

City of Capitola

Planning Commission Meeting Minutes

Thursday, March 05, 2026 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Chairperson: Courtney Christiansen
Vice Chair: Nathan Kieu
Commissioners: Paul Estey, Matthew Howard, TJ Welch

1. **Roll Call and Pledge of Allegiance** - *The meeting was called to order at 6:00 PM. In attendance: Commissioners Estey, Howard, Welch, Vice Chair Kieu, and Chair Christiansen.*

2. **Additions and Deletions to the Agenda** - *The Deputy City Clerk announced that one staff memorandum and sixteen emails were received as additional materials for Item 6A.*

3. Oral Communications

- Goran Klepic

4. Planning Commission/Staff Comments

Director Herlihy informed the Commission of a special City Council meeting scheduled for March 16 regarding the rezoning of the Capitola Mall property, and announced that the Stockton Avenue bridge will have traffic impacts from March 9th-20th.

5. Consent Calendar

A. Approval of February 5, 2026 Planning Commission Minutes

B. 115 San Jose Avenue

Project Description: Request to Continue. Application #25-0398. APN: 035-221-17; -18. Master Sign Program for the Capitola Mercantile site located within the MU-V (Mixed Use Village) zoning district. Application does not include the adjacent "Mercantile Annex" property fronting Stockton Avenue. This project is in the Coastal Zone but does not require a Coastal Development Permit. Environmental Determination: Categorical Exemption.

Recommended Action: Continue item to the next regularly scheduled Planning Commission meeting on April 2, 2026.

C. 417 Capitola Avenue

Project Description: Application #26-0055 APN: 035-131-04. Two-year permit extension of #23-0330 for a Design Permit to demolish an existing commercial building (Baash) and construct a new single-family dwelling with a Variance request for the floor area ratio, a Minor Modification request for the maximum driveway width, and exception requests to the rear and side setbacks. The project is located within the MU-N (Mixed Use Neighborhood) zoning district. The project is in the Coastal Zone and requires a Coastal Development Permit which is not appealable to the California Coastal Commission.

Recommended Action: Consider application #26-0055 and approve the two-year permit extension maintaining the original Findings and updated Conditions of Approval.

Permit Extension Finding:

- A. The applicant has proceeded in good faith and exercised due diligence in efforts to exercise the permit in a timely manner, and the time extension is consistent with all applicable provisions of the zoning code.**

Community Development Staff and Planning Commission have reviewed the applicant's request for permit extension and find the applicant has proceeded in good faith and exercised due diligence in efforts to exercise the permit in a timely manner. The extension is consistent with all applicable provisions of the zoning code as permitted with a variance and minor modification.

Design Permit Findings:

- A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.**

Community Development Staff and the Planning Commission have reviewed the project. With approval of a Variance for the garage floor area, a Minor Modification for the maximum driveway width, and exception requests for the rear and side setbacks, the proposed single-family residence complies with the applicable development standards of the MU-N (Mixed Use Neighborhood) zoning district.

- B. The proposed project complies with all applicable provisions of the zoning code and municipal code.**

Community Development Staff and the Planning Commission have reviewed the application for a single-family residence. With approval of a Variance for the garage floor area, a Minor Modification for the maximum driveway width, and exception requests for the rear and side setbacks, the proposed single-family residence will comply with, the project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section 15303(a) of the CEQA Guidelines exempts the construction of small facilities or structures, including a single-family residence in a residential zone, or up to three single-family residences in an urbanized area, and is subject to Section 753.5 of Title 14 of the California Code of Regulations. This project involves a new single-family residence in an urbanized area, located within the MU-N (Mixed Use Neighborhood) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

- D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.**

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family residence will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

- E. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).**

The Community Development Staff and the Planning Commission have reviewed the application. The proposed single-family residence complies with all applicable design review criteria in Section 17.120.070.

