

City of Capitola Regular City Council Meeting Agenda

Thursday, January 27, 2022 – 7:00 PM



City Council Chambers

420 Capitola Avenue, Capitola, CA 95010

Mayor: Sam Storey

Vice Mayor: Margaux Keiser

Council Members: Jacques Bertrand, Yvette Brooks, Kristen Petersen

Regular Meeting of the Capitola City Council – 7 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.

1. Roll Call and Pledge of Allegiance

Council Members Kristen Petersen, Jacques Bertrand, Margaux Keiser, Mayor Sam Storey, and Yvette Brooks

2. Presentations

Presentations are limited to eight minutes.

- A. Report on the January 15, 2022, Tsunami
- B. Introduction of new Capitola Police Parking Enforcement Officers Jose Lopez and Alexandria Workman

3. Additional Materials

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

4. Additions and Deletions to the Agenda

5. Oral Communications by Members of the Public

*Please review the Notice of Remote Access for instructions. 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.*

6. Staff / City Council Comments

Comments are limited to three minutes.

7. 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.** Consider the January 13, 2022, Regular City Council Meeting Minutes

Recommended Action: Approve minutes.

- B.** Notice of Completion Capitola Wharf Resiliency & Public Access Improvement Project – Phase 1

Recommended Action: 1) Approve a notice of completion for the Capitola Wharf Resiliency & Public Access Improvement Project – Phase 1 constructed by Power Engineering Construction Co. at the final cost of \$484,740, and 2) Authorize the release of the contract retention of \$24,237 as prescribed in the contract.

- C.** Receive Update on Pandemic Response

Recommended Action: Make the determination that all hazards related to the worldwide spread of coronavirus (COVID-19) as detailed in Resolution No 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action.

8. 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.** Appoint Representatives to the Art and Cultural Commission and Finance Advisory Commission

Recommended Action: Appoint representatives to City advisory bodies.

- B.** RFP for 6th Cycle Housing Element

Recommended Action: Accept presentation on the 6th Cycle Housing Element Update process and authorize staff to issue a Request for Proposals (RFP) to contract a planning consultant to lead preparation of the update.

- C.** FY 2021-22 Mid-Year Budget Report

Recommended Action: Receive Fiscal Year 2021-22 Mid-Year Budget Report and adopt the proposed resolution amending the Fiscal Year 2021-22 Budget.

- D.** Modifications to Permit Parking Programs at City Provided Electric Vehicle Charging Stations

Recommended Action: Consider a resolution removing public parking spaces dedicated to electric vehicle charging stations from all permit parking programs.

9. Adjournment

Notice of Remote Access

In accordance California Senate Bill 361, the City Council meeting is not physically open to the public and in person attendance cannot be accommodated.

To watch:

- Online <http://cityofcapitola.org/meetings>
- Spectrum Cable Television channel 8
- Youtube

To join Zoom by Computer or Phone:

- Click this meeting link: <https://us02web.zoom.us/j/81492483812?pwd=bnJJN25aYkRhRHlUajAzM3o1cnpDQT09>

- Or call one of these phone numbers:

- 1 (669) 900 6833
- 1 (408) 638 0968
- 1 (346) 248 7799

- Meeting ID: 814 9248 3812
- Meeting Passcode: 426714

To submit public comment:

When submitting public comment, one comment (via phone or email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

- Zoom Meeting (Via Computer or Phone) Link:

If using computer: Use participant option to “raise hand” during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak

If called in over the phone: Press *9 on your phone to “raise your hand” when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak

- **Send Email:** During the meeting, send comments via email to publiccomment@ci.capitola.ca.us

- Emailed comments on items will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.

- Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.

- Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.

- Emails received by publiccomment@ci.capitola.ca.us outside of the comment period outlined above will not be included in the record.

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 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.

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 Agendas/Videos.**" Archived meetings can be viewed from the website at any time.

Capitola City Council

Agenda Report

Meeting: January 27, 2022

From: City Manager Department

Subject: Consider the January 13, 2022, Regular City Council Meeting Minutes



Recommended Action: Approve minutes.

Discussion: Attached for Council review and approval are the minutes from the regular City Council Meeting held on January 13, 2022.

Attachments:

1. January 13 draft minutes

Report Prepared By: Chloé Woodmansee, City Clerk

Reviewed/Approved By: Jamie Goldstein, City Manager

City of Capitola Regular City Council Meeting Minutes

Thursday, January 13, 2022 – 7:00 PM

City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Mayor: Sam Storey

Vice Mayor: Margaux Keiser

Council Members: Jacques Bertrand, Yvette Brooks, Kristen Petersen



Closed Session – 6 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.

LIABILITY CLAIM (Gov't Code § 54956.95)

Claimant: Gina Cavuoto

Agency claimed against: City of Capitola

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to § 54956.9(d)(2)

One potential case

Regular Meeting of the Capitola City Council – 7 PM

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1. Roll Call and Pledge of Allegiance

Council Members Jacques Bertrand, Yvette Brooks, Margaux Keiser, Kristen Petersen, and Mayor Sam Storey.

2. Presentations

Presentations are limited to eight minutes.

- A. Introduction of new Capitola Police Officers Abraham Camacho, Jaime Ponciano, Noah Sherin, and Daniel Vasquez

Captain Ryan introduced Officers and thanked them for joining the Capitola team.

- B. Presentation of the 2021 Officer of the Year – Herb Ross Award to Officer Jackie Yeung

Captain Ryan congratulated and introduced Officer Jackie Young, the recipient of Capitola's Officer of the Year Award and new parent.

3. Report on Closed Session

City Attorney Zutler stated Council took no reportable action.

4. Additional Materials – none

5. Additions and Deletions to the Agenda – none

6. Oral Communications by Members of the Public – none

7. Staff / City Council Comments

Council Member Petersen announced a virtual forum of the Women in Leadership for Diverse Representation on January 26 at 6:30PM. She also spoke about the upcoming changes to RHNA numbers expected for the 6th Cycle.

Council Member Bertrand spoke about a recent Regional Transportation Commission meeting.

Mayor Storey reported on recent discussions at the Art and Cultural Commission, such as their summer concert series and a proposed tree stump art installation project.

Future Agenda Items:

- “Mayor for a Day”, youth essay contest – Petersen
- Update on redistricting – Brooks
- Information on Greenwaste and changes to organics disposal – Brooks
- Information on next steps in RHNA process - Brooks

8. Consent Items

Motion: Approve, Authorize, Reject, and Determine as recommended

Result: Passed, 5:0 (Unanimous)

Mover: Council Member Bertrand

Second: Vice Mayor Keiser

Yea: Mayor Storey, Vice Mayor Keiser, Council Member Bertrand, Council Member Brooks, Council Member Petersen

A. Consider the December 1 and December 9 City Council Meeting Minutes

Recommended Action: Approve the minutes.

B. Approval of City Check Registers Dated November 19, November 24, December 10, December 17 and December 30.

Recommended Action: Approve check registers.

C. FY 2020-21 Audit Report

Recommended Action: Receive report.

D. Revised Information Technology Specialist Job Description

Recommended Action: 1) Authorize the City Manager to Sign Side Letter with Confidential Employees Group; and 2) Approve Amended Information Systems Specialist Job Description

E. Liability Claim of Gina Cavuoto

Recommended Action: Reject liability claim.

- F. Receive Update on Pandemic Response and Consider Adopting Proposed Resolution Allowing for the Continuation of Teleconferencing

Recommended Action: 1) Make the determination that all hazards related to the worldwide spread of coronavirus (COVID-19) as detailed in Resolution No 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action; and 2) adopt the proposed resolution authorizing the Capitola City Council (along with the Planning Commission and all advisory bodies) to continue to conduct teleconferencing meetings.

9. General Government / Public Hearings

- A. Capitola Branch Library Project Notice of Completion

Recommended Action: Approve the Notice of Completion for the Capitola Branch Library Project constructed by Otto Construction at a final cost of \$13,190,813 and direct the Public Works Department to 1) record the Notice of Completion and 2) release the retention held in escrow of \$369,724.39.

Director Jesberg presented a staff report.

Council Member Brooks asked about the tot lot, and if playground enhancements have been discussed.

Council Member Bertrand asked about the oak trees on the library property, which have improved and are doing well.

There was no public comment.

Motion: Approve notice of completion and direct Public Works Department to release retention funds to the General Fund

Result: Passed, 5:0 (Unanimous)

Mover: Council Member Petersen

Second: Council Member Bertrand.

Yea: Mayor Storey, Vice Mayor Keiser, Council Member Bertrand, Council Member Brooks, Council Member Petersen

- B. Presentation Regarding Proposed City of Santa Cruz Onstreet Parking Programs

Recommended Action: Receive a report regarding how the City of Santa Cruz is addressing oversized vehicles and an update on City of Capitola practices.

Chief Dally presented on oversized vehicle parking in the City of Santa Cruz.

Vice-Mayor Keiser confirmed there are no Capitola City locations being considered for a similar program to the City of Santa Cruz.

Council Member Bertrand confirmed that City ordinances would not apply in private parking lots, and Agreements would be necessary with lot owners in that case. privately owned areas.

In response to a question from Mayor Storey, Chief Dally said that other jurisdictions have similar ordinances in place, though the City of Santa Cruz is still working with the Coastal Commission to adopt theirs.

There was no public comment.

Council Member Brooks requested data tracking regarding complaints about oversized parking.

Action: Report received

C. Authorize Purchase of a New Street Sweeper for the Department of Public Works

Recommended Action: Authorize the expenditure of up to \$350,000 for the purchase of a new Global Regenerative Air streetsweeper for the Public Works Department.

Director Jesberg presented a brief staff report.

Council Member Brooks confirmed the \$684,000 in the City's Equipment Replacement Fund and asked if any of that funding would "roll over" into the next year.

City Manager Goldstein explained that the Fund is calculated based on specific replacement purchases, so fund balances are intended for certain equipment, not as a total amount to be used for purchasing any equipment. In response to another question, he said that there is a proposed \$200,000 cap on Central Coast Community Power grant funding toward electric vehicles.

Council Member Keiser confirmed that parts would still be available, despite not having a "backup" electric sweeper to take from if an electric version is purchased to replace the current sweeper.

Council Member Bertrand confirmed that the vacuum style machine (versus broom sweeping style) will save the City money. When asked, Director Jesberg said that an electric charging station should cost no more than \$5,000.

Mayor Storey confirmed that electric sweepers are quieter, though they still create hydraulic noise.

There was no public comment.

Council Member Brooks supported purchasing an electric sweeper regardless of receiving grant funding.

Council Member Bertrand expressed that grant funding is important, and that discussion of purchasing an electric sweeper could take place during budget talks. He then asked if the sweeping program is paid for by a grant; Director Jesberg explained that the program is required by the State but paid for by the City's General Fund.

Council Member Petersen confirmed that funding would be available after the sweeping program and purchase is authorized.

Motion: Authorize expenditure of up to \$400,000 for an electric street sweeper; Return to Council for funding option discussion if a grant is not received from Central Coast Community Energy

Result: Passed, 5:0 (Unanimous)

Mover: Vice Mayor Keiser

Second: Council Member Petersen

Yea: Mayor Storey, Vice Mayor Keiser, Council Member Bertrand, Council Member Brooks, Council Member Petersen

D. Amend FY 2021-22 City Fee Schedule

Recommended Action: Adopt the proposed resolution amending the fee schedule for Fiscal Year (FY) 2021-22.

Finance Director Malberg presented a staff report explaining the proposed changes to the fee schedule.

Council Member Petersen confirmed that a business license, in addition to a film permit, is required to film in Capitola.

There was no public comment.

Motion: Adopt the resolution amending fee schedule

Result: Passed, 5:0 (Unanimous)

Mover: Vice Mayor Keiser

Second: Council Member Petersen

Yea: Mayor Storey, Vice Mayor Keiser, Council Member Bertrand, Council Member Brooks, Council Member Petersen

E. Appoint Representative to the Housing for Health Partnership Policy Board

Recommended Action: Appoint the City Manager to a two-year term on the Continuum of Care (CoC) Board, known as the Housing for Health Partnership Policy Board, as nominated by the Mayor.

City Clerk Woodmansee made a brief report.

There was no public comment.

