

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA APPROVING THE CITY OF CAPITOLA HOUSING REHABILITATION ASSISTANCE PROGRAM FOR OWNER-OCCUPIED DEED-RESTRICTED-AFFORDABLE UNITS WITH RESALE PRICE RESTRICTIONS, ADOPTING ASSOCIATED GUIDELINES, APPROVING AN AGREEMENT WITH HABITAT FOR HUMANITY MONTEREY BAY FOR PROGRAM ADMINISTRATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME ON BEHALF OF THE CITY**

**WHEREAS**, the City of Capitola (“City”) Housing Element Programs 2.2, 2.7, 3.4, 5.1 and 5.2 include commitments to assisting with the rehabilitation of affordable housing units in the City of Capitola during the 6th housing cycle; and

**WHEREAS**, the City’s 2024/2025 budget includes \$225,000 in funding from the Affordable Housing Trust Fund, which is supported by Housing In-Lieu Fees and Housing Impact Fees, and is designated for affordable housing programs, including housing rehabilitation; and

**WHEREAS**, the City has designed the Housing Rehabilitation Assistance Program for owner-occupied deed-restricted-affordable units with resale price restrictions(the “Program”) to provide grants of up to \$12,650 to at least sixteen (16) qualifying homeowners of owner-occupied deed-restricted-affordable units with resale price restrictions in the City of Capitola; and

**WHEREAS**, the Program focuses on ensuring the long term longevity of the City’s affordable housing stock, as well as assisting with necessary home repairs that address health, safety, and code compliance issues; and

**WHEREAS**, the Program guidelines (“Guidelines”) set forth the application, selection, grant award, project management and general operational requirements of the Program and the obligations of the Program operator (“Program Operator”); and

**WHEREAS**, approval of the Program and adoption of the Guidelines will help ensure support in the form of grants for rehabilitation projects that promote the longevity of the City’s affordable housing stock and will help the City meet its program obligations with respect to the Housing Element; and

**WHEREAS**, the City of Capitola solicited proposals from qualified nonprofit organizations to administer the Program as Program Operator and received one proposal, from Habitat for Humanity Monterey Bay (HfHMB); and

**WHEREAS**, HfHMB has extensive experience in providing affordable housing solutions, including home rehabilitation, in Santa Cruz and Monterey Counties for over 36 years; and

**WHEREAS**, HfHMB’s proposal addresses key Program elements such as the use of volunteer labor, donated materials, compliance with applicable building codes, oversight of permitted work by a licensed contractor, and adherence to safety procedures; and

**WHEREAS**, HfHMB proposes a 10% administration fee for Program management, ensuring cost-effective implementation of the Program; and

**WHEREAS**, approval of the draft agreement (“Agreement”) with HfHMB as the Program Operator will facilitate the efficient and effective administration of the Program, maximizing the use of available funds to assist eligible homeowners.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Capitola does hereby:

1. Find that the foregoing recitals are true and correct and are incorporated by reference into this action;
2. Find that, pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the approval of the Housing Rehabilitation Assistance Program and associated Guidelines does not constitute a “project,” within the meaning of CEQA Guidelines Sections 15060(c), because there is no potential that the activity will result in a direct or reasonably foreseeable indirect physical change in the environment.

Further, even if this activity were determined to be a “project” for CEQA analysis, this activity falls within the "common sense" CEQA exemption set forth in CEQA Guidelines Section 15061(b)(3), excluding projects where “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” No unusual circumstances exist and none of the exceptions under CEQA Guidelines Section 15300.2 apply. Individual rehabilitation projects will undergo CEQA analysis as necessary.

For the same reasons, the City Council finds that approval of the Agreement with HfHMB to serve as Program Operator and administer the Program is also exempt from CEQA;

3. Approve the Housing Rehabilitation Assistance Program for owner-occupied deed-restricted-affordable units with resale price restrictions, as outlined in the staff report, and adopt the Program Guidelines attached hereto and incorporated herein by this reference;
4. Approve the Agreement with HfHMB for the administration of the Program, attached hereto and incorporated herein by this reference, and authorize the City Manager to execute the same on behalf of the City; and
5. Direct staff to oversee the implementation of the Program to ensure compliance with Program Guidelines and funding requirements.

This Resolution shall take effect immediately upon its adoption.

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, City Clerk