- F. The proposed project maintains the character, scale, and development pattern of the neighborhood.**

Community Development Staff and the Planning Commission have all reviewed the application for the single-family residence. The contemporary design maintains the character of the neighborhood, which has a variety of traditional and modern architectural styles. The project complies with height standards for the zone and is similar in scale to nearby developments on Capitola Avenue.

Coastal Development Permit Findings:

A. The project is consistent with the LCP land use plan, and the LCP implementation program.

The proposed development conforms to the City's certified Local Coastal Plan (LCP) land use plan and the LCP implementation program.

B. The project maintains or enhances public views.

The proposed project is located on private property at 417 Capitola Avenue. The project will not negatively impact public landmarks and/or public views.

C. The project maintains or enhances vegetation, natural habitats and natural resources.

The proposed project is located at 417 Capitola Avenue. The home is not located in an area with natural habitats or natural resources. The project will maintain or enhance vegetation consistent with the allowed use and will not have an effect on natural habitats or natural resources.

D. The project maintains or enhances low-cost public recreational access, including to the beach and ocean.

The project involves a single-family residence and will not negatively impact low-cost public recreational access.

E. The project maintains or enhances opportunities for visitors.

The project involves a single-family residence and will not negatively impact visitor serving opportunities.

F. The project maintains or enhances coastal resources.

The project involves a single-family residence and will not negatively impact coastal resources.

G. The project, including its design, location, size, and operating characteristics, is consistent with all applicable design plans and/or area plans incorporated into the LCP.

The proposed residential project complies with all applicable design criteria, design guidelines, area plans, and development standards. The operating characteristics are consistent with the MU-N (Mixed Use Neighborhood) zoning district.

H. The project is consistent with the LCP goal of encouraging appropriate coastal development and land uses, including coastal priority development and land uses (i.e., visitor serving development and public access and recreation).

The project involves a new single-family residence on an existing commercial lot. The proposed project is consistent with the LCP goals for appropriate coastal development and land uses. The residential use is consistent with allowed uses of the MU-N (Mixed Use Neighborhood) zoning district.

Variance Findings:

- A. There are unique circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, that do not generally apply to other properties in the vicinity or in the same zone as the subject property.**

Staff Analysis: The lot is small by Capitola standards, closer to a half-lot in terms of floor area. The property is also irregular in shape with angled front, side, and rear lot lines. The property is also located within a flood zone, which limits new development of habitable space below the base flood elevation. The ground-floor hallway is located below the base flood elevation, and although counted as a part of the heated space and the floor area ratio, is prohibited from being habitable. Although the code exempts up to 250 square feet of garage area for small lots such as 417 Capitola Avenue, the subject property has a larger two-car garage to meet its full parking requirements.

- B. The strict application of the zoning code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity or in the same zone as the subject property.**

Staff Analysis: Numerous properties within the vicinity and/or same zoning district have limited front setbacks but do not provide covered parking or the full amount of required parking. The subject property has limited adequate space for both parking and driveway access. Development standards and design considerations of the MU-N zone also suggest structures should be located along the street frontage with parking areas away from the public view and primary entrances should be oriented towards and visible from the street to support an active public realm and an inviting pedestrian environment. The applicant is seeking a variance to floor area for the enclosed second parking space in an effort to comply with zoning standards and design considerations.

- C. The variance is necessary to preserve a substantial property right possessed by other property in the vicinity or in the same zone as the subject property.**

Staff Analysis: Numerous properties within the vicinity and/or same zoning district have limited front setbacks but do not provide covered parking or the full amount of required parking. The subject property has limited adequate space for both parking and driveway access. Development standards and design considerations of the MU-N zone also emphasize forward massing along the street with parking areas away from the public view. Granting a variance for the floor area enables the subject property to bring the structure massing towards the street, limit open parking area in the front yard, and still meet all parking requirements.

