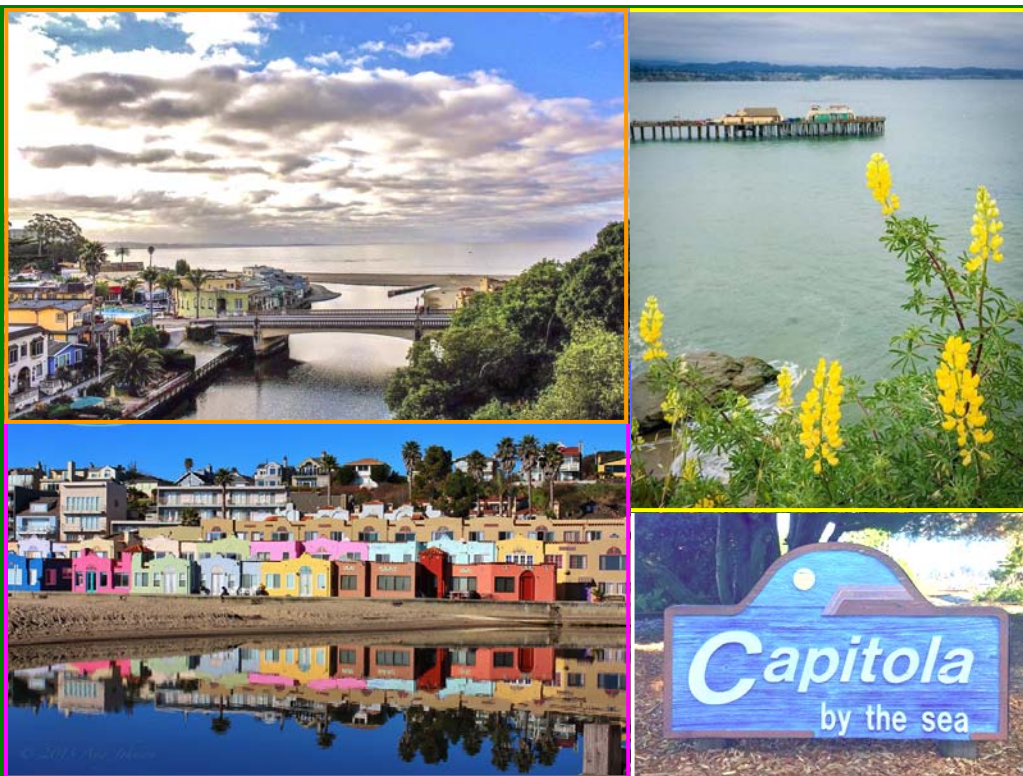


Public Review Draft

City of Capitola Service and Sphere of Influence Review



July 2017



Local Agency
Formation Commission
of Santa Cruz County
701 Ocean Street, Room 318D
Santa Cruz CA 95060



Project Name: 2017 Service and Sphere Review for the City of Capitola

Prepared By: Name: Patrick McCormick
Title: LAFCO Executive Officer
Address: 701 Ocean Street, Room 318-D
Santa Cruz, CA 95060
Phone: (831) 454-2055
Email: pat@santacruzlafco.org

Date: July 13, 2017 Public Review Draft

PURPOSE OF SERVICE REVIEW

The purpose of a service review, sometimes called a “municipal service review” or “MSR”, is to provide an inventory and analysis for improving efficiency, cost-effectiveness, accountability, and reliability of public services provided by cities, districts, and service areas. A service review evaluates the structure and operation of an agency and discusses possible areas for improvement and coordination. A service review is used by LAFCO when updating a sphere of influence, and can be used by the subject agencies when considering changes in their operations. In accordance with Government Code section 56430, a written statement of determinations must be made addressing the following subjects:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged communities within or contiguous to the agency’s sphere of influence.
3. The present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including need or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the agency’s sphere of influence.
4. The financial ability of agencies to provide services.
5. The status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

PURPOSE OF SPHERE OF INFLUENCE

A “sphere of influence” is defined in state law to be a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO in county where the agency is based. The sphere of influence is adopted and amended by LAFCO following a public hearing. The sphere action includes a map, determinations, and a resolution, which may contain recommendations and implementation steps specific to the agency. Government Code section 56425 requires LAFCO to make determinations upon the following subjects:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For a city that provides sewers, water, or structural fire protection, the present and probable need for those services in any disadvantaged unincorporated communities within the existing sphere of influence.

In this report, the sphere analysis follows the service review analysis. State law requires that all boundary changes (annexation, detachment, consolidation, dissolution, etc.) be consistent with LAFCO’s policies and the adopted sphere of influence of the subject agency.

EXECUTIVE SUMMARY

LAFCO periodically performs municipal service reviews¹ and updates, as necessary, the sphere of influence of each agency subject to LAFCO’s boundary regulation. A “sphere of influence” is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze the City of Capitola. The main conclusions of this report are:

1. The City of Capitola is operating in a responsible manner to provide municipal services to its residents.
2. The City has adequate capacity to provide municipal services to serve the planned development within the City.
3. The City probably has the capacity to annex areas within its Sphere of Influence. The financial details of any annexation proposal would need to be analyzed for its effects upon the City, the County, and the detaching Districts.

