



AGENDA

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: March 6, 2024
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	Agenda posted on 03-01-2024 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvally.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Randy Johnson, Mayor Derek Timm, Vice Mayor Jack Dilles, Council Member Donna Lind, Council Member Allan Timms, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Allison Pfefferkorn, Recreation Division Manager Sarah Wikle, Senior Planner Cathie Simonovich, City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS
Notice regarding City Council Meetings: The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066, and via Zoom Webinar remote access. Agenda and Agenda Packet Materials: The City Council agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvally.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvally.gov. Public Participation: The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: https://www.youtube.com/channel/UCLNTBScelB4wTfidYHrocWA For those wishing to participate via Zoom you can join the following ways: Zoom Webinar meeting link: https://us02web.zoom.us/j/83295730901

Or dial one of these numbers: (669) 900-9128 or (669) 444-9171
Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:

Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:

Use the webinar attendee option to “raise hand” when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to “raise your hand”, and the Clerk will unmute you when it is your turn.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER

1. Mayor's proclamation celebrating Alfred Hitchcock Week: March 4th through March 10th

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvally.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve City Council minutes of 02-21-2024
2. Approve check register dated 02-16-2024 through 02-29-2024
3. Approve the First Amendment to Environmental Innovations Professional Services Agreement in the amount of \$15,587 for expanded stormwater management services.

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Siltanen Family Swim Center lease agreement
2. Consider approval of the Housing Element Annual Progress Report and authorize the submittal of the Annual Progress Report to the Department of Housing and Community Development Department
3. Future Council Agenda Items

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding real property negotiations
Legal Authority: Government Code Section 54956.8
Location: APNS: 022-721-07, 022-721-08, 022-721-09 (Town Center)
Staff Present: City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKE DURING CLOSED SESSION

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



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City of Scotts Valley Mayor's Proclamation

Celebrating Alfred Hitchcock Week - March 4th through 10th, 2024

WHEREAS, March 12th is celebrated as National Hitchcock Day each year; and

WHEREAS, the Scotts Valley Community Theater Guild, supported by the Exchange Club of Scotts Valley and Scotts Valley Historical Society, is producing a Hitchcock Festival March 8th through March 10th at the Scotts Valley Cultural & Performing Arts Center; and

WHEREAS, Alfred Hitchcock and his wife Alma Reville were a force of nature in the Motion Picture industry in England. And it wasn't long before Hollywood beckoned them to come Stateside; and

WHEREAS, in 1940 Alfred and Alma purchased the 200-acre estate in Scotts Valley known as "Heart o' the Mountains", their home away from the bustle of Hollywood for 30 years; and

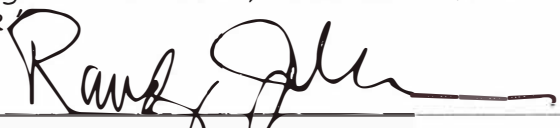
WHEREAS, Alfred and Alma invited many celebrities to come stay at their retreat. Stars of stage and screen like Ingrid Bergman, Cary Grant, James Stewart, Kim Novak and Grace Kelly visited them. Robert Cummings loved to fly into Skypark Airport for a weekend getaway. Princess Grace and the Prince of Monaco visited many times and were their life-long friends; and

WHEREAS, Local restaurant owners welcomed the Hitchcocks in their restaurants. The Old Danish Inn in Scotts Valley was visited many times by Alfred and Alma. Gilda's on the wharf, the Palomar Inn Downtown, and Adolph's were Alfred's favorites. He also loved to visit United Cigar in Santa Cruz, where he would get Hollywood newspapers and his favorite cigars; and

WHEREAS, Alfred made many movies from his Northern California compound. He left a legacy of wonderful movies and TV shows for us to still enjoy today.

NOW, THEREFORE, I, Randy Johnson, as Mayor of the City of Scotts Valley, on behalf of the entire City Council, do hereby recognize Alfred Hitchcock, well-known citizen of the world and Scotts Valley resident, for his great contributions to the film world and love of Scotts Valley; and hereby declare the week of March 4th through March 10th, 2024 as "Alfred Hitchcock Week"




Randy Johnson, Mayor
Signed and sealed this 6th day of March 2024



MINUTES

Meeting of the
Scotts Valley City Council
Date: February 21, 2024
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	The agenda was posted on 2-16-2024 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.gov .

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:03 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT: Randy Johnson, Mayor Derek Timm, Vice Mayor Jack Dilles, Council Member Donna Lind, Council Member Allan Timms, Council Member	CITY STAFF MEMBERS PRESENT: Mali LaGoe, City Manager Kirsten Powell, City Attorney Steve Walpole, Police Chief Taylor Bateman, Community Development Director Steve Jesberg, Interim City Engineer Cathie Simonovich, City Clerk
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COMMITTEE REPORTS

CM Lind attended a meeting of the Criminal Justice Council board where they voted to continue with the next phase of the behavioral health study. This will be the third year of this study and will be focused on counseling and behavioral health services.

CM Timms attended a meeting of the Childrens Network/Youth Action Network where they are preparing for the activities in the month of April for Child Abuse Awareness Month. They plan to produce video podcasts with local experts to raise awareness and try to normalize talking about this subject, which can be uncomfortable for some people.

CM Timms attended a meeting of the Area Agency on Agency where discussion was focused on the Live Oak Senior Center. CM Timms reported that the agreement to extend the lease for the Senior Center for an additional two years is almost complete. Community Bridges has tendered an offer of \$2.4 million to purchase the property and the Live Oak School District is considering the offer.

VM Timm attended a meeting of the Association of Monterey Bay Area Governments (AMBAG) where they received the annual financial report. They finalized the carbon reduction program criteria and will have \$7 million across the three counties to spend on transportation projects. The AMBAG Complete Streets Policy is open for public comment through March 15th. Anyone interested in commenting can find more information on the AMBAG website.

VM Timm attended a meeting of the subcommittee for Visit Santa Cruz County (VSCC) and they are still looking for a new location for the VSCC offices.

VM Timm attended the Budget Subcommittee meeting with Mayor Johnson and staff. He reported that it is sobering to look at the outlying years in terms of the significant shortfalls that are built into the budget. This will be discussed at the workshop next week.

CM Dilles, as Mayor Johnson's alternate to the Regional Transportation Commission, was invited to have coffee with the Interim Executive Director of the Santa Cruz Regional Transportation Commission. They had an informal chat about transportation.

Mayor Johnson attended the Budget Subcommittee meeting and agreed that the budget situation is daunting. He reiterated that this is on the minds of the Council and staff, and that this will be addressed as the year moves forward.

CITY MANAGER REPORT

Citizens Academy: This week was the second session of the second cohort of the Citizens Academy, and the participants received tours of the Fire Station and the Police Station.

Government Finance Officers Award (GFOA): -The City received the GFOA Excellence in Financial Reporting award for the year 2022. The audit for 2023 is wrapping up and will be submitted for consideration for this award once complete.

Green Hills Road Repair: This repair should be finished this week.

Tot Lot at Skypark: One issue with the manufacturer is still being addressed and should be resolved soon.

Housing for Health Board Meeting: - City Manager LaGoe attended this meeting for the first time - the City of Scotts Valley and the City of Capitola do a two-year rotation, so it is Scotts Valley's turn. They discussed the County's plans for addressing the spectrum of services from transitional housing to permanent housing, as well as the funding they are applying for to support those efforts.

Sales Tax Consulting Firm meeting: City Manager LaGoe met with the sales tax consulting firm and received the sales tax report from the 3rd quarter of 2023 (July-September). Unfortunately, sales tax was down 2.3% and future projections are predicted to be flat. This is relatively on trend with the region and with the State, but definitely something that the City will watch closely. City Manager LaGoe noted that the sales tax from Target is allowing this revenue to hold steady rather than decline.

The Council Members congratulated City Manager LaGoe and staff for receiving the award for excellence in financial reporting.

PUBLIC COMMENT TIME

Mayor Johnson announced the City Council received a petition seeking a resolution from the City Council about the violence in Gaza, and the City Council has also received correspondence from residents who do not want the Council to weigh in on matters that do not directly involve the City of Scotts Valley. The City of Scotts Valley has a long-standing practice of not taking positions on issues that are not within the purview of the City, and do not directly affect its residents or businesses; rather, the City maintains its focus on issues that directly impact and benefit the City, its residents and its businesses. The City is continuing its practice on this issue. As always, we welcome anybody wishing to express their comments on this issue. Mayor Johnson announced that the public comment time is two minutes per individual.

Cassandra from 211 Santa Cruz County United Way reported the call and referral statistics for 2023, and she reported that February 11th is *211 Day*.

Three people spoke in favor of a cease-fire resolution.

CM Lind announced that the 2nd annual Alfred Hitchcock Festival will be from March 8th through March 10th. The tickets are now available to purchase at the Scotts Valley Community Theater Guild or online at www.hitchcockfestival.com. She thanked the Exchange Club, the Theater Guild, and all the volunteers working on this event.

CM Lind announced that the Santa Cruz Warriors are hosting a special game supporting the Fallen Officers Foundation. Our own Scotts Valley Police Officer Nick Stoeberl will be singing the National Anthem. This event is on Friday, March 15th at 7:00 PM. There will be a section available for those supporting the Fallen Officers Foundation and tickets can be purchased on the SC Warriors website or the Fallen Officers Foundation website.

CM Timm thanked the people who signed the Gaza petition and the people who spoke during public comment time. He noted that he understands that there is disappointment that the City does not weigh in on international matters. This is not specific to this issue, rather this has been the stance of our local government since its inception. CM Timm requested that staff forward the petition to our elected officials at the federal level.

ALTERATIONS TO CONSENT AGENDA

M/S: Timms/Lind

To approve the Consent Agenda with no alterations.