- D. The variance will not be materially detrimental to the public health, safety, or welfare, or be injurious to the properties or improvements in the vicinity or in the same zone as the subject property.**

Staff Analysis: The project involves a single-family residence and will not negatively impact the public, properties, or improvements in the vicinity or in the same zone as the subject property.

- E. The variance does not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity or in the same zone as the subject property.**

Staff Analysis: There are several R-1 and MU-N zoned properties in the vicinity that exceed the maximum allowed floor area ratio, even after accounting for garage floor area credits due to lot size. Several properties behind the subject property exceed their allowed FAR, including two on Blue Gum Avenue and another on Riverview Avenue. A mixed-use structure at 411 Capitola Avenue also exceeds the maximum allowed FAR.

F. The variance will not have adverse impacts on coastal resources.

Staff Analysis: The property will not impact nearby coastal resources.

Minor Modification Findings:

A. The modification will be compatible with adjacent structures and uses and is consistent with the character of the neighborhood or district where it is located.

Staff Analysis: The proposed 10-foot, seven-inch driveway is compatible with the immediate surroundings and provides a minimum necessary width for a functioning driveway.

B. The modification will not adversely impact neighboring properties or the community at large.

Staff Analysis: The proposed deviation will not reduce offsite parking and will improve vehicle movement and transition to and from the street.

C. The modification is necessary due to unique characteristics of the subject property, structure, or use.

Staff Analysis: The portion of Capitola Avenue is known for small, narrow properties that warrant additional flexibility regarding dimensional standards. Lot limitations along this portion of Capitola Avenue are already acknowledged in the zoning code, which allows reduced setbacks without the approval of a variance or minor modification. Driveway width limitations are directly related to unique lot dimensions and granting a deviation would enhance driveway function and traffic flow.

D. The modification will be consistent with the purpose of the zoning district, the general plan, local coastal program, and any adopted area or neighborhood plan.

Staff Analysis: The proposed minor modification allows for a driveway that is consistent with residential driveways in Capitola.

E. The modification is consistent with the general plan, local coastal program, and any applicable specific plan or area plan adopted by the city council.

Staff Analysis: The modification is consistent with the general plan and local coastal program.

F. The modification will not establish a precedent.

Staff Analysis: A 10-foot, seven-inch wide driveway will not establish a precedent or special privilege. The driveway is comparable to or narrower than many properties along Capitola Avenue that have driveways.

G. The modification will not adversely impact coastal resources.

Staff Analysis: The proposed driveway and minor modification will not impact coastal resources.

Conditions of Approval:

1. The project approval consists of a permit extension of #23-0330 for the construction of a new 1,700 square-foot single-family dwelling. The maximum Floor Area Ratio for the 1,700 square foot property is 100% (1,700 square feet). The total FAR of the project is 100% with a total of 1,700 square feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on March 5, 2026, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
6. Prior to issuance of the building permit, all Planning fees associated with permits #23-0330 and #26-0055 shall be paid in full.
7. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
8. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.
9. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.
10. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
11. Applicant shall notify the Public Works Department 24 hours in advance of the commencement of work. A pre-construction inspection must be conducted by the grading official, or appointed staff to verify compliance with the approved erosion and sediment control plan. All BMPs, sediment and erosion control measures shall be installed prior to the start of construction and shall be maintained throughout project duration.
12. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.

13. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B.
14. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
15. Prior to issuance of building permits, submit a utility plan and sidewalk improvement plan that shows the location of utility vaults, proposed curb cut, cross slope, running slope and elevation of the driveway.
16. Prior to issuance of building permits, submit construction plans showing the area to be used for scaffolding etc. during construction of the 2nd and 3rd story to ensure necessary OSHA clearances from power lines are met.
17. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
18. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
19. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
20. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
21. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
22. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
23. At the time of building permit application for construction within the floodplain or floodway, the applicant shall provide a No Rise Study, performed by a licensed engineer, in which verification of the structure's impact on the floodplain or floodway is provided.

