

CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060



JOINT CITY COUNCIL - REDEVELOPMENT AGENCY AGENDA

Regular Meeting

March 23, 2010

- | | |
|-----------|---|
| 9:00 A.M. | CLOSED PERSONNEL SESSION, CITY MANAGER'S
CONFERENCE ROOM |
| 1:30 P.M. | CLOSED LITIGATION SESSION, COURTYARD CONFERENCE
ROOM |
| 3:00 P.M. | CONSENT, GENERAL BUSINESS AND PUBLIC HEARINGS,
COUNCIL CHAMBERS |
| 7:00 P.M. | GENERAL BUSINESS, PUBLIC HEARINGS AND MATTERS OF
PUBLIC INTEREST, COUNCIL CHAMBERS |

Written correspondence and telephone calls received after 5:00 p.m. on Monday preceding a Council meeting may not have time to reach Councilmembers, nor be read by them prior to consideration of an item. Please make any communication to Councilmembers regarding Council meeting items prior to 5:00 p.m. Monday.

Council meetings are cablecast on Comcast Channel 25.

Written material for every item listed in the open sessions is available for review at the Central Branch Library Reference Desk.

Time limits set by Council Policy are guidelines. Unless otherwise specified, procedures for all items, except those approved in one motion on the Consent Agenda, are:

- Oral staff report
- Public comment - 2 minutes each; maximum total time may be established by the Presiding Officer at the beginning of the item
- Council/Agency deliberation and action

**Closed Personnel Session
9:00 a.m.**

At 9:00 a.m., the Presiding Officer will open the City Council Closed Personnel session in a public meeting in the Courtyard Conference Room, for the purpose of announcing the agenda; thereafter the meeting will be closed to the public.

Closed Personnel Session

1. Public Employee Hiring Decision (Government Code §54957).

City Council's hiring of City Manager.

**Closed Litigation Session
1:30 PM**

Closed Litigation Session

At 1:30 p.m., the Presiding Officer will open the City Council and Redevelopment Agency Closed Personnel session in a public meeting in the Courtyard Conference Room, for the purpose of announcing the agenda; thereafter the meeting will be closed to the public.

- B. Labor Negotiations (Government Code §54956.6).

Lisa Sullivan—Negotiator

- Employee Organizations—
1. Police Management
 2. Police Officers' Association
 3. SEIU—All Units
 4. Operating Engineers-Supervisors
 5. Operating Engineers-Managers

- C. Real Property (Government Code §54956.8).

148 Walnut Avenue Property Acquisition (Joe Appenrodt-Owner)

APN 005-072-33

Bonnie Lipscomb-City Negotiator

212 Church Street Property Acquisition (Joe Appenrodt-Owner)

APN 005-048-12

Bonnie Lipscomb-City Negotiator

Closed Litigation Session (continued)

D. Conference With Legal Counsel—Existing Litigation (Government Code §54956.9).

1. City of Santa Cruz v. Deleon/Richardson, Santa Cruz Superior Court Consolidated Case No. CV162526

E. Conference with Legal Counsel – Anticipated Litigation (Government Code §54956.9).

Initiation of Litigation by City (2 cases to be discussed)

2 cases to be discussed.

F. Conference with Legal Counsel – Liability Claims (Government Code §54956.95)

1. Claimant: Sean Christopher Allen
2. Claimant: Mike J. Ronzano

Claims Against: City of Santa Cruz

An oral report will be presented in the 3:00 p.m. Session (item 18).

Joint City Council/Redevelopment Agency

3:00 PM

- * Call to Order
- * Roll Call
- * Pledge of Allegiance
- * Presentation - U.S. Census 2010
- * Presentation - Acceptance of the Award of Excellence from the California Redevelopment Association for the Tannery Artists Lofts
- * Presiding Officer's Announcements
- * Statements of Disqualification
- * Additions and Deletions
- * Joint City Council/Redevelopment Agency Oral Communications - 10 Minutes

Consent Agenda

2. Minutes of the March 9, 2010 Regular City Council Meeting. (CC)
Motion to approve as submitted.
3. Minutes of the March 9, 2010 Regular Redevelopment Agency Meeting. (CC)
Motion to approve as submitted.
4. Award Contract for Janitorial Services. (FN)
Motion to accept the bid of Bewley's Cleaning (Santa Cruz, CA) for janitorial services in the amount of \$280,750, and to authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with Bewley's Cleaning for janitorial services, rejecting all other bids.

Consent Agenda (continued)5. Liability Claims Filed Against City of Santa Cruz. (HR)

Motion to reject liability claim a) Sean Christopher Allen, based upon staff investigation.

6. ARRA - Soquel Avenue and Pine Street Storm Drain Improvement Project (c400813), and Arterial and Collector Street Reconstruction and Overlay (c400809) - Authorization to Advertise and Award. (PW)

Motion to approve the plans and specifications for the American Recovery and Revitalization Act (ARRA) funded Soquel Avenue and Pine Street Storm Drain Improvement Project (c400813), and Arterial and Collector Street Reconstruction and Overlay Projects (c400809), and authorize staff to advertise for bids. The City Manager is hereby authorized and directed to execute the contract as authorized by Resolution NS-27,563.

7. Sole Source Purchase of Loader for Resource Recovery Facility. (PW)

Motion to approve the sole-source purchase from the Refuse Fund of one (1) Caterpillar 914G Wheel Loader, in the amount of \$104,785, from Peterson Tractor Co., San Leandro, CA.

8. Department of Energy Grant for Approved Energy Efficiency and Conservation Projects – Budget Adjustment. (PW)

Resolution appropriating funds and amending the FY 2010 budget in the amount of \$236,439 and reallocating the grant funds to the approved Energy Efficiency and Conservation projects.

9. State Parks and Wildlife Conservation Trust Fund Act of 2010 – Resolution of Support. (CN)

Resolution supporting the State Parks and Wildlife Conservation Trust Fund Act statewide initiative slated for the November 2010 ballot that would provide a stable, reliable and adequate source of funding to protect state parks and conserve wildlife.

Consent Agenda (continued)

10. Support of the San Jose Automated Transit Network (ATN) Project. (CN)

Resolution supporting the San Jose Automated Transit Network (ATN).

Note: Written material for item 11 will be provided prior to the meeting.

11. Acceptance of a FEMA, SAFER-Funded, Firefighter Grant for Three Firefighter Positions. (FD)

Motion to accept a "SAFER" grant of \$753,328, from the Federal Emergency Management Agency (FEMA), for the hiring of three firefighters to fill positions vacated for cost saving budgetary reasons.

End Consent Agenda

Public Hearings

12. Ordinance No. 2010-05 Consolidating the Transportation and Public Works Commissions. (PW)

Final adoption of Ordinance No. 2010-05.

13. CDBG and HOME Funding - Housing and Community Development Program Discussion for 2010 – 2011 Program Year. (ED)

Motion to determine appropriate funding levels for CDBG and HOME activities for the 2010 –2011 program year.

Motion to direct staff to complete the draft Action Plan for 2010 – 2011 program year and the Consolidated Plan for 2010-2015, and determine environmental review requirements for those applications recommended for funding.

General Business

14. Agreement Endorsing Recommendations of the Desalination Task Force on a Proposed Seawater Desalination Facility. (WT)

Motion to authorize the City Manager to execute the City of Santa Cruz and Soquel Creek Water District Agreement Endorsing the Recommendations of Joint Task Force on a Proposed Seawater Desalination Facility.

15. Comprehensive Settlement Agreement Annual Report (Agreement between the City of Santa Cruz, County of Santa Cruz, University of California Regents, University of California Santa Cruz, and Coalition of Limiting University Expansion (CLUE)). (CM)

Motion to accept the Comprehensive Settlement Agreement Annual Report.

16. Ordinance Amending Chapter 2.40.014 Pertaining to Meetings of Boards and Commissions. (CA)

Introduction of an ordinance for publication amending Chapter 2.40.014 pertaining to meetings of boards and commissions.

17. Council Meeting Calendar

That the City Council review the meeting calendar attached to the agenda and revise as necessary.

18. City Attorney Oral Report on Closed Session. (See Page 2.)

19. Council Memberships in City Groups and Outside Agencies.

The Presiding Officer will provide Councilmembers with the opportunity to update Council and the public regarding City Groups and Outside Agencies.

The City Council and Redevelopment Agency will recess to the 7:00 P.M. Session.

Joint City Council/Redevelopment Agency

7:00 PM

- * Call to Order
- * Roll Call
- * Joint City Council and Redevelopment Agency Oral Communications - 20 Minutes

Public Hearing

20. Medical Marijuana Dispensaries and Personal Medical Marijuana Use Ordinances. (PL)

Final adoption of Ordinance No. 2010-08.

Note: The City Council Subcommittee and Staff will recommend that consideration of the following ordinance amendment be continued to the meeting of April 13, 2010 at 7:00 p.m.

Introduction of an ordinance for publication adding Section 6.90.085 to the Santa Cruz Municipal Code pertaining to annual reports from medical marijuana provider association dispensaries.

Adjournment — The Redevelopment Agency will adjourn from the regularly scheduled meeting of March 23, 2010 to the next regularly scheduled meeting on April 13, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Adjournment — The City Council will adjourn from the regularly scheduled meeting of March 23, 2010, to the next regularly scheduled meeting on April 13, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Note: The Council Chambers will be closed ten minutes after the meeting is adjourned.

Advisory Body Appointments

No openings at this time.

Public Hearing: If, in the future, you wish to challenge in court any of the matters on this agenda for which a public hearing is to be conducted, you may be limited to raising only those issues which you (or someone else) raised orally at the public hearing or in written correspondence received by the City at or before the hearing.

Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that action either 60 days or 90 days following the date on which the decision becomes final as provided in Code of Civil Procedure Section 1094.6 Please refer to code of Civil Procedure 1094.6 to determine how to calculate when a decision becomes "final." The 60-day rule applies to all public hearings conducted pursuant to the City's Zoning Ordinance, Title 24, Santa Cruz Municipal Code. The 90-day rule applies to all other public hearings.

City Council Agenda Legislative History Addendum

No information was submitted.

City staff is responsible for providing the City Clerk with such documentation and information for the Legislative History Addendum. The information will be on file in the City Clerk's Department.

The Addendum is a listing of information specific to City Council business, but which does not appear on a Council meeting agenda. Such entities would include, but not be limited to:

- Court decisions
- Coastal Commission Appeals of City Council actions
- Closed Session Agreements/Settlements, which are public record
- Association of Monterey Bay Area Governments
- Local Agency Formation Commission

ADDENDUM TO CITY COUNCIL AGENDA – MARCH 23, 2010
INFORMATION ITEMS PREVIOUSLY DISTRIBUTED TO CITY COUNCILMEMBERS
 (Copies available in the Central Branch Library at the Reference Desk)

City Manager	Monthly Camping Incident and Homeless Shelter Attendance Reports - 3/4/10 (CM FYI 137)
Economic Development Department	Tannery Arts Center – Digital Media Center – Project Update - 3/8/10 (ED FYI 006)
Finance Department	January Portfolio Management Report – Pooled Cash and Investments - 2/23/10 (FN FYI 133) Monthly Financial Reports for December 2009 2/24/10 (FN FYI 134)
Human Resources Department	Equal Employment Opportunity Committee Annual Report for Calendar Year 2009 - 2/26/10 (HRFYI 009)
Public Works Department	Corps of Engineers San Lorenzo River Flood Control and Environmental Restoration Project – Federal Register Notice of Pending Corps Policy on Vegetation Standards for Levees and Floodwalls - 3/2/10 (PW FYI 0057)

ADDENDUM TO CITY COUNCIL AGENDA – MARCH 23, 2010
MAYOR’S PROCLAMATIONS

1. Proclaiming Wednesday, March 10, 2010 as “Marisela Baron Hunger Fighter of the Year Day” and encouraging all citizens to join in honoring her as an inspiring example of an individual whose efforts are supporting the Second Harvest Food Bank’s mission, “to educate and involve individuals to end hunger and alleviate malnutrition in our communities,” and expressing heartfelt appreciation for her contributions on behalf of all those in need.
2. Proclaiming Wednesday, March 10, 2010 as “Senior Pastor René Schlaepfer Hunger Fighter of the Year Day” and encouraging all citizens to join in honoring him as an inspiring example of an individual whose efforts are supporting the Second Harvest Food Bank’s mission, “to educate and involve individuals to end hunger and alleviate malnutrition in our communities,” and expressing heartfelt appreciation for his contributions on behalf of all those in need.
3. Proclaiming Wednesday, March 17, 2010 as “Catherine Barr Day” and encouraging all citizens to join in congratulating Catherine Barr as the recipient of the 2010 Al Smith Friend of Agriculture Award for her contributions to local agriculture.

MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL

CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060

**MINUTES OF A REGULAR JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING**

March 9, 2010

1:30 PM SESSION

Mayor Rotkin opened the Closed Litigation Session at 1:36 p.m. in a public session in the Courtyard Conference Room, for the purpose of announcing the agenda, and considering Item 1. No members of the public were present.

Referral to Closed Session

1. 148 Walnut Avenue (APN 005-072-33 – Referral to Closed Session. (ED)

Action

Councilmember Beiers moved, seconded by Councilmember Robinson, to approve a referral to closed session for the potential purchase of property located at 148 Walnut Avenue, owned by a local real estate partnership entity represented by Mr. Joe Appenrodt for the purpose of instructing the negotiator concerning the price, terms of payment, or both. The motion carried unanimously (Councilmember Madrigal absent).

Council closed the session to the public at 1:43 p.m. All Councilmembers were present (Councilmember Madrigal arrived at 1:47 p.m.). (See pages 1118 and 1119 for a report on closed session.)

1110
JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

3:00 PM SESSION

Mayor/Chair Rotkin called the meeting to order at 3:07 p.m. in the Council Chambers.

Roll Call

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

Staff: City Manager R. Wilson, Assistant City Manager M. Bernal, Assistant City Attorney T. Condotti (left at 5:50 p.m.), Deputy City Attorney C. Cassman (arrived at 5:50 p.m.), Director of Finance J. Dilles, Director of Human Resources L. Sullivan, Director of Information Technology S. Caiocca, Director of Planning and Community Development J. Rebagliati, Associate Planner M. Ferry, Director of Public Works M. Dettle, Director of Water B. Kocher, Principal Planner C. Berg, City Clerk L. Brewer, Deputy City Clerk T. Graves.

Pledge of Allegiance

Presentation - American Public Works Association - Monterey Bay Chapter Project of the Year Awarded to Public Works for the San Lorenzo Bike Pedestrian Bridge Project – Presented by APWA President Debbie Hale to Mayor Rotkin.

Presiding Officer's Announcements

Statements of Disqualification – None.

Additions and Deletions – Item 13 was continued to a future meeting.

JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Joint City Council/Redevelopment Agency Oral Communications

Pat Kittle spoke about eco-sustainability, unsustainable growth and immigration, and being banned from the *Santa Cruz Sentinel* readers' forums.

Reed Searle urged Councilmembers to support a Transient Occupancy Tax rate increase, rather than a \$1.50 surcharge for the Convention and Visitor's Council.

Mike Tomasi spoke about the Palo Alto Veterans' Administration Hospital.

Consent Agenda

Action

Vice Mayor/Vice Chair Coonerty moved, seconded by Councilmember/Member Mathews, to approve the remaining items on the Consent Agenda. The motion carried unanimously.

2. Minutes of the February 23, 2010 Regular and February 26, 2010 Special Closed Session City Council Meetings. (CC)

Motion carried to approve as submitted.

3. Minutes of the February 23, 2010 Regular Redevelopment Agency Meeting. (CC)

Motion carried to approve as submitted.

4. Affordable Housing Trust Fund Advance Repayment. (ED)

Resolution No. NS-28,172 was adopted amending the FY 2010 budget in the amount of \$589,657 increased in-lieu fee revenue and appropriating funds in the amount of \$995,000 to repay the advance and outstanding interest due to the City Public Trust Fund from the Affordable Housing Trust Fund.

Consent Agenda (continued)

5. Fiscal Year 2010 Budget Adjustment – Liability Insurance/Surety Bonds – Outside. (HR)

Resolution No. NS-28,173 was adopted transferring funds from the Liability Insurance/Surety Bonds – Outside account in the Liability Fund to the same account in the Workers' Compensation Fund.

6. Liability Claim Filed Against City of Santa Cruz. (HR)

Motion carried to reject liability claim a) Sean Christopher Allen, based upon staff investigation.

7. City's Classification and Compensation Plans and the FY 2010 Budget Personnel Complement Amendment – Library. (HR)

Resolution No. NS-28,174 was adopted modifying the classification and compensation plans and the FY 2010 Budget Personnel Complement by re-classifying one (1) 1.0 FTE Office Supervisor position to one (1) 1.0 FTE Administrative Analyst in the Library Department.

8. Transportation Demand Management (TDM) Promotions. (PW)

Resolution No. NS-28,175 was adopted transferring funds and amending the FY 2010 budget in the amount of \$9,350 to fund the promotion of alternative transportation strategies to downtown employees.

9. Water Supply Project – Independent Technical Advisor – Contract Amendment No. 2. (WT)

Motion carried to authorize the City Manager to execute Contract Amendment No. 2 with Kennedy/Jenks Consultants of San Francisco, CA, in an amount not to exceed \$300,000 for Independent Technical Advisor to the scwd2 Seawater Desalination Program.

JOINT CITY COUNCIL/
 REDEVELOPMENT AGENCY MEETING
 MARCH 9, 2010
 3:00 P.M. SESSION

Consent Agenda (continued)

10. Beltz Monitoring Well Construction Project – Contract with Cascade Drilling, LP – Notice of Completion. (WT)

Motion carried to accept the work completed by Cascade Drilling, LP and authorize the filing of a Notice of Completion for the contract for the Beltz Monitoring Well Construction Project.

End Consent Agenda

General Business

11. Revising Ordinance to Consolidate the Transportation and Public Works Commissions. (PW)

Director of Public Works M. Dettle presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING OPPOSITION AND/OR CONCERNS:

Mike Tomasi
 Micah Posner
 Reed Searle

Action

Councilmember Beiers moved, seconded by Councilmember Robinson, to introduce for publication Ordinance No. 2010-05 repealing Section 2.40.015 of the Santa Cruz Municipal Code pertaining to the appointment of commissioners, repealing Sections 2.40.130 and 2.40.131 of the Santa Cruz Municipal Code pertaining to the Transportation Commission, amending sections 2.40.080 and 2.40.081 of the Santa Cruz Municipal Code pertaining to the newly consolidated Transportation and Public Works Commissions, and adding Section 2.40.081(k) to advise the City Council on Public Works-related topics with respect to the San Lorenzo River. The motion carried unanimously.

General Business (continued)

12. San Lorenzo River Committee - Resolution Sunsetting the Committee.
(CM)

Action

Councilmember Robinson moved, seconded by Vice Mayor Coonerty, to adopt Resolution No. NS-28,176 dissolving the San Lorenzo River Committee, extending the City Council's appreciation to the Committee membership for its work and accomplishments over the past six years, rescinding Resolution No. NS-26,281, and directing staff to include oversight of the San Lorenzo River to the Planning, Parks & Recreation, and Water Commissions and the Public Safety Committee. The motion carried unanimously.

13. Agreement Endorsing Recommendations of the Desalination Task Force on a Proposed Seawater Desalination Facility. (WT)

Action

Councilmember Madrigal moved, seconded by Councilmember Robinson, to continue this item to a future meeting. The motion carried unanimously.

JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

General Business (continued)

14. Homeless Winter Shelter Extension and Debt Funding. (ED)

Principal Planner C. Berg presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING SUPPORT AND/OR CONCERNS:

Mike Tomasi
Edward Chapman
William Kelly
Don Dibble

Action Councilmember Beiers moved, seconded by Councilmember Madrigal, to adopt Resolution No. NS-28,177 appropriating funds and amending the FY 2010 budget in an amount up to \$17,042 to fund an extension of time of the Homeless Winter Shelter and assist the Homeless Services Center in covering prior debts for the Homeless Winter Shelter. The motion carried unanimously.