¹ The last service review for the City of Capitola was prepared by LAFCO in 2005:

<http://www.santacruzlafco.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf>

4. Capitola is the smallest city in both population and area in Santa Cruz County. It receives many services from regional entities (sewer, water, fire protection, library, and mosquito abatement). These services are generally adequate.
5. The City is participating with other agencies in projects such as construction of a permanent Capitola Library, and the report of the Homelessness Governance Study Committee.
6. No disadvantaged area within the City, within the City's Sphere, or near the City's sphere, is poorly served.

AGENCY PROFILE

Capitola City Council	Title	First Year of Service on the Council	Date of Term Expiration
Stephanie Harlan	Mayor	1995	2018
Michael Termini	Vice Mayor	2010	2018
Ed Bottorff	Council Member	2012	2020
Jacques Bertrand	Council Member	2014	2018
Kristen Petersen	Council Member	2016	2020

Regular Meetings: The City Council meetings are held on the second and fourth Thursday of the month at 7:00 p.m. in the City Council Chambers, 420 Capitola Avenue, Capitola.

City Manager: Jamie Goldstein

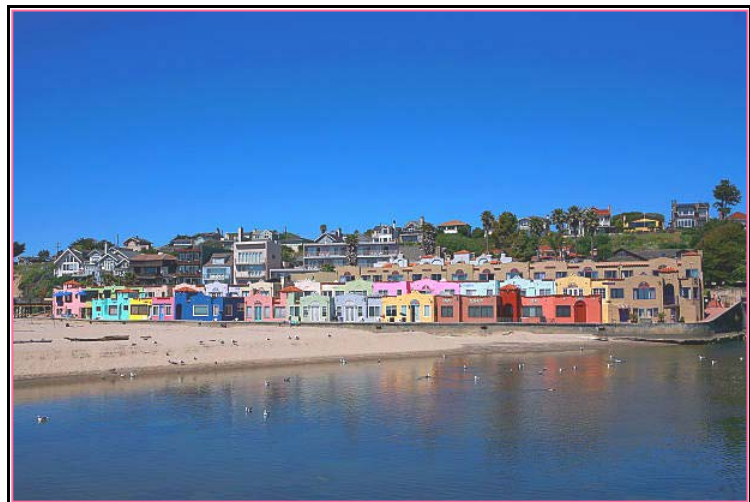
Address: 420 Capitola Avenue, Capitola

Phone: (831) 475-7300

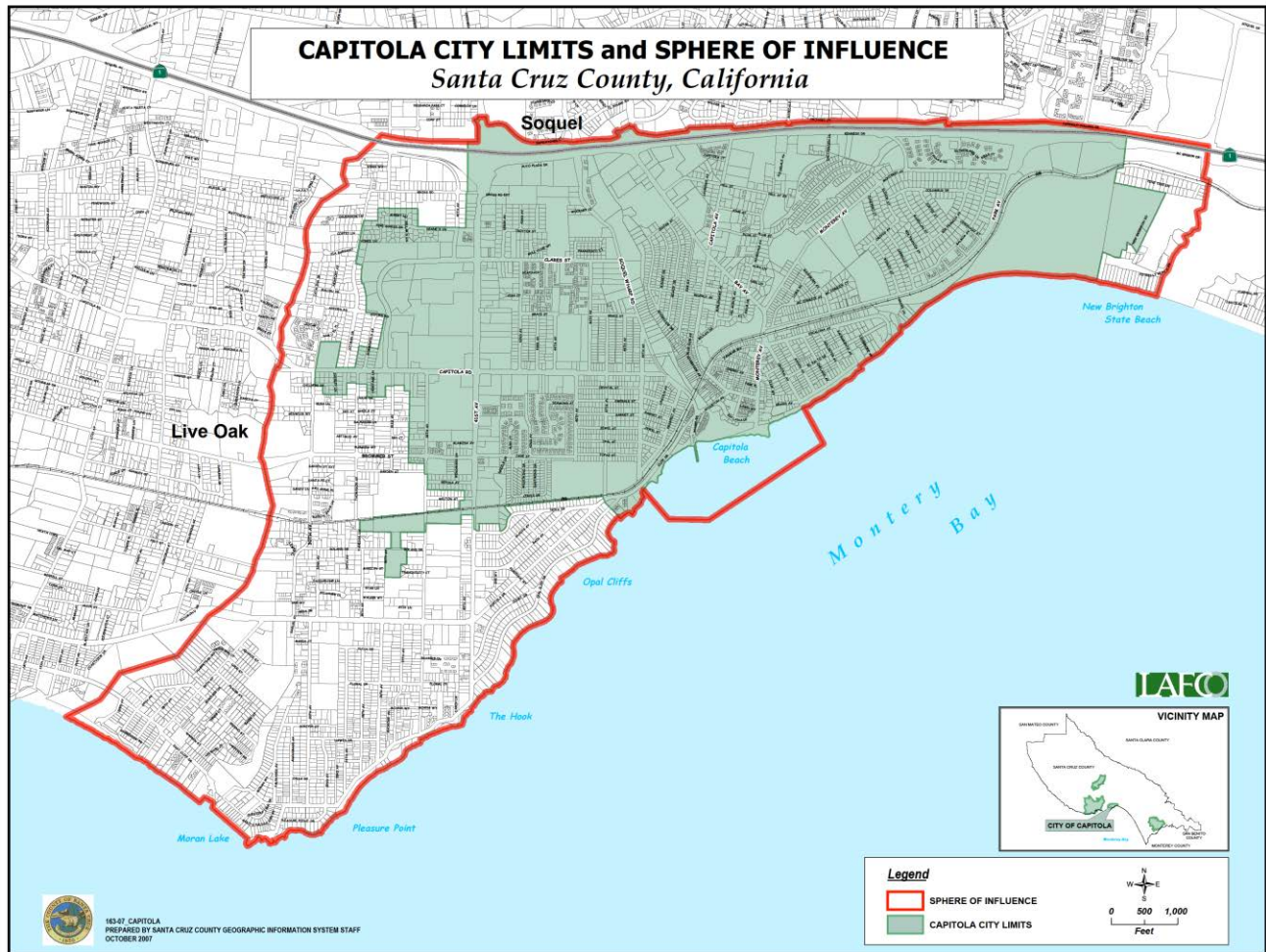
Fax: (831) 479-8879

Email: jgoldstein@ci.capitola.ca.us

Website: www.cityofcapitola.org



Link to [Capitola City Map](#):



The City of Capitola was incorporated in 1949 and operates as a general law city pursuant to the laws of the State of California. The City's estimated population on January 1, 2017 was 10,162 and the City contains 1.6 square mile of land area.

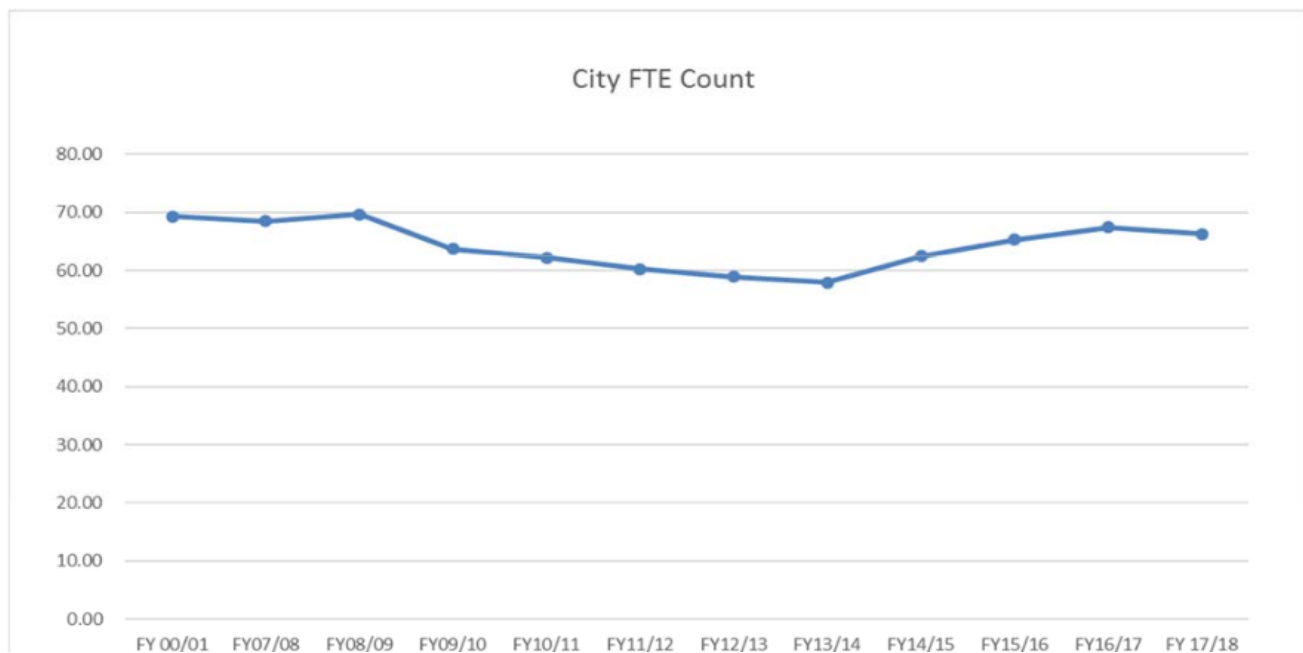
