

# City of Capitola

## Service and Sphere of Influence Review



Adopted Version (May 4, 2022)

Local Agency Formation Commission of Santa Cruz County

---

701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

Phone: (831) 454-2055



## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
Introduction .....	2
City Overview .....	2
Key Findings.....	3
Recommended Actions .....	4
<b>CITY OVERVIEW .....</b>	<b>6</b>
History .....	6
Services & Operations.....	6
Population and Growth .....	9
Disadvantaged Unincorporated Communities.....	9
<b>FINANCES .....</b>	<b>9</b>
Revenues .....	11
Assets .....	11
Expenditures .....	12
Liabilities .....	13
Net Position .....	13
<b>GOVERNANCE .....</b>	<b>16</b>
Legal Authority .....	16
Local Accountability & Structure .....	16
Opportunities and Challenges .....	18
<b>SPHERE OF INFLUENCE .....</b>	<b>19</b>
Cortese-Knox-Hertzberg Act.....	19
Current & Proposed Sphere Boundary .....	19
<b>CITY SUMMARY .....</b>	<b>22</b>
<b>SERVICE AND SPHERE REVIEW DETERMINATIONS .....</b>	<b>23</b>
Service Provision Determinations .....	23
Sphere of Influence Determinations.....	24
<b>APPENDICES.....</b>	<b>25</b>
Appendix A: Past Boundary Changes (1964 to Present) .....	25
Appendix B: Zoning Map (as of June 9, 2021) .....	25
Appendix C: “Capitola Waves” – City Newsletter (Feb. 2022 Edition) .....	25
Appendix D: List of Current Boards, Commissions, and Committees.....	25

## EXECUTIVE SUMMARY

### Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of the City of Capitola (“City”). This report will be used by the Local Agency Formation Commission to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of Spheres of Influence for all cities and special districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430). The City’s last service review was adopted on August 2, 2017.

The municipal service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use these determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence.

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the City’s existing sphere of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

### City Overview

The City of Capitola was incorporated in 1949 and operates as a general law city pursuant to the laws of the State of California. Capitola’s city limits encompasses approximately two square miles and has a population estimated at 10,000. An overview map, depicting the current jurisdictional and sphere boundaries, is shown as **Figure 1** on page 5. The City provides an array of services, including but not limited to, parks and recreation, law enforcement, public works, and land use. A full review of all services are covered within this report.

### Sphere of Influence

Santa Cruz LAFCO adopted the City’s first sphere of influence on June 18, 1975. The current sphere includes areas outside the City’s jurisdictional boundary. The last sphere update in August 2017 reaffirmed the existing sphere boundary. LAFCO staff is recommending that the sphere boundary be reaffirmed once again with the condition that the City develop an annexation plan by or before their next round of service reviews (May 2027), as shown in **Figure 7** on page 21.

## **Key Findings**

The following are key findings of the 2022 Service and Sphere of Influence Review for the City of Capitola:

**1. The City provides multiple services to an estimated 10,000 constituents.**

Capitola provides various types of public services, including police protection, street, park and facilities maintenance, and recreation to the community. Fire protection, water, and sewer services are provided by independent special districts in the area. In 2020, the City's population was estimated to be 10,194. LAFCO staff projects that the City's population will reach 10,809 by 2040.

**2. The City is financially stable.**

Capitola's financial performance has experienced a surplus in five of the last six years. With the exception of FY 2019-20, audited financial statements from 2015 to 2021 indicate that the City's annual surplus ranged from \$118,000 to \$5 million. As of June 30, 2021, the City was operating with a net position of approximately \$33 million.

**3. The City's website needs to be updated.**

Capitola's website has an assortment of useful information; however, many webpages are outdated, have broken links, or no longer in use. Governmental transparency is more prevalent now than ever before. The City should regularly maintain and update its website. It may be beneficial for the City to develop a plan to keep its website up-to-date and also consider addressing certain outdated webpages.

**4. The City should consider adopting a new five-year capital improvement plan.**

The City prepared a five-year capital improvement plan (CIP) back in 2014. This plan identified projects between FY 2014-15 to FY 2018-19 that would repair or improve various areas in Capitola, including but not limited to existing roads, parks, and recreational facilities. The plan also identified the funding source for each project. However, LAFCO's analysis determined that a new five-year CIP plan has not been adopted. Additionally, the projects identified in the City's website are not as organized when compared with the previous CIP plan. It may be beneficial for the City to adopt a new five-year CIP plan or implement some other transparent method to keep the residents aware of future projects and their associated timeframe, location, and cost.

**5. The City's sphere of influence is larger than its jurisdictional boundary.**

Capitola's original sphere boundary was established on June 18, 1975. At present, the current sphere goes beyond City limits and includes 2,200 parcels totaling 622 acres. The last sphere update occurred in August 2017. The City should develop a plan to determine when these areas should be annexed into Capitola. If no plan is submitted prior to their next service review cycle, then the Commission should consider reducing the sphere boundary to better reflect the City's future growth. LAFCO staff is not recommending any changes to its existing sphere at this time.

## Recommended Actions

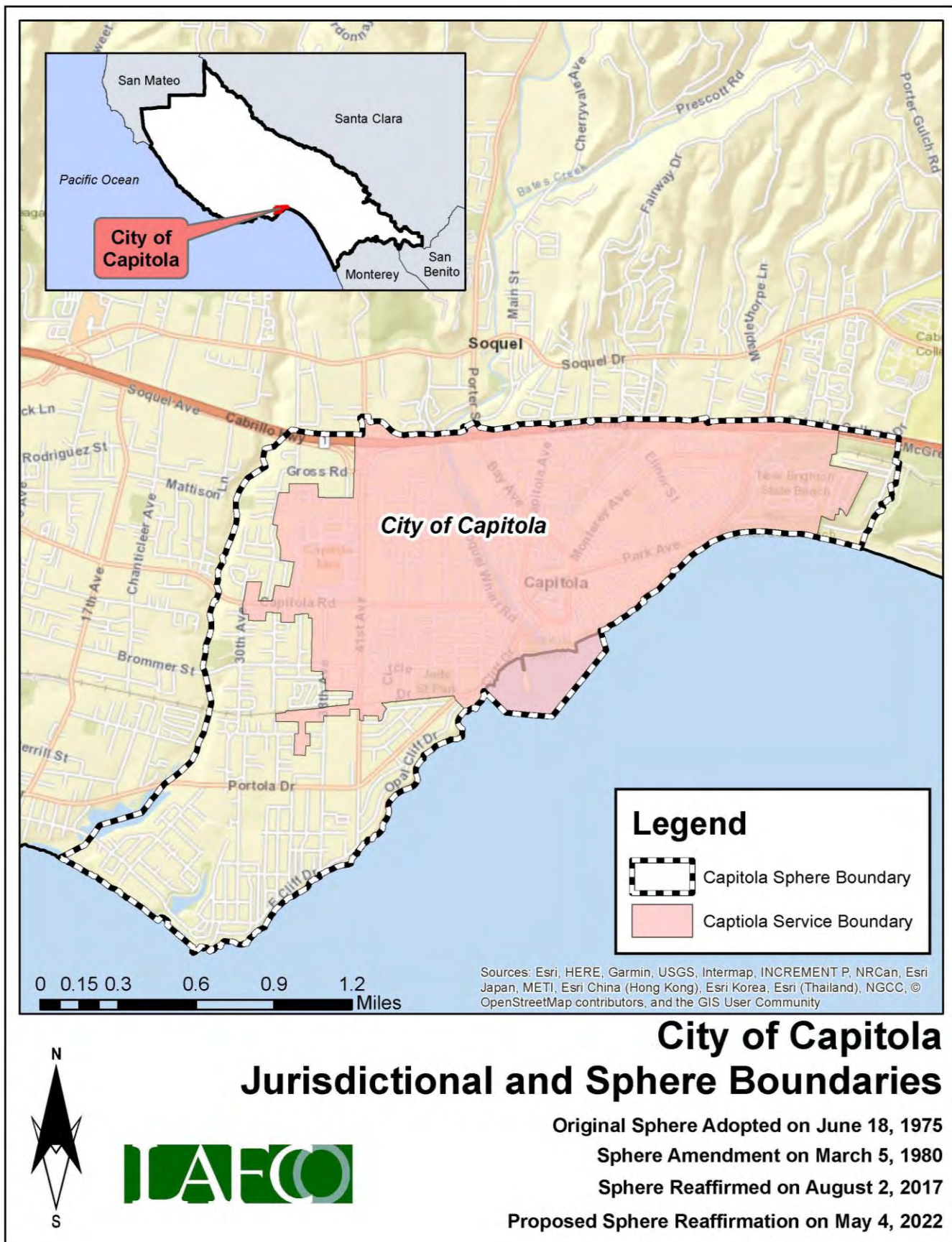
Based on the analysis and findings in the 2022 Service and Sphere of Influence Review for the City of Capitola, the Executive Officer recommends that the Commission:

1. Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for the City of Capitola, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt LAFCO Resolution (No. 2022-06) approving the 2022 Service and Sphere of Influence Review for the City of Capitola with the following conditions:
  - a. Reaffirm the City's current sphere of influence with the condition that the City develop an annexation plan before the next service review cycle (May 2027); and
  - b. Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the City of Capitola and any other interested or affected agency identified in the service review.





Figure 1: Vicinity Map



## CITY OVERVIEW

### History

Capitola was incorporated as a city on January 11, 1949 and is currently a small community that encompasses an area of approximately two square miles with a population of approximately 10,000. **Appendix A** provides a timeline of all the boundary changes approved by LAFCO (27 boundary changes in total). The last boundary change involving the City was back in 1984. Capitola is coastal community on the northern edge of Monterey Bay, as shown on page 5. At present, the City has a number of land use designations including single family residential, mixed use village, community commercial, and open space. **Appendix B** provides the City's latest zoning map.

### Services & Operations

The City provides a number of municipal services, specifically police protection, street, park and facilities maintenance, recreation, building, planning, zoning, administrative, and financial services for the Capitola community. Additional local agencies provide other public services to the Capitola community, such as Central Fire District for fire protection, the City of Santa Cruz and Soquel Creek Water District for water service, and the Santa Cruz County Sanitation District for sewer service. The following pages summarize the six key city departments: (1) City Administration, (2) Community Development, (3) Finance, (4) Police, (5) Public Works, and (6) Recreation.