Action Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to express gratitude to staff for their work and progress on homeless services issues, and to direct that the policy position of the City is to continue to work toward efforts that seek equal participation from all jurisdictions for homeless services and programs, both in terms of funding and also in terms of the location of those services. The motion carried unanimously.

Public Hearings

Note: Items 15 and 16 were considered out of agenda order.

15. Ordinance No. 2010-04. Fee Schedule Revisions Recommended for Certain Planning and Building Fees. (PL)

Mayor Rotkin opened the public hearing at 6:55 p.m.

No members of the public wished to speak.

Mayor Rotkin closed the public hearing at 6:55 p.m.

Action Councilmember Beiers moved, seconded by Councilmember Madrigal, to pass Ordinance No. 2010-04 for final adoption. The motion carried unanimously (Vice Mayor Coonerty absent).

Public Hearings (continued)

16. Urgency Ordinances Extending the Life of Land Use and Building Permits.
(PL)

Mayor Rotkin opened the public hearing at 6:56 p.m.

No members of the public wished to speak.

Mayor Rotkin closed the public hearing at 6:56 p.m.

Action

Councilmember Mathews moved, seconded by Councilmember Lane, to acknowledge the Environmental Determination, introduction and final adoption of the following ordinances: Uncodified Emergency Ordinance No. 2010-06 was introduced and adopted pertaining to the extension of time for exercising land use permits and declaring the presence of an emergency and the urgency thereof; and Uncodified Emergency Ordinance No. 2010-07 was introduced and adopted pertaining to the extension of time for exercising building permits and declaring the presence of an emergency and the urgency thereof. The motion carried unanimously (Councilmember Madrigal, Vice Mayor Coonerty absent).

JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Public Hearings (continued)

17. Medical Marijuana Dispensaries and Personal Medical Marijuana Use Ordinances. (PL)

Note: Vice Mayor/Vice Chair Coonerty left the meeting at 5:08 p.m.

Mayor Rotkin opened the public hearing at 5:12 p.m.

Associate Planner M. Ferry presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING SUPPORT AND/OR CONCERNS:

Don Dibble	Ken Sampson
Suzanne Pfeil	Dexter
Mike Corral	Mike Tomasi
Valerie Corral	Scott Wade
Lisa Molyneaux	Gloria
Kenny Ortega	An Unidentified Man
Alicia	Ben Rice
Cheryl Eason	

SPEAKING FROM THE FLOOR EXPRESSING OPPOSITION AND/OR CONCERNS:

Stuart Kriege

Mayor Rotkin closed the public hearing at 5:58 p.m.

Councilmember Mathews moved, seconded by Councilmember Lane, to introduce Ordinance No. 2010-08, amending Title 24 of the Santa Cruz Municipal Code and of the Local Coastal Implementation Plan, modifying standards for medical marijuana dispensaries, and directing that Applicant Kriege be refunded his full application fee upon a request to withdraw his permit.

Action

Councilmember Lane moved, seconded by Councilmember Madrigal, to amend Section 3(c) to 3,000 square feet of floor area for cultivation, which shall be ADA-compliant. The motion passed by the following vote:

AYES:	Councilmembers Lane, Beiers, Madrigal; Mayor Rotkin.
NOES:	Councilmembers Mathews, Robinson.
ABSENT:	Vice Mayor Coonerty.
DISQUALIFIED:	None.

Public Hearings (continued)

17. Medical Marijuana Dispensaries and Personal Medical Marijuana Use Ordinances. (PL) (continued)

Action The main motion, as amended, carried unanimously (Vice Mayor Coonerty absent).

Action Councilmember Mathews moved, seconded by Councilmember Lane, to direct the City Attorney to work with Councilmembers to revise Section 6.90.085 to the Santa Cruz Municipal Code pertaining to annual reports from medical marijuana provider association dispensaries, based upon discussions set forth at the meeting, and to bring those recommendations back to the Council on March 23, 2010 in the 7:00 p.m. session. The motion passed unanimously (Vice Mayor Coonerty absent).

General Business

18. Council Meeting Calendar.

The City Council reviewed the meeting calendar attached to the agenda and revised as necessary.

19. City Attorney Oral Report on Closed Session.

- A. Labor Negotiations (Government Code §54956.6).

Lisa Sullivan—Negotiator

- Employee Organizations—
1. Police Management
 2. Police Officers' Association
 3. SEIU – All Units
 4. Operating Engineers-Supervisors
 5. Operating Engineers-Managers

Council received status reports and took no reportable action.

- B. Real Property (Government Code §54956.8).

148 Walnut Avenue Property Acquisition (Joe Appenrodt-Owner)

APN 005-072-33

Bonnie Lipscomb-City Negotiator

Council received status reports and took no reportable action.

212 Church Street Property Acquisition (Joe Appenrodt-Owner)

APN 005-048-12

Bonnie Lipscomb-City Negotiator

Council received status reports and instructed the negotiator.

JOINT CITY COUNCIL/
REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

General Business (continued)

19. City Attorney Oral Report on Closed Session (continued)

C. Conference with Legal Counsel – Liability Claims (Government Code §54956.95)

1. Claimant: Sean Christopher Allen

Claims Against: City of Santa Cruz

1 claim was discussed.

20. Council Memberships in City Groups and Outside Agencies.

Councilmember Mathews said she is traveling to Pasadena to participate in the California Redevelopment Association awards ceremony recognizing the Tannery Arts Center project.

Adjournment — At 7:01 p.m., the Redevelopment Agency adjourned from the regularly scheduled meeting of March 9, 2010 to the next regularly scheduled meeting on March 23, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Adjournment — At 7:01 p.m., the City Council adjourned from the regularly scheduled meeting of March 9, 2010, to the next regularly scheduled meeting on March 23, 2010, for a special closed personnel session at 9:00 a.m. in the Courtyard Conference Room, followed by a closed litigation session at 1:30 p.m. in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Respectfully submitted

Tom Graves
Deputy City Clerk

Approved

Lorrie Brewer
City Clerk

Approved

Michael Rotkin
Mayor

MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL

CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060

MINUTES OF A REGULAR REDEVELOPMENT AGENCY MEETING

March 9, 2010

3:00 PM SESSION

Mayor/Chair Rotkin called the meeting to order at 3:07 p.m. in the Council Chambers.

Roll Call

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

Staff: City Manager R. Wilson, Assistant City Manager M. Bernal, Assistant City Attorney T. Condotti (left at 5:50 p.m.), Deputy City Attorney C. Cassman (arrived at 5:50 p.m.), Director of Finance J. Dilles, Director of Human Resources L. Sullivan, Director of Information Technology S. Caiocca, Director of Planning and Community Development J. Rebagliati, Associate Planner M. Ferry, Director of Public Works M. Dettle, Director of Water B. Kocher, Principal Planner C. Berg, City Clerk L. Brewer, Deputy City Clerk T. Graves.

Pledge of Allegiance

Presentation - American Public Works Association - Monterey Bay Chapter Project of the Year Awarded to Public Works for the San Lorenzo Bike Pedestrian Bridge Project – Presented by APWA President Debbie Hale to Mayor Rotkin.

Presiding Officer's Announcements

Statements of Disqualification – None.

Additions and Deletions – Item 13 was continued to a future meeting.

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Joint City Council/Redevelopment Agency Oral Communications

Pat Kittle spoke about eco-sustainability, unsustainable growth and immigration, and being banned from the *Santa Cruz Sentinel* readers' forums.

Reed Searle urged Councilmembers to support a Transient Occupancy Tax rate increase, rather than a \$1.50 surcharge for the Convention and Visitor's Council.

Mike Tomasi spoke about the Palo Alto Veterans' Administration Hospital.

Consent Agenda

Action

Vice Mayor/Vice Chair Coonerty moved, seconded by Councilmember/Member Mathews, to approve the remaining items on the Consent Agenda. The motion carried unanimously.

2. Minutes of the February 23, 2010 Regular and February 26, 2010 Special Closed Session City Council Meetings. (CC)

Motion carried to approve as submitted.

3. Minutes of the February 23, 2010 Regular Redevelopment Agency Meeting. (CC)

Motion carried to approve as submitted.

4. Affordable Housing Trust Fund Advance Repayment. (ED)

Resolution No. NS-28,172 was adopted amending the FY 2010 budget in the amount of \$589,657 increased in-lieu fee revenue and appropriating funds in the amount of \$995,000 to repay the advance and outstanding interest due to the City Public Trust Fund from the Affordable Housing Trust Fund.

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Consent Agenda (continued)

5. Fiscal Year 2010 Budget Adjustment – Liability Insurance/Surety Bonds – Outside. (HR)

Resolution No. NS-28,173 was adopted transferring funds from the Liability Insurance/Surety Bonds – Outside account in the Liability Fund to the same account in the Workers' Compensation Fund.

6. Liability Claim Filed Against City of Santa Cruz. (HR)

Motion carried to reject liability claim a) Sean Christopher Allen, based upon staff investigation.

7. City's Classification and Compensation Plans and the FY 2010 Budget Personnel Complement Amendment – Library. (HR)

Resolution No. NS-28,174 was adopted modifying the classification and compensation plans and the FY 2010 Budget Personnel Complement by re-classifying one (1) 1.0 FTE Office Supervisor position to one (1) 1.0 FTE Administrative Analyst in the Library Department.

8. Transportation Demand Management (TDM) Promotions. (PW)

Resolution No. NS-28,175 was adopted transferring funds and amending the FY 2010 budget in the amount of \$9,350 to fund the promotion of alternative transportation strategies to downtown employees.

9. Water Supply Project – Independent Technical Advisor – Contract Amendment No. 2. (WT)

Motion carried to authorize the City Manager to execute Contract Amendment No. 2 with Kennedy/Jenks Consultants of San Francisco, CA, in an amount not to exceed \$300,000 for Independent Technical Advisor to the scwd2 Seawater Desalination Program.

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Consent Agenda (continued)

10. Beltz Monitoring Well Construction Project – Contract with Cascade Drilling, LP – Notice of Completion. (WT)

Motion carried to accept the work completed by Cascade Drilling, LP and authorize the filing of a Notice of Completion for the contract for the Beltz Monitoring Well Construction Project.

End Consent Agenda

General Business

11. Revising Ordinance to Consolidate the Transportation and Public Works Commissions. (PW)

Director of Public Works M. Dettle presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING OPPOSITION AND/OR CONCERNS:

Mike Tomasi
Micah Posner
Reed Searle

Action

Councilmember Beiers moved, seconded by Councilmember Robinson, to introduce for publication Ordinance No. 2010-05 repealing Section 2.40.015 of the Santa Cruz Municipal Code pertaining to the appointment of commissioners, repealing Sections 2.40.130 and 2.40.131 of the Santa Cruz Municipal Code pertaining to the Transportation Commission, amending sections 2.40.080 and 2.40.081 of the Santa Cruz Municipal Code pertaining to the newly consolidated Transportation and Public Works Commissions, and adding Section 2.40.081(k) to advise the City Council on Public Works-related topics with respect to the San Lorenzo River. The motion carried unanimously.

REDEVELOPMENT AGENCY MEETING
 MARCH 9, 2010
 3:00 P.M. SESSION

General Business (continued)

12. San Lorenzo River Committee - Resolution Sunsetting the Committee.
 (CM)

Action

Councilmember Robinson moved, seconded by Vice Mayor Coonerty, to adopt Resolution No. NS-28,176 dissolving the San Lorenzo River Committee, extending the City Council's appreciation to the Committee membership for its work and accomplishments over the past six years, rescinding Resolution No. NS-26,281, and directing staff to include oversight of the San Lorenzo River to the Planning, Parks & Recreation, and Water Commissions and the Public Safety Committee. The motion carried unanimously.

13. Agreement Endorsing Recommendations of the Desalination Task Force on a Proposed Seawater Desalination Facility. (WT)

Action

Councilmember Madrigal moved, seconded by Councilmember Robinson, to continue this item to a future meeting. The motion carried unanimously.

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

General Business (continued)

14. Homeless Winter Shelter Extension and Debt Funding. (ED)

Principal Planner C. Berg presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING SUPPORT AND/OR CONCERNS:

Mike Tomasi
Edward Chapman
William Kelly
Don Dibble

Action

Councilmember Beiers moved, seconded by Councilmember Madrigal, to adopt Resolution No. NS-28,177 appropriating funds and amending the FY 2010 budget in an amount up to \$17,042 to fund an extension of time of the Homeless Winter Shelter and assist the Homeless Services Center in covering prior debts for the Homeless Winter Shelter. The motion carried unanimously.

Action

Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to express gratitude to staff for their work and progress on homeless services issues, and to direct that the policy position of the City is to continue to work toward efforts that seek equal participation from all jurisdictions for homeless services and programs, both in terms of funding and also in terms of the location of those services. The motion carried unanimously.

Public Hearings

Note: Items 15 and 16 were considered out of agenda order.

15. Ordinance No. 2010-04. Fee Schedule Revisions Recommended for Certain Planning and Building Fees. (PL)

Mayor Rotkin opened the public hearing at 6:55 p.m.

No members of the public wished to speak.

Mayor Rotkin closed the public hearing at 6:55 p.m.

Action

Councilmember Beiers moved, seconded by Councilmember Madrigal, to pass Ordinance No. 2010-04 for final adoption. The motion carried unanimously (Vice Mayor Coonerty absent).

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Public Hearings (continued)

16. Urgency Ordinances Extending the Life of Land Use and Building Permits.
(PL)

Mayor Rotkin opened the public hearing at 6:56 p.m.

No members of the public wished to speak.

Mayor Rotkin closed the public hearing at 6:56 p.m.

Action

Councilmember Mathews moved, seconded by Councilmember Lane, to acknowledge the Environmental Determination, introduction and final adoption of the following ordinances: Uncodified Emergency Ordinance No. 2010-06 was introduced and adopted pertaining to the extension of time for exercising land use permits and declaring the presence of an emergency and the urgency thereof; and Uncodified Emergency Ordinance No. 2010-07 was introduced and adopted pertaining to the extension of time for exercising building permits and declaring the presence of an emergency and the urgency thereof. The motion carried unanimously (Councilmember Madrigal, Vice Mayor Coonerty absent).

REDEVELOPMENT AGENCY MEETING
MARCH 9, 2010
3:00 P.M. SESSION

Public Hearings (continued)

17. Medical Marijuana Dispensaries and Personal Medical Marijuana Use Ordinances. (PL)

Note: Vice Mayor/Vice Chair Coonerty left the meeting at 5:08 p.m.

Mayor Rotkin opened the public hearing at 5:12 p.m.

Associate Planner M. Ferry presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR EXPRESSING SUPPORT AND/OR CONCERNS:

Don Dibble	Ken Sampson
Suzanne Pfeil	Dexter
Mike Corral	Mike Tomasi
Valerie Corral	Scott Wade
Lisa Molyneaux	Gloria
Kenny Ortega	An Unidentified Man
Alicia	Ben Rice
Cheryl Eason	

SPEAKING FROM THE FLOOR EXPRESSING OPPOSITION AND/OR CONCERNS:

Stuart Kriege

Mayor Rotkin closed the public hearing at 5:58 p.m.

Councilmember Mathews moved, seconded by Councilmember Lane, to introduce Ordinance No. 2010-08, amending Title 24 of the Santa Cruz Municipal Code and of the Local Coastal Implementation Plan, modifying standards for medical marijuana dispensaries, and directing that Applicant Kriege be refunded his full application fee upon a request to withdraw his permit.

Action

Councilmember Lane moved, seconded by Councilmember Madrigal, to amend Section 3(c) to 3,000 square feet of floor area for cultivation, which shall be ADA-compliant. The motion passed by the following vote:

AYES:	Councilmembers Lane, Beiers, Madrigal; Mayor Rotkin.
NOES:	Councilmembers Mathews, Robinson.
ABSENT:	Vice Mayor Coonerty.
DISQUALIFIED:	None.

REDEVELOPMENT AGENCY MEETING
 MARCH 9, 2010
 3:00 P.M. SESSION

Public Hearings (continued)

17. Medical Marijuana Dispensaries and Personal Medical Marijuana Use Ordinances. (PL) (continued)

Action The main motion, as amended, carried unanimously (Vice Mayor Coonerty absent).

Action Councilmember Mathews moved, seconded by Councilmember Lane, to direct the City Attorney to work with Councilmembers to revise Section 6.90.085 to the Santa Cruz Municipal Code pertaining to annual reports from medical marijuana provider association dispensaries, based upon discussions set forth at the meeting, and to bring those recommendations back to the Council on March 23, 2010 in the 7:00 p.m. session. The motion passed unanimously (Vice Mayor Coonerty absent).

General Business

18. Council Meeting Calendar.

The City Council reviewed the meeting calendar attached to the agenda and revised as necessary.

19. City Attorney Oral Report on Closed Session.

- A. Labor Negotiations (Government Code §54956.6).

Lisa Sullivan—Negotiator

- | | | |
|-------------------------|----|---------------------------------|
| Employee Organizations— | 1. | Police Management |
| | 2. | Police Officers' Association |
| | 3. | SEIU – All Units |
| | 4. | Operating Engineers-Supervisors |
| | 5. | Operating Engineers-Managers |

Council received status reports and took no reportable action.

- B. Real Property (Government Code §54956.8).

148 Walnut Avenue Property Acquisition (Joe Appenrodt-Owner)

APN 005-072-33

Bonnie Lipscomb-City Negotiator

Council received status reports and took no reportable action.

212 Church Street Property Acquisition (Joe Appenrodt-Owner)

APN 005-048-12

Bonnie Lipscomb-City Negotiator

Council received status reports and instructed the negotiator.

General Business (continued)

19. City Attorney Oral Report on Closed Session (continued)

C. Conference with Legal Counsel – Liability Claims (Government Code §54956.95)

1. Claimant: Sean Christopher Allen

Claims Against: City of Santa Cruz

1 claim was discussed.

20. Council Memberships in City Groups and Outside Agencies.

Councilmember Mathews said she is traveling to Pasadena to participate in the California Redevelopment Association awards ceremony recognizing the Tannery Arts Center project.

Adjournment — At 7:01 p.m., the Redevelopment Agency adjourned from the regularly scheduled meeting of March 9, 2010 to the next regularly scheduled meeting on March 23, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Approved

Mike Rotkin
Chair

Attest

Bonnie Lipscomb
Executive Director



CITY COUNCIL AGENDA REPORT

DATE: 03/15/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Finance

SUBJECT: Award Contract for Janitorial Services. (FN)

RECOMMENDATION: Motion to accept the bid of Bewley's Cleaning (Santa Cruz, CA) for janitorial services in the amount of \$280,750, and to authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with Bewley's Cleaning for janitorial services, rejecting all other bids.

BACKGROUND: In previous years, quotes were solicited separately for each City facility requiring janitorial service and each facility managed a separate contract. The Purchasing Division determined that it would benefit the City to combine our purchasing volume into a single citywide contract for janitorial services. The benefits of this type of strategic sourcing are: 1) cost savings through volume purchasing; and 2) more efficient contract management by standardizing requirements. This also gave the City an opportunity to standardize on issues such as cleaning requirements and quality, environmentally safe cleaning chemicals, facility security, vendor employee conduct, and conservation of resources such as water, paper, and energy.

DISCUSSION: A formal invitation for bid solicitation for janitorial services was distributed via email to known vendors and advertised on the City's new website beginning January 19, 2010. Sealed bids were received until 11:00 a.m. on February 17, 2010, and the results are listed in the attachment entitled Bid Results for Janitorial Services.

AWARD RECOMMENDATION: The Purchasing Division recommends awarding the contract to the low bidder, Bewley's Cleaning. Bewley's Cleaning is a local business (located on Chanticleer Avenue) with long-term local employees, and has committed to continue purchasing supplies and equipment from other local businesses. The contract will be subject to the Living Wage Ordinance and contains an option to renew annually.

FISCAL IMPACT: By using a strategic sourcing approach to janitorial services, this solicitation saved the City over \$133,000 in annual janitorial service expenses. Funds for janitorial services needed during this remaining 2009-2010 fiscal year are already budgeted and will be included in the FY 2010-2011 operating budget.