The City provides the following services:

- General local governmental administration (council, manager, attorney, city clerk, finance)
- Police
- Animal control
- Emergency services
- Roads
- Stormwater management
- Garbage (through a franchise)
- Parks and recreation
- Community development, planning, and building regulation.

Capitola's staffing level dropped after the 2007-09 recession, but it has increased in the last several years to approximately 67 employees. The biggest departments are the Police Department with 32 employees and the Public Works Department with 15 employees.

2000-2018 Budgeted Positions, City of Capitola

General Fund	FY 00/01 Actual	FY07/08 Actual	FY08/09 Actual	FY09/10 Actual	FY10/11 Actual	FY11/12 Actual	FY12/13 Actual	FY13/14 Actual	FY14/15 Actual	FY15/16 Actual	FY16/17 Adopted	FY 17/18 Proposed
Elected												
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Elected - Total FTE's	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Fully Benefitted by Dept												
City Attorney	1	-	-	-	-	-	-	-	-	-	-	-
Finance	5.25	5.25	5.38	4.38	4.38	3.95	3.38	4.33	3.91	4.50	4.50	4.50
City Manager	5.50	6.75	6.75	6.75	6.75	7.00	7.00	7.00	6.90	6.00	7.00	6.00
Museum	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50
Police	31.30	32.75	32.75	30.25	30.25	29.59	28.59	27.59	30.65	31.50	31.65	31.50
CDD	6.67	5.67	6.67	6.17	4.67	4.12	3.79	3.12	4.50	5.00	5.00	5.00
Public Works	14.33	14.33	14.33	12.33	12.33	11.83	12.33	12.33	13.00	14.00	15.00	15.00
Recreation	4.50	3.00	3.00	3.00	3.00	3.00	3.00	2.75	2.75	3.75	3.75	3.75
Dept - Total FTEs	69.30	68.50	69.63	63.63	62.13	60.24	58.84	57.87	62.46	65.25	67.40	66.25
Change from prior year		2.50	1.13	(6.00)	(1.50)	(1.89)	(1.40)	(0.97)	4.59	2.79	2.15	(1.15)



