

August 13, 2009
 Capitola, California

**CAPITOLA CITY COUNCIL
 MINUTES OF A REGULAR MEETING**

**5:30 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE
 CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL**

At 5:37 p.m. in the City Hall Council Chambers, Mayor/Chairperson Begun noted that all City Council Members/Redevelopment Agency Directors were present. He made an announcement regarding the items to be discussed in Closed Session, as follows:

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

Property: Rispin Mansion Property, 2000 & 2005 Wharf Road
 APN 035-371-01 & 02
 Agency/City Negotiator: Rich Hill, City Manager/RDA Executive Director
 Negotiating parties: The Rispin LLC, City of Capitola, and City of Capitola
 Redevelopment Agency
 Under Negotiation: Lease and Development Agreement

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

Property: 4140 Jade Street, APN 034-641-08
 City Negotiator: Rich Hill, City Manager
 Owner: John and Karen Huffman
 Under Negotiation: Purchase of Property by City

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

Surf and Sand, LLC vs. City of Capitola
 Save the Habitat vs. City of Capitola (Rispin Mansion Project)

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Brian Glass

PERFORMANCE EVALUATION (Govt. Code §54957)

Title: City Manager

Mayor/Chairperson Begun asked if anyone wished to address items on the Closed Session agenda.

Tony Gualtieri, representing an Ad hoc Library Committee Group, provided a brief report on their interest in the matter involving real property negotiations regarding 4140 Jade Street as a possible site for the Capitola Branch Library. He said the group believes it is important to have a public dialogue prior to the City Council making a decision on the purchase of the property for a library. Tony Gualtieri said the groups' first choice for a library is the Rispin Mansion property, because the property is centrally located, it is in the Redevelopment Agency, and it is more accessible to schools, including Main Street Elementary, New Brighton Middle School and Soquel High School. He said the committee plans to prepare a more comprehensive report for consideration at a future council meeting.

There was considerable Council/Director discussion regarding Tony Gualtieri's comments, and a suggestion was made to schedule this matter on an agenda following the September 29th deadline for the Rispin, LLC, regarding the Rispin Project. It was noted that the Library JPA Board will begin its strategic planning process soon.

After discussion, the following individuals addressed the Council/Agency on this matter:

Gayle Ortiz pointed out that the committee's choice of the Rispin property is not to use the Rispin Mansion, but to locate the library on the Rispin site near the street level. She also commented on parking and location of Wharf Road. Mrs. Ortiz said if the hotel project does not go through, then there is no reason to keep the Rispin Mansion since it is damaged; it could be taken down and something useful built.

Barbara Gorson, Chair of the Library JPA Board, wished to emphasize the need for public input and the need to make sure the location is convenient for people who will use the library. She mentioned that the community for the Capitola Library is broader than Capitola residents. She said 30% of the usage is by Soquel residents.

Michael Termini commented that we need to keep in mind that libraries will be changing in the future. He said the Jade Street site is on the committee's list as a potential library site; however, the council may wish to pursue other ideas for use of the building.

The City Council/Redevelopment Agency recessed at 6:06 p.m. to the Closed Session.

CAPITOLA REDEVELOPMENT AGENCY (*See Redevelopment Agency Minutes*)

REGULAR MEETING OF THE CITY COUNCIL

Mayor Begun called the Regular Meeting of the City Council to order at 8:15 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Ron Graves, Sam Storey, Kirby Nicol, Dennis Norton, and Mayor Robert "Bob" Begun

ABSENT: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Rich Hill, City Attorney John G. Barisone, Community Development Director Jamie Goldstein, Public Works Director Steve Jesberg, Interim Chief of Police Rick Ehle, and City Clerk Pamela Greeninger

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone reported that the City Council met in Closed Session on items listed on the posted agenda, with the exception of Existing Litigation item "Save the Habitat vs. City of Capitola (Rispin Mansion Project)" which was not discussed.

The City Council/Agency Directors received a brief update from City Manager/ Executive Director Hill regarding the Rispin Mansion Lease & Development Agreement. No reportable action was taken.

The City Council then discussed the potential acquisition/entering into negotiations for acquisition of property and building located at 4140 Jade Street in the City of Capitola. No reportable action was taken in Closed Session; however, the Council did give direction to the city manager and the city attorney concerning that item.