### City Administration

The City Manager's Department is responsible for the overall administration of the City. Working closely with the City Council, this department's priority is to assist them with policy legislation and direct policy implementation. This is accomplished through a number of methods, including but not limited to, community outreach efforts, recruiting and retaining skilled and knowledgeable employees, creating and maintaining a working environment that fosters creativity and innovation, and prioritizing scarce resources. An example of the City's outreach to its constituents is their newsletters. "Capitola Waves" is a bi-monthly newsletter produced by the City Clerk's Office to keep residents informed about recent council action, upcoming events, and other City business. The February 2022 Issue is shown in **Appendix C**.

### Community Development

The Community Development Department is dedicated to providing responsive, high-quality services and programs which enhance the quality of life for the City's residents, businesses, and visitors. The Community Development Department includes the Building and Planning divisions and administers the land use policies and standards adopted by the City Council, including the General Plan, Local Coastal Program, Zoning Code, Design Guidelines, Building Codes, and affordable housing policies.

### Housing Element Update

The 2015-2023 Housing Element was adopted by the Capitola City Council on November 25, 2015 and certified by the California Department of Housing and Community Development (HCD) on February 4, 2016. The Housing Element identifies current issues

relating to housing and the policies and programs that will be used to address them. A portion of the Housing Element is dedicated to identifying opportunity sites that will satisfy the Regional Housing Needs Allocation (RHNA) requirement from the State HCD.

The State HCD requires that each local jurisdiction plan for a certain number of housing units that are affordable to all income groups (from extremely low income to above moderate income). By virtue of having a certified Housing Element, the City of Capitola is eligible to receive grant monies from the State that could help fund housing related projects and programs that benefit members of the community.

#### Affordable Housing Projects

The City partners with non-profit housing providers and other organizations to implement various housing projects intended to preserve, improve, and/or increase the supply of affordable housing within the City. These projects often involve grant funding from state or federal agencies. The housing created or preserved is usually available to qualified households only, which may include low, very low, and/or moderate income households. Some projects are reserved for specific clientele, such as the elderly, disabled persons, or families with children. Since 2010, the City completed 4 separate projects, as shown in **Table 1**:

**Table 1: Affordable Housing Projects Completed**

<b>Project</b>	<b>Location</b>	<b>Housing Amount</b>	<b>Date Completed</b>
Bay Avenue Senior Apartments Rehabilitation	750 Bay Avenue	96 Units	2011
Castle Mobile Estates Non-Profit Acquisition	1099 38 <sup>th</sup> Ave	108	2011
Capitola Beach Villas	1066 41 <sup>st</sup> Ave	8 Affordable Units	2013
Tera Commons	1506 Tera Court	1	2019

#### **Finance**

The Finance Department encourages innovation and promotes learning and growth in the individual, the team, and the organization. Their goals are to provide timely, value added information and excellent service to their constituents. Based on LAFCO's review of the City's website, annual budgets and audited financial statements are available from 2012 to present. Additional information is also available on the City's website including financial reports, fee schedules, and access to financial transactions analyzed by the State Controller's Office. A detailed evaluation of the City's financial performance is covered on page 10 of this report.



## **Police**

The Capitola Police Department is committed to enhancing public safety through various Crime Prevention initiatives, proactive enforcement, public education and our various Community Policing programs. The Police Department has expanded programs and initiatives, which are part of its Community Oriented Policing & Problem Solving model, its Reserve Program and the Department's Volunteers in Policing Program (VIP).

Each of these programs supplements public safety services to the community at a time when the challenges to local law enforcement agencies are at an all-time high and funding has been critically impacted. At present, the City's police services are funded by Measure F. In 2016, City residents passed Measure F to extend the temporary quarter of one percent sales tax for an additional ten years. The City is committed to using this funding source not only to provide law enforcement but also to protect the wharf and beach from storms and rising sea levels, and improve sidewalks, parks, and bike safety.

## **Public Works**

The Public Works Department is composed of two division: (1) Operations, and (2) Engineering & Administration. Operations which has responsibilities for maintaining streets, parks, facilities, including Capitola Wharf, and the city fleet and equipment. Engineering and Administration is responsible for implementing a Capital Improvement Program, budgeting, permitting and overall administration of programs for the Department. including stormwater pollution prevention and pavement management.

While staffing is predominantly funded by the City General fund, funding sources for projects, programs and maintenance are also provided by Measure F, grants, and regional and state tax measures. In 2021 Public Works completed the largest capital project in the City's history when the new Capitola Branch Library building was completed and opened to the public. Public works is currently working on a multi-million dollar project to improve Capitola Wharf resiliency and public access.

## **Recreation**

The City's mission is to provide quality public spaces and experiences that build a healthy community, foster equality, and better the environment. Capitola has created recreational and cultural opportunities for its residents and visitors. Based on LAFCO's analysis, the City offers adult and youth classes, afterschool recreation programs, adult sports, junior lifeguard programs, and even a virtual recreation center during the pandemic lockdown. Through strategic partnerships with the Soquel Union Elementary School District (SUESD), the City offers resident rates for all Recreation programming to City residents, as well as SUESD residents.

## Population and Growth

The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. Based on staff's analysis, the population for the City of Capitola in 2020 was estimated to be around 10,000.

**Table 2** shows the City's anticipated population over the next twenty years. The City's average rate of change is 1.48%. Under this rate, projections indicate that the entire population of Capitola will be approximately 10,800 by the year 2040.

**Table 2: Projected Population**

	2020	2025	2030	2035	2040	Average Rate of Change
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645	0.86%
<b>City of Capitola</b>	<b>10,194</b>	<b>10,312</b>	<b>10,451</b>	<b>10,622</b>	<b>10,809</b>	<b>1.48%</b>

*Source: AMBAG 2018 Regional Growth Forecast*

## Disadvantaged Unincorporated Communities

State law requires LAFCO to identify and describe all “disadvantaged unincorporated communities” (DUCs) located within or contiguous to existing spheres of influence for cities and special districts that provide fire protection, sewer, and/or water services. DUCs are defined as inhabited unincorporated areas within an annual median household income that is 80% or less than the statewide annual median household income.

In 2017, the California statewide median household income was \$67,169, and 80% of that was \$53,735. LAFCO staff utilized the ArcGIS mapping program to locate any potential DUCs in the County. Based on the criteria set forth by SB 244, staff's analysis indicates that there are no disadvantaged unincorporated communities within or surrounding the City of Capitola.

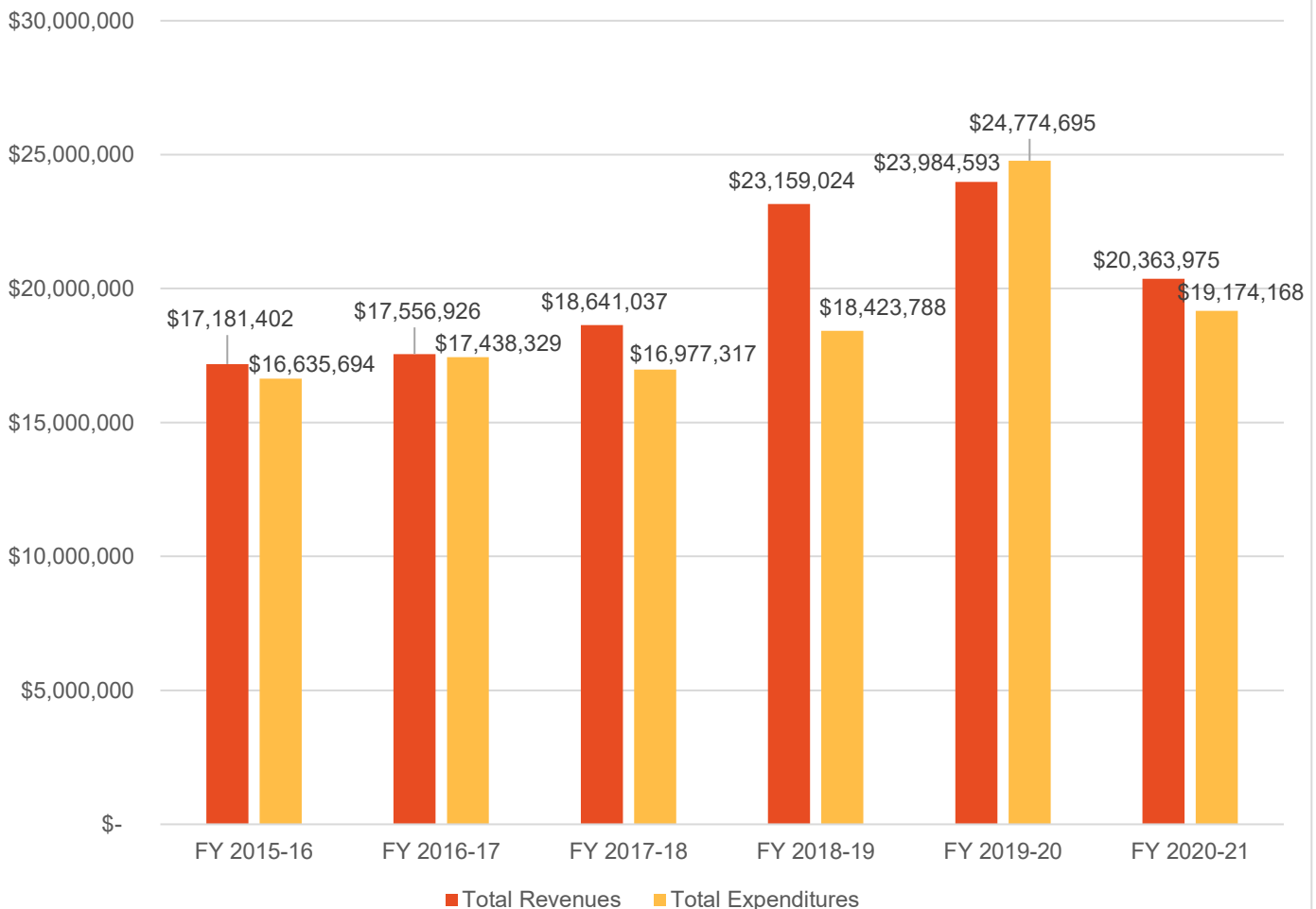


## FINANCES

This section will highlight the City's financial performance during the most recent fiscal years. Fiscal Year 2020-21 is the latest audited financial statement available. LAFCO evaluated the City's financial health from 2015 to 2021. A comprehensive analysis of the City's financial performance during the past six years is shown in **Tables 6 and 7** on pages 14 and 15. LAFCO extracted the financial data from the City's Comprehensive Annual Financial Reports located on the City's website<sup>1</sup>.