Carried 5/0 (AYES: Johnson, Timm, Dilles, Lind, Timms)

CONSENT AGENDA

1. Approve City Council minutes of 02-07-2024
2. Approve check register dated 02-02-2024 through 02-15-2024
3. Ratify appointment to Arts Commission
4. Amend agreement between the City of Scotts Valley and Kimley-Horn & Associates, Inc. for preparation of the 6th Cycle Housing Element Update

ALTERATIONS TO REGULAR AGENDA

M/S: Timms/Lind

To approve the Regular Agenda with no alterations.

Carried 5/0 (AYES: Johnson, Timm, Dilles, Lind, Timms)

REGULAR AGENDA

1. Santa Cruz County Regional Transportation Commission Zero Emission Passenger Rail and Trail Project Preliminary Purpose and Need

This item was presented by Sarah Christensen from the Santa Cruz County Regional Transportation Commission. Ms. Christensen responded to questions and comments from the Council.

Mayor Johnson thanked Ms. Christensen for the informative presentation.

2. Consider a Permanent Local Housing Allocation Resolution

City Manager LaGoe presented this item and responded to questions from the Council.

M/S: Lind/Timm

To adopt Resolution No. 2044 authorizing the City Manager to execute the Permanent Local Housing Allocation (PLHA) Program Application with the 5-year plan, the PLHA Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant award.

Carried 5/0 (AYES: Johnson, Timm, Dilles, Lind, Timms)

3. Mid-Year Strategic Plan Update

City Manager LaGoe presented this item. The Council Members thanked the City Manager and staff for the accomplishments achieved.

4. Future Council Agenda Items

None.

ADJOURNMENT

The meeting adjourned at 7:29 PM.

Approved: _____
Randy Johnson, Mayor

Attest: _____
Cathie Simonovich, City Clerk

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-10100-000-000-000000					
131164	02/22/24	ADOBE ANIMAL HOSPITAL SOQUEL	83.98	0	Regular
131165	02/22/24	ALVAREZ IND INC CLEAN BLDG	345.00	0	Regular
131166	02/22/24	AMAZON CAPITAL SERVICES	474.03	0	Regular
131167	02/22/24	AT&T	119.05	0	Regular
131168	02/22/24	AT&T MOBILITY	1,491.32	0	Regular
131169	02/22/24	BRASS KEY LOCKSMITH	53.61	0	Regular
131170	02/22/24	BUSINESS WITH PLEASURE	7.92	0	Regular
131171	02/22/24	COUNTY OF SANTA CRUZ	676.00	0	Regular
131172	02/22/24	CRYSTAL SPRINGS WATER CO	27.10	0	Regular
131173	02/22/24	CSG CONSULTANTS, INC	4,431.00	0	Regular
131174	02/22/24	CUMMING MANGEMENT GROUP, INC	437.50	0	Regular
131175	02/22/24	DEPARTMENT OF JUSTICE	64.00	0	Regular
131176	02/22/24	DEPT OF JUSTICE	98.00	0	Regular
131177	02/22/24	DU-ALL SAFETY, LLC	4,950.00	0	Regular
131178	02/22/24	DUNCAN AUTO TECH	2,436.77	0	Regular
131179	02/22/24	JAYSON RUTHERFORD	276.00	0	Regular
131180	02/22/24	JESSE PIDCOCK	1,000.00	0	Regular
131181	02/22/24	K & D LANDSCAPING, INC.	543.00	0	Regular
131182	02/22/24	M-GROUP	15,400.00	0	Regular
131183	02/22/24	MEREDITH ROBERTS	1,000.00	0	Regular
131184	02/22/24	METRO MOBILE COMMUNICATIONS	359.45	0	Regular
131185	02/22/24	MID VALLEY SUPPLY	76.13	0	Regular
131186	02/22/24	MISSION COMMUNICATIONS, LLC	2,853.00	0	Regular
131187	02/22/24	PETERSON POWER SYSTEMS, INC.	4,434.00	0	Regular
131188	02/22/24	PHILLIP D NEUMAN	289.33	0	Regular
131189	02/22/24	PHOENIX GROUP	686.39	0	Regular
131190	02/22/24	RIVERSIDE LIGHTING INC	14.64	0	Regular
131191	02/22/24	SOIL CONTROL LAB	816.00	0	Regular
131192	02/22/24	STERICYCLE INC	199.92	0	Regular

29	Checks total:	43,643.14
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0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
29	GRAND TOTALS	43,643.14

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-10100-000-000-000000					
131193	02/29/24	ALHAMBRA	698.19	0	Regular
131194	02/29/24	AMANDA LONG	63.30	0	Regular
131195	02/29/24	BENJAMIN STANDEN	845.50	0	Regular
131196	02/29/24	CATHIE SIMONOVICH	210.68	0	Regular
131197	02/29/24	COMCAST	1,050.55	0	Regular
131198	02/29/24	ENTERPRISE FM TRUST	13,197.46	0	Regular
131199	02/29/24	GOOD CITY COMPANY	5,541.25	0	Regular
131200	02/29/24	JOHN A STEVENS DDS	198.50	0	Regular
131201	02/29/24	KEVIN C. MCWILLIAMS DDS	336.80	0	Regular
131202	02/29/24	MEREDITH ROBERTS	229.60	0	Regular
131203	02/29/24	NANNETTE BENEDICT DDS	481.40	0	Regular
131204	02/29/24	NBS GOVERNMENT FINANCE GROUP	787.50	0	Regular
131205	02/29/24	PHILLIP D NEUMAN	6,378.51	0	Regular
131206	02/29/24	REGIONAL GOVERNMENT SERVICES	9,177.00	0	Regular
131207	02/29/24	S.V. WATER DISTRICT	4,396.58	0	Regular
131208	02/29/24	SANTA CRUZ CHILDREN'S	209.60	0	Regular
131209	02/29/24	THOMSON REUTERS-WEST	377.60	0	Regular
131210	02/29/24	URBAN FIELD STUDIO OAKLAND	3,592.50	0	Regular
131211	02/29/24	Victoria San Nicolas	95.00	0	Regular
131212	02/29/24	VU LE DDS	20.00	0	Regular
131213	02/29/24	SCOTTS VALLEY HOTEL LP	12,032.13	0	Regular

21	Checks total:	59,919.65
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
21	GRAND TOTALS	59,919.65

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/6/2024
TO: Honorable Mayor and City Council
FROM: Steve Jesberg, Interim Public Works Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve the First Amendment to Environmental Innovations Professional Services Agreement in the amount of \$15,587 for expanded stormwater management services.**

SUMMARY OF ISSUE

On August 2, 2023 the City Council approved a contract with Environmental Innovations for compliance support to Public Works for monitoring, inspections, training, and reporting for multiple disciplines including stormwater management, wastewater, and solid waste. Environmental Innovations has provided these services for the City since 2007.

Due to the current low staffing levels within the engineering section of Public Works, it is recommended that Environmental Innovation's scope of work be expanded within their stormwater management duties to include record keeping of regulated projects and inspections. This work includes developing and maintaining a database of all stormwater control measures constructed by both public and private projects and then inspecting and documenting their annual maintenance. This work was previously completed by engineering staff.

FISCAL IMPACT

The proposed amendment to Environmental Innovations contract will increase the contract by \$15,587, bringing the total contract amount to \$122,872. Sufficient funding is available within the Public Works Operating Budget for this work.

STAFF RECOMMENDATION

Staff recommends that Council approve the First Amendment to Environmental Innovations Professional Services Agreement in the amount of \$15,587.

TABLE OF CONTENTS

1. Amendment 1 for 2023 24 serviices
2. Amendment 1 scope of work proposal

FIRST AMENDMENT TO THE ENVIRONMENTAL INNOVATIONS AGREEMENT FOR PROFESSIONAL SERVICES

This First Amendment (the "Amendment") to Environmental Innovations Agreement for Professional Services is entered into by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "CITY" and Environmental Innovations, hereinafter referred to as "CONSULTANT".

RECITALS

WHEREAS, On August 8, 2023, the CITY and CONSULTANT entered into that certain Agreement for Professional Services under which CONSULTANT would conduct certain environmental compliance duties; and

WHEREAS, additional services for record keeping and inspections are need related to NPDES storm water programs; and

WHEREAS, the parties desire to amend the Agreement to include the duties detailed in Exhibit A, NPDES Small MS4 Permit scctions E.10 and E.12 – Amended Scope of Work and

WHEREAS, Section 14 of the said Agreement authorizes the Agreement to be amended, modified, or changed by the parties, provided that modifications or changes are in writing and approved by authorized representatives of the parties.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, City and Consultant agree as follows:

AGREEMENT

1. The following sections of the Agreement are hereby amended to read as follows:

Section 3 Scope of Work: In addition to the scope of work included in the approved Professional Services Agreement, the Consultant shall complete additional duties as outline in Exhibit A.

Section 5. Compensation. The compensation under the agreement shall be increased by \$15,587 at specified in Exhibit A.

2. Except as specifically provided in this Amendment, all terms of the Agreement shall remain unchanged, in full force and effect. In the event of a conflict between the terms of the Agreement and the Amendment, the terms of the Amendment shall control.

IN WITNESS WHEREOF, this Amendment is executed by the CITY and by the CONSULTANT on the 6th day of March, 2024, at Scotts Valley, California.