Motion: Appoint City Manager to a two-year term on the Housing for Health Partnership Policy Board

Result: Passed 5:0 (Unanimous)

Mover: Council Member Brooks

Second: Council Member Petersen

Yea: Mayor Storey, Vice Mayor Keiser, Council Member Bertrand, Council Member Brooks, Council Member Petersen

10. Adjournment

The meeting was adjourned at 8:53PM to the next regular Capitola City Council meeting on January 27, 2022.

Capitola City Council

Agenda Report



Meeting: January 27, 2022

From: Department of Public Works

Subject: Notice of Completion

Capitola Wharf Resiliency & Public Access Improvement
Project – Phase 1

Recommended Action: 1) Approve a notice of completion for the Capitola Wharf Resiliency & Public Access Improvement Project – Phase 1 constructed by Power Engineering Construction Co. at the final cost of \$484,740, and 2) Authorize the release of the contract retention of \$24,237 as prescribed in the contract.

Background: On September 23, 2021, the City Council awarded a contract in the amount of \$484,740 to Power Engineering Construction Co. (Power Construction) for the Capitola Wharf Resiliency & Public Access Improvement Project – Phase 1.

Discussion: This project repaired the steel piles at the head of the wharf by encasing them in a new “host” pipe and backfilling the entire pile with slurry. The project also repaired the wharf structure underneath the restaurant, which had been damaged last winter.

Power Construction began work on November 8, 2021, and completed construction on December 22, 2021, and filed the required monitoring reports on January 6, 2022.

Fiscal Impact: The project was completed at the original contract amount with no additional costs. The funding is from the Wharf Resiliency and Public Access fund which has the following funds:

Measure F funds	\$2.2 million
State Grant funds	\$1.9 million
American Rescue Plan funds	\$1.8 million

The \$484,740 cost of this project will be paid from the State Grant.

Attachments:

1. Notice of Completion

Report Prepared By: Steven Jesberg, Public Works Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Capitola
Public Works Department
Attn: Steven Jesberg
420 Capitola Avenue
Capitola, California 95010

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS INSTRUMENT IS BEING RECORDED FOR THE BENEFIT OF THE CITY OF CAPITOLA
NO RECORDING FEE IS REQUIRED PURSUANT TO GOVERNMENT CODE §27383

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the City of Capitola, owner of the property hereinafter described, whose address is 420 Capitola Avenue, Capitola, California, has caused a work of improvements more particularly described as follows:

PROJECT NAME: Capitola Wharf Resiliency & Public Access Improvement Project – Phase 1

PROJECT DESCRIPTION: Piling and structural repairs to Capitola Wharf

to be constructed on property more particularly described as follows:

DESCRIPTION: Capitola Wharf

ADDRESS: 1400 Wharf Rd, Capitola CA 95010

APN: 034-072-01

The work of the improvement was completed by:

CONTRACTOR: Power Engineering Construction Co.

ADDRESS: 1501 Viking Street, Suite 200, Alameda CA 94501

The work of the improvements was actually completed on the 6th day of January 2022, and accepted by the City Council of said City on the 27th day of January 2022 .

Signature of City Official: _____

The undersigned certifies that he is an officer of the City of Capitola, that he has read the foregoing Notice of Completion and knows the content thereof; and that the same is true of his own knowledge, except as to those matters which are therein stated on information or belief, and as to those matters that he believes to be true. I certify under penalty of perjury that the foregoing is true and correct. Executed at the City of Capitola, County of Santa Cruz, State of California.

Steven E. Jesberg
Director of Public Works

Signed: _____

Date: _____

Capitola City Council

Agenda Report



Meeting: January 27, 2022

From: City Manager Department

Subject: Receive Update on Pandemic Response

Recommended Action: Make the determination that all hazards related to the worldwide spread of coronavirus (COVID-19) as detailed in Resolution No 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action.

Background: In December 2019, an outbreak of a respiratory illness linked to the novel coronavirus (COVID-19) was first identified. In March 2020, the State of California, the County of Santa Cruz, and the City of Capitola each declared a state of emergency due to the virus. Also in March 2020, the World Health Organization declared COVID-19 a pandemic.

State and local health officers issued health orders to stop the spread of COVID-19; in Santa Cruz County this included March, April, and May 2020 Shelter-In-Place orders that were more restrictive than statewide guidance. Since then, the County Health Officer has incorporated all Orders of the State Public Health Officer, which set baseline statewide restrictions on travel and business activities.

As of January 18, 2022, more than 5.5 million people worldwide have died of COVID-19. This is likely an undercount of all those that have died from the virus. There have been 331 million cases reported worldwide.

Since the beginning of the pandemic in the United States more than 852,048 people have died from the virus and more than 66 million COVID-19 cases have been reported.

Discussion: Since the beginning of the pandemic, 77,306 deaths due to COVID-19 have been reported in California; there is currently a daily average of 42 deaths a day. According to data from January 18, 2022, the average new COVID-19 case count per 100k was 270.6 (in contrast, the new case count per 100k was 46 according to data from December 30).

Boosters

You are eligible for a booster shot if:

- 1) You got a Pfizer or Moderna vaccine at least 6 months ago
- 2) If you got a Johnson & Johnson vaccine at least 2 months ago.

Booster shots can be a different vaccine brand than you received before, as long as you completed your original vaccine series (one dose of Johnson & Johnson or two doses of Pfizer or Moderna).

As of January 21, 2022, the total number of vaccinations administered in Santa Cruz County is 509,779. In the County, there are 215,269 (or 78.8%) people vaccinated with at least one dose, and 197,954 (72.5%) are fully vaccinated.

Omicron Variant & Surge

As stated by the World Health Organization (WHO), “all viruses, including SARS-CoV-2, the virus that causes COVID-19, change over time. Most changes have little to no impact on the virus’ properties. However, some changes may affect the virus’s properties, such as how easily it spreads, the associated disease severity, or the performance of vaccines, therapeutic medicines, diagnostic tools, or other public health and social measures”. On November 26, the WHO designated a new variant, B.1.1.529 as a Variant of Concern (VOC) and named it Omicron. The WHO has reported that “preliminary evidence suggests an increased risk of reinfection with this variant, as compared to other VOCs.

On November 30, the United States designated Omicron as a variant of concern. On December 1, California reported the first omicron case in the United States; Minnesota quickly followed reporting a case the next day.

As of January 4, the CDC estimated that 95% of the new infections are the Omicron variant, just over four weeks after it was first reported. Case numbers are currently rising at a faster rate than at any other time in the pandemic, however hospitalizations remain below last winter’s peaks.

As of January 18, the New York Times reported that, while “most of the Country continues to see explosive case growth...infection levels seem to have peaked in some of the places that were hit first by Omicron. Puerto Rico, Cleveland, Chicago, New York City and Washington, D.C. are among the places beginning to see improvement”.

Local Case Numbers and Statistics in Santa Cruz County

As of November 29, there were 20,864 total known COVID-19 cases in Santa Cruz County. As of January 21, there were 30,383 total known cases of COVID-19.

On November 29 there were 517 known active cases in Santa Cruz County; as of January 6, that number had grown to 1,957. Now on January 21, the active case count is 6,191; evidence that Santa Cruz County has experienced an intense Omicron surge as has the rest of the County. As of January 21, 2022, COVID-19 has claimed 237 people’s lives in the County.

Testing in the County

The Santa Cruz County Health Department has partnered with the County Office of Education to move a south county testing site to the County Fairgrounds, making it available to all community members. The Santa Cruz County Fairgrounds testing site is located at 2601 E Lake Ave, Watsonville, CA 95076 and is open Monday-Friday, 10am to 5 pm and Saturday, 9am to 3 pm. Registration is required at <https://sccoe.link/inspiresc>.

The County Health Services Agency released guidance on January 14 that encourages people with COVID-19 symptoms or who have had known exposure to COVID to “presume they are positive and isolate in accordance with the California Department of Public Health guidelines” if they are not able to get tested immediately.

Mask Mandates

On November 19, the Santa Cruz County Health Officer issued a new Order requiring the use of face coverings indoors, regardless of vaccination status. The new Order is effective at midnight November 21, 2021, and states that masks must be worn in private settings when non-household members are present. Health Officer Newell stated that “a potential winter surge appears to be a significant threat to the health and safety of our community”. The Order will remain in effect until it is rescinded, superseded, or amended in writing by the Health Officers, considering hospitalizations, variants of concern, and case and vaccination rates.

Due to rising cases, California Department of Public Health mandated that everyone in California wear a mask in indoor public spaces and workplaces from December 15, 2021, to January 15, 2022. On January 5, this mandate was extended by another month due to the Omicron surge.

If major changes occur between the date of agenda publication and the City Council meeting, further updates on the regional and local coronavirus response will be provided in a verbal report at the meeting.

City Hall Operations

City Hall has been open to the public since June 2020 in one configuration or another, dependent upon applicable health guidance and local COVID-19 case levels.

City Hall operations have been updated slightly to account for this winter's Omicron surge. Staff is now staggering their time in shared office spaces. The lobby has been rearranged, with a plexi-glass in-person service window installed at the front door. This keeps the lobby and City Hall facilities relatively closed off to non-staff members, while still allowing for in-person service. This recreates how City Hall functioned during last winter's Delta surge. Members of the public are helped one-at-a-time at the window, and masks are required by everyone to enter City Hall.

Fiscal Impact: Fiscal impacts are continually reviewed by Staff as business restrictions and consumer behaviors change in our community. In addition, the City Council has set aside \$600,000 to help ensure the City has available resources should the pandemic result in further unforeseen impacts, which remains in the approved FY 2021/22 Budget.

Report Prepared By: Chloé Woodmansee, City Clerk

Reviewed/Approved By: Jamie Goldstein, City Manager

PCapitola City Council

Agenda Report

Meeting: January 27, 2022

From: City Manager Department

Subject: Appoint Representatives to the Art and Cultural Commission and Finance Advisory Commission



Recommended Action: Appoint representatives to City advisory bodies.

Background: Some of the City of Capitola's advisory bodies have terms that expired in December 2021 and now require the City Council, or individual Council members, to make appointments for new terms.

Discussion: Staff recommends appointments to the following boards and commissions:

Art and Cultural Commission: The City Council representative is reviewed annually. Three members have terms that expired December 2021; all three have indicated interest in serving an additional two-year term and the Art and Cultural Commission voted to recommend their reappointment at their meeting on January 12.

- Sam Storey, incumbent City Council representative
- Mary Beth Cahalen, incumbent at large member
- Laurie Hill, incumbent at large member
- James Wallace, incumbent at large member
- Angelé Price, new applicant

Finance Advisory Committee: Pursuant to City Resolution No. 4105, "The Mayor and Vice Mayor shall serve on this committee. When either or both the Mayor and Vice Mayor do not want to serve on this committee, other members of the City Council shall be appointed by the Mayor, with the concurrence of the City Council." The four additional appointed members of the public have two years terms which do not expire until December 31, 2022. The business representative has resigned, and his seat remains available. As of January 21, the City has received one application to serve on this committee. Staff recommends Council review their representatives on this committee.

- Yvette Brooks, previous Mayor
- Sam Storey, previous Vice Mayor
- Alexander Pedersen, new applicant

Fiscal Impact: None.

Attachments:

1. Price Art & Cultural Application
2. Pedersen Finance Advisory Application

Report Prepared By: Chloé Woodmansee, City Clerk

Reviewed/Approved By: Jamie Goldstein, City Manager



CITY of CAPITOLA

BOARDS AND COMMISSIONS APPLICATION

Application for:

- ☒ Art & Cultural Commission
[Artist; Arts Professional; At Large Member]
Please underline category above.
- ☐ Finance Advisory Committee
[Business Representative; At Large Member]
Please underline category above.
- ☐ Historical Museum Board
- ☐ Library Advisory Committee
- ☐ Architectural & Site Committee
[Architect; Landscape Architect; Historian]
Please underline category above.
- ☐ Traffic & Parking Commission
[Village Resident; Village Business Owner; At Large Member]
Please underline category above.
- ☐ Planning Commission
- ☐ Other Committee _____

Name: Price Angele
Last First

Residential Neighborhood: 41st / Clares

Occupation: Realtor

Describe your qualifications and interest in serving on this Board/Commission/Committee: _____

While I have no formal background in art and music, they are subjects I am passionate about, and I would love to serve the community by helping to bring them into public awareness. I have been involved with the Kiwanis Club and participated in organizing the Los Gatos Fiesta de Artes. I've developed an interest in city management after completing a year-long course for the Los Gatos Leadership Program. (see next page)

(Use additional paper, if necessary)

Please Note: Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

11/5/21

Date

Signature of Applicant

Mail or Deliver Application to:
Capitola City Hall
Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

All information contained in this page of the application is public data and will be made available for public review and copying for anyone requesting it, and may be posted on the website of the City of Capitola. All information in this page will be provided to the Capitola City Council in a public forum and will be reviewed public. It will therefore be part of the public record.