Source: City of Capitola, [Proposed Annual Budget](#), Fiscal Year 2017-18

As shown on the following table, the City's General Fund has revenues and expenditures of approximately \$16 million. The City's revenues are recovering following the 2007-09 recession.

2014-2019 City of Capitola Revenues and Expenditures

General Fund Summary						
Major Categories	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Adopted	FY 16/17 Estimated	FY 17/18 Adopted	FY 18/19 Planned
Revenues						
Taxes	\$11,154,924	\$12,060,878	\$11,837,099	\$12,194,744	\$12,411,214	\$12,674,754
Licenses and permits	567,554	614,536	601,650	612,930	611,000	611,000
Intergovernmental revenues	470,346	219,504	133,350	136,466	152,850	127,850
Charges for services	1,905,877	1,977,668	2,066,849	2,012,347	2,134,481	1,830,150
Fines and forfeitures	756,553	655,644	675,700	663,700	663,700	663,700
Use of money & property	62,752	84,837	57,100	65,050	70,200	75,200
Other revenues	61,658	71,771	44,900	79,550	63,850	65,650
Revenues Totals	\$14,979,664	\$15,684,837	\$15,416,648	\$15,764,787	\$16,107,295	\$16,048,304
Expenditures						
Personnel	\$7,745,263	\$8,217,828	\$8,807,779	\$8,698,907	\$8,580,424	\$8,757,408
Contract services	2,621,633	2,537,560	2,832,844	2,799,808	2,950,500	2,980,250
Training & Memberships	70,604	101,309	112,830	96,270	118,550	113,550
Supplies	531,848	562,475	568,500	523,325	551,300	555,500
Grants and Subsidies	269,814	277,357	275,000	275,000	275,000	275,000
Capital outlay	(900)	-	-	-	10,000	10,000
Internal service fund charges	850,647	954,500	1,159,000	1,159,000	1,190,050	1,287,696
Other financing uses	2,399,440	3,083,811	1,658,730	1,685,614	3,290,550	1,936,241
Expenditures Totals	\$14,488,349	\$15,734,839	\$15,414,683	\$15,237,924	\$16,966,374	\$15,915,645
Impact on Fund Balance	\$ 491,315	\$ (50,003)	\$ 1,965	\$ 526,863	\$ (859,079)	\$ 132,659
Budgetary Fund Balance	\$ 1,076,628	\$ 1,026,625	\$ 1,028,590	\$ 1,553,488	\$ 694,409	\$ 827,068

Source: City of Capitola, [Adopted Annual Budget](#), Fiscal Year 2017-18

City of Capitola Departmental Expenditures

Department	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Adopted	FY 16/17 Estimated	FY 17/18 Proposed	FY 18/19 Planned
City Council	\$122,590	\$133,116	\$153,554	\$156,474	\$157,596	\$152,819
City Manager	773,708	772,047	892,250	815,532	830,426	859,873
Personnel	209,009	247,830	258,976	329,027	326,960	339,898
City Attorney	197,020	254,643	215,000	230,000	230,000	230,000
Finance	712,173	770,647	836,556	835,290	881,918	900,602
Community Grants	269,814	277,357	275,000	275,000	275,000	275,000
Police - Law Enforcement	5,241,846	5,525,209	5,914,847	5,763,044	5,703,595	5,824,949
Police - Pkg. Enforcement	521,293	523,168	549,524	553,009	563,857	565,793
Police - Lifeguard Svcs.	72,501	52,321	79,338	79,338	80,262	80,262
Police - Animal Services	23,910	24,588	26,307	26,307	38,307	51,307
Public Works - Streets	1,229,806	1,226,582	1,320,479	1,460,139	1,529,661	1,687,193
Public Works-Storm Water	-	78,076	153,831	153,443	157,874	159,692
Public Works - Facilities	270,067	195,382	263,661	266,061	302,985	303,185
Public Works - Fleet	320,330	304,610	330,837	290,851	296,947	300,694
Public Works - Parks	524,646	592,784	602,708	459,199	405,083	319,052
Community Development	431,636	488,664	545,985	531,542	537,327	545,722
Building	268,961	227,843	257,683	252,584	257,330	263,393
Recreation	802,074	843,189	949,999	947,599	964,196	987,931
Museum	54,749	59,397	71,188	65,116	68,894	69,964
Art & Cultural	42,775	53,576	58,230	62,755	62,606	62,075
Subtotal	\$12,088,910	\$12,651,028	\$13,755,953	\$13,552,310	\$13,670,824	\$13,979,404
Transfers & Other	\$2,399,440	\$3,083,811	\$1,658,730	\$1,685,614	\$3,290,550	\$1,936,241
Expenditure Total	\$14,488,349	\$15,734,839	\$15,414,683	\$15,237,924	\$16,961,374	\$15,915,645

