017	Office supplies		\$165.97	
	415787-0		03/14/2017	Envelopes		\$119.71	
	416626-0		03/20/2017	Paper		\$152.95	
	416604-0		03/20/2017	Letter index		\$12.99	
	416988-0		03/21/2017	Office supplies		\$103.53	
	416632-0		03/20/2017	Office supplies		\$14.97	
	9370082-0		03/21/2017	Museum supplies		\$27.37	
				1000 - General Fund	\$313.05		
				2210 - ISF - Stores Fund	\$284.44		
86171	03/24/2017	Open			PHILLIPS PET FOOD & SUPPLIES		\$508.34
	Invoice		Date	Description		Amount	
	30136790		03/08/2017	K-9 supplies		\$508.34	
86172	03/24/2017	Open			PHOENIX GROUP INFORMATION SYSTEMS		\$1,314.71
	Invoice		Date	Description		Amount	
	022017070		03/15/2017	February citation processing		\$1,314.71	
86173	03/24/2017	Open			PITNEY BOWES		\$3,304.16
	Invoice		Date	Description		Amount	
	PB031917		03/19/2017	Postage machine rental & refill		\$3,304.16	
				2210 - ISF - Stores Fund			
86174	03/24/2017	Open			PUBLIC PARKING ASSOCIATES		\$4,432.42
	Invoice		Date	Description		Amount	
	2017-0304		03/17/2017	5 MacKay parking meters, housing, hardware		\$4,432.42	
86175	03/24/2017	Open			ROSS RECREATION EQUIP CO INC.		\$341.50
	Invoice		Date	Description		Amount	
	99974		12/12/2016	Swings		\$341.50	
86176	03/24/2017	Open			SANTA CRUZ COUNTY ANIMAL SHELTER		\$5,500.00
	Invoice		Date	Description		Amount	
	16/17-4		03/16/2017	Quarterly animal services		\$5,500.00	
86177	03/24/2017	Open			SERVPRO OF SANTA CRUZ		\$177.68
	Invoice		Date	Description		Amount	
	5469		03/07/2017	Biohazard vehicle cleanup		\$177.68	
86178	03/24/2017	Open			STAPLES ADVANTAGE		\$66.56
	Invoice		Date	Description		Amount	
	8043425422		03/04/2017	Office supplies		\$66.56	
86179	03/24/2017	Open			SZS CONSULTING GROUP		\$11,275.80
	Invoice		Date	Description		Amount	
	1		03/16/2017	Review and Update of the ADA Self-Evaluation and Transition Plan		\$11,275.80	
				1200 - Capital Improvement Fund			

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/24/2017

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86180	03/24/2017	Open			TARGET SPECIALTY PRODUCTS		\$553.27
	Invoice		Date	Description		Amount	
	PI0601447		03/13/2017	Pesticide supplies		\$553.27	
86181	03/24/2017	Open			The LightHouse		\$106.32
	Invoice		Date	Description		Amount	
	0322952		03/01/2017	Sockets, plugs		\$106.32	
86182	03/24/2017	Open			ULINE		\$189.90
	Invoice		Date	Description		Amount	
	85189903		03/14/2017	Tubes for holding evidence		\$189.90	
86183	03/24/2017	Open			UNITED PARCEL SERVICE		\$6.90
	Invoice		Date	Description		Amount	
	0000954791117		03/18/2017	Shipping charges		\$6.90	
86184	03/24/2017	Open			UNITED WAY OF SANTA CRUZ COUNTY		\$30.00
	Invoice		Date	Description		Amount	
	UW031717		03/17/2017	March United Way contributions 1001 - Payroll Payables		\$30.00	
86185	03/24/2017	Open			UPEC LIUNA LOCAL 792		\$1,274.00
	Invoice		Date	Description		Amount	
	991		03/17/2017	March UPEC dues PPE 03-11-17 1001 - Payroll Payables		\$1,274.00	
86186	03/24/2017	Open			US BANCORP EQUIPMENT FINANCE INC.		\$810.36
	Invoice		Date	Description		Amount	
	325811008		02/28/2017	Copier leases		\$810.36	
				1000 - General Fund	\$382.97		
				2210 - ISF - Stores Fund	\$427.39		
86187	03/24/2017	Open			US BANK PARS		\$361.76
	Invoice		Date	Description		Amount	
	PARS031717		03/17/2017	PARS contributions PPE 03-11-17 1001 - Payroll Payables		\$361.76	
86188	03/24/2017	Open			ZEE MEDICAL SERVICE CO.		\$101.12
	Invoice		Date	Description		Amount	
	66607638		03/08/2017	Medical supplies		\$101.12	
86189	03/24/2017	Open			HomeAgain		\$19.99
	Invoice		Date	Description		Amount	
	HomeAgain032017		03/20/2017	K-9 Kato microchip renewal 2017		\$19.99	
Type Check Totals:							\$370,371.12

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transacti Amou
EFT						
415	03/21/2017	Open			CalPERS Health Insurance	\$61,365.1
	Invoice		Date	Description		Amount
	1000835108		03/14/2017	April health insurance		\$61,365.56
				1000 - General Fund	\$2,141.02	
				1001 - Payroll Payables	\$59,224.54	
416	03/21/2017	Open			CalPERS Member Services Division	\$47,767.1
	Invoice		Date	Description		Amount
	1000835097-100		03/21/2017	PERS contributions PPE 03-11-17		\$47,767.91
				1000 - General Fund	(\$0.33)	
				1001 - Payroll Payables	\$47,768.24	
417	03/21/2017	Open			EMPLOYMENT DEVELOPMENT DEPT	\$6,162.1
	Invoice		Date	Description		Amount
	0-367-711-616		03/21/2017	State taxes PPE 03-11-17		\$6,162.87
				1001 - Payroll Payables		
418	03/21/2017	Open			INTERNAL REVENUE SERVICE	\$26,332.1
	Invoice		Date	Description		Amount
	35733793		03/21/2017	Federal tax and Medicare PPE 03-11-17		\$26,332.42
				1001 - Payroll Payables		
419	03/20/2017	Open			STATE DISBURSEMENT UNIT	\$1,117.1
	Invoice		Date	Description		Amount
	MM78E996657		03/20/2017	Garnishments PPE 03-11-17		\$1,117.84
				1001 - Payroll Payables		
420	03/24/2017	Open			DISCOVERY BENEFITS	\$143.1
	Invoice		Date	Description		Amount
	0000734249-IN		03/24/2017	February COBRA and FSA		\$143.50
Type EFT Totals:						\$142,890.1

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

Library - Library						
Check	Invoice	Status	Date	Description	Payee Name	Amount
15	03/24/2017	Open			NOLL AND TAM ARCHITECTS	\$27,490.1
	Invoice		Date	Description		Amount
	0057164		02/28/2017	February library schematic design services		\$27,490.00
				1360 - Library Fund		
Type Check Totals:						\$27,490.1

City Checks Issued 03/24/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
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	Counts:	Total
CITY - Main City Totals		
Checks	60	\$370,371.00
EFTs	6	\$142,890.00
All	66	\$513,261.00
Library - Library Totals		
Checks	1	\$27,490.00
EFTs	0	\$0.00
All	1	\$27,490.00
Grand Totals:		
Checks	61	\$397,861.00
EFTs	6	\$142,890.00
All	67	\$540,751.00

Attachment: 03-24-17 City Check Register (1820 : Approval of City Check Registers)

City accounts payable checks dated 3/31/2017, numbered 86190 to 86260 and 1 EFTs, totaling \$91,871.08, plus 6 Payroll account checks and 91 Payroll efts, totaling \$158,814.27, for a grand total of \$250,685.35, have been reviewed and authorized for distribution by the City Manager.

As of 3/31/2017, the unaudited cash balance is \$4,192,412.67.

CASH POSITION - CITY OF CAPITOLA 03/31/17

	<u>Net Balance</u>
General Fund	\$681,778.94
Payroll Payables	\$106,923.30
Contingency Reserve Fund	\$1,898,345.66
Facilities Reserve Fund	\$284,870.00
Capital Improvement Fund	\$606,126.58
Stores Fund	\$21,631.48
Information Technology Fund	\$110,422.08
Equipment Replacement	\$129,794.88
Self Insurance Liability Fund	\$198,526.70
Worker's Comp. Ins. Fund	\$120,588.79
Compensated Absences Fund	\$33,404.26
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$4,192,412.67</u>

The Emergency Reserve Fund Balance is \$1,269,705.54 (not included above).
The PERS Contingency Fund Balance is \$300,000.00 (not included above).



Jamie Goldstein, City Manager

3.31.17

Date



Peter Wilk, City Treasurer

4/3/17

Date

Attachment: 03-31-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/31/2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
86190	03/31/2017	Open			ADRIENNE HARRELL		\$1,053.00
	Invoice		Date	Description		Amount	
	2017-00000751		03/27/2017	Early Spring Instructor Payments 2017		\$1,053.00	
86191	03/31/2017	Open			AIMEE FITZGERALD		\$371.80
	Invoice		Date	Description		Amount	
	2017-00000748		03/27/2017	Early Spring Instructor Payments 2017		\$371.80	
86192	03/31/2017	Open			ALLSAFE LOCK COMPANY		\$51.15
	Invoice		Date	Description		Amount	
	49332		03/24/2017	Keys		\$51.15	
86193	03/31/2017	Open			ANA LUCIA DAVIDSON		\$83.85
	Invoice		Date	Description		Amount	
	2017-00000741		03/27/2017	Early Spring Instructor Payments 2017		\$83.85	
86194	03/31/2017	Open			ARACELLY BIBL		\$102.70
	Invoice		Date	Description		Amount	
	2017-00000737		03/27/2017	Early Spring Instructor Payments 2017		\$102.70	
86195	03/31/2017	Open			AUTOMATION TEST ASSOCIATES		\$40.00
	Invoice		Date	Description		Amount	
	44749		03/22/2017	Wharf meter reading & utility billing 1311 - Wharf Fund		\$40.00	
86196	03/31/2017	Open			B & B SMALL ENGINE REPAIR		\$7.99
	Invoice		Date	Description		Amount	
	369387		03/27/2017	Filler cap		\$7.99	
86197	03/31/2017	Open			BEAR ELECTRICAL SOLUTIONS INC.		\$4,443.50
	Invoice		Date	Description		Amount	
	4453		02/28/2017	February traffic signal maintenance - routine		\$616.00	
	4452		02/28/2017	February traffic signal maintenance - response 1310 - Gas Tax Fund		\$3,827.50	
86198	03/31/2017	Open			BECKY ADAMS		\$332.80
	Invoice		Date	Description		Amount	
	2017-00000735		03/27/2017	Early Spring Instructor Payments 2017		\$332.80	
86199	03/31/2017	Open			BSN SPORTS LLC		\$48.43
	Invoice		Date	Description		Amount	
	98827930		03/09/2017	Sports supplies		\$35.58	
	98837545		03/13/2017	Sports supplies		\$12.98	
86200	03/31/2017	Open			C&N TRACTORS		\$1,261.50
	Invoice		Date	Description		Amount	
	85833W		03/27/2017	Tractor teeth		\$1,261.50	

Attachment: 03-31-17 City Check Register (1820 : Approval of City Check Registers)

City Checks Issued 03/31/2017

Invoice	Date	Description	Amount	
86201	03/31/2017	Open	CALIFORNIA COAST UNIFORM COMPANY	\$253.1
5233	03/23/2017	LED flashlight	\$245.16	
5228	03/20/2017	Tailoring for Evans uniform	\$8.00	
86202	03/31/2017	Open	CALIFORNIA LAW ENFORCEMENT ASSOCIATION	\$514.5
032017	03/20/2017	April POA long term disability insurance 1001 - Payroll Payables	\$514.50	
86203	03/31/2017	Open	CHARMAINE MONIZ	\$35.1
2017-00000760	03/27/2017	Early Spring Instructor Payments 2017	\$35.10	
86204	03/31/2017	Open	CHERYL PETERSON	\$204.7
2017-00000762	03/27/2017	Early Spring Instructor Payments 2017	\$204.75	
86205	03/31/2017	Open	CHUCK DICKS	\$148.2
2017-00000742	03/27/2017	Early Spring Instructor Payments 2017	\$148.20	
86206	03/31/2017	Open	CLASSIFIED SOUND	\$1,500.0
161209-25A1B	03/24/2017	BIA holiday event sound system 1321 - BIA - Capitola Village-Wharf BIA	\$1,500.00	
86207	03/31/2017	Open	COMMUNITY PRINTERS	\$729.9
17721011	03/17/2017	FI cards	\$326.72	
17720011	03/17/2017	Yellow tags	\$403.18	
86208	03/31/2017	Open	CPS	\$473.0
SOP43742	03/24/2017	Maintenance worker employment test	\$473.00	
86209	03/31/2017	Open	DAVID SCOTT COBABE	\$1,795.4
2017-00000740	03/27/2017	Early Spring Instructor Payments 2017	\$1,795.40	
86210	03/31/2017	Open	DAWN MAC LAUGHLIN	\$1,043.2
2017-00000756	03/27/2017	Early Spring Instructor Payments 2017	\$1,043.25	
86211	03/31/2017	Open	EDITH LENI	\$1,456.0
2017-00000755	03/27/2017	Early Spring Instructor Payments 2017	\$1,456.00	

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City Checks Issued 03/31/2017

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Invoice	Date	Description	Amount
86212 03/31/2017 Open EMERGENCY VEHICLE SPECIALISTS INC. \$28,173.3			
6768	03/20/2017	Toyota Tacoma equipment add-ons	\$6,770.71
6767	03/20/2017	Toyota Tacoma equipment add-ons	\$6,770.71
6790	03/24/2017	K-9 vehicle equipment add-ons 1300 - SLESF - Supl Law Enfc	\$14,631.90
86213 03/31/2017 Open ESTELLE DRINKHAUS \$89.7			
2017-00000743	03/27/2017	Early Spring Instructor Payments 2017	\$89.70
86214 03/31/2017 Open EWING IRRIGATION \$101.1			
2951448	03/16/2017	Irrigation supplies	\$29.70
2958863	03/17/2017	Weed fabric and staples	\$71.41
86215 03/31/2017 Open EXTREME TOWING \$200.0			
006174	03/19/2017	Towing services	\$200.00
86216 03/31/2017 Open FBINAA Member Services \$100.0			
Chief033117	03/27/2017	Membership dues for Chief McManus	\$100.00
86217 03/31/2017 Open FERESHTEH FATEMI \$208.0			
2017-00000747	03/27/2017	Early Spring Instructor Payments 2017	\$208.00
86218 03/31/2017 Open FERGUSON ENTERPRISES INC. \$124.9			
5278115	03/14/2017	Plumbing supplies	\$124.90
86219 03/31/2017 Open FIRST ALARM SECURITY & PATROL INC. \$300.0			
528342	03/21/2017	Jade St. park patrol services	\$300.00
86220 03/31/2017 Open FLYERS ENERGY LLC \$3,038.7			
17-436397	03/24/2017	272 gallons of ethanol	\$809.80
17-436398	03/24/2017	214 gallons of diesel	\$595.16
17-431596	03/17/2017	69 gallons of diesel	\$193.19
17-431593	03/17/2017	491 gallons of ethanol	\$1,440.60
86221 03/31/2017 Open GEORGE McMENAMIN \$762.5			
Riparian2017-10	03/28/2017	March riparian restoration services	\$762.50
86222 03/31/2017 Open HANYA FOJACO \$1,790.7			
2017-00000749	03/27/2017	Early Spring Instructor Payments 2017	\$1,790.75

City Checks Issued 03/31/2017

Invoice #	Date	Description	Amount
86223	03/31/2017	HELENA FOX	\$902.20
2017-00000750	03/27/2017	Early Spring Instructor Payments 2017	\$902.20
86224	03/31/2017	HO KUK MU SUL CORPORATION	\$209.95
2017-00000739	03/27/2017	Early Spring Instructor Payments 2017	\$209.95
86225	03/31/2017	HUMBOLDT PETROLEUM LLC	\$6.50
086324	03/15/2017	Vehicle car wash	\$6.50
86226	03/31/2017	JEANI MITCHELL	\$561.60
2017-00000759	03/27/2017	Early Spring Instructor Payments 2017	\$561.60
86227	03/31/2017	JOHANNA WEINSTEIN	\$358.80
2017-00000752	03/27/2017	Early Spring Instructor Payments 2017	\$358.80
86228	03/31/2017	KELLY MOORE PAINT COMPANY INC.	\$215.87
803-00000694284	03/20/2017	Red curb paint	\$215.87
86229	03/31/2017	KIMLEY-HORN AND ASSOCIATES INC.	\$3,059.00
8969173	02/28/2017	Stockton Avenue Bridge Parkway Design 1200 - Capital Improvement Fund	\$3,059.00
86230	03/31/2017	KINGS PAINT AND PAPER INC.	\$74.61
A0249346	03/28/2017	Wharf House paint 1311 - Wharf Fund	\$74.61
86231	03/31/2017	LABORMAX STAFFING	\$1,005.58
26-74734	03/24/2017	Seasonal labor	\$1,005.58
86232	03/31/2017	LLOYDS TIRE SERVICE	\$100.58
306011	03/29/2017	Tire mounting, balancing & disposal	\$100.58
86233	03/31/2017	LORRAINE KINNAMON	\$360.75
2017-00000754	03/27/2017	Early Spring Instructor Payments 2017	\$360.75
86234	03/31/2017	MICHELE FAIA	\$728.00
2017-00000745	03/27/2017	Early Spring Instructor Payments 2017	\$728.00

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City Checks Issued 03/31/2017

Invoice	Date	Description	Amount
86235 03/31/2017 Open PACIFIC GAS & ELECTRIC \$15,450.8			
PGE031517-9	03/15/2017	Monthly utilities	\$14,815.57
PGE031517-5	03/15/2017	Pac cove parking lot electricity	\$624.72
PGE031417-0	03/14/2017	Wharf Road Rispin Mansion electricity	\$10.51
		1000 - General Fund	\$5,472.65
		1300 - SLESF - Supl Law Enfc	\$294.07
		1310 - Gas Tax Fund	\$7,628.21
		1311 - Wharf Fund	\$2,055.87
86236 03/31/2017 Open PALACE OFFICE SUPPLIES \$177.2			
9370381-0	03/22/2017	Office supplies	\$6.09
9370432-0	03/22/2017	Office supplies	\$2.40
417798-0	03/27/2017	Office supplies	\$25.19
417874-0	03/27/2017	Office supplies	\$12.89
417713-0	03/27/2017	Office supplies	\$60.46
417679-0	03/24/2017	Office supplies	\$11.06
417680-0	03/28/2017	Council member name plate	\$12.59
9372269-0	03/28/2017	Office supplies	\$4.10
9372096-0	03/28/2017	Certificate holders	\$42.48
		1000 - General Fund	\$46.57
		2210 - ISF - Stores Fund	\$130.69
86237 03/31/2017 Open PAT EVANS \$148.2			
2017-00000744	03/27/2017	Early Spring Instructor Payments 2017	\$148.20
86238 03/31/2017 Open PAULA BLISS \$533.0			
2017-00000738	03/27/2017	Early Spring Instructor Payments 2017	\$533.00
86239 03/31/2017 Open Paula Yoshiko Suzuki \$291.2			
2017-00000765	03/27/2017	Early Spring Instructor Payments 2017	\$291.20
86240 03/31/2017 Open RAVI KEN LAMB \$462.1			
2017-00000764	03/27/2017	Early Spring Instructor Payments 2017	\$462.15
86241 03/31/2017 Open SANDY MARRUJO \$846.3			
2017-00000757	03/27/2017	Early Spring Instructor Payments 2017	\$846.30
86242 03/31/2017 Open SHERRI BETZ \$5,464.4			
2017-00000736	03/27/2017	Early Spring Instructor Payments 2017	\$5,464.48
86243 03/31/2017 Open SOQUEL HEARING AID CENTER \$152.2			
Gonzalez032717	03/29/2017	Gonzalez radio adapter and electronics	\$152.23

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City Checks Issued 03/31/2017

Invoice Number	Date	Description	Amount
86244	03/31/2017	Open	STATE STEEL COMPANY
Invoice 123484	03/24/2017	Steel plates	\$159.12
86245	03/31/2017	Open	SUELLEN MCCUTCHEN
Invoice 2017-00000758	03/27/2017	Early Spring Instructor Payments 2017	\$143.00
86246	03/31/2017	Open	SUMMIT UNIFORMS
Invoice 39641	03/09/2017	Vest for Mitchell	\$868.91
86247	03/31/2017	Open	SUPPLYWORKS
Invoice 395268360	03/21/2017	Cleaning supplies	\$1,300.85
86248	03/31/2017	Open	TARGET SPECIALTY PRODUCTS
Invoice PI0603570	03/17/2017	Fertilizer	\$967.40
86249	03/31/2017	Open	TOM HELD
Invoice 032417	03/24/2017	Education reimbursement	\$870.00
86250	03/31/2017	Open	TRENISE POT
Invoice 2017-00000763	03/27/2017	Early Spring Instructor Payments 2017	\$2,361.45
86251	03/31/2017	Open	VICTORIA M JOHNSON
Invoice 2017-00000753	03/27/2017	Early Spring Instructor Payments 2017	\$286.00
86252	03/31/2017	Open	YOSHIE MORRISSEY
Invoice 2017-00000761	03/27/2017	Early Spring Instructor Payments 2017	\$227.50
86253	03/31/2017	Open	2017 CA-LEEDS Seminar
Invoice 051117sloma	03/27/2017	Training for Sgt. Sloma	\$450.00
86254	03/31/2017	Open	2017 CA-Leeds Seminar
Invoice 051117held	03/27/2017	Capt. Held training	\$450.00
86255	03/31/2017	Open	Benjamin Strock
Invoice 16-132	03/28/2017	1810 Wharf Rd. historic review deposit refund	\$220.90
86256	03/31/2017	Open	David Peyton
Invoice 032817	03/28/2017	Museum exhibit refreshments reimbursement	\$15.60

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City Checks Issued 03/31/2017

86257	03/31/2017	Open		National Training Concepts Inc.		\$554.00
	Invoice	Date	Description		Amount	
	042917	03/27/2017	Less Lethal instructor's course Zamora & Sandretti		\$554.00	
86258	03/31/2017	Open		Shadowbrook Restaurant		\$606.00
	Invoice	Date	Description		Amount	
	031317	03/13/2017	BIA advertising 1321 - BIA - Capitola Village-Wharf BIA		\$606.00	
86259	03/31/2017	Open		CAPITOLA SEASHELLS		\$100.00
	Licensee Type: Business		Licensing refund			
	Licensee Number: 525		Transaction Type: Pre-Payment			
86260	3/31/2017	Open		BRASILIA BIKINIS		\$85.00
	Licensee Type: Business		Licensing refund			
	Licensee Number: 525		Transaction Type: Pre-Payment			

Type Check Totals: \$91,613.9

<u>EFT</u>						
421	03/31/2017	Open		ADP LLC		\$257.15
	Invoice	Date	Description		Amount	
	490645229	03/24/2017	ez Labor processing charges 2211 - ISF - Information Technology		\$257.15	

Type EFT Totals: \$257.1

CITY - Main City Totals	Counts:	Total:
Checks	70	\$91,613.9
EFTs	1	\$257.1
All	71	\$91,871.0
WELLS - Payroll Totals		
Checks	6	\$3,210.7
EFTs	91	\$155,603.5
All	97	\$158,814.2
Grand Totals:		
Checks	76	\$94,824.6
EFTs	92	\$155,860.7
All	168	\$250,685.3

Attachment: 03-31-17 City Check Register (1820 : Approval of City Check Registers)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: City Manager Department
SUBJECT: Contract for Plein Air Event Coordinator

RECOMMENDED ACTION: Approve \$3,000 contract for 2017 Plein Air event coordinator.