Continued...

And now that I've been living in Capitola for 2 years, I'd like to serve the community and become more involved.



CITY of CAPITOLA

BOARDS AND COMMISSIONS APPLICATION

Application for:

- | | |
|--|--|
| <input type="checkbox"/> Art & Cultural Commission
<i>[Artist; Arts Professional; At Large Member]</i>
<u>Please underline category above.</u> | <input type="checkbox"/> Architectural & Site Committee
<i>[Architect; Landscape Architect; Historian]</i>
<u>Please underline category above.</u> |
| <input checked="" type="checkbox"/> Finance Advisory Committee
<i>[Business Representative; At Large Member]</i>
<u>Please underline category above.</u> | <input type="checkbox"/> Traffic & Parking Commission
<i>[Village Resident; Village Business Owner; At Large Member]</i>
<u>Please underline category above.</u> |
| <input type="checkbox"/> Historical Museum Board | <input type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Library Advisory Committee | <input type="checkbox"/> Other Committee _____ |

Name: Pedersen Alexander
Last First

Residential Neighborhood: _____

Occupation: Business owner, Business advisor, Student

Describe your qualifications and interest in serving on this Board/Commission/Committee: _____

I am very interested in local government and business because of the important roles they play in our community.

I have owned and operated my business, Pedersen Home Enhancement for the past three years while pursuing a degree in mechanical engineering. I have considerable experience volunteering with non profits and community organizations including my current roles of trustee for the Second Harvest food bank, CEO of the non profit Blue Circle, President of the Cabrillo College Entrepreneurs club and ambassador for the Santa Cruz county Chamber of Commerce. I work with the Small Business Development Center where I am currently partnering with the city of Capitola to help businesses prepare their applications for the city's Covid relief grant.

(Use additional paper, if necessary)

Please Note: Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

01/20/22
Date

Signature of Applicant

Email to: cwoodmansee@ci.capitola.ca.us

-OR- Mail/Deliver Application to:

Capitola City Hall

Attn: City Clerk

420 Capitola Avenue, Capitola, CA 95010

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Capitola City Council

Agenda Report

Meeting: January 27, 2022

From: Community Development Department

Subject: RFP for 6th Cycle Housing Element



Recommended Action: Accept presentation on the 6th Cycle Housing Element Update process and authorize staff to issue a Request for Proposals (RFP) to contract a planning consultant to lead preparation of the update.

Background: Since 1969, the State of California has required all cities and counties adequately plan to meet the housing needs of the community. Cities comply with this requirement by updating their housing elements on regular cycles defined by the state. The housing element is part of the City's General Plan which is the long-range planning document delineating how the city will evolve and develop in the future.

The City's existing Housing Element for the 5th Cycle (2015-2023) planning period was adopted by the Capitola City Council on November 24, 2015, and certified by the State of California Department of Housing and Community Development (HCD) on February 4, 2016. The City's existing Housing Element is available on the City's website at: <https://www.cityofcapitola.org/communitydevelopment/page/2015-2023-housing-element>.

The 6th Cycle Housing Element is due to HCD by December 2023. Staff plans to publish an RFP for the update of Capitola's Housing Element in February of 2022, to ensure adequate time for an update reflective of the community's goals and in full compliance with state law.

Discussion: The update to the City's Housing Element will include the following: (1) analysis of the effectiveness of existing housing programs, goals, and policies; (2) the production of housing units at all income categories and identify any potential barriers to housing production; (3) housing characteristics; (4) housing needs assessment; (5) constraints on housing; (6) regional housing needs assessment (RHNA); (7) updated opportunity sites inventory based on RHNA; (8) compliance with recently adopted legislation related to housing elements; and (9) the review of current General Plan policies to determine internal consistency and compliance with newly adopted legislation. The full scope of work for the City's Housing Element Update which will be incorporated in the RFP is included as Attachment 1.

A city's housing needs are determined through a process called the Regional Housing Needs Assessment (RHNA). The State of California Department of Housing and Community Development (HCD) is responsible for assessing the Regional Housing Need Determination (RHND) for each region's Council of Governments (COG). The City of Capitola participates in the Association of Monterey Bay Area Government (AMBAG) COG which includes Monterey County, Santa Cruz County, and San Benito County. HCD assigns RHND units to each COG by applying a formula based on demographic and population information from the California Department of Finance. Each COG is then required to develop a RHNA methodology to distribute the regional housing allocation to local jurisdictions.

Once each jurisdiction is allocated their RHNA units, the jurisdictions are required to update their housing elements and identify sites to accommodate the units under current zoning. If the RHNA

units cannot be accommodated under the current zoning, the housing element must identify areas to be rezoned to ensure appropriate densities to accommodate all the units assigned to the jurisdiction.

Housing law establishes factors to use in the RHNA allocation methodology. The methodology must address allocation of housing units by jurisdiction, housing units by income group, and must address 12 housing-related factors. The 12 RHNA factors for consideration when creating a distribution methodology include:

1. Jobs and Housing Relationship
2. Opportunities and constraints to development of additional housing, including capacity for sewer and water service, availability of land suitable for development, lands preserved or protected from development, and county policies to preserve prime agricultural land.
3. Opportunities to maximize transit and existing transportation infrastructure
4. Policies directing growth toward incorporated areas
5. Loss of units contained in assisted housing developments
6. High housing cost burdens
7. Rate of Overcrowding
8. Housing needs of farmworkers
9. Housing needs of UC and Cal State students
10. Loss of units during an emergency
11. SB 375 Greenhouse Gas Reduction Targets
12. Other factors adopted by Council of Governments (COGs)

AMBAG is currently in the planning phase for the 6th Cycle (2023-2031) RHNA period. The 6th Cycle significantly increased the amount of housing a region must accommodate. This increase was due to recent legislative changes (SB 828 (2018), AB 1771 (2018), and AB 686 (2018)), which altered HCD RHNA determinations in the following ways:

- Adjusts RHNA up by setting a target “healthy” vacancy rate of no less than 5%;
- Adjusts RHNA up by accounting for existing overcrowding and redistributing overcrowding into new housing units;
- Adjusts RHNA upwards based on comparing the difference in cost- burden, by income group, for the region to the cost burden by income group for comparable regions, and adjusting the very-low and low income housing need upwards accordingly;
- Prohibits the use of previous underproduction of housing or stable population growth to reduce housing development goals;
- Requires RHNA methodologies to promote fair housing, and reduce income and racial segregation when allocating housing of various income types.

AMBAG was assigned 10,043 units in the 5th cycle. In the 6th housing cycle, the units more than tripled to 33,274. The 6th Cycle regional needs determination increased over three times the amount within the 5th Cycle. These increases are typical throughout the State of California.

For the past nine months, AMBAG has been working on potential options for developing a RHNA methodology based on HCD’s 6th Cycle RHND. Draft methodologies were presented to the AMBAG board on November 10, 2021, December 8, 2021, and January 12, 2022. At the January 12 meeting, AMBAG staff presented seven draft RHNA allocation methodologies, including: two methods originally presented in 2021, two new methods based on AMBAG Board direction at the December meeting, two variations of the original two draft methods based on HCD staff input, and one new methodology (Option Z) based on HCD feedback. The board voted to use Option Z by a 19-5 vote. The January 12, 2022, AMBAG Agenda Report is included as Attachment 2 and includes an explanation of Option Z and the other six options proposed.

In Option Z the City of Capitola is allocated 1,336 units, which is 4% of the total units allocated to the Santa Cruz and Monterey region. Capitola's population represents 1.4% of the total population for the region. Option Z was calculated by including the number of units in the regional growth forecast for four years, and then distributing the remaining units based on the following methodology: 15% jobs, 31% jobs/housing, 4% transit, 8% resilience, and 42% Affirmatively Furthering Fair Housing (AFFH) based on RCAA and TCAC Areas.

Capitola's allocation increased substantially due to our jobs/housing data and the AFFH contribution as Capitola was identified as a "high resource" jurisdiction with a racially concentrated area of affluence (RCAA). Jobs/Housing and AFFH were both weighted the highest within the formula.

The draft methodology (and allocations) is not final. Currently, HCD is reviewing Option Z and will provide further guidance to AMBAG by April. The AMBAG Board then must adopt a final methodology, which may be appealed by HCD or any of the jurisdictions. AMBAG expects to have the final methodology accepted by HCD by October 2022.

Updated Schedule: All jurisdictions are required to submit the 6th Cycle Housing Elements to HCD by December of 2023. To ensure adequate time for the update, Capitola staff plans to publish the Request For Proposals in February of 2022, providing staff 18 months to work with a consultant, Council, and the public on the update. Accordingly, the consultant's proposed schedule will be an important consideration when evaluating proposals. The City's tentative schedule for the RFP is as follows:

- | | |
|-------------------------------|---------------|
| • Publish RFP | February 2022 |
| • RFP Deadline | March 2022 |
| • Select Consultant | April 2022 |
| • Notice of Intent to Proceed | April 2022 |

Fiscal Impact: The City of Capitola received a REAP grant through AMBAG for \$65,000 for the Housing Element Update. Cost beyond the \$65,000 will be covered through the General Plan Maintenance fund, as the Housing Element is part of the General Plan. Price will be a factor when selecting a firm.

Attachments:

1. Capitola's 6th Housing Cycle Update Scope of Work
2. AMBAG Agenda Staff Report January 12, 2022

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

**CITY OF CAPITOLA
6th CYCLE HOUSING ELEMENT UPDATE
SCOPE OF WORK**

The City's current Housing Element was previously certified by HCD and shall serve as a foundation for updating this Housing Element. The Consultant (or firm) selected shall evaluate: (1) the effectiveness of the housing programs, goals, and policies; (2) the production of housing units at all income categories and identify any potential barriers to housing production; (3) identification of housing characteristics; (4) update of the Regional Housing Needs Assessment; (5) analysis of special housing needs; (6) identification of new State Housing Law and programs; (7) compliance with recently adopted legislation related to housing elements; and (8) the potential review of current General Plan policies to determine internal consistency and compliance with newly adopted legislation.

The Consultant shall assist staff with the Regional Housing Needs Assessment (RHNA) and Housing Element Update, pursuant to the State of California Government Code Sections 65580 through 65589.8, and shall accomplish the following tasks:

A. Project Schedule

1. Develop a timeline schedule with milestones for the review and the certification of the Housing Element by the HCD by December 1, 2023. The project schedule shall include a detailed explanation of all stages of the project, including, at a minimum:
 - a. Kickoff meeting with staff to refine the scope of services;
 - b. Identification of major milestones, meetings, and work products;
 - c. Commission and Council Study Sessions;
 - d. Delivery of analysis and findings during assessment and development of the RHNA and Housing Element Update;
 - e. Response to HCD review and City staff review times;
 - f. Delivery of draft and final draft Housing Element, including any required updates to other General Plan elements as required by State law; and
 - g. Public hearings (Planning Commission and City Council).

B. Existing Conditions and Needs

1. Review the City's current Housing Element, General Plan, and other supporting materials as needed to gain insight and understanding of Capitola's housing progress and priorities;
2. Evaluate results from previous housing programs and policies implemented, and their effectiveness;
3. Research and analyze Affirmatively Furthering Fair Housing (AFFH) regarding current housing policies and programs; and
4. Assess the feasibility of the City to use HCD's new streamlined update process, according to HCD's Housing Element Update Guidance document.

C. Public Outreach

1. Prepare a robust public outreach process, including key participation goals, milestones, and outcomes;
2. Include strategies that involve diverse and traditionally underrepresented stakeholder groups and topics as identified by the City and stakeholders; and
3. Include an urban design component, with a proposed process, strategies, and urban design tools to effectively illustrate the high-level, potential physical design options reflecting various housing policies and goals.