At the end of Fiscal Year 2020-21, total revenue collected was approximately \$20.4 million, representing a 15% decrease from the previous year (\$24 million in FY 19-20). Total expenses for FY 2020-21 were approximately \$19.2 million, which decreased from the previous year by 23% (\$25 million in FY 18-19). Excluding FY 2019-20, the City has ended each fiscal year with a surplus since 2015, as shown in **Figure 2**. LAFCO staff believes that this positive trend may continue based on the six-year performance and the current management practices.

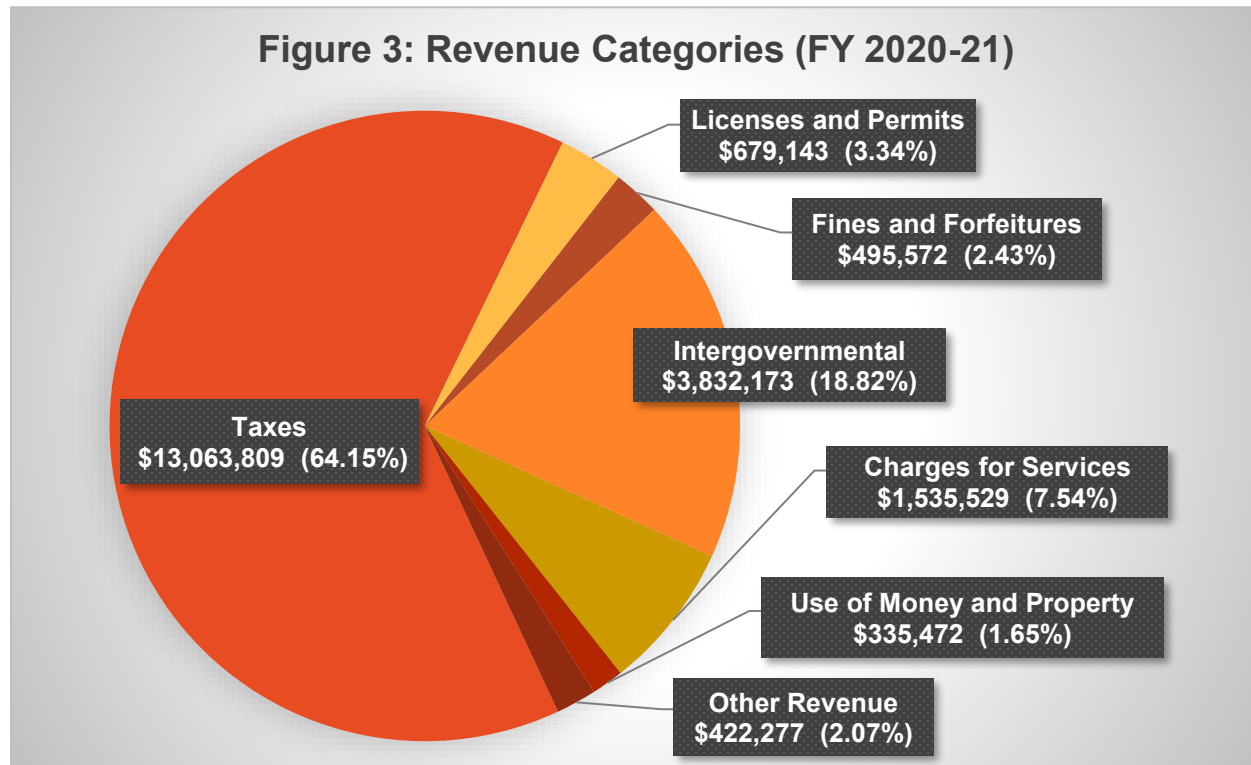
**Figure 2: Total Revenues vs. Total Expenditures  
(FY 2015-16 to FY 2020-21)**



<sup>1</sup> CAFRS Webpage: <https://www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports>.

## Revenues

The City provides various municipal services to the Capitola community. The City's revenue stream can be categorized into seven groups: (1) Taxes, (2) Licenses and Permits, (3) Fines and Forfeitures, (4) Intergovernmental, (5) Charges for Services, (6) Use of Money and Property, and (7) Other Revenue. The primary source of revenue comes from taxes (64%), as shown in **Figure 3**.



## Assets

The City's financial assets are comprised of cash or items that will eventually be turned into cash. Land for resale and long-term investments are examples of items that will eventually be turned into cash. Capitola has approximately \$60 million in total assets. Almost 45% of the City's total assets is cash on hand. A breakdown of the City's total assets is shown in **Table 3**.

**Table 3: Total Assets (FY 2020-21)**

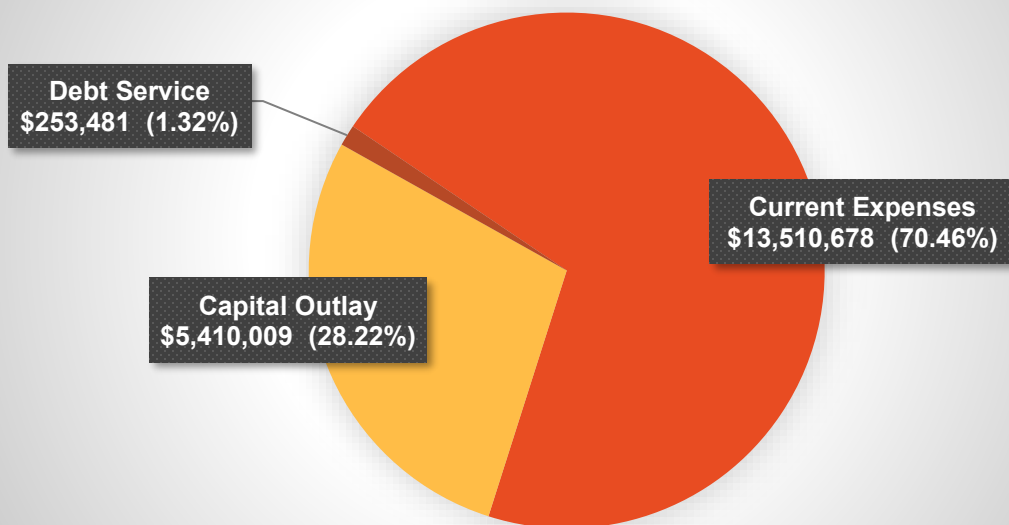
	Amount (\$)	Percentage (%)
Cash & Investments (Receivables)	\$26,419,144	44%
Non-Depreciable (Land & Construction)	\$21,464,381	36%
Depreciable (Equipment & Building)	<u>\$12,482,983</u>	<u>21%</u>
<b>Total Assets</b>	<b>\$60,366,508</b>	<b>100%</b>



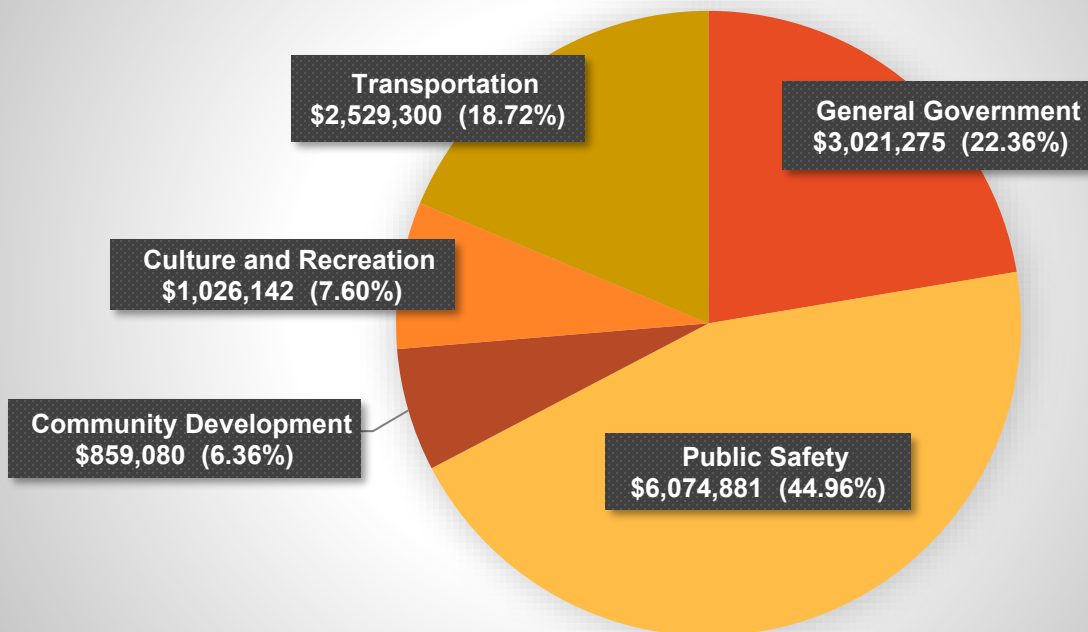
## Expenditures

The City's expenses can be categorized into three groups: (1) Current Expenses, (2) Capital Outlay, and (3) Debt Service. The primary expenditure is current expenses (70%), as shown in **Figure 4**. Current expenses covers five key costs – General Government, Public Safety, Community Development, Culture and Recreation, and Transportation. As the **Figure 5** shows, public safety is the highest cost when compared to the other current expenses during FY 2020-21 (\$6 million; 45%).

**Figure 4: Expense Categories (FY 2020-21)**



**Figure 5: Current Expenses Breakdown**



## Liabilities

The City's liabilities are financial obligations from past events or transactions. This can take the form of future payments to vendors, future provision of services, or future transfer of assets. Examples of liabilities include outstanding principal balances on bond issues, future costs for capital projects, or pension payments for retirees. Capitola has approximately \$32 million in total liabilities. A breakdown of the City's total liabilities is shown in **Table 4**.

**Table 4: Total Liabilities (FY 2020-21)**

	Amount (\$)	Percentage (%)
Current Liability		
Interest Payable	\$29,843	0.09%
Accrued Liabilities	\$199,933	0.63%
Unearned Revenue	\$203,914	0.64%
Deposits Payable	\$360,525	1.13%
Accounts Payable	\$428,695	1.34%
Non-Current Liability		
Due Within One Year	\$496,959	1.56%
Due In More Than One Year	\$2,379,116	7.45%
Net Other Post-Employ Liability	\$1,731,223	5.42%
Net Pension Liability	<u>\$26,111,558</u>	<u>81.75%</u>
<b>Total Liabilities</b>	<b>\$31,941,766</b>	<b>100%</b>

## Net Position

As of June 30, 2021, the total net position balance ended with approximately \$33 million. The following table highlights the fund balance from 2015 to 2021. As shown in **Table 5**, the City's net position balance experienced an increase each year. This healthy balance of \$33 million will be critical in the event that Capitola faces unintended expenses, major capital improvement projects, or emergency repairs.