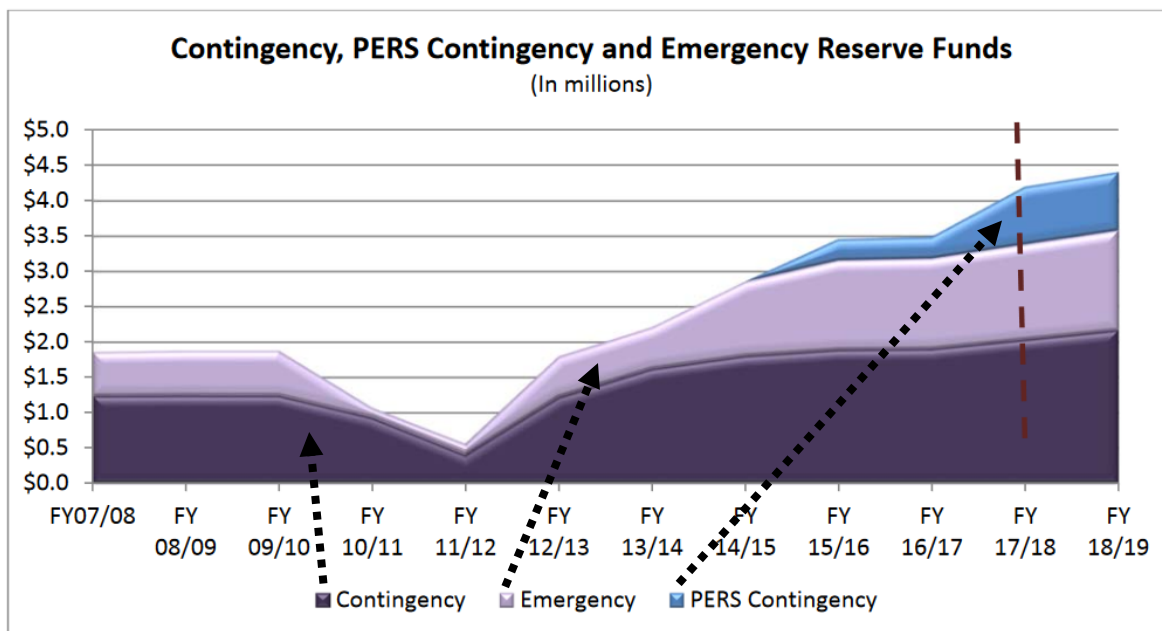
The Police Department uses 47% of the budget and the Public Works Department uses 20%.

Reserves

The City has five designated reserves within its general fund. These reserves are being restored following a low in FY 2010-11.

CITY OF CAPITOLA FUNDS AND RESERVES

Estimated Year End Fund Balance	FY 16/17 Estimated	FY 17/18 Proposed	FY 18/19 Planned
General Fund	\$ 1,553,488	\$ 699,409	\$ 832,068
Designated Reserves			
Emergency	1,277,206	1,344,206	1,411,206
Contingency	1,903,346	2,036,346	2,169,346
PERS Contingency	305,000	815,000	825,000
Facilities Reserve	339,870	349,870	349,870
Donations	21,725	31,725	41,725
Internal Service Funds			
Stores	24,652	24,652	16,009
Information Technology	113,352	113,352	113,352
Equipment Replacement	175,009	72,809	52,809
Self-Insurance Liability	281,875	281,875	254,575
Workers' Compensation	217,852	217,852	217,852
Compensated Absences	36,189	36,189	36,189
Total General Fund Resources	\$6,249,564	\$6,023,285	\$6,320,001



In FY 2014/15, the City increased the policy funding target for the Emergency Reserve Fund from 5% to 10% of the General Fund, and increased the target for the Contingency Reserve Fund from 10% to 15% of the General Fund. The City also has a PERS Contingency Reserve to address increasing pension costs, and a Facilities Reserve. The Facilities Reserve is \$324,870 in the FY 17/18 budget, and is planned to be the same amount in the FY 18/19 budget.

Trust Funds

The City maintains two trust funds for future liabilities. The Other Post-Employment Benefits (OPEB) will help to pay for the City's future contributions to retiree health insurance. The estimated 6/30/17 balance is \$200,812, and the estimated 6/30/18 balance is \$265,812. The PERS Trust Fund for future City contributions to pension costs is estimated to have a 6/30/17 balance of \$305,000 and 6/30/18 balance of \$815,000.

Issues

As discussed in the FY 2017/18 budget, the main initiatives for Capitola are:

- Improving the wharf and the beach,
- Constructing a new permanent library at Clares Street and Wharf Road,
- Maintaining reserves,
- Controlling personnel costs, and
- Planning for increased pension costs.

POLICE DEPARTMENT PROFILE

Using data from a previous service review prepared for Santa Cruz LAFCO for comparison, the Capitola Police Department has nearly the same staffing per 1,000 city residents as it did in 2003. Capitola has the highest staffing ratios of the four cities in Santa Cruz County.