The City Council received a brief status report from the city attorney regarding the ongoing litigation between Surf & Sand, LLC, and the City of Capitola. No reportable action was taken.

There was no substantive discussion of the Council concerning the Tort Claim of Brian Glass, which was on the City Council's Consent Calendar agenda for denial. No reportable action was taken in Closed Session.

The City Council conducted an evaluation of the City Manager relative to the ongoing recruitment of a Police Chief in the City of Capitola. No reportable action was taken in Closed Session.

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

Mayor Begun said he would like to reorder Item 5.C. pertaining to consideration of Opposition to SB 211 following action on the Consent Calendar. The Mayor was informed that he could reorder agenda items; that a motion to do so was not necessary. (See Page 11462)

B. Public Comments – None**C. Staff Comments – None****D. City Council/Treasurer Comments/Committee Reports**

1) Council Member Nicol asked if the council would be receiving a quarterly report on the budget.

2) City Treasurer Bertrand commented on the items to be discussed by the Finance Advisory Committee at its next meeting to be held on Tuesday, August 25.

3) Council Member Norton commented on the new Whole Foods Store in Capitola and said he was happy to have them as a new member of this community.

4) Mayor Begun announced that he has issued a Proclamation for the 7th Annual Sea Otter Awareness Week, to be held September 27 to October 3, 2009.

5) Mayor Begun announced a donation drive to “Stuff the Bus” on Saturday, August 15, from 10 am to 4 pm, in the parking lot of the new Whole Foods Market in Capitola. The United Way, in partnership with the Volunteer Center and the County Office of Education, are hosting a one-day school supplies’ donation drive where community members can drop off new school supplies and backpacks for distribution to students in Santa Cruz County.

6) Mayor Begun announced that on Wednesday evening, September 2, after the final Twilight Concert, there will be a Fireworks display in celebration of the City’s 60th Birthday.

E. Committee Appointments**1) Council Member Storey’s Appointment to the Commission on the Environment. [430-05]**

Council Member Storey said that he would like to appoint Karl Forest as his appointee to the Commission on the Environment and recommended council ratification of his appointment.

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to ratify Council Member Storey’s appointment of Karl Forest to serve as an At-Large Council Member Appointee on the Commission on the Environment, with a term ending December 2010. The motion carried unanimously.

F. Approval of Check Register Report [300-10]

Mayor Begun commented on Check #60687 and asked if the council was aware the City has advertised for a Finance Director. Council Member Storey said he was not aware of that. City Manager Hill pointed out the authority for the Finance Director recruitment was part of the budget adoption. Mayor Begun said he would like to discuss this at the next meeting.

2. F. Approval of Check Register Report (Continued)

Mayor Begun also questioned Checks #60730 and #60624. City Manager Hill responded that Check #60730 relates to payment on an assessment district bond, and Check #60624 is replacement of an employee's lost paycheck.

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the Check Register Reports dated July 17, 24 and 31, 2009, including checks numbered 60490 through 60541 in the amount of \$235,652.46, checks numbered 60542 through 60656 in the amount of \$97,641.75, and checks numbered 60657 through 60759 in the amount of \$472,458.84, respectively; and payroll disbursements for the July 17 and July 31, 2009, payrolls in the amount of \$203,682.93 and 235,796.52, respectively, for a Grand Total of \$1,245,232.50, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor Begun asked if there were any items on the Consent Calendar that members of the council or the public wished to pull for separate discussion. No items were pulled.

CONSENT CALENDAR ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the Consent Calendar as recommended. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

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

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

B. Approve City Council Minutes – Regular Meeting of July 23, 2009.

The City Council received an Additional Material Agenda Report pertaining to correction of Consent Calendar Action to the July 23 minutes.

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the Minutes of the Regular Meeting of July 23, 2009, as corrected.

