

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, APRIL 27, 2017**

CLOSED SESSION – 6:15 PM

CALL TO ORDER

Vice Mayor Termini called the meeting to order at 6:15 p.m. with the following items to be discussed in Closed Session:

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

City of Capitola v. 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

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: Absent, Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.

City Treasurer Peter Wilk was absent.

2. REPORT ON CLOSED SESSION

City Attorney Tony Condotti said the Council received reports on the two items and took no action.

3. ADDITIONAL MATERIALS - None

4. ADDITIONS AND DELETIONS TO AGENDA - None

5. PUBLIC COMMENTS

Bob Edgren spoke regarding concerns about skateboarders in the Village and Esplanade Park, mall tenancy, and the library entrance.

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Petersen noted that County Parks is holding public meetings in May related to its strategic plan update, and that the Commission on the Environment will be doing restoration work at Peery Park on April 30.

Vice Mayor Termini said the City and Chamber hosted another successful Easter Egg Hunt. He asked Public Works for an update on the beach. Director Steve Jesberg explained the main access is from the Esplanade and the city cannot alter the stream flow until at least May 20 based on multi-agency permits. The beach and creek oversight involves eight public agencies. The City may not grade or create the lagoon until Soquel Creek reaches a set flow level. Regarding sifting the sand, the equipment cannot go under the Wharf until the lagoon is in place. Staff is asking if it can shift the creek if the flow is too high to close it by Memorial Day. Vice Mayor Termini ask for cost estimates to remove the seaweed rather than return it to the ocean.

Vice Mayor Termini also noted that *Content* magazine from Silicon Valley recently featured Capitola.

7. CONSENT CALENDAR

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| MOTION: | APPROVE THE CONSENT AGENDA ITEMS AS RECOMMENDED |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Ed Bottorff, Council Member |
| SECONDER: | Jacques Bertrand, Council Member |
| AYES: | Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen |
| ABSENT: | Stephanie Harlan |

- 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.
- C. Approval of City Check Register Reports Dated March 3, March 10, March 17, March 24 and March 31, 2017 [300-10]
RECOMMENDED ACTION: Approve check registers.
- D. Contract for Plein Air Event Coordinator [1010-10/500-10 A/C: Shelton, Jenny]
RECOMMENDED ACTION: Approve \$3,000 contract for 2017 Plein Air event coordinator.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Community Development Block Grant Funded Energy Efficiency Program [700-10]
RECOMMENDED ACTION: Authorize staff to promote a CDBG-funded energy efficiency grant program for lower income residents.

Community Development Director Rich Grunow presented the staff report. Staff is requesting permission to promote \$7,500 grants to low-income homeowners for energy

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efficiency improvements along with existing support for health and safety repairs. He noted the City's three-year term to spend the CDBG funding for these grants ends in September and the state may not extend that period. Council suggested staff ask the Commission on the Environment to help with promotion and supported the expansion.

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| MOTION: | APPROVE EXPANDING THE GRANT PROGRAM TO INCLUDE ENERGY-EFFICIENT HOME IMPROVEMENTS |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Ed Bottorff, Council Member |
| SECONDER: | Kristen Petersen, Council Member |
| AYES: | Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen |
| ABSENT: | Stephanie Harlan |

B. Letter of Opposition to SB 649 Wireless Telecommunications Facilities [580-40]
RECOMMENDED ACTION: Direct the Vice Mayor to sign a letter on behalf of the City opposing SB 649.

City Clerk Linda Fridy presented the staff report and recent action on the bill. City Attorney Condotti noted that this legislation is part of a statewide effort to reduce local oversight of wireless facilities.

Bob Edgren asked if the City can publish information about the rent and income from wireless locations. Attorney Condotti said the city does not have access to private leases.

Council Member Bottorff noted the City's recent ordinance attempted to retain local control and Council Member Petersen said previous public discussion made it clear that the community wants the City to retain oversight.