CONSULTANT:
ENVIRONMENTAL INNOVATIONS

CITY: CITY OF SCOTTS VALLEY

By: Josephine Fleming, Owner

Mali LaGoe, City Manager

APPROVED AS TO FORM:

ATTEST:

Kirsten M. Powell, City Attorney

Cathie Simonovich, City Clerk



Jan 31, 2024

Steve Jesberg

Public Works Director
City of Scotts Valley

Re: NPDES Small MS4 Permit sections E.10 and E.12 - Amended Scope of Work

Dear Mr. Jesberg:

[Environmental Innovations](#), Inc. (EI, a Public Benefit, recognized B Corp, woman-owned, and Certified Green Business) is pleased to present our qualifications to assist the City of Scotts Valley with NPDES Small MS4 Permit sections E.10 and E.12 compliance and required recordkeeping. EI has extensive experience in pollution prevention outreach and regulatory compliance.

The following table outlines the scope of work and associated costs with carrying out NPDES Small MS4 Permit sections E.10 and E.12 compliance activities in the City for 2024. Please do not hesitate to reach out to us if you have any questions: Jo Fleming, jofleming@environmentalin.com / (831) 706-7384 and Julianne Rhodes, jrhodes@environmentalin.com / (831) 431-3485.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Fleming".

Josephine Fleming
President, Environmental Innovations and
Executive Director, California Green Business Network



E.10.c Inventory and Inspection of regulated construction projects	Estimated Hours	Rate	Cost
Help maintain an inventory of all projects subject to the local construction site stormwater runoff control ordinance and continuously update the inventory as new projects are permitted or completed. The inventory shall address and contain elements outlined in E.10.a of the permit.	20	\$125/hr	\$2,500
A summary of the past year activities will be submitted via the Waterboard SMARTS interface for certification of all requirements of this program element. The summary must address the relationship between the program element activities and the Permittee's Program Effectiveness Assessment and Improvement Plan.	20	\$125/hr	\$2,500
Use legal authority to implement procedures for inspecting public and private construction projects and conduct enforcement if necessary for failure to comply with stormwater control measures.	20	\$125/hr	\$2,500
E.10.c Inventory and Inspection of regulated construction projects Total:			\$7,500
O&M Verification Program	Hours	Rate	Cost
Maintain a spreadsheet of all Regulated Projects (public and private projects that create or replace 5,000 square ft or more of impervious surface) that have installed treatment systems. This document shall include the information outlined in E.12.h of the Small MS4 Permit for each Regulated Project.	15	\$125/hr	\$1,875
Maintenance Approvals: contact the responsible party for each Regulated Project annually to request a maintenance report. Maintenance and condition of structural post-construction BMPs shall be determined through a self-certification program where Permittees require annual reports from authorized parties demonstrating proper maintenance and operations.	15	\$125/hr	\$1,875
If the self-report is not sufficient to determine proper maintenance operations, follow up inspections and enforcement may be carried out to ensure full compliance with E.12.i	25	\$125/hr	\$3,125
O&M Verification Program Total:			\$6,875
Additional Costs	Hours	Rate	Cost
Materials and Mileage	-	-	\$500
Administration costs	-	5%	\$712
Additional Costs Total:			\$1,212
Total:			\$15,587

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/6/2024
TO: Honorable Mayor and City Council
FROM: Allison Pfefferkorn, Recreation Division Manager
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Siltanen Family Swim Center lease agreement**

SUMMARY OF ISSUE

The Siltanen Family Swim Center ceased operation due to the pandemic in 2020. Prior to 2020, the Siltanen Pool provided swim lessons, pool rentals for parties, recreation swimming, water aerobics, adaptive swimming, and community events from May through October.

The Siltanen Pool is loved by many, and the Recreation office receives many emails and calls inquiring about when the pool will be open and if there will be lessons offered.

Under the current staffing model for the Recreation Division, as recommended in the assessment adopted by City Council in the Fall of 2021, most recreation activities are proposed to be managed through 3rd party operators utilizing City facilities, including the operation of the Siltanen Pool.

After not receiving any complete RFP's for program management of the Siltanen pool last Spring, the Recreation Division was unable to offer a full summer of programming. The City was able to secure a partnership with Santa Cruz County that allowed the pool to be open for recreational swimming for a total of 8 weekend days in August 2023.

In September 2023, staff reached out to several pool operators. These operators were unable to submit an RFP last year due to the timing of the RFP. Staff met with several to gauge their interest in running the programming of the pool for summer 2024.

The staff received 2 proposals. One from Swam Swim who operates the programming at the City of Gilroy's pool and one from Pacific Flow Swim School-Jeff Griffith-Jones, who is the General Manager of the third largest single-site swim school in the United States, located in San Jose.

After reviewing both proposals, Pacific Swim School proved to be a front-runner for the community due to its proposal of offering year-round swim programs. This would be accomplished by installing a 'dome' enclosure around the pool.



Pacific Flow Swim School (PFSS) was approached by staff to consider a lease of the pool facility for a year-round operation. A lease agreement would allow PFSS to make site improvements, approved by the City, without the confines of City budgets and allow the City to run the pool at little to no cost. A lease agreement will take less city staff involvement due to the tenants' requirement to manage all maintenance of facility, programming, staffing, daily operations and advertising.

Introduction to Pacific Flow Swim School:

Owner/Operator: Jeff Giffith-Jones; Scotts Valley Resident of 10 years

More than 20 years of experience in the professional recreational industry. Extensive history of aquatic management in the Bay Area.

Mission: PFSS will create safer swimmers, teach humans of all ages to swim, exemplify teamwork and leadership, and cultivate a passion for aquatic experiences in local families.

Proposed Lease Terms:

Operation

- * Year-round operation with a 2-week break at the end of August and December to conduct pool maintenance.
- * Hours of operation 7:00 am-9:00 pm.
- * 5-year term with the option to renew for an additional three-year term
- * \$1000 a month rent for use of the facility
- * PFSS to assume all required pool maintenance.
- * PFSS to assume monthly gas bills and water bill during pool refill months only.
- * PFSS shall be responsible for obtaining and paying for all operations plans and permits required by County Environmental Health.
- * PFSS shall be responsible for complying with all laws related to any improvements installed on the Facility Premises.

Programming

- * Resident and Non-Resident pricing.
- * Year-round weekly swim lessons based on students' age and ability.
- * Small group and private lessons mid-week and weekends.
- * Recreation swim mid-week and weekends. Hours for recreation swimming will be dependent on the season. Peak season, June-Aug, will have at least 8 hours a week of recreational swimming and the non-

peak season, Sept-May, will have at least 2 hours a week of recreational swimming.

* Weekend party rentals year round

Facility Premises

PFSS proposes to add a covered structure over the pool and change out some pool equipment with the following goals:

- * Elevate pool water to drinking quality.
- * Prepare for growth in bather load.
- * Allow the swim school to be operated comfortably year-round.
- * Improve comfort of both swimmers and instructors.
- * Reduce work time/costs of maintaining pumps, filters, and disinfection.
- * Decrease water consumption.

Proposed leaseholder improvements investment approx. \$90,000

FISCAL IMPACT

This lease is expected to save the City expenses related to utilities and programming that would otherwise be required if the City provided programs directly. In addition, receipt of monthly rent will help to offset the City's remaining expenses related to maintaining the facility.

STAFF RECOMMENDATION

Approve the proposed agreement with Pacific Flow Swim School to lease and operate the Siltanen Family Swim Center.

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1. Siltanen Pool Lease Final

LEASE AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY AND PACIFIC FLOW SWIM SCHOOL

This Lease Agreement (the “Agreement”) is made this 6th day of March 2024, by and between the City of Scotts Valley (“Landlord”) and Pacific Flow Swim School (“Tenant”)

RECITALS

A. The Landlord owns Siltanen Park located at 127 Vine Hill Road, Scotts Valley, California, 95066 (the “Property”).

B. The Siltanen Family Swim Center which consists of a 20’ x 40’ foot pool located within a 2,500 sq ft fenced area and a 100 sq ft office is located within the Property (the “Premises”).

C. Landlord previously offered swim lessons, pool rentals for parties, recreation swim, water aerobics, adaptive swim, and community events from May through October but due to the pandemic, those services were ceased.

D. Due to staffing shortages, Landlord sought proposals from operators to run the Premises.

E. Tenant was selected as the preferred operator of the Premises which will continue to offer recreational swim programs to the public.

F. Based on the needs of the Tenant and the Landlord, the parties desire to enter into a lease agreement to allow Tenant to utilize the Premises for the purposes of offering swim lessons and other pool activities to the public.

D. Landlord desires to lease the Premises to Tenant and Tenant desires to lease the Premises from Landlord subject to the terms of this Agreement.

NOW, THEREFORE, Landlord and Tenant agree to all the terms and conditions of this Agreement as follows:

ARTICLE 1 - BASIC LEASE PROVISIONS

The following basic terms are applicable to this Agreement. The Sections and Exhibits referenced below in parenthesis explain and define the basic terms specified below and are to be read in conjunction with basic terms herein:

1.01 Commencement of Term. March 7, 2024 (Section 3.01).

1.02 Term. Five (5) years and six (6) month term which expires September 1, 2029, with the option to renew for an additional three (3) year term subject to the conditions of Article 3.

1.03 Premises. Siltanen Swim Center which includes a 20’ x 40’ foot pool located within a 2,500 sq ft fenced area, a 100 sq ft office located outside of the fenced area and the use of a shared public bathroom facility.

1.05 Rent. \$1000.00 a month with a 3% increase on each October 1st starting in 2025. In the event Tenant and Landlord extend the lease for the additional term, the rent charged for the additional term shall be the rent charged in the last year of the initial term plus a 3% increase. For each year thereafter of the addition term, the rent shall be increased 3% on October 1st each year.

1.06 Use of Premises. Premises shall be utilized as a family public pool in which safe, high quality and creative aquatic programming shall be delivered. See Article 6 for full description.