24. Elevation certificates shall be provided at the following stages of construction: 1) prior to building permit issuance; 2) at the time of rough frame inspection; and 3) prior to the finalization of the building permit. The certificates shall be prepared by a licensed engineer or surveyor. The certificate shall document that all residential occupancies are constructed above the Base Flood Elevation (BFE) as per the latest edition of the FEMA Flood Insurance Rate Map.

D. 3890 Reposa Avenue

Project Description: Application #25-0567. APN: 034-162-03. Design Permit for the construction of an attached two-story Accessory Dwelling Unit (ADU) located within the R-1 (Single-Family Residential) zoning district. This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Recommended Action: Consider application #25-0567 and approve the project based on the Findings and Conditions of Approval.

Accessory Dwelling Unit Design Permit Findings:

- A. The exterior design of the accessory dwelling unit is compatible with the primary dwelling on the parcel through architectural use of building forms, height, construction materials, colors, landscaping, and other methods that conform to acceptable construction practices.**

The project complies with the objective design requirements for ADUs, including standards for attached ADUs.

- B. The exterior design is in harmony with, and maintains the scale of, the neighborhood.**

The proposed ADU has similar materials to the primary dwelling and a two-story building form common within the neighborhood. The project complies with the 25-foot maximum height limit for attached ADUs. Therefore, the exterior design is in harmony with and maintains the scale of the neighborhood.

- C. The accessory dwelling unit will not create excessive noise, traffic, or parking congestion.**

The proposed project is a two-bedroom attached ADU on a site with existing parking for the primary dwelling which are permitted uses. The project will maintain parking capacity in excess of the three required spaces for a single-family residence and full-standards ADU. Therefore, the ADU will not create excessive noise, traffic, or parking congestion.

- D. The accessory dwelling unit has or will have access to adequate water and sewer service as determined by the applicable service provider.**

The proposed ADU is located on a developed lot in a residential neighborhood with adequate water and sewer service.

- E. Adequate open space and landscaping have been provided that are usable for both the accessory dwelling unit and the primary residence. Open space and landscaping provide for privacy and screening of adjacent properties.**

The proposed project provides adequate open space for the accessory dwelling unit and the primary residence. A second-story deck serves as both access and dedicated private open space for the ADU. The deck is setback at least ten feet from both side property lines.

- F. The location and design of the accessory dwelling unit maintain a compatible relationship to adjacent properties and do not significantly impact the privacy, light, air, solar access, or parking of adjacent properties.**

The proposed ADU is located on top of the existing residence with massing comparable to a typical second-story addition and complies with applicable development standards. Therefore, the ADU maintains compatible relationship with adjacent properties.

- G. The accessory dwelling unit generally limits the major access stairs, decks, entry doors, and major windows to the walls facing the primary residence, or to the alley if applicable. Windows that impact the privacy of the neighboring side or rear yard have been minimized. The design of the accessory dwelling unit complements the design of the primary residence and does not visually dominate it or the surrounding properties.**

The external staircase is integrated into the structure between the existing residence and the attached garage, such that the entry provides limited visual presence to the surrounding properties and mutual privacy.

- H. The site plan is consistent with physical development policies of the general plan, any area plan or specific plan, or other city policy for physical development. If located in the coastal zone, the site plan is consistent with policies of the local coastal plan. If located in the coastal zone and subject to a coastal development permit, the proposed development will not have adverse impacts on coastal resources.**

The proposed ADU is sited within the footprint of an existing structure and is consistent with applicable development policies of the general plan and development standards in CMC §17.74.080. The project is within the coastal zone but does not require a Coastal Development Permit.

- I. The project would not impair public views along the ocean and of scenic coastal areas. Where appropriate and feasible, the site plan restores and enhances the visual quality of visually degraded areas.**

The project does not impair public views of the ocean or scenic coastal areas.