Prepared by:
Malissa Kaping
Buyer II

Submitted by:
Jack Dilles
Finance Director

Approved by:
Richard C. Wilson
City Manager

ATTACHMENTS: Sealed Bid Results for Janitorial Services

BID RESULTS FOR JANITORIAL SERVICES

Vendor	Main Office	Price
1.) Bewley's Cleaning	Santa Cruz	\$280,750.14
2.) Action Maintenance Systems, Inc	San Jose	\$316,898.55
3.) Universal Building Services	Richmond	\$318,086.00
4.) Firato Service Company, Inc	Morgan Hill	\$324,229.80
5.) Flagship Facility Services	San Jose	\$334,310.84
6.) Brilliant General Maintenance, Inc	San Jose	\$395,970.13
7.) Dependable Janitorial Service & Supply, Inc	Oakland	\$406,728.60
8.) Quality Coast, Inc	El Cajon	\$421,142.38
9.) Clean Building Maintenance Co	Santa Cruz	\$425,682.56
10.) US Building Services, LLC	San Francisco	\$469,968.00
11.) Unified Janitorial Services	Salinas	\$519,460.00
12.) HOPE Services, Inc	Santa Cruz	\$576,742.53
13.) BSM Facility Services Group	Concord	No Bid

FN ATTACH Bid Results for Janitorial Services



CITY COUNCIL AGENDA REPORT

DATE: 03/15/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Human Resources

SUBJECT: Liability Claims Filed Against City of Santa Cruz. (HR)

RECOMMENDATION: Motion to reject liability claim a) Sean Christopher Allen, based upon staff investigation.

BACKGROUND:

a. Claimant: Sean Christopher Allen
Date of occurrence: 01/11/10
Date of claim: 2/04/10
Amount of claim: \$600.00

Claimant alleges police damaged two doors while executing a search warrant.

Represented by himself.

DISCUSSION: None

FISCAL IMPACT: None

Prepared by:
Kristine Kamandulis
Risk and Safety Manager

Submitted by:
Lisa Martinez Sullivan
Human Resources Director

Approved by:
Richard C. Wilson
City Manager

ATTACHMENTS: None



CITY COUNCIL AGENDA REPORT

DATE: 03/15/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Public Works

SUBJECT: ARRA - Soquel Avenue and Pine Street Storm Drain Improvement Project (c400813), and Arterial and Collector Street Reconstruction and Overlay (c400809) - Authorization to Advertise and Award. (PW)

RECOMMENDATION: Motion to approve the plans and specifications for the American Recovery and Revitalization Act (ARRA) funded Soquel Avenue and Pine Street Storm Drain Improvement Project (c400813), and Arterial and Collector Street Reconstruction and Overlay Projects (c400809), and authorize staff to advertise for bids. The City Manager is hereby authorized and directed to execute the contract as authorized by Resolution NS-27,563.

BACKGROUND: The Public Works Department has received American Recovery and Revitalization Act (ARRA) federal stimulus funding for paving several City arterial and collector streets. The first round of funding, \$1.35 million, included paving of Morrissey Boulevard, Market Street and half of West Cliff Drive. This project is complete.

The second round of ARRA funding, \$1.05 million, for paving Pacific Avenue, from Water Street to Center Street; Second Street, from Cliff Street to Pacific Avenue; Third Street, from Beach Street to Riverside Avenue is in the bid process.

Staff will be seeking authorization from City Council to bid and award the ARRA funded Beach Area Roundabout project at the Depot intersection in the Spring of 2010 for construction in the Fall of 2010. The Wharf intersection roundabout project (funded locally) has been delayed due to railroad coordination issues. In addition, the paving projects in the amount of \$1.0 million (the remainder of West Cliff Drive; Swanton Boulevard, from West Cliff Drive to Delaware Avenue; Laurel Street, from Front Street to Myrtle Street) have been approved by Council for advertising and bid award if additional ARRA funds are awarded to the City.

DISCUSSION: In late January, the Regional Transportation Commission advised local jurisdictions that a new stimulus bill was being considered by the federal government. The initial assessment was that up to \$12.7 million, with approximately \$3.0 million coming to the City of Santa Cruz, would be available to the region for transportation related projects and that deadlines to award projects would be even more condensed than the past stimulus funding. Potentially the project would have to be approved by Caltrans and the Federal Highway Administration and awarded for construction within 90 days after the President signed the bill. The bid and award process can take 60 days. Therefore it was imperative that staff select

projects immediately that did not require environmental review and could be designed in one month.

Since staff has already submitted a \$1.0 million backup paving project (West Cliff, Swanton and Laurel), another \$2.0 million of projects were selected and designed. The project list was presented to Council at the ARRA update on February 9, 2010. Almost all Engineering and Traffic Engineering staff resources were redirected to complete plans and specifications, and the necessary state and federal paperwork for the 2 following projects (see Vicinity Map):

Soquel Avenue and Pine Street Storm Drain Improvement Project. This area of Soquel Avenue (near Whole Foods and the Bicycle Trip) has experienced chronic flooding that affects traffic circulation, transit services, bike lanes and the sidewalk area. In addition the flooding impacts local businesses. The project includes the new storm drain and raising the sidewalks and street to improve the transition to the private property. Redevelopment Agency funds are being used to design the project, though construction has been a difficult to fund. A past federal earmark was never approved by Congress.

Arterial and Collector Street Reconstruction and Overlay Projects. This project includes four (4) deteriorated streets – Western Drive, from Meder to Mission; King Street, from Bay to Mission (towards Swift); Cedar, from Lincoln to Center; Lincoln, Cedar to Center. Access ramps and sidewalks are constructed where needed.

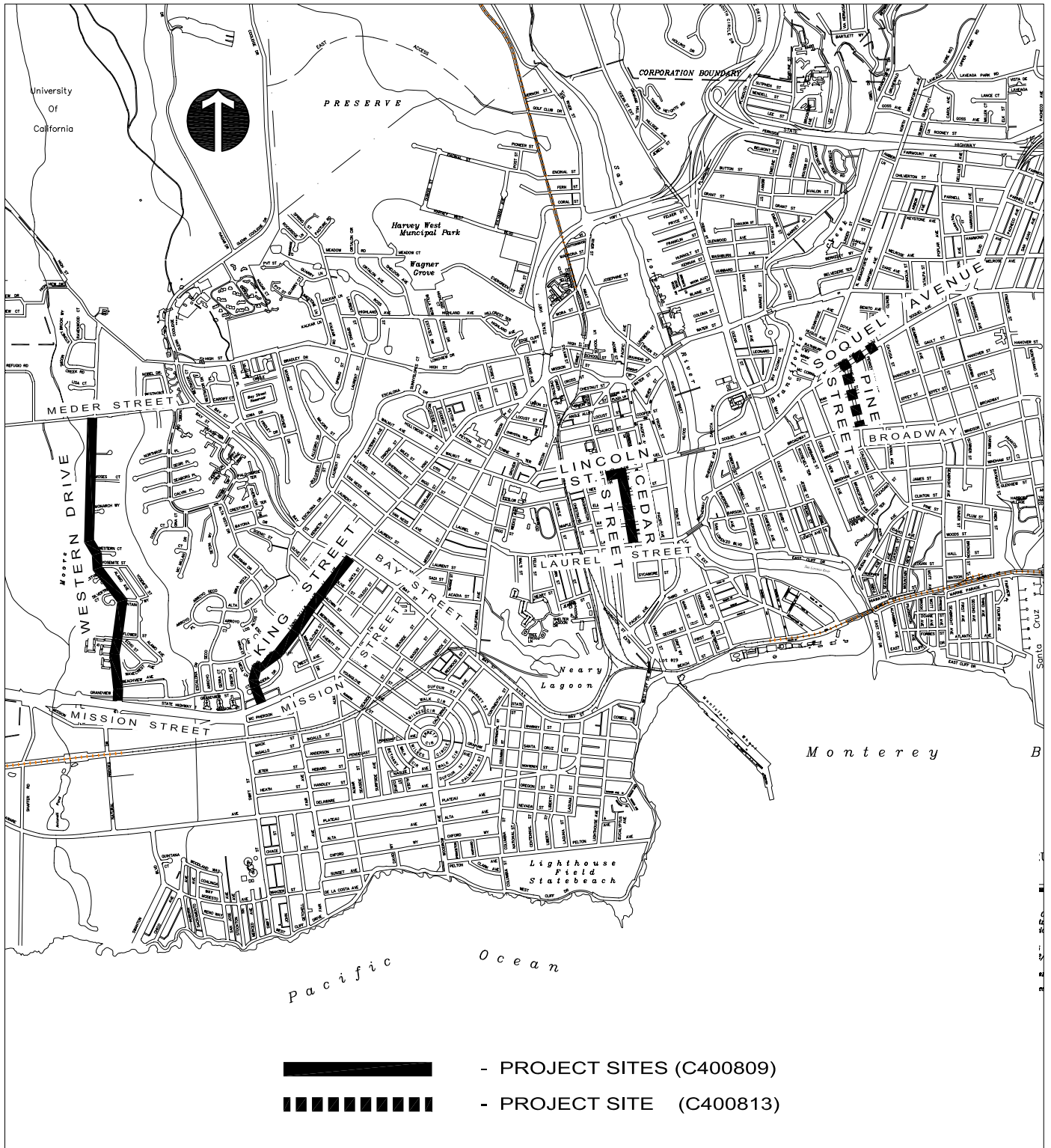
The plans, specifications and request for construction authorizations have been submitted to Caltrans, the agency responsible for administering and submitting the ARRA projects to the federal government. While the federal jobs bill just approved by Congress and the President did not provide funds for these projects, more bills are anticipated. Therefore the projects will be bid as soon as possible contingent on Council approval, federal funding and Caltrans authorization. Modifications to the projects scopes may be required depending on the approved funding levels.

FISCAL IMPACT: The projects are anticipated to be funded with federal stimulus funding in the amount of \$2.0 million. There is no impact to the General Fund.

Prepared by:	Submitted by:	Approved by:
Christophe J. Schneiter	Mark R. Dettle	Richard C. Wilson
Assistant Director/City Engineer	Director of Public Works	City Manager

Available for public review at the Public Works Office: Plans and Specifications

ATTACHMENTS: Vicinity Map



VICINITY MAP

N.T.S.



CITY COUNCIL AGENDA REPORT

DATE: 03/15/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Public Works

SUBJECT: Sole Source Purchase of Loader for Resource Recovery Facility. (PW)

RECOMMENDATION: Motion to approve the sole-source purchase from the Refuse Fund of one (1) Caterpillar 914G Wheel Loader, in the amount of \$104,785, from Peterson Tractor Co., San Leandro, CA.

BACKGROUND: The Resource Recovery Facility (RRF) needs to replace a 1998 Komatsu articulated loader used in the recycling center for moving and loading recycled materials. Replacement of the loader is scheduled in the refuse vehicle/equipment replacement plan and funds are budgeted for the replacement.

DISCUSSION: Staff requests that Council approve the sole-source purchase of a new Caterpillar 914G Wheel Loader from Peterson Tractor of San Leandro, CA. The Caterpillar 914G offers the features we need and the engine meets all EPA requirements for Tier 3 engines for the California Air Resources Board. Peterson Tractor's service facility is capable of performing any repair or overhaul on any machine they represent. Since the other RRF heavy equipment is all Caterpillar brand, purchasing this Caterpillar loader will make any distributor servicing and obtaining parts more efficient, and the compatibility of CAT equipment makes it easier for City mechanics to maintain skills and training for maintenance and performing minor repairs.

Peterson Tractor has quoted a price for the 914G loader of \$104,785, including a local government and customer loyalty discount of 28.6%, trade-in on the old loader of \$8,000, 36-month extended warranty, and 9.5% sales tax. The National Joint Powers Alliance (NJPA) obtains competitively bid contracts which can be used by participating member municipal agencies, including the City. The quote given by Peterson Tractor is below the NJPA price for this equipment. The City Purchasing Manager concurs that the Peterson Tractor offer is a competitive price and that sole-source purchase is appropriate for compatibility reasons.

FISCAL IMPACT: The purchase price of the 914G wheel loader, including sales tax and a trade-in value of \$8,000 for the old loader, is \$104,785. Funds for purchase of the loader are included in the approved Refuse Fund budget. These funds are only available for use for Refuse Fund purposes and cannot be used for General Fund purposes.

Prepared by:
Mary Arman
Public Works Operations Manager

Submitted by:
Mark R. Dettle
Director of Public Works

Approved by:
Richard C. Wilson
City Manager

ATTACHMENTS:

Quote from Peterson Tractor
Sole Source Vendor Form



Quote 104060-01

January 25, 2010

CITY OF SANTA CRUZ/LANDFILL
605 DIMEO LANE
SANTA CRUZ CA
California
95060

Attention: CRAIG PEARSON

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

CATERPILLAR Model: 914G-00 Wheel Loaders

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

David Gallagher
Machine Sales Representative
PETERSON

CATERPILLAR Model: 914G-00 Wheel Loaders

MACHINE SPECIFICATIONS

Description	Reference No
914G WHEEL LOADER	236-5630
Standard machine with top speed of 22 mph (35 kph)	
SUN VISOR, FRONT	107-4641
COUNTERWEIGHT	107-4738
SPEED CONTROL, CREEPER	107-4842
SPEEDOMETER	107-6132
LIGHT, WARNING BEACON	107-6142
FENDERS, ROADING	111-3750
TIRES, 15.5-25 12PR L2	112-0960
BUCKET, 1.6 CYD GENERAL PURPOSE	112-1256
LIGHTS, FLOOD	115-1558
GUARD, HOSE	120-6855
TOOL BOX, LOCKABLE	123-8032
CONTROL, TRANSMISSION, FNR	150-3716
RIDE CONTROL	167-7692
LIGHTS, DIRECTIONAL	177-2035
BREATHER, OPEN ENGINE	233-4832
ENGINE, TIER II COMPLIANT	234-9215
STEERING, STANDARD	237-9935
CAB, SLIDING GLASS	239-1005
HEATER AND AIR CONDITIONER	239-1009
VALVE, DRAIN, ECOLOGY	239-2229
SEAT, COMFORT, AIR SUSPENSION	239-5814
DIFFERENTIAL, LIMITED SLIP, FRNT	239-6150
DIFFERENTIAL, STANDARD, REAR	239-6151
HYDRAULICS, 3 VALVE	241-9260
ENCLOSURE, STANDARD	241-9560
ALARM, BACK-UP	242-9456
INSTALLATION GROUP, RADIO 12V	251-1579
ENGINE, NACD	318-5435
RORO W/RIMS W/TIRES.	0G-3117
INSTRUCTIONS, ANSI	236-5652
INSTRUCTIONS, ENGLISH	241-8189

Sell Price	\$144,358.00
Ext Warranty	Included
Less Governmental Discount	(\$24,500.00)
Less Peterson Tractor Loyalty Discount	(\$16,858.00)
Net Balance Due	\$103,000.00
Santa Cruz County (9.75%) (9.5%)	\$9,785. ⁰⁰ \$10,042.50
Less Gross Trade Allowance	(\$8,000.00)
After Tax Balance	\$104,785 \$105,042.50

TRADE-INS

Model	Make	Serial Number	Year	Trade Allowance
300	KOMATSU (KU)			\$8,000.00

WARRANTY

Standard Warranty: 12 month or 1,500 hour full machine
 Extended Warranty: 36 MO/3000 HR EPTW & HYD

F.O.B/TERMS

San Leandro

Accepted by _____ on _____

Signature



Sole Source Vendor Justification

Attach to all draft/trial PO's for sole source purchases \$10,000 to \$99,999

PO Doc# : Council Rpt 3-23-10

Vendor's Name: Peterson Tractor Co., San Leandro CA

Item/Service being purchased: Caterpillar 914G Wheel Loader

- One-of-a-kind The commodity or service has no competitive product (one-of-a-kind) AND IS ONLY AVAILABLE FROM ONE VENDOR.
- No Substitute A component or replacement part has no substitute AND CAN BE OBTAINED FROM ONLY ONE VENDOR.
- Compatibility Compatibility is the overriding consideration AND THE ITEM/SERVICE CAN BE OBTAINED FROM ONLY ONE VENDOR.
- Delivery Date The ability of ONLY ONE VENDOR to meet a necessary delivery date.
- Follow-up Service ONLY ONE VENDOR is able to make on-call repairs at a particular location. Prior PO#(s) required: _____
- Emergency Urgent need for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disaster, etc.
- Monopoly A monopoly exists, as in the case of the U.S. Post Office, PG&E, the Santa Cruz Sentinel, the League of California Cities, the County of Santa Cruz, etc.

Explain why this vendor is the only one able to provide the service/good.

Peterson's service facility is capable of performing repair or overhaul on any machine they represent. Other RRF equipment is all caterpillar brand, brand, purchasing this Caterpillar loader will make any distributor servicing and parts purchases more efficient and the compatibility of CAT equipment makes it easier for City mechanics to maintain skills and training for routine maintenance and minor repairs.

Completed by: Laura Waldren Department: Public Works

Policy

Email
Print
Reset Form

For purchases between \$10,000 and \$99,999, a minimum of three quotes is normally required. On occasion, a purchase in this informal range can be made only through one vendor in which case it becomes a "sole source" purchase. In this instance, the Purchasing Division must have justification for bypassing the normal competitive process. To qualify as a "sole source" purchase one of the above criteria must be met.



CITY COUNCIL AGENDA REPORT

DATE: 03/17/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Public Works

SUBJECT: Department of Energy Grant for Approved Energy Efficiency and Conservation Projects – Budget Adjustment. (PW)

RECOMMENDATION: Resolution appropriating funds and amending the FY 2010 budget in the amount of \$236,439 and reallocating the grant funds to the approved Energy Efficiency and Conservation projects.

BACKGROUND: The Department of Energy (DOE) allocated \$553,800 in American Recovery and Reinvestment Act (ARRA) to the City to carry out projects that improve energy efficiency, generate renewable energy, reduce greenhouse gas emissions and create jobs. At its meeting of June 9, 2009, the Council approved accepting the grant. The DOE also required the City to prepare an Energy Efficiency and Conservation Strategy (EECS) which was presented to the Council and submitted to the DOE in January 2010.

DISCUSSION: The projects outlined in the EECS have now been assigned project numbers and funding allocations. The proposed budget adjustment allocates the funds to the appropriate project, with updated costs, and incorporates the projects in the City's Capital Improvement Program and operating budget.

FISCAL IMPACT: There is no impact to the General Fund. This budget adjustment reallocates revenue already budgeted, including a portion with associated expenditures, and creates the appropriations for expenditures for the remainder.

Prepared by:
Keith Van Der Maaten
Public Works Operations Manager

Submitted by:
Mark R. Dettle
Director of Public Works

Approved by:
Richard C. Wilson
City Manager

ATTACHMENTS: Budget Adjustment



CITY COUNCIL AGENDA REPORT

DATE: 03/17/2010

AGENDA OF: 3/23/2010

DEPARTMENT: City Council

SUBJECT: State Parks and Wildlife Conservation Trust Fund Act of 2010 –
Resolution of Support. (CN)

RECOMMENDATION: Resolution supporting the State Parks and Wildlife Conservation Trust Fund Act statewide initiative slated for the November 2010 ballot that would provide a stable, reliable and adequate source of funding to protect state parks and conserve wildlife.

BACKGROUND: California supports the most extensive state parks system, with the most diverse natural and cultural holdings, in the country. Preservation and maintenance of these 278 state parks levies is an enormous financial burden on the state, particularly in the current financial crisis. Insufficient state revenues and vigorously competing statewide demands have placed the California Parks system in a state of crisis. State parks today have \$1 billion less than needed to fully staff and operate the parks and two recent budgetary proposals have called to drastically reduce funding levels, which would close most state parks and severely constrain the capacity of those that remain open. Both of these proposals were eventually revised to only limit funding, but future funding for State parks remains tenuous.

Given the dismal outlook for California's financial situation, it is likely that, unless something is done to protect them, state parks will be closed due to lack of funds.