BACKGROUND: The Capitola Art and Cultural Commission approved a "plein air" painting event in 2015. The event consists of artists painting and creating their artwork around Capitola and culminates with awards, exhibitions, and sales of the artwork. In 2016, the event expanded in size and scale, and was moved from Jade Street Community Center to New Brighton Middle School. The event was run by the Art and Cultural Commission and other volunteers in 2015 and 2016.

In Fiscal Years 2015/2016 and 2016/2017, the City Council approved \$3,500 of general fund money for the event. In addition, the City purchased the first- and second-place professional winners' artwork from the public art fund. These pieces have become part of the City's permanent collection.

DISCUSSION: In 2015 and 2016, the Art and Cultural Commission created a committee to coordinate and run the event. Commissioner Jenny Shelton served as the chair of the committee both years. At the end of 2016, commissioner Shelton termed off the commission.

Due to the amount of coordination and project management work the event requires, and Ms. Shelton's experience coordinating the event, the Art and Cultural Commission is recommending a contract with Ms. Shelton to coordinate the event in 2017. The Commission believes this is an important and growing event and Ms. Shelton has the knowledge and the background to run the event successfully.

The revenue from sponsorship and art sales commissions increased from \$2,000 in 2015 to approximately \$8,000 in 2016 and it is anticipated to grow in 2017.

Ms. Shelton has estimated it will take approximately 200 hours to coordinate the Plein Air Event, including the management, marketing, and organizing of the event as well as time during the event.

FISCAL IMPACT: The proposed contract for the 2017 Plein Air coordinator is \$3,000. The Fiscal Year 2016/2017 expense will be \$1,000, which can be paid for from the net proceeds of the 2016 Plein Air Event. The 2017/2018 expense will be \$2,000 which will be offset by revenues from the event.

Contract for Plein Air Event Coordinator
April 27, 2017

ATTACHMENTS:

1. 2017 Plein Air Coordinator Contract

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/20/2017

**CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT**
Plein Air Coordinator
Jenny Shelton

THIS AGREEMENT is entered into on May 1, 2017 by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Jenny Shelton hereinafter called "Consultant".

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

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

**SECTION 1
Scope of Services**

The services to be performed under this Agreement are for Movies at the Beach Coordinator and further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

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

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

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

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

**SECTION 3
Duties of the City**

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

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

SECTION 4

Fees and Payment

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

SECTION 5 Changes in Work

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

SECTION 6 Time of Beginning and Schedule for Completion

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

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

Work shall begin on or about May 1, 2017.

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

SECTION 7 Termination

City shall have the right to terminate this Agreement at any time upon giving ten days written notice to Consultant. Consultant may terminate this Agreement upon written notice to City should the City fail to fulfill its duties as set forth in this Agreement. In the event of termination, City shall pay the Consultant for all services performed and accepted under this Agreement up to the date of termination.

**SECTION 8
Insurance**

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

- 1. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001).
- 2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
- 3. Workers' Compensation insurance as required by the State of California, and Employer's Liability Insurance.
- 4. Professional (Errors and Omissions) Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage shall include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- 1. General Liability: **\$1,000,000** per occurrence and **\$2,000,000** in aggregate (including operations, for bodily injury, personal and property damage, products and completed operations)
- 2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
- 3. Employer's Liability Insurance **\$1,000,000 per accident for bodily injury and property damage.**

Other Insurance Provisions

Attachment: 2017 Plein Air Coordinator Contract (1829 : Contract for Plein Air Event Coordinator)

Professional Services Agreement 4-27-2017
 Coordinator of Plein Air Event
 Jenny Shelton
 Page 4

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Capitola, its officers, officials, employees and volunteers are to be covered as additional insured's as respects: liability arising out of work or operations performed by or on behalf of the Consultant or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled except after prior written notice has been given to the City.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Capitola** for all work performed by the Contractor, its employees, agents and subcontractors.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

SECTION 9 Indemnification

(For Design Professionals as defined in Civil Code section 2782.8: licensed architects, licensed landscape architects, professional engineers, and professional land surveyors):

Consultant agrees to indemnify, defend, and hold harmless the City, its officers, officials, employees, agents and volunteers from and against any and all claims, demands, actions, damages, or judgments, including associated costs of investigation and defense arising in any manner from the negligence, recklessness, or willful misconduct of Consultant, Consultant's employees, agents, or subcontractors in the performance of this agreement. But this indemnity does not apply to liability for damages arising from the sole negligence, active negligence or willful misconduct of the City.

(For Non Design Professionals, such as for construction management services):

Professional Services Agreement 4-27-2017
 Coordinator of Plein Air Event
 Jenny Shelton
 Page 5

Consultant shall hold harmless, defend, and indemnify City and its officers, officials, employees, agents, and volunteers from and against all claims, damages, losses, and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, Consultant's employees, agents or subcontractors, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

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

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

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

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

SECTION 12 **Assignment**

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

SECTION 13 **Amendments**

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

SECTION 14

Miscellaneous Provisions

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

Professional Services Agreement 4-27-2017
Coordinator of Plein Air Event
Jenny Shelton
Page 7

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

CITY

CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
831-475-7300

Jenny Shelton

725 Capitola Avenue #F
Capitola, CA 95010
831-247-9489

By: _____
Larry Laurent, Assistant to the City Manager

By: _____
Jenny Shelton, Coordinator

Dated: _____

Dated: _____

Attachment: 2017 Plein Air Coordinator Contract (1829 : Contract for Plein Air Event Coordinator)

APPENDIX ONE Scope of Services

The Consultant shall perform the duties listed below as Coordinator of the Capitola Plein Air Event.

The duties of the Coordinator are generally as follows:

1. Manage staff and lead subcommittees
 - a. sponsorship team
 - b. volunteer coordinator
 - c. hospitality and logistics
 - d. arts education
 - e. others
2. Plan and hold bi-weekly committee meetings.
3. Recruit volunteers through third party.
4. Create timelines, budgets, and all documents related to the administration of the event.
5. Develop arts education component (or lead subcommittee).
6. Produce communications to artists, sponsors, and public
 - a. Design or commission designs for marketing materials.
 - b. Call to artists
 - c. Advertising artwork/PSAs
 - d. Build and maintain event website.
 - e. Send newsletters and email campaigns
 - f. Respond to artist requests for information.
 - g. Hire poster distribution
 - h. Order ribbons and stamps
 - i. Create event day signs and banners
 - j. Facebook Event and Page campaign.
7. Event Day
 - a. Plan and manage event day logistics:
 - b. manage staff and volunteers.
 - c. Direct event day layout and space planning.
 - d. Work at all event days, as director, artist liaison, and social media producer.
8. Photograph event days and/or hire photographer.
9. Post-event evaluation.

APPENDIX TWO Fees and Payments

For the services performed, the City will pay the Consultant \$3000 for services rendered as the Coordinator of the Capitola Plein Air event. The Consultant shall be paid in three installments. The first payment of \$1000.00 will be paid on May 12, 2017. The second payment of \$1000 will be paid on July 14, 2017 and the final payment of \$1000 will be paid on November 10, 2017, at the completion of the Plein Air event. Approved expenses for the Plein Air event will be reimbursed as they are submitted to the City.

Consultant hereby represents and warrants, based upon Consultant's independent determination of the time and labor, including overtime, which will be required to perform said services that Consultant will provide all said services at a cost which will not exceed the maximum price set forth in this agreement for Consultant's services. Consultant hereby assumes the risk that Consultant will perform said services within this maximum price constraint and Consultant acknowledges that its inability to do so shall not excuse completion of the services and shall not provide a basis for additional compensation.

Salary expenses include the actual direct pay of personnel assigned to the project (except for routine secretarial and account services) plus payroll taxes, insurance, sick leave, holidays, vacation, and other fringe benefits. The use of Consultant's vehicles for travel shall be paid at the current Internal Revenue Service published mileage rate.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: Community Development

SUBJECT: Community Development Block Grant Funded Energy Efficiency Program

RECOMMENDED ACTION: Authorize staff to promote a CDBG-funded energy efficiency grant program for lower income residents.

BACKGROUND: The City of Capitola was awarded a \$500,000 Community Development Block Grant (CDBG) in 2014 to fund its Housing Rehabilitation and Homebuyer Assistance programs. The Housing Rehabilitation Program provides financial support to lower income Capitola residents to make necessary home repairs. The Homebuyer Assistance Program provides funding for lower income persons to purchase a home in Capitola.

DISCUSSION: The City's adopted CDBG Housing Rehabilitation Guidelines (Attachment 1) allow income-eligible households to apply for funding to complete a variety of home improvements, including energy and water efficiency upgrades. The guidelines allow residents to receive a loan up to \$75,000 and a grant up to \$7,500. To date, the City has approved two loans and two grants for housing rehabilitation projects. The City has approximately \$195,000 remaining in its CDGB allocation.

If authorized by the City Council, staff would develop and promote a energy efficiency program that would offer a grant of up to \$7,500 for income-eligible residents to complete energy and water efficiency upgrades. A free energy efficiency program would advance Climate Action Plan goals to reduce residential energy and water consumption. The program would provide funding for a variety of improvements, including weatherization, insulation, energy efficient HVAC units and appliances, dual-paned windows, low consumption water fixtures, solar panels and solar hot water heaters, and other similar upgrades. The program would also fund a free energy audit performed by a qualified contractor to determine the most cost effective upgrades to reduce energy consumption.

To increase awareness of the program, staff would develop promotional materials (brochures, flyers, etc.) that would be directly mailed to targeted residents in mobile home parks, inclusionary housing units, and select condominium complexes. Information would also be posted to the City website, the City television scroll, City Hall, the community center, and the library.

FISCAL IMPACT: The program would be entirely funded through the City's CDBG allocation.

ATTACHMENTS:

CDBG Funded Energy Efficiency Program
April 27, 2017

1. Capitola CDBG Home Rehabilitation Program Guidelines

Report Prepared By: Rich Grunow
Community Development Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/20/2017

City of Capitola Housing Rehabilitation Assistance Guidelines



For:

Community Development Block Grant (CDBG) Program
HOME Investment Partnerships Program
CalHome Program



CDBG Approved (3/20/2014)
City Council Approved (3/27/14)
Updated 7/31/2015
HCD Version 12/10

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

**CITY OF CAPITOLA
HOUSING REHABILITATION PROGRAM GUIDELINES**

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CITY OF CAPITOLA HOUSING REHABILITATION PROGRAM GUIDELINES

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ATTACHMENT B: ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS – FOR CDBG & HOME

ATTACHMENT B-1: TITLE 25 SECTION 6914 GROSS INCOME EXCLUSIONS – FOR CALHOME

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ATTACHMENT D: MARKETING PLAN

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Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

Introduction

This Manual sets forth policies and procedures for the City of Capitola Housing Rehabilitation Program. This Program provides funds for owner-occupied and owner-investor residential properties of 1-4 units. Funding is supplied through various sources, as available, including the state of California Community Development Block Grant (CDBG) Program, the California Home Investment Partnership Program (HOME), and the state Cal Home Program. The Housing Rehabilitation Program is administered by the Housing Authority of the County of Santa Cruz and is designed to provide home rehabilitation opportunities to low- income buyers and tenants within the City of Capitola.

Program Operator:	Housing Authority of the County of Santa Cruz 2931 Mission Street Santa Cruz, CA 95060-5709
Housing Authority Contact:	Martin Gomez
Email:	marting@haco.santacruz.org
Telephone:	831-464-5952

Rehabilitation Program Mailing Address:	City of Capitola Community Development Department 420 Capitola Avenue Capitola, CA 95010
City of Capitola Contact:	Carolyn Flynn, Housing Coordinator
Email:	cflynn@ci.capitola.ca.us
Telephone:	831-475-7300
Fax:	831-479-8879

CITY OF CAPITOLA

HOUSING REHABILITATION PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the "City", has entered into a contractual relationship with the California Department of Housing and Community Development ("HCD") to administer one or more HCD-funded housing rehabilitation programs. The rehabilitation program described herein and hereinafter referred to as the "Program" is designed to provide assistance to eligible homeowners and owner-investors for correction of eligible health and safety items, property improvements, water and energy efficiency upgrades and code violations for properties located within the City of Capitola. The Program provides this assistance in the form of deferred payment loans used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code-compliant home, referred to herein as "housing unit". The Program will be administered by the Housing Authority of the County of Santa Cruz, hereinafter referred to as the "Housing Authority".

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation, be excluded, denied benefits or subjected to discrimination under the Program. The City will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. A Fair Housing Marketing Plan can be found as Attachment D. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homeownership education classes to help educate homeowners about credit, budgeting, predatory lending, foreclosure prevention and home maintenance, as well as future responsibilities.
- B. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. Waiting List/Homeowner Contact

The Housing Authority will utilize a waiting list for the Owner-Occupied Rehabilitation Program. In response to a homeowner's request, the homeowner is placed on the waiting list. Homeowners are offered the opportunity to qualify for assistance on a first-come, first served basis. The Housing Authority will contact homeowners by mail and/or by telephone to advise of funding availability. The homeowner has 30 days to complete and return the loan application and supporting documentation. Should a homeowner fail to respond to the initial contact for assistance or to provide

any of the required documentation within the 30-day period, the homeowner's name will be removed from the waiting list. If the homeowner desires assistance at a later time, he/she will be placed on the waiting list at that time.

Should the waiting list be exhausted, the Program will be marketed in accordance with the City's Marketing Plan. See **Attachment D**.

B. Application/Interview

An application packet is provided to the homeowner for completion and submittal to the Housing Authority, along with all supporting documentation. An interview is scheduled with the applicant. The Program is fully explained; application forms and documentation are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage. Title report and appraisals are also obtained.

If the Housing Authority encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the City reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

C. Household Selection

Households selected for participation in the City's Housing Rehabilitation Program are those determined eligible by the Housing Authority in accordance with these Guidelines, after completion of processes described in A. and B. above.

D. Initial Inspection/Work Write-Up/Estimate

Prospective units are inspected by the Housing Authority, a certified housing inspector, or a City representative to determine eligibility and acceptability of properties for participation in the Program.

If the home is a pre-1978 unit, the initial inspection will also include paint testing by a certified Lead-Based Paint (LBP) inspector/assessor or presumption of LBP. Code deficiencies will be corrected and if presumption is used or lead hazards are found they will be properly treated according to HUD regulations (Section 6.1.E & F) and cleared by a certified LBP inspector/assessor. **Note: CalHome-funded projects do not require LBP compliance. CDBG projects shall refer to Chapter 20, Lead-Based Paint Requirements for guidance in the CDBG Grant Management Manual.**

Measurements and observations are noted about the property, including special conditions with potential cost consequences (dilapidated outbuildings, absence of curb and gutter when required by code, etc.). A floor plan and site plan, as needed, are drawn for the home and property, including all appurtenances.

Findings are noted on an inspection form, and later used by the Housing Authority to prepare the work write-up. Estimated costs are determined by the Housing Authority who has years of experience in the building industry, and in reviewing contractor bids and verifying cost with materials suppliers. The homeowner reviews the completed work write-up and cost estimate, and the approved write-up is incorporated into bid documents.

E. Bid Solicitation

A bid walk-through date and time are scheduled. The homeowner may choose to solicit his/her own bids or request that the Housing Authority solicit bids on his/her behalf. Invitations to bid are mailed to all eligible contractors on file in efforts to obtain three reasonable bids. Bid results will be provided to participating contractors.

Contractors must be licensed and bonded by the State of California Contractors Licensing Board. Contractors must also provide the Housing Authority with evidence of Workers' Compensation Insurance and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000. The Housing Authority

determines eligibility of the contractor by contacting the State Contractors License Board and checking the Federal List of Debarred Contractors. The contractor is also required to provide a self-certification stating that he/she is not on the Federal debarred list. Once determined eligible, the contractor is then notified of provisional award of bid (pending loan approval). Notices of non-award are mailed to participating contractors.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Housing Authority. Bids should be within 10% of the Housing Authority's cost estimate, otherwise an explanation must be provided to the file for any bid selected exceeding 10% of the estimate. The homeowner is encouraged to accept the lowest reasonable bid.

F. Loan Request/Approval

A report and loan request are prepared on behalf of the homeowner by the Housing Authority. The loan request includes the cost of construction, a contingency fund, and other project costs (listed in Section 6.3.). A Housing Committee meeting is scheduled to hear the loan request. Section 1.3 provides additional information on the loan approval process. Once approved, loan documents are executed and the loan is funded.

G. Pre-Construction Conference

A pre-construction conference is scheduled with homeowner, contractor, and the Housing Authority. The Housing Authority reviews the Owner-Contractor Construction Contract, including the work write-up, start date, pay schedule, and date of completion, with the homeowner and contractor. The construction contract and Notice to Proceed are executed.

H. Start-Up/Field Inspections

The Housing Authority monitors date of start-up and performs field inspections on a regular basis. The Housing Authority will visit the job site regularly in order to check the scope of work, inspect materials, and to confirm the job is on schedule and within budget. The Housing Authority works with the City's Building Inspector to ensure the work meets building codes, while not exceeding funding limits. The Housing Authority reviews the work status with the homeowner and with the contractor in order to remedy any developing problems quickly and to ensure that both are satisfied with the construction process. At the completion of each phase, the Housing Authority inspects the work and the homeowner authorizes contractor payments. The Housing Authority will refer back to original plans and specifications to verify the work was completed as contracted.

I. Change Orders

Written change orders are required when the homeowner requests any changes in the write-up, such as eliminating an item completely, eliminating one item and substituting another, or adding items. The change order will state the change and dollar value for the change. The change order must be signed by both the contractor and the homeowner, and submitted to the Housing Authority for approval. If the change order exceeds the approved financing, the homeowner will be asked to provide additional funds or a report and request for additional funds may be presented to the City for approval prior to the Housing Authority signing-off on the change order.

J. Progress Payments

Ninety percent (90%) of the contract amount is distributed to the contractor in the form of progress payments during construction. The final ten-percent (10%) of the contract amount is set aside as a retention payment. The contractor requests a progress payment from the homeowner and notifies the Housing Authority that he/she has done so. Upon favorable inspection by the homeowner, the Housing Authority, and City or City's Building Inspector, the payment authorization is signed by the homeowner and submitted for payment.

K. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Housing Authority inspects the work item by item with the homeowner, the contractor, and/or the City. The City's Building Inspector performs a final inspection. Any corrections or deficiencies are noted and corrected by the contractor. Upon favorable final inspections, a Notice of Completion is prepared, signed by the homeowner, and then recorded. The final ten-percent (10%) retention payment is released 35 days after the recording of the Notice of Completion.

1.3. LOAN PROCESS

The City must approve all loans and grants. The Housing Committee may approve assistance with financing exceeding 100 percent of after-rehabilitation value as needed in cases where no other financial resources are available to cover the cost of the improvements and where clear and convincing documentation exists, justifying why the exception is needed. However, if the project is CalHome funded, the total financing cannot be more than 105 percent of the after-rehabilitation value. For CDBG and HOME-funded loans, the amount of assistance provided will not exceed the City's County maximum HOME subsidy limit per bedroom as defined by Section 221 (d)(3) and the total financing can not exceed the Maximum After-Rehabilitation Value. **See Attachment C.**

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. Homeowners will be provided written notification of approval or denial. Any reason for denial will be provided to the applicant in writing.

1.4. CONFLICT OF INTEREST REQUIREMENTS

When the City's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance, and Section 92.356 of the HOME Final Rule shall be followed for HOME assistance.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Housing Authority to be part of the scope of work. Owner/builders are not reimbursed for labor.

2.0. APPLICANT QUALIFICATIONS

2.1. INCOME AND ASSETS LIMITS

All homeowners must certify that they meet the household income and asset eligibility requirements for the applicable HCD program(s) and have their household income documented. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. See Attachment C. All applicants must have assets at or below 1 ½ times the income limit for their household size, per City policy. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. The link to the official HCD-maintained income limits for HOME and CDBG Funded activities is:

<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>, and for CalHome-funded activities:
<http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k6.pdf>.

Household: means one or more persons who will occupy a housing unit. Unborn children count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

To be eligible, the owner-occupant household income must be equal to or less than the applicable HCD income limits in Attachment C, and listed below. Owner will be required to provide income documentation. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. See Attachment A for HOME and CDBG. See Attachment A-1 for CalHome. Refer to Asset Inclusions and Exclusions for further guidance to the types of assets to be included or excluded when calculating gross annual income. See Attachment B.

Owner-occupant's housing and/or debt ratios are not considered, nor is a credit report required, as the funding provided creates no additional monthly financial obligation. If an owner-occupant has a mortgage, it is verified that all payments are current and that no late payments have been received in the past twelve months.