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| MOTION: | DIRECT VICE MAYOR TO SIGN LETTER OPPOSING SB 649 |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Ed Bottorff, Council Member |
| SECONDER: | Jacques Bertrand, Council Member |
| AYES: | Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen |
| ABSENT: | Stephanie Harlan |

C. Zoning Code Update [730-85]
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.

Senior Planner Katie Herlihy presented the staff report, focusing on 10 areas where there were either disagreements between the City Council and Planning Commission or that involve recent changes.

Zoning Map, Transient Rental Overlay, and Environmentally Sensitive Habitat Areas: The City received requests to extend the vacation rental overlay district along Capitola Avenue to Bay Avenue and to add 502 Beulah. The Planning Commission supports the Beulah request but not Capitola to Bay.

In public comment, Bob Edgren noted he and other property owners had asked for the Capitola Avenue extension of the vacation rental zone because increased traffic made long-term rentals less appealing. Vice Mayor Termini noted that the Capitola Avenue properties back on to other residential streets. The Council agreed with the Planning Commission recommendation.

The map identifying environmentally sensitive habitat eliminated several developed areas and extended other portions. Council asked for additional information on the process since the map was just completed.

Height Exceptions: Staff presented revised wording, which was supported by the Planning Commission and which Council also approved. Council Member Bertrand asked for additional discussion about restricting third floor use in the Village to residential.

Land use changes in the Commercial-Regional (C-R) Zoning: The Council accepted changes allowing residential use on the first floor when there are multiple buildings on the same parcel and others are commercial uses. This use requires a conditional use permit.

Capitola Mall Development: New language reflects a request from the mall property owner. The Council supported the change.

Office Uses in C-R: The Council supported changes allowing existing office buildings to continue leasing individual space until the building is redeveloped.

California Coastal Commission Edits: Staff noted that some minor items suggested by Coastal Commission staff are included in the draft code, such as references to the Coastal Act. It does not reflect suggested language that would be a policy change, such as restrictions based on sea level rise and environmentally sensitive areas.

Setbacks: Revised language permits decorative ornamental features in setbacks. Vice Mayor Termini said the voltage reference for outdoor kitchens was unnecessary.

Village Sidewalk Signs: Staff asked for direction of whether an alternative style should be allowed for sidewalk signs.

Carin Hanna, a member of the Business Improvement Association (BIA) who worked on original design approved by Council, said the BIA maintains its original recommendation and does not know why a second style was suggested. Council Member Bottorff said it undermines the previous process to allow an oval. Council supported preserving only the original design.

Non-conforming Structures: The table was rewritten for clarity, including examples, and a reference to the code section for rebuilding a damaged structure.

Accessory Dwelling Units (ADUs): The Council supported changes reflecting new state law regarding parking requirements, utility connections, and increased size standards. Staff distributed a map showing lot sizes based on ADU potential. The Planning

Commission also supported allowing two-story ADUs with increased setbacks and permits, and removing the deed restriction for affordable housing incentives. Council members agreed, and suggested that staff hold a community workshop on ADUs.

Council also asked that the new code allow one accessory structure up to 100 square feet and 10 feet in height as is permitted at the state and most local levels. It also confirmed support of a 60-day public review period.


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| MOTION: | CONTINUE HEARING TO REVISIT THIRD STORY USES IN THE VILLAGE AND REVIEW THE ENVIRONMENTALLY SENSITIVE HABITAT | |
| RESULT: | CONTINUED [UNANIMOUS] | Next: 5/11/2017 7:00 PM |
| MOVER: | Ed Bottorff, Council Member | |
| SECONDER: | Jacques Bertrand, Council Member | |
| AYES: | Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen | |
| ABSENT: | Stephanie Harlan | |

9. **ADJOURNMENT**

The meeting was adjourned at 8:58 p.m.


Michael Termini, Vice Mayor

ATTEST:


Linda Fridy, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON MAY 11, 2017