**Table 5: Net Position (2014 to 2021)**

	FY 15-16 (Audited)	FY 16-17 (Audited)	FY 17-18 (Audited)	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)
Net Investments in Capital Assets	\$13,153,957	\$14,457,242	\$15,772,831	\$18,563,270	\$27,367,459	\$32,052,715
Restricted Funds	\$6,952,986	\$9,096,369	\$11,741,946	\$14,896,470	\$14,492,914	\$12,055,063
Unrestricted Funds	<u>\$(8,884,398)</u>	<u>\$(9,882,948)</u>	<u>\$(11,536,353)</u>	<u>\$(10,563,261)</u>	<u>\$(12,886,505)</u>	<u>\$(10,987,243)</u>
<b>Total Net Position</b>	<b>\$11,222,545</b>	<b>\$13,670,663</b>	<b>\$15,978,424</b>	<b>\$22,896,479</b>	<b>\$28,973,868</b>	<b>\$33,120,535</b>
Difference (\$)		\$2,448,118	\$2,307,761	\$6,918,055	\$6,077,389	\$4,146,667
Difference (%)		22%	17%	43%	27%	14%

**Table 6: Total Revenue & Expenditure (FY 2015-16 to FY 2020-21)**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<b>REVENUES</b>						
Taxes	\$ 12,250,386	\$ 12,436,392	\$ 12,416,283	\$ 13,096,704	\$ 12,306,921	\$ 13,063,809
Licenses and Permits	\$ 671,238	\$ 625,895	\$ 766,229	\$ 662,807	\$ 726,314	\$ 679,143
Fines and Forfeitures	\$ 655,644	\$ 560,155	\$ 557,617	\$ 521,938	\$ 519,855	\$ 495,572
Intergovernmental	\$ 786,683	\$ 1,475,324	\$ 2,250,130	\$ 6,029,916	\$ 7,521,295	\$ 3,832,173
Charges for Services	\$ 2,165,269	\$ 1,969,889	\$ 2,006,939	\$ 2,019,594	\$ 1,959,188	\$ 1,535,529
Use of Money and Property	\$ 324,441	\$ 375,754	\$ 237,383	\$ 450,099	\$ 699,199	\$ 335,472
Other Revenue	\$ 327,741	\$ 113,517	\$ 406,456	\$ 377,966	\$ 251,821	\$ 422,277
<b>Total Revenues</b>	<b>\$17,181,402</b>	<b>\$17,556,926</b>	<b>\$18,641,037</b>	<b>\$23,159,024</b>	<b>\$23,984,593</b>	<b>\$20,363,975</b>
<b>EXPENDITURES</b>						
Current:						
General Government	\$ 2,712,115	\$ 3,152,917	\$ 2,823,776	\$ 2,818,807	\$ 2,965,343	\$ 3,021,275
Public Safety	\$ 6,134,276	\$ 6,495,287	\$ 6,333,360	\$ 6,551,598	\$ 6,467,497	\$ 6,074,881
Community Development	\$ 1,004,921	\$ 976,403	\$ 967,038	\$ 913,460	\$ 963,218	\$ 859,080
Culture and Recreation	\$ 1,038,543	\$ 1,137,013	\$ 1,154,073	\$ 1,129,581	\$ 1,710,433	\$ 1,026,142
Transportation	\$ 2,744,295	\$ 2,636,712	\$ 2,851,632	\$ 2,980,820	\$ 2,713,506	\$ 2,529,300
Capital Outlay	\$ 2,074,063	\$ 2,113,307	\$ 1,923,769	\$ 3,770,307	\$ 9,697,902	\$ 5,410,009
Debt Service:						
Principal	\$ 764,184	\$ 788,107	\$ 828,701	\$ 181,599	\$ 186,167	\$ 186,836
Interest and Fiscal Charges	\$ 163,297	\$ 138,583	\$ 94,968	\$ 77,616	\$ 70,629	\$ 66,645
<b>Total Expenditures</b>	<b>\$16,635,694</b>	<b>\$17,438,329</b>	<b>\$16,977,317</b>	<b>\$18,423,788</b>	<b>\$24,774,695</b>	<b>\$19,174,168</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$ 2,784,355	\$ 1,815,374	\$ 2,864,670	\$ 1,675,583	\$ 1,733,806	\$ 323,968
Transfers Out	\$ (2,784,355)	\$ (1,815,374)	\$ (2,864,670)	\$ (1,675,583)	\$ (1,733,806)	\$ (323,968)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Surplus/(Deficit)</b>	<b>\$ 545,708</b>	<b>\$ 118,597</b>	<b>\$ 1,663,720</b>	<b>\$ 4,735,236</b>	<b>\$ (790,102)</b>	<b>\$ 1,189,807</b>
<b>FUND BALANCE</b>						
Beginning of Year	\$ 9,405,494	\$ 9,951,202	\$ 18,427,416	\$ 20,091,136	\$ 24,826,372	\$ 24,036,270
<b>End of Year</b>	<b>\$ 9,951,202</b>	<b>\$10,069,799</b>	<b>\$20,091,136</b>	<b>\$24,826,372</b>	<b>\$24,036,270</b>	<b>\$25,226,077</b>

Footnotes:

(1) FY 2017-18's beginning of year fund balance was adjusted to include \$8,357,617 in loan receivables

(2) FY 2019-20's capital outlay increased due to costs associated with scheduled capital projects

**Table 7: Total Assets & Liabilities (FY 2015-16 to FY 2020-21)**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<b>ASSETS</b>						
Cash and Investments	\$ 8,446,040	\$ 9,047,379	\$ 10,917,914	\$ 14,524,490	\$ 15,067,241	\$ 15,463,411
Restricted Cash and Investments	\$ -	\$ -	\$ 50,355	\$ 867,088	\$ 916,861	\$ 1,015,553
Accounts Receivable	\$ 187,282	\$ 205,085	\$ -	\$ 592,127	\$ 127,010	\$ 1,409,218
Due from Successor Agency	\$ 515,023	\$ 401,491	\$ -	\$ -	\$ -	\$ -
Prepaid Items	\$ 9,307	\$ 24,161	\$ 11,068	\$ 20,684	\$ -	\$ -
Due from Other Governments	\$ 2,663,521	\$ 2,017,924	\$ 1,899,222	\$ 2,056,340	\$ 1,496,597	\$ 1,933,976
Advances to Other Funds	\$ -	\$ -	\$ 47,362	\$ -	\$ -	\$ -
Loans Receivable	\$ 7,984,451	\$ 8,230,081	\$ 8,700,857	\$ 8,587,823	\$ 8,729,973	\$ 6,596,986
<b>Sub-total</b>	<b>\$19,805,624</b>	<b>\$19,926,121</b>	<b>\$21,626,778</b>	<b>\$26,648,552</b>	<b>\$26,337,682</b>	<b>\$26,419,144</b>
<b>Non-Depreciable</b>						
Land	\$ 4,883,789	\$ 4,883,789	\$ 4,883,789	\$ 4,883,789	\$ 4,883,789	\$ 4,883,789
Construction in Progress	\$ 2,051,091	\$ 921,817	\$ 2,391,865	\$ 5,444,019	\$ 14,494,833	\$ 16,580,592
<b>Sub-total</b>	<b>\$ 6,934,880</b>	<b>\$ 5,805,606</b>	<b>\$ 7,275,654</b>	<b>\$10,327,808</b>	<b>\$19,378,622</b>	<b>\$21,464,381</b>
<b>Depreciable</b>						
Equipment	\$ 3,554,307	\$ 3,494,695	\$ 3,965,265	\$ 4,014,001	\$ 4,170,592	\$ 4,217,845
Building and Improvements	\$ 2,392,272	\$ 2,392,272	\$ 2,392,272	\$ 2,392,272	\$ 2,398,168	\$ 2,398,168
Infrastructure	\$ 26,665,831	\$ 29,721,424	\$ 29,844,039	\$ 30,391,991	\$ 30,713,295	\$ 33,990,293
Accumulated Depreciation	\$(23,601,396)	\$(24,338,035)	\$(25,264,043)	\$(26,298,708)	\$(27,211,733)	\$(28,123,323)
<b>Sub-total</b>	<b>\$ 9,011,014</b>	<b>\$11,270,356</b>	<b>\$10,937,533</b>	<b>\$10,499,556</b>	<b>\$10,070,322</b>	<b>\$12,482,983</b>
<b>Total Assets</b>	<b>\$35,751,518</b>	<b>\$37,002,083</b>	<b>\$39,839,965</b>	<b>\$47,475,916</b>	<b>\$55,786,626</b>	<b>\$60,366,508</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Related	\$ 1,530,518	\$ 3,616,979	\$ 6,201,815	\$ 5,296,191	\$ 5,190,738	\$ 5,248,438
OPEB Related	\$ -	\$ -	\$ 86,090	\$ 88,955	\$ 1,175,679	\$ 1,012,824
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,530,518</b>	<b>\$ 3,616,979</b>	<b>\$ 6,287,905</b>	<b>\$ 5,385,146</b>	<b>\$ 6,366,417</b>	<b>\$ 6,261,262</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$37,282,036</b>	<b>\$40,619,062</b>	<b>\$46,127,870</b>	<b>\$52,861,062</b>	<b>\$62,153,043</b>	<b>\$66,627,770</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 738,908	\$ 426,291	\$ 412,432	\$ 625,880	\$ 1,777,739	\$ 428,695
Accrued Liabilities	\$ 295,021	\$ 360,914	\$ 401,845	\$ 415,771	\$ 183,867	\$ 199,933
Interest Payable	\$ 71,004	\$ 51,592	\$ 33,627	\$ 32,340	\$ 29,843	\$ 29,843
Unearned Revenue	\$ 383,581	\$ 375,602	\$ 378,575	\$ 423,976	\$ 4,400	\$ 203,914
Deposits Payable	\$ 324,925	\$ 335,898	\$ 342,790	\$ 356,553	\$ 335,406	\$ 360,525
<b>Sub-total</b>	<b>\$ 1,813,439</b>	<b>\$ 1,550,297</b>	<b>\$ 1,569,269</b>	<b>\$ 1,854,520</b>	<b>\$ 2,331,255</b>	<b>\$ 1,222,910</b>
<b>Non-Current Liabilities</b>						
Due Within One Year	\$ 854,563	\$ 892,439	\$ 252,553	\$ 252,686	\$ 175,959	\$ 496,959
Due In More Than One Year	\$ 19,689,723	\$ 22,993,296	\$ 3,007,360	\$ 2,796,423	\$ 2,663,839	\$ 2,379,116
Net Other Postemployment Liability	\$ -	\$ -	\$ 604,437	\$ 584,737	\$ 1,572,208	\$ 1,731,223
Net Pension Liability	\$ -	\$ -	\$ 22,355,266	\$ 22,363,591	\$ 24,148,410	\$ 26,111,558
<b>Sub-total</b>	<b>\$20,544,286</b>	<b>\$23,885,735</b>	<b>\$26,219,616</b>	<b>\$25,997,437</b>	<b>\$28,560,416</b>	<b>\$30,718,856</b>
<b>Total Liabilities</b>	<b>\$22,357,725</b>	<b>\$25,436,032</b>	<b>\$27,788,885</b>	<b>\$27,851,957</b>	<b>\$30,891,671</b>	<b>\$31,941,766</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Related	\$ 1,896,463	\$ 1,512,367	\$ 2,360,561	\$ 2,112,626	\$ 2,104,572	\$ 1,402,461
OPEB Related	\$ 1,805,303	\$ -	\$ -	\$ -	\$ 182,932	\$ 163,008
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,701,766</b>	<b>\$ 1,512,367</b>	<b>\$ 2,360,561</b>	<b>\$ 2,112,626</b>	<b>\$ 2,287,504</b>	<b>\$ 1,565,469</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	\$ 13,153,957	\$ 14,457,242	\$ 15,772,831	\$ 18,563,270	\$ 27,367,459	\$ 32,052,715
Restricted For:						
Public Safety	\$ 97,821	\$ 7,939	\$ 10,101	\$ 16,593	\$ 71,562	\$ 99,061
Transportation	\$ 113,135	\$ 118,537	\$ 419,897	\$ 629,511	\$ 25,967	\$ 916,791
Community Development	\$ 6,599,379	\$ 8,810,793	\$ 11,190,893	\$ 14,104,838	\$ 14,220,537	\$ 10,821,155
Culture and Recreation	\$ 142,651	\$ 159,100	\$ 121,055	\$ 145,528	\$ 174,848	\$ 218,056
Total Restricted	\$ 6,952,986	\$ 9,096,369	\$ 11,741,946	\$ 14,896,470	\$ 14,492,914	\$ 12,055,063
Unrestricted	\$ (8,884,398)	\$ (9,882,948)	\$(11,536,353)	\$(10,563,261)	\$(12,886,505)	\$(10,987,243)
<b>Total Net Position</b>	<b>\$11,222,545</b>	<b>\$13,670,663</b>	<b>\$15,978,424</b>	<b>\$22,896,479</b>	<b>\$28,973,868</b>	<b>\$33,120,535</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$37,282,036</b>	<b>\$40,619,062</b>	<b>\$46,127,870</b>	<b>\$52,861,062</b>	<b>\$62,153,043</b>	<b>\$66,627,770</b>