HOUSEHOLD INCOME LIMITS FOR SANTA CRUZ COUNTY*
(Limits are effective June 1, /2015)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of Area Median Income	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150

ASSETS LIMIT

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
1 ½ times Income Limit	\$82,875	\$94,725	\$106,575	\$118,350	\$127,875	\$137,325	\$146,775	\$156,225

* The Assets Limit calculation does not include up to \$500,000 in qualified retirement accounts.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria for HOME and CDBG, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/fa/cdbg/GuideFedPrograms.html>, will be followed to independently determine and certify the household's annual gross income. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and of live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:
http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB_AnnualIncomeInclusionsExclusions.doc
 See Attachment A: HOME and CDBG 24 CFR Part 5 Annual Income Inclusions and Exclusions and Attachment A-1: CalHome Title 25 Section 6914 Annual Income inclusions and Exclusions (State)

B. ASSETS:

Income from assets is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. (Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.) An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC_AnnualIncomeAssetInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. HOMEOWNER ELIGIBILITY AND RESIDENCY REQUIREMENTS

Owner-occupied units must be the owner's principal place of residence. A photocopy of a recent utility bill will verify proof of occupancy. No unit to be rehabilitated will receive financial assistance if it is currently occupied by an over-income household or does not meet the eligibility standards outlined in these guidelines.

- A. Continued residency is monitored between January 1 and 15 of each year for the term of the loan. Occupancy will be verified by the submission of the following:

1. Proof of occupancy in the form of a copy of a current utility bill; and/or
2. Statement of unit's continued use as primary residence of the owner.

- B. In the event that an homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan becomes due and payable, unless the following conditions are met:

The homeowner who received the loan dies and the heir to the property meets income requirements and intends to occupy the home as his/her principal residence. Upon approval of the City, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current participation guidelines. If the heir does not meet applicable eligibility requirements, the loan is due and payable. **Note: Loans provided by CalHome are not assumable.**

- C. If a homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable, unless the loan was funded with CDBG and tenant and homeowner meet eligibility requirements as described Section 12.0 below.
- D. If the loan is funded with a CalHome Loan it is not transferable except under the following limited circumstances:
- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
 - (b) A transfer of the Property where the spouse becomes an owner of the property;
 - (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or
 - (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

3.0. PROPERTY ELIGIBILITY

3.1. CONDITIONS

- A. No unit will be eligible if a household's income exceeds the prescribed income limits listed in Attachment C.
- B. Units to be rehabilitated must be located within the incorporated areas of the City's jurisdiction.
- C. Property must contain a legal residential structure intended for continued residential occupancy.
- D. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. For CDBG the priority will be the elimination of health and safety hazards. City may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components. Section 8 Housing Quality Standards may be required on rentals by City when CDBG funds are used.

3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Owner-occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the Housing Authority. In cases where relocation is determined to be necessary by the City/Housing Authority, assistance may be provided for actual costs incurred from the applicant's loan proceeds or as a grant (see **Section 5. for allowable grants**). HOME-funded projects will provide relocation assistance in the form of a grant, which shall be included in the maximum assistance amount.

Note: Relocation benefits are not a requirement under CalHome, but are acceptable and may be covered by loan proceeds.

Tenants of units owned by Owner-Investors (see Section 10.0) will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of occupants or public danger or is otherwise undesirable because of the nature of the project. Relocated persons will receive increased housing costs, payment for moving and related expenses and appropriate advisory services, as detailed in the City's "Residential Anti-displacement and Relocation Assistance Plan" (**Attachment E**). See **Section 10 Owner-Investors**.

3.3. NOTIFICATION AND DISCLOSURES - Not required by CalHome

- A. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as follows:

The Lead Hazard Information Pamphlet published by the EPA/HUD/Consumer Product Safety Commission will be given to all owners regardless of the cost of rehabilitation or paint test findings. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption will also be supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report will also be provided (**Attachment I**).

- B. Tenants located in properties that will receive housing rehabilitation will be provided a notice outlining their relocation rights and benefits (**Attachment E**). See Section 10 Owner-Investors.

4.0. THE PROGRAM LOAN

4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

An eligible homeowner may qualify for the full cost of rehabilitation/reconstruction work needed to comply with State and local codes and ordinances. For CDBG and HOME funded programs, maximum assistance shall not exceed the City's County maximum HOME Subsidy Limit per bedroom as designated by Section 221(d)(3). See **Attachment C**.

4.2. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

- A. Total indebtedness against property shall not exceed 100 percent of after-rehabilitation value as determined by "Estimates of value" or an appraisal, for CDBG or HOME projects. An estimate of after-rehab value will be made prior to making a commitment of funds using the method outlined in Section 4.5. Note: This does not apply to CalHome projects.
- B. HOME funded units' after-rehabilitation value shall not exceed the HOME Program Purchase Price/Value Limit for City's County as updated by HUD and published on the HCD Website. See **Attachment C**.
- C. Total indebtedness against property shall not exceed 105 percent of the after-rehabilitation value as determined by an appraisal for CalHome projects. An estimate of After-Rehab Value will be made prior to making a commitment of funds using the method outlined in Section 4.5. Note: This does not apply to HOME or CDBG projects.
- D. Costs may be supplemented with personal financing and/or credit will be provided for volunteer labor ("sweat equity") valued at \$10 per hour as per Section 6.1.D., or with other loan or grant programs, which are sources of leverage for the City.
- E. Any bid within 10% of the Housing Authority's estimate may be selected, otherwise an explanation must be provided to the file for a bid selected exceeding 10% of the estimate.

4.3. RATES AND TERMS

- A. Homeowners are eligible for Deferred Payment Loans (DPL), at three percent (3%) interest, evidenced by a Promissory Note and secured by a Deed of Trust, with no payback required for 30 years unless the borrower sells or transfers title or discontinues residence in the dwelling. Payments may be made voluntarily on a DPL. **Note: If it is determined by the City that repayment of a CalHome or CDBG Program loan at the maturity date causes a hardship to the homeowner, the City may opt the following:**
 1. Amend the note and deed of trust to defer repayment of the amount due at maturity, that is balance of the original principal plus the accrued interest, for up to an additional 30 years (at 0% additional interest). This may be offered one time;
 2. Convert the debt at loan maturity; that is the balance of the original principal plus any accrued interest, to an amortized loan, repayable in 15 years at 0% additional interest.
- B. If the homeowner dies, and if the heir(s) to the property live(s) in the house and is/are income eligible, the heir(s) may be permitted, upon approval of the City, to assume the loan at the rate and terms the heir(s) qualifies for under current participation guidelines. **Note: CalHome loans are not assumable.**
- C. If the homeowner dies and the heir(s) is/are not income eligible, the loan becomes all due and payable.
- D. If a homeowner converts the rehabilitated property to any residential-rental, commercial or non-residential use, the loan becomes all due and payable, unless they meet requirements outlined in Section 5.0.
- E. As specified in the Rehabilitation Loan Agreement, all applicants who participate in the Program must maintain the property at post-rehabilitation conditions for the term of the loan. Should the property not be maintained accordingly, the loan shall be considered in default and becomes all due and payable, and if necessary, foreclosure proceedings will be initiated. A method of inspection will be established by the City.

4.4. APPRAISAL

- A. The After-Rehab Value for rehabilitation projects is determined using the "Estimates of value" method. The City or Housing Authority determines estimates of value based on the sale prices of at least three (3) comparable properties, sold within the last six months (within one year of the assistance date, which is the date the promissory note is signed), and located within one mile of the subject property. The participants' file will include the estimate of value and document the basis for the value estimates. The purpose of the "Estimates of value" is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See **Attachment C**). If three comparable properties cannot be found, or if there is any question regarding the After-Rehab Value, the ARV will be determined by a licensed appraiser, as described in Section 4.5.B. below.
- B. A licensed appraiser determines the After-Rehab Value for rehabilitation projects, when the "Estimates of value" method cannot be used. For rehabilitation projects the appraiser determines the value of the unit with the rehabilitation building plans and specifications included. The cost of the appraisal will be paid by the City, not by the homeowner. The purpose of the appraisal is to determine that the after-rehabilitation value of the housing unit will not exceed the permitted amount per HCD Program regulations (See **Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.
- C. The After-Rehab Value for reconstruction projects is determined by a licensed appraiser. The After-Rehab Value for reconstruction projects is determined by an appraisal completed off the building plans and specifications for the new home. The cost of the appraisal will be paid by the City, not by the homeowner. The purpose of the appraisal is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See **Attachment C**).

4.5. INSURANCE REQUIREMENTS

A. Fire Insurance

The homeowner shall maintain fire insurance on the property for the duration of the Program loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the City as Loss Payee for the amount of the Program loan(s). A binder shall be provided to the City.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the City at their option, may make such payments for a period not to exceed 60 days. The City may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the City make any payments, it may, in its sole discretion, add such payments to the principal amount that the applicant is obligated to repay the City under this Program. The premium may be paid by the Program loan for one year. **Note: HOME funds can not be used to pay insurance cost beyond those identified as initial loan costs. Note: CalHome funds can not be used to pay insurance at any time.**

B. Flood Insurance

For homes in a 100-year flood zone, the owner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the City as Loss Payee and a binder shall be provided to the City and maintained in the borrowers file. The premium may be paid by the Program loan for one year. **Note: HOME funds cannot be used to pay insurance cost beyond those identified as initial loan costs. Note: CalHome funds cannot be used to pay insurance at any time.**

4.6. LOAN SECURITY

- A. Loan security for all owner-occupied rehabilitation stick-built homes will be secured by the real property and improvements, and will also include a Deed of Trust, Promissory Note and Loan Agreement in favor of the City.

- B. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien, and will also include a Promissory Note and Loan Agreement.
- C. Entering a subordinate lien is acceptable. However, the City will not subordinate a first lien position once established.

5.0 PROGRAM GRANTS

- A. CDBG funded programs may provide rehabilitation grants as follows: A grant of up to \$7,500 is available for any one of the following qualifying factors:
 - 1. Senior Citizen - at least 62 years old; or
 - 2. Handicapped – for handicap modifications to a house with one or more physically handicapped occupants who would function more independently if such modifications were installed; or
 - 3. Lowest Targeted Income Group – with gross annual income less than 50% of County median income; or
 - 4. Equity maintenance – if financing rehabilitation entirely with a loan would cause indebtedness to exceed 100% of after-rehabilitation value.
- B. HOME and CDBG provide grants for all actual costs of lead-based paint evaluation and reduction activities.
- C. HOME and CDBG provide grants for relocation assistance. See Relocation Assistance Plan, **Attachment E**.
 - 1. Owner-Occupant – Limit of \$3,000

6.0. PROGRAM LOAN SERVICING AND MAINTENANCE

6.1. OWNER-OCCUPANT BORROWERS PAYMENTS ARE VOLUNTARY

The assistance offered to borrowers will be in the form of deferred payments, as such no regular payments are required. However, Owner-Occupant borrowers may begin making voluntary payments at any time should they choose to do so.

6.2. RECEIVING LOAN REPAYMENTS

- A. Program loan payments will be made to:
City of Capitola
420 Capitola Avenue
Capitola, CA 95010
- B. The City will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the City's appropriate Program Income Account, as required by all three HCD programs. The Program City will accept loan payments from borrowers prepaying deferred loans, from borrowers making payments in full upon sale or transfer of the property, and homeowners of tenant occupied units. All loan payments are payable to the City. The City may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

6.3. LOAN SERVICING POLICIES AND PROCEDURES

See **Attachment F** for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

6.4. LOAN MONITORING PROCEDURES

Homeowners will be required to submit each of the following to the City between January 1 and 15 of each year for the term of the loan:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

6.5. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the Program Foreclosure Policy adopted by the City, and attached to these guidelines as **Attachment G**.

6.6. SUBORDINATIONS

The City may approve a request to subordinate a loan, in order for the owner to refinance the property, under the following conditions:

- A. The lien position of the City loan will remain the same or be advanced.
- B. The new primary loan is no greater than the balance of the loan being refinanced, except the costs of refinancing the loan may be added to the principal balance.
- C. The purpose of the new primary loan is to reduce the interest rate being paid and/or reduce the owner's payment.
- D. The refinanced loan must have an impound account for taxes and insurances.
- E. The refinancing terms must be acceptable to the City.
- F. CDBG allows refinancing with CDBG funds in conjunction with only rehabilitation of the unit

7.0 CONSTRUCTION

7.1. STANDARDS

- A. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. For CDBG the priority will be the elimination of health and safety hazards. City may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components. Section 8 Housing Quality Standards may be required on rentals by City when CDBG funds are used.
- B. Contracting Process
 1. Contracting will be done on a competitive basis.
 2. The homeowner will be the responsible agent, but the Housing Authority will prepare the work write-up, prepare and advertise the bid package, and assist the owner in negotiating the construction contract.
 3. The City does not warrant any construction work, or provide insurance coverage.

C. Approved Contractors

1. Contractors are required to be licensed with the State of California, and be active and in good standing with the Contractors' License Board.
2. Contractors will be checked against HUD's list of federally debarred contractors. No award will be granted to a contractor on this list.
3. Contractors must have public liability and property damage insurance, and worker's compensation, unemployment and disability insurance, to the extent required by State law.
4. Contractor must agree to comply with all federal and state regulations.

D. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as identified in Section 3.3.A. **Note: Units funded solely with CalHome funds are not required to comply with LBP regulations.**

E. Units constructed prior to 1978 will also be inspected according to the following HUD regulations. **Note: Units funded solely with CalHome funds are not required to comply with LBP regulations.** For CDBG funded programs please refer to Chapter 20, Lead-Based Paint Requirements for guidance in the CDBG Grant Management Manual

1. If the total amount of Federal assistance or the total amount of rehabilitation hard cost is up to and including \$5,000, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Clearance of disturbed work areas; and
 - (c) Notifications listed in Section 3.3.A.
2. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$5,000 up to and including \$25,000, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Risk assessment; and
 - (c) Clearance of unit.

If LBP hazards are identified, interim controls will be implemented. This level will also require a notice of "Abatement of Lead Hazards Notification" at least five days prior to starting work.

3. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$25,000, the following is required:
 - (a) Items (a), (b), and (c) of 2. above;
 - (b) Abatement of all LBP hazards identified or produced;
 - (c) Use of interim controls on exterior surfaces not disrupted by rehab; and all notices listed above in Sections 3.3.A. and 6.1.F.2.
4. All paint tests that result in a negative finding of lead-based paint are exempt from any and all additional requirements. If defective paint surfaces are found, they will be properly treated or abated. A State-certified Inspector/Assessor will perform all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers will perform all abatement.

7.2. ELIGIBLE CONSTRUCTION COSTS

"Rehabilitation" means, in addition to the definition in Section 50096 of the Health and Safety Code, repairs and improvements to a manufactured home necessary to correct any condition causing the home to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes room additions to alleviate overcrowding. Rehabilitation

also means repairs and improvements where necessary to meet any locally-adopted standards used in local rehabilitation programs. Rehabilitation does not include replacement of personal property.

Rehabilitation includes reconstruction. Federal law and policy allows the use of HOME funds to demolish and reconstruct owner-occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The City and/or Housing Authority must document that the reconstruction costs are less than the cost to rehabilitate the existing substandard housing. This will be done using the State's CDBG Test for Reconstruction, for projects funded with CDBG funds; or, using the State's HOME Test for Reconstruction, for projects funded with HOME funds. Additionally, the City must determine that the project's value after reconstruction (housing and land combined) is less than the Maximum After-Rehabilitation Value for the City (see Attachment C, One-Family).

The residential structure to be reconstructed must be a structure with cooking, eating, sleeping, and sanitation facilities which has been legally occupied as a residence within the preceding 12 months. Fifth wheels or recreational vehicles, for example, are not considered dwellings and therefore are not eligible under this Program. "Like for like" requires that the structure being demolished must be replaced with a like structure (replace manufactured housing with manufactured housing, for example). However, additions may be approved by the HCD Program when required by Codes/Ordinances or to alleviate overcrowding. (See Attachment C)

Temporary relocation benefits must be planned for and budgeted into the total allowable subsidy for the project, but if required would be in the form of a grant. Depending on the outcome of the Statutory Worksheet (Environmental test), a reconstructed project may require Authority from the State before funds are committed to the project.

Allowable rehabilitation\reconstruction costs include:

- A. Cost of building permits and other related government fees.
- B. Cost of architectural, engineering, and other consultant services which are directly related to the rehabilitation of the property.
- C. Rehabilitation or Replacement of a manufactured home not on a permanent foundation. Rehabilitation of a manufactured home may include the replacement of the unit with a used manufactured home and the cost to repair it, as long as the unit has been occupied and not used as a demonstration model. Should the unit meet the criteria for reconstruction a new manufactured home can be used for replacement and all cost associated with the purchase and transportation can be added to the loan.
- D. Owner-occupied rehabilitation activity delivery fees, pursuant to Section 7733(f), as reimbursement to the City for the actual costs of services rendered to the homeowner that are incidentally but directly related to the rehabilitation work (e.g. planning, engineering, construction management, including inspections and work write-ups).
- E. Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.
 1. Health and Safety Issues
Eligible costs include, but are not limited to, energy-related improvements, lead-based paint hazard evaluation and reduction activities, improvements for handicapped accessibility, repair or replacement of major housing systems. A driveway may be considered part of rehabilitation if it is determined to be a health and safety issue.
 2. Code and Regulation Compliance
Eligible costs include, but are not limited to, additional work required to rehabilitate and modernize a home, and bring it into compliance with current building codes and regulations. Painting and weatherization are included.
 3. Demolition
Eligible costs include, but are not limited to, the tear down and disposal of dilapidated structures when they are a

part of the reconstruction of an affordable housing unit. If a garage or carport is detached, it may not be rehabilitated but may be demolished, if it is determined to be a health and safety issue.

4. Upgrades

Eligible costs include additional bedrooms and bathrooms if the need can be demonstrated per HUD's or City's overcrowding guidelines listed in **Attachment C**. The Program will not fund additions to a home for a den or family room, or for any luxury items. The CalHome Program's requirement is that a bedroom or bathroom can be added to omit overcrowding, and this is up to the City to decide what is overcrowding.

5. General Property Improvements, including Water and Energy Efficiency

Eligible costs include, but are not limited to, installation of a stove, refrigerator, and/or dishwasher; and repair or installation of fencing, repair or replacement of principal fixtures and components of existing structures (e.g., the heating system), Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, wall and attic insulation, and conversion/modification/replacement of heating and cooling equipment, including the use of solar energy equipment, improvements to increase the efficient use of water through such means as water savings faucets and shower heads and the repair of water leaks.

All improvements must be physically attached to the property and permanent in nature. Non-code property improvements (fencing, landscaping, driveway, etc.) will be *limited to 15 percent* of the rehabilitation loan amount. Any cash contribution by the property owner will be considered a general property improvement and be included in this percentage. Luxury items are not permitted. Items such as refrigerators, stoves and dishwashers that are not built-in may be replaced due only to incipient failure or documented medical condition of the homeowner, and must be of moderate quality.

6. Rehabilitation Standards

All repair work related to health and safety conditions will meet Local Building Code standards. The priority will be the elimination of health and safety hazards and code compliance.

7.3. ELIGIBLE PROJECT COSTS

Project costs for all expenses related to the paperwork for processing and insuring a loan application include:

- Appraisal
- Property Report/Title Insurance
- Building Plan
- Termite Report
- Lead Paint Testing
- Land Survey
- Grading Plan
- Recording Fees
- Fire/Course of Construction Insurance
- Flood Insurance
- Disposal Bin
- Storage

Costs are based on charges currently incurred by the City, or it's Housing Authority, for these products and/or services. Any cost increases charged to the City/Housing Authority for these products and/or services will be passed on to the homeowner and included in the loan. All fees are subject to change and are driven by the market.

7.4. REPAIR CALLBACKS

Contractors will comply with State law regarding all labor and material warranties. All labor and material shall meet FHA minimum specifications.

8.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

8.1. AMENDMENTS

The City may make amendments to these Participant Guidelines. Any changes made shall be in accordance with federal and state regulations, shall be approved by the City's Housing Committee and/or local governing body and submitted to HCD for approval.

8.2. EXCEPTIONS

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

8.2.1 PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The City or the Housing Authority may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the City's/Housing Authority's recommended course of action and any written or verbal information supplied by the applicant.
- B. The City shall make a determination of the exception based on the recommendation of the Housing Authority. The request can be presented to the City's housing committee and/or governing body for decision.

9.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES

9.1. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the City's Rehabilitation Program should be made to the Housing Authority first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City. The City will then schedule a meeting with the City's Housing Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the local governing body. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

9.2. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration.

10.0 OWNER-INVESTOR LOANS (eligible under only CDBG-funded programs)

The rehabilitation program described below is designed to also provide assistance to owner-investors for correction of eligible health and safety items, and property improvements for properties located within the City of Capitola. Owner-Investors interested in rehabilitation of residential rental properties with 1-4 units or converting non-residential structures to residential uses should contact the City's Community Development Director. Owner-Investor loans will be made as funds are available, with priority given to owner-occupied applicants.

10.1 INCOME REQUIREMENTS

- A. There are no restrictions on the income of the owner-investor of an eligible rental property with 1-4 units, unless the owner-investor is a member of the HUD Low/Mod Income Group and is interested in qualifying for a Deferred Payment Loan (see Section 4.3.2.C.).
Owner-investor housing and debt ratios are considered and a credit report is required, since the funding provided may create an additional monthly financial obligation. Specific ratios and scores will not be set for this activity, as each project will be unique and reviewed on an individual basis. If an owner-investor has a mortgage on the property to be rehabilitated, it is verified that all payments are current and that no late payments have been received in the past twelve month, then they are eligible.
- B. If a rental is currently occupied, the tenant's household income must be equal to, or less than, the applicable HCD income guidelines. Tenant will be asked to cooperate by providing income documentation and income will be projected for 12 months based on current income. See Attachments A and B.