C. Adopt Resolution Repealing Resolution No. 3437 and Defining the Composition and Purpose of the Capitola Finance Advisory Committee. [330-40]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3770, Resolution Repealing Resolution No. 3437 and Defining the Composition and Purpose of the Capitola Finance Advisory Committee**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

D. Adopt Resolution Amending the FY 2009-2010 General Fund Budget Increasing the Intergovernmental Revenues by \$55,200 for a Total of \$218,000 for Office of Traffic Safety (OTS) Grants. [330-10]

ACTION: Council Member Norton moved, seconded by Council Member Nicol to adopt **Resolution No. 3771, Resolution Amending the FY 2009/2010 General Fund Budget Increasing the Intergovernmental Revenues by \$55,200 for a total of \$218,000 for Office of Traffic Safety (OTS) Grants**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

- E. Deny Claim of Brian Glass in the amount of \$950 and Forward the Claim to the City's Liability Insurance Carrier. [Claims Binder]**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to deny the claim of Brian Glass in the amount of \$950 and forward the claim to the City's Liability Insurance Carrier, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

- F. Approve Special Event Permit and Hanging of a Banner for the 2009 Women on Waves Surf Festival to be held on Saturday and Sunday, October 3 and October 4, 2009, at the Main Beach and Provide a City Grant in the Amount of \$833. [1050-70]**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the following actions: 1) Approved the Special Event Permit for the **2009 Women on Waves Surf Festival** on Saturday and Sunday, October 3 and 4, 2009, from 7 am to 7 pm at the Main Beach, and authorized the Capitola Police Department to issue permit; 2) provided a City grant in the amount \$833; and 3) authorized Public Works to hang a promotional banner two weeks before the event, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

- G. Approve Plans and Specifications for the 2009 Street Overlay Project on Hill Street, Pine Street, Plum Street, and a portion of Rosedale Avenue and Authorize the Public Works Department to Advertise the Project for Bidding, Setting the Bid Date for September 9, 2009. [940-40]**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the plans and specifications for the 2009 Street Overlay Project on Hill Street, Pine Street, Plum Street, and a portion of Rosedale Avenue and authorize the Public Works Department to advertise the project for bidding, setting the bid date for September 9, 2009, as submitted.

- H. Approve Contract with Strategic Construction Management to Provide Labor Compliance Monitoring and Independent Assurance Testing on the 41st Avenue Street Rehabilitation Project in an amount not to exceed \$25,000. [940-40/500-10 A/C: Strategic Construction Management]**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve a sole source contract with Strategic Construction Management in the amount of \$25,000 to provide labor compliance monitoring and independent assurance testing on the 41st Avenue Street Rehabilitation Project, as required on American Recovery and Reinvestment Act funded projects, as submitted.

Other Business Item 5.C. was reordered for discussion and action at this time.

5. OTHER BUSINESS

- C. Consideration of Opposition to SB 211 - the Santa Cruz County Parks District Bill. Staff recommendation: direct staff to prepare a letter in opposition to SB 211. [580-40]**

City Manager Hill explained his understanding of Senate Bill 211 as summarized in the written agenda report, and he responded to comments from council members.

Council Member Graves expressed concern on the way the item was identified on the agenda as "Consideration of Opposition to SB 211" and recommendation to prepare letter in opposition. City Manager Hill apologized and said the direction should have been to "provide direction."

5. C. OTHER BUSINESS (Continued)

Mayor Begun opened this item to the public for comment at 8:33 p.m.

Terry Corwin, Executive Director of the Land Trust of Santa Cruz County, encouraged the City Council to join the City and the County of Santa Cruz in supporting SB 211. She also responded to questions of council members pertaining to the bill and an open space district.

Robert Vallerga, 81-year-old Soquel resident, said he has read SB 211 and believes it should never see the light of day; it creates another form of government, which we do not need. He urged the council to oppose the bill.

Robert Jones, a landscape contractor and resident of Santa Cruz County, commented on the need to maintain open space; however, he is opposed to SB 211 and urged the council not to endorse the bill.

Charles Wasserman, Aptos resident, commended the council for its fiscal responsibility. He expressed concern about the acquisition of open space and is concerned about another level of government and the costs involved. He urged the council not to support SB 211.

Bob Thomas, Soquel resident, stated he has been associated with the City of Capitola for many years, having opened the Longs Drugs Store on 41st Avenue and other stores throughout the state. He noted that the cities of Watsonville and Scotts Valley have opposed SB 211, as has LAFCO. Mr. Thomas urged the council to oppose SB211, saying, "Don't lay this burden of sales tax for open space on merchants of Capitola."

Charlie Crittenden, Capitola resident, expressed his reasons for opposing SB 211 and urged the council to oppose it. He expressed concern about how the provisions of the bill would be funded and believes a huge amount of money would be taken from Capitola. He said there is a process in place to achieve that goal, and he questions how Capitola would benefit from the bill.