D. Regional Housing Needs Assessment

1. Review the City's vacant and underdeveloped land inventory; and
2. Review and assist with RHNA.

E. Assessment of Housing Needs

1. Prepare an updated assessment of housing needs in Capitola and an inventory of resources and constraints relative to meeting those needs, including those affecting traditionally underrepresented groups; and
2. Incorporate the RHNA figures as provided by the Association of Monterey Bay Area Governments (AMBAG) and current demographic Census data.

F. Housing Sites Inventory

1. Assessment of housing sites to comply with HCD requirements and updated State legislation.

G. Outreach Plan

1. A comprehensive community outreach and facilitation plan that includes strategies to engage all segments of the community, including non-English-speaking residents and other community groups who have been previously underrepresented in local government planning processes.
2. The outreach plan must also include a comprehensive digital outreach plan that focuses on new/engaging digital participation approaches.

H. Preparation of Draft Housing Element

A draft Housing Element shall be prepared in compliance with all applicable State and Federal laws, including all tables, maps, etc., and shall include the following:

1. Updated housing, population, demographic, and employment data to coincide with recent Association of Monterey Bay Area Governments (AMBAG) growth projections and Census data;
2. Assessment of the housing market conditions and immediate needs within the City, including special housing needs;
3. Identification of actual and potential constraints on the maintenance, improvement, and development of housing for all income levels;

4. Analysis of housing opportunities, along with an inventory of sites and the City's capacity to meet regional housing goals.

Analysis that affirmatively furthers fair housing, in compliance with Assembly Bill 686; and

5. A Housing Element (2023-31) implementation program, including quantifiable objectives and programs to address housing needs for all income levels, the elderly, veterans, and population with disabilities, special needs, or experiencing homelessness.

I. General Plan Amendment

1. Identify elements of the City's existing General Plan (or new elements) that may need to be amended or added to comply with State law, including text, tables, maps, etc.

J. Environmental Documents

1. Prepare, post, and file all the appropriate environmental documents for compliance with the California Environmental Quality Act (CEQA), including the Initial Study, Notice of Intent to Adopt a (Mitigated) Negative Declaration, or other CEQA determinations as applicable, Response to Comments, Mitigation Measures, Mitigation Monitoring Program, and Notice of Completion to be filed with the Santa Cruz County Clerk. In addition, the Consultant will be responsible for preparing all notices and mailings for SB 18 and AB 52.

K. Deliverables:

1. Prepare and submit one (1) electronic copy in Microsoft Word (Word) format (.docx) and one (1) PDF of the Draft Housing Element; and other Elements as applicable for City staff to review and comment upon in accordance with the project's schedule and design of the draft (text, font, graphics, tables, figures, and picture placement) to match the General Plan document format and quality;

2. Revise the Draft Housing Element and applicable elements to incorporate staff's comments and submit one (1) electronic copy in Word format, and one (1) electronic copy in PDF of all Elements to the City for staff distribution to HCD, the City Council, the Planning Commission, and the general public for review and comment;

3. Prepare, post, and file all the appropriate environmental documents for compliance with the California Environmental Quality Act (CEQA), including the Initial Study, Notice of Intent to Adopt a (Mitigated) Negative Declaration, or other CEQA determinations as applicable, Response to Comments, Mitigation Measures, Mitigation Monitoring Program, and Notice of Completion to be filed with the Santa Cruz County Clerk;

4. Prepare addendum and revisions to draft documents both in response to City input and comments from HCD, including tracking of said revisions;

5. Prepare Final Draft Updated Housing Element in response to comments from HCD, responsible agencies, City staff, the Planning Commission, City Council, and the public. Upon determination of compliance by HCD of the Final Draft Housing Element, the Consultant will submit twelve (12) bound copies, one (1) electronic copy in Word format, and one (1) electronic copy in PDF of the Final Draft Housing Element (2024-32) and Final Draft Land Use Element for distribution to the Planning Commission and the City Council for final adoption at corresponding public hearings;

6. Prepare any updates to the City's General Plan as required by State law;
7. Attend, present, and participate in Planning Commission meetings, City Council meetings, informational workshops or Study Session meetings, City staff meetings, and public hearings as required by the City;
8. Prepare public meeting presentation materials, memos, letters, and other documents as required by City staff;
9. Provide regular e-mail progress reports to the Project Manager;
10. Assist in the preparation of staff reports and exhibits for Planning Commission and City Council;
11. Provide and maintain an Internet-based folder for all project materials accessible to City staff and consultants;
12. Coordinate with City staff and HCD staff as necessary; and
13. Upon adoption of the Final Draft Housing Element and any required General Plan amendments by the City Council, the Consultant will prepare a final adopted version with the date of adoption prominently displayed on the front cover and throughout the document to distinguish it as the official document from other versions of the General Plan Elements. The Consultant shall provide twelve (12) bound copies, one (1) electronic copy in Word format, and one (1) electronic copy in PDF of all adopted materials for distribution to HCD, City departments, and other stakeholders.



MEMORANDUM

TO: AMBAG Board of Directors

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Heather Adamson, Director of Planning

SUBJECT: 6th Cycle Regional Housing Needs Allocation Methodology

MEETING DATE: January 12, 2022

RECOMMENDATION:

A. Hold public hearing to receive public comment on the draft 6th Cycle Regional Housing Needs Allocation (RHNA) methodology for allocation of housing need to the region's jurisdictions consistent with the objectives of Government Code § 65584(d) and factors of Government Code § 65584.04(e).

B. Approve a draft RHNA methodology and authorize Association of Monterey Area Governments (AMBAG) staff to submit the draft RHNA methodology to the California Department of Housing and Community Development (HCD) for review and approval.

BACKGROUND:

California State Housing Element Law governs the process for local governments to adequately plan to meet the housing needs of everyone within their communities. The RHNA process is used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element to meet the housing needs of households of all income levels.

The Housing Element Law requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a methodology for allocating existing and projected housing needs to local jurisdictions within the AMBAG region, located in Monterey and Santa Cruz Counties. The Housing Element Law sets forth a process, schedule, objectives, and factors to use in developing the RHNA methodology. The methodology must address

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allocation of housing units by jurisdiction, housing units by income group, and must further all five statutory objectives and include consideration of 13 factors to develop the methodology that allocates regional housing needs (Attachment 1). The Council of San Benito County Governments (SBtCOG) performs this same function for San Benito County.

RHNA is an estimate of additional housing units needed for all income levels in the region from the start until the end date of the projection period. RHNA is not a prediction of building permits, construction, or housing activity, nor is it limited due to existing land use capacity or growth. A community is not obligated to provide housing to all in need. RHNA is a distribution of housing development capacity that each city and county must zone for in a planning period and is not a construction need allocation.

As part of the RHNA process, State law (Government Code 65584 et seq.) requires AMBAG to develop a methodology to allocate a portion of the Regional Housing Need Determination (RHND) to every local government in the AMBAG Region. AMBAG received its 6th Cycle RHND of 33,274 units from HCD in late August 2021 for the planning period beginning June 30, 2023 and ending December 15, 2031. The RHNA produces regional, subregional, and local targets for the amount and type of housing needed over the planning period.

AMBAG is responsible for developing a methodology to allocate 33,274 units amongst all the jurisdictions within the COG region. Throughout this process, the Planning Directors Forum (PDF) representatives from member jurisdictions in Monterey and Santa Cruz counties serve as a technical working group and assisted in the development of the 2023-2031 RHNA methodology and plan, similar to the process used for the 2014-2023 RHNA Plan.

RHNA methodologies are unique to every region throughout the state in response to each region's unique housing situation and needs. The AMBAG region is predominately a suburban/rural region and has unique demographic and housing issues, such as a predominance of rural jurisdictions and significant farmworker housing needs. The AMBAG RHNA methodology focuses on furthering, supporting, and balancing between each of the five statutory RHNA objectives and 13 RHNA factors (See Attachment 2).

Revised RHNA Schedule

AMBAG has revised the RHNA schedule as shown in Figure 1.

Figure 1: Revised RHNA Schedule

TARGET SCHEDULE	TASK
Spring - Fall 2021	Discussions with Planning Directors Forum on potential RHNA methodology options and factors
Summer – Fall 2021	Potential RHNA methodology options discussed by AMBAG Board
September 8, 2021	HCD presents at AMBAG Board Meeting
January 12, 2022	Approval of draft RHNA methodology by AMBAG Board
January – March 2022	HCD reviews draft methodology
April 13, 2022	Approval of final RHNA methodology by AMBAG Board
April 22, 2022	Release Draft RHNA plan with RHNA allocations by jurisdiction
April 22 – June 6, 2022	Local jurisdictions and HCD may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations
May 2022	AMBAG releases final 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) accommodating RHNA
June 7 – July 22, 2022	Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period (if appeal(s) are received)
June 8, 2022	Adoption of Final 2045 MTP/SCS AMBAG Board
August 10, 2022	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if no appeal(s) are received)
August 10, 2022	AMBAG to hold public hearing on appeals (if appeals are received)
September 23, 2022	AMBAG makes final determination that accepts, rejects, modifies appeals and issues final proposed allocation plan
October 12, 2022	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if appeal(s) are received)
December 2023	Jurisdiction's 6th Cycle Housing Elements are due to HCD

Revised Final Draft RHNA Methodology

For the past nine months, AMBAG staff has been discussing with the PDF and AMBAG Board potential options for developing a RHNA methodology based on HCD's 6th Cycle RHND. A revised draft RHNA methodology was presented at the November 1, 2021 Planning Directors Forum and November 10, 2021 AMBAG Board of Directors meeting for discussion and input. Based on direction received from AMBAG Board, HCD, and public comments received during the November 10, 2021 public hearing, AMBAG staff proposed a revised draft RHNA methodology. Revised methodology options were presented at the November 29, 2021 Planning Directors Forum and December 8, 2021 AMBAG Board of Directors meeting for discussion and input. Based on additional direction received from the AMBAG

Board and public comments received during the December 8, 2021 public hearing, as well as additional feedback from HCD staff on January 4, 2022, AMBAG staff evaluated several revised final draft RHNA methodology options.

Feedback from HCD on the RHNA Methodology Options

Under new RHNA laws, HCD must approve each COG's RHNA methodology and confirm it furthers the RHNA objectives. On December 9, 2021, HCD staff offered to do an informal review of the revised final draft methodology options. AMBAG and HCD staff met on January 4, 2022, to discuss their comments. Based on its informal review, HCD staff informed AMBAG that none of the four options (Options A-D) met the AFFH objective as best as it could in providing more RHNA units to higher resource jurisdictions and provided some suggestions. HCD staff recommended that AMBAG use a 40% income shift since it placed more lower income units in the higher resource areas. In addition, HCD suggested that we further reduce the weighting of the Regional Growth Forecast and increase the weighting of the AFFH allocation factor. Finally, HCD staff suggested that AMBAG incorporate the California Tax Credit Allocation Committee (TCAC) opportunity maps in addition to the Racially Concentrated Area of Affluence (RCAA) data to provide a more nuanced AFFH analysis. In response to this feedback, AMBAG developed two additional methodology options: Option A+ and Option B+. Since the Board of Directors directed AMBAG staff to specifically create Options C and D at the December 8, 2021 Board meeting, AMBAG staff did not make modifications to those options. However, AMBAG staff created Option Z, which takes into account recommendations from HCD staff as well as recent Board direction.

Final Draft RHNA Methodology Options

Based on comments received, feedback from HCD staff, and discussions at the PDF and AMBAG Board of Directors meeting, AMBAG staff are presenting the following several final draft methodologies as shown in Table 1.