## GOVERNANCE

### Legal Authority

The City of Capitola operates under Title 4: Government of Cities (Section 34000 et seq. of the California Government Code) for the purpose of establishing and enforcing local ordinances in the Capitola community. The California Constitution gives cities the power to become charter cities. The distinction between general law and charter cities is that charter cities have superseding authority over certain “municipal affairs.” Examples of municipal affairs include election matters, land use designations, and budgetary practices. Cities that have not adopted a charter are general law cities, such as Capitola. General law cities are bound by the State’s general law, even with respect to municipal affairs. Based on LAFCO staff’s analysis, there are 482 cities in California – 361 or 75% are general law cities and 121 or 25% are charter cities.

### Local Accountability & Structure

The City of Capitola is governed by an elected five-member City Council. The Council is responsible for the establishment of policy relative to Capitola’s mission, goals, and operations. The Council has the authority to establish all laws and regulations with respect to municipal affairs, subject to limitations of the City Municipal Code and State legislation. The City Council’s current composition is as follows:

**Table 8: Capitola City Council**

Board Member	Term of Office
<b>Sam Storey, Mayor</b>	First Elected: 2006 Current Term Ends: 2022
<b>Margaux Keiser, Vice Mayor</b>	First Elected: 2020 Current Term Ends: 2024
<b>Jacques Bertrand, Council Member</b>	First Elected: 2014 Current Term Ends: 2022
<b>Yvette Brooks, Council Member</b>	First Elected: 2018 Current Term Ends: 2022
<b>Kristen Brown (née Petersen), Council Member</b>	First Elected: 2016 Current Term Ends: 2024

The City Council appoints a City Manager to serve as the City’s chief administrative officer. The City Manager administers the day-to-day operations of the City in accordance with policies and procedures established by the City Council. Capitola currently employs a full-time staff of approximately 68 employees, as shown in **Table 9** on page 17. The City Council meets regularly, meetings are publicly noticed, and citizens are encouraged to attend. Council meetings are typically held on the second and fourth Thursday of each month at 7:00 p.m. The City’s administrative offices and chambers are located at 420 Capitola Avenue in Capitola. Despite the ongoing pandemic, the City has held virtual public meetings to continue operations and receive Council direction.

**Table 9: Full-Time Employees (FY 2014-15 to FY 2018-19)**

<b>Department</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Government</b>						
City Manager	7.65	6.50	6.50	6.00	7.50	7.50
Finance	4.50	4.50	3.75	3.75	3.75	3.75
City Attorney	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Sub-total</b>	<b>13.15</b>	<b>12.00</b>	<b>11.25</b>	<b>10.75</b>	<b>11.25</b>	<b>11.25</b>
<b>Police</b>						
Chief, Captain, Sgts.	6.00	6.00	6.00	7.00	7.00	7.00
Officers	16.00	16.00	16.00	15.00	15.00	15.00
CSOs	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement	3.00	3.00	3.00	2.00	2.00	2.00
Administrative	<u>4.65</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
<b>Sub-total</b>	<b>31.65</b>	<b>31.50</b>	<b>31.50</b>	<b>30.50</b>	<b>30.50</b>	<b>30.50</b>
<b>Public Works</b>						
Streets	9.00	11.00	12.00	11.50	10.00	10.00
Parks	4.00	4.00	3.00	3.00	3.00	3.00
Fleet Maintenance	<u>1.25</u>	<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>2.00</u>	<u>2.00</u>
<b>Sub-total</b>	<b>14.25</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>15.00</b>	<b>15.00</b>
<b>Recreation</b>						
Supervisor	2.00	2.50	2.50	2.50	1.00	1.00
Other: Full Year	<u>2.75</u>	<u>1.25</u>	<u>1.25</u>	<u>1.25</u>	<u>4.00</u>	<u>4.00</u>
<b>Sub-total</b>	<b>4.75</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>	<b>5.00</b>	<b>5.00</b>
<b>Building</b>						
<b>Sub-total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>Total</b>	<b>69.30</b>	<b>68.75</b>	<b>68.00</b>	<b>67.00</b>	<b>67.75</b>	<b>67.75</b>

## **Opportunities and Challenges**

Capitola has been a City for 73 years and it has endured significant events such as economic recessions and natural disasters. The City is still experiencing another round of economic downturn and natural disasters in the form of the COVID pandemic. Such unanticipated events place a pressure test on local agencies, including cities. While cities struggle to maintain the same level of service to its residents, there are also opportunities during these challenging times. The following sections explore opportunities that Capitola can incorporate to maximize efficiencies, increase strategic partnerships, and/or identify possible cost-savings for the City's residents.

### **Capital Improvement Plan**

The purpose of a Capital Improvement Plan (CIP) is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change. The City prepared a five-year capital improvement project (CIP) back in 2014. This plan identified projects between FY 2014-15 to FY 2018-19 that would repair or improve various areas in Capitola, including but not limited to existing roads, parks, and recreational facilities. The plan also identified the funding source for each project. However, LAFCO's analysis determined that a new five-year CIP plan has not been adopted. The projects identified in the City's website are not as organized when compared with the previous CIP plan. It may be beneficial for the City to adopt a new five-year CIP plan to ensure that the residents are aware of future projects and their associated timeframe, location, and cost.

### **Website Update**

Governmental transparency is more prevalent now than ever before. Local agencies' websites should include, at minimum, contact information, financial reports, meeting agendas/minutes, and other useful resources that are easily accessible by the public. It is also important that websites are updated regularly. Based on staff's analysis, the City's website has an assortment of useful information, however, many webpages are outdated, have broken links, or no longer in use. It may be beneficial for the City to update or revamp its webpages accordingly and include additional information, such as LAFCO's service and sphere reviews.

### **Boards & Committees**

Community input is critical for cities to succeed. It is LAFCO's understanding that the City of Capitola appoints its citizens on an array of boards, commissions, and committees to assist and advise in formulating policies. These advisory bodies provide feedback that may help the City make significant decisions. In total, the City has one board (Historical Museum Board), three Commissions (Art & Cultural, Environment, and Planning), and two committees (Architectural & Site Review and Finance Advisory). **Appendix D** provides a list of the boards, their members, and their respective term limits. While LAFCO commends the City for encouraging community participation, it was difficult to determine what goals and projects each board is working on or has accomplished. It may be beneficial for the City to consider revamping how these boards are tracked.

## **Shared Services**

While the City is financially stable, it faced a budget shortfall in 2020 due to the coronavirus-related economic pressure that all local agencies endured. The City was able to balance the budget by cutting certain spending, including a lifeguard contract with the City of Santa Cruz's Marine Safety Division. Plans to reinstate this and other cut programs and contracts have been a challenge. LAFCO encourages the City to continue exploring cost-saving opportunities and ways to improve the overall delivery of services. One option is considering the formation of a joint powers agreement (JPA) for marine safety with the County and other local agencies. The City is already in multiple JPAs with the County, cities, and other municipalities for library and animal services.

## **SPHERE OF INFLUENCE**

### **Cortese-Knox-Hertzberg Act**

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequent to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, as analyzed on page 24.