Lee Walters, owner of Stockton Bridge Grill, said he attended the meeting to read a written communication from Ted Burke, owner of the Shadowbrook Restaurant, which he passed out to members of the council. (*A copy of the letter is on file with the record for this item.*) After reading the letter, Mr. Walters urged the council to oppose the bill.

Dr. Betsy Herbert, Environmental Analyst with the San Lorenzo Valley Water District, spoke as Board Member of Sempervirens Fund, the oldest Land Trust in California. She said the Sempervirens Fund supports SB 211 as it would give the voters a chance to decide. Dr. Herbert commented on the need to protect local water supplies. She urged the council to let the voters decide and to support SB 211.

Kevin Flynn, Board Member of the Sempervirens Fund, discussed the economic benefits of open space, stating that property values increase near open space areas. He supports SB 211 and urged the city council to offer its support.

Maureen McCarty, field representative for Senator Joe Simitian, said the bill is currently being amended to increase the board to 7 members. She also said Senator Simitian wished to extend an invitation to meet with any or all of the council members to discuss this matter.

5. C. OTHER BUSINESS (Continued)

Andrea Mac Kenzie, Santa Cruz resident, said she has worked for open space districts throughout the San Francisco Bay area for the past twenty years, most recently as the General Manager of the Sonoma County Agricultural Preservation Open Space District. She explained how districts work with communities to protect open space and to further general plan policies. She expressed her support of SB 211 which would open the door to public consideration of a process that would decide what an open space district could do for Santa Cruz County.

Steve Kennedy, representing Santa Cruz County Supervisor John Leopold, relayed Supervisor Leopold's support of SB 211 in order to give the citizens an opportunity to vote on this important matter, and he urged the City support of the bill.

Victor Marani, resident of Rio del Mar, addressed the council to voice his strong opposition to SB 211. He said there is a process in place to establish open space districts and said SB 211 is going around that process. Mr. Marani urged the council to consider what SB 211 would do for our local community and what is in the best interest for residents of Capitola. He urged the city council to oppose SB211.

Stephanie Harlan, Capitola resident, urged the council to support SB 211 as it will allow Santa Cruz County to preserve open space in the county.

Kate Anderton, Santa Cruz County resident for 29 years, discussed her work as Executive Director of Save the Redwoods League. Although she no longer works for the League, she represents Save the Redwoods League in urging the council to join the league in supporting this effort.

At 9:30 p.m., Mayor Begun brought the matter back to the city council for discussion and action.

Considerable Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Graves, to direct staff to prepare and send a letter in support of SB 211 to Senator Joe Simitian. The motion carried on the following vote: AYES: Council Members Graves, Storey, and Norton. NOES: Council Member Nicol and Mayor Begun. ABSENT: None. ABSTAIN: None.

The City Council took a short break at 9:43 p.m. and reconvened at 9:49 p.m.

4. PUBLIC HEARINGS

A. Public Hearing to Consider Project Application #08-054, Fairfield Marriott Hotel, 1255 41st Avenue, Capitola, for a Coastal Permit, Conditional Use Permit, and Architectural and Site Review to Demolish an Existing Church Facility and Construct a three-story, 84-unit Hotel and Associated Facilities in the CC (Community Commercial) Zoning District. This project requires a Coastal Permit which is not appealable to the California Coastal Commission. Environmental Determination: Initial Study and Mitigated Negative Declaration; Property Owner: Aspromonte Inns, LLC, filed: 10/2/08; APN 034-611-01; Representative: Robert D. Corbett, Architect, AIA. Presentation: Community Development Department. [730-10]

Senior Planner Bane summarized the written agenda report. He showed renderings of the proposed project and a drawing highlighting portions of the proposed structure which are above the height limit. He discussed mitigation measures for Capitola Road and 41st Avenue.

4. PUBLIC HEARINGS (Continued)

Senior Planner Bane said the Planning Commission unanimously approved the project with additional conditions to the project which are included in Attachment 1. Following his presentation, Senior Planner Bane responded to questions of council members.

Mayor Begun opened the public hearing at 9:56 p.m.