ARTICLE 2 - LEASE OF PREMISES

2.01 City of Scotts Valley as Landlord. Tenant acknowledges and understands that Landlord is a public agency consisting of numerous offices, departments, agencies and districts. Whenever a provision contained in this Agreement, or any extension, modification or amendment, requires the written consent of Landlord, such consent must be obtained from the then acting City Manager of the City of Scotts Valley. Tenant may not rely on any statement or representation by any other employee, agent or representative of Landlord in obtaining such consent and any such statement or representation other than the express written consent of the City Manager shall be null and void and have no effect. Nothing contained in this Section shall limit in any way the authority of any office, department, or agent of the Landlord from approving or withholding consent to any event or activity regulated by local law.

2.02 Premises. Landlord leases to Tenant and Tenant leases from Landlord the Premises. The Premises shall not include, and the Tenant shall have no rights in, Siltanen Park fields, playground, Gazebo, and Snack Shack building. A diagram of the location of the Premises is attached to this Agreement as Exhibit A.

2.03 Reservations. Landlord reserves the right at any time with 24 hours notice to Tenant to make alterations or additions to the exterior of the Premises, the remainder of the building, the parking lot and the landscaping on the property. Landlord also reserves the right to construct other buildings or improvements on the property and to make alterations or additions thereto. Easements for light and air are not granted in this Agreement. Landlord further reserves the right to enter and access the roof of the Premises or to repair and maintain the roof and to use any space within walls or above the ceiling finish and beneath the floor surface for utility lines and conduits.

2.04 Condition of Premises. Tenant acknowledges that it recognizes the uniqueness of the Premises and accepts them in their current and disclosed condition existing on the effective date of this Agreement, subject to all applicable zoning, municipal, county or state laws, ordinances and regulations affecting the use of the Premises. Tenant acknowledges that it has satisfied itself, by its own independent investigation that the Premises are suitable for its intended use and neither Landlord, nor its agents or representatives have made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business.

2.05 Staffing.

Tenant will comply with all county, state and federal staffing laws.

ARTICLE 3 - TERM

3.01 Commencement of Term. The term (the "Term") of this Agreement shall commence on the date specified in Section 1.01 (the "Commencement Date") and shall continue until the date of termination specified in Section 1.02, unless terminated sooner in accordance with the terms and provisions of this Agreement.

3.02 Option to Extend Term. Tenant shall, provided the Agreement is in full force and effect, and Tenant is not in default under any of the terms and conditions of the Agreement, have the right to extend this Agreement for an additional three (3) year term beginning September 2, 2029 (“Extended Term”), on the same terms and conditions set forth in the Lease subject to the rent adjustment provided in Section 1.05 above, or upon such terms mutually agreeable to Landlord and Tenant.

3.03 Termination. Landlord shall have the right to terminate the Agreement during the Term or the Extended Term upon 60 days written notice. If Landlord so terminates the Lease, Tenant shall vacate the Premises and Tenant shall not have any remaining obligations, including rent, from the date of Termination except for its obligations on leaving the Premises in the condition described in this Lease and any indemnification obligations accruing during the time of occupancy. In addition, the Landlord may terminate the Lease in the event of a Default as defined in Article 11 below.

ARTICLE 4 - RENT

The Rent for the Premises shall be paid as follows:

4.01. Monthly rent shall be payable on the 1st day of each month to the City of Scotts Valley and can be delivered or mailed to 1 Civic Center Drive, Scotts Valley, CA 95066, Attn. Administrative Services Director.

ARTICLE 5 - TAXES AND ASSESSMENTS

5.01 Personal Property Taxes. Tenant shall pay, before delinquency, all federal, state or local taxes, assessments, license fees, and other charges that are levied and assessed against Tenant’s personal property installed or located in or on the building, and that become payable during the term. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

5.02 Possessory Interest Taxes. Tenant shall pay before delinquency all possessory interest taxes, assessments, license fees, and other charges that are levied and assessed against the leasehold interest. “Possessory Interest Tax” means that tax imposed pursuant to laws of the State of California on leaseholds of tax exempt property and does not include taxes on Tenant’s inventory, personal, or any other tax or assessment that is presently or may, in the future be levied. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

ARTICLE 6 - USE

6.01 Use of Premises. Tenant shall use the Premises solely for the use specified in Section 1.06 herein. No other uses shall be permitted.

6.02 Hours of Operation. All uses on the Premises shall take place between the hours of 7:00am and 9:00pm. Tenant shall not operate nor allow someone to use the Premises in such a way as to cause a nuisance or violate any provisions of local, state or federal law.

6.03 Required Regulatory Compliance. Tenant is responsible to acquire and retain all permits necessary for compliance with local, state, and federal laws pertaining to operation of an aquatic facility.

6.04 Parking. Tenant may use one parking spot behind the Siltanen Building. All other cars must park in the city-owned lot across Vine Hill School Rd. Prior approval for extra vehicles must be obtained from the Maintenance Manager at least 24 hours in advance.

6.05 Restrooms. Landlord shall ensure Tenant has access to public restrooms during the hours of operation outlined in Section 6.02. Landlord will provide portable restrooms and handwashing stations in the event a restroom requires service or closure as determined by Landlord in its sole discretion.

6.06 Signs and Advertising Matter.

(a) Tenant has the right to install signs at its sole expense on the outside of the Premises subject to compliance with all applicable laws including, but not limited to, the City's Municipal Code. Any sign must receive approval from RDM. All signage is subject to the prior written consent of Landlord which shall not be unreasonably withheld and is subject to Tenant obtaining and all permits required for any signs. Except as provided above, Tenant will not place, install, maintain or construct or allow any third party to place, install, maintain or construct any sign, banner, flag, awning or canopy, covering, or advertising matter on any portion of the Premises without Landlord's prior written consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or window coverings in good condition and repair at all times.

(b) Tenant is solely responsible for all advertisements and marketing efforts of the programs.

(c) Recreation Division will reserve space in their activity guide for any promotional material provided by Tenant using up to 2 pages.

(d) Tenant is required to manage its own website and online registration platform.

6.07 Programming.

(a) Tenant is responsible for operating and scheduling programs to maximize the value of the facility for the Scotts Valley community. All programming and rentals should be offered to Scotts Valley residents at a lower price than non-residents.

(b) Each week of the Term or Extended Term, Tenant is required to hold a recreation swim for at least 8 total hours open to the public per week during peak season (June-Aug) including at least 2 hours on the weekend.

(C) Each week of the Term or Extended Term, Tenant is required to hold a recreation swim for at least 2 total hours open to the public during non peak season (Sept-May)

(c) Tenant is required to offer learn to swim classes midweek and at least, but not limited to, one weekend day.

(d) Tenant is required to offer private party rentals, at least but not limited to, one weekend day.

(e) Tenant and RDM shall meet quarterly to review current program offerings and participation reports to ensure compliance with 6.07 Programming requirements.

ARTICLE 7 - MAINTENANCE AND REPAIRS

7.01 Landlord's Maintenance Obligations.

(a) Landlord, on behalf of Tenant, shall maintain in good condition and repair the foundations, buildings, pool structural components, fencing and gates; provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Tenant, its officers, employees, representatives, agents, customers, invitees or trespassers or by reason of Tenant's failure to observe or perform any provisions contained in this Agreement or caused by alterations, additions or improvements made by Tenant or its officers, employees, representatives, agents, contractors, subcontractors, laborers or materialmen, the cost of such repairs and replacements shall be the sole obligation of Tenant.

(c) Unless Tenant notifies Landlord in writing of the need for repairs under subsection (a), Landlord shall not be liable for its failure to make such repairs. Once Tenant notifies Landlord of the need of such repairs under subsection (a), Landlord shall be entitled to a reasonable period of time to affect such repairs upon receipt of said written notice from Tenant. Tenant waives any right of offset against any rent due hereunder and agrees not to assert as an affirmative defense in any judicial proceeding or arbitration brought by Landlord against Tenant on claims made under this Agreement the provisions of Sections 1941 and 1942 of the California Civil Code, or any superseding statute, and of any other law permitting Tenant to make repairs at Landlord's expense.

7.02 Landlord's Right of Entry. Landlord, its agents, contractors, employees and assigns may enter the Premises at all reasonable times to: (a) examine the Premises; (b) perform any obligation of, or exercise any right or remedy of, Landlord under this Agreement (c) make repairs, alterations, improvements or additions to the Premises, the Building or to other portions of the Property as Landlord deems necessary in accordance with Section 6.07; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) show prospective tenants the Premises during the last six (6) months of the Term; and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence to make, and diligently pursue to completion, in a reasonable time as defined by Landlord, Tenant's required repairs after written demand therefore by Landlord. Landlord will give a minimum of twenty-four (24) hours advance notice of such entry when practicable.

7.03 Tenant's Maintenance Obligations.

(a) Except as provided elsewhere in this Agreement, Tenant, at its sole cost and expense, shall keep the Premises in good order, condition and repair and shall make all replacements necessary to keep the Premises in such condition, including ongoing maintenance and repair of mechanical systems pertaining to the operation, treatment, and heating of the pool. If a new system is installed by the Tenant, Tenant shall be solely responsible for all repairs to and maintenance of the new equipment. Tenant must keep adequate records of all maintenance and repairs for the duration of their lease. Tenant shall furnish copies of maintenance records to Landlord on a quarterly basis.

(b) In the event Tenant replaces any equipment, all replacement equipment shall be of a quality equal to or exceeding that of the original equipment or improvements. Should Tenant fail to make

repairs and replacements or otherwise maintain the Premises for a period of fifteen (15) days after delivery of a written demand by Landlord, or should Tenant commence, but fail to complete, any repairs or replacements within a reasonable time after written demand by Landlord, Landlord shall have the right to make such repairs or replacements without liability to Tenant for any loss or damage that may occur to Tenant's stock or business, and Tenant shall pay for all costs incurred by Landlord in making such repairs or replacements, together with interest thereon at the maximum rate permitted by law from the date of commencement of the work through the date of payment. Tenant shall, at its sole expense, repair promptly any damage to the Premises or the Property caused by Tenant, its agents, employees, customers, invitees, subtenants, assignees or concessionaires, or caused by the installation or removal of Tenant's personal property.