### **Current & Proposed Sphere Boundary**

Santa Cruz LAFCO adopted the City's first sphere of influence on June 18, 1975. The current sphere includes areas outside the City's jurisdictional boundary. The last sphere update occurred in August 2017 as part of a previous service and sphere review cycle. **Figure 6** on page 20 shows the 2,200 parcels (totaling 622 acres) within the City's sphere.

### **Police Services Within Sphere Boundary**

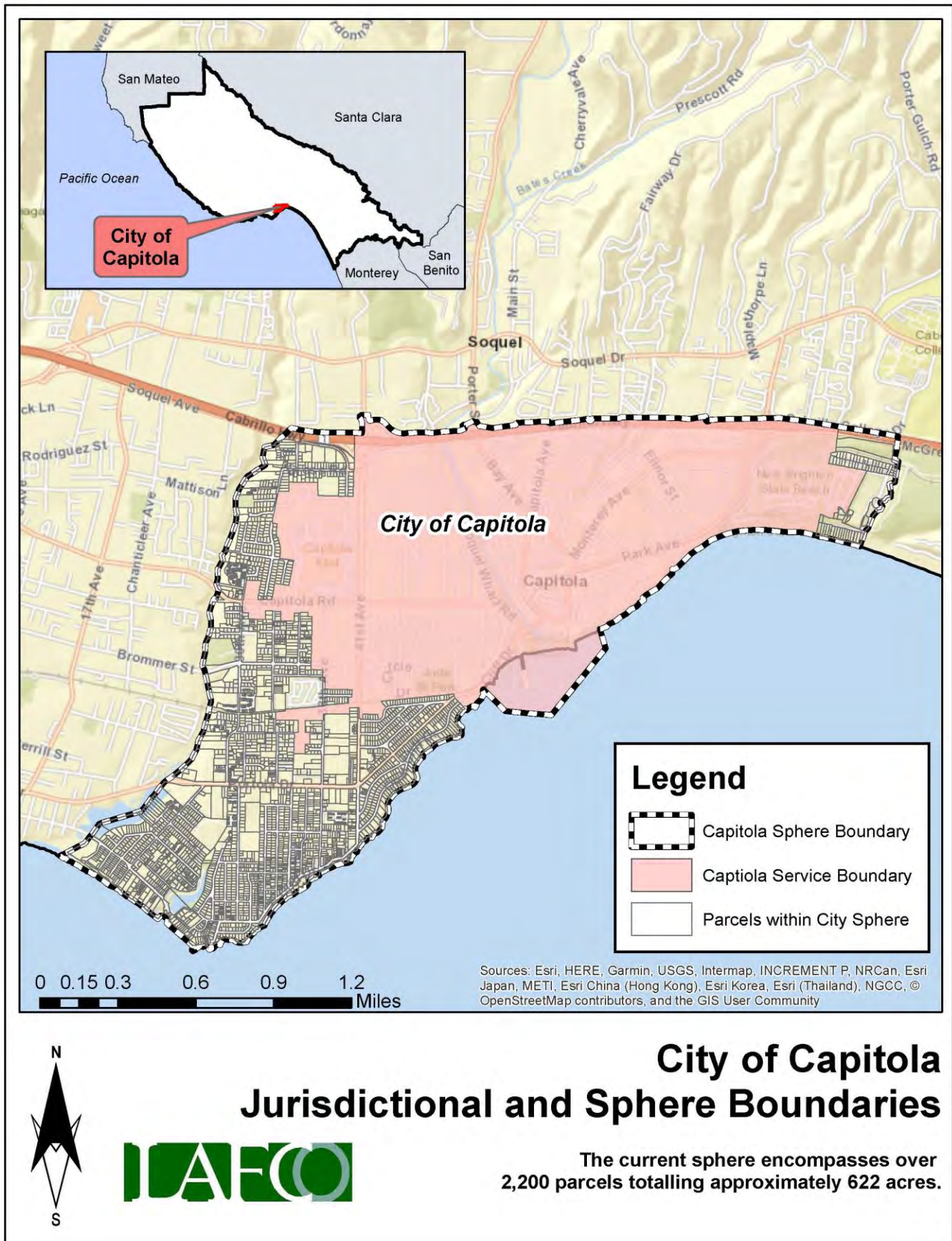
It was determined that approximately 6,200 incidents were responded by the Santa Cruz County Sheriff's Department within the sphere boundary during the 2021 calendar year. This information was provided in collaboration with the City and the Santa Cruz Regional 9-1-1 (also known as NetCom). Based on the number of calls and the close proximity to the City, it is staff's determination that it may be more efficient for the City to provide police services within the sphere boundary following annexation(s). This transfer of responsibility will allow the County Sheriff's Department to focus its resources in other unincorporated areas.

### **Annexation Plan**

The City should develop a plan to determine when the areas within its sphere boundary should be annexed into Capitola. If no plan is submitted prior to their next service review cycle (May 2027), then the Commission should consider reducing the sphere boundary to better reflect the City's future growth. In the interim, LAFCO staff is recommending that the sphere boundary be reaffirmed, as shown in **Figure 7** on page 21.

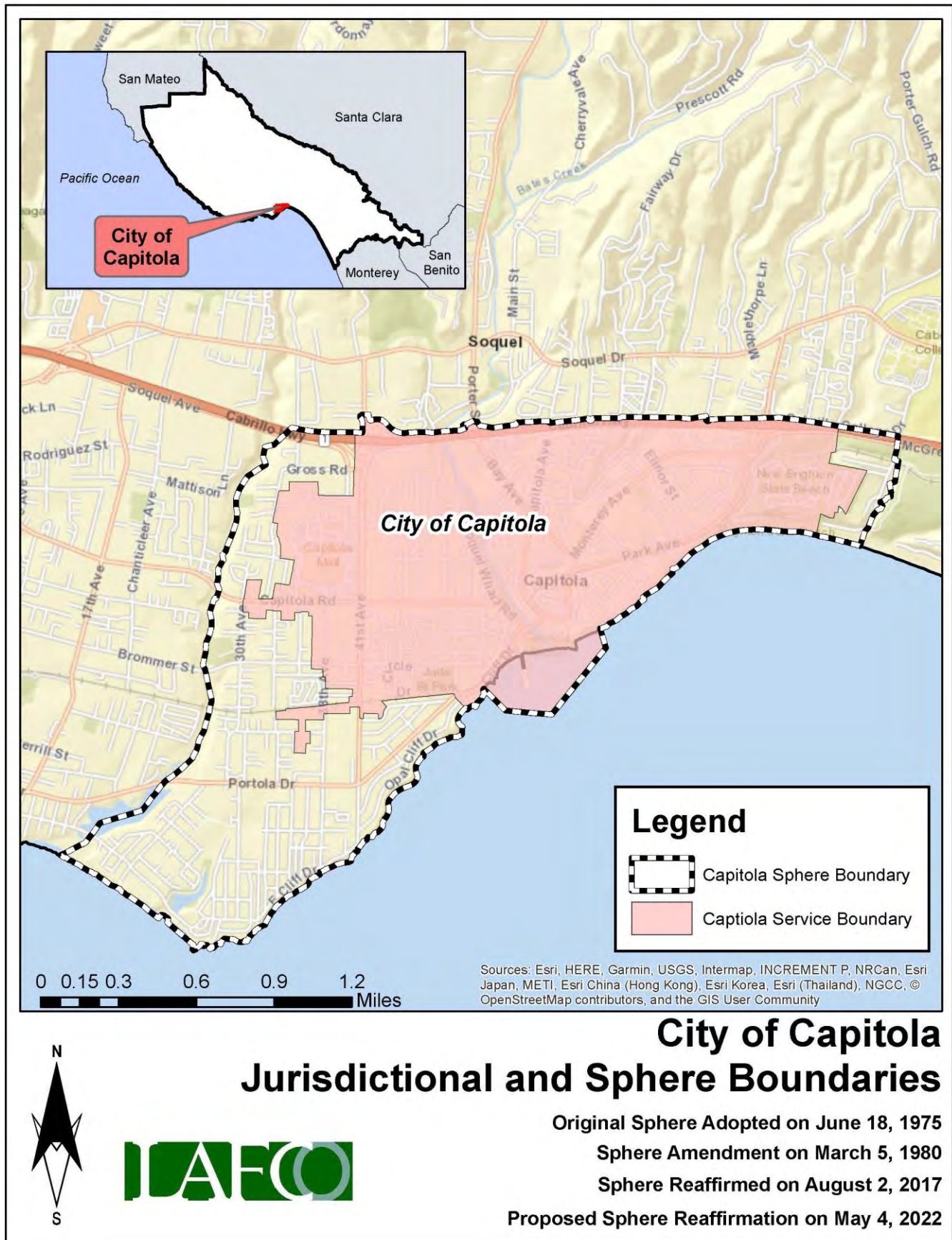


**Figure 6: Parcels within City's Sphere Boundary**





**Figure 7: Proposed City Sphere Reaffirmation**



## CITY SUMMARY

City of Capitola	
<b>Formation</b>	California Government Code, section 34000 et seq.
<b>Board of Directors</b>	Five members, elected at-large to four-year terms
<b>Contact Person</b>	Jamie Goldstein, City Manager
<b>Employees</b>	Approximately 68 Full-Time Employees
<b>City Area</b>	2 square miles
<b>Sphere of Influence</b>	Larger than the City (i.e., sphere boundary goes beyond existing City limits)
<b>FY 2020-21 Audit</b>	<p>Total Revenue = \$20,363,975</p> <p>Total Expenditure = \$19,174,168</p> <p>Net Position (Ending Balance) = \$33,120,535</p>
<b>Contact Information</b>	<p>Mailing Address: 420 Capitola Avenue, Capitola, CA 95010</p> <p>Phone Number: (831) 440-5600</p> <p>Email Address: <a href="mailto:jgoldstein@ci.capitola.ca.us">jgoldstein@ci.capitola.ca.us</a></p> <p>Website: <a href="https://www.cityofcapitola.org/">https://www.cityofcapitola.org/</a></p>
<b>Public Meetings</b>	Meetings are typically held on the second and fourth Thursday of each month at 7:00 p.m.
<b>Mission and Vision</b>	<p>Mission: "Our mission as the employees of the City of Capitola is to provide high quality service for our residents, visitors, businesses &amp; employees."</p> <p>Vision: "Our vision is to be recognized as a model organization that provides excellent and responsive public service that values the people it employs and the community we serve and to always perpetuate a strong work ethic that fosters pride in the work that we do. We will maintain the highest trust and confidence of our City Council and our Community."</p>

## SERVICE AND SPHERE REVIEW DETERMINATIONS

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

### Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

**1. Growth and population projections for the affected area.**

The City currently provides various municipal services to a population of approximately 10,000. A slow growth is projected to occur for the next twenty years. LAFCO staff estimates that the entire population of Capitola will reach 10,800 by 2040.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

LAFCO did not identify any DUCs within or contiguous to the City's sphere boundary.