Steve Kennedy, speaking on behalf of Supervisor John Leopold, said Supervisor Leopold represents residents who live in the county adjacent to the proposed project. He referred to a letter from Supervisor Leopold to the Council dated August 12, 2009, on this item relative to the mitigation measure of the Planning Commission for a concrete median to prevent traffic exiting the hotel from turning left onto Brommer Street, which should prevent traffic from the hotel from going into the neighborhoods.

Charles Ford, Reposa Avenue resident, said he has met with the contractor regarding the proposed project, and they have agreed upon a number of things. However, he is concerned about the barrier island on Brommer Street and the impact it might have on large trucks using Reposa to get to Kings Plaza. He suggested signs be placed at the entrance to Reposa Avenue, deterring large trucks from using the street. Mr. Ford also said he would like to have a dust curtain put up before the project starts. Mayor Begun asked that he put his concerns in writing and submit them to the Community Development Director.

Adrienne Jahn commented on the potential traffic from the hotel on Reposa Avenue.

At 10:02 p.m. the applicant provided a presentation.

Dan Aspromonte, project developer and owner of the Best Western Capitola by the Sea, responded to comments from the neighbors on Reposa Avenue, relative to delivery trucks. He commented on various awards and recognition received by the Best Western hotel and said they would like to make the proposed hotel even better. Following his presentation, Mr. Aspromonte responded to questions of council members regarding the project.

Bob Corbett, project Architect, said he has worked with Mr. Aspromonte on several projects. He then recognized Phil Baldwin, project architect in his office, who has been working on this project for the past several years. Mr. Corbett discussed the challenges of designing the project on the site, which is a slopping site. He responded to numerous questions of council members regarding the proposed plans.

The public hearing was closed at approximately 10:56 p.m.

Considerable Council discussion was followed by this action:

ACTION: Council Member Storey moved to approve Project Application #08-054 subject to the Conditions and Findings included on Attachment 1 of the Agenda Report, as recommended, with modification to Condition 2, "Any significant modifications to the size or exterior appearance of the approved design must be approved by the Planning Commission..." to include provisions that if after Zone 5 drainage review, or for any other reason, the height of the building is increased by six inches (6") or more, that will constitute a significant modification which would need to come back to the Planning Commission for consideration and approval.

Council Member Graves said he would like to add a friendly amendment to the motion, to add a condition stating the design plans and construction plans will be checked for conformance, and that any significant difference between the design plans and working drawings would trigger it to be brought back to the Planning Commission.

4. A. PUBLIC HEARINGS (Continued)

Council Member Storey said he would accept Council Member Graves' amendment to his motion if it could be left up to staff to make the determination if any differences were significant. Council Member Graves said he could agree to staff determining significant differences, and he then seconded the motion.

Council Member Norton said he had a number of friendly amendments to the motion.

1. He is concerned about the loading zone and trash enclosure area and would like it to go back for redesign. He specifically believes the driveway needs to be longer as larger service vehicles would block the sidewalk and a portion of the street, and there needs to be a way to get more of a buffer between the residences to the west and the hotel.

Property owner Dan Aspromonte said the hotel is not like a grocery store or other business that gets a lot of deliveries. He said the council could place as a condition on the project that no deliveries are to be made at that location except for garbage pickup.

Council Member Norton also suggested finding a way for service people to enter the trash area without having to go outside the building.

2. Council Member Norton commented on the need to get a wider sidewalk in the front of the building. He believes that sacrificing two feet of landscaping in order to accommodate an 8-foot sidewalk in front of the hotel is important.

The landscape architect said it was possible to increase the width of the sidewalk, but he would not want to put a row of sycamore trees there due to their size and consistency with the overall landscaping plan. He suggested palms may be a better street tree and would keep with the more tropical landscaping theme. The landscaping would need to be modified in order to accommodate the additional sidewalk area.

3. Council Member Norton referred to the west elevation and said he would like the architect to work with staff to dress up the building. There was discussion regarding decks and railings which were removed from the design to address privacy concerns of neighboring residents.

Additional discussion of the motion was followed by Council Members Storey and Council Member Graves accepting the additional conditions recommended by Council Member Norton as follows: 1) that no deliveries are to be made at the loading zone location except for garbage pickup, 2) that hotel employees enter the trash enclosure from the parking garage, 3) that the landscape plan for the front of the hotel be modified to provide for an 8-foot sidewalk with street trees, and 4) that the architect work with staff to improve the west elevation of the building.