Table 1: AMBAG RHNA Allocation Methodology Options
Units by Allocation Factor

	Option A	Option A+	Option B	Option B+	Options C and D	Option Z
2022 Regional Growth Forecast	12,524	6,260	12,524	6,260	12,524	6,260
Employment	10,374	10,374	8,299	8,299	3,111	4,000
Jobs/Housing Ratio	0	0	4,150	4,150	7,263	8,449
Transit	1,038	1,038	1,038	1,038	1,038	1,038
Resiliency Factor (Wildfire and Sea Level Rise)	2,075	2,075	2,075	2,075	2,075	2,075
Affirmatively Furthering Fair Housing (AFFH), based on RCAA or Combination of RCAA and TCAC Areas	7,263	13,527	5,188	11,452	7,263	11,452
Total Units	33,274	33,274	33,274	33,274	33,274	33,274

In addition to the distributions listed above, at the December 8, 2021 meeting, the AMBAG Board directed staff to assess additional adjustments to the methodology, including the following:

- Adding a third criteria—percent below the poverty level—to the RCAA index. The data for this adjustment can be found in Attachment 3, and the adjustment appears in Options C and D.
- Normalize the RCAA—Option D evaluates the Resiliency and AFFH allocation factors by considering the developable land in each jurisdiction rather than by forecasted units. Developable area was calculated as area excluding parks and open space (with data from the California Protected Areas Database), Williamson Act agricultural preserve (CA Department of Conservation database), and industrial lands (County Assessor database).

All data used in the development of RHNA methodology is based on the following publicly available sources:

- Regional Growth Forecast (RGF): Housing growth from either a 4-year or 8-year RHNA period from the AMBAG 2022 RGF (accepted for planning purposes by the AMBAG Board in November 2020), based on California Department of Finance (2020)
- Employment: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)

- Transit: Existing (2020) transit routes with 15- and 30-minutes headways, based on existing transit routes and stops from transit operators
- Resiliency: Percent not in high fire risk or 2' sea level rise risk, CALFIRE, California Public Utilities Commission (CPUC), and National Oceanic and Atmospheric Administration (NOAA)
- Jobs-Housing Ratio (included in Options B and B+ only): Number of jobs in 2020 divided by number of housing units, both jobs and housing data are from AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department, and California Department of Finance (2020).
- Affirmatively Furthering Fair Housing (AFFH) Unit Allocation (Options A, B, C and D): Jurisdictions with higher than the regional average for percentage above 200% of the poverty level and percentage white are defined as RCAAs. Jurisdictions that qualify under one category receive a partial allocation. U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census
- Affirmatively Furthering Fair Housing (AFFH) Unit Allocation (Options A+, B+, and Z): Jurisdictions with higher than the regional average for percentage above 200% of the poverty level and percentage white are defined as RCAAs. Jurisdictions that qualify under one category receive a partial allocation. U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census. Jurisdictions are also evaluated based on their share of households in high/highest resource areas. California Tax Credit Allocation Committee (TCAC) Opportunity Map Database (2021) and U.S. Census Bureau, American Community Survey (2015-2019).
 - In Options A+ and B+ the AFFH factor is the average of a jurisdiction's RCAA and TCAC scores.
 - In Option Z the AFFH factor is the average of their RCAA and TCAC score for incorporated jurisdictions. For unincorporated areas the AFFH factor is the TCAC score alone and does not include RCAA. This is to address the wide diversity of communities within the unincorporated areas.
- Affirmatively Furthering Fair Housing (AFFH) Income Allocation: Redistribute a portion of very low and low income units out of non-RCAA jurisdictions and shift those units to RCAA jurisdictions. U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census

First Step in RHNA Methodology: 2022 Regional Growth Forecast Base Allocation

This RHNA methodology allocates a portion of housing units (6,260 or 12,524) based on data for projected housing growth for either a four-year or eight-year planning period from

the Regional Growth Forecast (RGF). The 2022 RGF was used in the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The use of the same data within the RGF is important to meeting the RHNA plan statutory objectives of protecting environmental and agricultural resources and achieving the region's greenhouse gas reduction targets. (Gov. Code, § 65584(d)(2).) Use of the 2022 RGF ensures that this RHNA methodology would be consistent with the 2045 MTP/SCS, which was released for public review and comment in November 2021.

The 2022 RGF is the most accurate growth forecast available for the region, is more granular than any other available projections, included significant quality control, was reviewed and approved by executive planning staff in all jurisdictions for accuracy, and was accepted by the AMBAG Board. Using the 2022 RGF in this RHNA methodology assures that large jurisdictions do not get inappropriately small allocations which do not fulfill the needs of their populations, and small jurisdictions do not get inappropriately large allocations that exceed the feasible capacity of developable land. This supports the furtherance of a RHNA plan statutory objective, which focuses on promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets. (Gov. Code, § 65584.04(d)(2).)

The 2022 RGF allocation step is just one factor in the RHNA methodology; jobs, transit, and resiliency and affirmatively furthering fair housing are all used to allocate housing units, which go above and beyond existing jurisdictions' general plans. In fact, HCD's 6th Cycle RHND of 33,274 units is higher than the number of units that jurisdictions within the AMBAG region have planned for through 2050, so general plan changes will be necessary and are not precluded by using the 2022 RGF as a part of the allocation.

Second Step in RHNA Methodology: Jobs, Transit, Resiliency, AFFH and Additional Jobs-Housing Ratio Factor (Options B-Z)

Under Option A, the second step in the RHNA methodology is to allocate the remaining units (20,750 units) based on jobs, transit, resiliency and AFFH factors. Existing (2020) jobs account for 50% of the remaining housing units, jurisdictions with existing (2020) transit routes with 15- and 30-minute headways account for 5%, and 10% of units are allocated those jurisdictions who have the smallest percentages of high fire or high sea level risk. Finally, 35% of the housing units are allocated based on RCAAs. Jurisdictions qualifying as RCAAs or partial RCAAs are shown in Attachment 3.

Under Option A+, the second step in the RHNA methodology is to allocate the remaining units (27,014) based on jobs, transit, resiliency and AFFH factors. Existing (2020) jobs account for 38% of the remaining housing units, jurisdictions with existing (2020) transit routes with 15- and 30-minute headways account for 4%, and 8% of units are allocated those jurisdictions that have the smallest percentages of high fire or high sea level risk. Finally, 50% of the housing units are allocated based on AFFH. Under Option A+, both the TCAC opportunity area and RCAA data is used. Jurisdictions qualifying as RCAAs, partial RCAAs, or TCAC opportunity areas are shown in Attachment 3.

Under Option B, the second step in the RHNA methodology would add an additional factor of a jobs-housing ratio for 20% of the unit allocation. The addition of this factor would reduce the jobs and AFFH allocation factors to 40% and 25% respectively. The request for a jobs-housing ratio factor to be considered was discussed at the November 29, 2021 PDF and AMBAG staff is including this option for consideration in response to comments received.

Under Option B+, the second step in RHNA methodology is similar to Option B, however a higher percentage of units are allocated to the AFFH allocation factor based on HCD feedback. Existing (2020) jobs account for 31% of the remaining units while 15% of the units are allocated based on a jobs-housing ratio factor. Jurisdictions with existing (2020) transit routes with 15- and 30-minute headways and jurisdictions that have the smallest percentages of high fire or high sea level risk account for 4% and 8% of units, respectively. Finally, 42% of the housing units are allocated based on AFFH. Under Option B+, both the TCAC and RCAA data is used.

Under Options C and D, the second step in the RHNA methodology also includes a jobs-housing ratio similar to Option B but for 35% of the unit allocation. In Options C and D, the existing (2020) jobs factor weighting is reduced to 15%.

Under Option Z, the second step in the RHNA methodology is a hybrid of Options B+ and D. 27,014 units are divided as follows: 15% jobs, 31% jobs/housing, 4% transit, 8% resilience, and 42% of the AFFH. The higher weighting for jobs/housing reflects direction from the AMBAG Board as well as public comment.

One additional change in Option Z is normalizing the resiliency factor by 2020 households, rather than by expected unit change or area. This reflects HCD's request to reduce the weight of the RGF as well as guidance from the Board and public comment to reduce

allocations in the unincorporated areas. Under Option Z, both the TCAC and RCAA data is used for incorporated jurisdictions, and TCAC alone is used for unincorporated areas. Given the size of the unincorporated areas, TCAC better reflects the diversity of high- and low-income communities within the unincorporated areas.

Third Step in RHNA Methodology: Income Allocation

Addressing the income equity disparities of the AMBAG region's jurisdictions was a key focus of the income allocation methodology. Though jurisdiction level disparities cannot be completely corrected within a single RHNA cycle, PDF and AMBAG Board members recommended to allocate a high weight to this factor.

As a result of concerns with the TCAC data, AMBAG developed a local measure of Racially Concentrated Areas of Affluence (RCAA), based on data from the U.S. Census Bureau and a framework described by the U.S. Department of Housing and Urban Development. Consensus from the PDF was that the RCAAs analysis better reflected the AMBAG region's areas of opportunity than the HCD/TCAC Opportunity Map data (see Attachment 3, Racially Concentrated Areas of Affluence and Tax Credit Allocation Committee Areas for the AMBAG Region). All seven draft RHNA methodology options shift Above Moderate units to Very Low and Moderate units to Low.

In addition to incorporating the RCAA data, the percentage of units shifted from Above Moderate/Moderate units to Low/Very Low units could be either 30% or 40%. All options shown here result in RCAAs getting a higher share of their RHNA in the lower income categories. Under the 30% shift, in RCAA jurisdictions, more than 50% of the RHNA allocation is Very Low or Low income. In partial RCAA jurisdictions, approximately 40% of the RHNA allocation is Very Low or Low income. The comparable share for non-RCAA jurisdictions is less than 30%. Under the 40% shift, in RCAA jurisdictions, nearly 60% of the RHNA allocation is Very Low or Low income. In partial RCAA jurisdictions, approximately 40% of the RHNA allocation is Very Low or Low income. The comparable share for non-RCAA jurisdictions is approximately 25%. The final draft RHNA methodologies options' unit allocation estimates by factor and for income allocation—both 30% and 40%—are provided in Attachment 4a-4g

Attachment 5 includes a summary of the unit allocation estimates for all final draft RHNA methodology options, as well as the option proposed by LandWatch. The LandWatch option

assumes that the job/housing ratio should be based on housing shortfall, rather than the total number of jobs in imbalanced jurisdictions.

Based on feedback from HCD as well as public comment received, AMBAG staff recommends that whatever option the Board of Directors selects should include a 40% income shift. Attachment 5 also shows RHNA per household and RHNA per capita metrics for all draft methodologies as well as for the LandWatch option. While all options attempt to meet the requirements of supporting and furthering the 5 RHNA objectives and 13 factors, Options A+, B+, and Z allocate the most units to higher resource areas which is a high priority based on feedback from HCD. Option Z also attempts to direct growth into incorporated jurisdictions, which has been a high priority in public comment. While Option A allocates a slightly lower number of units to higher resource areas compared to Option A+, it does support and further all of the RHNA objectives and performs well in the evaluation metrics. The other options do not allocate as many units to higher resources areas which is a high priority for HCD staff. Ultimately, it is up to the AMBAG Board of Directors to select and approve a methodology to submit to HCD for their final review and approval.

Statutory Adjustments

AMBAG has received several comments and questions regarding statutory adjustments to the RHNA methodology allocations. Based on ongoing discussions with and feedback from HCD staff, AMBAG staff does not plan to propose any statutory adjustments to the RHNA methodology.

Next Steps

Upon approval from the Board of Directors on a final draft RHNA methodology, AMBAG will submit the draft methodology to HCD for review and approval. Following approval from HCD, the AMBAG Board of Directors is scheduled to consider approval of the final RHNA methodology and direct AMBAG staff to issue the Draft RHNA Plan with RHNA allocations by jurisdiction in April 2022.

ALTERNATIVES:

The Board of Directors may modify the final draft methodology or choose not to accept a draft methodology to send to HCD for review. If a draft methodology is not approved at the January 12, 2022 Board meeting, it will further delay the scheduled release of the Draft

RHNA Plan and approval of the Final RHNA Plan, which in turn will reduce the amount of time local jurisdictions have to complete their 6th Cycle Housing Element, which must be completed by December 15, 2023. Any further delay to selecting a draft RHNA methodology puts AMBAG at serious risk of not meeting statutory deadlines for preparing a RHNA Plan.

FINANCIAL IMPACT:

Planning activities for RHNA are funded with Regional Early Access Planning and Senate Bill 1 planning funds and are programmed in the Fiscal Year 2021-22 Overall Work Program and Budget.

