

**CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, SEPTEMBER 9, 2021 - 7 PM**

CLOSED SESSION – 6PM

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Gov't Code § 54956.9(d)(4).**

Initiation of litigation, one potential case

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

Negotiators: Jamie Goldstein, Larry Laurent

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

2. PRESENTATIONS

A. Monarch Services on Domestic Violence and Community Resources Presentation

Kalyn Foster Renda and Laura Segura, co-Executive Directors of Monarch Services, presented local statistics on domestic violence and provided an overview of resources available that address this pervasive issue.

Council Member Bertrand commented that education of the public is important in destigmatizing domestic violence.

Vice-Mayor Storey thanked the presenters and asked about low to no-cost therapy options; the Executive Directors replied that Monarch Services now offers family counseling and anger management to promote a healthier community.

3. REPORT ON CLOSED SESSION – DIRECTION WAS GIVEN TO STAFF

4. ADDITIONAL MATERIALS

A. Item 9.A – two public comment emails

5. ADDITIONS AND DELETIONS TO AGENDA – NONE

6. ORAL COMMUNICATIONS

Lisa Berkowitz, Community Brides: Meals on Wheels, thanked Council for its adoption of a CDBG grant and said the money would contribute to food services in the local area.

7. STAFF / CITY COUNCIL COMMENTS

City Manager Goldstein announced that the active COVID-19 case count in the county was decreasing; the first indication that the Delta surge could be over; he announced that once Santa Cruz County's data reflects the Center for Disease Control's Yellow- Moderate tier of case levels, the indoor mask requirement would be lifted.

Council Member Bertrand reported on a recent Regional Transportation Commission meeting and said that they reviewed a conceptual study to repurpose bridges for multipurpose multi-use trails. He also complimented the new Capitola Historical Museum Curator for her knowledge of the area.

Council Member Petersen announced the Art and Wine Festival this coming weekend. She also reported on a recent Association of Monterey Bay Area Government meeting, which included a presentation on RHENA numbers and cycle 6 allocations. She said that it is estimated that Cycle 6 will require the addition of 33,274 new units.

Mayor Brooks said that the Think Outside the Frame art installation will be removed soon and will be auctioned off. She also expressed condolences to the family, friends, and greater community after the loss of life of an Aptos High School student.

8. CONSENT ITEMS

MOTION:	APPROVE, ADOPT, AND DETERMINE AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen
SECONDER:	Margaux Keiser
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

- A. Consider the August 24 and 26 City Council Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Community Development Block Grant- Coronavirus Response 2&3 Grant Acceptance
RECOMMENDED ACTION: Adopt the proposed resolution accepting a California Department of Housing and Community Development Community Development Block Grant - Coronavirus Response Round 2 (CDBG CV2/3) in the amount of \$316,484 to support food services and a small business rental and mortgage assistance grant program; and authorize amending the Fiscal Year 2021/22 CDBG grant fund budget to increase revenues by \$316,484 and expenditures by \$345,135, which includes the use of \$28,851 of CDBG program income funds.
- C. Receive Update on Pandemic Response
RECOMMENDED ACTION: Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. 720 Hill Street Hotel Conceptual Review
RECOMMENDED ACTION: Review the proposed hotel plans and design review memo from RRM Design Group; provide the applicant with guidance for future

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
September 9, 2021

development of a hotel at 720 Hill Street.

Community Development Director Herlihy presented a staff report.

Vice Mayor Storey confirmed that an application prior to 2023 would require identification of another site that could accommodate 61 replacement units.

Council Member Bertrand commented on the outside roof deck, and if the other concerns pointed out by members of the public have been addressed; Director Herlihy clarified that no modifications or an official application had been received since the Planning Commission's conceptual review of the project.

Council Member Keiser confirmed that the hotel would be built adjacent to a residential zone, and that the project did not include a pool.

Mayor Brooks asked the property owner what inspired them to propose building another hotel directly next to their current Capitola Inn. Property Owner Patel responded that the Capitola Inn is a successful property, and that the proposed new hotel would attract a different, additional, clientele as a higher-end boutique hotel.

In public comment, Gwen Jarick, project architect, thanked Council for their review and expressed desire to communicate with the Hill Street neighborhood prior to the official hotel application.