10.2 PROPERTY AND RESIDENCY REQUIREMENTS

- A. If the owner-investor sells or transfers title of the rehabilitated property for any reason, the loan is due and payable.
- B. An owner-investor may convert a rental property to his or her personal residence if all conditions below exist:
 1. He or she can prove that the previous tenant was not evicted without cause.
 2. He or she is income eligible.
 3. He or she requests approval from the City.
- C. If an owner-investor converts the rental property to his or her personal residence, but is not income eligible, the loan is due and payable.
- D. If the owner wants to convert the rehabilitated property to any commercial or non-residential use, the loan is due and payable.
- E. Over-income rental households occupying units in a project which will receive financial assistance for other eligible units will be allowed to stay in their respective units. To prevent owners from evicting ineligible tenants before applying for the Program, the owner must certify that no tenant has been forced to move without cause during the previous six months.
- F. Residential Tenant – Relocation Assistance will be provided at the level necessary to comply with the Uniform Relocation Act (URA) and Section 104(d) of the Housing and Community Development Act of 1974. **Note: HOME funds cannot be used for tenant-occupied units.**

10.3 RATES AND TERMS

A. The rate and terms for an owner-investor may vary depending on the owner's financial situation. Below are the options available:

1. Amortized Loan - Below Market Interest Rate (BMIR) loan at 3 percent interest, secured by a deed of trust and promissory note with a maximum term of 15 years for non-Low/Mod owner investors.
2. Deferred Payment Loan (DPL) for a HUD Low/Mod income owner-investor who agrees to comply with standard investor restrictions (i.e., Maintenance Agreement for minimum five years and recorded Rent Limitation Agreement for life of the loan), as outlined below. DPL terms are the same as those described in 4.3 above.

B. Rent Limitation Agreement (RLA)

An owner-investor who elects to rehabilitate a rental unit with CDBG financing must sign an RLA, which will be recorded *against the property*. This agreement will specify:

1. In no instance shall rents exceed the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) schedule while the RLA is in effect.

2. Base Rent -- Vacant Unit

If the house is vacant, rent charges shall not exceed 30 percent of 80 percent of the City area median income for the appropriate household size in that unit. Owner-investor shall affirmatively seek HUD Low/Mod income households. Where such efforts do not result in an eligible HUD Low/Mod income tenant, the owner-investor shall contact the City for guidance.

3. Base Rent -- Occupied Unit

If the house is occupied, rent charges shall not exceed 30 percent of the existing tenants' household income; or, where, before rehabilitation, rents already exceed 30 percent of the existing tenants' income, no rent increases shall be allowed which provide for rents plus utilities over 30 percent of the tenants' income.

4. Terms –BMIR financing will require a rent limitation agreement for a minimum of 10 years. DPL financing will require rent limitations for the full term of the loan.

5. Verification -- Each year during the term of the Agreement, the borrower shall provide the City with a written list of current occupants' names and monthly rents by January 15th. The City may verify this information with the occupant.

6. Compliance -- Failure to comply with these terms and conditions will result in the loan becoming due and payable. If necessary, foreclosure proceedings will be initiated.

D. Maintenance Agreement

As specified in the Rehabilitation Loan Agreement, an owner-investor who participates in the Program must maintain the property at post-rehabilitation conditions for the term of the loan(s). Should the property not be maintained accordingly, the loan will become due and payable, and if necessary, foreclosure proceedings will be initiated.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	<p>Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; <p>plus:</p> <ul style="list-style-type: none"> • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<p>a. Amounts received under training programs funded by HUD.</p> <p>b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).</p> <p>c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.</p> <p>d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.</p> <p>e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.</p>
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

17. Other Federal Exclusions

Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
- ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- ▶ Payments received under the Alaskan Native Claims Settlement Act;
- ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
- ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
- ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
- ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;
- ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability liiHUD Low/Mod Incomeation, M.D.L. No. 381 (E.D.N.Y.);
- ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT A-1

Title 25 Section 6914 Gross Income Inclusions – For CalHome activities

“Gross income” shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income.

“Income” shall consist of the following:

(a) Except as provided in subdivision (b), “Exclusions”, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

(1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;

(2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);

(3) Interest and dividends;

(4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay;

(6) Public Assistance. If the public assistance payment includes any amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,

(7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts from persons not residing in the dwelling;

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse.

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

ATTACHMENT B-For CalHome

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT B-1

Title 25 Section 6914 Gross Income Inclusions – For CalHome activities

- (b) The following items shall not be considered as income:
- (1) Casual, sporadic or irregular gift items;
 - (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
 - (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
 - (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for a subsistence are to be included in income;
 - (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
 - (6) Relocation payments made pursuant to federal, state, or local relocation law;
 - (7) Foster child care payments;
 - (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is an excess of the amount actually charged the eligible household;
 - (9) Payments received pursuant to participation of the following volunteer programs under the ACTION Agency:
 - (A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.
 - (B) National Older American Volunteer Program for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

ATTACHMENT C

MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR SANTA CRUZ COUNTY
(HOME Value Limits as of April 13, 2015)

COUNTY NAME	One-Family
SANTA CRUZ	\$475,000

HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d)(3) FOR SANTA CRUZ COUNTY
(Limits are effective August 1, 2014)

COUNTY NAME	O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
SANTA CRUZ	\$136,789	\$156,810	\$190,678	\$246,676	\$270,775

NOTE: CDBG Program loans shall not exceed \$75,000, except by vote of the Capitola Housing Committee, which may vote to provide loans up to the HOME limits above.

FAMILY INCOME LIMITS FOR SANTA CRUZ COUNTY*
(Limits are effective June 1, 2015)

Number of Persons in Household								
	1	2	3	4	5	6	7	8
80% of AMI	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150

*City will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is:

<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

CITY STANDARDS FOR BEDROOM AND BATHROOM ADDITIONS TO ALLEVIATE OVERCROWDING

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Opposite sex children under 6 years of age may share a bedroom, up to 2 children per bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom, up to 2 children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom may be added.
- 8 or more people – a third bathroom may be added.
- Same rules apply to mobile home units.

The chart above is used as a guide to overcrowding.

ATTACHMENT D

HOUSING REHABILITATION MARKETING PLAN

SUMMARY

The City will continue its efforts to market the Housing Rehabilitation Program in a manner that will reach all community members.

All marketing related to the Housing Rehabilitation Program is publicized in both English and Spanish. All marketing materials include information identifying the City's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the City identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the City's demographics. Should the City find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings
- Local Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

ATTACHMENT E

RESIDENTIAL ANTI-DISPLACEMENT AND TEMPORARY RELOCATION PLAN
Version 2

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) funds or Home Investment Partnership (HOME) funds to follow a written Residential Anti-displacement and Relocation Assistance Plan (Plan) for any activities which could lead to displacement of occupants whose property is receiving funds from these or other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the City of Capitola (City) with the requirements of federal regulations 24 CFR 570.606 under state recipient requirements and Section 104(d) of the Housing and Community Development Act of 1974 and 24 CFR 92 of the HOME federal regulations. The Plan will outline reasonable steps, which the City will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The City's governing body has adopted this plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the City's jurisdiction limits.

The City will provide permanent relocation benefits to all eligible "displaced" households either owner occupied or rental occupied units which are permanently displaced by the housing rehabilitation program (See **Section E below**). In addition, the City will replace all eligible occupied and vacant occupiable low income group dwelling units demolished or converted to a use other than low income group housing as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in the Federal Regulations 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All City programs/projects will be implemented in ways consistent with the City's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The City will provide equal relocation assistance available 1) to each targeted income group household displaced by the demolition or rehabilitation of housing or by the conversion of a targeted income group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of targeted income group persons temporarily relocated as a direct result of activities funded by HUD programs.

A. Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities

Consistent with the goals and objectives of activities assisted under the Act, the City will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD programs:

1. Provide proper notices with counseling and referral services to all tenants so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced persons to find alternate housing in the neighborhood.
2. Stage rehabilitation of assisted households to allow owner occupants and/or tenants to remain during minor rehabilitation.
3. Encourage owner investors to temporarily relocate tenants to other available safe and sanitary vacant units on the project site area during the course of rehabilitation or pay expenses on behalf of replaced tenants.

4. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
5. When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.

B. Lead Based Paint Mitigation Which Causes Temporary Relocation:

On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control went into effect. Among other things, it requires that federally-funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. **At no time should the tenant-occupant(s) be present in work areas or designated adjacent areas while LHC activities are taking place in any dwelling unit interior, common area, or exterior.** As such, occupants may not be allowed to remain in their units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards has been completed, and the unit passes clearance, the occupants can return. **The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results.** The final rule allows for certain exceptions: programs:

1. The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
2. The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
3. The interior work will be completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the home; or
4. The interior work will be completed within five (5) calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 feet of the worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation benefits are not provided because the City believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the City to ensure that the owner occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) will be strongly encouraged to relocate even for just a few days until a final lead clearance can be issued by a certified lead based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation benefits as those who are relocated because of substantial rehabilitation or reconstruction activities.

C. Temporary Relocation of Owner Occupants:

Owner occupants are not allowed to stay in units which are hazardous environments during lead based paint mitigation. When their home is having lead based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation benefits up to \$3,000, which will be provided as a grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family will be eligible for temporary relocation benefits up to \$3,000, which will be provided as a grant. In no case shall the grant for temporary relocation exceed \$3,000 for any one owner occupant.

Owner occupants will be encouraged to move in with family or friends during the course of rehabilitation, since they are voluntarily participating in the Program. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation benefits form (**See Appendix C**) to document that the owner occupant understands that they must relocate during the course of construction and what benefits they wish to be reimbursed for as part of their relocation.

D. Temporary Relocation of Residential Tenants:

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The contract administrator or rehabilitation specialist will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original unit being rehabilitated at the same rent or lower. He or she may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred. The housing rehabilitation loan specialist and/or the rehabilitation specialist will ensure that each tenant occupied unit under the Program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received) and the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant occupied unit will have a temporary relocation benefits form completed for them. (See Appendix C). These notices will document that each tenant understands what their relocation rights are, and if they must relocate during the course of construction, that they receive the proper counseling and temporary relocation benefits.

A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - b. Packing, crating, unpacking, and uncrating of personal property;
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - f. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;
 - g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
 - h. Any costs of credit checks required to rent the replacement dwelling;
 - i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

E. Rehabilitation Activities Requiring Permanent Displacement

The City's rehabilitation program will not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this plan. If a case of permanent displacement is encountered, then the staff responsible for the rehabilitation program will consult with City's legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant will be hired to do the counseling and benefit determination and implementation. If local staff does wish to do the permanent displacement activity then they will consult and follow the HUD Relocation Handbook 1378.

F. Rehabilitation Which Triggers Replacement Housing

If the City's rehabilitation program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended applies and the City is required to replace those lost units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the City must document that any lost units are replaced and any occupants of reduced units are given permanent relocation benefits. (This does not apply to reconstruction or replacement housing done under a rehabilitation program where the existing unit(s) is demolished and replaced with a structure equal in size without in loss number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the City to provide funds for an activity that will directly result in such demolition or conversion, the City will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

1. A description of the proposed assisted activity;
2. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as targeted income group dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a targeted income group dwelling unit for at least 10 years from the date of initial occupancy; and,
7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of targeted income group households in the jurisdiction.

The Housing Authority for the City is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The City is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any targeted income group displaced by the demolition of any dwelling unit or the conversion of a targeted income group dwelling unit to another use in connection with an assisted activity.

G. Record Keeping and Relocation Disclosures/Notifications

The City will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable

program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below is for only temporary relocation. If permanent relocation is involved then other sets of notice and noticing process and relocation benefits must be applied (See HUD relocation handbook 1378 for those forms and procedures) The Temporary Relocation Advisory Notices to be provided are as follows:

1. **General Information Notice:** As soon as feasible when an owner investor is applying for Federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons. **See Appendix A for sample notice to be delivered personally or by certified mail.**
2. **Notice of Non Displacement:** As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation benefits because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance. **See Appendix B for sample notice to be delivered personally or by certified mail.**
3. **Disclosure to Occupants of Temporary Relocation Benefits:** This form is completed to document that the City is following it's adopted temporary relocation plan for owner occupants and tenants. **See Appendix C for a copy of the disclosure form.**
4. **Other Relocation/Displacement Notices:** The above three notices are required for temporary relocation. If the City is attempting to provide permanent displacement benefits then there are a number of other forms which are required. Staff will consult HUD's Relocation Handbook 1378 and ensure that all the proper notices are provided for persons who are permanently displaced as a result of housing rehabilitation activities funded by CDBG or other federal programs.

APPENDIX A TO RELOCATION PLAN

Dear _____,

On (date), (property owner) submitted an application to the _____ for financial assistance to rehabilitate the building which you occupy at (address).

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact (name), (title), at (telephone number), (address).

Sincerely,

(name)

(title)

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

APPENDIX B TO RELOCATION PLAN

(date)

Dear _____:

On (date), we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On (date), the owner's request was approved, and the repairs will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

- 1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain until after construction is completed. If increased after construction is done, your new rent and estimated average utility costs will not exceed local fair market rents for your community. Of course, you must comply with all the other reasonable terms and conditions of your lease.
- 2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact (name), (title), at (phone #), (address). Remember; do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

APPENDIX C TO RELOCATION PLAN

DISCLOSURE TO OCCUPANT OF TEMPORARY RELOCATION BENEFITS

Top to be completed at time of loan application submittal or Home Visit

Property Address: _____
 __ Rental Unit __ Owner/Occupied Unit

The rehabilitation loan specialist working on behalf of the City/County of _____
has explained the temporary relocation services and benefits available under the current rehabilitation program relocation plan.

I/we have been advised that the City/County of _____ rehabilitation construction specialist will inform me if I need to
be temporarily relocated and will to assist me with scheduling any necessary moves and answer any questions about
assistance as needed.

Acknowledged:

Occupant Signature Date _____
Occupant Signature Date



Complete this at time of acceptance of Work Write Up with initials by occupant

The rehabilitation construction specialist for the City/County of _____
has explained the Rehabilitation Scope of Work for our house and I/we agree that it will:
____ Not require I/we to be relocated. (If initialed then STOP here and sign bottom.)
____ Yes, I/we need to be temporarily relocated. (Complete rest of form if initialed.)

Start date and duration of relocation:

____ Starting on or about _____ we will move for all or part of the rehabilitation project.
____ Approximate length of temporary relocation: _____ Number of days.

For temporary relocation, I/We elect to (check all that apply):

- ____ Relocate with friends and family.
- ____ Relocate into a suitable temporary housing unit identified by rehab specialist.
- ____ Relocate furnishings only into a temporary storage unit.

____ I/We have been told what our relocation benefits are and elect **Not** to be reimbursed for any eligible relocation expenses.

____ I/We have been told what our relocation benefits are and want to be reimbursed for: _____

By signing, occupant(s) acknowledge receipt of copy of this form:

Occupant Signature Date _____
Occupant Signature Date

ATTACHMENT F

**LOAN SERVICING POLICIES AND PROCEDURES
FOR THE CITY OF CAPITOLA**

The City of Capitola, hereafter called "City," has adopted these policies and procedures in order to preserve its financial interest in properties, whose "Borrowers" have been assisted with public funds. The City will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The City has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The City will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date.

For Notes which are deferred payment loans, the City must accept voluntary payments on the loan. Loan payments will be credited to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the City as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the City may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100 year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the City as a lender loss payee will be required at close of escrow. The City will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the City may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the City encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the City's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of City's loan. This document requires any senior lien holder listed in the notice to notify the City of initiation of a foreclosure action. The City will then have time to contact the Borrower and assist them in bringing the first loan current. The City can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the

City is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On some owner occupant loans the City may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the City in writing of any change. City and borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the City. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the City's Housing Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the City's Housing Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the City allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the City. The City will subordinate their loan only when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the housing committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the City.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; or 4) default on senior loans, the City will send out a letter to the Borrower notifying them of the default situation. If the default situation continues, the City may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the City is notified via a Request for Notice of Default, the City, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. City must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case, then the City may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the City determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the City does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the City can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the City decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the City fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the City determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the City's lien may be eliminated due to insufficient sales proceeds.

City as Senior Lien holder

When the City is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the City?
- 3) Can the Borrower sell the property and pay off the City?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)

5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the City to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the City should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The City could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

ATTACHMENT G
CITY OF CAPITOLA'S
FORECLOSURE POLICY

City As Junior Lien holder

It is the City of Capitola's (City's) policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties financed by a loan.

This document requires any senior lien holder to notify the City of initiation (recording of a "Notice of Default") of a foreclosure only. This is to alert the junior lien holder that they are to monitor the foreclosure with the senior lien holder. When the City is in a third position and receives notification of foreclosure from only one senior lien holder, it would be in their best interest to contact both senior lien holders regarding the status of their loans.

The junior lien holder may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges, advances (fire insurance premiums, property taxes, property protection costs, etc.), and foreclosure costs (fees for legal counsel, recordings, certified mail, etc.)

Once the City has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lien holder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the City decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the City fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the City determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the City's lien may be eliminated due to insufficient sales proceeds.

City As Senior Lien holder

When the City is in a first position, or the senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City staff will consider the following factors before initiating foreclosure:

- Can the loan be cured (brought current or paid off) by the owner without foreclosure?
- Can the owner refinance with a commercial lender and pay off the City?
- Can the owner sell the property and pay off the City?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)

- Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The owner must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the City to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the City should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the foreclosure proceedings. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City would then contact a real estate broker to market the home.

ATTACHMENT H
CERTIFICATION OF OCCUPANCY
CITY OF CAPITOLA

I/we _____ declare as follows:
(Please Print Occupant's Name(s))

That I/we am/are currently occupying as my/our principal place of residence the real property commonly known as:

(Address)

(City, State, Zip code)

Daytime Phone Number: _____

Executed on _____, 20____, at _____, CA (Date)
(City)

I/we declare under penalty of perjury that the foregoing is true and correct.

Signature(s) of all occupants:

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)

ATTACHMENT I

LEAD-BASED PAINT

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>
Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.			
Visual Assessment Date:		Report Date:	
Check if no deteriorated paint found <input type="checkbox"/>			
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).			
Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.			
Date of Presumption Notice:			
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>			
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.			
Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.			
Date of Hazard Reduction Notice:			
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>		Start & Completion Dates:	
If "No", dates of previous Hazard Reduction Activity Notices:			
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.			
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.			
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)			
Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity and Acknowledgement of Receipt of pamphlet <i>Protection Your Family from Lead in Your Home</i>.			
Printed Name:		Signature:	Date:
Section 6: Contact Information		Organization:	
Contact Name:		Contact Signature:	
Date:	Address:	Phone:	

Attachment: Capitola CDBG Home Rehabilitation Program Guidelines (1823 : CDBG Funded Energy Efficiency Program)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: City Manager Department

SUBJECT: Letter of Opposition to SB 649 Wireless Telecommunications Facilities

RECOMMENDED ACTION: Direct the Vice Mayor to sign a letter on behalf of the City opposing SB 649.

BACKGROUND: The City of Capitola recently updated the wireless facilities portion of its Zoning Code, Chapter 17.89, adopting it on February 9, 2017, following three public hearings. Public comment encouraged the City to adopt the most restrictive policies allowed by current federal and state law, and the resulting update relies on aesthetic considerations to review many applications.

In the current state legislative session, Senator Ben Hueso introduced Senate Bill 649 regarding Wireless and Small Cell Telecommunications Facilities, which would undermine much of the oversight that local jurisdictions maintain.

DISCUSSION: SB 649 would prohibit local discretionary review of “small cell” wireless antennas, including equipment collocated on both existing structures and equipment planned for new poles or structures, including those within the public right-of-way and buildings. It also requires local governments to make available sites they own for the installation of small cells, and limits what local jurisdictions could charge for facilities located on public property.

The proposal preempts adopted local land use plans by mandating that small cells be allowed in all zones as a use by-right. Should this legislation be signed into law, it would remove much of the remaining local control over small cell wireless facilities. A draft letter of opposition from the City of Capitola is Attachment 1.

SB 649 has been opposed by the California Chapter of the American Planning Association, the League of California Cities, the Urban Counties of California, the Rural County Representatives of California, and Protect Our Local Streets Coalition. A letter detailing these organizations’ concerns is included as Attachment 2.

FISCAL IMPACT: Unknown, but potential for lost revenue for use of public property.

:

ATTACHMENTS:

Letter of Opposition to SB 649 Wireless Telecommunications Facilities
April 27, 2017

1. Draft letter opposing SB 649
2. Opposition letter from multiple organizations

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

4/20/2017

February 24, 2017

The Honorable Ben Hueso
California State Senate, District 40
State Capitol Building, Room 4035
Sacramento, CA 95814

Senate Governance and Finance Committee
Senator Mike McGuire, Chair
State Capitol, Room 408
Sacramento, CA 95814

RE: OPPOSITION to SB 649 Wireless and Small Cell Telecommunications Facilities

Senators Hueso and McGuire:

On behalf of the City of Capitola, I write to you to voice our City's Council's strong **opposition** to SB 649. This proposal unconstitutionally strips local governments of our authority over public property and shuts out public input and local discretion by eliminating consideration of the aesthetic and environmental impacts of small cell wireless facilities.

Capitola recently held three well-attended public hearings as it updated the wireless facilities section of the Municipal Code. **Our community made it clear that local oversight is imperative to preserve the quality of life and expressed many concerns about the location of wireless facilities.**

This proposal denies public input regarding decisions that could affect the aesthetics of the community and the local environment. These factors are especially important when the proposed location of wireless facilities is within a residential zone.

Without the right to deny a facility, this measure unconstitutionally gives control of public property to private telecommunications companies. By limiting the rent calculation, it denies the public the right to charge a fair-market value for the use of its property.

This bill deprives local government of the right to protect the quality of life of our residents and to determine appropriate uses of public property and the public right-of-way. For these reasons, the City of Capitola opposes SB 649.