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

B. Public Hearing to Review the Draft 2007-2014 Housing Element. Presentation: Community Development Department. [740-40]

Utilizing a PowerPoint Presentation, Housing and Redevelopment Project Manager Foster and Consultant Ariana Green reviewed the Draft Housing Element and responded to questions of Council Members.

Council Member Storey pointed out a typo on Page 2 of the Executive Summary under Continued Housing Element Program, the third bullet down. He also commented that it would have been helpful to have numbers rather than bullets.

4. B. PUBLIC HEARINGS (Continued)

Housing and Redevelopment Project Manager Foster informed the Council of new language inserted in the Draft Housing Element based on the review and the recommendations of the city's housing legal counsel, Goldfarb & Lipman. He said the red-lined changes have not gone back to the Planning Commission.

There were no comments from the public on this item.

Considerable Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Storey, to direct staff to submit the draft 2007-2014 Housing Element to the State Department of Housing and Community Development and to initiate the CEQA review process, as recommended. The motion carried on the following vote: AYES: Council Members Storey, Norton, and Mayor Begun. NOES: Council Members Graves and Nicol. ABSENT: None. ABSTAIN: None.

5. OTHER BUSINESS

A. Approval of Contracts for Administration of Housing Related Programs during FY 2009-2010. [750-10/500-10 A/C: Housing Authority of the County of Santa Cruz; Goldfarb and Lipman]

Housing and Redevelopment Project Manager Foster provided staff report on this item and responded to questions of council members. He discussed the Housing Rehab and First-time Homebuyer Programs administered by the Housing Authority. He also said staff felt it was important to have a city contract with Goldfarb & Lipman for advising staff on the Housing Element update. There was interest on behalf of the council as to how many people took advantage of the programs in last year's funding and whether staff feels comfortable with the work the Housing Authority does for the city.

Council discussion was followed by this action:

ACTION: Council Member Storey moved, seconded by Council Member Graves, to approve the following contracts for FY 2009-2010 professional services related to the administration of various city housing programs, as recommended:

- 1) Housing Authority of the County of Santa Cruz in an amount not to exceed \$28,300; and
- 2) Goldfarb and Lipman in an amount not to exceed \$10,000.

Under discussion of the motion, Council Member Graves said he would like staff to solicit other bids for legal services in the future. City Manager Hill said staff could issue an RFP next year for these services.

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

B. Approval of Capitola Village Taxi Zone. [470-40]

Council Member Graves commented that this was brought up by him at a prior council meeting after speaking to the owners of the Capitola Hotel. He really thinks that two spaces would be adequate for this purpose, and that the third space closest to the hotel could be open for public parking.

Interim Chief of Police Ehle provided a brief verbal report based on the written agenda report. He explained why they came up with 3 spaces and the time frame for taxi parking from 8 p.m. until 2 a.m., and he responded to questions of council members.

Council discussion was followed by this action:

5. B. OTHER BUSINESS (Continued)

ACTION: Council Member Graves moved, seconded by Council Member Norton, to approve the recommended action to designate the three (3) Loading Zone parking stalls in front of 210 Esplanade a Taxi Zone from the hours of 8:00 p.m. to 2:00 a.m., with the understanding that the number of cabs on the Esplanade be limited to three.

Under discussion of the motion, Council Member Storey questioned how the Police Department would enforce no parking in those stalls after 8 p.m. Interim Chief of Police Ehle said new signs clearly defining the use of those parking stalls would be posted at each meter, and there would be a grace period.

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


C. Consideration of Opposition to SB 211 - the Santa Cruz County Parks District Bill.

This item was reordered for discussion and action following Consent Calendar Item 3.H. (See Page 11462).

6. COUNCIL/STAFF COMMUNICATIONS – None

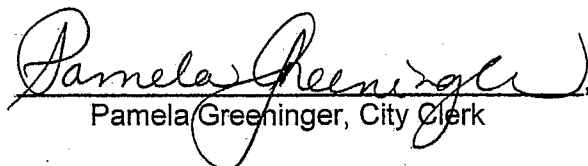
7. ADJOURNMENT

The City Council adjourned at 12:02 a.m. on August 14, 2009, to a Special Meeting to be held on Thursday, August 27, 2009, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Robert A. Begun, Mayor

ATTEST:



Pamela Greeninger, City Clerk MMC

MINUTES UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON SEPTEMBER 10, 2009