(c) Tenant shall, at its own expense, comply with all requirements of the Landlord's insurance underwriters and any other governmental authority having jurisdiction thereof, regarding the installation and periodic maintenance of fire suppression systems or apparatus or other safety measures required for the use of the Premises.

(d) Tenant is responsible for maintaining the entry area and sidewalk in front of the Premises including removing any trash or debris. Tenant may not install or place, permanently or temporarily, any outside fixtures, signage or other objects that interfere with the ADA path of travel on the sidewalk or parking lot adjacent to the Premise.

(e) If Tenant chooses to use the following existing equipment located at the pool, the Tenant holds all responsibility for the upkeep and replacement of items during the duration of the lease. In the event of termination or the end of the lease agreement, Tenant will replace or be charged replacement costs if items are found to be left in a condition beyond normal wear and tear.

- Guard chair and umbrella
- 2 round tables and 16 chairs
- 3 umbrellas and stands
- Backboard with neck stabilizer and straps
- AED
- Life ring
- Rescue hook
- Desk and chair
- Office Shelf

7.04 Tenant Improvements. Tenant intends to install improvements to the Premises necessary for operation of the pool. Tenant is responsible for the cost of all improvements to the Premises. Prior to obtaining any permits for the improvements or beginning construction on improvements to the Premises, Tenant shall obtain the prior written approval of the proposed plans from the City Manager. Tenant shall obtain any and all permits required for such improvements and shall comply with all Federal, State and local laws including, but limited to, the Americans with Disabilities Act and Prevailing Wage laws. Tenant shall defend and indemnify the Landlord from any and all claims associated with the improvements and shall ensure that no liens are recorded against the Property. Tenant is not entitled to make any improvements to the Premises without the prior written consent of the Landlord.

7.05 Trade Fixtures. Tenant may install trade fixtures, display items, machinery or other trade equipment in conformance with the all laws, ordinances, directives, rules or regulations of all applicable public and governmental agencies. Tenant shall not remove any trade fixtures, display items, machinery or other trade equipment from the Premises, without Landlord's written consent, if the removal of any such item would cause damage to the Premises which Tenant cannot repair. In the absence of Landlord's written consent to removal and Tenant's inability or unwillingness to repair any damage caused by the removal, any such item shall be deemed a part of the realty and belong to the Landlord at termination of the Agreement.

7.06 Restoration. Except as otherwise provided herein and specifically as required in Section 3.03, Tenant shall return the Premises to the same condition as existed as of the Commencement Date of the Agreement, reasonable wear and tear excepted. Landlord, through Landlord's sole discretion and authority, and upon receipt of written request from Tenant, may consider allowing any Tenant Improvements approved by Landlord under this Agreement to remain. Landlord, at its election, may also require Tenant to remove, at Tenant's sole cost, any improvements, alterations or additions approved by Landlord in accordance with this Agreement. Tenant shall repair, at its sole cost, any damage resulting from the removal of any alterations, improvements, additions, equipment, machinery or trade fixtures.

Upon the termination of this Lease, the Landlord shall have the ability to continue operating the Premises as a pool with use of Tenant's improvements and equipment. As such, Tenant shall notify Landlord of its intent to either cease operations entirely or move its business to another venue within 45 days prior to the Lease termination. If the Tenant intends to move, it must remove equipment from the Premise upon termination of the Lease unless agreed to otherwise by the parties. If the Tenant intends to cease operations, Landlord shall have the right, but not the obligation, to acquire any improvements or equipment the Tenant then owns and were used to run the pool.

ARTICLE 8- UTILITIES

8.01 Separate Charges. Tenant shall pay for gas, and wifi. Tenant shall reimburse the Landlord for the water bill during the months that the pool is refilled due to maintenance. Collection of payments will be issued through invoice from the City Finance Department.

8.02 Interruption. Unless due to Landlord's gross negligence or misconduct, Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant to terminate this Agreement.

8.03 Maintenance of Surrounding Structures and Grounds. Landlord shall maintain in good order the surrounding structures and grounds, including, but not limited to, landscaped areas, dumpsters, parking lots, restrooms, access, pathways, and other public areas.

ARTICLE 9- INDEMNIFICATION AND INSURANCE

9.01 Indemnification. Landlord shall not be liable to Tenant for any damage to Tenant, Tenant's employees, agents, customers or invitees or their property from any cause which is not the result of Landlord's gross negligence. Tenant, as a material part of the consideration for this Agreement, hereby expressly waives and releases all claims against Landlord, its officers, employees, elected officials, representatives and agents, for any injury or damage to any person or property on or about

the Premises arising for any reason other than Landlord's gross negligence. Tenant agrees to indemnify, release, defend and hold harmless Landlord, its officers, employees, elected officials, representatives and agents from any loss, claim, cost, expense or liability for any injury or damage to person or property, occurring in, on or about the Premises, arising for any reason, including without limitation the condition or use of the Premises or the improvements or personal property located therein and against any loss, claim, cost, expense or liability for injury to the person or property of Tenant, its employees, agents, customers or invitees or trespassers and except as to any such damage is caused by the gross negligence of Landlord. Notwithstanding the foregoing, Tenant's obligations under this Section 9.01 shall not extend to claims, costs, expenses, losses or liability resulting from Landlord's failure to comply with its maintenance and repair obligations under Sections 7.01(a) of this Agreement.

9.02 Insurance Requirements. Tenant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation, use and improvement of the Premises. The cost of such insurance shall be borne by the Tenant.

Coverage shall be at least as broad as:

(a) Commercial General Liability. (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$5,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(b) Workers' Compensation. insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **\$1,000,000** per accident for bodily injury or disease.

(c) Sexual Abuse or Molestation (SAM) Liability: If the work will include contact with minors, and the CGL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation, Contractor shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than \$1,000,000 per occurrence or claim.

(d) Property insurance. against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(e) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

(e) If the Tenant maintains broader coverage and/or higher limits than the minimums shown above, the Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

9.03 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Status. The City of Scotts Valley, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10).

(b) Primary Coverage. For any claims related to this contract, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Scotts Valley, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

(c) Legal Liability Coverage. The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

(d) Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Landlord.

(e) Waiver of Subrogation. Tenant and Landlord each waive its right of recovery against the other, and each party's successors, assigns, directors, agents and representatives in connection with any loss or damage caused to property belonging to the Tenant or Landlord which is covered by any insurance policy of either the Tenant or Landlord in force at the time of any such loss or damage. Tenant and Landlord hereby waive, on behalf of each party's insurance carriers, any right of subrogation it may have against the other party and each shall notify its carriers of the waiver contained herein.

(f) Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII,

(g) Verification of Coverage. Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(h) Increase in Coverage. Landlord may increase or decrease the amount of commercial general liability insurance required herein, based upon a general review by Landlord of the standard insurance requirements effective July 1st of any year, provided notice of the increase is given to Tenant no later than February 1st of that same year. Such changes in coverage shall be commercially reasonable at the determination of Landlord. Changes in insurance amounts shall

occur not more frequently than every two years. Landlord will notify Tenant of any changes under this provision of this Agreement.

(i) No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Premises, or cause a cancellation of any insurance policy covering the Premises or any part thereof. Tenant shall, at its sole cost, comply with any and all requirements regarding the use of the Premises by any company that issues a policy of fire, casualty or public liability insurance to the Landlord. If Tenant's use of the Premises results in a rate increase for the Premises, Tenant shall pay as additional rent within ten (10) days written notice, a sum equal to the additional premium caused by such rate increase.

9.03 Tenant's Failure to Maintain Insurance. Tenant agrees that if Tenant does not maintain any insurance policy required under this Agreement or fails to pay any premiums when due, Landlord may, require that the Premises be immediately closed for business pending reinstatement of insurance by Tenant, or obtain the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be additional rent due by the Tenant and payable on the next date upon which a payment of rent is due.

9.04 Waiver of Loss and Damage. Landlord shall not be liable for any damage to inventory or other property of Tenant, or others, located in, on or about the Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise, which is not the direct result of Landlord's negligence, and Tenant waives any claim against Landlord with respect to such property. Landlord shall not be liable to Tenant, Tenant's employees or representatives for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance or plumbing works or from the roof, street or subsurface or from any other places or by any other cause of whatsoever nature, which is not the direct result of Landlord's gross negligence. Landlord shall not be liable to Tenant, Tenant's employees, clients or representatives for any such damage caused by other tenants or persons in the Premises, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of Tenant kept or stored on the Premises shall be so kept or stored at the sole risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the willful act or gross neglect of Landlord.

9.06 Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in or around the Premises or of any damage or defects in the Premises, or any fixtures or equipment therein.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

The parties acknowledge that this Agreement is a unique relationship between these individual parties. Tenant cannot assign its rights under this Agreement or its rights to the Premises without the prior written consent of Landlord which may be withheld for any reason or no reason.

ARTICLE 11 - DEFAULT

11.01 Events of Default. In addition to the provisions of Section 3.03, the occurrence of any one of the following events shall constitute an event of default on the part of Tenant ("Default"):

(a) The complete abandonment of the Premises by Tenant; and

(b) Failure in the performance of any of Tenant's covenants, agreements or obligations hereunder which failure continues for ten (10) days after written notice thereof from Landlord to Tenant, provided that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) day period despite reasonable diligence, Tenant shall not be in default under this subsection unless Tenant fails thereafter diligently and continuously to cure such failures; and

(c) The failure of Tenant to maintain all insurance coverage as required in Section 9.02; and

Tenant agrees that any notice given by Landlord pursuant to the above shall satisfy the requirements for notice under California Code of Civil Procedure Section 1161, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

In the event of any Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and under this Agreement, Landlord shall have the immediate option to terminate this Agreement and all rights of Tenant hereunder by giving written notice of such intention to terminate.