California Environmental Quality Act (CEQA) Finding:

- A. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section 15303(a) of the CEQA Guidelines exempts new construction or conversion of existing structures for a single-family residence or second dwelling and is subject to Section 753.5 of Title 14 of the California Code of Regulations. This project involves remodel of a single-family residence and addition of an attached ADU within the R-1 (Single-Family Residential) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

Conditions of Approval:

1. The project approval consists of construction of a 788 square-foot attached, upper-story accessory dwelling unit (ADU) and remodel of the existing single-family residence. The maximum Floor Area Ratio (FAR) for the 5,349 square foot property is 59% (2,621 square feet). The total FAR of the project is 40.6% with a total of 2,506 square feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on March 5, 2026, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.
7. Prior to issuance of a Certificate of Occupancy, the applicant shall complete landscape work to reflect the approval of the Planning Commission. Specifically, required landscape areas, all required tree plantings, privacy mitigations, erosion controls, irrigation systems, and any other required measures shall be addressed to the satisfaction of the Community Development Director.
8. Prior to issuance of building permit, all Planning fees associated with permit #25-0567 shall be paid in full.
9. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
10. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, City of Santa Cruz Water District, and Central Fire Protection District.
11. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection. Site runoff shall not drain onto adjacent parcels or over sidewalks.
12. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
13. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.

14. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
15. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B
16. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
17. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
18. This permit shall expire 24 months from the date of issuance unless exercised. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
19. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
20. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
21. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
22. Prior to a Building Department final and/or issuance of a Certificate of Occupancy, final inspections by the Planning and Public Works Departments are required.
23. Accessory Dwelling Units shall not be used for vacation rentals (terms of less than 30 days) as defined in Chapter 17.160 (Glossary).

***Motion to approve Items 5A, B, and D: Commissioner Welch
Second: Commissioner Howard
Voting Yea: 5-0***

Chair Christiansen recused herself from Item 5C due to her employment with Fuse Architecture.

Motion to approve Item 5C: Commissioner Kieu

Second: Commissioner Welch

Voting Yea: 4-0-1 (Chair Christiansen – Abstain)

6. Public Hearings

A. 1475 41st Avenue and 1404 38th Avenue

Project Description: Minor Design Permit, Conditional Use Permit, Sign Permit, and Coastal Development Permit No. 25-0464 for the remodel (including exterior façade upgrades) of an existing tenant space within the King’s Plaza Shopping Center (former Rite Aid) to accommodate Vehicle Sales (Tesla) and designated employee parking located at 1475 41st Avenue (APN 034-151-20) and 1404 38th Avenue (APN 034-164-41), within the Community-Commercial (CC) zoning district (the “Project”).

This project is located within the Coastal Zone and requires a Coastal Development Permit which is not appealable to the California Coastal Commission.

Recommended Action: Staff recommend the Planning Commission:

Find the Project exempt from the California Environmental Quality Act (“CEQA”), and

Consider Permit #25-0464, and approve the Coastal Development Permit, Minor Design Permit, Sign Permit, and Conditional Use Permit pursuant to the findings and analysis included in the staff report and subject to the Conditions of Approval.

Principal Planner Gina Paolini presented the staff report.

Public Comment:

- ***Speaker***
- ***Beverly Deschaux***
- ***Speaker***
- ***Don Schiller***
- ***Travis Esquivel***
- ***Mark Sauntag***
- ***William Ow***
- ***Narendra Dev***
- ***Benjamin Ow***
- ***George Ow Jr.***

The Commission discussed the application.

Motion to approve the Coastal Development Permit, Minor Design Permit, Sign Permit, and Conditional Use Permit pursuant to the findings and analysis included in the staff report and subject to the Conditions of Approval, with the amendments included in the staff memorandum dated March 2, 2026, and a request that the storefront match the windows: Commissioner Estey

Second: Commissioner Welch

Voting Yea: 5-0

Coastal Development Permit Findings:

- A. The project is consistent with the LCP land use plan, and the LCP implementation program.**

The proposed project conforms to the City's certified Local Coastal Plan (LCP) land use plan and the LCP implementation program.