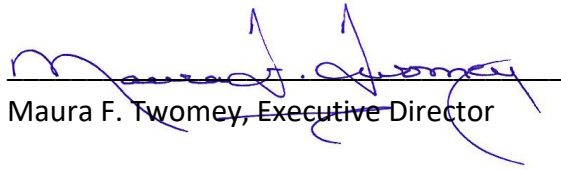
COORDINATION:

All RHNA planning activities are coordinated with the HCD, SBtCOG, and the Planning Directors Forum, which includes all the local jurisdictions within the AMBAG region.

ATTACHMENTS:

1. Regional Housing Needs Allocation Objectives and Factors
2. Summary of Factors for Consideration in 6th Cycle RHNA
3. Defining Racially Concentrated Areas of Affluence and Tax Credit Allocation Committee Areas for the AMBGA Region
- 4a. Option A - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4b. Option A+ - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4c. Option B - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4d. Option B+ - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4e. Option C - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4f. Option D - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4g. Option Z – Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
5. Comparison of Final Draft RHNA Methodologies
6. Summary of Comments Received as of January 5, 2022

APPROVED BY:



Maura F. Twomey, Executive Director

Capitola City Council

Agenda Report

Meeting: January 27, 2022

From: Finance Department

Subject: FY 2021-22 Mid-Year Budget Report



Recommended Action: Receive Fiscal Year 2021-22 Mid-Year Budget Report and adopt the proposed resolution amending the Fiscal Year 2021-22 Budget.

Background: The Fiscal Year (FY) 2021-22 mid-year budget report provides an update on the City's financial status as of December 31, 2021 and recommends budget adjustments for FY 2021-22 that better reflect current financial projections.

At the on-set of the Coronavirus Pandemic (COVID-19), staff projected major declines in sales tax, transient occupancy tax (TOT), recreation, and parking revenues. While those revenue sources were initially down, sales tax and TOT revenues continued trending back up throughout last fiscal year, 2020-21; and while the budget was increased during the year, these revenues still ended the year approximately \$900,000 ahead of estimates. All other general fund revenues ended the year approximately \$100,000 ahead of estimates. Additionally, Capitola received approximately \$250,000 more in American Rescue Plan (ARP) funding than originally estimated by the federal government and the library project has concluded with a budget surplus of \$750,000 that can be transferred back to the general fund. This brings the total general fund balance available for one-time expenditures to \$2.75 million. In addition, the City has allocated \$600,000 in a COVID-19 stabilization account which may be allocated to one-time uses.

The FY 2021-22 adopted budget returned revenues close to pre-pandemic levels, however, sales tax and TOT continue to outpace projections. These increased on-going revenue sources are critical to bringing back, in a measured approach, some of the typical on-going expenditures that were temporarily eliminated in response to COVID-19.

Discussion: General fund revenues during COVID-19 have performed better than originally anticipated, which appears consistent with most jurisdictions around the State and especially in coastal communities. Sales tax and TOT continue to outpace projections while all other general fund revenues and expenditures are tracking consistent with the FY 2021-22 Adopted Budget.

Due to better than anticipated revenue receipts during the fourth quarter of FY 2020-21 we ended the fiscal year with a general fund balance of \$2.75 million which includes the original \$750,000 target balance and the previously mentioned \$2 million of additional revenue and the Library Project balance. In addition, the \$600,000 COVID stabilization account remains in place to mitigate impacts from the Omicron variant which is driving the current increase in COVID cases.

Now that staff has data for the first half of this fiscal year, staff is recommending several general fund budget amendments including increasing revenues by \$956,000, of which approximately \$685,000 are considered on-going revenues. In addition, staff is recommending increasing expenditures by \$951,320 of which approximately \$300,000 are considered on-going expenditures.

Revenues:*Sales Tax:*

The FY 2021-22 adopted budget included approximately \$7.7 million of sales tax revenue which coincidentally is the same amount as receipts in the prior fiscal year. At the mid-point of this fiscal year sales tax receipts exceed last year's receipts by \$249,000. Assuming a similar level of economic activity for the remainder of the fiscal year presents an opportunity to conservatively increase sales tax revenues by \$225,000 which in turn can be programmed into on-going expenditures.

Transient Occupancy Tax (TOT):

The FY 2021-22 adopted budget included \$1,580,000 of TOT revenue which is consistent with pre-pandemic revenue amounts and about \$60,000 more than actual TOT receipts in the prior fiscal year. At the mid-point of this fiscal year, the City has received approximately \$1.2 million of TOT revenue which is \$457,600 above the prior year at this time and represents 75% of our total adopted FY 2021-22 TOT revenue budget. Again, assuming a similar level of activity as last year, the City is currently on pace to receive \$2.0 million of TOT revenue which also presents an opportunity to conservatively increase the TOT revenue budget by \$420,000 which can be used for on-going expenditures.

American Rescue Plan (ARP):

The federal government had estimated that Capitola would receive \$1.88 million of ARP funding over two equal payments of \$940,000 in FY 2021-22 and FY 2022-23. The City received the first ARP funding in July 2021 of approximately \$1.2 million (\$250,000 more than originally estimated). During the adoption of the FY 2021-22 budget \$890,000 was programmed towards the Wharf project and \$50,000 for the purchase of a van for the Recreation Division. The additional \$250,000 is now available to be programmed towards one-time expenditures.

Other Revenues:

Staff recommends an increase to building permit revenues by \$30,000 and Art & Cultural Grant revenue by \$15,000 based on year-to-date activity. In addition, shortly after adoption of the FY 2021-22 Budget, recreation staff was informed by Soquel Unified School District that they would provide \$16,000 towards scholarships to assist participants of the Afterschool Program.

Expenditures:*Staffing:*

At the onset of the Pandemic the City froze a number of vacant positions in order to mitigate the fiscal impacts associated with COVID. During the adoption of the FY 2021-22 Budget City Council reduced the General Fund transfer to the Equipment Internal Service Fund (ISF) by \$100,000 to provide funding for a pilot staffing program that allowed some previously frozen positions to be partially filled and increase hours for an existing three-quarter time employee.

Due to the increase in on-going general fund revenues from sales tax, TOT, and building permit revenue, staff requests making the pilot staffing program permanent and increase staffing in FY 2021-22 by \$100,000 to continue to fill some of the remaining frozen positions as well as increase hours to positions that have had their hours reduced. Converting the pilot staffing program to permanent, and the \$100,000 increase in the current fiscal year, represents an annual increase in staffing costs of \$300,000.

In addition, staff is requesting to “over-hire” a frozen Police Officer position in anticipation of a Police Sergeant retirement at the end of the current fiscal year. This would allow the City to hire, and begin training an Officer to fill the pending vacancy now. Staff proposes utilizing approximately \$56,000 of general fund balance, one-time funding, to cover the cost in the current fiscal year and then reevaluating filling the Police Officer position on an on-going basis during the FY 2022-23 budget public hearings.

Finally, the Community Development Department has been using a consultant to perform housing grant administration services. That consultant has informed staff that she is retiring, and staff requests adding \$8,550 to personnel costs in the housing fund for the Development Services Technician to assume those duties. If this plan is approved, the City will still have two frozen positions and several positions still operating with reduced hours; staff will continue to evaluate as we navigate the ebbs and flows of the Pandemic.

One-Time Expenditures:

As previously mentioned, during the adoption of the FY 2021-22 budget City Council authorized reducing funding to the Equipment ISF by \$100,000 to fund a pilot staffing program. Staff is requesting to transfer \$100,000 from the general fund to the Equipment ISF to return funding to pre-pandemic levels. In addition, at the January 13th, 2022, City Council meeting, Council authorized staff to spend up to \$400,000 from the Equipment ISF for the purchase of an electric street sweeper. The Equipment ISF currently has \$200,000 set aside for the purchase of a street sweeper. Staff requests transferring the remaining \$200,000 from the general fund to offset the sweeper costs.

Staff is also requesting to increase Part-Time wages for the Afterschool program by \$50,419 to address increased capacity as well as impacts from COVID within the program. This increase will be offset by \$23,350 from the Community Grant Program that City Council directed staff to allocate to the Afterschool Program, \$16,000 of scholarship funding from the Soquel Unified School District, and existing revenues within the program.

During the first half of the fiscal year the City incurred one-time expenses related to the recruitment for a new Police Chief and legal expenditures related to labor negotiations and litigation on the library project. Staff is requesting to increase our personnel recruitment budget by \$27,000 for the recently completed recruitment of our Police Chief and \$25,000 for legal services.

Staff requests increasing expenditures of approximately \$16,000 for the Museum and Art & Cultural Programs as they return to pre-pandemic levels as well as funding for the annual Beach Festival. Staff also requests increasing Consulting Services for Outsourced Plan Checks by \$43,100 as we recruit to fill a vacant position in the Building Division; however, this increase will be offset by a \$30,000 increase in building permit revenue and reprogramming \$10,000 from outsourced inspections to outsourced plan checks.

Finally, staff is requesting to transfer \$375,000 from the General Fund to the Capital Improvement Project (CIP) fund for the Rispin Park project and Peery Park bridge repairs. The City learned its competitive grant request for the Rispin Park project was not successful; that project remains \$300,000 under funded. Additionally, staff had to make emergency repairs for public safety to the Peery Park Bridge at a cost of \$75,000

Other Funds:

Staff is requesting to increase the Capital Outlay budget in the Public, Education, & Government fund (PEG) by \$45,000 for the purchase of technology equipment. The PEG fund has a current

fund balance of \$85,000 which is restricted for these types of purchases. Staff is also recommending cancelling the transfers from the Restricted Road Management & Repair Account fund and RTC Measure D fund to the Capital Improvement Fund as we change our accounting methodology in order to provide more transparent annual reporting for these restricted funds.

Summary:

As outlined above, staff is projecting \$3.35 million in fund balance and the COVID stabilization account available for one-time uses. In addition, staff is recommending revenue increases of \$685,000 available for ongoing expenditures

The following table summarizes the proposed changes in general fund expenditures included in the proposed budget revision.

Expenditures	One time cost	On-going annual cost
Rispin Park	\$ 300,000	
Rispin/Peery Bridge	\$ 75,000	
Pilot staffing program permanent		\$ 100,000
Additional staffing <small>*Cost in FY 2021-22 is \$91,500</small>	\$91,500	\$ 200,000
Police Officer Over Hire	\$56,500	
Legal services	\$ 25,000	
Recruitments	\$ 27,000	
Equipment IS transfer	\$ 300,000	
Afterschool program	\$ 27,070	
Museum and Art & Cultural Programs	\$ 16,150	
Building	\$ 33,100	
Totals	\$ 951,320	\$300,000
Projected remaining funding	\$ 2.49 million	\$ 385,000

Staff's recommendations were presented to the FAC at their meeting on January 18th and the committee concurred with staff's recommendations. The FAC also agreed with waiting until after the City Council has identified their goals for FY 2022-23 before programming any additional on-going or one-time funding.

Fiscal Impact: If approved, these requested budget amendments provide approximately \$685,000 of on-going general fund revenue of which \$28,000 will be restricted TOT for local business groups and Early Childhood & Youth programs. It will also increase available one-time general funding by \$250,000 to be combined with other one-time revenue from the prior fiscal year and the library project balance.

The requested budget amendment increases the current staffing budget by \$91,500 in the current

fiscal year and \$300,000 of on-going staffing costs.

The requested budget amendment also utilizes approximately \$859,820 of the \$2.75 million of one-time general fund balance for the Police Officer position, personnel recruitment, legal services, and Equipment ISF funding.