To address this issue, Californians for State Parks and Wildlife Conservation was formed. Citing the meager four percent of the state budget spent on parks, the threats to cut off existing funding, and the necessity to preserve the park system for future generations, the coalition proposed a ballot measure to create a stable, reliable and adequate source of funding. Titled the "State Parks and Wildlife Conservation Trust Fund Act" (Initiative), the Initiative would charge an additional \$18 for all California vehicle registrations, except larger commercial vehicles, mobile homes, and permanent trailers. The money would be placed into a trust fund designated only for the state parks and other related departments.

The primary benefit of the plan would be free, all-day access to all state parks for Californians and elimination of the need for General Fund dollars, thereby allowing the \$130 million annually allocated to state parks to be directed toward other California needs.

DISCUSSION: California state parks and wildlife are priceless assets that must be preserved for future generations. Beyond this, the continued healthy operation of state parks is a significant economic engine, generating \$4.32 billion annually in tourism and providing stability to the local tax base. State parks employ thousands of workers both directly and indirectly. In addition, state parks improve public health on an individual level, through park-related activities that encourage exercise, and in a more general sense because a healthy environment yields cleaner air and water.

Opponents of the Initiative have yet to coalesce into any recognizable entity, but will likely be concerned with the \$18 surcharge, viewing it as an additional tax. Countering this, however, is the nature of the tax: a flat rate that goes to one thing and one thing only. With the anti-tax sentiment largely based on the ambiguity and perceived unfairness of money taken to go to the public good in general, the concrete, straightforward nature of this surcharge, benefiting an institution of widely-appreciated significance, will likely lessen this particular strand of opposition.

The City of Santa Cruz has a vested interest in the continued maintenance of state parks. The California Department of Parks and Recreation was founded in 1927, but the initial catalyst for the California State Parks system was the Sempervirens Club. This club was founded in Santa Cruz in 1902 to preserve the redwoods of Big Basin and deeded 3,500 acres to the State of California.

Today, Santa Cruz County holds 17 state parks, proportionally more than most comparable regions of California, and these parks are many of the most recognizable and enjoyed areas of Santa Cruz. Resuscitation of the failing state parks system would particularly benefit Santa Cruz County, as it would the whole of California. The Initiative would ensure the preservation of our local parks for enjoyment now and in the future.

FISCAL IMPACT: There is no fiscal impact.

Submitted by:

Ryan Coonerty
Vice Mayor

Submitted by:

Katherine Beiers
Councilmember

ATTACHMENTS: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
SUPPORTING THE STATE PARKS AND WILDLIFE CONSERVATION
TRUST FUND ACT OF 2010

WHEREAS, the California state park system is home to 278 state parks, beaches, historic parks, recreation areas, and other park units; and

WHEREAS, annually, over 77 million visitors take advantage of the many low-cost opportunities for recreation, education, fitness and other outdoor pursuits in state parks; and

WHEREAS, state parks should not only be available to the current generation, but should also be preserved and maintained for future Californians; and

WHEREAS, state parks are an important economic engine to the local communities in which they are located and studies have shown that every \$1 invested in the state park system returns \$2.35 to the state's General Fund, largely in the form of economic activity in local economies; and

WHEREAS, state parks should have a reliable and sustainable source of income, which is immunized from California's broken budget process; and

WHEREAS, budget cuts have negatively affected parks, causing them to accumulate \$1 billion in needed maintenance and repairs, thereby endangering their continued existence; and

WHEREAS, the Californians for State Parks and Wildlife Conservation was formed to address maintenance and various other issues related to parks throughout California; and

WHEREAS, this coalition proposed the State Parks and Wildlife Conservation Trust Fund Act of 2010 for the November 2010 statewide ballot, to create a stable, reliable, and adequate source of funding to protect state parks and conserve California wildlife; and

WHEREAS, this initiative would establish the State Parks and Wildlife Conservation Trust Fund (Trust Fund) to provide funding for state parks, wildlife refuges, urban river parkways and ocean conservation programs; and

WHEREAS, this initiative would institute an \$18 annual State Park Access Pass surcharge on all registered California vehicles, excepting larger commercial vehicles, mobile homes, and permanent trailers, in order to provide a reliable funding stream for the Trust Fund, and, in return, vehicles subject to the surcharge would be given free admission to all state parks and Californians would not be subject to day-use fees; and

WHEREAS, the Trust Fund would be used to: operate, maintain, and repair facilities, including visitor centers, restrooms, campsites, and ranger stations; expand public access to the state parks and natural areas through outreach, public education, and improved transportation access and security; protect and restore state park cultural and historical resources; and, cover the costs associated with the auditing and oversight of the Trust Fund as provided in the initiative; and

RESOLUTION NO. NS-

WHEREAS, the State Parks and Wildlife Conservation Trust Fund Act of 2010 has received support from several environmental groups and organizations that support parks, including the Save the Redwoods League, Sierra Club California, the Nature Conservancy, Audubon California, and the California State Parks Foundation because it is a viable way to preserve California's natural resources; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby expresses its support for the State Parks and Wildlife Conservation Trust Fund Act of 2010 statewide initiative slated for the November 2010 ballot to provide a stable, reliable and adequate source of funding to protect state parks and conserve wildlife.

BE IT FURTHER RESOLVED that the Mayor is directed to transmit a copy of this resolution to the League of California Cities, Assemblymember Monning, State Senator Simitian and the "Yes for State Parks" coalition.

PASSED AND ADOPTED this 23rd day of March, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk



CITY COUNCIL AGENDA REPORT

DATE: March 5, 2010

AGENDA OF: March 23, 2010
DEPARTMENT: City Council
SUBJECT: Support of the San Jose ATN Project (CN)

RECOMMENDATION: Resolution supporting the San Jose Automated Transit Network (ATN).

BACKGROUND: The City of San Jose has initiated a transportation program seeking to deploy an Automated Transit Network (ATN). This report is to show the similarities of interest that San Jose and Santa Cruz share and to propose support and cooperation between the two cities relating to this project.

There is a worldwide need to reduce greenhouse gas GHG emissions. It's widely recognized that one important way of addressing this need is to reduce the number of automobile vehicle miles traveled (VMT). Our Santa Cruz Community has clearly acknowledged this need.

DISCUSSION: Santa Cruz has committed to do its part and to make every effort to adopt more "Green" forms of transportation. Santa Cruz has, on numerous occasions, reiterated the necessity of reducing (VMT). If an attractive transportation alternative were available to Santa Cruz commuters, then drivers could reasonable opt out of using their personal automobiles for some trips.

There is strong interest in Personal Rapid Transit (PRT) in Santa Cruz as evidenced by the fact that a major PRT conference was held in Santa Cruz November 17-18, 2006.

On more than one occasion, the City Council has expressed interest in PRT. In November of 2006, Santa Cruz obtained from DaVinci Global Services a study about The Feasibility of Personal Rapid Transit in the Santa Cruz. This study was paid for equally by a group of community activists, business people, UCSC, and the City.

The City Council, on July 22, 2008, published a Request for Qualifications soliciting responses from potential PRT vendors which address a potential Santa Cruz ATN system and each vendor's ability to address the Santa Cruz needs. City Staff has received about fourteen responses to that RFQ, an excellent response by any standard.

In a settlement of long-standing legal disputes between Santa Cruz and UCSC over growth plans, section 4.14 of the Settlement Agreement specifies "A public transportation system capable of reducing the use of City streets and that a non-roadway transportation system shall be explored.

Adoption of this resolution will help facilitate the implementation of section 4.14.

ATN systems are being installed in several locations around the world and are showing great promise in providing excellent transportation, reducing VMT and providing transportation free of GHG emissions. Dozens of communities across the USA and hundreds around the world are now actively planning ATN systems.

In the near future, our community, when successful in reducing GHG emissions and VMT, will achieve great benefits from “Engineering Tourism” where elected officials and city staff members from all over the Country and the world travel to our City to learn what we have done to achieve that result.

The City of San Jose is in the midst of planning a substantial Alternative Transportation Network (ATN) which will provide connections between the airport, Caltrain, Light Rail, VTA buses, Amtrak, hotels, conference centers, and parking, with possible service to numerous other locations, and

Santa Cruz stands to benefit significantly from the work being done by San Jose.

The San Jose ATN project will provide support for a Systems Engineering approach utilizing a Federally Funded Research and Development Center (FFRDC). It will complete the identification, assessment, of PRT systems and close technology gaps through the FFRDC process.

The San Jose ATN Project will develop collaboration among competing PRT vendors to provide a user-ready solution. Further, it is developing a phased approach to deploy the first ATN system serving airport and mass transit. This project includes collaboration between interested cities and jurisdictions in support of a Northern California Standard for ATN systems. As a result of this plan, the City of San Jose encourages and welcomes resolutions of support from neighboring communities with similar interests.

The efforts in San Jose will be provide significant resources for the fulfilling the obligations of the City of Santa Cruz and UCSC established by section 4.14 of the settlement agreement,

Now, The City of Santa Cruz should make a clear expression of its enthusiasm and support for the San Jose ATN project in the form of this resolution including

- Support for the System Engineering Approach using an FFRDC.
- Support for the identification, assessment, and closing of gaps in PRT technology through the FFRDC process.
- Support for the San Jose phased approach to deploy a first ATN system serving Airport and mass transit.
- Support for the development of collaboration among competing PRT vendors to provide a user-friendly solution.
- Support for the development of collaboration between interested cities and jurisdictions in support of a “Northern California” standard for PRT
- Support for Green Vision, VMT reduction, and GHG emission reduction goals.

FISCAL IMPACT: None.

Submitted by:

Mike Rotkin
Mayor

Submitted by:

Don Lane
Councilmember

Submitted by:

Katherine Beiers
Councilmember

Attachment: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
SUPPORTING THE SAN JOSE AUTOMATED TRANSIT NETWORK (ATN) PROJECT

WHEREAS, global warming is a world-wide crisis that must be addressed at all levels of government and by the public;

WHEREAS, a major cause of global warming is automobile emission;

WHEREAS, a major requisite of reducing global warming is a reduction in vehicle miles traveled (VMT), especially in single-occupant vehicles (SOV);

WHEREAS, an Automated Transit Network (ATN) connecting the Mineta airport with adjacent parking lots and public transportation stations such as BART and Caltrain with extended service to hotels and conference centers is currently being planned by the City of San Jose;

WHEREAS, ATN offers the potential of reducing VMT, reducing pressure on roads and offering an attractive alternate to the SOV;

WHEREAS, a number of cities in the Bay Area and other cities around the world are studying or installing ATN systems;

WHEREAS, Personal Rapid Transit (PRT) is a type of ATN that offers the potential of accomplishing the reduction goals in greenhouse gas (GHG) emissions;

WHEREAS, San Jose has funded and begun a study of ATN with a Systems-Engineering Approach to identify, assess and further refine PRT technology, financing and all other matters related to installation and operation of a fossil fuel free, GHG free transportation system;

WHEREAS, the goal of the San Jose project is to install a green transportation network, reduce VMT and meet San Jose GHG reduction goals;

WHEREAS, the San Jose study is, in itself, a major contribution to efforts to reduce GHG emissions and VMT and provide an improved public transportation system;

WHEREAS, the City of Santa Cruz has explored the potential of PRT for our City and continues to explore alternative, off-street public transport via the committee set up by the UCSC/CITY/CLUE *settlement agreement*; and

WHEREAS, the studies now being undertaken by San Jose will materially assist Santa Cruz in establishing the viability of an ATN system, whether PRT or some other system, and would assist in creating an ATN standard for Northern California.

RESOLUTION NO. NS-

NOW THEREFORE, BE IT RESOLVED, that the City of Santa Cruz congratulates San Jose for taking steps towards a green transportation system;

BE IT FURTHER RESOLVED, that Santa Cruz supports these efforts of San Jose regarding the viability of a PRT or ATN system through a Systems Engineering Approach;

BE IT FURTHER RESOLVED, that Santa Cruz welcomes the opportunity to cooperate with San Jose as feasible in mutually advantageous efforts, and to further study and evaluate the desirability of a PRT system in Santa Cruz; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be delivered to our elected representatives on the Santa Cruz County Board of Supervisors, in the State Legislature and in Congress.

PASSED AND ADOPTED this 23rd day of March, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk



CITY COUNCIL AGENDA REPORT

DATE: March 17, 2010

AGENDA OF: March 23, 2010

DEPARTMENT: Fire

SUBJECT: Acceptance of a FEMA, SAFER-Funded, Firefighter Grant for Three Firefighter Positions. (FD)

RECOMMENDATION: Motion to accept a SAFER-funded grant of \$753,328 from the Federal Emergency Management Agency (FEMA) for the hiring of three firefighters to fill positions vacated for cost-saving budgetary reasons.

BACKGROUND: Under the 1974 Federal Fire Prevention and Control Act, FEMA established and funded a “Staffing for Adequate Fire and Emergency Response” (SAFER) grant program.

One of many cost-saving measures taken by the City of Santa Cruz was to leave open three firefighter positions for an indefinite period of time. In January of 2010, the Santa Cruz Fire Department applied for a SAFER-funded grant to fund those three firefighter positions.

DISCUSSION: We have received a pre-grant notification which seeks to determine if interest in the three positions continues. FEMA anticipated 4,000 to 5,000 applications for the SAFER-funded grant program, with only 200 being awarded funding. We are exceptionally fortunate to have been selected.

The grant covers two years of salary and benefits for three firefighters; the two-year period is referred to as the “performance period.” Upon final notification that the grant is awarded, the City of Santa Cruz will have a 90-day recruitment/hiring period; after which time the two-year performance period begins. This means that the start date will be approximately (depending upon the approval notification date) July 1, 2010 (the beginning of Fiscal Year 2011). The award requires that staffing not be reduced during the performance period.

The cost of the firefighters’ salary and benefits are covered, but the cost of uniforms, protective clothing, and overtime worked by the three employees is not covered.

At the end of the performance period the City can elect to continue the employment of the three firefighters or, if necessary, terminate their employment.

FISCAL IMPACT: The City will receive \$753,328 in grant funds and incur costs of approximately \$7,500 for the three SAFER-funded firefighters.

Submitted by:

Approved by:

Ron Oliver
Fire Chief

Richard C. Wilson
City Manager

ORDINANCE NO. 2010-05

AN ORDINANCE OF THE CITY OF SANTA CRUZ REPEALING SECTION 2.40.015 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO APPOINTMENT OF COMMISSIONERS, REPEALING SECTIONS 2.40.130 AND 2.40.131 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO THE TRANSPORTATION COMMISSION AND AMENDING SECTIONS 2.40.080 AND 2.40.081 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO THE NEWLY CONSOLIDATED TRANSPORTATION AND PUBLIC WORKS COMMISSIONS

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

Section 1. Chapter 2.40.015 of the Santa Cruz Municipal Code is hereby repealed.

Section 2. Chapter 2.40.130 of the Santa Cruz Municipal Code is hereby repealed.

Section 3. Chapter 2.40.131 of the Santa Cruz Municipal Code is hereby repealed.

Section 4. Section 2.40.080 of the Santa Cruz Municipal Code is hereby amended to read as follows:

2.40.080 ESTABLISHMENT OF TRANSPORTATION AND PUBLIC WORKS COMMISSION.

1. There is hereby established a commission of the city of Santa Cruz to be known as the Transportation and Public Works Commission.
2. As of the effective date of Ordinance No. 2010-05, April 22, 2010, the Transportation and Public Works Commission will be comprised of 11 members, the six commissioners who currently serve on the Public Works Commission and five members who formerly served on the Transportation Commission which sunset with the adoption of Ordinance No. 2010-. Each of the former Transportation Commission members will serve on the Transportation and Public Works Commission for the remainder of their former current Transportation Commission term, at which time the Transportation and Public Works Commission will have a seven-member composition. Former Transportation Commission members will be eligible for re-appointment to the resulting seven-member Transportation and Public Works Commission.

Section 5. Section 2.40.081 of the Santa Cruz Municipal Code is hereby amended to read as follows:

2.40.081 DUTIES OF COMMISSION.

The Transportation and Public Works Commission shall generally be responsible for advising the council in matters pertaining to transportation and public works. For the purposes of this chapter, “public works” shall mean structures, utilities and appurtenances on, above or below the ground which shall have been or are to be installed, constructed or reconstructed for the use or convenience of the general public or the residents of the areas served by such works, including but not limited to, streets, sidewalks, surface and subsurface storm drain facilities, street lighting, solid waste facilities, sanitary sewage facilities, gas, electric and telephone services, easements, and appurtenances to all of the foregoing such as signs, and such other works or projects as may

ORDINANCE NO. 2010-05

be determined by the city council to be public works for purposes of this chapter; but not including those facilities, projects or activities specifically assigned by ordinance to another commission, or council subcommittee. The commission's duties shall include, but not be limited to, the following:

- (a) To act as the advisory commission to the city council for planning, design, installation and maintenance of public works;
- (b) To review and make recommendations to the city council concerning the capital improvement program;
- (c) To review, monitor and make long-range recommendations concerning the construction, reconstruction, operation and maintenance of public works;
- (d) To consider the annual budget of the public works department during its preparation and make recommendations with respect thereto to the city council;
- (e) To receive complaints pertaining to traffic and transportation patterns;
- (f) To review, monitor and suggest recommendations for city transportation matters including, but not limited to: automotive, rail, bicycle, and pedestrian traffic within the city;
- (g) To review additional transportation matters such as transportation system management, travel demand management and other related issues;
- (h) To review and suggest recommendations for placement and enforcement of warning, regulatory and guide signs on city streets;
- (i) To make recommendations regarding the allocation of funds for capital expenditures related to roadway and transportation improvements; and
- (j) To perform other duties as may from time to time be prescribed by the city council.

Section 6. This ordinance shall be in full force and take effect thirty (30) days after its final adoption.

PASSED FOR PUBLICATION this 9th day of March, 2010, by the following vote:

AYES: Councilmembers Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor Coonerty; Mayor Rotkin.

NOES: None.

ABSENT:: None.

DISQUALIFIED: None.

APPROVED: ss/Mike Rotkin, Mayor

ATTEST: ss/Lorrie Brewer, City Clerk

ORDINANCE NO. 2010-05

PASSED FOR FINAL ADOPTION this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT::

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

This is to certify that the above and foregoing document is the original of Ordinance No. 2010-05 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz

City Clerk



CITY COUNCIL AGENDA REPORT

DATE: 03/10/2010

AGENDA OF: 3/23/2010

DEPARTMENT: Economic Development

SUBJECT: CDBG and HOME Funding - Housing and Community Development Program Discussion for 2010 – 2011 Program Year. (ED)

RECOMMENDATION: Motion to determine appropriate funding levels for CDBG and HOME activities for the 2010 – 2011 program year; and

Motion to direct staff to complete the draft Action Plan for 2010 – 2011 program year and the Consolidated Plan for 2010-2015 and determine environmental review requirements for those applications recommended for funding.

BACKGROUND: In order to qualify for Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) entitlement funding from the U.S. Department of Housing and Urban Development (HUD), the City is required to adopt a five-year Consolidated Plan. The City's current Consolidated Plan, which was approved by HUD in 2005, covered the program period from 2005-2010 (the HUD program years are equivalent to the City's fiscal years). The new Consolidated Plan will cover the years between July 1, 2010 and June 30, 2015.

The Consolidated Plan contains an assessment of housing and homeless issues and identifies priority needs as well as strategies for addressing those needs. Although the focus of the Consolidated Plan is on the use of CDBG and HOME funds, it also describes how the City will use other resources, such as the General Fund and Redevelopment Agency funds, in addressing these priority needs.

CDBG and HOME program grant funding appropriations are incorporated in the City's annual budget and become the basis for the Annual Action Plan. HUD requires that the activities funded under the Annual Action Plan must support objectives in the Consolidated Plan. Nineteen program objectives in four "priority need" categories (specified by HUD) are recommended to be included in the 2010-2015 Consolidated Plan. (See Attachment 1 for a summary of proposed 2010-2015 Consolidated Plan Objectives.) The "priority need" categories specified by HUD include:

1. Affordable housing;
2. Non-housing community development;
3. Homeless households; and

4. Special needs population.

In addition to the City's objectives identified under each "priority need" category, HUD has established national objectives for use of CDBG and HOME funding. By law, the City's use of these funds is restricted to activities that achieve at least one of these national objectives. For the different funding sources, these objectives are:

CDBG funds must:

- Benefit low- and moderate-income persons;
- Aid in the prevention of slum or blight; or
- Meet a particularly urgent community development need.