B. The project maintains or enhances public views.

The project will not have an impact on public views, as no permanent structures are proposed at 1404 38th Avenue, and Kings Plaza is developed with existing structures that will not be enlarged.

C. The project maintains or enhances vegetation, natural habitats and natural resources.

The project site does not contain coastal vegetation, habitats, or resources; therefore, there would be no impact on these resources.

D. The project maintains or enhances low-cost public recreational access, including to the beach and ocean.

The project is not located adjacent to the beach or ocean, and does not provide public recreation access. There would be no impact to recreation access from the project.

E. The project maintains or enhances opportunities for visitors.

The Tesla Dealership will serve Santa Cruz County and surrounding coastal communities. The project will not impact visitor opportunities.

F. The project maintains or enhances coastal resources.

The proposed project will not impact coastal resources, as the project is located inland adjacent to commercial development.

G. The project, including its design, location, size, and operating characteristics, is consistent with all applicable design plans and/or area plans incorporated into the LCP.

The Tesla Dealership will fill a void within Kings Plaza which occurred when Rite Aid (an anchor tenant) vacated the site in December 2023. Tesla will add to the City's economic base. The project is consistent with the LCP and will not obstruct public access and has no impact on recreation or visitor opportunities and experiences.

H. The project is consistent with the LCP goal of encouraging appropriate coastal development and land uses, including coastal priority development and land uses (i.e., visitor serving development and public access and recreation).

See G above.

Design Permit Findings:

A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.

The Community Development Department, Development and Design Review Committee, RRM Design Group, and Planning Commission have reviewed the project. The proposed project, as conditioned, is consistent with local long range and implementation planning documents. The project complies with the City's Design Review Criteria.

B. The proposed project complies with all applicable provisions of the zoning code and municipal code.

The Community Development Department, Design and Development Review Committee, and Planning Commission have reviewed the project. The proposed project complies with all development standards of the CC zoning district. The proposed project

complies with all applicable requirements of local law and is conditioned to comply with any relevant approvals and permits from the City of Capitola.

C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).

The project is categorically exempt from the provisions of CEQA pursuant to Sections 15303 (New Construction or Conversion of Small Structures) not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive. None of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). The project will not have a significant adverse effect on the environment.

D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

The proposed development will not have an impact on public health, safety, and welfare. The buildings will be fire sprinkled and will be served by all necessary public utilities.

E. The proposed project complies with all applicable design review criteria in CMC Section 17.120.070 (Design Review Criteria).

The Community Development, Design and Development Review Committee, RRM Design Group, and Planning Commission have reviewed the project. The proposed project and supporting improvements will comply with the applicable design review criteria as described by RRM Design Group.

Conditional Use Permit Findings:

A. The proposed use is allowed in the applicable zoning district.

The Tesla vehicle sales with ancillary vehicle storage area, the designated five (5) parking spaces for test drive vehicles and exclusive lot for employee parking within the integrated commercial complex are allowed with the issuance of a Conditional Use Permit, which are permitted within the CC zone district.

B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.

The Community Development Department, Design and Development Review Committee, and Planning Commission have reviewed the project. The proposed project complies with all development standards of the CC zoning district. The proposed project complies with all applicable requirements of local law and is conditioned to comply with any relevant approvals and permits from the City of Capitola.

C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.

The Community Development, Design and Development Review Committee, RRM Design Group, and Planning Commission have reviewed the project. The proposed project and supporting improvements will comply with the applicable design review criteria as described by RRM Design Group.

D. The proposed use will not be detrimental to the public health, safety, and welfare.

The proposed project, with the implementation of the attached Conditions of Approval, will not have an impact on public health, safety, and welfare, and all designated parking areas will be appropriately signed for exclusive use.

E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

The proposed use is within the City and is adequately served by existing infrastructure.

