



City of Capitola Housing Element Re-Adoption

CITY COUNCIL
AUGUST 22, 2024





Tonight's Topics

- **Housing Element Overview**
- **Revisions to Housing Element**
- **City Council Adoption**

The Team



City of Capitola



Consultant Team

- Bret Stinson RRM Design Group
- Veronica Tam & Associates
- Leila Soshref-Denesh, Burke
- Collette Morse, Morse Planning Group

Staff Recommendation:

Adopt a resolution to:

- 1) Adopt Addendum to General Plan Update Environmental Impact Report; and
- 2) Amend the 2023-2031 Housing Element of the General Plan, as conditionally approved by California Department of Housing and Community Development, and updating timelines as presented for program 1.7; and direct staff to submit amended Housing Element to the State for certification.

What is the Housing Element?



One of seven required elements of the General Plan



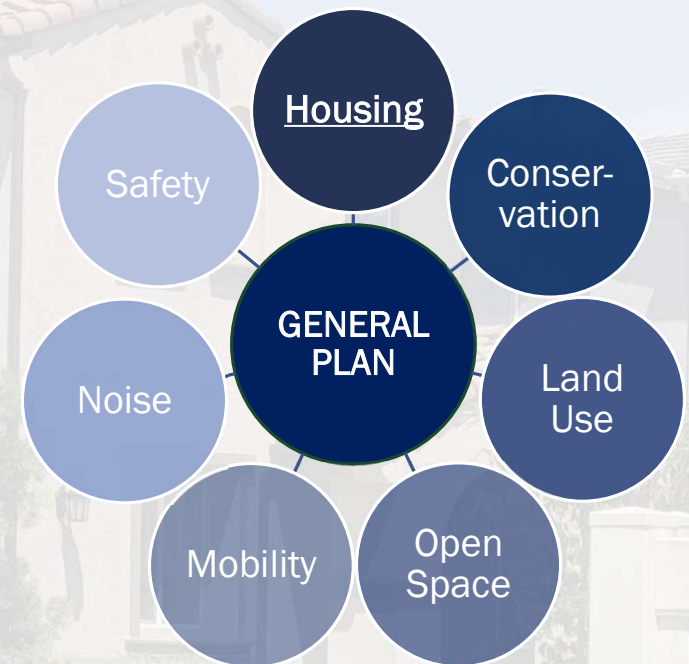
Assessment of City's housing needs and how best to accommodate existing and future housing needs



Update required every eight (8) years - **Deadline: December 15, 2023**



Reviewed for compliance by California Dept. of Housing and Community Development (HCD)



Housing Element Update Process

Housing Needs Assessment

Draft HEU & Programs

HCD Review of Draft HEU

Adoption

HCD Review
Conditional Letter of Certification

Re-Adoption

HCD Certification

Outreach

HEU Implementation*

Public Outreach

PUBLIC OUTREACH TO DATE

- Online housing needs survey
- Stakeholder interviews (November 2022)
- Community Workshops 1 & 2 (Feb 16 and May 16)
- Planning Commission Study Session (February 2, 2023)
- City Council Study Session (February 9, 2023)
- Joint PC and CC Study Session (March 16, 2023)
- Public Review of Draft Housing Element (May 2023)

Previous Adoption Hearings

Adoption Hearings

- October 5, 2023 Planning Commission Update
- October 12, 2023 City Council Update
- October 19, 2023 Planning Commission recommendation to CC
- November 9, 2023 City Council Adoption

California HCD Correction Letter

January 12, 2024 HCD Letter

Request for Additional Analysis:

1. Capitola Mall Incentives Program – Commitment to Height and Floor Area Benefits
2. Sites Inventory - Non-Vacant Sites Analysis
3. Publicly-owned sites

Subsequent Drafts

Subsequent Drafts published on the City's website for seven days then submitted to HCD:

April 19, 2024

June 13, 2024

July 3, 2024

July 10, 2024

July 23, 2024

July 26, 2024, HCD - Subsequent Draft Housing Element is in substantial compliance with State Housing Element Law.

August 8, 2024 – Planning Commission recommendation for adoption

Amendments

1. Analysis of realistic capacity on previously redeveloped sites
2. Analysis of current conditions of sites identified for future lot consolidations
3. Analysis and examples specific to areas and transportation corridors where redevelopment sites are identified
4. Example buildout of a site
5. Analysis of realistic capacity of the Capitola Mall site
6. Update to Program 1.6 Development Regulations related to mall height
7. Update to Program 1.7 Shopping/Commercial Redevelopment related to mall height and monitoring financial feasibility
8. Analysis on site inventory capacity and future housing opportunities
9. Added information related to Program 1.10 Housing on Publicly and Quasi-Publicly Owned Land not being included in the 6th Cycle Inventory.
10. Edits to Program 3.1 Emergency Shelters and Low Barrier Navigation Centers to comply with state law.

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Mall Amendments

5. Analysis of realistic capacity of Mall site (Pages 4-43 through 4-48)

- Economic feasibility reached with 48 - 60 dwelling units per acre, 75 feet height, and parking not counted toward FAR
- Remove barriers: Update zoning to objective standards, increased incentives, and to allow phased development
- 15% lower income (266 units) and 5% moderate income (89 units)

6. Update to Program 1.6 Development Regulations related to mall height. (Page 5-9)

- Commitment to 75 feet

7. Update to Program 1.7 Shopping/Commercial Redevelopment related to mall height and monitoring financial feasibility. (Pages 5-10 through 5-11)

- Commitment to revisit financial feasibility annually.

New Amendment

Program 1.7 Shopping/Commercial Center Redevelopment: Timeline and Objectives:

- By the end of ~~2024~~2025, develop land use policies to facilitate shopping center redevelopment with a strong sense of urban design cohesion.
- By the end of ~~2024~~2025 as part of the Zoning Code updates, amend the Municipal Code Chapter 17.88 to include the following: i. Establish the Capitola Mall as the area between Clares Street, 41st Avenue and Capitola Road. ii. Allow for building height up to 75 feet for Mall Redevelopment. iii. Define “Mall Redevelopment” to mean a mix of uses that includes residential and retail/commercial components. iv. Exclude parking garages from the project FAR calculations. v. Adopt objective development standards to facilitate mall redevelopment.
- Beginning in ~~2025~~2026, the City will annually monitor impacts on the financial feasibility of the Incentives of Community Benefits. If financial constraints are discovered, modifications will be made within six months.

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