11.02 Notice of Default and Opportunity to Cure. Landlord shall give written notice to Tenant of any Event of Default on the part of Tenant. Said notice shall specify the nature of the act, omission, or deficiency giving rise to the Event of Default. In addition, if the Event of Default is curable, and does not give rise to an imminent danger to health or safety, the notice shall also specify the action required to cure the default, and a reasonable date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which Tenant must take or commence such action to cure. If the notice specifies only a commencement date for the cure, Tenant must commence such cure within the specified time and shall diligently pursue the cure to completion within a reasonable time thereafter.

11.03 Remedies. In the event of any breach by Tenant, Landlord shall be entitled to any rights or remedies available at law.

(a) Efforts Landlord may make to mitigate the damages caused by Tenant's breach of this Agreement shall not constitute a waiver of Landlord's right to recover damages against Tenant, nor shall anything contained in this Agreement affect Landlord's right to indemnification against Tenant for any liability arising prior to the termination of this Agreement for personal injuries or property damage, and Tenant agrees to indemnify and hold Landlord harmless from any injuries and damages, including all reasonable attorney fees and costs incurred by Landlord in defending any action brought against Landlord for any recovery, and in enforcing the terms and provisions of this indemnification against Tenant.

(b) However, the breach of this Agreement by Tenant, or an abandonment of the Premises by Tenant, shall not constitute a termination of this Agreement, nor of Tenant's right of possession under this Agreement, unless and until Landlord elects to do so, and until that time Landlord shall have the right to recover rent and all other payments to be made by Tenant under this Agreement as they become due; provided, that until Landlord elects to terminate this Agreement and Tenant's

right of possession under this Agreement, Tenant shall have the right to sublet the Premises or to assign interests in this Agreement, or both, subject only to the written consent of Landlord, which consent shall not be unreasonably withheld.

(c) In the event that Landlord should take any act to maintain or preserve the Premises on Tenant's behalf, or seek the appointment of a receiver to protect Landlord's interests under this Agreement, such acts shall not constitute a termination of Tenant's right of possession unless Tenant receives written notice from Landlord to regarding Landlord's election to terminate.

ARTICLE 12 - DAMAGE OR DESTRUCTION

12.01 Landlord's Duty To Repair.

(a) If the Premises are destroyed or materially damaged from a cause not insured against, or if the amount of available insurance proceeds, including deductible costs, is not sufficient to completely repair or restore any such damage or destruction, Landlord shall have the right to terminate this Lease by giving written notice of termination to Tenant within thirty (30) days after the date of the damage or destruction. If the Lease is not terminated, then Landlord shall diligently proceed to repair and restore the Premises to the extent that insurance proceeds, including deductible costs, are sufficient to completely repair or restore any such damage or destruction.

(b) If the Premises are materially damaged or destroyed from a cause covered by insurance, and it can be repaired or restored within ninety (90) days after commencement of repair or restoration, then Landlord shall diligently proceed to repair and restore the Premises. If Landlord determines that the Premises cannot be repaired or restored within this period, then Landlord and Tenant shall work out a reasonable time frame for the completion of the repairs or restoration.

(c) Except as otherwise provided in this Agreement, damage to or destruction of the Premises shall not terminate this Agreement or result in the abatement of any rent or other charges payable under this Agreement. Tenant expressly waives any right it may have, in law or equity, to offset any cost incurred by Tenant for repairs or restoration to the Premises against Tenant's obligations to pay rent in connection with Landlord's duties of repair and restoration under this Lease.

(d) Landlord's duties of repair and restoration under the provisions of this Lease shall extend only to those portions of the Premises insured under a policy of insurance, and Landlord shall not be responsible for any loss, damage, or destruction to Tenant's personal property, trade fixtures, merchandise, inventory or equipment.

12.02 Tenant's Duty to Repair or Replace. Except as otherwise provided herein, Landlord's obligation to restore shall not include the restoration or replacement of Tenant's personal property, inventory, trade fixtures, merchandise, or equipment. Tenant shall restore and replace said items in the event that Landlord is obligated or elects to repair any damage or destruction of the Premises.

ARTICLE 13 - ESTOPPEL CERTIFICATES; ATTORNMENT

13.01 Tenant to Furnish Certificate. Tenant shall, within ten (10) business days of written notice from Landlord, execute and deliver to Landlord a written statement certifying that this Agreement is unmodified and in full force and effect or, if modified, stating the nature of such modification. Tenant's statement shall include other details requested by Landlord, such as the date to which

rent and other charges are paid and Tenant's knowledge concerning any uncured defaults in Landlord's obligations under this Agreement and the nature of such defaults if they are claimed. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Tenant's failure to deliver such statements within such time shall be conclusive upon the Tenant that this Agreement is in full force and effect, except as and to the extent any modification has been represented by Landlord, and that there are no uncured defaults in Landlord's performance.

13.02 Additional Documents. Tenant, upon request of any party in interest, shall execute promptly such instruments and certificates necessary to carry out the intent of the foregoing Sections as shall be requested by Landlord.

ARTICLE 14 - MISCELLANEOUS

14.01 Hazardous or Toxic Materials.

(a) Tenant shall comply, at its expense, with all federal, state and local statutes or regulations concerning environmental conditions, emissions, pollutants and controls concerning Hazardous Materials that Tenant or its contractors, employees, invitees and guests bring, or allow on, the Premises and on the Property on which the Premises are located during the Term. Tenant shall not cause, store, use or permit any Hazardous Material, including without limitation asbestos or polychlorinated biphenyls, to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business, does not violate any requirements of the Landlord's policies of fire, causality or public liability insurance and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises.

(b) If Tenant breaches any of its obligation stated herein, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant during the Term results in contamination of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgment, damages, penalties, fines, costs, liabilities or losses, including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees which arise during or after the lease term as a result of such contamination. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

(c) As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of

California or the United States Government. The term "Hazardous Material" shall include without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601), and any amendments or successor statutes thereto.

(d) Notwithstanding anything herein to the contrary, Tenant shall have no responsibility or liability related to any Hazardous Material which existed prior to the Term of Tenant's occupancy hereunder, unless brought on or allowed to be brought on by Tenant during one of Tenant's previous lease tenancies in the Premises.

14.02. Compliance with Governmental Regulations. Tenant shall, at its sole cost and expense, comply with all of the requirements of all local, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises. With regard to the use of the Premises, Tenant shall faithfully observe all local ordinances and state and federal statutes now in force or which may hereafter be in force.

14.03 Americans With Disabilities Act. If Tenant makes any improvements to the Premises or installs any fixtures or equipment in the Premises, Tenant acknowledges and expressly accepts full responsibility and shall incur all costs and expenses for compliance with the requirements of the Americans with Disabilities Act (ADA) and any other local, state or federal law or regulation regarding the accessibility of the Premises by disabled individuals for those improvements, fixtures, equipment and use of the Premises. Tenant agrees to release, indemnify, defend and hold Landlord harmless for any claim, loss, expense or liability arising from Tenant's failure to fully comply with all such laws or regulations.

14.04 Attorneys' Fees. In the event of any legal action, arbitration or proceeding between the parties, the prevailing party shall be entitled to reasonable attorneys' fees and expenses as a part of the judgment or award resulting therefrom.

14.05 Transfer, Sale or Lease of the Premises by Landlord. Notwithstanding any provisions of this Agreement, Landlord may assign in whole or in part Landlord's interest in this Agreement and may sell or transfer all or part of Landlord's leasehold interest in the real estate of which the Premises

are a part, however, subject to the terms of this Lease. In the event of any transfer, sale or exchange of the Premises by Landlord and assignment by Landlord of this Agreement, Landlord shall be entirely freed and relieved of all liability under all covenants and obligations contained in or derived from this Agreement or arising out of any act, occurrence or omission relating to the Premises which occurs after the consummation of such sale, exchange or assignment except as provided in the Pass Through Agreement and all amendments thereto.

14.06 Liability to Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto who shall be jointly and severally liable for the covenants contained herein.

14.07 Interpretation. Whenever the singular number is used in this Agreement, the same shall include the plural. Reference to any gender shall include the masculine, feminine and neuter genders, and the word "person" shall include corporation, firm or association, when required by the content.

The headings or titles to the paragraphs of this Agreement are for convenience only and do not in any way define, limit or construe the contents of such paragraphs. This instrument contains all of the agreements and conditions made between the parties with respect to the hiring of the Premises and may not be modified orally or in any manner except by a written instrument signed by all the parties to this Agreement.

The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Agreement and such other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions, one which would render the provision void and one which would render the provision valid, the provision shall be interpreted in the manner which would render it valid.

Except as may otherwise be expressly stated, each payment required to be made by the Tenant shall be in addition to and not in substitution for other payments to be made by Tenant.

14.08 Time. Time is of the essence in this Agreement.

14.09 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to that resulting from such prevention, delay or stoppage.

14.10 Notices. All notices to be given by one party to the other or options to be exercised under this Agreement shall be in writing, mailed or delivered to Landlord and Tenant at the following addresses:

Landlord	Tenant
City of Scotts Valley	Pacific Flow Swim School
Attn: City Manager	Attn:Owner
1 Civic Center Drive Scotts Valley, CA 95066	P.O. Box 66438 Scotts Valley, CA 95066

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid, and shall be deemed to have been given on the date of posting in the United States Postal Service.

The parties listed above may, by proper notice, at any time designate a different address to which notices shall be sent.