Conditions of Approval:

General Conditions

1. The project approval consists of a Coastal Development Permit, Design Permit and Conditional Use Permit for the remodel of an existing tenant space within the King's Plaza Shopping Center (former Rite Aid) to accommodate a Tesla auto dealership, and associated signage located at 1475 41st Avenue (APN 034-151-20) and vehicle storage area at 1404 38th Avenue (APN 034-164-41). Coastal Development Permit, Design Permit and Conditional Use Permit No. 25-0464, are approved as indicated on the final plans reviewed and approved by the Planning Commission on March 5, 2026, except as modified through conditions imposed by the Planning Commission during the hearing.
2. This permit shall expire 24 months from the date of issuance unless exercised. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
3. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
4. At the time of submittal for building permit review, the Conditions of Approval must be printed in full on the construction plans.
5. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B.
6. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
7. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

8. During construction, the project applicant shall designate a “disturbance coordinator” who will be responsible for responding to any local complaints regarding construction noise or activity. The coordinator (who may be an employee of the general contractor) will determine the cause of the complaint and will require that reasonable measures warranted to correct the problem be implemented. The name and telephone number of the disturbance coordinator shall be conspicuously posted at the construction site fence and on any notifications sent to neighbors. The sign/banner must also list an emergency after-hours contact number for emergency personnel.
9. Green Waste is the City’s exclusive hauler for recycling and disposal of construction and demolition debris. For all debris boxes, contact Green Waste. Using another hauler may violate City Code Section 8.04 and result in Code Enforcement action.

Planning Department Conditions

10. Prior to making any changes to the approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
11. Prior to issuance of a building permit, all Planning fees associated with Permit #25-0464 shall be paid in full.
12. Air-conditioning equipment or other mechanical equipment shall be screened from view and shall operate within allowable city-permitted decibel levels of 60 Ldn. Additional details showing equipment locations and any mechanical screens shall be shown on the building permit plans.
13. Outdoor luminaires shall be energy-efficient fixtures controlled by motion sensors and incorporate cut-off controls and outdoor lighting controls. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
14. Prior to issuance of a building permit, the Building Permit plans will be routed for plan approval to the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District and Central Fire Protection District.
15. The Applicant or permittee shall defend, indemnify, and hold harmless the City of Capitola, its agents, officers, and employees from any claim, action, or proceeding against the City of Capitola or its agents, officers, or employees to attack, set aside, void, or annul an approval of the Planning Commission, City Council, Community Development Director, or any other department, committee, or agency of the City concerning a development, variance, permit, or land use approval; provided, however, that the Applicant’s or permittee’s duty to so defend, indemnify, and hold harmless shall be subject to the City’s promptly notifying the Applicant or permittee of any said claim, action, or proceeding and the City’s full cooperation in the Applicant’s or permittee’s defense of said claims, actions or proceedings.
16. Prior to occupancy, the Landscape Architect shall certify in writing that the landscaping and irrigation has been installed in accordance with all aspects of the approved landscape plans, subject to final approval by the Community Development Director.

