

City of Capitola

City Council Meeting Agenda

Thursday, September 24, 2026 – 6:00 PM



City Council Chambers

420 Capitola Avenue, Capitola, CA 95010

Mayor: Margaux Morgan

Vice Mayor: Gerry Jensen

Council Members: Joe Clarke, Melinda Orbach, Susan Westman

Closed Session – 5 PM

Closed Sessions are not open to the public and held only on specific topics allowed by State Law (noticed below). 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.

- i. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2), (e)(1)
(two matters)
- ii. PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Interim City Manager

Regular Meeting of the Capitola City Council – 6 PM

1. Roll Call and Pledge of Allegiance

Council Members Joe Clarke, Melinda Orbach, Susan Westman, Vice Mayor Gerry Jensen, and Mayor Margaux Morgan

2. Additions and Deletions to the Agenda

3. Presentations

Presentations are limited to eight minutes.

- A. Proclamation honoring retiring City Manager Jamie Goldstein for his 18 years of service to the City of Capitola

4. Report on Closed Session

5. Additional Materials

Additional information related to an agenda item on this agenda and submitted to the City after distribution of the agenda packet pursuant to Government Code §54957.5. All correspondence 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.

- A. Item 6 - Correspondence Received

- B. Item 8B - Correspondence Received
- C. Item 9B - Correspondence Received
- D. Item 9E - Correspondence Received

6. Oral Communications by Members of the Public

*Oral Communications allows time for members of the Public to address the City Council on any "Consent Item" on tonight's agenda, or on any topic within the jurisdiction of the City that is not on the "General Government/Public Hearings" section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. 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. A **maximum of 30 minutes** is set aside for Oral Communications.*

7. Staff / City Council Comments

Comments are limited to three minutes.

8. Consent Items

All items listed as "Consent Items" 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 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. City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on September 10, 2026.

B. Escalona Drive Right-of-Way Vacation, Parcel Creation, and Reservation of Easements; and Coastal Development Permit

Recommended Action: Adopt a resolution: 1) vacating a portion of the Escalona Drive right-of-way, approving creation of a parcel, and reserving a public open space easement and a public access easement over the parcel; and 2) authorizing the City Manager to execute and record all documents necessary to effectuate these actions, subject to minor modifications approved by the City Manager, City Engineer, and City Attorney and approve a Coastal Development Permit to allow the parcel creation.

C. Citywide Municipal Code Amendments to Chapters 9 and 17 (Zoning) Second Reading of Ordinance

Recommended Action: Conduct a second reading and adopt an ordinance amending Capitola Municipal Code Title 17 (Zoning) to repeal and replace Chapter 17.88: Incentives for Community Benefits, relocate existing village hotel incentives to Chapter 17.90: Incentives for a Village Hotel with Community Benefits, amend Chapter 17.74: Accessory Dwelling Units, Repeal Chapter 9.08: Tattoo Establishments, make related amendments for Body Art Studios to Chapter 17.20: Mixed Use, Chapter 17.24: Commercial and Industrial Zoning Districts, Chapter 17.96: Supplemental Regulations, and Chapter 17.160 Glossary, and finding that adoption of the ordinance is exempt from CEQA.

9. General Government / Public Hearings

All items listed in "General Government / Public Hearings" 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. Conduit financing for 1098 38th Avenue Affordable Housing Project: Capitola Manor Apartments
Recommended Action: 1) Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the “Code”); 2) Adopt the resolution approving the issuance of the Bonds by the CMFA for the benefit of MidPen Housing Corporation, a California nonprofit public benefit corporation (the “Developer”), on behalf of MP Rail Trail Associates, L.P., a California limited partnership (the “Borrower”), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).
- B. Parking Rates Increase and Coastal Development Permit
Recommended Action: Approve a Coastal Development Permit for parking meter rate increases for the Upper and Lower City Hall Parking Lots, Village Area, and Cliff Drive Area and introduce, by title only, waiving further reading of the text, an ordinance of the City of Capitola amending Municipal Code Section 10.38.010.
- C. Park Space Reservation Permit Use Policy
Recommended Action: Adopt a resolution amending Administrative Policy V-21, Park Reservation Permit Use Policy, to revise the areas and/or conditions under which City park facilities may be reserved for exclusive use, and authorize the City Manager or designee to administer the Policy consistent with Chapter 12.40 of the Capitola Municipal Code
- D. Affordable Housing Down Payment Assistance Program
Recommended Action: Authorize staff to develop an Affordable Housing Down Payment Assistance Program to provide financial assistance toward the purchase of deed-restricted affordable ownership housing in the City of Capitola, with final program guidelines in a format approved by the City Attorney.
- E. Consider a Resolution of Opposition to California State Proposition 43
Recommended Action: Receive a report and either 1) Adopt a resolution opposing Proposition 43; or 2) Take no formal position on Proposition 43

10. Adjournment

The next regularly scheduled City Council meeting is on October 8, 2026, at 6:00 PM.

How to View the Meeting

Meetings are open to the public for in-person attendance at the Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California, 95010.

Other ways to Watch:

Spectrum Cable Television channel 8

City of Capitola, California YouTube Channel

How to Provide Comments to the City Council

Members of the public may provide public comments to the City Council in-person during the meeting. If you are unable to attend in-person, please email your comments to citycouncil@cityofcapitola.gov and they will be included as a part of the record for the meeting.

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 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 and at Capitola City Hall prior to the meeting. Need more information? Contact the City Clerk’s office at 831-475-7300.

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

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

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 831-475-7300 al menos tres días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a cityclerk@cityofcapitola.gov.

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 by clicking on the Home Page link "Meeting Agendas/Videos." Archived meetings can be viewed from the website at any time.