**3. 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.**

The City General Plan within its jurisdictional limits designates areas for residential, commercial, and other city-related zoning.

**4. Financial ability of agencies to provide services.**

Capitola is financially stable. Audited financial statements from Fiscal Years 2015-16 to 2020-21 indicate that the City has ended in a surplus in five of the last six years. As of June 30, 2021, the City is operating with a net position of approximately \$33 million.

**5. Status of, and opportunities for, shared facilities.**

LAFCO has recommended that the City continue exploring for collaborative efforts with neighboring agencies to improve efficiencies.

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

LAFCO has recommended that the City adopt a new five-year capital improvement plan, similar to the one completed in 2014.

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

No additional local LAFCO policies are specifically relevant to this service review.



## **Sphere of Influence Determinations**

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

The present and planned land uses are based on the City's general plan which ranges from urban to rural uses. General plans anticipate growth centered on existing urban areas and the maintenance of open space, residential uses, and environmental protection. Planned land uses within the applicable general plans are a mix of urban and residential, public recreation, and open-space lands.

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

Capitola has identified and prioritized its infrastructure needs in various projects. LAFCO has recommended that the City adopt a new five-year capital improvement plan, similar to the one completed in 2014.

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

Capitola provides various types of municipal services, including but not limited to law enforcement and public works. In 2021, the City's population was estimated to be 10,200. LAFCO staff projects that the City's population will reach 10,800 by 2040.

**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.**

Capitola appoints its citizens on an array of boards, commissions, and committees to assist and advise in formulating policies. These advisory bodies provide feedback that may help the City make significant decisions. In total, the City has one board (Historical Museum Board), three Commissions (Art & Cultural, Environment, and Planning), and two committees (Architectural & Site Review and Finance Advisory).

**5. For an update of a 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

LAFCO did not identify any DUCs within the City's sphere boundary. It is important to note that the City does not provide water, sewer, or fire protection to its constituents. Those services are provided by independent special districts in the area.

## APPENDICES

**Appendix A: Past Boundary Changes (1964 to Present)**

**Appendix B: Zoning Map (as of June 9, 2021)**

**Appendix C: “Capitola Waves” – City Newsletter (Feb. 2022 Edition)**

**Appendix D: List of Current Boards, Commissions, and Committees**



# **APPENDIX A:**

## **Past Boundary Changes (1964 to Present)**

## City's Past Boundary Changes

<b>Project Number</b>	<b>Proposal Title</b>	<b>Action Date</b>
N/A	City Incorporation	1/11/1949
<b>7</b>	41st Ave. No. 11 Annexation	2/18/1964
<b>61</b>	41st Ave. No. 12 Annexation	11/17/1965
<b>153</b>	38th Ave. Annexation No. 3	4/16/1969
<b>193</b>	41st Ave. Annexation	12/17/1969
<b>225</b>	38th Ave. Annexation	7/15/1970
<b>275</b>	38th Ave. Annexation	4/21/1971
<b>291</b>	Capitola Heights No. 4 Annexation	9/15/1971
<b>308</b>	42nd Ave. Annexation	2/16/1972
<b>326</b>	Clares St. Annexation	7/21/72 & 2/21/73
<b>339</b>	Clares St. Annexation	9/20/1972
<b>414</b>	Resolution acknowledging receipt of Capitola General Plan	3/5/1975
<b>417</b>	Capitola SOI Determination	6/18/1975
<b>421</b>	Sutter Hill Annexation	6/18/1975
<b>435</b>	Clares St. Annexation	9/3/1975
<b>447-A</b>	Capitola Rd. Annexation	3/3/1976
<b>448-A</b>	Brommer St. Annexation	5/5/1976
<b>450</b>	Capitola Heights Annexation	1/7/1976
<b>526</b>	Derby / Trotter Annexation	7/12/1978

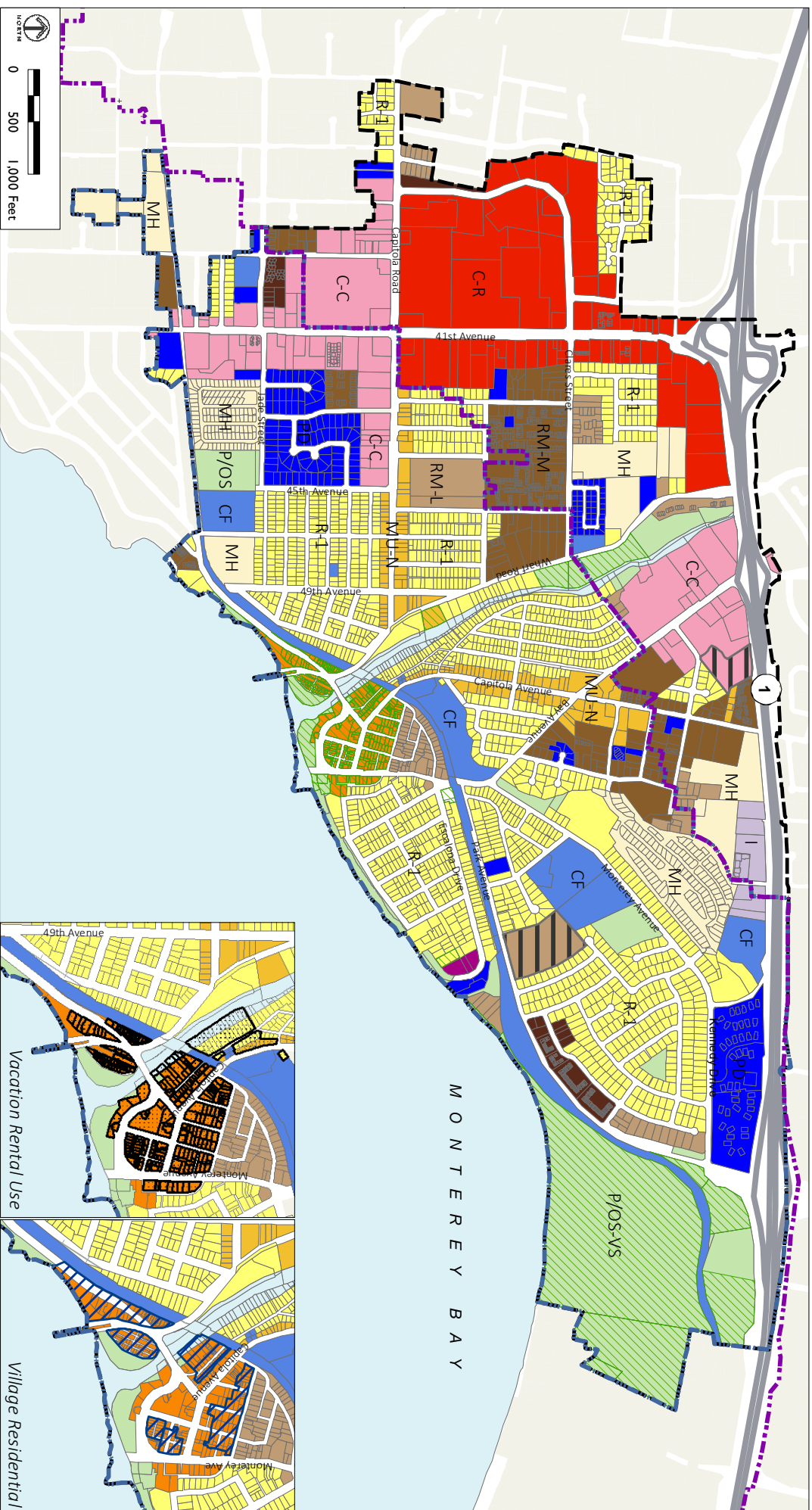
<b>Project Number</b>	<b>Proposal Title</b>	<b>Action Date</b>
<b>541</b>	Derby Trotter Detachment of Special Districts	2/7/1979
<b>570</b>	Capitola City SOI Revision	3/5/1980
<b>618</b>	41st Ave./Clares Reorganization	6/2/1982
<b>632</b>	Capitola Reorganization	12/19/1983
<b>674</b>	McGregor Dr. Reorganization	6/6/1984
<b>676</b>	Deanes Lane Reorganization (Clares & 40th)	8/1/1984
<b>683</b>	38th Ave. Reorganization	12/5/1984
<b>684</b>	Deanes Lane II Reorganization (Clares St.)	12/5/1984
<b>686</b>	47th Ave. / Surf & Sand Reorganization	12/5/1984

# **APPENDIX B:**

## **Zoning Map (as of June 9, 2021)**



# CITY OF CAPITOLA ZONING MAP



Source: ESRI, 2017; PlaceWorks, 2017.

City Limit

Santa Cruz Coastal Zone Boundary

Zoning Map Certified

June 9, 2021

by CA Coastal Commission

\*See Local Coastal Program Habitats Map for boundaries of Environmentally Sensitive Habitats Area Overlay Zone.

# **APPENDIX C:**

**“Capitola Waves”  
City Newsletter  
(Feb. 2022 Edition)**

---

FEBRUARY 2022 ISSUE 2



@CITYOFCAPITOLA  
FOLLOW US

# Capitola Waves

*The City of Capitola Bi-Monthly E-Newsletter*



---

## CA Response to COVID-19

---

### INSIDE THIS ISSUE:

Latest Council Action  
Career Opportunities  
Budget Season Info  
Youth Welcome  
Cloverleaf Clean Up

---

On February 17, California state government released the SMARTER Plan, the next phase of COVID-19 response. The Plan focusses on how to manage the presence of COVID-19 in the foreseeable future as the state moves forward. For more information, click [here](#).

The three biggest goals of the SMARTER Plan are to 1) Minimize the strain on our healthcare system; 2) Keep staff and the public safe; and 3) Keep businesses open and schools in person.

Strategies to accomplish these goals include increasing vaccination rates, especially among children; tracking cases to address spikes; and quickly matching patients up with effective treatments.