2015 and 2003
Law Enforcement Staff per 1000 Residents

City	2015 Population	2015 Total	2015 Total per 1000	2003 Total per 1000	2015 Officers	2015 Officers per 1000	2003 Officers per 1000
Capitola	10,201	29	2.8	2.9	21	2.1	1.9
Santa Cruz	64,076	111	1.7	2.3	91	1.4	1.7
Scotts Valley	11,926	28	2.3	2.4	20	1.7	1.7
Watsonville	53,581	88	1.6	1.8	66	1.2	1.3

Source: FBI Unified Crime Reporting for 2003 and 2015, Table 78, at <https://ucr.fbi.gov/>

Crimes Reported in Capitola 2004 and 2016

The number of reported crimes has gone down since 2004:

Type	2004	2016	Change 2004 to 2016
Homicide	0	0	0
Rape	7	4	-3
Robbery	17	11	-6
Aggravated Assault	46	74	+28
Burglary	130	35	-95
Larceny	823	674	-149
Auto Theft	34	50	+16
Arson	0	3	+3
Total	1,057	851	-206

Source: 2004 and 2016 Uniform Crime Reports, FBI.

PUBLIC WORKS DEPARTMENT PROFILE

The Public Works Department is the City's second largest department. Its divisions are streets, parks, facilities, and fleet maintenance.

STREETS

The City maintains 51 lane miles of streets. In FY 2016/17, it completed a multi-year paving effort and participated in storm water pollution prevention and responded to winter storms.

PARKS

In addition to the beach and wharf, the City operates seven parks:

- Cortez Park
- Esplanade Park
- Jade Street Park
- Monterey Park
- Noble Gulch Park
- Peery Park
- Soquel Creek Park.

The budget plans for wharf, jetty, and flume (controlled drainage of the Soquel Creek lagoon) improvements in the next two years.

FACILITIES

The budget anticipates that the new library will be constructed during the next two years. The estimated cost is \$13.13 million. A General Fund transfer of \$999,129 to the new library construction fund leaves a funding gap of \$1.53 million.

FLEET MAINTENANCE

The Public Works Department maintains all City vehicles. The FY 2017/18 budget is \$296,945.



SERVICE REVIEW CHECKLIST

SUMMARY OF POTENTIALLY SIGNIFICANT SERVICE REVIEW DETERMINATIONS

SUMMARY

- | | |
|---|--|
| <input checked="" type="checkbox"/> 1. Growth and Population | <input checked="" type="checkbox"/> 5. Shared Services |
| <input type="checkbox"/> 2. Disadvantaged Unincorporated Communities | <input checked="" type="checkbox"/> 6. Accountability |
| <input type="checkbox"/> 3. Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> 7. Other |
| <input type="checkbox"/> 4. Financial Ability | |

1. GROWTH AND POPULATION

Growth and population projections for the affected area.

	YES	MAYBE	NO
a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Will population changes have an impact on the agency's service needs and demands?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Will projected growth require a change in the agency's sphere of influence boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) and b) Capitola is nearly built out. Its main potential land use planning impact is the potential redevelopment of the Capitola Mall including new residential development. Given Capitola's small geographic area and population, any changes in use at the mall site could affect service demands upon the City.

The current AMBAG Regional Population projections for the City of Capitola are as shown in the following table:

Public Agency	2010	2020	2025	2030	2035	Compound Annual Growth Rate
City of Capitola	9,918	9,119	9,427	9,758	10,088	0.07%
City of Santa Cruz	59,946	66,860	70,058	73,337	76,692	0.99%
City of Capitola	11,580	11,638	11,696	11,754	11,813	0.08%
City of Watsonville	51,199	59,446	61,452	63,607	65,762	1.01%
Santa Cruz County (unincorporated)	129,739	132,318	134,879	139,601	144,227	0.42%
Santa Cruz County Total	262,382	279,381	287,512	298,096	308,582	0.65%
AMBAG Region Total	732,708	800,000	827,000	856,000	885,000	0.76%

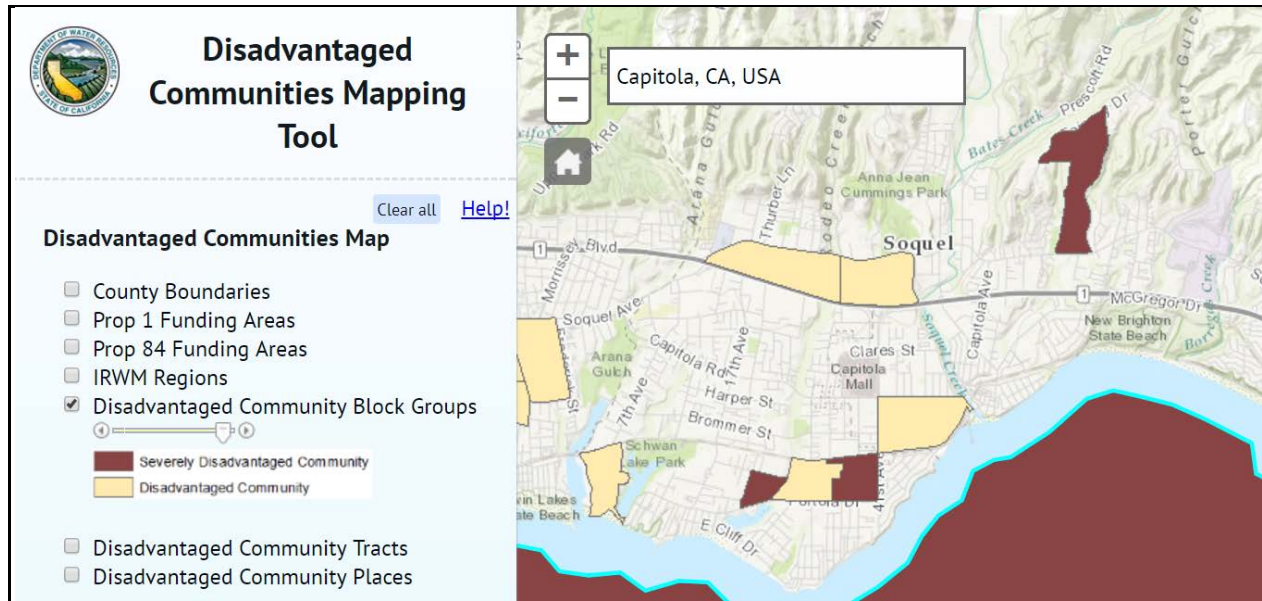
Source: AMBAG, 2014 [Regional Growth Forecast](#)