Sincerely,

Michael Termini
Vice Mayor

cc: The Honorable Bill Monning, Senate District 17
The Honorable Mark Stone, Assembly District 29
Deanna Sessums, Monterey Bay Regional Public Affairs Manager, League of California Cities (via email)



March 28, 2017

The Honorable Ben Hueso
 Chair, Senate Utilities, Energy and Communications Committee
 State Capitol, Room 4035
 Sacramento, CA 95814

Subject: **OPPOSITION to SB 649 (Hueso) – “Small Cell” Wireless Infrastructure Permitting (as amended March 28th)** – In Senate Energy, Utilities, and Communications Committee
 April 5th, 2017

Dear Senator Hueso:

The California Chapter of the American Planning Association (APA California), the League of California Cities (LCC), the Urban Counties of California (UCC), the Rural County Representatives of California (RCRC) and Protect our Local Streets Coalition (POLs) all must respectfully oppose your bill, SB 649. SB 649 would unnecessarily shut out public input by eliminating local consideration of the aesthetic and environmental impacts of “small cells.” These not-so-small “small cell” structures would be required to be allowed on public property in ANY zone in a city or county. SB 649 would also require cities and counties to lease or license publicly-owned facilities.

We appreciate the opportunity to meet with supporters of the bill prior to the amendments. However, the language in print is even more problematic than what was mocked up for discussion at our meeting. In fact, the new language in print leaves us with more questions and concerns, listed below:

By-Right Approval for “Small Cells”

SB 649 would tie the hands of local government by prohibiting discretionary review of “small cell” wireless antennas and related equipment, regardless of whether they will be collocated on existing structures or located on new “poles, structures, or non-pole structures,” including those within the public right-of-way. This would shut out the public from the permitting process and preempt adopted local land use plans by mandating that “small cells” be allowed in all zones as a use by-right.

Without a discretionary permit, these not-so-small cell structures would not be subject to the California Environmental Quality Act (CEQA) or consideration of aesthetics, design and nuisance impacts. Nothing would prevent, for example, a small cell(s) to be placed on a city/county owned light pole that is directly in front of a resident’s window, or placed on a traffic signal, which was never intended to hold wireless infrastructure.

It's important to note the Federal Communications Commission (FCC) still preserves local government's authority to require a discretionary permit. Why should California go beyond the FCC to remove local discretion?

Not So Small

Unfortunately, these "small cells" are not necessarily small. ***The definition is not inclusive of ALL infrastructure necessary to support 5G technology.*** The definition explicitly excludes:

- Electric meters and any required demarcation box
- Concealment elements
- Any telecommunications demarcation box
- Grounding equipment
- Power transfer switches
- Cut-off switches
- Vertical cable runs

Unknown Terms

"Single administrative permit." (Sec. 65964.2(b)(1)) There are permits that are "ministerial," such as a building permits, and permits that involve "discretionary" authority, such as encroachment permits, and either may be "administrative" depending on the process adopted by a local government. Building permits involve a building inspector verifying the safety of a building project. Projects in a public right of way (PROW) may also require an encroachment permit, which involves an inspector verifying that a project complies with PROW requirements. Building permits and encroachment permits cover entirely different concerns. Building inspectors do not check for Americans with Disabilities Act requirements that are not in the California Building Standards Code, and encroachment permit inspectors do not check the safety of the electrical connections. It is untenable to suggest that local governments should be forced to choose only one, but that appears to be one possible interpretation. Another possible interpretation is that an administrative body, such as a planning department, would be free of all supervision of the elected body that it serves. (Elected bodies are not "administrative" bodies.) This is an admittedly unusual outcome, but it appears to be a reasonable interpretation.

Whatever the "single administrative permit" should mean, it is also not clear how it is used in the bill. Sec. 65964.2(b) exempts small cells from all discretionary review if the listed criteria are met. This would appear to call for items to be included in an application that demonstrate satisfaction of the exemption requirements, and the first two items do just that. The third item, however, is the phrase "single administrative permit." We fail to understand how this is an element of an application for a small cell.

"Similar construction projects" (Sec. 65964.2(b)(3)(B)) states that single administrative permits may include "the same administrative permit requirements as similar construction projects..." We are unaware of any construction projects similar to small cells. ***Placing small cells on publically owned property is a recent occurrence with no precedent to guide policy discussions. SB 649 attempts to borrow from over a century of policies applicable to utility poles, and graft them onto public property that has no prior connection to delivering utility services***

How is “the regulation of any antennas mounted on cable strands” to be interpreted? (Sec. 65964.2(b)(3)(D)) This section lists items that the single administrative permit may not be subject to. It’s not clear what it means to say that a permit for a small cell may not be subject to the regulation of something that is not a small cell. ***If this means strand mounted antennas may not be regulated, it is a threat to public safety.***

Mandatory Leasing of City or County Property at Little to No Cost

SB 649 takes an extensive body of policy and legal precedent developed for access to utility poles and applies it to publicly owned property. Utility poles have always been treated as “shared facilities,” meaning that each pole was intended to serve multiple utility users wherever possible. This has led to the extensive regulations governing access to utility poles. Street lights and traffic signals are not “shared facilities.” They were installed for purposes unrelated to utilities and they were built at public expense. The costs associated with these public structures are unique, and, most importantly, they have never been the subject of utility-style regulations. SB 649 doesn’t acknowledge these critical differences, and simply treats any “vertical infrastructure in the public right of way” just like a utility pole.

Section 65964.2(b) would limit the rent a local government can charge a wireless company to place a small cell on public property to a “cost-based” fee. When local governments spend taxpayer money on street and traffic lights, it’s not expected that they would one day become used for the benefit of one industry. SB 649 provides favorable treatment to one industry over others who are paying the appropriate market rate for access to city property. The public is entitled to the fair-market value for using their property, and the local governments are the legal owners and landlords renting the property. When local governments rent public property, they are obligated to act in the public’s interest and receive fair-market value.

Control of property, including the ability to charge fair rent, is an essential property right. To the extent SB 649 deprives a local government of essential property rights, it may constitute a Separation of Powers violation, a regulatory taking, or a prohibited gift of public resources under Art XVI§6 of the State Constitution.

Reinventing the Wheel

The Wireless Telecommunications Bureau recently issued a Public Notice for comment on potential FCC actions to help expedite the deployment of small cells, including streamlining at the local level. The comment period just closed in March of 2017. It is appropriate to allow this process to complete before taking action on this matter.

Small Cell Deployment is New

As we understand per discussions with supporters, small cells are just in the beginning stages of being deployed. Given that many jurisdictions may not have even processed a small cell permit yet, or only handled a small number, we are unclear where the concerns are coming from that have prompted the need for this bill. We haven’t seen any examples yet to demonstrate a lack of deployment. We understand that there is a desire to have certainty for providers when

applying for these permits – local governments want certainty too. Complete applications help -
- quick response to potential redesign also helps, for example. **To provide a more streamlined statewide process, it may be more beneficial to require the Office of Planning and Research (OPR) to develop a model ordinance or other guidance for both jurisdictions and providers to use, rather than passing legislation at this time.**

What’s Next?

The wireless industry continues to push legislation every year to further remove local government’s discretion over wireless structures. We can’t help but wonder what else, or what other types of structures or industries will be next in line.

While the undersigned organizations support the deployment of facilities to ensure that Californians have access to telecommunications services, this goal is not inherently in conflict with appropriate local planning and consideration for the environmental and aesthetic impacts of such facilities. **A better approach would be one that encourages coordination and up-front planning to ensure that wireless technology can be deployed as quickly as possible but with due consideration for aesthetics and the environment.**

Finally, we want to note that we greatly appreciate the time your staff, Nida Bautista, has taken to meet with us to discuss our concerns. Please do not hesitate to contact us with any questions about our position.

Sincerely,

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cc: The Honorable Senator Ben Hueso, Chair Senate Energy, Utilities & Communications Committee
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Kerry Yoshida, Senate Republican Caucus
The Governor and OPR

Attachment: Opposition letter from multiple organizations (1835 : Letter of Opposition to SB 649 Wireless Telecommunications Facilities)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 27, 2017

FROM: Community Development

SUBJECT: Zoning Code Update

RECOMMENDED ACTION: Accept the staff presentation, discuss the proposed Zoning Code update, identify desired Code revisions, and continue the public hearing to the May 11, 2017, meeting.

BACKGROUND: On January 9, 2017, an updated draft zoning code and zoning map were published that incorporate all edits received from the Planning Commission and City Council during 2016. The Planning Commission edits that were accepted by the City Council have been incorporated into the draft zoning code in black. The City Council recommended revisions are shown in red. The draft code also includes revisions made by City staff to improve clarity and non-policy revisions requested by Coastal Commission staff. City staff revisions are shown in blue. The draft code, zoning map, and previous staff reports with attachments are available online. Hardcopies of the draft code are available to the public at City Hall and the Capitola Library.

DISCUSSION: The Planning Commission finalized the review of City Council edits to the Zoning Code and Zoning Map on April 6, 2017, and forwarded a positive recommendation for City Council to initiate a 60-day public review. The Planning Commission recommended additional edits to the draft zoning code that are outlined in Attachment 2.

Staff has identified 10 topics to be reviewed by the City Council prior to publishing the code for 60-day public review. Staff drafted the *Remaining Zoning Code Issues Report for City Council Review* to provide an overview of each of the remaining items (Attachment 1). The report will guide the discussions during the City Council hearing. The following topics are included in the report:

1. Zoning Map, Vacation Rental Boundary, and Additional Maps
2. Height Exceptions in the Mixed-Use Village
3. Land Use changes in the Regional Commercial District
4. Capitola Mall Redevelopment
5. Office Uses in the Regional Commercial Zoning District
6. Coastal Commission Edits
7. Allowed Projections and Encroachments into Setback
8. Accessory Dwelling Units
9. Village Sidewalk Signs

Zoning Code Update
April 27, 2017

10. Non-conforming Structures

Several items have been updated since the January publishing. Chapter 17.74 for Accessory Dwelling units (Attachment 3), Chapter 17.80 Sidewalk Signs (Attachment 4), the Zoning Map (Attachment 5) and the Environmentally Sensitive Areas map (Attachment 7) have been updated to reflect the direction provided by the Planning Commission.

Schedule

Staff has tentatively scheduled a subsequent review of the draft Zoning Code for the May 11, 2017, regularly scheduled City Council hearing. Additional meetings will be scheduled as necessary for the Council to complete its review of the draft code prior to initiation of the public review and comment period.

FISCAL IMPACT: None.

ATTACHMENTS:

1. Remaining Zoning Code Issues for City Council Review (PDF)
2. Planning Commission edits to January 2017 draft (PDF)
3. 17.74_Accessory Dwelling Units (PDF)
4. Sidewalk Sign Ordinance (PDF)
5. Zoning Map_Updated04.13.2017 (PDF)
6. Zoning Map Changes from Existing Map to Draft April 13, 2017 map (PDF)
7. Capitola ESHA Map (PDF)
8. Capitola ESHA Map Comparison (PDF)
9. Letter from 502 Beulah Drive (PDF)

Report Prepared By: Katie Herlihy
Senior Planner

Reviewed and Forwarded by:



Rich Cronow, Community Development Director

4/18/2017

Remaining Zoning Code Issues For City Council Review

of January 9, 2017 Draft Zoning Code Update



On January 9, 2017, Capitola published an updated draft zoning map and draft zoning code that incorporated all Planning Commission and City Council recommendations made in 2016. The Planning Commission provided guidance on the January 9th Draft. This document is a summary of the remaining zoning code items to be reviewed by City Council prior to putting out a draft for 60-day public review.

April 27, 2017

Remaining Zoning Code Issues | 2017

Topic 1: Zoning Map and Vacation Rental Boundary

Overview: The zoning map has been updated to be consistent with the General Plan Land Use Map, reflect existing land uses, and to correct errors within the existing map. Zoning Districts have been updated to match those in the new zoning code. New changes that took place during the Planning Commission and City Council review of the draft map include:

- The Visitor Server zone is now solely an overlay zone with the base zone removed. The map in figure 17.28-1 has been updated to reflect this change. Each property in the VS overlay has a base zone (CC, R-1, etc.) with a green hatch for the VS overlay.
- The Vacation Rental Use boundary was expanded along Capitola Avenue to Riverview Avenue. Additional requests were made by a member of the public to include properties along Capitola Avenue to Bay Avenue and to consider the property at 502 Beulah Drive. The Planning Commission reviewed the requests and recommended that 502 Beulah Drive be added to the Vacation Rental Overlay and not to expand further along Capitola Avenue.

The Planning Commission requested the following modifications to the draft zoning map following the January 9th, 2017 draft:

Map		Change
Zoning Map	Map	502 Beulah – include in Vacation Rental overlay
Zoning Map	Map & 17.40.030	Vacation Rental Use (VR) and Village Residential (VR) are same acronyms. The code removed the term “use” after Vacation Rental. Keep “use” in chapter 17.40.030.
Zoning Map	Map	911 Capitola Avenue zoned MUN should extend all the way back to the hotel property behind it
Zoning Map	Map	Shadow Brook Property and parking lot should be MU-N not CC
Zoning Map	Map	Remove Vacation Rental that is located over the water. Only place Vacation Rental overlay on inset map, removed from primary zoning map. Too cluttered.
Zoning map	Map	Soquel creek should be blue with the sliver of green open space by the bridge for the Stockton Bridge park.
Zoning Map	Map	3 residential properties 3881, 3891, 3895 Brommer Street change from RM-L to RM-H
Environmentally Sensitive Areas Map	Map	Hire consultant to revise Environmentally Sensitive Areas Map to ensure accuracy

Additional Maps for City Council Review: Additional maps/areas referenced within the draft code include: Environmentally Sensitive Areas map, the Geologic Hazards map, the Archaeological/Paleontological Sensitivity Areas shown in the Local Coastal Program Resource Map, and the Coastal Appeal and Jurisdiction Map. These additional maps have been digitized and will be included in the updated zoning code. At the time of Planning Commission review, the Commission directed staff to hire a biologist to review the Environmentally Sensitive Areas map for accuracy. The current map was updated by a biologist to reflect current environmentally sensitive areas.

It should be noted that Coastal Commission staff have indicated that they will not endorse or certify the City’s version of the Coastal Appeal and Jurisdiction Map and would consider the map to be an unofficial illustration. The new map is a digitized copy of the 1991 Coastal Commission certified map boundaries.

Attachment: Remaining Zoning Code Issues for City Council Review (1822 : Zoning Code Update)

Coastal staff explained that they plan to update the Coastal Appeal and Jurisdiction Map with the best resources available during their review of the updated Implementation Plan and reiterated that the boundary could change based on new information. A disclaimer is on the new map was provided by Coastal staff to clarify their position.

Topic 2: Height Exceptions in the Mixed Use Village (MU-V)

Section 17.20.030: Height Exceptions in the Mixed Use Village.

Page: 20-5

MU-V zone height: 27 Feet

Overview: The City Council recommended changes to the height exception to allow up to 30 feet with a maximum plate height of 26 feet and no habitable space above the plate line. During the City Council discussions, the understood purpose for prohibiting habitable space was to prevent breaks within the roof slope with habitable space design features, such as dormers.

City Council Recommendation:

B. Height Exceptions. The following exceptions are permitted to the maximum permitted height in the MU-V zoning district as shown in Table 17.20-2:

1. Up to 30 feet for a structure with a minimum 5:12 roof pitch. See Figure 17.20-1.
~~Up to 30 feet for habitable space with a roof pitch of at least 5/12. See Figure 17.20-1.~~

2. Projections for non-habitable decorative features and structures as allowed by Section 17.48.030.C.
~~Projections for non-habitable decorative features and structures as allowed by Section 17.48.030.C~~

2.3. Up to 33 feet for pitched roof with a maximum plate height of 26 feet and no habitable space above the plate line.

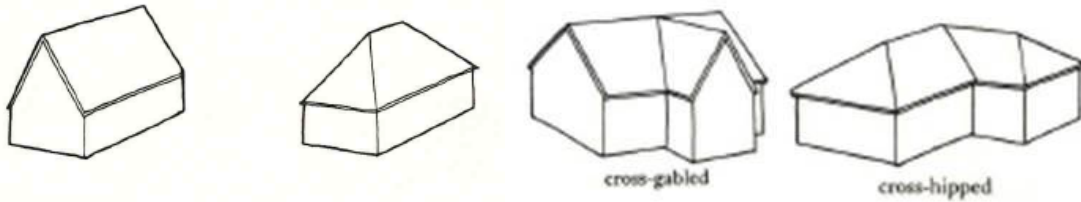
Staff has concerns with monitoring and enforcement of interior habitable space tied to a height exception standard. Staff recommends combining Height Exceptions 1 & 3 to identify one height exception limit (30 or 33 ft), require a minimum 5:12 roof pitch to qualify for a height exception, and replace prohibition of habitable space with a prohibition on breaks in the roof slope.

Planning Commission Amended Recommendation:

Replace with:

1. Up to 33 feet for a gabled or hipped roof with a minimum 5:12 roof pitch and a maximum plate height of 26 feet. There shall be no breaks in the roof slope for doors and decks. Include image of allowable pitched roof designs.
2. The 33 feet includes the maximum height of projections for non-habitable decorative features and structures as identified within Section 17.48.020.C.

Allowable pitched roof designs:



Topic 3: Land-Use Changes in the Regional Commercial District

Section: 17.24.020

Page: 24-2

Overview: The City Council requested three significant changes be made to the Regional Commercial (C-R) land use table. First, the City Council requested that single-family dwellings be added to identify that they are prohibited. Second, the Council directed staff to prohibit multi-family dwellings in the regional commercial zone. Lastly, within a residential mixed use development in the regional commercial zone, the Council prohibited residential uses on the first story.

City Council Recommendation:

Residential Uses				
<u>Single-Family Dwellings</u>	=	=	=	
Multi-Family Dwellings	C	C [5]	-	
Residential Mixed Use	C	C [7]	-	Section 17.24.040

[7] Residential uses are prohibited on the first story.

Planning Commission Recommendation: The Planning Commission reviewed the City Council recommendation and raised concerns. The Planning Commission noted that mixed use development is not always vertical and may include a residential component adjacent to a commercial component. The Planning Commission suggested that as larger commercial parcels redevelopment, they would prefer a requirement for a conditional use permit for multi-family dwellings rather than to prohibit the concept entirely within the Regional Commercial Zone. Also, within the Regional Commercial Zone, the Mixed-Use land use has footnote [7] which states “Residential uses are prohibited on the first story.” The Planning Commission recommended that the footnote be removed.

Residential Uses				
<u>Single-Family Dwellings</u>	=	=	=	
Multi-Family Dwellings	C	C [5] C	-	
Residential Mixed Use	C	C [7]	-	Section 17.24.040

Remaining Zoning Code Issues | 2017

Topic 4 relates to this subject specifically for the Capitola Mall Redevelopment. If the mall were to redevelop, an applicant could submit a mixed-use concept that includes multi-family next to commercial that would be entitled through a specific plan, planned development, development agreement, or rezone. This case could also be made for other large properties in the vicinity, such as King's Plaza, that chose to redevelop an entire site.

Topic 4: Capitola Mall Redevelopment

Section: 17.24.030(E)

Page: 24-7

Overview: The owners of the Capitola Mall, Merlone Geier, recently contacted staff and requested that the updated code include a clear statement that a future, major mall redevelopment project could be entitled through a separate planning process, including a possible specific plan, planned development, development agreement, or a rezone. Staff consequently revised the Commercial-Regional (C-R) purpose statement to clarify the expectations for future redevelopment projects, as follows:

Section 17.24.030(E) Capitola Mall Redevelopment. While the Capitola Mall site has been zoned Regional Commercial (C-R) as part of the Zoning Code Update, it is expected that major redevelopment of the mall property may require a Rezone, Planned Development, Specific Plan, Development Agreement, or similar process to tailor appropriate development standards for the redevelopment project. Where an application submitted pursuant to this section includes fewer than all parcels within the Mall property, the applicant shall demonstrate that the development type and pattern and site design will be compatible and not unreasonably interfere with future redevelopment of the remaining parcels. For the purposes of this section, the mall property is defined as the area bound by 41st Avenue, Clares Street, and Capitola Road.

Topic 5: Office Uses in the Regional Commercial Zoning District

Table: 17.24-2

Page: 24-4

Overview: The City Council directed staff to prohibit all Office Uses in the ground floor of the Regional Commercial zoning district (C-R). This is a major change that will make numerous existing office uses located in established office buildings legal, non-conforming. As written, a vacant office space within an office building would be subject to Section 17.92.060: Non-conforming Use of Structures. A change in ownership, tenancy, or management of a nonconforming use shall not affect its legal nonconforming status. If the office use is vacant (discontinued) for 90 consecutive days, the use shall not be reestablished and may be replaced only by a conforming use. After 90 days, the vacant space could not be leased with a new office use. ***Staff request discussion to confirm the City should prohibit all first-floor office spaces on the ground floor in the C-R zoning district.***

City Council Recommendation:**TABLE 17.24-2: PERMITTED OFFICE USES IN THE C-C AND C-R ZONING DISTRICTS**

<u>Key</u>		
<u>P</u> Permitted Use		
<u>A</u> Administrative Permit required		
<u>M</u> Minor Use Permit required		
<u>C</u> Conditional Use Permit required		
<u>-</u> Use not allowed		
Location and Size of Office Use	C-C Zoning District	C-R Zoning District
Conversion of a retail use to an office use	N/A	☹
Ground floor, less than 5,000 sq. ft.	P	☹
Ground floor, 5,000 sq. ft. or more	C	☹
Upper floor above a ground floor	P	P
Located within a multi-tenant site in which the office space is not located within a storefront and is setback from the front façade.	P	☹ P

Planning Commission Recommendation: The Planning Commission reviewed the City Council recommendation and expressed concern for existing office buildings in the area. They shared the City Council's desire to maintain retail in the Regional Commercial, but did not want to prohibit office altogether in the event a desirable business wants to relocate to Capitola providing quality jobs. The Planning Commission did not change their original recommendation as follows:

- Require Conditional Use Permit in C-R for Ground floor, less than 5,000 square feet
- Require Conditional Use Permit in C-R for Ground floor, 5,000 square feet or more.
- Permit in C-R located within a multi-tenant site in which the office space is not located within a storefront and is setback from the front façade.

Staff Recommendation

Staff requests direction on Table 17.24 regarding the Planning Commission recommendation. If the City Council decides not to implement the Planning Commission modifications, Staff recommends adding a note to the table that office uses in existing office buildings (used exclusively for office space) be allowed to continue until such time that the office building is redeveloped or removed.