HOME funds must:

- Benefit low- and very-low income persons with affordable housing.

DISCUSSION: The proposed Consolidated Plan objectives, as provided in Attachment 1, will form the backbone of the 2010 – 2015 Consolidated Plan. Generally speaking, these objectives build upon the 2005-2010 Consolidated Plan and reflect other recent planning efforts including the draft 2030 General Plan Update, 2008-2013 Housing Element, 2008 Analysis of Impediments to Fair Housing Choice, and the county wide 2003-2013 Ten-Year Strategic Plan to End Homelessness. The proposed objectives were reviewed and then recommended by the City Council Social Service Provider (SSP) Committee at a February 16, 2010 meeting with social service providers and staff.

The Annual Action Plan for the 2010 - 2011 Program Year (PY) will reflect the allocation of CDBG and HOME funds based upon Council's action taken at this public hearing. There are three sources of funds to be allocated in this Action Plan, including:

1. 2010 - 2011 PY new entitlement funds allocated by HUD.
2. Funds available for reallocation, leftover from prior years' funding for completed projects.
3. On-going Program funds accumulated for specific activities that require long term planning.

Calculations showing how various funds are allocated are included in Attachment 2, Budget Worksheets. These Worksheets also reflect preliminary funding recommendations of the City Council SSP Committee.

In addition to the housing programs that are administered by city staff in the Housing and Community Development (HCD) Section of the Economic Development and Redevelopment Department, funding may be used for other City programs and non-profit organizations that provide community services and/or are doing projects that benefit the community. An analysis of CDBG and HOME funding applications and program eligibility is available in Attachment 3.

Drafts of the Action Plan for 2010 - 2011 and the 2010 – 2015 Consolidated Plan will be prepared following this Council meeting and made available for public review at the Reference Desk of the Central Branch Library starting Saturday March 27, 2010. This will be the first Action Plan under the new 2010-2015 Consolidated Plan.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

At the time this staff report was prepared; HUD had not yet released funding amounts for the 2010-2011 PY. The City's HUD representative has recommended that for preliminary budgeting purposes the estimated amount of CDBG funding reflect an overall 10% increase in federal funding for the CDBG program. Based on this the estimated allocation of CDBG funding for the 2010-2011 PY is \$660,000.

The following summarizes current CDBG funding applications and the City Council Social Service Provider Committee recommendations for (1) Community Services and (2) Community Programs/Projects.

1. Community Services:

For the past five years, five organizations have received Community Services funding including the Homeless Services Center, River Street Shelter (Santa Cruz Community Counseling Center), Senior Network Services, Familia Center, and the Beach Flats Community Center (Community Bridges). These non-profit organizations have again submitted applications for funding.

Use of CDBG funds for community services is typically limited to 15% of the total CDBG allocation and program income for the program year. In 2007 the City created the South of Laurel Street Neighborhood Revitalization Strategy Area (NRSA) which allows the 15% cap to be lifted for Community Based Development Organizations (CBDO) serving the NRSA. Of the current applicants, only Familia Center qualifies as a CBDO.

SSP Committee recommendations for funding under the estimated budget amount and a description of services are as follows. These amounts may change in the final budget.

Familia Center: Recommended Funding = \$61,140

Provides advocacy, educational workshops, information, referral and follow-up for low-income and Latino residents.

Homeless Community Resource Center: Recommended Funding = \$47,229

Provides both emergency services and transitional services to low-income homeless families and individuals. (Homeless Services Center)

River Street Shelter: Recommended Funding = \$32,610

Provides 32 bed shelter and services to homeless men and women. (Santa Cruz Community Counseling Center)

Senior Housing Placement: Recommended Funding = \$10,000

Provides counseling and shared housing placement services for low-income seniors. (Senior Network Services)

Beach Flats Community Center: Recommended Funding = \$10,000

Coordinates services for the community. (Community Bridges)

2. Community Programs/Projects

Homeless Community Resource Center Project: Recommended Funding = \$210,000.

This project was originally approved in 2004 as the Homeless Community Resources Center (HCRC) Hygiene Center Project to rebuild the shower and toilet facilities in the day center. In 2007, the Council expanded the scope of the project to include a year round shelter on the

mezzanine level over the shower and locker areas. Since the cost of the project exceeded available CDBG funds, HUD granted the City permission to pre-incur CDBG costs and fund construction with a loan from the City Public Trust Fund. The recommended allocation in this 2010-2011 Action Plan will be the third and final payment toward the \$610,000 City Public Trust Fund loan.

River Street Shelter Roof Repair: Recommended Funding = \$12,500.
This project would provide funding to repair the roof of this City owned building.

Teen Center Improvements: Recommended Funding = \$10,000.
This project would help fund improvements needed in the Teen Center which was relocated to the Loudon Nelson Center as a cost saving measure for the City.

Code Enforcement: Recommended Funding = \$180,000
The City's Code Enforcement Program is partially funded from CDBG with the budgeted amount supporting two code enforcement officers.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

Again at the time this staff report was prepared, HUD had not yet released HOME funding amounts for the 2010-2011 PY. The City's HUD representative has recommended that for preliminary budgeting purposes that the amount of last year's HOME allocation be used. Based on this the estimated allocation of HOME funding for the 2010-2011 PY is \$602,500.

The City received one request for HOME funding for the 2010-2011 program year. In addition, staff recommends funding for the ongoing First Time Homebuyer Program. The following summarizes current HOME funding applications and the SSP Committee recommendations.

Frederick Street Ownership Unit: Recommended Funding = \$16,000 additional funding
Habitat for Humanity has requested an additional \$10,000 to help acquire the site of an inclusionary unit located at 170 Frederick Street to build a very low income ownership unit. An additional \$6,000 is needed for the funding layering review required by HUD. This review examines the budget and funding sources for a project to ensure that only a reasonable amount of HOME funds have been allocated.

Holy Cross Senior Housing: Recommended Funding = \$128,000
Central Coast Housing/Mercy Housing California have requested \$121,000 plus \$7,000 for a HUD required layering review to assist with predevelopment costs for a 40-50 units of senior housing in the old brick school building located at 170 High Street on the Holy Cross campus. Mercy Housing California intends to have their subsidiary Central Coast Housing qualify as a Community Housing Development Organization (CHDO). Pending Central Coast Housing's designation as a Community Housing Development Organization (CHDO), funding would include the 15% of HOME funds required to be set aside and used only for CHDO projects. A CHDO is a private non-profit organization that meets a series of qualifications prescribed in the HOME regulations and is designated as a CHDO by the City. Funding for this project would be contingent upon site control and completion of a positive HUD funding layering review.

First Time Homebuyer Program (FTHB): Recommended Funding = \$210,000

HCD staff has requested that the FTHB Program receive an additional \$210,000. When combined with existing FTHB funds, this would be enough to fund four loans averaging \$70,000 per loan.

FISCAL IMPACT: Until funds are committed, there is no fiscal impact for the City from the proposed actions.

Prepared by:
Carol Berg
Housing and Community
Development Manager

Submitted by:
Bonnie Lipscomb
Director of Economic
Development

Approved by:
Richard C. Wilson
City Manager

ATTACHMENTS:

Attachment 1: Summary of 2010-2015 Consolidated Plan Objectives

Attachment 2: Budget Worksheets

Attachment 3: Project/Program Proposal Analysis

ATTACHMENT 1

Summary of 2010-2011 Consolidated Plan Objectives

PRIORITY NEED	OBJECTIVE	Strategies
AFFORDABLE HOUSING (AH)	1. Preserve affordability of existing affordable housing units.	<ul style="list-style-type: none"> a) Continue to work with Riverfront Apartment Associates & support HUD Section 8 contract renewal. b) Continue to monitor other HUD Section 8 contracts considered to be "at risk" and assist in extending affordability of units when feasible. c) Establish an Affordable Housing Unit Preservation Program to extend affordability of 4-6 at-risk inclusionary units.
	2. Promote the creation of affordable rental housing units through development of new affordable housing or rehabilitation of existing units.	<ul style="list-style-type: none"> a) Assist in the development of 40 to 50 units of senior housing with Central Coast Housing/Mercy Housing if feasible. b) Assist developers to create new affordable rental housing units for very low and low income households through new project construction or rehabilitation of existing market rate housing. c) Continue to promote development of accessory dwelling units with a goal of developing of 20-30 accessory dwelling units annually with at least 3 units having affordable restrictions. d) Continue to implement the City's Inclusionary Housing Program to create affordable rental housing in market rate developments.
	3. Encourage repair, improvement, and rehabilitation of existing affordable housing.	<ul style="list-style-type: none"> a) Continue to implement the Unified Housing Rehabilitation Program with an emphasis on multi-family properties with low income tenants. b) Assist in rehabilitation of 95 units for extremely low, very low and low-income households at the Near Lagoon Apartment Complex. c) Assist in the acquisition and rehabilitation of apartments or a larger home to create 4-6 beds of supportive housing for individuals with disabilities. d) Promote use of the City's Inclusionary Program option to meet inclusionary requirements by rehabilitating off site units. e) Consider developing a self-funding pre-sale inspection program of for-sale units in conjunction with code enforcement.
	4. Facilitate homeownership by very low and low -income households.	<ul style="list-style-type: none"> a) Continue to implement the First Time Homebuyer Program, assisting 2-3 low/ moderate-income households annually. b) Assist Habitat for Humanity with the construction of at least 1 new affordable ownership unit, if feasible. c) Continue to implement the City's Inclusionary Housing Program, working with developers to create affordable ownership housing. d) Work with developers to initiate planning for future development of entry level affordable housing units in the NRSA. e) Conduct one first time homebuyer workshop to promote homeownership & the FTH Program in the NRSA.
	5. Provide Code Enforcement Program for low-income Target Areas.	<ul style="list-style-type: none"> a) Support two code enforcement officers to administer code enforcement activities in the Target Areas. b) Participate in at least 2 annual community clean-ups & other events to inform the community about code enforcement. c) Help identify major problem properties and participate with other City departments to eradicate major problem areas. d) Provide funding for relocation assistance as needed in connection with code enforcement activities.

-
- 6. Assist in establishing Community Housing Development Organization(s).
 - a) Provide financial and/or technical assistance leading to City certification of a new and/or reactivated CHDO.
 - b) Assist CHDO in at least 1 housing project.

 - 7. Participate in the development and implementation of studies and/or plans to promote affordable housing development, development strategies and/or incentives, and fair housing practices that help provide equal access to housing.
 - a) Participate in development of and support implementation of recommendations and/or strategies that promote affordable housing from other City plans.
 - b) By the end of 2013, complete an update of the City's Analysis of Impediments to Fair Housing Choice.
 - c) Create an informational brochure that clarifies constitutes fair housing violations and provides contact information for services.

HOMELESS HOUSEHOLDS (HO)

- 1. Support services and organizations that assist homeless individuals and families.
 - a) Continue to provide annual funding for operation of facilities on the Homeless Services Center (HSC).
 - b) Help identify and construct other improvements of HSC facilities as needed including support of Phase II of the HSC Master Plan.
 - c) Continue to work with and support the Homeless Action Partnership (HAP) to implement the Ten Year Plan to End Homelessness and address homeless needs.

- 2. Support development of additional transitional and permanent housing for homeless individuals and families.
 - a) Work with members of the HAP to identify opportunities to create additional facilities for transitional and permanent housing.
 - b) Work with others to create designated units for permanent housing for formerly homeless.

- 3. Assist in establishing a homeless shelter facility in the north/mid-county area.
 - a) In collaboration with HAP members, support an alternative temporary winter shelter, if feasible.
 - b) In collaboration with HAP members, explore opportunities and support development of another permanent homeless shelter.
 - c) In collaboration with HAP members, support development of a recuperative care facility for north/mid-county, if feasible.

- 4. Provide programs that help in the reduction and the prevention of homelessness.
 - a) Continue to implement an Emergency Rental Assistance Program through CAB to assist 20-30 households.
 - b) Continue to implement the Security Deposit Assistance (SDA) Program through the Housing Authority of Santa Cruz County to assist 10-20 households.
 - c) Provide additional funding for these assistance Programs for the Beach Flats and Lower Ocean Street neighborhoods.

SPECIAL NEEDS HOUSING (SP)

- 1. Provide housing options for special needs populations, including the elderly, female-headed households with children, persons with physical or mental disabilities, and persons with HIV/AIDS.
 - a) Assist in developing 40 to 50 units of senior housing with Central Coast Housing/Mercy Housing, if feasible.
 - b) Continue to provide CDBG funds to Senior Network Services to provide housing assistance to elderly households.
 - c) Assist Santa Cruz Community Counseling Center in developing supportive housing.
 - d) Continue to work with non-profit organizations in providing housing options for the special needs populations of elderly, persons with physical disabilities, persons with mental disabilities and persons with HIV/AIDS.

- 2. Assist seniors with the option to "age in place".
 - a) Develop a program to provide assistance to seniors to help retrofit their home for accessibility and other handicap improvements.
 - b) Assist seniors or their families to develop an accessory dwelling unit through the City's ADU Program.

COMMUNITY DEVELOPMENT (CD)

- | | |
|--|--|
| 1. Continue to assist organizations in the provision of community services for low income households. | a) Assist other City Departments, non-profit organizations, & neighborhoods in providing services & community building.
b) Support improvements, rehabilitation, and/or construction of facilities for services to low income households NRSA priority. |
| 2. Continue to provide and improve needed community facilities in low income neighborhoods or for low income households. | a) Assist in constructing improvements for Beach Flats Park.
b) Assist in developing and improving the Teen Center.
c) Assist with other park development or community facility improvements as needed, with a priority given to the NRSA. |
| 3. Construct infrastructure improvements within the NRSA and other low income areas to enhance quality of life and community safety. | a) In conjunction with the City's Capital Improvement Program, help fund street and sidewalk improvement projects within the NRSA.
b) In conjunction with the City's Capital Improvement Program help fund street lighting and other infrastructure improvements that will enhance community safety. |
| 4. Continue to promote NRSA activities and expand boundaries to other very low income neighborhoods. | a) Complete Beach/South of Laurel NRSA goals for years 3 through 5 by the end of June 30, 2013.
b) By the end of 2012, develop an expanded NRSA plan that includes the Lower Ocean Street neighborhood. |
| 5. Encourage implementation of programs and projects that provide increased job opportunities for residents within the NRSA. | a) Support the Beach Flats Community Center to provide information on job opportunities for NRSA residents.
b) Develop a program to encourage local employers & contractors working within the NRSA to hire NRSA residents when feasible.
c) Continue to sponsor the annual Teen Job Fair, when feasible, encouraging participation of NRSA employers. |
| 6. Support efforts to maintain and grow businesses that employ local residents within the NRSA. | a) Continue to provide the Façade Improvement Program.
b) Continue to work with businesses on the City owned Wharf to help ensure their success.
c) Initiate discussions with property owners in the lower Pacific area to create parking solutions that support redevelopment. |

ATTACHMENT 2

CDBG & HOME BUDGET WORKSHEETS PY 2010-2011

CDBG AND HOME FORMULA CALCULATION SHEET	
Funding sources for the Housing and Community Development Program are summarized below. Information in <i>italics</i> shows the calculation of funding levels in specific categories that are capped or otherwise stipulated by HUD regulations.	
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	
\$660,000	Estimated 2010-2011 CDBG Entitlement (assumes about a 10% increase)
\$15,600	Estimated 2010-2011 program income
\$675,600	<i>Basis for formula calculations</i>
\$43,000	Prior year funds to be reprogrammed
\$718,600	Total available prior to allocation deductions
ALLOCATION DEDUCTIONS	
\$101,340	<i>Public services (15% of Basis per HUD Formula)</i>
\$135,120	<i>Administration & planning (20% of Basis per HUD Formula)</i>
\$10,000	Rehab Housing Services Program Costs
\$472,140	Total CDBG funds available for Projects & Additional SSP Funding
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)	
\$602,500	Estimated 2010-2011 HOME Entitlement
\$0	Estimated 2010-2011 program income
\$602,500	Basis for formula calculations
\$0	Prior year funds to be reprogrammed
\$602,500	Total prior to formula allocations
ALLOCATION DEDUCTIONS	
\$90,375	<i>Minimum CHDO set-aside (15% of new entitlement)</i>
\$60,250	<i>Administration (10% of Basis)</i>
\$451,875	Total HOME funds available for non CHDO projects.

ATTACHMENT 2: BUDGET WORKSHEETS CONTINUED (Page 2 of 3)

CDBG PROGRAM FUNDING WORKSHEET FUNDING CATEGORY	2010-2011 PY		
		FUNDING REQUEST	SSP RECOM.
PROJECTS & CODE ENFORCEMENT			
TOTAL FUNDS AVAILABLE FOR PROJECTS			\$472,140
<i>Activity:</i> Homeless Community Resource Center Improvements <i>Applicant:</i> Homeless Services Center		\$210,000	\$210,000
<i>Activity:</i> River Street Shelter Roof Repair <i>Applicant:</i> City of Santa Cruz		\$12,500	\$12,500
<i>Activity:</i> Teen Center Rehabilitation <i>Applicant:</i> City of Santa Cruz Department of Parks and Recreation		\$10,000	\$10,000
<i>Activity:</i> Target Area Housing Code Enforcement <i>Applicant:</i> City of Santa Cruz Department of Planning & Community Dev.		\$180,000	\$180,000
TOTAL PROJECT & CODE ENFORCEMENT FUNDING		\$385,000	\$385,000
PUBLIC SERVICES			
PROJECT FUNDS REMAINING (Available for Social Service)			\$59,640
PUBLIC SERVICE FUND ALLOCATION (From Calculation Sheet)			\$101,340
TOTAL AVAILABLE FOR SSP			\$93,240
<i>Activity:</i> Neighborhood Services - Familia Center <i>Applicant:</i> Familia Center	43%	\$57,000	\$61,140
<i>Activity:</i> Homeless Community Resource Center <i>Applicant:</i> Homeless Services Center	34%	\$50,000	\$47,229
<i>Activity:</i> River Street Shelter <i>Applicant:</i> Santa Cruz Community Counseling Center	23%	\$30,000	\$32,610
<i>Activity:</i> Senior Housing Placement <i>Applicant:</i> Senior Network Services	Minimum	\$10,000	\$10,000
<i>Activity:</i> Neighborhood Services - B.F. Community Center <i>Applicant:</i> Community Bridges	Minimum	\$10,000	\$10,000
TOTAL SOCIAL SERVICE PROVIDER FUNDING		\$157,000	\$160,980
ADMINISTRATION & PROGRAM REINVESTMENT			
<i>Activity:</i> Grant Administration and Planning (From Calculation Sheet) <i>Applicant:</i> City of Santa Cruz Economic Development & Redevelopment		\$135,120 (By Formula)	\$135,120
<i>Activity:</i> Housing Services Program (Rehab Program Operating fund) <i>Applicant:</i> City of Santa Cruz Economic Development & Redevelopment		\$10,000	\$10,000
TOTAL ADMINISTRATION & OPERATING FUNDS		\$145,120	\$145,120
TOTAL CDBG FUNDING		\$714,620	\$718,600

ATTACHMENT 2: BUDGET WORKSHEETS CONTINUED (Page 3 of 3)