Council Member Keiser supported the project and highlighted the importance of applicant working with the neighbors and encouraged transportation options being provided by the hotel such as bikes or a shuttle.

Council Member Petersen supported the project and commented that public art should be considered, perhaps at the Crossroads loop. She also emphasized a need to visually soften the area with landscaping.

Vice-Mayor Storey appreciated the idea of the project, though did not support the proposed design of the hotel. He supported removing the affordable housing overlay, as long as an alternative could be identified.

Council Member Bertrand supported the project and appreciated the owner taking input from neighbors. He agreed that public art should be included and commented that the hotel's inclusion of a meeting room would be a benefit to the community.

Mayor Brooks supported the project and agreed with the RRM memo on the design. She highlighted the need to have the current Capitola Inn property and the proposed hotel complement each other and exist in a cohesive way. She also asked the hotel consider and adopt eco-friendly initiatives, such as energy/water conservation, along with sustainable hotel practices.

RESULT:	DIRECTION GIVEN
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B. Affordable Housing Nexus and Feasibility Studies

RECOMMENDED ACTION: Accept presentation on the Affordable Housing Nexus Study and Feasibility Study, and direct staff to utilize information from the studies to:

- Revise onsite inclusionary requirements in the IHO update
- Update in-lieu housing fees
- Establish affordable housing impact fee levels

Director Herlihy presented the staff report and introduced Jake Cranor and Darin Smith, who

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
September 9, 2021

presented on the Nexus study, along with Megan Burke from the City attorney's office who provided analysis.

Vice-Mayor Storey confirmed that there are some opportunity sites for affordable housing projects within the City.

Mayor Brooks asked about staff bandwidth and the ability to complete potential affordable housing projects.

Council Member Petersen pointed out that the City's Regional Housing Needs Allocation (RHNA) number requirements are the City's responsibility, not potential developers.

Council Member Bertrand expressed a desire to somehow analyze second homes differently, as a second home may remain empty most of the year and prevent affordable housing opportunities for those that live in the community year-round.

There was no public comment.

After further discussion, Council agreed on the following direction to staff in the form of a motion.

MOTION:	PROVIDE DIRECTION TO STAFF TO 1) KEEP AFFORDABILITY REQUIREMENTS FOR NEW HOUSING AT 15%, 2) INCREASE THE IN-LIEU FEE FROM \$10 TO \$25 PER SQUARE FOOT AND 3) KEEP THE AFFORDABLE HOUSING FEE ON NEW RENTAL PROJECTS AT \$6 PER SQUARE FOOT
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen
SECONDER:	Jacques Bertrand
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

C. Capitola Brach Library Project Update and Consideration of Contract Change Orders 17.1 and 17.2

RECOMMENDED ACTION: Approve Contract Change Orders 17.1 and 17.2 in the amounts of \$250,776 and \$198,921 respectively.

Public Works Director Jesberg presented the staff report.

In response to a question from Council Member Bertrand, Director Jesberg explained that the remaining library-staff training was for how to use the new technology within the building such as the heating system. Council Member Bertrand also mentioned pedestrians and Director Jesberg explained that access to the library is preferred off Clares Street, not Wharf.

There was no public comment.

Mayor Brooks expressed concern about the traffic on Wharf and the safety of cars leaving the library parking lot and turning left.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
September 9, 2021

MOTION:	APPROVE CONTRACT CHANGE ORDERS 17.1 AND 17.2, AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Margaux Keiser, Council Member
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

D. Administrative Policy Update Overview
RECOMMENDED ACTION: Receive report.

City Manager Goldstein presented a brief staff report.

Council Member Keiser asked about the filming permit, City Manager Goldstein explained it would be replaced by an updated ordinance.

Council Member Bertrand asked about drones; the City Manager replied that they would be regulated with an ordinance or by the Monterey Bay Sanctuary rules and not an administrative policy.

Mayor Brooks asked that access to all policies be made available, and that staff bring the Digital Reading Device Purchasing Policy along with the others identified for review.

RESULT:	REPORT RECEIVED
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10. ADJOURNMENT

The meeting was closed at 10 PM to the next regular meeting of City Council on September 23, 2021.

Yvette Brooks, Mayor

ATTEST:

Chloé Woodmansee, City Clerk

APPROVED SEPTEMBER 23, 2021