Remaining Zoning Code Issues | 2017

Topic 6: Pending Review of Coastal Commission edits

Overview: The California Coastal Commission staff reviewed the original Draft Zoning Code and provided preliminary feedback. The feedback ranges from minor edits to larger policy issues. During the initial draft zoning code review in 2016, the Planning Commission did not make a recommendation on the Coastal Overlay chapter to the City Council. Within the 2017 draft zoning code, City staff inserted Coastal Commission edits which do not fundamentally affect policy or which are minor in nature into the draft code. These changes are shown in blue throughout the code. The majority of the Coastal Commission suggested revisions were Chapter 17.44. Staff presented these edits to the City Council on October 13, 2016. The Council directed staff to return to the Planning Commission for a recommendation on the changes. Planning Commission provided a positive recommendation to accept the Coastal Commission edits suggested by City Staff. **Staff requests direction from the City Council on the Coastal Commission edits.**

Remaining Zoning Code Issues | 2017

Topic 7: Allowed Projections and Encroachments into Setbacks

Section: 17.48.030 C and D

Page: 48-2 to 48-4

Overview: The draft code includes a variety of setbacks for different projections and encroachments into the setback areas. Staff recommends slight modifications to setbacks to create consistency based on the possible impacts to neighbors. The following tables groups similar features and structures that have similar effects. The draft code standards are in black. **All Planning Commission recommended changes are in red.**

Architectural Design Elements (bay windows, front porch) that are encouraged with minimal setback.

	Encroachment into Setback				Minimum Distances from Property Lines
	Front	Rear	Interior Side	Exterior Side	
ROOF PROJECTIONS					
Cornices, eaves, canopies, and similar roof projections	4 ft	4 ft	2 ft	2 ft	All: 3 ft
WALL PROJECTIONS					
Bay windows, balconies, sills, fireplaces, chimneys, and similar wall projections	2 ft	2 ft	2 ft	2 ft	All: 3 ft
ENTRIES					
Stairways and fire escapes or similar features	4 ft Not allowed	6 ft 4 ft	½ of required setback No max	4 ft Not allowed	Front: Not allowed Interior side: 3 ft Exterior side: Not allowed Rear: 5 ft
At grade flatwork such as concrete paving and patios	No max	No max	No max	No max	All sides: No minimum
Landing Places, Patios, and Decks 18 inches or less above grade	No max	No max	No max	No max	Front and Exterior Side: 5 ft Interior Side and Rear: 3 ft
Open and unenclosed entry porches and decks 19 to 30 inches above grade.	4 ft	6 ft	½ of required setback	4 ft	Front: 10 ft Exterior side: 5 ft Interior Side: 3 ft Rear: 5 ft
Covered entry porch and decks 19 to 30 inches above grade including roof and roof overhang.	5 ft	Not Applicable	Not Applicable	4 ft	Front: 10 ft Exterior side: 5 ft Interior Side and Rear: Not Applicable
Wheelchair ramps and similar features for the disabled	No max	No max	No max	No max	No minimum

Attachment: Remaining Zoning Code Issues for City Council Review (1822 : Zoning Code Update)

Remaining Zoning Code Issues | 2017

Decorative Features such as a trellis and planter boxes are encouraged with minimal setbacks from property lines. Specificity has been added to trellis structures to ensure that trellis structures in the front yard will not be enclosed to ensure a trellis cannot be utilized as a fence feature well above the fence height allowance of 42 inches. The draft code standards are in black. All recommended changes are in red.

	Encroachment into Setback				Minimum Distances from Property Lines
	Front	Rear	Interior Side	Exterior Side	
DECORATIVE FEATURES					
Trellis Structure up to 10 ft in height that is open on all sides and arbors with a minimum of 2 open sides utilized over a walkway.	No max	No max	No max	No Max	No Minimum Staff Note: Limit trellises in the front yard to no walls. Could be utilized as high fence.
Trellis Structure up to 10 ft in height that is open on at least three sides, and the walls of the structure are 50 percent transparent.	No Max Not Allowed	No max	No max	No Max Not Allowed	Rear and Interior Side: No Minimum Front and Exterior Side: Not allowed.
Planter boxes and masonry planters with a maximum height of 42 inches.	No max	No max	No max	No Max	No Minimum
Landscape features, such as water fountain or statue, Decorative ornamental features up to a maximum height of 6 ft that which does not enclose the perimeter of the property.	No max	No max	No max	No max	All sides: 5-foot minimum No minimum

Attachment: Remaining Zoning Code Issues for City Council Review (1822 : Zoning Code Update)

Remaining Zoning Code Issues | 2017

Entertainment Features are typically social and should not be located right on a property line due to possible impacts of noise. They also are not normally allowed within a front setback or side yard setbacks. The draft code standards are in black. **All recommended changes are in red.**

	Encroachment into Setback				Minimum Distances from Property Lines
	Front	Rear	Interior Side	Exterior Side	
ENTERTAINMENT FEATURES:					
Hot Tubs	Not allowed	No max	Not allowed	Not allowed	Rear: 2 5 2 ft All other: Not allowed
Pools	Not allowed	No max	Not allowed	Not allowed	Rear: 5 ft minimum All other: Not allowed
Fire pits up to 30 inches in height	No max	No max	No max	No Max	All Sides: 5 ft minimum
Outdoor kitchens. The kitchen may include gas, electric and plumbing, except electric connections must be less than 200 volts and drain size may not exceed that allowed for a mini bar. Includes Pizza Ovens.	Not allowed	No max	Not allowed	Not allowed	Rear Yard: 2 5 ft minimum All other sides: Not allowed

Structures and Equipment not permanently attached to the ground are allowed within setback areas. Rain harvest tanks are encouraged and therefore allowed within side and rear yard setbacks. Mechanical equipment may have noise and visual impacts to a neighbor; therefore, are prohibited from the front and exterior side yard and have required setbacks within the interior side yard and rear yard. The draft code standards are in black. **All recommended changes are in red.**

	Encroachment into Setback				Minimum Distances from Property Lines
	Front	Rear	Interior Side	Exterior Side	
OTHER STRUCTURES AND EQUIPMENT					
Children's play equipment, movable dog house, movable trash enclosures , and similar moveable objects	No max	No max	No max	No max	All sides: No minimum
Rain harvest tanks that do not exceed 8 ft in height	Not allowed	No max	No max	No max	Front Yard: Not Allowed. All sides: No minimum
Screened mechanical equipment including hot water heaters and HVAC units.	No max Not Allowed	No max	No max	No Max Not Allowed	No minimum Rear and Interior Side Yard: 3 ft

Remaining Zoning Code Issues | 2017

Topic 7b: Setbacks for Accessory Structures and Accessory Dwelling Units

Section: 17.52.020

Page: 52- 2

Section: 17.74.050 and 060

Page: 74 - 5

Overview: The zoning code allows accessory structures and accessory dwelling units in setback areas. The setbacks in the draft code are consistent between the two allowed structures, requiring increased setbacks as the accessory structure increases in height. **Staff is not requesting direction on this item. Staff included this item anticipating that questions would arise relative to the setback discussion in Topic 7.**

	Encroachment into Setback				Minimum Distances from Property Lines
	Front	Rear	Interior Side	Exterior Side	
ACCESSORY STRUCTURES & DETACHED GARAGE 17.52					
Accessory structure less than 8 ft. in height, 80 sf or less, no plumbing	Same as primary	No max	No max	No max	All Sides: No minimum
Accessory Structures 8 to 15 ft. in height in SF zone	Same as primary structure	No max	No max	No max Same as primary structure	Front: Same as primary structure Interior and Exterior Sides: 3 ft. Rear: 3 ft.
Detached Garage	None	No max	No max	No max	Front: 40 ft Interior and Exterior Sides: 3 ft. Rear: 3 ft.
Accessory Structure in MF Residential	None	No max	No max	No max	Front: Same as primary Structure Interior and Exterior Side: 3 ft. Rear: 3 ft.

Attachment: Remaining Zoning Code Issues for City Council Review (1822 : Zoning Code Update)

Remaining Zoning Code Issues | 2017

	Encroachment into Setback				Minimum Distances from Property Lines [2]
	Front	Rear	Interior Side	Exterior Side	
Accessory Dwelling Units					
Detached Accessory Dwelling Units – One Story (15 ft. Height or less)[1]	None	No Max	No Max	None	Front: Same as required for primary residence Interior Side: 5 ft Exterior Side: Same as required for primary residence Rear: 8 ft
Detached Accessory Dwelling Units (15-22 ft. height)	None	No Max	No Max	None	Front: Same as required for primary residence Interior Side: 5 ft Exterior Side: Same as required for primary residence Rear: 10 ft
Attached Accessory Dwelling Units	Same as primary residence	Same as primary residence	Same as primary residence	Same as primary residence	Front, Rear, Exterior Side and Interior Side: Same as primary residence Above garage: 5 ft [3]

Notes:

- [1] Maximum height of 12 feet when accessory dwelling unit is 10 feet or less from property line.
 [2] No setback is required for an existing garage that is converted to an accessory dwelling unit.
 [3] Minimum 5-foot setback for accessory dwelling units constructed above a garage.

Remaining Zoning Code Issues | 2017

Topic 8: Accessory Dwelling Units (previously Secondary Dwelling Units)

Chapter: 17.74

Page: 74-1 through 74-9

Overview: This chapter establishes standards for the location and construction of accessory dwelling units consistent with the State of California Government Code Section 65852.2 as amended within AB2299. The chapter has been modified extensively since the original 2016 draft to comply with recent State legislation. Major changes include new terminology, new definitions, new standards for attached, detached, and internal accessory dwelling units, new parking allowances and waivers, decreased minimum lot size (4,000 sf) and increased minimum size unit (1,000 sf).

Planning Commission Recommendation: The Planning Commission recommended the following changes to Chapter 17.74 Accessory Dwelling Units:

Chapter 17.74 Accessory Dwelling Units	Item to Add	Accessory Dwelling Units that utilize the decreased setbacks and increased FAR cannot remove the ADU and enjoy the benefits of creating a non-conformity of oversized .60 FAR. Add requirement to deed restriction that requires removal of additional floor area if the dwelling unit is removed.
17.74.020.D Accessory Dwelling Units	Page 74-1	Add #4 "The term Internal Accessory Dwelling Unit includes Junior Accessory Dwelling Units as defined in Government Code Section 65852.22"
17.74.030.A.1.b	Page 74-2	Typo. Change n to an
17.74.030.A.2.	Page 74-2	Add approval of a Design Permit "and Conditional Use Permit".
17.74.050.A Accessory Dwelling Units	Page 74-4 & 74-5	Add allowance for internal ADUs and JADUs in the R-1, RM, and MU-N zoning districts on lots of 4,000 square feet or more occupied by one single-family dwelling.
17.74.050.C Accessory Dwelling Units	Page 74-5	Change the Unit size minimums to the following Lot Size: Max ADU size Under 4,000 square feet: Not permitted 4,000 to 7,500 square feet: 500 sf max 7,501 to 9,999 square feet: 640 sf max 10,000 to 11,999 square feet: 800 sf max 12,000 or more: 1,000 sf max
17.74.040 Accessory Dwelling Units	Page 74-7	Deed restrict must include occupancy standard of 17.74.040.C – the property owner must occupy either the primary or accessory dwelling.
17.74.080.A.1-3 Accessory Dwelling Units	Page 74-7 & 74-8	Remove fee waivers for Affordable Units.

Topic 9: Village Sidewalk Signs**Section:** 17.80.**Page:** 92-6

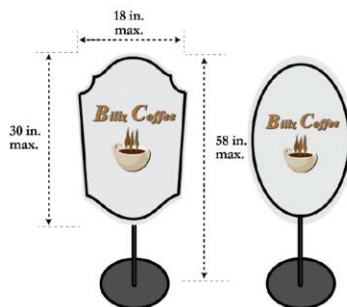
Overview: Several key design elements are unclear within existing and proposed Village Sidewalk Sign regulations, including materials, shape, area of sign face, and height of sign face. Staff has revised the proposed ordinance to add the specific design details of the BIA sign standards:

1. Sign face shall be made of quality materials such as solid wood, metal, or similar durable and weatherproof materials.
2. Pole shall be a cast iron pole.
3. Base shall be cast iron and round shape (shown in image).
4. Max height of the sign face of 30 inches.
5. Maximum sign area 3.75 sf.

The sidewalk sign ordinance has been updated to include the items listed above in 1 – 5. It was also reorganized to group similar standards such as placement, number of signs, materials and designs, etc.

Discussion Item: The code states “Sidewalk signs consistent with this section and the approved BIA design as illustrated in Figure 17-80-3 can be issued an over the counter sign permit”. The shape of the BIA design is unique with a curved line at the top and bottom. The current draft code allows variation from the BIA shape with an oval included as acceptable. Staff is requesting direction on the allowed shape of the sign and whether or not to allow alternative shapes at discretion of Planning Commission.

FIGURE 17-80-3: SIDEWALK SIGN STANDARDS

**Planning Commission Recommendation:**

The Planning Commission agreed with the new organization of the section. The Commission recommended that the additional shape (oval) be included in the update. They recommended that staff remove the option that alternative shapes be approved by the Planning Commission.

Remaining Zoning Code Issues | 2017

Topic 10: Non-Conforming Structures

Section: 17.92.080

Page: 92-6

Overview: The City Council requested that staff edit Table 17.92 to clarify the new thresholds. Staff updated the description of the thresholds and added examples for each. **Staff request discussion on the updated table.**

City Council Recommendation:

TABLE 17.92-1: ALLOWED MODIFICATIONS TO NONCONFORMING STRUCTURES

Project Affecting a Nonconforming Structure	Example	Permit Required [1]
Interior Nonstructural repairs, maintenance, and interior alterations	<u>Interior renovations to a room within a portion of a building located within a required setback area</u>	None
Exterior Structural repairs, modifications, and additions that do not alter or affect the nonconforming aspect of the structure	<u>Adding floor area to a home with an existing roof that exceeds the maximum building height where the addition complies with the maximum building height and all other applicable standards</u>	None
Exterior Structural repairs, and modifications, and additions that alter or affect the nonconforming aspect of the structure [2]	<u>Rebuilding an existing building wall within a required setback area with no increase in floor area</u>	Design Permit
Exterior Structural repairs, modifications, and additions that increase or exacerbate the nonconforming aspect of the structure	<u>Adding floor area to a portion of an existing room within a required setback area</u>	<u>Design Permit and Variance</u>
Replication Reconstruction of a single-family dwelling per 17.92.070.D	<u>See 17.92.080.C</u>	Design Permit
Recreation of an involuntarily damaged or destroyed structure	<u>Rebuilding a home destroyed by a fire to match the destroyed home</u>	None

Notes:

[1] The proposed project may require permits and approvals for other reasons not related to its nonconforming status. For example, additions or enlargements to a single-family dwelling often requires a Design Permit.

[2] ~~Repairs and replacement of exterior finishes such as roofs and exterior siding are allowed without a Design Permit.~~

Planning Commission recommendation:

- Reword “repair” in third category “~~exterior repairs reconstruction~~ (demolish and rebuilt) and modifications that alter or affect the nonconforming aspect of the structure”. Update example to demolish and rebuild.
- Last category “recreation of an involuntarily damaged or destroyed structure” add a reference to 19.92.080.D

Remaining Zoning Code Issues | 2017

TABLE 17.92-1: ALLOWED MODIFICATIONS TO NONCONFORMING STRUCTURES

Project Affecting a Nonconforming Structure	Example	Permit Required [1]
Interior Nonstructural repairs, maintenance, and interior alterations	<u>Interior renovations to a room within a portion of a building located within a required setback area</u>	None
Exterior Structural repairs, modifications, and additions that do not alter or affect the nonconforming aspect of the structure	<u>Adding floor area to a home with an existing roof that exceeds the maximum building height where the addition complies with the maximum building height and all other applicable standards</u>	None
Exterior repairs reconstruction (demolish and rebuild) and modifications that alter or affect the nonconforming aspect of the structure [2]	<u>Demolish and rebuild an existing building wall within a required setback area with no increase in floor area.</u>	Design Permit
Exterior Structural repairs, modifications, and additions that increase or exacerbate the nonconforming aspect of the structure	<u>Adding floor area to a portion of an existing room within a required setback area</u>	<u>Design Permit and Variance</u>
Replication Reconstruction of a single-family dwelling per 17.92.070.D	<u>See 17.92.080.C</u>	Design Permit
Recreation of an involuntarily damaged or destroyed structure	<u>Rebuilding a home destroyed by a fire to match the destroyed home</u> <u>See 17.92.080.D</u>	None

Notes:

[1] The proposed project may require permits and approvals for other reasons not related to its nonconforming status. For example, additions or enlargements to a single-family dwelling often requires a Design Permit.

[2] ~~Repairs and replacement of exterior finishes such as roofs and exterior siding are allowed without a Design Permit.~~

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
Zoning Map			
Zoning Map	Map	502 Beulah – include in Vacation Rental overlay	
Zoning Map	Map & 17.40.030	Vacation Rental Use (VR) and Village Residential (VR) are same acronyms. The code removed the term “use” after Vacation Rental. Keep “use” in chapter 17.40.030.	
Zoning Map	Map	911 Capitola Avenue zoned MUN should extend all the way back to the hotel property behind it	
Zoning Map	Map	Shadow Brook Property and parking lot should be MU-N not CC	
Zoning Map	Map	Remove Vacation Rental that is located over the water. Only place Vacation Rental overlay on inset map, removed from primary zoning map. Too cluttered.	
Zoning map	Map	Stockton creek should be blue with the sliver of open space by the bridge where there is a small City park.	
Zoning Map	Map	3 residential properties 3881, 3891, 3895 Brommer Street change from RM-L to RM-H	
Environmentally Sensitive Areas Map	Map	Hire consultant to review Environmentally Sensitive Areas Map to ensure accuracy of boundary	
Zoning Code			
17.20.030 Mixed Use Village Height Exception	20-5	Replace with: <ol style="list-style-type: none"> Up to 33 feet for a gabled or hipped roof with a minimum 5:12 roof pitch and a maximum plate height of 26 feet. There shall be no breaks in the roof slope for doors and decks. Up to 33 feet for projections for non-habitable decorative features and structures as allowed by Section 17.48.020.C. Include image of allowable pitched roof designs.	Discuss
17.24.020 Table 17.24-1 Land Use Table	24-2	PC directed staff to require a Conditional Use Permit for Multi-Family Dwellings in the C-R. Also, within the C-R Residential Mixed Use has a footnote [7] which states “Residential uses are prohibited on the first story.” Planning Commission directed staff to remove the footnote.	Discuss

Attachment: Planning Commission edits to January 2017 draft (1822 : Zoning Code Update)

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
Table 17.24-2 Permitted Office Uses in the C-C and C-R Zoning Districts	24-4	Revise: Require Conditional Use Permit in C-R for Ground floor, less than 5,000 square feet Require Conditional Use Permit in C-R for Ground floor, 5,000 square feet or more. Permit in C-R located within a multi-tenant site in which the office space is not located within a storefront and is setback from the front façade.	Discuss
17.24.030(E) Capitola Mall Redevelopment	24-7	Section 17.24.030(E) Capitola Mall Redevelopment. While the Capitola Mall site has been zoned Regional Commercial (C-R) as part of the Zoning Code Update, it is expected that major redevelopment of the mall property may require a Rezone, Planned Development, Specific Plan, Development Agreement, or similar process to tailor appropriate development standards for the redevelopment project. Where an application submitted pursuant to this section includes fewer than all parcels within the Mall property, the applicant shall demonstrate that the development type and pattern and site design will be compatible and not unreasonably interfere with future redevelopment of the remaining parcels. For the purposes of this section, the mall property is defined as the area bound by 41st Avenue, Clares Street, and Capitola Road.	Discuss
Figure 17.24-3	Page 24-9	Remove 65% minimum from figure.	
Coastal Commission Edits	Throughout Code	Change references of Local Coastal Act to Local Coastal Plan	Discuss
17.36.080.D.3	Page 36-3	Change engineers to engineer	
17.36.080.H.7 Planned Dev. Substantial Public Benefit Defined	Page 36-6	Correct typo - jobs "in" industries Add "supply and" as follows: "7. New or enlarged business that increase the <u>supply and</u> /or diversity of jobs available to Capitola residents. Types of jobs may include jobs that improve environmental quality or reduce energy consumption ('green jobs'), high-tech sector jobs, and jobs <u>in</u> industries focusing on the generation and utilization of intellectual property ('creative jobs')."	

Attachment: Planning Commission edits to January 2017 draft (1822 : Zoning Code Update)

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
17.40.020.J Affordable Housing Overlay – Assurance of Affordability	Page 40-6	Change to “for 55 years or the natural life of the unit whichever is greater”	
17.44.030	Page 44-2	Coastal Bluff definition change to “overlooking coastal water”	
17.44.030.F	Page 44-4	Remove first sentence “Any area in which ... developments.”	
17.44.150.B.6.a AND b	Page 44-2	Change to Local Coastal Plan	
Table of Contents Part 3	Part 3 Chapter 17.74	Replace Secondary with Accessory	
17.48.020.B Height Exceptions	48-2	Reword: “B. Height Exceptions. Buildings may exceed the maximum permitted height in the applicable zoning district as shown in Table 17.48-1. These exceptions may not be combined with other height exceptions, including but not limited to, allowances for additional height in the MU-V zone or for historic structures.”	
17.48.030 D and E Projections into Required Setbacks. Allowed encroachments	17.48.030 C and D	Incorporate staff suggestions on modifications to setbacks presented to PC, except: <ul style="list-style-type: none"> • Landscape features – 17.48.030.E.10 – change to “Decorative ornamental features up to a maximum height of 6 feet which does not enclose the perimeter of the property” and change minimum distance from Property line to “No Minimum” • Hot Tubs – Min distance from property line – Change Rear to 2 feet. • Under other structures and equipment, remove trash enclosure from moveable objects list 	Discussion Item #7
17.52.030.B.4 Accessory Uses	52-4	Reword “4. All exterior vending <u>machines</u> require a Conditional Use <u>permit</u> .”	