The State Department of Finance population estimate for Capitola on January 1, 2017 is 10,162, 11% higher than the 9,119 projected by AMBAG for 2020. AMBAG is preparing a new regional forecast and will incorporate the updated city population in its next forecast. In any case, the City's overall growth rate will be low, even if new population is planned in the re-use of the Capitola Mall properties.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES			
The location and characteristics of any disadvantaged unincorporated communities within or contiguous to your agency's sphere of influence.			
	YES	MAYBE	NO
a) Does your agency provide water or sanitary sewer service? If no, skip questions b) and c).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is your agency aware of any area(s) within or adjacent to your agency's sphere of influence that is considered "disadvantaged" (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is it is feasible for your agency to extend service to the disadvantaged unincorporated community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

There are mapped disadvantaged census tracts and block groups within and adjacent to the City of Capitola Sphere of Influence, according to the [California Disadvantaged Communities Mapping Tool](#) as accessed on June 28, 2017. These areas are well served by the City of Capitola, the Soquel Creek Water District, the City of Santa Cruz Water Department, and the Santa Cruz County Sanitation District.



3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding your agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

As discussed above in the Agency Profile, the City of Capitola has adequate capacity to accommodate planned growth. For groundwater overdraft issues, see the [Soquel Creek Water District Service and Sphere Review](#) published by LAFCO in May 2017.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) In the last five years, has your agency failed to obtain an independent audit, or adopted its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is your agency lacking adequate reserves to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is your agency's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is your agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is improvement needed in the organization's financial policies to ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: Source: [City of Capitola June 30, 2016 Audit](#)



5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Are there any opportunities for your agency to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The Opal Cliffs Recreation and Park District is located outside the City limits, but within the City's Sphere of Influence. The Opal Cliffs Recreation and Park District operates a 0.3-acre park and beach access at 4520 Opal Cliffs Drive. The District has a small population and revenue base and is challenged to meet all the operating requirements of state law. If the City ever annexes Opal Cliffs, it would be beneficial to dissolve the District and for the City to take over operation of the Opal Cliffs Park. For more information, see Opal Cliffs Recreation and Park District in the 2016 [Recreation and Park Districts](#) LAFCO study.



6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

Accountability for community service needs, including governmental structure and operational efficiencies.

	YES	MAYBE	NO
a) Are there any issues with your agency's meetings being accessible and well publicized? Are there any issues with your agency failing to comply with financial disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is your agency's budget unavailable to the public via the internet?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any recommended changes to your agency's structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion:

- g) Countywide Homeless Governance Committee. In 2015, the County and the four Cities approved a County-Wide Homeless Strategic Plan. One element of that plan was to study governance models employed in other communities and to recommend a governance structure for a permanent homelessness coordination structure. The City of Capitola is participating in the ad-hoc Countywide Homeless Governance Committee, which is expected to submit its recommendations later in 2017.

7. OTHER ISSUES

Any other matter related to effective or efficient service delivery, as required by commission policy.