Attachments:

1. Proposed Resolution
2. Budget Amendment

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE 2021/2022 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

WHEREAS, it is necessary to adopt the 2021/2022 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council conducted budget study sessions, heard and considered public comments, had modified and proposed a budget accordingly, and on June 24, 2021 adopted such budget for the Fiscal Year July 1, 2021, through June 30, 2022; and

WHEREAS, since the adoption of the budget the City has received greater than anticipated general fund revenues in FY 2020-21; and

WEHREAS, the City has now received revenue data for the first half of FY 2021-22 indicating that sales tax and transient occupancy tax revenues are outpacing the current projections; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2021-2022 Fiscal Year Budget is hereby amended, including Exhibit A (Budget Amendment) to this Resolution; and

BE IT FURTHER RESOLVED that the Finance Director is directed to enter the budget into the City's accounting records in accordance with appropriate accounting practices, and the City Manager, with the Finance Director's assistance, shall assure compliance therewith.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of January 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sam Storey, Mayor

ATTEST:

Chloé Woodmansee, City Clerk

MYE - Summary of Changes				
General Fund				
Incr / (Decr.)\$	Fund	Account	Purpose	
Revenue				
\$ 225,000	1000-00-00-000	3130.xxx	Sales Tax	
\$ 392,000	1000-00-00-000	3170.xxx	Transient Occupancy Tax	
\$ 250,000	1000-00-00-000	3310.100	Federal Government Grants - American Rescue Plan	
\$ 30,000	1000-40-41-000	3200.100	Building Permits	
\$ 15,000	1000-50-52-000	3700.100	Other Revenue - Grants - Art & Cultural	
\$ 16,000	1000-50-50-545	3700.450	Other Revenue - Scholarships	
\$ 928,000				
Restricted Revenues				
\$ 13,100	1000-00-00-000	3170.xxx	Transient Occupancy Tax - Early Childhood/Youth	
\$ 14,900	1000-00-00-000	3170.xxx	Transient Occupancy Tax - Local Business Groups	
\$ 28,000				
\$ 956,000	Net increase in revenues			
Expenditures				
\$ 12,097	1000-10-10-000	4110.000	Wages - Permanent - City Manager - Personnel	
\$ 56,500	1000-20-20-000	4110.000	Wages - Permanent - PD Law Enforcement	
\$ 16,623	1000-20-20-000	4110.000	Wages - Permanent - PD Law Enforcement	
\$ 31,904	1000-30-30-000	4110.000	Wages - Permanent - PW Streets	
\$ 3,992	1000-40-40-000	4110.000	Wages - Permanent - CDD Planning	
\$ 26,913	1000-50-50-000	4110.000	Wages - Permanent - Recreation	
\$ 43,100	1000-40-41-000	4360.150	CS-Bldg Svcs Bldg Plan Checks - Outsourced	
\$ (10,000)	1000-40-41-000	4360.100	CS-Bldg Svcs Engeneering & Inspections	859820
\$ 5,000	1000-10-10-000	4305.003	Beach Festival	
\$ 27,000	1000-10-12-000	4340.100	Recruitment - Chief of Police	
\$ 50,000	1000-10-16-000	4320.102	CS - Legal Services - General	
\$ (25,000)	1000-10-16-000	4320.101	CS - Legal Services - Special	
\$ 2,500	1000-50-51-000	4450.150	Supplies - Museum	
\$ 2,500	1000-50-52-000	4450.500	Supplies - General - Art & Cultural	
\$ 2,400	1000-50-52-000	4370.201	Events - Twilight Concerts Sound	
\$ 3,750	1000-50-52-000	4371.202	Events - Twilight Concerts Band	
\$ (23,350)	1000-10-18-000	4600.001	Community Grants	
\$ 50,420	1000-50-50-545	4120.100	Wages Temporay / Seasonal - Afterschool Program	
\$ 300,000	1000-99-99-000	4910.212	Interfund Transfer Out - General Fund - Equip Acquisitior	
\$ 375,000	1000-00-00-000	4910.200	Interfund Transfer Out - Capital Improvement Fund	
\$ 951,347	Net increase in expenditures			
\$ 4,653	Total net increase in General Fund budget			
Other Funds				
Revenue				
\$ (250,000)	1200-00-00-000	3910.308	Interfund Transfer In SB1	
\$ (193,401)	1200-00-00-000	3910.309	Interfund Transfer in RTC Measure D	
\$ 300,000	2212-00-00-000	3910.100	Interfund Transfer In - General Fund - Equip Acquisition	
\$ 375,000	1200-00-00-000	3910.100	Interfund Transfer In - General Fund - CIP	
\$ 231,599				
Expenditures				
\$ (250,000)	1308-00-00-000	4910.200	Interfund Transfer Out CIP	
\$ (193,401)	1309-00-00-000	4910.200	Interfund Transfer Out CIP	
\$ 8,550	5552-00-00-000	4110.000	Wages - Permanent - Housing	
\$ 45,000	1320-00-00-000	4650.400	Capital Outlay Machinery & Equipment - PEG	
\$ (389,851)				
\$ 621,450	Total net increase in Other Fund budget			

Capitola City Council

Agenda Report



Meeting: January 27, 2022

From: Public Works Department

Subject: Modifications to Permit Parking Programs at City Provided Electric Vehicle Charging Stations

Recommended Action: Consider a resolution removing public parking spaces dedicated to electric vehicle charging stations from all permit parking programs.

Background: In 2011 the City of Capitola installed two electric vehicle (EV) charging stations in the upper Beach and Village Parking Lot in partnership with the Monterey Bay Electric Vehicle Alliance (MBEVA). The MBEVA supplied the charging equipment and maintenance, while the City paid for the installation and agreed to not charge use fees for two years. At the end of that two-year program, the City started paying maintenance fees for the equipment. In 2017, due to high maintenance demands with the initial equipment, new charging stations were installed. At the same time, to recover the cost of providing the charge-electricity, parking meter fees for the two EV spaces was increased to \$0.50 per hour.

After this change, City staff has determined that when using the EV stations, valid parking permit holders (through the Village Preferential Parking Permit Program, the Village Employer/Employee Permit program, or City Staff permits) are exempt from both paying the parking meter fees and adhering to the 4-hour time limit at the EV stations.

Resolution 3190, adopted in 2002, modified Village Parking Rules and Regulations and established current parking programs (Attachment 1).

Discussion: While the costs of charging a vehicle are relatively low, estimated at \$0.25 - \$0.60 per hour, there are instances when EV vehicles with City issued permits are left in an EV space for more than the 4-hour limit.

To remedy this situation, staff recommends the City Council adopt a resolution (Attachment 2) removing all public parking spaces dedicated to EV charging on city-owned property or on public streets, from all parking permit programs.

Fiscal Impact: Staff anticipates a slight increase in parking meter revenue because of this change.

Attachments:

1. Resolution 3190
2. Proposed draft resolution

Report Prepared By: Steve Jesberg, Public Works Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
REMOVING PARKING SPACES DEDICATED TO
ELECTRIC VEHICLE CHARGING STATIONS FROM
PARKING PERMIT PROGRAMS**

WHEREAS, the City of Capitola operates several permit parking programs primarily in and around Capitola Village for residential parking; and

WHEREAS, the Village Preferential Permit Program, as detailed in Resolution No. 3190, entitles certain household units in the Village Permit Eligibility Area, depicted in Exhibit B to Resolution No. 3190, to receive village preferential parking permits. A parking permit also allows the permit holder to park in the Neighborhood Permit area and both upper and lower Beach and Village Parking Lots (the "Pacific Cove Parking Lots"). Subsequent to Resolution 3190, the City renamed the Pacific Cove Parking Lots to "Beach and Village Parking Lots"; and

WHEREAS, a parking permit exempts the permit holder from paying meter fees as well as the 3-hour time limit otherwise applicable to each parking space.

WHEREAS, Resolution No. 3190 also allows owners of businesses located in the Village Preferential Permit eligibility area to purchase "village employer/ employee parking permits." Such a permit exempts the permit holder from parking meter fees in the Beach and Village Parking Lots, as well as the 12-hour time limit otherwise applicable to each parking space; and

WHEREAS, the City provides City employees with parking permits which exempt the permit holder from parking meter fees in the Beach and Village Parking Lots; and

WHEREAS, the City has installed electric vehicle charging stations in the Beach and Village Parking Lots; and

WHEREAS, the City recoups the electrical costs for the charging of electric vehicles by adding a fifty cent fee to the parking meter rates for the spaces dedicated to charging electric vehicles; and

WHEREAS, as explained above, parking permit holders are exempt from paying meter fees and, as a result, are not paying the fifty-cent fee wherein the City is reimbursed for the electrical costs of recharging vehicles.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Capitola, as follows:

1) All spaces dedicated to electric vehicle charging shall be removed from all parking permit programs, including but not limited to the program authorized by Resolution No. 3190. This includes any spaces currently designated or future space developed by the city on city owned land or public streets;

2) All users of an electric vehicle charging station shall pay all parking meter fees and/or fees associated with the vehicle charging equipment;

3) All users parking in space dedicated for electric vehicle charging shall obey all posted parking time limits; and

4) The City of Capitola Police Department Parking Enforcement Division is hereby authorized to implement and enforce this resolution.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 27th day of January, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

_____, City Clerk

RESOLUTION NO. 3190

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
REPEALING RESOLUTION NO. 2596 AND MODIFYING VILLAGE
PREFERENTIAL PARKING RULES AND REGULATIONS**

THE CITY COUNCIL OF THE CITY OF CAPITOLA HEREBY RESOLVES AS
FOLLOWS:

Section I. Resolution No. 2596 is hereby repealed in its entirety.

Section II. Village Preferential Permit Parking Program.

A. Enforcement/Administration. The Chief of Police is hereby authorized to
comprehensively enforce and administer the Village Preferential Parking Permit Program
established by this Resolution.

B. Permit Entitlement.

1. To the extent set forth in this section B(1) and illustrated in the matrix
attached as Exhibit A to this Resolution, household units in the "Village Permit
Eligibility Area" depicted in Exhibit B to this Resolution shall be entitled to village
preferential parking permits.

a. Household units occupied on a full-time basis which have no off-
street parking spaces shall be entitled to receive a maximum of two village
preferential parking permits for vehicles legally registered at that household
address.

b. Household units occupied on a full-time basis which have no off-
street parking spaces and one vehicle legally registered to that household
address shall be entitled to a maximum of one village preferential parking
permit.

c. Household units occupied on a full-time basis which have one off-
street parking space and two or more vehicles legally registered to that
household address shall be entitled to a maximum of one village preferential
parking permit.

d. Household units occupied on a full-time basis which have one off-
street parking space and one vehicle legally registered to that address shall not
be entitled to a village preferential parking permit.

e. Household units with or without off-street parking but with no
vehicles legally registered to that address shall not be entitled to a village
preferential parking permit.

Section II. B. 1. (Continued)

f. Household units occupied on a part-time basis, including vacation rentals and units periodically occupied by non-resident owners, which have no off-street parking spaces and with at least one vehicle shall be entitled to a maximum of one village preferential parking permit. The parking permit may be transferable among different vehicles.

g. Under no circumstances will a household unit with two or more off-street parking spaces be entitled to receive a village preferential parking permit.

h. Household units with vehicles legally registered to that household address, which are not eligible for a village preferential parking permit, may apply for and receive a free Pacific Cove parking permit subject to the fifty permit limitation set forth in Section C.

i. Household units with vehicles legally registered to that household address which are eligible for a village preferential parking permit may opt to exchange a village preferential parking permit entitlement for a free Pacific Cove parking permit subject to the fifty permit limitation set forth in Section C.

j. Under no circumstances will a household unit be entitled to receive more than two village preferential parking permits.

C. Life of Permit/Maximum Number of Permits. Village preferential parking permits and Pacific Cove parking permits shall take effect on January 1 of the calendar year for which the permit is issued and shall expire on December 31 of the year for which the permit is issued. Permits for a given calendar year shall be issued on a "first come/first served" basis. The maximum number of village preferential parking permits which may be issued for any calendar year is 350. The maximum number of optional Pacific Cove parking permits which may be issued pursuant to Section B for any calendar year is 50.

D. Parking Permit Privileges.

1. Vehicles displaying a village preferential parking permit or an optional Pacific Cove parking permit shall be exempt from the parking meter requirements relative to parking meters in the Pacific Cove parking lot and shall not be bound by the twelve-hour parking limitation in effect at the Pacific Cove parking lot.

2. Subject to subsection (4), vehicles validly displaying village preferential parking permits are exempt from the Capitola Municipal Code Section 10.36.290 two-hour maximum parking limitation in the "Village Two Hour Parking Limit" area depicted in Exhibit C to this Resolution.

3. Subject to subsection (4), vehicles validly displaying village preferential parking permits are exempt from the Capitola Municipal Code Section 10.36.045 requirement to pay parking meter fees at metered parking spaces in the Village two-hour parking limit area depicted in Exhibit B to this Resolution.

Section II. D. (Continued)

4. Esplanade Metered Parking – No Exemption. Notwithstanding the privileges conferred by subsections (3) and (4), vehicles validly displaying village preferential parking permits shall not be exempt from the two-hour parking limit or parking meter requirements as those requirements apply to the 24 metered parking spaces diagonal to the seawall on the ocean side of the Esplanade between the intersection of San Jose Avenue and the entrance to Esplanade Park.