Attachment: Planning Commission edits to January 2017 draft (1822 : Zoning Code Update)

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
17.64. Environmentally Sensitive Habitat Lands	Page 64-1 & 64-4	The title of 17.64.050 should be rearranged say “Monarch Butterfly Habitat – Rispin-Soquel Creek and Escalona Gulch” Make change in three places: Sections (pg 64-1), Applicability (pg 64-1), and 17.64.050 title (pg 64-4)	
17.64.040.A Environmentally Sensitive Habitat Lands	Page 64-4	Accessory Dwelling Units that utilize the decreased setbacks and increased FAR cannot remove the ADU and enjoy the benefits of creating a non-conformity of oversized FAR. Add requirement to deed restriction that requires removal of additional floor area if the dwelling unit is removed.	
Chapter 17.74 Accessory Dwelling Units	Item to Add	Accessory Dwelling Units that utilize the decreased setbacks and increased FAR should not remove the ADU and enjoy the benefits of creating a non-conformity of oversized FAR. Add requirement that properties that utilize increased FAR and decreased setbacks shall keep the ADU.	Discussion Item #8
17.74.020.D Accessory Dwelling Units	Page 74-1	Add #4 “The term Internal Accessory Dwelling Unit includes Junior Accessory Dwelling Units as defined in Government Code Section 65852.22”	Discussion Item #8
17.74.030.A.1.b	Page 74-2	Typo. Change n to an	Discussion Item #8
17.74.030.A.2.	Page 74-2	Add approval of a Design Permit “and Conditional Use Permit”.	Discussion Item #8
17.74.050.A Accessory Dwelling Units	Page 74-4 & 74-5	Add allowance for internal ADUs and JADUs in the R-1, RM, and MU-N zoning districts on lots of 4,000 square feet or more occupied by one single-family dwelling.	Discussion Item #8
17.74.050.C Accessory Dwelling Units	Page 74-5	Change the Unit size minimums to the following Lot Size: Max ADU size Under 4,000 square feet: Not permitted 4,000 to 7,500 square feet: 500 sf max 7,501 to 9,999 square feet: 640 sf max 10,000 to 11,999 square feet: 800 sf max 12,000 or more: 1,000 sf max	Discussion Item #8
17.74.040	Page 74-7	Deed restrict must include occupancy standard of 17.74.040.C – the property owner must occupy either the primary or accessory dwelling.	Discussion Item #8

Attachment: Planning Commission edits to January 2017 draft (1822 : Zoning Code Update)

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
Accessory Dwelling Units			
17.74.080.A.1-3 Accessory Dwelling Units	Page 74-7 & 74-8	Remove fee waivers for Affordable Units.	Discussion Item #8
17.76.040.B.2.b AND c Parking and Loading	76-8	In b and c, the reference should remove the zero before the 2. Section 17.020.	
17.76.070.D.2 Parking and Loading	Page 76-19	Shade trees. Require that shade trees be a minimum of <u>24-inch</u> box tree for tree health rather than 36-inch.	
17.80.080.A.1.d Auto Dealership Signs	Page 80-9	Remove Maximum Area of Auto Dealership sign – Replace with requirement that Planning Commission review sign applications if combined sign area exceeds 100 square feet.	
17.80.080.K Sidewalk Signs.	Page 80-15	Keep the two shapes for the sign face. Remove the option for an alternate shape to be approved by the Planning Commission. Agreed with new organization of section and all other suggested edits.	Discussion Item #9
17.80.090.A.6 Signs	Page 80-17	Prohibit Internally illuminated signs in the mixed-use neighborhood.	
17.80.100.A. 1-8 Signs	Page 80-17	Remove Residential Signs – A. 1-8. General Standards. Keep section B for multi-unit properties.	
17.80.110 Table 17.80-10 Temporary Sign Standards	80-19	Temporary Sign Standards: Auto Dealership Signs. Change Maximum Duration to year-round. Add requirement that they must be maintained in good condition.	
17.92.070.B.2.d Non-conforming multi-family uses	92-3	Remove “B.2.d The extension will not impair coastal resources”	

Attachment: Planning Commission edits to January 2017 draft (1822 : Zoning Code Update)

Planning Commission Requested Modifications			City Council Direction
Section	Page	Change	
in R-1 Zoning District			
Table 17.92-1	Page 92-6	<ul style="list-style-type: none"> Reword "repair" in third category "exterior repairs reconstruction (demolish and rebuilt) and modifications that alter or affect the nonconforming aspect of the structure". Update example to demolish and rebuild. Last category "recreation of an involuntarily damaged or destroyed structure" add a reference to 19.92.080.D 	Discussion Item #10
5000 sf auto space		Check with TESLA that 5,000 sf would support auto showroom. Toyota and Subaru confirmed that 5,000 sf would work.	
Additional Staff Edits			
		Update code to include allowance of a mini bar or efficiency kitchen. In the previous code the allowance was included in the definition of kitchen. Put standard in correct place	
		Revise setbacks in Environmentally Sensitive Habitat Areas to allow development on existing developed lots. Ex. Lower lot woodland may not allow expansion of homes along Buellah.	
		McDonalds now does curbside delivery. Our existing code states restaurants not including restaurants with drive-up windows or car service. Need to add prohibition on car service to new code. Was not carried over.	

Chapter 17.74 – ACCESSORY DWELLING UNITS

Sections:

- 17.74.010 Purpose
- 17.74.020 Definitions
- 17.74.030 Required Permits
- 17.74.040 Permitted Location
- 17.74.050 Standards for All Accessory Dwelling Units
- 17.74.060 Standards for Attached and Detached Accessory Dwelling Units
- 17.74.070 Findings
- 17.74.080 Deed Restrictions
- 17.74.090 Incentives



Note: This chapter has been significantly revised to comply with changes to state law adopted by the California Legislature in 2016 concerning local regulation of accessory dwelling units (SB 1069 and AB 2406). Revisions to Capitola's existing accessory dwelling unit regulations required by state law include reducing parking requirements, allowing by right accessory dwelling units contained within the existing space of a home, establishing time limits for the City to act on applications, limiting utility connection requirements, increasing maximum size, and reducing setback requirements.

17.74.010 Purpose

This chapter establishes standards for the location and construction of accessory dwelling units consistent with Government Code Section 65852.2. These standards are intended to allow accessory dwelling units as a form of affordable housing in Capitola while maintaining the character and quality of life of residential neighborhoods.

17.74.020 Definitions

Terms used in this chapter are defined as follows:

- A. Accessory Dwelling Unit.** “Accessory dwelling unit” means a self-contained living unit located on the same parcel as a primary single-family residence with exterior access to the accessory dwelling unit provided independent from the primary single-family residence.
- B. Attached Accessory Dwelling Unit.** “Attached accessory dwelling unit” means an accessory dwelling unit that:
 1. Shares at least one common wall with the primary single-family residence;
 2. Is not fully contained within the existing space of the primary single-family residence or an accessory structure; and
 3. Provides exterior access independent from the primary single-family residence.

- C. Detached Accessory Dwelling Unit.** “Detached accessory dwelling unit” means an accessory dwelling unit that does not share a common wall with the primary single-family residence.
- D. Internal Accessory Dwelling Unit.**
1. “Internal accessory dwelling unit” means an accessory dwelling unit that:
 - a. Is fully contained within the existing space of the primary single-family residence or an accessory structure; and
 - b. Provides exterior access independent from the primary single-family residence.
 2. The term internal accessory dwelling unit includes junior accessory dwelling units as defined in Government Code Section 65852.22.
- E. Two-story Attached Accessory Dwelling Unit.** “Two-story attached accessory dwelling unit” means an attached accessory dwelling unit that is configured as either two stories of living space attached to the primary single-family residence or located on the second story above the ground floor of the primary single-family residence.
- F. Two-story Detached Accessory Dwelling Unit.** “Two-story detached accessory dwelling unit” means a detached accessory dwelling unit that is configured as either two stories of living space as part of a single accessory dwelling unit or second story living space above a ground floor garage or other accessory structure.

17.74.030 Required Permits

A. Internal Accessory Dwelling Units.

1. **Administrative Permit.** An internal accessory dwelling unit is allowed with an Administrative Permit if:
 - a. The proposed unit complies with Section 17.74.040 (Standards for All Accessory Dwelling Units); and
 - b. The proposed unit is contained within an existing primary single-family residence or accessory structure that complies with the minimum side and rear setback requirements of the applicable zoning district.
2. **Design Permit and Conditional Use Permit.** The Planning Commission may allow an internal accessory dwelling unit located within an existing primary single-family residence or accessory structure that does not comply with the minimum side and rear setback requirements of the applicable zoning district with the approval of a Design Permit and Conditional Use Permit.

B. Attached and Detached Accessory Dwelling Units.

1. **Administrative Permit.** Attached and detached accessory dwelling units consistent with Section 17.74.040 (Standards for All Accessory Dwelling Units) and Section

17.74.050 (Standards for Attached and Detached Accessory Dwelling Units) are allowed with an Administrative Permit.

2. Design Permit and Conditional Use Permit.

a. The Planning Commission may approve an attached or detached accessory dwelling units that deviates from the standards in Subsections C (Unit Size) through J (Open Space and Landscaping) of Section 17.74.050 (Standards – Attached and Detached Accessory Dwelling Units) with the approval of a Design Permit and a Conditional Use Permit.

b. All two-story attached and detached accessory dwelling units require Planning Commission approval of a Design Permit and Conditional Use Permit.

C. Conditional Use Permit Findings. To approve a Conditional Use Permit for an accessory dwelling unit, the Planning Commission must make all of the findings in Section 17.74.050 (Findings).

D. Time Limit to Act. The City shall complete its review of an accessory dwelling unit application requiring an Administrative Permit and approve or deny the application within 120 days after receiving an application.

17.74.040 Standards for All Accessory Dwelling Units

The following standards apply to all types of accessory dwelling units, including attached, detached, and internal accessory dwelling units.

A. Compliance with Zoning District Standards. An accessory dwelling unit shall comply with all requirements of the applicable zoning district except as modified in this chapter.

B. One Primary Residence on Parcel. An accessory dwelling unit is permitted only when not more than one primary single-family dwelling is present on a parcel or is constructed concurrently with the accessory dwelling unit.

C. Occupancy. The property owner must occupy either the primary or accessory dwelling. The Planning Commission may grant an exception to this requirement in the case of unique hardship with the approval of a Conditional Use Permit.

D. Maximum Number per Parcel. Only one accessory dwelling unit is allowed on a single parcel.

E. Permitted Location.

1. Internal Accessory Dwelling Units. Internal accessory dwelling units are permitted only in the R-1, RM, and MU-N zoning districts on lots of 4,000 square feet or more occupied by one single-family dwelling.

1.2. Attached and Detached Accessory Dwelling Units. Attached and detached accessory dwelling units are permitted on lot of 5,000 square feet or more occupied by one single-family dwelling only in:

- a. The Single-Family Residential (R-1) zoning district; and
- b. The Multi-Family Residential (RM) and Neighborhood Mixed Use (MU-N) zoning districts ~~on lot of 5,000 square feet or more occupied by one single-family dwelling.~~

E.F. Minimum Lot Size.

- 1. **Internal Accessory Dwelling Units.** An internal accessory dwelling unit is permitted only on parcels 4,000 square feet or greater.
- 2. **Attached and Detached Accessory Dwelling Units.** An attached or detached accessory dwelling unit is permitted only on parcels 5,000 square feet or greater.

F.G. Unit Size. The maximum permitted floor area for an ~~attached or detached~~ accessory dwelling unit is as ~~follows~~ shown in Table 17.74-2:

- 1. ~~Attached accessory dwelling units: 50 percent of the primary dwelling floor area, not to exceed 1,200 square feet.~~
- 2. ~~Detached accessory dwelling units: 1,200 square feet.~~

TABLE 17.74-2: MAXIMUM ACCESSORY DWELLING UNIT SIZE

<u>Lot Size</u>	<u>Maximum Accessory Dwelling Unit Size</u>
<u>Under 4,000 sq. ft.</u>	<u>Not Permitted</u>
<u>4,000 – 4,999 sq. ft.</u>	<u>500 sq. ft. (Internal ADU only)</u>
<u>5,000 – 7,500 sq. ft.</u>	<u>500 sq. ft.</u>
<u>7,501 – 9,999 sq. ft.</u>	<u>640 sq. ft.</u>
<u>10,000 – 11,999 sq. ft.</u>	<u>800 sq. ft.</u>
<u>12,000 sq. ft. or more</u>	<u>1,000 sq. ft.</u>

G.H. Maximum Floor Area Ratio. The combined floor area ratio (FAR) of a lot with a primary residence and an ~~attached or detached~~ accessory dwelling unit shall not exceed 0.60.

- 1. ~~---~~

H.I. Parking.

- 1. **Internal Accessory Dwelling Units.** Off-street parking in addition to any off-street parking required for the primary residence is not required for an internal accessory dwelling unit. The floor area of the internal accessory dwelling unit shall not be included in the parking calculation for the primary residence.
- 2. **Attached and Detached Accessory Dwelling Units.**

Attachment: 17.74_Accessory Dwelling Units (1822 : Zoning Code Update)

- a. Except as provided in Paragraph (c) below, one off-street parking space shall be provided for an attached or detached accessory dwelling unit in addition to any off-street parking required for the primary residence.
- b. Required off-street parking may be provided as tandem parking on an existing driveway and may be located within minimum required setback areas from front, side, and rear property lines on the parcel in accordance with Section 17.76.040.B (Parking in Front and Exterior Side Setback Areas).
- c. No off-street parking is required for an attached or detached accessory dwelling unit in the following cases:
 - (1) The accessory dwelling unit is located within one-half mile of a bus transit stop with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.
 - (2) The accessory dwelling unit is located within a National Register Historic District or other historic district officially designated by the City Council.
 - (3) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
 - (4) When there is a car share vehicle pick-up/drop-off location within one block of the accessory dwelling unit.

H.J. Utility Connections.

1. **General.** An accessory dwelling unit shall not be considered a new residential use for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.
2. **Internal Accessory Dwelling Units.** The City shall not require an applicant to install a new or separate utility connection directly between an internal accessory dwelling unit and the utility or impose a related connection fee or capacity charge.
3. **Attached and Detached Accessory Dwelling Units.**
 - a. The City may require a new or separate utility connection directly between an attached or detached accessory dwelling unit and the utility.
 - b. Consistent with Government Code Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.
4. **Fire Sprinklers.** The City shall not require accessory dwelling units to provide fire sprinklers if they would not be required for the primary residence under the current Fire Code.

17.74.050 Standards for Attached and Detached Accessory Dwelling Units

The following standards apply to attached and detached accessory dwelling units.

A. Permitted Location.

B.A. Height and Setback Standards.

1. Height and setbacks standards for attached and detached accessory dwelling units are shown in Table 17.74-~~32~~.
2. The Planning Commission may allow a detached accessory dwelling unit to exceed the height limits in Table 17.74-2 to accommodate a roof design that matches special roof features of the primary residence. Such a height exception requires Planning Commission approval of a Design Permit and a Conditional Use Permit.

TABLE 17.74-~~32~~: ACCESSORY DWELLING UNIT SETBACK AND HEIGHT STANDARDS

	Type of Accessory Dwelling Unit	
	Detached	Attached
Setbacks, Minimum [2]		
Interior Side	5 ft.	Same as required for primary residence
Exterior Side	Same as required for primary residence	
Rear	<u>One story unit</u> : 8 ft. [3] <u>Two story unit</u> : 10 ft. [3]	
Front	Same as required for primary residence	
Height, Maximum		
One story	<u>One story unit</u> : 15 ft. [1] <u>Two story unit</u> : 22 ft.	Height of primary residence or maximum permitted in zoning district, whichever is less

Notes:

- [1] Maximum height of 12 feet when accessory dwelling unit is 10 feet or less from property line.
 [2] No setback is required for an existing garage that is converted to an accessory dwelling unit.
 [3] Minimum 5-foot setback for accessory dwelling units constructed above a garage.

C.B. Incorporation into Primary Residence. A detached accessory dwelling unit may not be incorporated into the primary residence unless parking and setback standards for the expanded primary residence are satisfied.

D.C. Two-Story Accessory Dwelling Units. All two-story accessory dwelling units require Planning Commission approval of a Design Permit and Conditional Use Permit.

E.D. Doors and Windows.

1. The entrance to a detached accessory dwelling unit shall face the interior of the parcel unless the accessory dwelling unit is directly accessible from an alley or a public street.

Attachment: 17.74_Accessory Dwelling Units (1822 : Zoning Code Update)

2. Openings (e.g., doors and windows) on exterior walls that are closest to and face adjacent residentially-zoned properties shall be designed to minimize privacy impacts and maintain access to light and ventilation on adjacent properties.

F.E. Orientation.

1. The accessory dwelling unit generally limits the major access stairs, decks, entry doors, and major windows to the walls facing the primary residence, or to the alley if applicable. Windows that impact the privacy of the neighboring side or rear yard shall be minimized.
2. Parking accessed from an alley shall maintain a 24-foot back-out area, which may include the alley.

G.F. Design. The design of the accessory dwelling unit shall complement the design of the primary residence by use of the similar exterior wall materials, window types, door and window trims, roofing materials and roof pitch.

H.G. Open Space and Landscaping. Open space and landscaping shall be provided that is usable for both the accessory dwelling unit and the primary residence. Landscaping maintain privacy and provide screening for adjacent properties.

I.H. Mobile Units. Vehicles and trailers of any kind, with or without wheels, are prohibited as accessory dwelling units.

17.74.060 Findings

To approve a Conditional Use Permit for an accessory dwelling unit, the Planning Commission shall find that:

- A. The exterior design of the accessory dwelling unit is compatible with the existing residence on the lot through architectural use of building forms, height, construction materials, colors, landscaping, and other methods that conform to acceptable construction practices.
- B. The exterior design is in harmony with, and maintains the scale of, the neighborhood.
- C. The accessory dwelling unit will not create excessive noise, traffic, or parking congestion.
- D. The accessory dwelling unit has or will have access to adequate water sewer service as determined by the applicable service provider.
- E. Adequate open space and landscaping has been provided that is usable for both the accessory dwelling unit and the primary residence. Open space and landscaping provides for privacy and screening of adjacent properties.
- F. The location and design of the accessory dwelling unit maintains a compatible relationship to adjacent properties and does not significantly impact the privacy, light, air, solar access, or parking of adjacent properties.

- G. The accessory dwelling unit generally limits the major access stairs, decks, entry doors, and major windows to the walls facing the primary residence, or to the alley if applicable. Windows that impact the privacy of the neighboring side or rear yard have been minimized. The design of the accessory dwelling unit complements the design of the primary residence and does not visually dominate it or the surrounding properties.
- H. The site plan is consistent with physical development policies of the General Plan, any area plan or specific plan, or other City policy for physical development. If located in the coastal zone, the site plan is consistent with policies of the Local Coastal Plan.
- I. The project would not impair public views along the ocean and of scenic coastal areas. Where appropriate and feasible, the site plan restores and enhances the visual quality of visually degraded areas.

17.74.070 Deed Restrictions

- A. Before obtaining a building permit for an accessory dwelling unit, the property owner shall file with the County Recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the current owner. The deed restriction shall state that:
 1. The accessory dwelling unit may not be sold separately.
 2. The accessory dwelling unit is restricted to the approved size.
 3. The property owner must occupy either the primary residence or the accessory dwelling unit.
 4. For detached accessory dwelling units, the unit may not be incorporated into the primary residence unless parking and setback standards for the expanded primary residence are satisfied.
- B. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement and/or revoking the City's approval of the accessory dwelling unit.
- C. The deed restriction shall lapse upon removal of the accessory dwelling unit.

~~17.74.080~~ — **Incentives**~~17.74.090~~ — **- Fee Waivers for Affordable Units.**

~~17.74.100~~ The City may waive development fees for accessory dwelling units that will be rented at levels affordable to low or very low income households.

~~17.74.110~~ Applicants of affordable accessory dwelling units shall record a deed restriction limiting the rent to low or very low income levels prior to issuance of a building permit.

~~17.74.120~~ Landlords of accessory dwelling units shall be relieved of any affordability condition upon payment of fees in the amount previously waived as a result of affordability requirements, subject to an annual consumer price index increase commencing with the date of application for building permit.

17.74.080 **Historic Properties:**

-The Planning Commission may allow exceptions to design and development standards for accessory dwelling units proposed on a propriety that contains a Historic Resource as defined in Chapter 17.84 (Historic Preservation). To allow such an exception, the Planning Commission shall approve a Conditional Use Permit and find that the exception is necessary to preserve the architectural character of the primary residence.

1. A maximum of two signs, not exceeding 4 square feet, shall be allowed on each pump island to denote either full service or self-service.
 2. No other signs will be allowed to be attached to pumps or islands other than required by State law. (See Business & Professions Code Section 13530.)
 3. A six-foot-high monument sign which displays prices charged, credit cards accepted or special services rendered shall be allowed on each street frontage.
 4. Digital changeable copy signs for gasoline pricing is permitted.
 5. Two additional signs up to a maximum of 1 square foot are permitted to advertise ancillary services such as ATMs and propane. Such signs must be attached to another sign or structure and may not be a portable freestanding sign.
- I. Parking Garage Signs.** A maximum of one digital display signs not exceeding four square feet on each street frontage is permitted to show the number of available parking spaces.
- J. Window Signs**
1. Standards for window signs in each zoning district are as shown in Table 17.80-8.
 2. Window signs may be attached only to the inside of a ground floor window of the business associated with the sign.
 3. Interior signs within one foot of a window and publicly visible from outside of the building shall be included in the calculation of sign area for the property.