14.11 Waiver. The waiver by either of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Agreement shall be deemed to have been waived by either, unless such waiver is in writing by such party.

14.12 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Agreement provided.

14.13 Authority. If Tenant is a corporation or partnership, each individual executing this Agreement on behalf of such entity represents or warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such entity and that such entity shall be bound by all the terms and provisions hereof.

14.14 Broker's Commission. Each party represents and warrants that there are no claims for brokerage commissions or finder's fees arising from that party's activities in connection with this Agreement, and each party agrees to indemnify and hold the other party harmless from all liability arising from any such claim.

14.15 Assessment District Establishment. Tenant agrees not to unreasonably protest the establishment of an assessment district for purposes of public improvements, including, but not limited to, sidewalks, streets, lighting, utilities. Notwithstanding the foregoing, Tenant may protest the establishment of an assessment district if Tenant believes it adversely affects Tenant's business.

The parties have executed this Agreement as of the date first written above.

LANDLORD:

TENANT:

Pacific Flow Swim School

By: _____ By: _____

Mali LaGoe

Jeff Griffith-Jones

Its: City Manager

Its: Owner

Exhibit A

Premises boundaries shown in red on image below.



City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/6/2024
TO: Honorable Mayor and City Council
FROM: Sarah Wikle, Senior Planner
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Consider approval of the Housing Element Annual Progress Report and authorize the submittal of the Annual Progress Report to the Department of Housing and Community Development Department**

SUMMARY OF ISSUE

California Government Code 65400(a)(2) requires the City to provide an annual report, titled an Annual Progress Report (APR), to the City Council, the State Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) that includes the following:

- (A) The status of the adopted Housing Element and progress in its implementation.
- (B) The progress in meeting the City's share of regional housing needs and local efforts to remove governmental constraints on the maintenance, improvement, and development of housing. The housing element portion of the annual report is prepared using standards, forms, and definitions adopted by HCD.
- (C) The number of housing development applications received in the prior year.
- (D) The number of units included in all development applications in the prior year.
- (E) The number of units approved and disapproved in the prior year.
- (F) The degree to which the General Plan complies with the guidelines developed by OPR.
- (G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need.
- (H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies.
- (I) The number of applications submitted, approvals granted, building permits issued, and number of units constructed pursuant to Senate Bill 35 (2018).
- (J) The number of Density Bonus applications received, approved, percentage of density bonus units requested and if the applicant requested any incentives or concessions

The 2023 Annual Progress Report includes the following tables:

Table A contains data on the number of housing development applications that were submitted and deemed complete in 2023. The number of proposed units that were deemed complete is

10 units, including nine units through the subdivision on Sandraya Heights Road and one unit through a subdivision located at 261 Estrella Drive.

Tables A2 contains data on the discretionary housing development applications that were approved (entitled), all building permits issued for housing development and housing construction completed. This data is identified by both household income level, street address and tenure. Table A2 data shows that:

- 10 units were deemed complete,
- 3 units were issued building permits, and
- 17 units had building permits “signed off” and finalized. These units were primarily part of the Polo Ranch development and accessory dwelling units (ADUs).

Table B includes data on the household income levels of the units in 2023 that were issued building permits (17 units). Further, this table demonstrates the City’s progress in meeting its share of the Regional Housing Needs Allocation (RHNA). Please note that only units that secured building permits in 2023 are counted towards meeting the RHNA. In 2023, there were building permits issued for 3 ADUs, and are “credited” towards the City’s RHNA goals. Those units that were issued a building permit in 2023 were above-moderate income units. In addition, the City is able to credit new units approved, permitted, or constructed after June 30, 2023 towards the City’s 2023-2031 RHNA goals.

Table D contains information on the status and progress of the Housing Element program and policy implementation for all programs described in the 2016 Housing Element.

Tables C, E, F, F2, G, H, I and J are not applicable to the City of Scotts Valley.

Table K is a new requirement for municipalities to report if there is a local “tenant preference ordinance”. The City of Scotts Valley does not have a tenant preference ordinance.

LEAP Reporting Table provides reporting information on tasks and the status of various projects funded by the City’s LEAP grant.

Summary Table provides a summary of housing units for which applications were submitted, and building permits issued in 2023.

FISCAL IMPACT

There is no fiscal impact associated with this item.

STAFF RECOMMENDATION

It is recommended that the City Council receive public comments and authorize the submittal of the 2023 Annual Progress Report (APR) to the Department of Housing and Community Development (HCD) and State Office of Planning and Research (OPR).

TABLE OF CONTENTS

1. 2023 Annual Progress Report

Jurisdiction	Scotts Valley	
Reporting Year	2023	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

[illegible]

Jurisdiction	Scotts Valley	
Reporting Year	2023	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indicates an optional f
Cells in grey contain auto-calculat

Table A2																		
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units																		
Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement									Affordability by Hou		
1					2	3	4							5	6			
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0		0	0	0	0
	023-301-40	210 Wieble Drive		37163-23	ADU										0			
	021-291-04	875 Whispering Pines Drive		BP-23-259	ADU										0			
	024-071-26	224 North Navarra Drive		BP-23-356	ADU										0			
	022-082-59	1 Wells Road		35522-18	ADU										0			
	024-391-02	415 Polo Ranch Road (Lot #2)	Polo Ranch	36267-21	SFD										0			
	024-391-03	417 Polo Ranch Road (Lot #3)	Polo Ranch	36268-21	SFD										0			
	023-131-03	11 Casa Way		36582-21	SFD										0			
	023-131-03	11B Casa Way		36582-21	SFD										0			
	024-391-07	101 Shady Oak Way (Lot #7)	Polo Ranch	36832-22	SFD										0			
	022-891-08	12A Blake Lane		36878-22	SFA										0			
	022-891-06	12B Blake Lane		36878-22	SFA										0			
	024-391-04	419 Polo Ranch Road (Lot #4)	Polo Ranch	36960-22	SFD										0			
	024-391-05	421 Polo Ranch Road (Lot #5)	Polo Ranch	36961-22	SFD										0			
	024-391-08	103 Shady Oak Way (Lot #8)	Polo Ranch	36962-22	SFD										0			
	024-391-09	105 Shady Oaks Way (Lot #9)	Polo Ranch	36963-22	SFD										0			
	024-391-10	106 Shady Oaks Way (Lot #10)	Polo Ranch	36964-22	SFD										0			
	024-391-11	104 Shady Oaks Way (Lot #11)	Polo Ranch	36965-22	SFD										0			
	024-102-44	113 Hilltop Way		36975-22	ADU										0			
	024-021-36	19 Polo Heights Road		37029-22	SFD										0			
	024-021-36	19B Polo Heights Road		37029-22	ADU										0			

ield

on formulas

Household Incomes - Building Permits						Affordability by Household Incomes - Certificates of Occupancy									Streamlining	Infill	Housing with Financial Assistance and/or Deed Restriction	
7				8	9	10							11	12	13	14	15	16
Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Building Permits <u>Date Issued</u>	# of Units Issued Building Permits	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?	Please select the streamlining provision the project was APPROVED pursuant to. (may select multiple)	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)
0	0	0	3		3	0	0	0	0	0	0	17		17	0			
			1	1/11/2023	1									0			Y	
			1	11/29/2023	1									0			Y	
			1	12/19/2023	1									0			Y	
					0							1	8/16/2023	1			Y	
					0							1	8/17/2023	1			Y	
					0							1	5/19/2023	1			Y	
					0							1	4/4/2023	1			Y	
					0							1	4/4/2023	1			Y	
					0							1	1/27/2023	1			Y	
					0							1	10/11/2023	1			Y	
					0							1	10/11/2023	1			Y	
					0							1	6/15/2023	1			Y	
					0							1	3/27/2023	1			Y	
					0							1	2/21/2023	1			Y	
					0							1	8/17/2023	1			Y	
					0							1	2/21/2023	1			Y	
					0							1	4/14/2023	1			Y	
					0							1	11/3/2023	1			Y	
					0							1	12/5/2023	1			Y	
					0							1	12/5/2023	1			Y	

Jurisdiction	Scotts Valley	
Reporting Year	2023	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
Please contact HCD if your data is different than the material supplied here

Table B														
Regional Housing Needs Allocation Progress														
Permitted Units Issued by Affordability														
		1		2									3	4
Income Level		RHNA Allocation by Income Level		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	34	-	-	-	-	-	-	-	-	-	-	-	34
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	
Low	Deed Restricted	22	-	-	-	3	-	-	1	6	2	-	12	10
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	
Moderate	Deed Restricted	26	-	-	-	-	3	-	1	-	-	-	8	18
	Non-Deed Restricted		-	-	-	4	-	-	-	-	-	-	-	
Above Moderate		58	-	5	9	38	63	12	8	30	46	3	214	-
Total RHNA		140												
Total Units			-	5	9	45	66	12	10	36	48	3	234	62
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5											6	7
		Extremely low-Income Need		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date	Total Units Remaining
Extremely Low-Income Units*		17		-	-	-	-	-	-	-	-	-	-	17

*Extremely low-income housng need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

Jurisdiction	Scotts Valley	
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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table C																	
Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law																	
Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Rezone Type	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Rezone Type	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

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Jurisdiction		Scotts Valley	
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Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
1. Sites Inventory Monitoring Program	a) Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 654000 and due April 1 of each year. b) Monitor development approvals on identified sites and ensure that no net loss occurs. c) Continue to implement the City's 15% inclusionary Housing requirement and Title 14 Affordable Housing Production requirements.	Ongoing through December 2023	The City will continue to monitor the remaining sites in the 2016 inventory to assure that land at appropriate densities are available to meet any unmet RHNA needs. The Town Center Site as listed in the 2016 site inventory still represents a significant site for additional housing opportunities. The City continues to implement the 15% Inclusionary Housing requirement and is planning to evaluate the Inclusionary Housing Ordinance and to propose changes as needed to increase its effectiveness in producing affordable housing. The City has also been awarded SB2 funds and has applied for LEAP funds for improved permit processing, an Update of the City's Housing Element and revisions to the ADU program.
2.Planned Unit Development	Continue providing flexible design through the PD Zoning District.	Ongoing through December 2023	The City continues to encourage flexible design options throughout PD Zoning Districts.
3. Secondary Dwelling Unit Program	a) Continue to publicize secondary dwelling unit program by developing brochures, updating the City's website, and making available brochures at the public counter. b) Periodically review program and make adjustments as feasible to facilitate the development of secondary units.	Ongoing through December 2023	The City was awarded SB2 grant funds that will be used to update the City's Accessory Dwelling Unit Program so that it reflects all of the recent legislative changes as mandated by the State of California. These include Assembly Bill 68, Assembly Bill 881 and Senate Bill 13, all of which became effective as of January 1, 2020.
4. Emergency Shelters	a) Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. b) Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low income residents.	Ongoing through December 2023	The City continues to monitor the inventory of sites appropriate to accommodate emergency shelters and works with appropriate organizations.