E. Permit Fee. The permit fee for village preferential parking permits shall be \$25.00 per permit per year.

Section III. Village Employer/Employee Parking Permits Program.

A. Subject to the requirements and limitations set forth in this section, owners of businesses located in the Village Preferential Parking Permit eligibility area as depicted on Exhibit B to this Resolution shall be eligible to purchase "village employer/employee parking permits." Vehicles validly displaying such permits shall be exempt from paying parking meter fees in the Pacific Cove parking lot only and shall not be bound by the twelve-hour parking limitation in effect at the Pacific Cove parking lot only.

1. Notwithstanding the foregoing 35 percent limitation, each eligible Village business may apply for at least two village employer/employee parking permits. The maximum number of village employer/employee parking permits issued to any Village business shall not exceed 35 percent of the total number of that Village business's employees, as documented by the business's State Reporting Form DE-9.

2. Village employer/employee parking permits may be transferable among different vehicles.

3. Village employer/employee parking permits may be used only when the driver of the vehicle displaying the permit is actually working at the Village business which holds the permit.

4. The permit fee for village employer/employee parking permits shall be \$25.00 per permit per year.

5. Village employer/employee parking permits shall expire on December 31 of the year during which the permit is issued. Permits for a given calendar year shall be issued on a "first-come/first served" basis. The maximum number of village employer/employee parking permits which may be issued for any calendar year is fifty (50).

I HEREBY CERTIFY that this resolution was conceptually adopted by the City Council of the City of Capitola at a Special Meeting held on the 23rd day of January 2002, by the following vote:

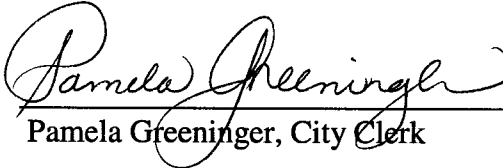
AYES: Council Members Norton, Gualtieri, Arthur and Mayor Ortiz

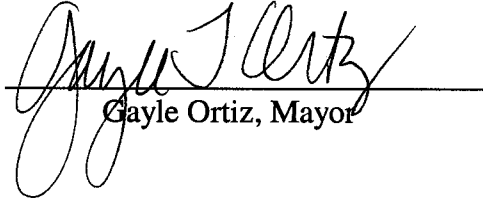
NOES: Council Member Harlan

ABSENT: None

ABSTAIN: None

ATTEST:


Pamela Greeninger, City Clerk


Gayle Ortiz, Mayor

I FURTHER CERTIFY that the above and foregoing resolution was finally passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 14th day of March, 2002, by the following vote:

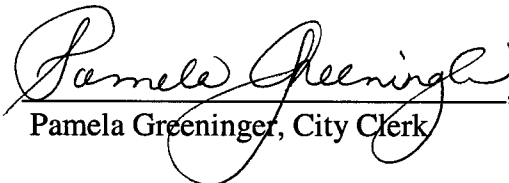
AYES: Council Members Norton, Gualtieri, and Arthur.

NOES: Council Member Harlan and Mayor Ortiz

ABSENT: None

ABSTAIN: None

ATTEST:


Pamela Greeninger, City Clerk

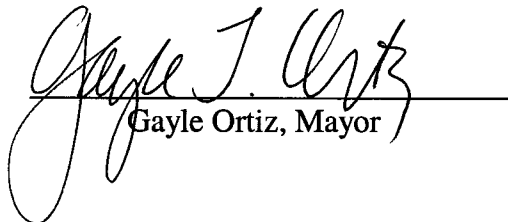

Gayle Ortiz, Mayor

EXHIBIT A

	FULL TIME**** OCCUPANCY	PART TIME**** OCCUPANCY	VEHICLES	OFF- STREET PARKING	VILLAGE PREFERENTIAL PARKING PERMITS
a.	X		2 + *	0	2**
b.	X		1	0	1**
c.	X		2+*	1	1**
d.	X		1	1	0
e.	X	X	0	0	0
f.		X	1+	0	1**/**
g.	X	X	0+	2+	0

*For Vehicle Nos. 3 and above legally registered to that household address, occupant may apply for and receive at no cost a Pacific Cove Parking Permit subject to the cumulative fifty-permit limit.

**May opt to exchange one or more Village Preferential Parking Permits for a free Pacific Cove Parking Permit subject to the cumulative fifty-permit limit.

***Parking permit may be transferable among different vehicles.

****The Chief of Police is authorized to determine whether a particular occupancy is a full-time occupancy or part-time occupancy.

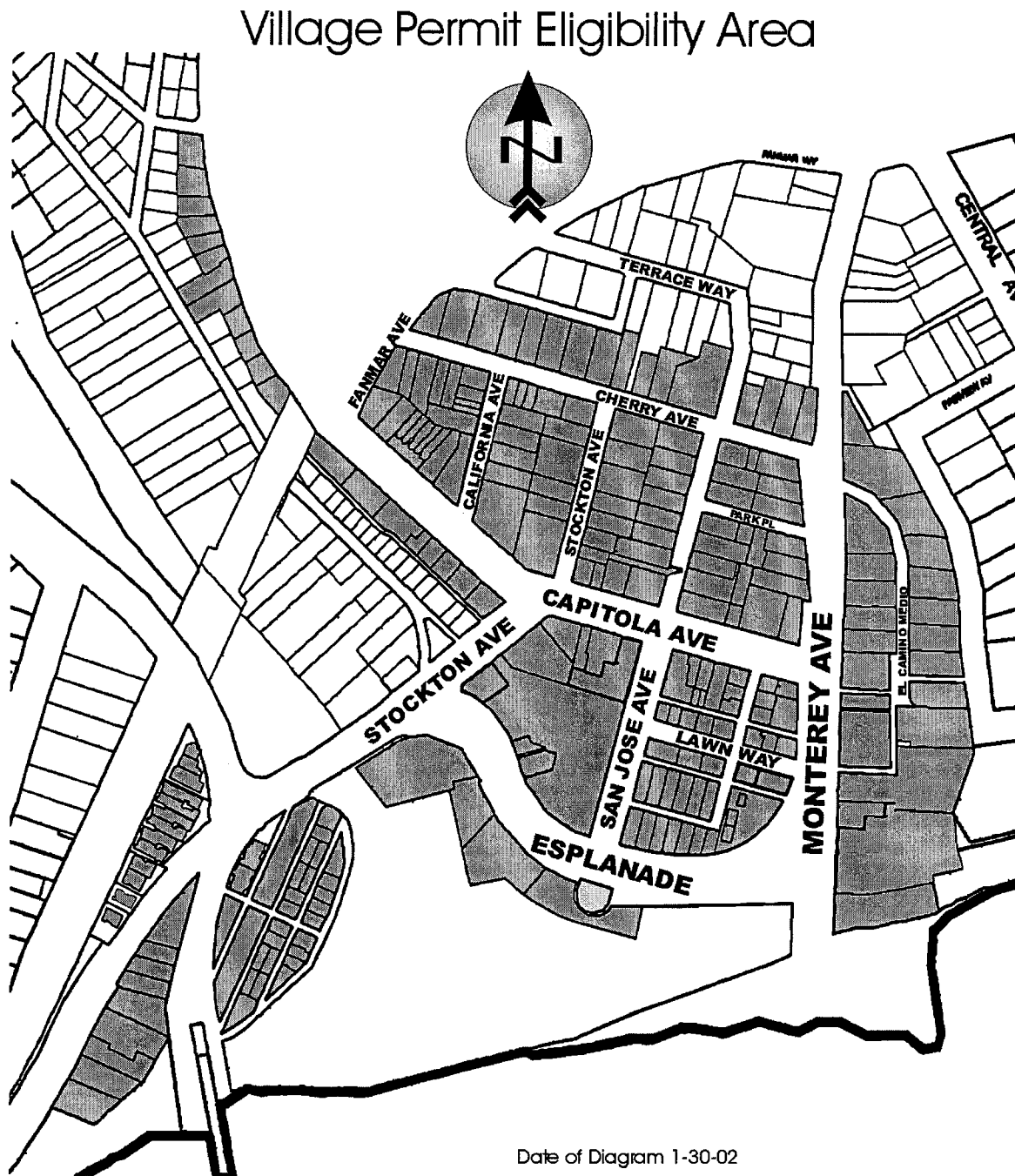
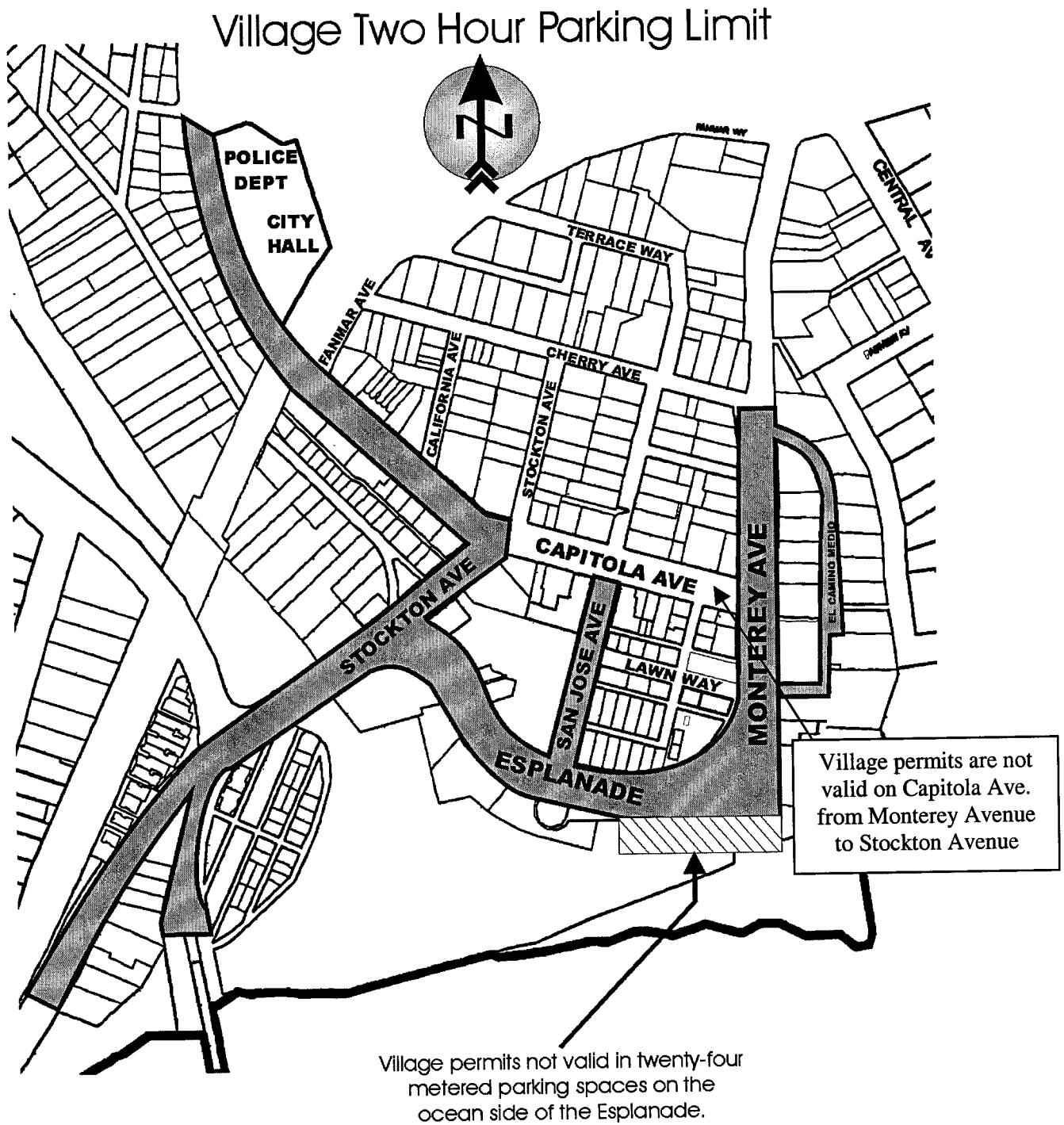


EXHIBIT B



Date of Diagram 1-30-02

EXHIBIT C