HOME FUNDING WORKSHEET FUNDING CATEGORY	FUNDING CARRY- OVER	2010-2011 PROGRAM YEAR				
		FUNDING REQUEST	RECOMMENDATIONS			
			CHDO	OTHER	TOTAL	
PROJECTS						
TOTAL FUNDS AVAILABLE FOR PROJECTS			\$90,375	\$451,875	\$542,250	
<i>Activity:</i> Frederick Street Home Ownership Unit <i>Applicant:</i> Habitat for Humanity	\$50,000	\$16,000	--	\$16,000	\$16,000	
<i>Activity:</i> Neary Lagoon Rehabilitation Project <i>Applicant:</i> Central Coast Housing/Mercy Housing CA	\$600,000	\$0	--	\$0	\$0	
<i>Activity:</i> Holy Cross Senior Housing Project <i>Applicant:</i> Central Coast Housing/Mercy Housing CA		\$128,000	\$90,375 (By Formula)	\$37,625	\$128,000	
<i>Activity:</i> First Time Homebuyer Program <i>Applicant:</i> City of Santa Cruz	\$208,625	\$210,000	--	\$210,000	\$210,000	
<i>Activity:</i> Frederick Street Home Ownership Unit <i>Applicant:</i> Habitat for Humanity	\$0	\$50,000	--	\$50,000	\$50,000	
<i>Activity:</i> HOME Housing Services Program Fund <i>Applicant:</i> City of Santa Cruz	\$59,000	Remaining	--	\$188,250	\$188,250	
TOTAL PROJECT FUNDING		\$917,625	\$354,000	\$90,375	\$451,875	\$542,250
ADMINISTRATION						
TOTAL AVAILABLE FOR ADMINISTRATION			\$60,250	\$0	\$60,250	\$60,250
<i>Activity:</i> Grant Administration & Planning <i>Applicant:</i> City of Santa Cruz	\$0	\$60,250 (By Formula)	--	\$60,250	\$60,250	
TOTAL ADMINISTRATION		\$0	\$60,250	\$0	\$60,250	\$60,250
TOTAL HOME FUNDING		\$917,625	\$414,250	\$90,375	\$512,125	\$602,500

ATTACHMENT 3

PROJECT/PROGRAM ANALYSIS PY 2010-2011

INDEX

HOUSING PROJECTS & PROGRAMS

- A** **Frederick Street Ownership Unit (HOME)**
— Habitat for Humanity
- B** **Holy Cross Senior Housing Project Soft Costs (HOME)**
— Central Coast Housing/Mercy Housing California
- C** **First Time Homebuyer Program (HOME)**
— City of Santa Cruz
- D** **HOME Housing Services Program (HOME)**
— City of Santa Cruz

PUBLIC FACILITY PROJECTS

- E** **Homeless Community Resource Center Improvement Project Loan Payment (CDBG)**
— Homeless Services Center
- F** **Homeless Community Resource Center Roof Repair (CDBG)**
— City of Santa Cruz
- G** **Teen Center Improvements (CDBG)**
— City of Santa Cruz

PUBLIC SERVICES

- H** **Neighborhood Services (CDBG)**
— Familia Center
- I** **Homeless Community Resources Center (CDBG)**
— Homeless Services Center
- J** **Community Support Services - River Street Shelter (CDBG)**
— Santa Cruz Community Counseling Center
- K** **Senior Housing Program (CDBG)**
— Senior Network Services
- L** **Beach Flats Community Center (CDBG)**
— Community Bridges

OTHER

- M** **Code Enforcement Program (CDBG)**
— Department of Planning & Community Development, City of Santa Cruz

PROJECT: FREDERICK STREET OWNERSHIP UNIT

LOCATION: 170 FREDERICK STREET

ORGANIZATION: HABITAT FOR HUMANITY

PROJECT DESCRIPTION: This activity would help fund construction an affordable inclusionary unit, reducing the affordability of the unit from low income, as required by the City’s Inclusionary Housing Program, to a very low income unit under Habitat for Humanity.

FUNDING REQUEST/SSP RECOMMENDATION: The original grant request was for \$50,000. An additional \$10,000 has been requested to meet the new \$60,000 purchase price plus an additional \$7,000 for a layering review required by HUD.

USE OF FUNDS: Property acquisition and pre-development costs.

CITY PERMIT REQUIREMENTS: Permits for foundations have been granted; addition of 3rd bedroom will require a modification to other building permits.

ENVIRONMENTAL REVIEW: As a low income housing rehabilitation project, the project is Categorical Exempt from CEQA (Section 15301) and Categorical Excluded from NEPA (24 CFR 58.35(A)(3)(ii)).

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies for funding under the HOME Program as a Low Income Ownership Housing project, under 24 CFR, Part 92.205.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need AH.4(b) in the proposed 2010-2015 Five Year Consolidated Plan.

“AH.2 Facilitate homeownership by very low and low -income households.

(b) Assist Habitat for Humanity with the construction of at least 1 new affordable ownership unit, if feasible..

COMMENTS:

This activity would make an inclusionary housing unit affordable to a very low income household without the added assistance of a first time homebuyer loan.

PROJECT: HOLY CROSS SENIOR HOUSING

LOCATION: 170 HIGH STREET

ORGANIZATION: CENTRAL COAST HOUSING/MERCY HOUSING CA.

PROJECT DESCRIPTION: This activity would help fund predevelopment costs for a project to rehabilitate a school building on Holy Cross Church property to provide 40-50 units of senior housing.

FUNDING REQUEST: \$128,000 in HOME funds - contingent upon site control.

USE OF FUNDS: Predevelopment Costs.

CITY PERMIT REQUIREMENTS: Applications for permits have not yet been submitted.

ENVIRONMENTAL REVIEW: Predevelopment activities are not considered a "Project" under CEQA and are exempt from NEPA (24 CFR 58.34(a)).

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies for funding under the HOME Program to provide support for affordable rental housing development/rehabilitation under 24 CFR, Part 92.205.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need strategy AH.2(a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE AH.2 - Promote the development of newly built or rehabilitated affordable rental housing units.

- STRATEGY AH.2 (a): Assist in funding Central Coast Housing as a Community Housing Development Organization (CHDO) to develop of 40 to 50 units of senior housing, if feasible.

COMMENTS:

This project would provide needed senior housing near the Downtown and other services and would help preserve a building listed in the City's Historic Building Survey.

PROJECT: FIRST TIME HOMEBUYER PROGRAM

LOCATION: CITY-WIDE

ORGANIZATION: CITY OF SANTA CRUZ.

PROJECT DESCRIPTION: This activity funds 2-3 the City’s First Time Homebuyer Program that provides qualified low income households with a “silent” second mortgage to assist in purchasing a home. The “silent” second mortgage is due only upon sale or refinancing of the home.

FUNDING REQUEST: \$210,000 in HOME funds.

USE OF FUNDS: Fund 2-3 First Time Homebuyer loans as “silent” second mortgages.

CITY PERMIT REQUIREMENTS: No permits required.

ENVIRONMENTAL REVIEW: First Time Homebuyer Loan Programs are not considered a “Project” under CEQA and are an exempt activity under NEPA per Section 24 CFR 58.34.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies for funding under the HOME Program, under 24 CFR, Part 92.205 for homeownership affordability.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need strategy AH.4 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE AH.4 - Facilitate Homeownership by very low and low -income households.

- **STRATEGY AH.4 (a):** Continue to implement the First Time Homebuyer Program, assisting 2-3 low and/or moderate-income households annually to prepare for homeownership and/or purchase a home.

COMMENTS: This activity is a continuation of the City’s First Time Homebuyer Program.

PROJECT: HOME HOUSING SERVICES PROGRAM

LOCATION: CITY-WIDE

ORGANIZATION: CITY OF SANTA CRUZ.

PROJECT DESCRIPTION: This activity funds potential rehabilitation projects as well as providing a fund that can support for other future housing programs or projects.

FUNDING REQUEST: Remaining unallocated HOME funds (\$204,250).

USE OF FUNDS: Provide financing for potential rehabilitation and other projects.

CITY PERMIT REQUIREMENTS: No permits required.

ENVIRONMENTAL REVIEW: This Program is not considered a “Project” under CEQA and is an exempt activity under NEPA per Section 24 CFR 58.34.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies for funding under the HOME Program, under 24 CFR, Part 92.205 for supporting affordable housing.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need strategy AH.3 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE AH.3 - Encourage repair, improvement, and rehabilitation of existing affordable housing.

- STRATEGY AH.3 (a): Continue to implement the Unified Housing Rehabilitation Program with a special emphasis on multi-family properties that have low income tenants.

COMMENTS: This activity provides funding flexibility to help finance other projects or rehabilitation or other projects or programs as needed. To do this, reprogramming funds with the approval of the City Council is required.

CATEGORY: PUBLIC FACILITY PROJECT ITEM INDEX E

**PROJECT: HOMELESS COMMUNITY RESOURCES CENTER
IMPROVEMENT PROJECT LOAN PAYMENT**

LOCATION: 115 CORAL STREET

ORGANIZATION: HOMELESS SERVICES CENTER

PROJECT DESCRIPTION: This activity funds repayment of a City loan for construction of improvements to the Homeless Services Center. This included shower and bathroom improvements in the Hygiene Center area and construction of a year round shelter on the mezzanine over the Hygiene Center.

FUNDING REQUEST: The grant request is for \$210,000 which is the final payment to the City for a loan made in 2007 to construct the project.

STATUS OF PROJECT: Construction is complete.

ENVIRONMENTAL REVIEW: Categorically Exempt under CEQA per Section 15301 (Existing Facilities); and Categorically Excluded per 24 CFR 58.35(a) under NEPA.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies as a Public Facility, eligible under 24 CFR Part 570.201(c). The national objective is achieved by serving limited clientele, which is defined as at least 51% low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need HO.3 and HO.4 in the previous Five Year Consolidated Plan 2005-2010.

“HO.3 (a) Complete shower facility improvements by 2008.”

“HO.3 (b) Help identify and construct other improvements to the Homeless Resource Center facilities as needed.”

“HO.4 (a) In collaboration with Homeless Services Center, the County , and other stakeholders, to conduct study of shelter program option and develop a plan for a permanent facility by 2008.”

COMMENTS:

The activity is identified in the Continuum of Care 10 Year Action Plan to End Homelessness as a high priority.

CATEGORY: PUBLIC FACILITY PROJECT **ITEM INDEX F**

PROJECT: **RIVER STREET SHELTER ROOF REPAIR**

LOCATION: **115 CORAL STREET**

ORGANIZATION: **CITY OF SANTA CRUZ**

PROJECT DESCRIPTION: This activity funds repair of the City owned building which houses the River Street Shelter.

FUNDING REQUEST: The grant request is for \$12,500.

STATUS OF PROJECT: Permits have not been secured.

ENVIRONMENTAL REVIEW: Categorically Exempt under CEQA per Section 15301 (Existing Facilities); and Categorically Excluded per 24 CFR 58.35(a) under NEPA.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies as a Public Facility, eligible under 24 CFR Part 570.201(c). The national objective is achieved by serving limited clientele, which is defined as at least 51% low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need HO.1 in the proposed Five Year 2010-2015 Consolidated Plan.

HO1 Support services and organizations that assist homeless individuals and families..”

“HO.1 (b) Help identify and construct other improvements of HSC facilities as needed including support of Phase II of the HSC Master Plan..”

COMMENTS:

The activity is would provide needed repairs to a City owned structure that serves the homeless.

CATEGORY: PUBLIC FACILITY PROJECT **ITEM INDEX G**

PROJECT: TEEN CENTER IMPROVEMENTS

LOCATION: LOUDEN NELSON COMMUNITY CENTER

ORGANIZATION: CITY OF SANTA CRUZ

PROJECT DESCRIPTION: This activity would fund improvements needed in the relocation of the Teen Center.

FUNDING REQUEST: The grant request is for any available funding, which has been determined to be \$10,000.

STATUS OF PROJECT: Permits have not been secured.

ENVIRONMENTAL REVIEW: Categorically Exempt under CEQA per Section 15301 (Existing Facilities); and Categorically Excluded per 24 CFR 58.35(a) under NEPA.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies as a Public Facility, eligible under 24 CFR Part 570.201(c). The national objective is achieved by serving a low income area.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Community Development priority need CD.2 in the proposed Five Year 2010-2015 Consolidated Plan.

CD.2 Continue to provide and improve needed community facilities in low income neighborhoods or for low income households..”

“CD.2 (b) Assist in developing and improving the Teen Center.”

COMMENTS:

The activity is would help make changes to for the Teen Center in its move to Louden Nelson.

PROJECT: NEIGHBORHOOD SERVICES**LOCATION: 711 EAST CLIFF DRIVE****ORGANIZATION: FAMILIA CENTER**

PROJECT DESCRIPTION: In this activity, Familia Center provides public social services to the residents of the Beach Flats and Lower Ocean Street areas. This includes community services such as employment, housing and health care advocacy; food and clothing distribution; a summer lunch program; a homework club and tutoring; and other educational programs.

FUNDING REQUEST: The grant request is for \$57,000 in CDBG funds.

USE OF FUNDS: The applicant will use funding for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201(e). The national objective is achieved by serving limited clientele, defined as at least 51% being low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Public Services priority need strategy CD.1 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE CD.1 - Continue to assist organizations in the provision of community services for low income households.

- STRATEGY CD.1 (a): Assist other City Departments, non-profit organizations, and neighborhoods in providing services and community building activities.

COMMENTS:

Familia Center is the only existing Latino community-based family resource center serving low income residents in the City of Santa Cruz and is qualified as the City's first Community Based Development Organization (CBDO) under the CDBG Program. Historically the City Council has supported this activity, which was established through the use of CDBG funds in the early 1980s and has been funded continuously since that time. The services provided are greatly needed in the community.

PROJECT: HOMELESS COMMUNITY RESOURCES CENTER (HCRC)

LOCATION: 115 CORAL STREET

ORGANIZATION: HOMELESS SERVICES CENTER (HSC)

PROJECT DESCRIPTION: This activity helps fund the Homeless Community Resources Center (day center) operating costs, which includes providing daily food service, laundry, showers and various social services to the homeless population. The activity also assists the HSC shelter program.

FUNDING REQUEST: The grant request is for \$50,000 in CDBG funds.

USE OF FUNDS: The applicant will use funds for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201(e). The national objective is achieved by serving limited clientele, defined as at least 51% being low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need strategy HO.1 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE HO.1 - Support services and organizations that assist homeless individuals and families.

- **STRATEGY HO.1 (a):** Continue to provide annual funding for operation of facilities on the Homeless Services Center (HSC) campus including Homeless Resources Center and other facilities operated by HSC and the River Street Shelter operated by the Santa Cruz Community Counseling Center (SCCCC).

COMMENTS:

HCRC, established in 1993, is the cornerstone of homeless services for the city and county population, serving a large population of homeless individuals who are in the lowest income category of the national objective of limited clientele. The activity meets specific objectives listed in the goals of past and current Consolidated Plans and has been continuously supported by the City since 1993.

PROJECT: RIVER STREET HOMELESS SHELTER**LOCATION: 733 RIVER STREET****ORGANIZATION: SANTA CRUZ COMMUNITY COUNSELING CENTER**

PROJECT DESCRIPTION: This activity supports a homeless shelter located on the Homeless Services Center campus. The shelter, which is operated by the Santa Cruz Community Counseling Center, provides 32 beds of emergency shelter for homeless adults, primarily for those with substance abuse and/or psychiatric problems.

FUNDING REQUEST: The grant request is for \$30,000 in CDBG Funds.

USE OF FUNDS: The applicant will use funds requested for staff salaries and benefits, miscellaneous overhead and operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201(e). The national objective is achieved by serving limited clientele, defined as at least 51% being low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need HO.1 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE HO.1 - Support services and organizations that assist homeless individuals and families.

- **STRATEGY HO.1 (a):** Continue to provide annual funding for operation of facilities on the Homeless Services Center (HSC) campus including Homeless Resources Center and other facilities operated by HSC and the River Street Shelter operated by the Santa Cruz Community Counseling Center (SCCCC).

COMMENTS:

The activity is part of the City's homeless services strategy, providing much needed shelter and services to a particularly vulnerable part of the homeless population. The shelter was constructed in 1989 on the Homeless Services Center campus. The activity meets specific objectives listed in the goals of past and current Consolidated Plans and has been continuously supported by the City since 1992.

PROJECT: SENIOR HOUSING PLACEMENT**LOCATION: CITYWIDE****ORGANIZATION: SENIOR NETWORK SERVICES****PROJECT DESCRIPTION:** This activity provides counseling and shared housing placement services for low-income seniors.**FUNDING REQUEST:** The grant request is for \$10,000 in CDBG funds.**USE OF FUNDS:** The applicant will use funds requested for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.**STAFF ANALYSIS**

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201(e). The national objective is achieved by serving limited clientele, defined as at least 51% being low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Special Populations priority need SP.1 (b) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE SP.1 - Provide housing options for special needs populations, including the elderly, female-headed households with children, persons with physical or mental disabilities, and persons with HIV/AIDS.

- STRATEGY SP.1 (b): Continue to provide CDBG funds to Senior Network Services to assist with their programs for housing assistance to elderly households.

COMMENTS:

The request for funding is for the minimum amount under the City's CDBG Program. Although the grant is small, it is an important funding source for the organization since it helps them be more competitive when applying for other funding. The activity meets specific objectives listed in the goals of past and current Consolidated Plans and has been continuously supported by the City since 1992.

PROJECT: BEACH FLATS COMMUNITY CENTER (BFCC)**LOCATION: 200 RAYMOND STREET****ORGANIZATION: COMMUNITY BRIDGES**

PROJECT DESCRIPTION: The Beach Flats Community Center provides public social services to the residents of the Beach Flats area. This includes community services such as early intervention and prevention programs including pre-school and after school programs, and parent education. It also serves as a social center for the community.

FUNDING REQUEST: The grant request is for \$10,000 in CDBG funds.

USE OF FUNDS: The applicant will use funding for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201(e). The national objective is achieved by serving limited clientele, defined as at least 51% being low- or moderate- income clientele.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Public Services priority need strategy CD.1 (a) in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE CD.1 - Continue to assist organizations in the provision of community services for low income households.

- STRATEGY CD.1 (a): Assist other City Departments, non-profit organizations, and neighborhoods in providing services and community building activities.

COMMENTS:

Beach Flats Community Center was a part of the City of Santa Cruz under the City's Parks and Recreation Department until February 2009. BFCC is now operating under Community Bridges, a non-profit organization serving the community. The BFCC provides critical service to the lowest income area in the City of Santa Cruz and serves as the only community center in the area. Community Bridges is working with the BFCC to qualify the BFCC as a CBDO to enable BFCC to better serve the Beach Flats neighborhood, which is a critical part of the City's Neighborhood Revitalization Area (NRSA).

PROJECT: CODE ENFORCEMENT

(Note: This is an ongoing commitment. Although a summary is provided here, an application was not required and therefore application material is not included in Section 4 of this Notebook.)

LOCATION: EXPANDED TARGET AREA**ORGANIZATION: CITY OF SANTA CRUZ**

PROJECT DESCRIPTION: This activity provides funding for housing-oriented code enforcement staffing in the Consolidated Plan Target Areas. Funding allocated last year enabled the Planning Department to provide funding for two Code Compliance Specialists. The enforcement efforts are essential components of the Consolidated Plan objectives to create and maintain a safe and secure housing environment in the lower income Target Areas.

FUNDING REQUEST: The grant request is for \$200,000.

USE OF FUNDS: The current amount will cover two staff position salaries and benefits (one full and one part-time position).

HCD PROGRAM ELIGIBILITY: The activity is eligible under the CDBG regulations at 24 CFR, Part 570.202c.

STAFF ANALYSIS

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need strategy AH.5 in the proposed 2010-2015 Consolidated Plan.

OBJECTIVE AH.5- Provide Code Enforcement Program for low-income Target Areas.

- **STRATEGY AH.5 (a):** Support two code enforcement officers to administer code enforcement activities in the Target Areas.

COMMENTS:

This activity is a critical component for preserving affordable housing in the City. It meets specific objectives listed in the goals of past and current Consolidated Plans and has been continuously supported by the City with CDBG funds since 1993.



CITY COUNCIL AGENDA REPORT

DATE:

AGENDA OF: 3/23/2010

DEPARTMENT: Water

SUBJECT: Agreement Endorsing Recommendations of the Desalination Task Force on a Proposed Seawater Desalination Facility. (WT)

RECOMMENDATION: Motion to authorize the City Manager to execute the City of Santa Cruz and Soquel Creek Water District Agreement Endorsing the Recommendations of Joint Task Force on a Proposed Seawater Desalination Facility.