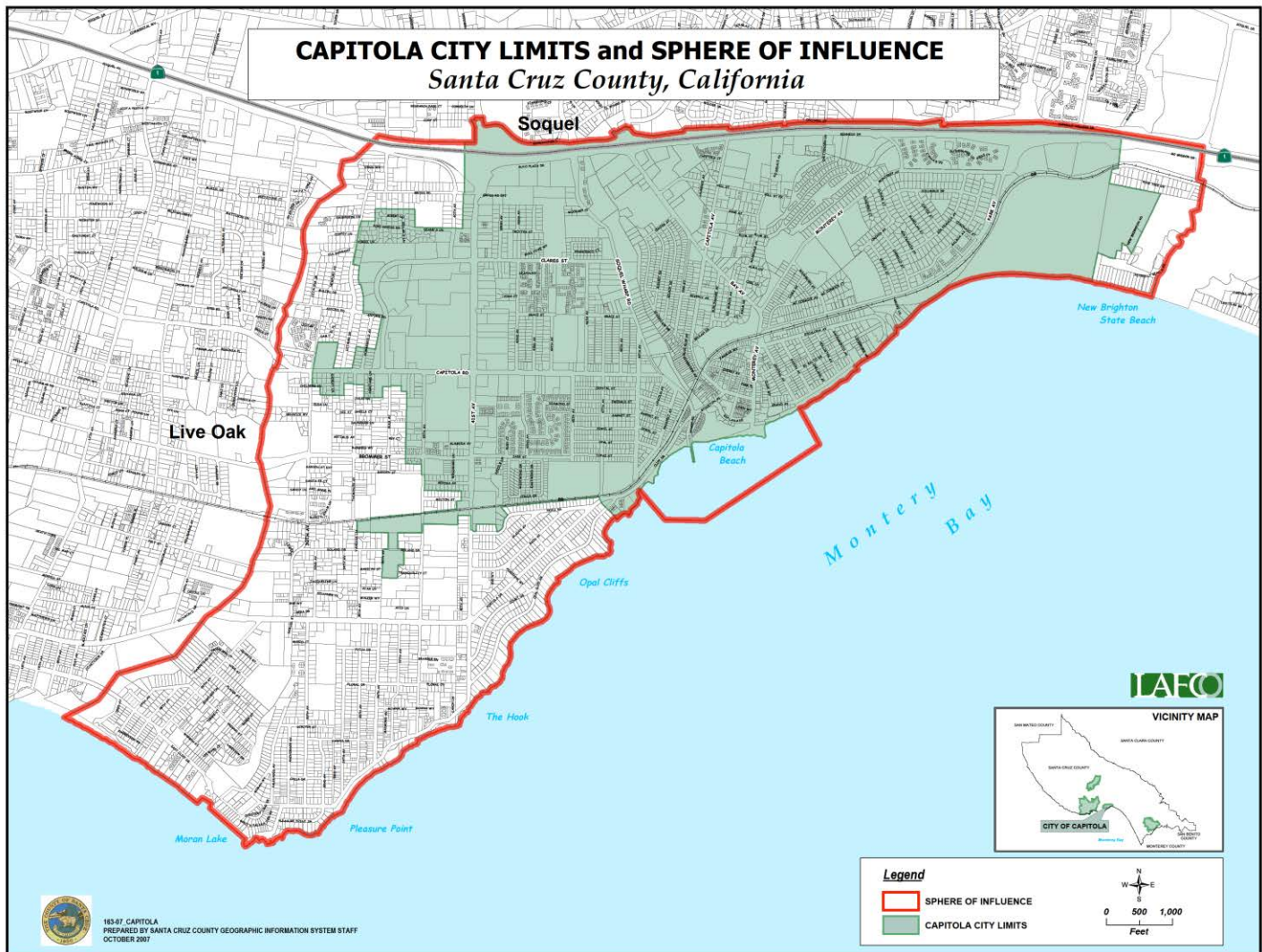
	YES	MAYBE	NO
a) Are there any other service delivery issues that the agency wants addressed in the service and sphere review process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

END OF SERVICE REVIEW

SPHERE OF INFLUENCE STUDY FOR THE CITY OF CAPITOLA



The City of Capitola is not proposing any changes in the adopted sphere of influence map.
Link to [Capitola City](#) map:



SUMMARY OF POTENTIALLY SIGNIFICANT SPHERE DETERMINATIONS

The sphere determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

- ☐ 1. Present and Planned Land Uses
- ☐ 2. Need for Public Facilities and Services
- ☐ 3. Capacity and Adequacy of Provide Services
- ☐ 4. Social or Economic Communities of Interest
- ☐ 5. Disadvantaged Unincorporated Communities

1. PRESENT AND PLANNED LAND USES

The present and planned land uses in the area, including agricultural and open-space lands.

	YES	MAYBE	NO
a) Are there any present or planned land uses in the area that would create the need for an expanded service area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the amended sphere conflict with planned, orderly and efficient patterns of urban development?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Would the amended sphere result in the loss of prime agricultural land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the amended sphere impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water, census, fire, parks and recreation boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical sphere boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: Although Capitola is home to the Capitola Begonia Festival, it has no agricultural lands.



2. NEED FOR PUBLIC FACILITIES AND SERVICES

The present and probable need for public facilities and services in the area.

	YES	MAYBE	NO
a) Would the amended conflict with the Commission's goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the amended sphere expand services that could be better provided by a city or another agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Would the amended sphere represent premature inducement of growth or facilitate conversion of agriculture or open space lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the amended sphere conflict with the Regional Housing Needs Allocation Plan adopted by the Association of Monterey Bay Governments (RHNA)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any areas that should be removed from the sphere because existing circumstances make development unlikely, there is not sufficient demand to support it or important open space/prime agricultural land should be removed from urbanization?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Have any agency commitments been predicated on expanding the agency's sphere such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: Capitola has adequate public services and can accommodate the modest growth that is planned.

3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

	YES	MAYBE	NO
a) Are there any issues regarding the agency's capacity to provide services in the proposed sphere territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's willingness and ability to extend services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: The City's services area adequate. The Soquel Creek Water District and the City of Santa Cruz Water Department are addressing the water issues.

4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

	YES	MAYBE	NO
a) Are there particular neighborhoods or areas that should be added or excluded from your agency's sphere because those areas function as part of your community or another community socially or economically?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The City's Sphere of Influence has not changed since it was adopted in 1975. The last review occurred in 2008.

5. DISADVANTAGED UNINCORPORATED COMMUNITIES

For an update of an sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. Additional smaller areas may be identified by LAFCO, the County, or a City in the future.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to water, sanitary sewers, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) If yes, does the proposed sphere exclude any nearby disadvantaged unincorporated community (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: See the discussion of disadvantaged communities on pages 12- 13 of this report.

END OF SPHERE REVIEW