To read the detailed plan, click [here](#) or visit [www.covid19.ca.gov](http://www.covid19.ca.gov)

---

## Latest Council Action

Review City News & Council Decisions

The following is a summarized list of the action taken by City Council during the General Government section of the agenda of the **Thursday, February 24**, City Council meeting:

**1) Presentation on Wharf Resiliency and Public Access Improvements Phase 2** - Council received a report on the Wharf Resiliency Project and will discuss funding during upcoming budget workshops.

**2) Street Resurfacing Project Agreement with the County of Santa Cruz** - The City will enter an agreement with the County for the resurfacing of roads located within City limits.

**3) Computer Network Infrastructure Upgrade and Maintenance** - Council approved negotiating a contract for new City computer network infrastructure.

**4) Allocation of Opioid Settlement Funding** - Council approved allocating the funding to Santa Cruz County.



**Next Council Meeting:  
Thursday, March 10 @ 7PM**

## Join Our Team!

We're Hiring!

Read full job descriptions and download an application by clicking [here](#).

### Full Time/Career:

- Police Officer/Police Trainee
- Building Inspector I/II
- Recreation Coordinator (30 hours/week)
- Public Works Maintenance Worker I/II

### Seasonal/Part Time:

- Recreation Program Assistant Coordinator (part time)
- Recreation Leader I
- Recreation Leader II
- Recreation Program Assistant Coordinator
- Beach Lifeguard/Junior Lifeguard Instructor
- Junior Guard Assistant Coordinator/Lifeguard



## Budget Season Approaches

Prepping for FY 2022-23 Budget Starts Now!

The budget adoption process begins with a **special meeting on Tuesday, March 1 at 5pm**, via Zoom, when Council will determine goals and priorities for Fiscal Year 2022-23. The schedule for upcoming special budget workshop meetings is set to be adopted on March 1; once approved, meeting dates will be published on our website.



---

# Youth Members Welcome!

Gain Leadership Skills & Experience

Many know that the City of Capitola has several advisory bodies that serve to assist and advise in formulating policy on specific topics and local issues; but did you know that advisory bodies accept youth members?

The City of Capitola is happy to welcome area students to participate in local government! There are now expanded opportunities for youth to participate as non-voting members of several of its advisory bodies. Applicants must live within the Soquel Union Elementary School District or attend Soquel, Harbor, or Aptos High School, and be accompanied to the meetings by an adult if under age 18.

The following groups are accepting youth members:

- Art & Cultural Commission
- Commission on the Environment
- Historical Museum Board
- Finance Advisory Committee

For more information and an application, click [here](#).



## Cloverleaf Cleanup Successful

Thank you Partners!

On Wednesday, February 16, through a collaboration with Caltrans, California Highway Patrol, the Homeless Persons Health Project, Santa Cruz County Mental Health, and Capitola Police, the SR-1/41st Avenue cloverleaf was abated and the materials left there disposed of.

The efforts were not met with any resistance and the appropriate outreach and resources were provided. This area is owned by the State and is managed by Caltrans.

As we move away from this clean-up, the California Highway Patrol has extended their legal authority to Capitola Police officers, who can then proactively address any issues in the area. Capitola officers have begun patrolling the cloverleaf, so it does not become a further nuisance.



# **APPENDIX D:**

## **List of Current Boards, Commissions, and Committees**



# CITY OF CAPITOLA

## 2021 Local Appointments List of Boards, Commissions, and Committees

### NOTICE TO THE PUBLIC

[Chapter 11, §54972 of the California Government Code]

NOTICE IS HEREBY GIVEN that the City of Capitola encourages public participation in local government through its advisory bodies. These boards, commissions, and committees deal with a variety of issues and make recommendations to the City Council. All persons interested in serving on any committee shall submit to the City Clerk a boards and commissions application.

Name of Board/Commission/ Committee – Membership Information	Community Members & Term Expirations		
<b>Architectural and Site Review Committee</b> ▲ ■ This committee helps to maintain the character and integrity of neighborhoods in the City by promoting excellence of development.  3-6 Members* 2-Year Term Membership: Professionals appointed by the Mayor: 1 architect, 1 landscape architect and 1 historian. *The Committee may also include alternates to the various positions. Members are not required to be City residents.  <i><u>Meets:</u> 2<sup>nd</sup> &amp; 4<sup>th</sup> Wednesday of each month at 3:30 p.m. in the City Hall Community Room</i>	<i>Incumbents with Expiring Terms</i> Frank Phantom [Architect] Carolyn Swift [Historian] Vacant [Landscape Architect] Daniel Gomez [Alternate Architect] Daniel Townsend [Alternate Architect] Vacant [Alternate Landscape Architect]	<i>Appointed</i> 1/10/19 1/10/19  2/28/19 2/28/19	<i>Expires</i> 12/31/20 12/31/20 12/31/20 12/31/20 12/31/20 12/31/20
<b>Art &amp; Cultural Commission</b> ▲ ● Commission members have an interest in promoting the arts and public art projects within the City.  9 Members 2-Year Term Membership: 1 City Council member; 1 Planning Commissioner; 1 artist/arts organization representative; 1 arts professional and 5 at-large members. Members are preferably residents of Capitola who are 18 years of age or older and may be reappointed for successive 2-year terms with a maximum of 3 terms.  <i><u>Meets:</u> 2<sup>nd</sup> Tuesday of each month at 6:30 p.m. in the City Hall Council Chambers</i>	<i>Incumbents with Expiring Terms</i> Mary Beth Cahalen [At Large Member] Laura Alioto [At Large Member] Laurie Hill [At Large Member] Susan McPeak [At Large Member] James Wallace [At Large Member] Kelly Mozumder [Artist] Roy Johnson [Art Professional]	<i>Appointed</i> 12/19/19 12/10/20 12/19/19 12/10/20 12/19/19 12/10/20 12/10/20	<i>Expires</i> 12/31/21 12/31/22 12/31/21 12/31/22 12/31/21 12/31/22 12/31/22

- ▲ = Members are required to File Statements of Economic Interest, Form 700
- = Members are required to complete AB 1234 Ethics Training
- = Committee also may include non-voting youth members

## 2020 CAPITOLA BOARD, COMMISSION & COMMITTEE APPOINTMENT LIST

Name of Board/Commission/ Committee – Membership Information	Community Members & Term Expirations		
<b>Commission on the Environment ●</b>  Commission members have an interest in protecting and enhancing the City's natural environment.  5 Members 2-Year Term Membership: 1 City Council member and 1 appointee from each of the remaining 4 City Council members. Members are preferably residents of Capitola who are 18 years of age or older.  <u>Meets:</u> A minimum of 4 times a year as needed on the 4 <sup>th</sup> Wednesday of a month at 6 p.m. in the City Hall Community Room	Incumbents with Expiring Terms Cathlin Atchison [Council Appointee] Peter Wilk [Council Appointee] Michelle Beritzhoff-Law [Council Appointee] Meredith Keet [Council Appointee] Jacques Bertrand [Council Rep]	Appointed 1/10/19 1/10/19 1/10/19 2/28/19 1/10/19	Expires 12/31/20 12/31/20 12/31/20 12/31/20 12/31/20
<b>Finance Advisory Committee ●</b>  The Committee provides financial and budget alternatives and advice to the City Council.  7 Members 2-Year Term Membership: Mayor and Vice Mayor (or other appointed Council Members); 1 appointee from each of the remaining 3 City Council members, and a Capitola Businessperson/Capitola Resident representing the business community as recommended by the Capitola Soquel Chamber of Commerce. Council appointees must be City residents.  <u>Meets:</u> 3 <sup>rd</sup> Tuesday of every other month at 6 p.m. in the City Hall Council Chambers	Incumbents with Expiring Terms Marilyn Warter [Council Appointee] Laura Alioto [Council Appointee] Paul Estey [Council Appointee] Pete Cullen [Business Representative?]+	Appointed 1/10/19 ? 1/10/19 1/23/20	Expires 12/31/20 12/31/20 12/31/20 12/31/20
+ Appointee replaced a resignation; serving the original term length			

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

● = Committee also may include non-voting youth members

## 2020 CAPITOLA BOARD, COMMISSION & COMMITTEE APPOINTMENT LIST

Name of Board/Commission/ Committee – Membership Information	Community Members & Term Expirations		
<b>Historical Museum Board ●</b> Board members have an interest in preservation and promotion of the City’s history and oversee operations of the Historical Museum.  7 Members 3-Year Term Membership: Preferably City residents, 18 years of age or older.  <u>Meets:</u> 1 <sup>st</sup> Thursday of each month at 5:30 p.m. in the Community Room	<i>Incumbents with Expiring Terms</i>	<i>Appointed</i>	<i>Expires</i>
	Emmy Mitchell-Lynn	6/27/19	6/9/22
	Pam Greeninger	6/14/18	6/10/21
	Niels Kisling	6/27/19	6/9/22
	Dean Walker	7/25/19	6/9/22
	David Peyton	6/14/18	6/10/21
	Brian Legakis	8/9/18	6/10/21
	Gordon van Zuiden	6/27/19	6/9/22
<b>Planning Commission ▲ ■</b> The Commission issues development permits on behalf of the City Council and advises the City Council on land use and policy issues.  5 Members 2 -Year Terms Membership: 5 individual council appointees.  <u>Meets:</u> 1 <sup>st</sup> Thursday of each month at 7 p.m. in the City Hall Council Chambers	<i>Incumbents with Expiring Terms</i>	<i>Appointed</i>	<i>Expires</i>
	Edward Newman [Council Appointee]	12/10/20	12/31/22
	Courtney Christiansen [Council Appointee]	12/10/20	12/31/22
	Mick Routh [Council Appointee]	12/10/20	12/31/22
	Susan Westman [Council Appointee]	12/10/20	12/31/22
	Peter Wilk [Council Appointee]	12/10/20	12/31/22

Additionally, the City may appoint community members to represent it on the boards of other agencies. Interested persons are encouraged to visit the City's website at [www.CityofCapitola.org](http://www.CityofCapitola.org)

Posted December 18, 2010  
 Chloé Woodmansee, City Clerk  
 420 Capitola Avenue, Capitola, CA 95010  
 (831) 475-7300  
[cwoodmansee@ci.capitola.ca.us](mailto:cwoodmansee@ci.capitola.ca.us)

[This Local Appointments List shall remain posted until 12/31/21]

- ▲ = Members are required to File Statements of Economic Interest, Form 700
- = Members are required to complete AB 1234 Ethics Training
- = Committee also may include non-voting youth members