5. Transitional and Supportive Housing	a) Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and extremely low income residents are met. b) Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low income residents whenever possible.	Ongoing through December 2023	Transitional and Supportive housing are permitted by-right in all residential zones.
6. Density Bonus Program	Provide information on the Density Bonus Program at City Hall and on the City's website.	Ongoing through December 2023	Density Bonus Program information is included in Section 17.62 of the SVMC.
7. Code Enforcement	Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City's website.	Ongoing through December 2023	The City continues to implement a proactive code enforcement program.
8. Design Review	Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. The City will give processing priority to affordable housing projects.	Ongoing through December 2023	The City continues to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provides priority process to affordable housing projects as allowed by recent State of California legislation.
9. Monitor and Preserve Affordable Housing	a) Develop and maintain an AB987 database to include detailed information on all subsidized units, including those that have affordability covenants. b) Explore funding sources such as HUD Section 208/811 loans, HOPE II and Homeownership Program Funds, HOME funds, CDBG funds, Low Income Housing Tax Credit Funds, California Housing Finance Agency single-family and multi-family programs and other programs to stimulate private developer and non-profit efforts in the development and financing of housing for lower and moderate-income households. c) Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.	Ongoing through December 2023	The City maintains a data base and annually publishes an inventory of affordable housing opportunities (https://www.housekeys15.com). The City continues to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City has an on-going contractual relationship with HouseKeys to provide eligibility and monitoring assistance of affordable units.

10. Mobile Home Park Conversion Ordinance	a) Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing. b) Provide information on the mobile home park conversion ordinance and other fair housing information on the City's website and at City Hall.	Ongoing through December 2023	The City continues to implement the mobile home park conversion ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information is available at City Hall and on the City's web site.
11. Mobile Home Park Rent Stabilization Ordinance	a) Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. b) Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.	Ongoing through December 2023	The City continues to implement the mobile home park rent stabilization ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information is available at City Hall and on the City's web site. In addition, the City's Mobile Home Park Rent Review Committee receives, investigates and can hold hearings as needed on proposed rent adjustments.
12. Housing Voucher Program	a) Continue to participate with the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance Program. B) Continue to refer residents to the County program and provide information at City Hall and on the City's website.	Ongoing through December 2023	The City continues to participate with the Housing Authority of Santa Cruz County and provides information about the Housing Authority's services.
13. Mortgage Credit Certificate Program.	a) Continue to refer residents to the County program and provide information at City Hall and on the City website.	Ongoing through December 2023	The Housing Authority of the County of Santa Cruz no longer administers a Mortgage Credit Certificate (MCC) Program. They continue the administration of the Reissued Mortgage Credit Certificate (RMCC) program for those MCC's issued by the Housing Authority.
14. Fair Housing	Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website. Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	Ongoing through December 2023	Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers and tenants as well as the general public.

15. Child Care and Day Care Facilities	a) Continue to work with child care providers and the County to promote child care facilities within the community. b) Provide information at City Hall and on the City's website on current zoning regulations that apply to child care and day care facilities. c) Continue to encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.	Ongoing through December 2023	The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continues to encourage the provision of child care and day care facilities in all new proposed development activities.
16. Reasonable Accommodation	a) Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures. b) Continue to work with developers and individual homeowners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	Ongoing through December 2023	Chapter 17.60 of the City's Municipal Code provides Reasonable Accommodation standards and procedures. The Municipal Code is on the City's website as well as at City Hall.
17. Housing for Persons with Developmental Disabilities	a) Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with development disabilities. b) Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. c) Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities. d) Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.	Ongoing through December 2023	The City continues to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continues to work with non profit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City's web site.

18. Housing for Lower Income Households	Encourage the development of housing for lower income households, including extremely low, very low and low income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.	Ongoing through December 2023	The City continues to encourage lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non profit developers.
19. Definition of "Family"	Amend, as appropriate, the definition of "family" to be consistent with State and federal fair housing laws.	Within one year of Housing Element adoption	An updated definition of "family" is scheduled to be reviewed at the time of the General Plan Update.
20. Agricultural Employee Housing	Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	Within one year of Housing Element adoption	The City continues to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.
21. Hillside Development and Design	Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District	Ongoing through December 2023	The City continues to enforce the various standards as identified in the Hillside Residential Combining District.
22. Resource Conservation	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit processes.	Ongoing through December 2023	The City reviews energy conservation measures and devices through the Design Review process and the building permit review.
23. Water and Sewer Providers	Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	Ongoing through December 2023	The 2016 Housing Element has been submitted to local water and sewer providers. Future amendments to the 2016 Housing Element will also be submitted to local water and sewer providers.
24. Cultural Resources	Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	Ongoing through December 2023	The City continues to monitor proposed development activity in areas designed as "moderate or high cultural resource sensitivity zones" in the General Plan.

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(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	Scotts Valley	
Reporting Period	2023	(Jan. 1 - Dec. 31)
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Note: "+" indicates an optional field

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Table F									
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)									
Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.									
Activity Type	Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only				Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD at apr@hcd.ca.gov and we will unlock the form which enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1 ⁺ . For detailed reporting requirements, see the chcklist here : https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf
	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income									

Jurisdiction	Scotts Valley	
Reporting Period	2023	(Jan. 1 - Dec. 31)
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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F2																		
Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code section 65400.2																		
For up to 25 percent of a jurisdiction's moderate-income regional housing need allocation, the planning agency may include the number of units in an existing multifamily building that were converted to deed-restricted rental housing for moderate-income households by the imposition of affordability covenants and restrictions for the unit. Before adding information to this table, please ensure housing developments meet the requirements described in Government Code 65400.2(b).																		
Project Identifier					Unit Types		Affordability by Household Incomes After Conversion								Units credited toward Moderate Income RHNA		Notes	
1					2	3	4								5		6	
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID	Unit Category (2 to 4,5+)	Tenure R=Renter	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate-Income	Total Moderate Income Units Converted from Above Moderate	Date Converted	Notes		
Summary Row: Start Data Entry Below					0000000000000000													

Jurisdiction	Scotts Valley	
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NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

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Table G						
Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of						
Project Identifier						
1				2	3	4
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						

Jurisdiction	Scotts Valley	NOTE: This table must contain an inventory of ALL surplus/excess lands the reporting jurisdiction owns	Note: "+" indicates an optional field Cells in grey contain auto-calculation formulas
Reporting Period	2023 (Jan. 1 - Dec. 31)		

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For Santa Cruz County jurisdictions, please format the APN's as follows:999-999-99-9999

Table H						
Locally Owned Surplus Sites						
Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	Street Address/Intersection	Existing Use	Number of Units	Surplus Designation	Parcel Size (in acres)	Notes
Summary Row: Start Data Entry Below						

Jurisdiction	Scotts Valley	
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NOTE: STUDENT HOUSING WITH DENSITY BONUS ONLY. This table only needs to be completed if there were student housing projects WITH a density bonus approved pursuant to Government Code 65915(b)(1)(F)

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Not
Cells in g

Table J												
Student housing development for lower income students for which was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915												
Project Identifier				Project Type	Date	Units (Beds/Student Capacity) Approved						
1				2	3	4						
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Unit Category (SH - Student Housing)	Date	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income
Summary Row: Start Data Entry Below												

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Table K
Tenent Preference Policy

Local governments are required to inform HCD about any local tenant preference ordinance the local government maintains when the jurisdiction submits their annual progress report on housing approvals and production, per Government Code 7061 (SB 649, 2022, Cortese). Effective January 1, 2023, local governments adopting a tenant preference are required to create a webpage on their internet website containing authorizing local ordinance and supporting materials, no more than 90 days after the ordinance becomes operational.

Does the Jurisdiction have a local tenant preference policy?	No	
If the jurisdiction has a local tenant preference policy, provide a link to the jurisdiction's webpage on their internet website containing authorizing local ordinance and supporting materials.		
Notes		

Jurisdiction	Scotts Valley	
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Local Early Action Planning (LEAP) Reporting					
(CCR Title 25 §6202)					
Please update the status of the proposed uses listed in the entity’s application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.					
Total Award Amount	\$ 65,000.00		Total award amount is auto-populated based on amounts entered in rows 15-26.		
Task	\$ Amount Awarded	\$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
Develop and Release RFP for Housing Element	\$2,000.00	\$2,000.00	Completed	None	
Approval of Contract with Consultant	\$40,000.00	\$40,000.00	Completed	REAP	
Outreach, CEQA Doc. & Adoption of Housing Element	\$23,000.00	\$23,000.00	Completed	REAP	

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		0
Total Units		0

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		3
Total Units		3

Certificate of Occupancy Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		17
Total Units		17