BACKGROUND: On February 27, 2007, Council acted to approve the formation of a City/District Desalination Task Force (Task Force) consisting of 2 members of the Soquel Creek Water District (SqCWD) Board and 2 members of City Council, and appointing two Councilmembers and one alternate to that Task Force. In September 2007, the City and Soquel Creek Water District entered into a Memorandum of Agreement to create a Joint Task Force to pursue feasibility of construction and operation of a seawater desalination facility. Among the specific authorities the Task Force is empowered to undertake is to “Develop the concepts for an operational plan for the Facility for presentation to and final approval by the full legislative bodies of the respective parties. This operational plan shall include, but not be limited to, policies for determining when each agency would have primary use of the plant, including defining drought conditions and allowing for the possibility of joint operation in order to achieve groundwater recovery following a drought or to address groundwater issues of mutual concern to both parties.”

DISCUSSION: The Task Force has prepared an agreement that records multiple tentative agreements reached, which will facilitate other investigations and tasks related to development of the desalination project. Among these tentative agreements are items such as production scheduling, cost allocations, emergency requests for water, and arbitration procedures for handling disputes. The discussion of operation and primary time of use of the plant by each agency naturally leads to capital and operating cost implications as they are intertwined for the purpose of decision making. It is necessary to have tentative agreement between the two agencies regarding proposed cost sharing and timing of use of the plant to inform upcoming environmental analysis of the project as well as facility design.

Some of the key agreements within the document include a priority system defining when each agency has first right to water produced at the plant, cost sharing for capital and operating costs,

how to handle emergency requests for water, and arbitration procedures for disputes over water allocations in emergencies.

This agreement does not provide project approval nor does it commit the City or the District to construction of the desalination facility. Rather, the agreement is intended to inform the investigations, environmental review, and design of the project where detail is needed concerning the intended frequency and intensity of use of the facility. Importantly, nothing in the Agreement forecloses the prospect that either the City or the District, after completing environmental review, can choose to abandon the project (i.e., by opting for the No Project Alternative) or could impose mitigation measures that require changes or adjustments to the tentative terms of the agreement.

FISCAL IMPACT: None at this time.

Submitted by:

Approved by:

Bill Kocher
Water Director

Richard C. Wilson
City Manager

Attachments: Draft Agreement

**CITY OF SANTA CRUZ
AND
SOQUEL CREEK WATER DISTRICT**

**AGREEMENT ENDORSING RECOMMENDATIONS OF JOINT TASK FORCE
ON SEAWATER DESALINATION FACILITY**

This Agreement is entered into as of _____, 2010 by and between the City of Santa Cruz, a body politic and charter city (hereinafter "CITY") and the Soquel Creek Water District (hereinafter "SqCWD") a County Water District organized pursuant to sections 30000 *et seq.* of the California Water Code.

RECITALS

- A. In August 2007, the CITY and SqCWD entered into a "Memorandum of Agreement to Create a Joint Task Force to Pursue the Feasibility of Construction and Operation of a Seawater Desalination Facility" (hereinafter "2007 Agreement"). This 2007 Agreement was consistent with then-existing City policy as set forth in the City's 2005 Integrated Water Plan and 2006 Urban Water Management Plan, both of which contemplate the City ultimately developing some sort of desalination facility, possibly in partnership with the SqCWD.
- B. The 2007 Agreement remains in full effect and is attached to this Agreement.
- C. The 2007 Agreement authorized the Task Force to, among other things:
- Oversee and direct preparation and development of studies and plans for a 2.5 million gallons per day (mgd) seawater desalination project, including, but not limited to, design, environmental review, and permitting for the proposed seawater desalination facility;
 - Provide a forum for public input on the project; and
 - Formulate an operational agreement prescribing the conditions under which each agency shall be entitled to utilize the project for supplemental supply, the contractual relationship between the two agencies and ongoing governance structure should the project proceed. (Section 10.a)

The 2007 Agreement also authorized the Task Force to adopt a work plan and schedule for the project. (Section 10.b)

- D. The Task Force has met regularly, commissioned studies on various aspects of a shared desalination facility, and provided substantial public outreach through its meetings and website.
- E. The Task Force has reported that all studies and analyses presented to it suggest that a shared desalination facility will help each party achieve important water supply goals, including those identified in the Recitals to the 2007 Agreement.

- F. The Task Force has also submitted (1) a summary project description, (2) a current schedule extending through 2010, (3) an outline of steps to be taken by each party during the preparation and public review of documents addressing environmental aspects of the project, and (4) recommendations for elements to be incorporated into an operational agreement which will be formally adopted by both parties prior to a decision to proceed with construction of the project.
- G. The purpose of this Agreement is to memorialize the Task Force's submissions and their endorsement by the governing bodies of both parties.

NOW THEREFORE, because it is in the best interests of the parties to enter into this Agreement for the reasons set forth above, the parties agree as follows:

SECTION 1. SUMMARY PROJECT DESCRIPTION FOR PURPOSES OF ENVIRONMENTAL REVIEW

For purposes of conducting environmental review, the CITY and SqCWD tentatively envision constructing and operating a seawater desalination facility with a production capacity of 2.5 million gallons per day, though the environmental impact report (EIR) for the project will consider potentially feasible alternatives to this proposal, as well as the required No Project Alternative. The project description in the EIR will include the following principal elements:

- A. a seawater intake system;
- B. conveyance piping from the intake to the desalination facility;
- C. a desalination facility consisting of pre-treatment filtration, reverse osmosis desalination, post-treatment conditioning and disinfection;
- D. potable water conveyance piping to the CITY distribution system and a new interconnection between the CITY and SqCWD distribution systems;
- E. brine conveyance piping and ocean-discharge outfall.

SECTION 2. ENVIRONMENTAL REVIEW PROCESS

- A. Both parties recognize the importance of conducting a thorough review of the potential impacts of the desalination project on the environment, methods of mitigating such impacts, and evaluation of potentially feasible alternatives that could achieve most of the project's basic objectives while avoiding or substantially lessening any of the significant environmental impacts of the proposed project, as well as the mandatory No Project Alternative. To that end, the CITY has awarded a contract for the preparation of appropriate environmental documents as may be required under the California Environmental Quality Act ("CEQA") and the National Environmental Policy Act ("NEPA").

- B. The Task Force has recommended that, consistent with section 15051, subdivision (d), of the CEQA Guidelines, the CITY and SqCWD serve as co-lead agencies for purposes of environmental review under CEQA. [COMMENT: I DON'T SEE HOW EITHER THE CITY OR THE WATER DISTRICT CAN BE NEPA LEAD AGENCIES, AS ONLY FEDERAL AGENCIES CAN BE NEPA LEAD AGENCIES.] Both parties are willing to do so, subject to input on this issue from the selected environmental consultant as called for in the scope of work incorporated in the Request for Proposals issued by the CITY on behalf of the Task Force.
- C. The Task Force envisions the basic process through which the parties can implement the environmental review as co-lead agencies as follows:
1. At least one scoping session will be held in the CITY service area and at least one scoping session will be held in the SqCWD service area.
 2. Staffs of both parties will review and comment on the administrative draft of the environmental document prior to its publication for public review and comment.
 3. Following publication of the draft environmental document, at least one public comment session will be held in the CITY service area and at least one public comment session will be held in the SqCWD service area.
 4. The legislative bodies of both parties will hold a joint public hearing on the environmental document. Following the public comment session, each legislative body will decide independently on whether to certify the document, and will independently adopt findings of fact, a statement of overriding consideration (if appropriate), and the mitigation monitoring and reporting program.
 5. If the parties' legal counsel advise that the parties should prepare and execute a more detailed agreement for implementation of co-lead agency/joint lead agency responsibilities, the parties will promptly do so.

SECTION 3. SCHEDULE

The Task Force has submitted its most recent project schedule, a copy of which is attached marked "Attachment One." The parties encourage the Task Force to continue working diligently in order to achieve the progress outlined in the schedule.

SECTION 4. COMPONENTS OF OPERATIONAL AGREEMENTS

The Task Force has held detailed discussions and has formulated preliminary recommendations on several aspects of the project's operations, as contemplated by Section 3 of the 2007 Agreement. These preliminary recommendations are tentative in that they do not presuppose the specific location or detailed configuration of the project, and in that they remain subject to environmental review, which could result in changes to the recommendations or even a decision or decisions by either the City or SqCWD to favor the No Project Alternative and thus choose not to pursue the project at all. However, the parties agree that the Task Force

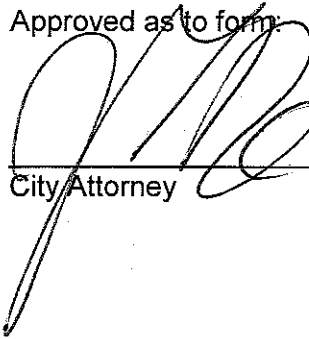
recommendations do provide useful guidelines for purposes of conducting environmental review and for evaluating the technical feasibility and fiscal impacts of the project.

The Task Force's seven recommendations, each accompanied by explanatory material, are endorsed by both parties in the form attached marked "Attachment Two." In terms of scheduling, the Task Force advises, and the parties tentatively agree, that, should both the City and SqCWD, after completing environmental review, choose to proceed with the project, an operational agreement incorporating these elements in final form should be adopted by the parties prior to advertising for bids for construction of the project.

The Task Force has indicated that recommendations addressing the contractual relationship between the parties and an on-going governance structure (also contemplated by Section 3 of the 2007 Agreement) will be submitted later, after further investigation and discussion.

IN WITNESS WHEREOF, the Parties have affixed their signatures hereto.

Approved as to form:


City Attorney 3-17-10

CITY OF SANTA CRUZ

City Manager

Date

Approved as to form:

District Counsel

SOQUEL CREEK WATER DISTRICT

Board President

Date

ATTACHMENT TWO

PRELIMINARY TASK FORCE RECOMMENDATIONS FOR ELEMENTS TO BE INCLUDED IN AN OPERATIONAL AGREEMENT

1. Location.

The desalination facility will be located in the CITY service area.

Justification: the region's coastal infrastructure favors the CITY's service area in terms of placing the intake and outfall.

2. Delivery of actual produced water and blended system water.

The project will utilize existing water infrastructure to the extent possible. As a result, water delivered to the SqCWD will include a blend of both actual produced water and CITY water from other sources, with the total amount nominally delivered not to exceed the desalination plant production.

Justification: to minimize construction cost and the project's environmental footprint.

3. Production scheduling: priority system.

Water produced by the Project will be allocated according to a monthly priority system. Table 1 shows the priorities in millions of gallons per day (mgd), calculated on a monthly basis. Plant capacity is 2.5 mgd. In all years, from May through October the City has a right to water produced at the desalination facility up to the plant capacity (2.5 mgd). The District has a right to take any remaining water. In April and November, both Agencies share an equal first priority of up to 1.25 mgd each, and an equal second priority of up to 1.25 mgd each. If the desalination facility is unable to fulfill the entire request in these months, the amount of water delivered to each agency will be reduced proportionately, first from the 2nd priority and then from the 1st priority. From December through March, the District has a right to water produced at the desalination facility up to plant capacity. The City has a right to any remaining water. If the amount ordered exceeds actual production or production capacity, orders will be filled in order of priority. The agencies will alert each other of their orders for the coming months on March 15 (for April through October) and October 15 (for November through March).

Table 1: SCWD2 desalination plant (2.5 mgd capacity) production priority system (mgd)

	January	February	March	April	May	June
1st Priority Quantity	Soquel Creek 2.5	Soquel Creek 2.5	Soquel Creek 2.5	Shared: 1.25 each	Santa Cruz 2.5	Santa Cruz 2.5
2nd Priority Quantity	Santa Cruz 2.5	Santa Cruz 2.5	Santa Cruz 2.5	Shared: 1.25 each	Soquel Creek 2.5	Soquel Creek 2.5
	July	August	September	October	November	December
1st Priority Quantity	Santa Cruz 2.5	Santa Cruz 2.5	Santa Cruz 2.5	Santa Cruz 2.5	Shared: 1.25 each	Soquel Creek 2.5
2nd Priority Quantity	Soquel Creek 2.5	Soquel Creek 2.5	Soquel Creek 2.5	Soquel Creek 2.5	Shared: 1.25 each	Santa Cruz 2.5

The priority system enables desalination plant output to be scaled back to standby mode when both parties deem it necessary. This is done when neither party requests water according to its priority.

Justification: A priority system enables both parties far greater management flexibility in utilizing the desalination facility compared to a formulaic shortage trigger that would transfer desalination supply use from one party to another. The problem with a shortage trigger approach is that the complicated formulas required for the City to determine when it would take water are likely to deter the City from taking water at times when it would be prudent to do so, or to force the City to take water when conditions do not require it. To be unambiguous, a shortage trigger formula would have to be specified in immense detail, much of which cannot be known clearly in advance.

With a priority system, water is available to both parties in the quantities and at the times it is needed, as the parties have previously specified and which are consistent with each agency's long-term water supply modeling.

4. Capital cost allocation

A. Basic Principle

The basic principle is that all capital costs of the 2.5 mgd project are to be shared on the basis of proportional maximum annual utilization. This approach utilizes the priority system to calculate the maximum possible annual utilization of the facility. Each agency's total annual first priority yield and second priority yield when first priority is less than plant capacity are summed, and divided by the facility's maximum annual yield. Capital costs are allocated to each agency based on the resulting percentages.

The calculation of proportional maximum annual utilization yields a capital cost allocation as follows:

Santa Cruz: 59%
Soquel Creek: 41%

	MGD	Days	Gallons	Guaranteed AF	Guaranteed Total AF
Santa Cruz	2.50	184	460,000,000	1,412	1642
	1.25	60	75,000,000	230	
Soquel Creek	2.50	121	302,500,000	928	1158
	1.25	60	75,000,000	230	
Total		365	912,500,000	2,800	
	Santa Cruz Proportion:		0.59		
	Soquel Creek Proportion:		0.41		

B. Capital Cost Categories

The same recommended allocation formula will be applied to all capital costs directly associated with producing and delivering the supplemental water supply associated with the desalination project. Some refinements to the application of the basic principle to specific categories may be appropriate, as described below.

Intake and Outfall

A decision has not yet been made regarding whether the intake will be open ocean utilizing an abandoned outfall pipe retrofitted with low-velocity manifolds or all new subsurface construction. If the outfall pipe is retrofitted for the desalination intake, it is assumed that it will be purchased or rented by scwd2. A decision has also not yet been made about whether the intake and outfall should be sized to accommodate the possibility of future expansion of the plant capacity. An independent valuation of the intake and outfall (and any other facility assets to be purchased or leased from one of the parties) will be made.

Land

If one party chooses to purchase land in excess of what is available and needed for the plant, that party will pay the incremental cost of the additional land. An engineer will determine how much land is needed to operate the plant.

Land has a residual value that differs from the residual value of other capital costs. The implication is that either party should be compensated if the other party some day puts some or all of the land purchased for this project to other uses. If and when the land is no longer used for desalination or all or a portion of the land is put to a different beneficial use or sold by one of the parties, the other party will be paid its original proportion paid of the appraised value of the land or that portion not used for the desalination project at the time the use changes or the land is sold.

Desalination Plant

The costs of pretreatment, treatment, and buffering (if necessary) facilities will be considered a single cost.

Piping from Desalination Plant to City System, and from City System to Soquel Creek System

These piping costs are part of the project and subject to the 59-41 capital cost split. The City would be responsible for the cost of constructing or enlarging components of the project to accommodate future expansion of the project's capacity above 2.5 mgd.

Justification: (i) Partnership - The two agencies are partners which independently arrived at the value of a desalination project to their systems based on long-term planning. Both agencies independently studied the potential for desalination, but were aware that the other agency was also considering desalination. One implication of the partnership principle is that the infrastructure costs of wheeling the desalinated water through one system to the other is part of the overall cost of the project. . Additional costs to accommodate increased capacity to support the desalination project, including any piping and pumping infrastructure from the DeLaveaga storage tanks to the SqCWD boundary are to be shared.

(ii) Systems are in Good Operating Condition - Keeping the infrastructure of each system up to standard is the responsibility of each individual agency

5. Operating Costs Allocation.

There are three categories of operating costs: fixed readiness charge (allocated the same as capital costs, 59/41); water charge (allocated as each agency's share of total orders); and capital refurbishment charges (allocated the same as capital costs, 59/41). Examples of each category, based on discussions with other water agencies, consulting engineers, and staff, follow. This list may be modified over time and is not intended to be all-inclusive

Fixed Readiness Cost Categories (R) *activities or items that must be maintained regardless of whether the plant is operating so as to "stand ready" to produce water*

Brine Equalization Tank
Brine Pipeline maintenance
Standby Engine Generator System
Operations Building System
Plant SCADA Systems
Plant Electrical System
Plant Security and Landscape
Intake Screens and Pipeline
Intake Pump Station (parts subject to constant corrosion)
Source Water Pipeline
Rapid Mix (parts subject to corrosion)
High-Rate Clarification
Permeate Tank
Chlorine Contact Tank
Brine Pump Station (parts subject to constant corrosion)
Water quality testing
Labor for stand-by operations

Water Charge Categories (W) *items or activities directly related the amount of water produced*
Power

Intake pump stations (parts degraded by use)
Rapid Mix (parts degraded by use)
Strainers and MF/UF Membrane Filters, or media replacement
Filtrate and Backwash Supply Tank
SWRO Feed Pump Station
1st pass SWRO membrane elements
Distribution Booster Pumps
Liquid Chemical Storage and Feed
Dry Chemical Storage and Feed
Carbon Dioxide Storage and Feed
Backwash Supply Pump Station
Backwash Equalization Basin
Gravity Thickeners
Centrifuges
Brine Pump Station (parts subject to degradation by use)
Labor for in-use operations
Additional water quality tests

Capital Refurbishment Categories (C) *generally longer term maintenance and replacement of components to maintain the facilities in useful condition for the life of the plant*

Building
Piping
Valves
RO element pressure vessels
Equipment for changing, removing, replacing RO elements in pressure vessels
Measurement instruments
SCADA systems
Chemical cleaning systems
Intake and outfall equipment (alternative location to the above two categories)

Power equipment (on-site generators, transformers)
 Energy recovery devices
 Screens

Calculations of operating costs are as follows:

	<i>Col. 1</i> Fixed Readiness Charge (R)	<i>Col. 2</i> Water Charge (W)	<i>Col. 3</i> Capital Refurbishment (C)
City	% of plant capacity	% of total orders	% of plant capacity
SqCWD	% of plant capacity	% of total orders	% of plant capacity

Note: the "% of plant capacity" for each agency is SqCWD: 41%, City: 59%

Scenario 1:

Plant operates normally

SqCWD pays: $(.41*(R+C)) + (\text{SqCWD proportion of water orders} * W)$

City pays: $(.59* (R+C)) + (\text{City proportion of water orders} * W)$

Scenario 2:

Plant does not produce sufficient water to meet orders

SqCWD pays: $(.41*(R+C)) + (\text{SqCWD proportion of water taken} * W)$

City pays: $(.59* (R+C)) + (\text{City proportion of water taken} * W)$

Many of these categories are already being tracked by the City Water Department cost tracking system. As the time of plant operation nears, these categories can be identified in or added to the existing accounting system.

An adjustment charge for normal system leakage/losses of 1.5% of deliveries will be added to the water charge paid by the Soquel Creek Water District.

Incidental overproduction. In the event that the facility occasionally or for short durations overproduces water as a result of operating conditions, and the over production exceeds ordered water, the cost of its production will be added to the cost of the ordered water, in proportion to the amounts ordered.

Justification: To the extent possible, the direct beneficiary should cover operating costs of the plant. In some cases, operating costs are not linked to water produced, and are appropriately allocated on the same basis as are capital costs.

6. Emergencies- Principles and Procedures

"Emergency Call for Desalinated Water"

An Emergency Call for Desalinated Water can be made as a result of an incident that suddenly and unexpectedly curtails water supply for either agency. Emergencies are curtailment events whose details, timing, and severity cannot reasonably be anticipated by water managers. Examples include seismic damage to facilities, unexpected loss of multiple wells, treatment plant breakdowns, damage to reservoirs, and other similar impacts that cause immediate and unexpected loss of water supply. Emergencies do not include droughts, water shortages due to growth, or other changes in demand or supply that should be subject to regular water supply planning.