TABLE 17.80-8: WINDOW SIGN STANDARDS

Zoning District	Maximum Area
MU-V, MU-N	25 percent of window
C-R, C-C, I	30 percent of window

Note:

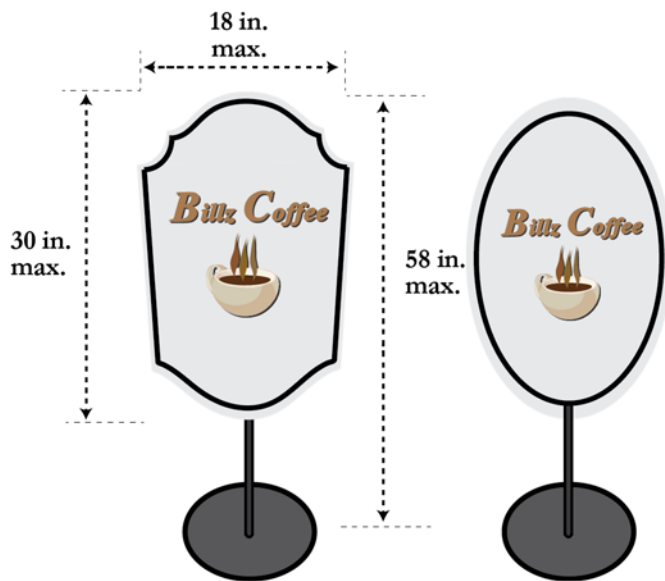
[1] In the Visitor Serving (VS), Community Facility (CF) and Parks and Open Space (P/OS) zoning districts, standards for window signs shall be established by the Planning Commission through a Sign Permit. In the Planned Development (PD) zoning district, standards for window signs shall be established by the City Council in the Development Plan.

K. Sidewalk Signs.

1. **Where Allowed.** Sidewalk signs are permitted only in the MU-V zoning district consistent with the requirements of this section.
2. **Permits Required.**

- a. Sidewalk signs consistent with this section and the approved BIA design as illustrated in Figure 17-80-3 can be issued an over the counter sign permit by the Community Development Director.
- b. All sidewalk signs shall obtain an encroachment permit. The encroachment permit will identify the location and method used to drill a hole in the sidewalk and/or the location of a sign on a base.
- c. The owner of any business desiring to place a sidewalk sign on the City right-of-way shall provide an executed City hold harmless waiver and proof of liability insurance to the satisfaction of the City Attorney in the amount of one million dollars prior to placing the sign within said right-of-way.

FIGURE 17-80-3: SIDEWALK SIGN STANDARDS AND DESIGN CONCEPTS



3. **Dimensions.** Sidewalk signs shall comply with the dimension standards in Table 17.80-9.

TABLE 17.80-9: SIDEWALK SIGNS STANDARDS

Zoning District	Sign Face			Entire Sign
	Maximum Area	Maximum Width	Maximum Height	Maximum Height [1]
MU-V	3.75 sq. ft.	18 in.	30 in.	58 in.
All Other Zoning Districts	Not permitted			

Note:

[1] Measured from sidewalk to top of sign

4. **Number of Signs.**

- a. Only one two-sided sidewalk sign per business establishment is permitted.
- b. Multi-tenant developments are permitted one sidewalk sign per each common exterior public business entrance.

5. **Materials and Design.**

- a. Sidewalk signs shall be attached to metal poles. Poles may be either drilled into the sidewalk or inserted into a moveable base. Moveable bases shall be constructed of metal, form a circle with a diameter of no more than 18 inches, and must be approved as part of the sign permit.
- b. Lights, banners, flags or similar objects shall not be placed on or adjacent to sidewalk signs.
- c. Signs faces be constructed of solid wood, metal or similar durable and weatherproof material.
- d. No sidewalk sign may contain lights of any kind.

6. **Sidewalk Clearance.**

- a. The sidewalk in front of the business must be at least 78 inches in width.
- b. Sidewalk signs shall not interfere with pedestrian ingress or egress as required by the building code or obstruct vehicular traffic sight distance requirements. A 48-inch level clear path of travel on concrete or similar material must be maintained where the sign is located.

7. **Separation from Other Sidewalk Signs.** Sidewalk signs shall be spaced a minimum of 30 linear feet from all other permitted sidewalk signs.

8. **Display During Open Hours.** Sidewalk signs may be used only during the hours when the business is open to the public. At all other times the sign and base must be stored within the business premises.

9. **Advertising Multiple Businesses.** Individual signs may advertise more e than one business.

10. **Other Business Signage.**

- a. No other temporary advertising signs (Section 17.80.110) may be used at the same time as the sidewalk sign is in use.
- ~~b.~~ All other signs on the property must be in conformance with the City's sign regulations prior to a sidewalk sign permit being issued.

~~e.b.~~

~~9.~~ **Multi-tenant developments shall be permitted one sidewalk sign per each common exterior public business entrance.**

~~10. Individual signs may advertise more than one business.~~

17.80.090 Design Standards



Note: Sign standards tailored to individual zoning districts in this section are new.

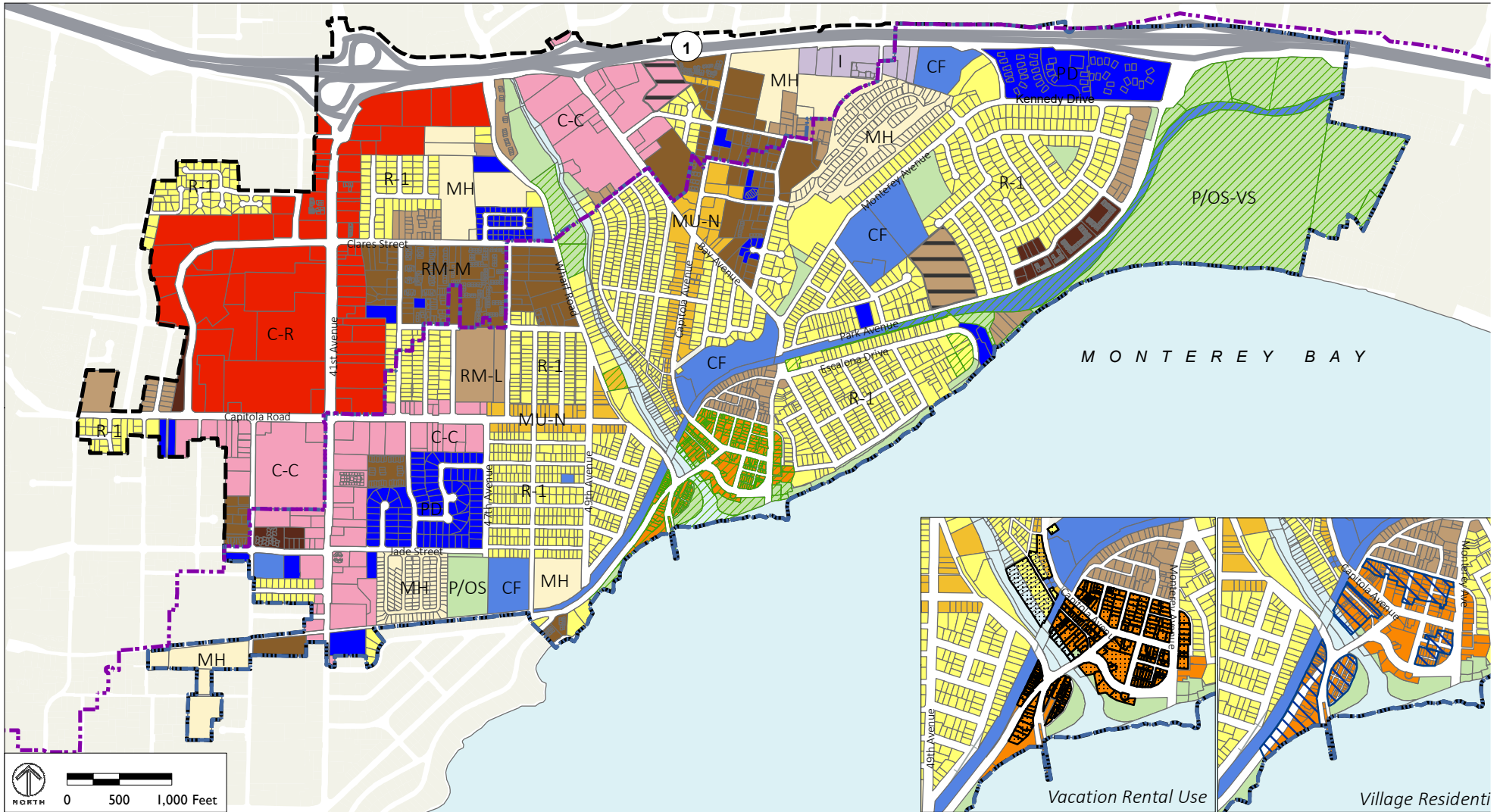
A. Design Standards for Mixed Use Zoning Districts. The following design standards apply to all signs in the MU-V and MU-N zoning districts.

1. Signs shall preserve, complement, or enhance the architectural composition and features of the building to which it is attached. Signs may not cover or obscure significant architectural details of the building to which it is attached.
2. Signs shall be coordinated with the overall façade composition, including ornamental details and other signs on the building to which it is attached.
3. Signs shall be mounted to fit within existing architectural features. The shape of the sign shall be used to reinforce the relationship of moldings and transoms seen along the street.
4. Signs shall be located and designed so that they are legible when viewed from the sidewalk. Sign letter styles and sizes shall be designed for legibility from the sidewalk, not the street.
5. To the extent possible, sign attachment parts shall be reused in their original location (holes in the façade or fixing positions) to protect the original building materials.
6. Internally illuminated signs are prohibited in the MU-V zoning district. Internally illuminated signs are allowed in the MU-N zoning district only when the portion of the sign that appears illuminated is primarily the sign lettering, registered trademark, or logo. Large panel internally illuminated signs are prohibited.
7. Wiring conduit for sign lighting shall be carefully routed to avoid damage to architectural details and to be concealed from view as much as possible.
8. Sign materials and colors shall be compatible with the period and style of building to which is it is attached. Sign panels shall avoid the extensive use of primary color or significant areas of white or cream.
9. Letters and logos shall be raised, routed into the sign face, or designed to give the sign variety and depth.
10. The sign will not have a significant adverse effect on the character and integrity of the surrounding area.

B. Design Standards for Commercial Zoning Districts. The following design standards apply to all signs in the C-C and C-R zoning districts.

1. Sign design shall conform to and be in harmony with the architectural character of the building.
2. Signs shall be symmetrically located within a defined architectural space.

CITY OF CAPITOL
ZONING CODE UPDATE



Attachment: Zoning Map_Updated04.13.2017 (1822 : Zoning Code Update)

Residential Zoning Districts

- R-1 - Single-Family Residential
- RM-L - Multi-Family Residential, Low Density
- RM-M - Multi-Family Residential, Medium Density
- RM-H - Multi-Family Residential, High Density
- MH - Mobile Home Park

Mixed-Use Zoning Districts

- MU-V - Mixed Use Village
- MU-N - Mixed Use Neighborhood

Commercial and Industrial Zoning Districts

- C-R - Regional Commercial
- C-C - Community Commercial

Other Zoning Districts

- I - Industrial
- P/OS - Parks and Open Space
- CF - Community Facility
- PD - Planned Development

Overlay Zones*

- AHO - Affordable Housing Overlay
- CZ - Coastal Zone
- VRU - Vacation Rental Use
- VR - Village Residential
- VS - Visitor Serving

City Limit

- City Limit
- Santa Cruz Coastal Zone Boundary

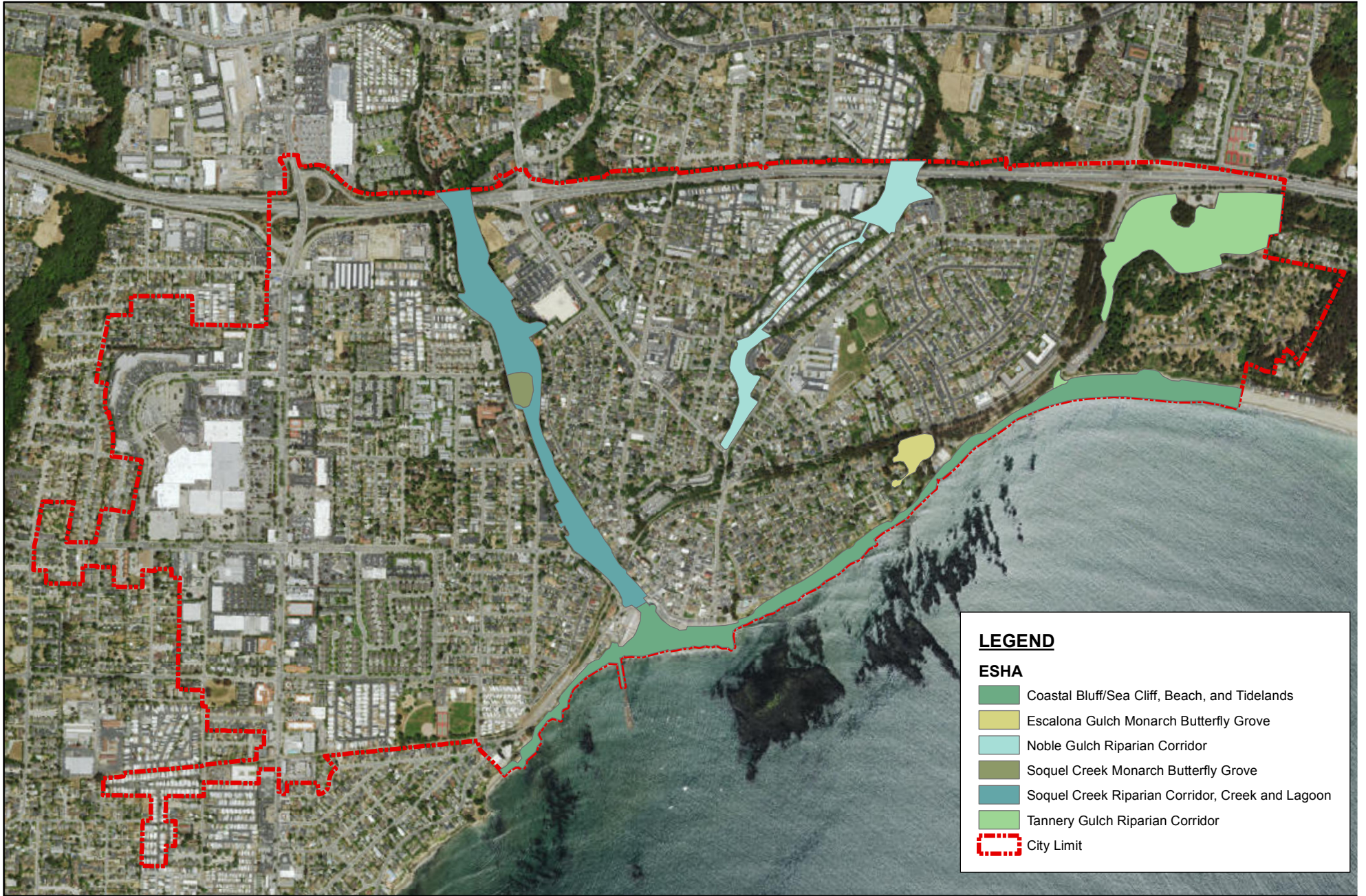
Source: ESRI, 2017; PlaceWorks, 2017

*See Local Coastal Program Habitats Map for boundaries of Environmentally Sensitive Habitats Area Overlay Zone.

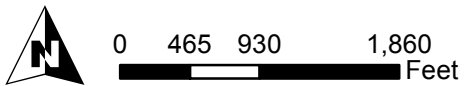
Zoning Map Changes from Existing Zoning Map to Draft April 13, 2017 Zoning Map

	Location	Existing Zoning	New Zoning	Comments
1	Entire Map	Automatic Review		Removed AR
2	Capitola Road between 41 st and Wharf	Community Residential (CR)	Mixed Use Neighborhood (MU-N)	Removed CR, CN, and PO zones.
3		Neighborhood Commercial (CN) & Professional Office (PO)	Community Commercial (CC)	
4	41 st Avenue north of Capitola Road, Clares Street and Autoplaza Drive	Community Commercial (CC)	Regional Commercial (C-R)	General Plan implementation
5	3945 Melton Street	Single-Family (R-1)	Community Commercial (CC)	Informed owner. Supports change
6	519 Capitola Avenue	Single-Family (R-1)	MU-N	Informed owner. Supports change
7	822 Kennedy Drive parcel behind church	P/OS	Single-Family (R-1)	Developed within CUP
8	4800 and 4820 Opal Cliff	Single-Family (R-1)	RM-M	Annexed in 1963 as multi family.
9	3865, 3883, 3895 Brommer Street	Community Commercial (CC)	RM-H	Request from residents to be rezoned.
10	Parcels behind 2078 Wharf Road (Riverview of Capitola Condos)	AR/RM-LM	P/OS	Open Space behind condos.
11	Rispin on Wharf Road	AR/VS/R	VS/P/OS	Previously approved PD never developed.
12	620 El Salto	VS	R-1 with VS Overlay	Monarch Cove Inn
13	720 El Salto	VS/R-1	Single-Family (R-1)	Removed VS overlay
14	709 Escalona Drive	VS/R-1	Single-Family (R-1)	Removed VS overlay
15	1465 38 th Avenue extending to Capitola Road nad 3720 Capitola Road to 38 th Avenue	Neighborhood Commercial (CN)	Community Commercial (CC)	General Plan Implementation
16	720 Hill Street – hotel	Multi-family Medium Density (RM-M)	Community Commercial (CC) with AH overlay	Identified as AH site in housing element
17	502 Beulah	Mobile Home (MH)	Single-Family (R-1) Vacation Rental Use (VRU)	General Plan Implementation
18	405 and 407 Capitola Avenue and 410 Riverview	Neighborhood Commercial (CN)	Community Facility (CF)	Fire Station

19	1911 42 nd Avenue	Multi-family Medium Density (RM-M)	Planned Development (PD)	Pearson Ct. Established PD
20	Two parcels in the park at the end of Riverview Drive	Public Facilities (PF)	Public Open Space (P/OS)	Open Space
21	719 Capitola Ave – just north of Bay	Multi-Family Medium Density (RM-M)	Mixed Use Neighborhood (MU-N)	Existing Commercial Donut Station
22	500 Plum Street	Professional Office (PO)	Mixed Use Neighborhood (MU-N)	Removed PO zone.
23	City Owned Parcel behind 401 Monterey Avenue (Noble Gulch Park)	Multi-family Low Density (RM-LM)	Public Open Space (P/OS)	Open Space
24	401 Monterey Avenue	Multi-family Low Density (RM-LM)	Single Family (R-1)	Existing Single-Family home. Lot size does not meet minimum site area per dwelling for more than one unit.
25	3640 Capitola Road	Public Facilities (PF)	Community Commercial (CC)	Privately owned utility.
26	250 Monterey (Inn at Depot Hill)	Visitor Serving (VS)	Single-Family (R-1) V/S overlay	All VS is overlay
27	911 Capitola Avenue	MU-N and R-1	Extend MU-N all the way back to the hotel property behind it	Entire property was not included in zone.
28	Shadowbrook Property and Parking Lot	CC	MU-N	MU-N more compatible with surrounding properties.



Attachment: Capitola ESHA Map (1822 : Zoning Code Update)

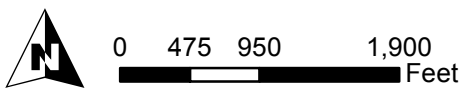


Source: ESRI, 2017; Kimley-Horn, 20



LEGEND

- Updated Environmentally Sensitive Habitat
- Previous ESHA Boundary
- City Limit



Source: ESRI, 2017; Kimley-Horn, 20

Attachment: Capitola ESHA Map Comparison (1822 : Zoning Code Update)

Cattan, Katie (kcattan@ci.capitola.ca.us)

From: conniesmith2@comcast.net
Sent: Friday, October 14, 2016 2:23 PM
To: City Council; PLANNING COMMISSION; Goldstein, Jamie (jgoldstein@ci.capitola.ca.us)
Subject: Transient Vacation Overlay & 502 Beulah Dr.

Good afternoon Mayor, Council, Commission & Manager -

Thank you for welcoming my input at last night's meeting. I rather inarticulately expressed our family's history and desire regarding inclusion of 502 Beulah Dr. in your expanded short term rental plan. I hope that you will take the time to read the following and fully consider our request.

As many of you know, my parents, Mark and Kathleen Sullivan, became members of the vibrant Capitola community 60 years ago when they purchased 502 Beulah as their first home. Capitola was truly their happy place. In their retirement, little gave them as much pleasure as giving back to their beloved community via my father, Mark's, service on the Arts Commission and my mom, Kathleen's, volunteerism with the Capitola Museum. Some of you may recall my dad attending every Council meeting for years (and not badgering you all too much!), and my mom being a sounding board for Council Members and Chief Escalante. My parents were definitely part of what has made Capitola so fabulous: dedicated, selfless citizens. Their love for Capitola is further underscored by both their home (which to many heralds their arrival into the village, with its quintessential coastal cottage charm) and their express wish that we keep 502 Beulah in the family so that their kids and grandkids can enjoy and support the very community they helped build and protect.

I came to you last night (after my mom's passing on 9/25) to request on our family's behalf that you consider adding the Sullivan home to your expanded transient rental overlay. Our inclusion would allow us to keep the home in the family and facilitate a property use consistent with the immediate community. We hope to have 9 month tenants during the academic year (grad student & family, ideally), and short term rentals during the summer which would generate sufficient income for us to pay the mortgage and allow the flexibility for 4-6 weeks of family use each summer.

Your current expansion plan contemplates inclusion of residences on Capitola Ave from the trestle up to Riverview. 502, directly across from Riverview & with more lot line on Capitola Ave than Beulah, is within this zone but on the other side of the street. When my folks first came to Capitola, they had a creek for a backyard and a few homes nearby. Now, 502 sits as an island at a busy intersection with parking lots behind, city buildings flanking, & a restaurant and salon across the street. There isn't much residential neighborhood to impact with this change in use. Still, mitigating potential negative impacts are the facts that 502 has two on-site parking spaces as well as a street space immediately in front, and it's "surrounded" by police (in a good way!) so occupants would stay in line. Additionally, because of the tremendous pride our family takes in the home, we would be vigilant in our screening of potential tenants (whether long or short term) thereby greatly reducing any risk of nuisance.

Please let me know if I can provide any further information to assist you in considering our request. Please also advise as to next steps in this zoning amendment process.

We are profoundly grateful for the support and collegiality many of you shared with our parents over the years. They each left this earth still embracing Capitola as their happy place, and we hope to do the same.

Attachment: Letter from 502 Beulah Drive (1822 : Zoning Code Update)

Kind regards,
Connie Sullivan Smith
650-704-9650

Attachment: Letter from 502 Beulah Drive (1822 : Zoning Code Update)