Concurrent with such an incident, either or both agencies may issue an Emergency Call for Desalinated Water. An Emergency Call for Desalinated Water triggers the following provisions. It does not trigger any other emergency-related actions or responses at or between the Agencies unless such actions or responses are specified in other documents.

Single-agency Emergency

An Emergency Call for Desalinated Water occurs when one Agency Manager delivers a written communication to the other requesting emergency use of the desalination facility. The timing of the event begins upon delivery of the communication either electronically or in hard copy.

The Agency Manager of the declaring agency has the authority to implement immediate changes to the priority system.

Having made an Emergency Call for Desalinated Water, the declaring agency may request up to the entire output of the desalination plant for a period of up to 15 days from the day of declaration. This request will be honored by the other agency.

During this period, the Emergency Call for Desalinated Water allocation replaces the priority system. At any time, the Agency Manager of the declaring Agency may end the Emergency Call for Desalinated Water, at which point desalinated water is again allocated according to the priority system.

After 15 days of continuous Emergency Call for Desalinated Water, the priority system will be reestablished and followed for allocation of desalinated water unless the Agency Managers jointly declare an Ongoing Emergency.

During an Ongoing Emergency allocation of desalinated water will be subject to negotiation and agreement between the two agencies.

Agency Managers will meet prior to the conclusion of the initial 15-day emergency period to discuss whether to end or continue the Emergency Call for Desalinated Water. If they agree to continue it by declaring an Ongoing Emergency, they will then agree on an allocation of water from the facility. The continuation can last up to 15 days without repeating this process.

In the event that the Agency Managers cannot agree on whether to continue the Emergency Call for Desalinated Water, the issue will be resolved through arbitration as provided in Section 7.

Operating expenses during the emergency will be allocated according to the proportion of water delivered to each agency during that period.

Regional Emergency

Both parties may make an Emergency Call for Desalinated Water at the same time or in overlapping periods.

If this occurs, the Agency Managers will attempt to negotiate an allocation of water from the Desalination Facility. This allocation will replace the regular priority system detailed in this agreement. If the Agency Managers are not able to reach an agreement, the issue will be resolved through Arbitration.

Justification: In case either agency or both agencies experience an unexpected severe shortage of water supply, the desalination facility provides an opportunity to meet short-term supply needs. These incidents are expected to occur rarely and are expected to last from a few days to

one week but could last longer. The following two principles influence the utilization of desalination water during an emergency.

- (1) *In the event of an emergency, each agency will retain its independence of action subject to any agreements the agencies have reached in advance.*
- (2) *In the event of an emergency that impacts both agencies, a principle of equity will be used in discussions over water curtailments.*

7. Arbitration Procedures for Disputes Over Allocation of Water in Emergencies.

In the case of emergencies, a simple, clear and speedy procedure is needed to allocate water from the desalination plant. Mandatory, binding arbitration conducted by a single, technically-knowledgeable arbitrator is most likely to meet that objective. To accomplish that, the Task Force recommends the following:

Panel of Arbitrators

The parties will establish by agreement a panel of neutral third parties who are acceptable to both as potential arbitrators. Experience and qualifications desirable for potential arbitrators include experience in civil engineering and/or municipal water supply management and operation. To be eligible for inclusion on the panel, a person must not be an employee of or consultant to either of the parties or have served in that capacity for a period of time agreed to by the parties. Also, potential arbitrators must agree in advance on dates of availability, compensation, the need for quick action and decision, as well as on procedural rules the parties may have established.

The parties will keep the list of potential arbitrators up-to-date.

Selection of Arbitrator

The arbitrator may be any person on the approved list who is immediately available to serve.

Process of Arbitration

The process should be efficient, informal and fair. Basic groundrules will include:

- prohibitions on individual contacts by either party with the arbitrator (other than to explain the nature of the decision and establish meeting logistics);
- providing a copy of all information submitted to the arbitrator to the other party;
- time limits for submission of written information to the arbitrator, for meetings to present information and argument to the arbitrator, and for the issuance of the arbitrator's decision;
- the scope of the arbitrator's decision and the length of time it can be in effect.

Finality

The parties agree that the arbitrator's decision will be final and not subject to review in court.

Justification: The parties should establish in advance a procedure for prompt resolution of any dispute about the existence of an emergency and the reallocation of the output of the project by a knowledgeable, independent third party.

CITY COUNCIL AGENDA REPORT

DATE: March 17, 2010

AGENDA OF: March 23, 2010

DEPARTMENT: City Manager

SUBJECT: 2008-2009 Comprehensive Settlement Agreement Annual Report
(Agreement between the City of Santa Cruz, County of Santa Cruz,
University of California Regents, University of California at Santa Cruz,
and Coalition for Limiting University Expansion (CLUE)) (CM)

RECOMMENDATION: That the City Council receive and accept the 2008-2009
Comprehensive Settlement Agreement Annual Report.

BACKGROUND: The Comprehensive Settlement Agreement was signed in August of 2008 and has served as a catalyst for a more cooperative and productive relationship with the University of California at Santa Cruz (University). A considerable amount of work has occurred to implement the provisions of the agreement. The agreement also includes requirements for reporting progress. The Council last received a report in June 2009.

DISCUSSION: Attached is the Annual Report which includes a brief executive summary and section by section status table. The report was reviewed at a meeting of the agreement principals in November 2009. The principals meeting included representatives from each of the parties. Chancellor Blumenthal represented the University. Then Mayor Cynthia Mathews and Vice Mayor Mike Rotkin represented the City of Santa Cruz. Supervisor Neal Coonerty represented the County of Santa Cruz. CLUE was represented by Reed Searle, John Aird and Ted Benhari.

The report has been posted on the University's website and a link has been placed on the City's newly developed web page on university relations/resources (<http://www.cityofsantacruz.com/index.aspx?page=1459>) which can be found under the "Living" tab on the City's home page.

FISCAL IMPACT: The agreement includes provisions that require the University to pay for its impact to City infrastructure and public services, including past and potential future impacts. To this end, the University has thus far paid the City a total of \$2,776,648.

Submitted by:

Approved by:

Martin Bernal
Assistant City Manager

Richard C. Wilson
City Manager

Attachments:
Executive Summary
Annual Report

2008-09 Comprehensive Settlement Agreement Annual Report

The Comprehensive Settlement Agreement Annual Report for 2008-09 (Report) provides information for the public on the implementation and/or completion of various sections of the Settlement Agreement between the City of Santa Cruz, County of Santa Cruz, Coalition for Limiting University Expansion, Rural Bonny Doon Association, individual citizens and The Regents of the University of California, and University of California Santa Cruz campus.

The Comprehensive Settlement Agreement (CSA) signed in August 2008 set the course for a new relationship between the parties. While all parties have contributed to the first year accomplishments, the City and the University particularly, have responded positively to the CSA provisions by meeting agreed upon goals, reducing use of resources and by collaborating on projects for improving the welfare of our community.

In the first year of implementation of the CSA, several benchmarks were achieved. For example:

- UCSC made payments totaling \$2,467,515 to the City of Santa Cruz for road and intersection improvements
- UCSC reduced water usage by 27% -almost twice the target reduction over peak season use -during the area wide water restrictions.
- Increased campus housing is being planned and constructed. Planning was initiated for west campus housing; the East Campus Infill Student apartments will yield 600 beds and the Porter College Residence Halls Reconstruction will provide 409 new beds in fall 2010
- Traffic was reduced with the main campus average daily trips below 1998-99 levels and 25% below the CSA threshold
- UCSC and the City have successfully collaborated on economic development projects including the Project on Innovation and Entrepreneurship and a business plan competition.

The Report includes relevant data associated with the identified CSA sections. Each section in the report has a website link to the pertinent section (and complete text) of the signed settlement agreement. Notes have been included on the right side of the Report to clarify the data.

Questions regarding the Report or the Comprehensive Settlement Agreement, please contact:

UC Santa Cruz Director of Campus Planning
831-459-2170 or ppc@ucsc.edu

Or

City of Santa Cruz Director of Planning and Community Development
831-420-5100 or cityplan@ci.santa-cruz.ca.us

**Annual Report
Comprehensive Settlement Agreement**

2008 – 2009 Academic Year
(July through June)

The Comprehensive Settlement Agreement is available on line at: <http://lrpd.ucsc.edu/settlement-agreement.pdf>

The 2008 – 2009 Annual Report is available online at: <http://lrpd.ucsc.edu>

If you have questions regarding this report or the Comprehensive Settlement Agreement, please contact:

UC Santa Cruz Director of Campus Planning
831-459-2170 or ppc@ucsc.edu

Or with questions regarding Settlement Sections marked with an asterisk (*), please contact:

City of Santa Cruz Director of Planning and Community Development
831-420-5100 or cityplan@ci.santa-cruz.ca.us

UCSC has primary reporting responsibility for all sections except those marked with an asterisk (*), for which the City has primary responsibility. If reviewing the report online, the full language of the relevant section from the Comprehensive Settlement Agreement may be viewed by clicking on the agreement section number in the upper left corner.

Settlement Agreement Section	Data	Notes
-------------------------------------	-------------	--------------

Enrollment (see [1.5](#) for margin of error allowance)

1.1 FTE F/W/S on-campus average enrollment	15,780 FTE	2008-09 Academic year
1.2c Target new freshman enrollment growth based on Fall 2007 (3,730)	Fall 08: 3,962 headcount	Targeted at 2007 levels – 230 students over target in fall 2008

Housing

1.2a Initiate planning for west campus housing	Preliminary planning workshop held 3/16/09	Discussion of potential delivery of west campus housing development which included the potential redevelopment of the Family Student Housing complex: Student Affairs, Capital Planning, Physical Planning & Construction Attendees included: VC Vani (Business and Administrative Services), VC McGinty (Student Affairs), VC Michaels (Planning & Budget) External consultant attendees: Linda Dalton, Victor VanZandt, Craig Stradley, Karl Mohr, Peter Copriviza, Jonathan Harvey, Craig French, Michael Houlemard
2.1a Beds for enrollment up to 15,000	Fall 08: 7,641 beds provided	7,125 beds required
2.1b Beds for enrollment over 15,000	7,648 total beds required by fall 2013	Enrollment 07-08: 15,000, 08-09: 15,780 67% of 780=523 7,125+523=7,648 beds required by fall 2013 (4 yr. lag)
2.1c Suspension of 2.1b	N/A	
2.2 Student housing 5-year capital plan	http://budget.uco.edu/nonstate/08095YrNSCP/santacruz.pdf	Approved 2009: East Campus Infill Student apartments – 600 beds, anticipated, with necessary enrollment, opening Academic year 2012-13

Settlement Agreement Section	Data	Notes
------------------------------	------	-------

2.2 Student housing construction	Porter College Residence Halls Reconstruction	Porter College – 409 new beds anticipated fall 2010 opening
2.2 Student housing occupancy rates	95%	Average 3 quarter 2008-09
2.3 Housing meeting	November 25, 2009	Coordinated with Water meeting
2.4a Number of new off-campus beds	No new beds added	
2.4b Off Campus Housing Impact Fund Fee	N/A	
2.7c City rental property ordinance(s) *	Spring 2010	Expected release of draft program Spring 2010
2.9 City code enforcement positions *	Summer 2010	Expected positions after Ordinance is established
2.10 City Housing Element Update *	Fall 2009	Expected adoption Fall 2009

Water

3.1 UCSC annual water usage and payment for use above baseline	2008: 199.8 MGY	206 MGY baseline usage; UCSC commitment to contribute funding has not yet accrued MGY=million gallons per year
3.2a No increase in water demand under area-wide moratorium	N/A	
3.2b UCSC water usage during water shortage	<u>2009 Reduction:</u> May-Jun: 27% Jun-Jul: 43% Jul-Aug: 36% Aug-Sep: 16% Sep-Oct: 25%	Peak season 2009: Stage 2 - 15% curtailment from peak season average http://www.ci.santa-cruz.ca.us/wt/conservation/pdf/WaterShortageContinuityPlan.pdf
3.3 Status of UCSC conservation measures	9 of 19 projects completed	High priority measures (19 projects); see: http://www.ucsc.edu/conserving_water/ All projects to be complete by 2013
3.4 Additional Infrastructure Improvements	N/A	
3.5 Water meeting	November 25, 2009	Coordinated with Housing meeting
3.6 Review of sewer service charge *	Data provided to UCSC by City	UCSC reviewing data provided by the City

Traffic

4.1 Main campus average daily trips (ADT)	ADT 2008-2009: 21,242 ADT	Fall 2008:19,759 ADT; Spring 2009: 22,725 ADT; 28,700 ADT is the not-to-exceed threshold subject to conditions of the Settlement
4.1g SCMTD transit service	NA	SCMTD mode split in Spring 2009 was 29.7%, which exceeds 25%. UCSC continues to pay the cost of SCMTD ridership
4.2 Main campus fair share payment	\$1,427,000 payment	9/24/08 payment for 3,900 new ADT above 24,800 ADT
4.2 City/UCSC to meet to identify TIF projects. City to initiate in 1 year *	City and UCSC staff have met to discuss TIF projects	Bay St. / High St. intersection improvement identified and design coordination in progress
4.4 2300 Delaware fair share payments	\$418,868.70 payment	9/24/08 payment for 1,145 trips
4.5 Marine Science Campus fair share payments	N/A	No trip generating projects

Settlement Agreement Section	Data	Notes
------------------------------	------	-------

4.6a BRT Study BRT= Bus Rapid Transit	Final draft report May 2009	Under review by BRT Task Force
4.6b City and UCSC to work on mitigating existing and future peak hour traffic demand from UCSC	In progress	On-going TDM, see 4.2 & 4.6d TDM=Travel Demand Management
4.6c Expand/enhance public transit service	In progress	On-going discussions with SCMTD to increase effectiveness of service
4.6d Implement/expand TDM programs	Spring 09: 60% alternative mode	Objective to increase above 55% alternative mode TDM=Travel Demand Management programs include: van pools, carpools, car share, transit programs, bike shuttle, etc.
4.7 Update City traffic model; UCSC traffic counts *		November 2007 turning movement counts provided to the City. City/ UC coordinating on new counts so data are available to update model.
4.8 Off-campus Parking Permit Program *	N/A	Long term parking available at the Depot Park lot 24 by permit available at the City parking office
4.9 Mission Street Widening Contribution	\$107,500 payment	9/24/08
4.10 Heller/Empire Grade Traffic Signal	In progress	construction design review, construction anticipated spring 2010
4.11 Bay Street Repair Contribution	\$514,146 payment	9/24/08
4.12 Shaffer Rd/Delaware Improvements	N/A	
4.13 Study and implementation of non-TIF projects *	Meeting 11/10/2008	Meeting to discuss projects, with priority given to GIS analysis, long-term storage, lots and car share expansion, and signal timing
4.14 City/UCSC/CLUE plan and implement public transportation system	Meetings every 2-4 weeks began in August 2009	Future meetings scheduled for setting of goals. Focus of effort to develop short term transit and alternative transit improvements. Attendees: M. Dettle-SC City; L. Pageler – UCSC; R. Searle- CLUE; L. White and A. Aitken - SCMTD

Settlement Agreement Section	Data	Notes
-------------------------------------	-------------	--------------

Other

1.3 Enforcement condition (housing/water)	N/A	Threshold not reached
1.4 Enforcement condition (traffic)	N/A	Threshold not reached
2.5 Notification of intent to purchase property in City	N/A	Threshold not reached
2.8 Extraterritorial Service & Sphere of Influence Applications *	In progress	Applications submitted 10/28/08, Sphere of Influence Environmental Impact Report expected release in Fall 2009
8.2 Request contractors to allocate local sales and use tax	In progress	Discussion scheduled to occur at a future Implementation Committee Meeting
8.4 Transient Occupancy Tax and Admissions Tax discussion *	In progress	Discussion scheduled to occur at a future Implementation Committee Meeting
8.5 City/UCSC meet regularly to explore opportunities for cooperation	Examples: Pilot Project on Innovation and Entrepreneurship; Business Plan Competition; Redevelopment/Economic Development staff meetings; Mission Street Safety Task Force	Several monthly meetings attended by: D. Murphy, D. Blitzer, L. Pageler, & C. Hemard – UCSC, B. Lipscomb, M. Dettle, C. Cirillo, M. Bernal - City

N/A = Not Applicable
Data reporting period varies

ORDINANCE NO. 2010-____

AN ORDINANCE OF THE CITY OF SANTA CRUZ
AMENDING CHAPTER 2.40.014 OF THE SANTA CRUZ MUNICIPAL CODE
PERTAINING TO MEETINGS OF BOARDS AND COMMISSIONS

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

Section 1. Chapter 2.40.014 of the Santa Cruz Municipal Code is hereby amended to read as follows:

2.40.014 MEETINGS – ORGANIZATION.

As soon as practicable, following the first day of January of each year, each board and commission shall organize by electing one of its members to serve as chairperson, at the pleasure of such board or commission.

Each board or commission shall hold regular meetings in accordance with the regular meeting schedule set forth in the City Council approved bylaws for that board or commission. All proceedings shall be open to the public except as provided by state law.

The mayor shall call the first meeting of each newly established board or commission, and the city manager shall designate a city employee to act as secretary to each board and commission, who shall keep a record of its proceedings and transactions.

Section 2. This ordinance shall be in full force and take effect thirty (30) days after its final adoption.

PASSED FOR PUBLICATION this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

ORDINANCE NO. 2010-___

PASSED FOR FINAL ADOPTION this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

This is to certify that the above and foregoing document is the original of Ordinance No. 2010- and that it has been published or posted in accordance with the Charter of the City of Santa Cruz

City Clerk



City Council Meeting Calendar March 17, 2010

Date	Time	Location	Topic
April 13, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
April 20, 2010	4:00 p.m.	Council Chambers	Special City Council Meeting – Capital Improvement Program Budget Review
April 27, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
May 11, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
May 25, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
June 7, 2010 and June 9, 2010 (if necessary)	8:30 a.m. – 5:00 p.m. 1:00 p.m. – 5:00 p.m.	Council Chambers	Special Meeting – Budget Hearings
June 8, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
June 22, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
July 13, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
July 27, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
August Break – No Council Meetings			

Council Membership in City Groups and Outside Agencies

Councilmembers will have the opportunity to present oral updates to Council and the public. Councilmembers may provide direction, request additional information or that a topic raised be agendized for future Council action. The Presiding Officer may request oral updates from Council ad hoc Committees.

The Presiding Officer will ask representatives of each entity if there is any oral update.

Name of Agency/Organization	Currently Serving
Association of Monterey Bay Area Governments (AMBAG)	L. Robinson, T. Madrigal (alternate)
City of Santa Cruz/Soquel Creek Water District (SqCWD) Desalination Project	D. Lane, M. Rotkin, R. Coonerty (Alt.)
City Schools Committee (Ad Hoc)	C. Mathews, T. Madrigal, R. Coonerty
Community Action Board	T. Madrigal, David Sweet (alternate)
Conference and Visitors' Council	C. Mathews, L. Robinson
Cultural Council Board City Representative	K. Beiers
Downtown Management Corporation	C. Mathews, L. Robinson
Economic Development Council (Mayor/Vice Mayor)	R. Coonerty, D. Lane, C. Mathews
Library Joint Powers Authority Board	K. Beiers, M. Rotkin, C. Mathews (alt.)
Library Financing Authority	M. Rotkin
Local Agency Formation Commission (LAFCO)	D. Lane
Monterey Bay Unified Air Pollution Control District	2010 City of Watsonville
Public Safety Committee	D. Lane, M. Rotkin, L. Robinson
Sanctuary Inter-Agency Task Force	K. Beiers, C. Mathews
Santa Cruz County Children's Network	D. Shoemaker, C. Scurich (alt.)
Santa Cruz Community Farmers Market, Inc.	L. Robinson
SC County Integrated Waste Management Local Task Force	M. Rotkin, Alan Schlenger (alternate) Bob Nelson, Mary Arman (alternate)
Santa Cruz Metropolitan Transit District Board	M. Rotkin, L. Robinson
SC County Regional Transportation Commission (SCCRTC)	D. Lane, L. Robinson (alternate)
Social Services Program Committee	R. Coonerty, C. Mathews, L. Robinson

Public comment on the reports given will be heard at a time to be determined by the Presiding Officer.