17. Pursuant to CMC Section 17.72.070 (Landscape Maintenance), the property owner shall replace dead and dying plants, and add mulch to the landscaped areas along the south and east property line and existing paved lot for employee parking, as required by the Community Development Director. All planting shall be maintained, as required by CMC Section 17.72.070.
18. At time of submittal for demolition and/or building permit review, the applicant shall include a demolition work of scope statement and a demolition plan clearly identifying all areas of walls and floors to be demolished. The City may require a letter from a structural engineer. Any modifications to the demolition plans, including modifications to the scope of work, means and methods of demolition/construction, or changes to the framing, windows, or any other exterior elements shall be submitted to the Building Department for review and approval prior to proceeding with demolition and/or construction. In the course of construction, the City may require additional plans as they deem necessary.
19. Any sign illumination must be screened from direct view, so that the illumination does not shine into adjacent property or distract motorists or pedestrians.
20. Wall signs shall use illumination within the lettering and logo only. The background must be solid and may not be illuminated.
21. All sign illumination must comply with the standards of the sign ordinance and municipal code. Animated signs and moving lights are prohibited. No sign shall have an intensity of more than fifty foot-candles as measured from the ground level.
22. The site and improvements shall be well maintained and kept free of litter, debris, weeds and graffiti. Any graffiti shall be removed within 72 hours of discovery in a manner which retains the existing color and texture of the original wall or fence as most practically feasible.
23. All loading must take place on-site. No loading may take place in the street or block any sidewalk.
24. Hours for deliveries to the store shall be limited to 6:00 A.M. – 10:00 P.M. to minimize noise impacts to neighboring residents. Delivery vehicles shall not be permitted to remain at idle during non-delivery hours, shall utilize the loading zone at the rear of the property, and shall not stop or park within 200 feet of residential property boundaries.
25. The vehicle service center shall not exceed noise levels of sixty dBA as measured from the property line of a residentially zoned property. The service center shall not exceed noise levels of seventy dBA measured from all other property lines. Prior to issuance of building permit, A licensed acoustical engineer shall certify that the improvements within the building and the building itself will attenuate all noise occurring within the building so that the noise level outside of the building does not exceed 60 decibels during any period. If the study finds noise levels will exceed 60 decibels, the licensed acoustical engineer shall provide necessary mitigation measures to insure that exterior noise levels do not exceed 60 decibels, with possible mitigation including but not limited to insulating and enclosing necessary mechanical devices and and/or insulating the actual structure. All exterior doors, including maintenance doors, shall remain closed except when a vehicle is entering or exiting the service center.
26. Tesla shall maintain the Capitola location as a point-of-sale retail outlet in accordance with the provisions of the California Sales and Use Tax Regulations now in effect and as amended from time to time.

Public Works Department Conditions

27. Applicant shall notify the Public Works Department 24 hours in advance of the commencement of work. A pre-construction inspection must be conducted by the grading official, or appointed staff to verify compliance with the approved erosion and sediment control plan. All BMPs, sediment and erosion control measures shall be installed prior to the start of construction and shall be maintained throughout project duration.
28. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of 9:00 p.m. and 7:30 a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between 9:00 a.m. and 4:00 p.m. or emergency work approved by the building official. §9.12.010B.
29. Keep work site clear of debris and be aware of tracking mud, dirt, gravel into the street, and sweep daily, cover all stockpiles and excavation spoils. Practice Capitola Public Works Department good housekeeping and maintain temporary construction BMPs.
30. Prior to project final, any areas onsite with disturbed soils or denuded of vegetation must be stabilized or replanted so as to inhibit erosion by wind or water and are consistent with the project's approved drainage plan.
31. Prior to project final, all driveway approaches, curb, gutter, or sidewalk shall meet current Accessibility Standards. Any cracked or broken driveway approaches, curbs, gutters, or sidewalks must be identified, documented, and replaced per Public Works Standard Details. All areas that require replacement will be done per the Public Works Standard Details and to the satisfaction of the Public Works Department. A pre-construction inspection by Public Works staff is required to review and approve these conditions. All replaced features shall meet current Accessibility Standards. Public Works Standard Details can be accessed on the City's website:
<https://www.cityofcapitola.org/publicworks/page/standard-details-public-works>
32. Prior to any work in the City right-of-way (most often roads and sidewalks), an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the City right-of-way. To apply for an encroachment permit, please visit the City's website:
<https://www.cityofcapitola.org/publicworks/page/encroachment-permits>
33. Encroachment Permits – all proposed work interfacing with the public right of way or outside of the limits of the private property will require an Encroachment Permit review. Standard Encroachment Permit – any work in the City right-of-way. Revocable Encroachment Permit – any work between the limits of the private property and City right-of-way.
34. All exterior doors, including maintenance doors, shall remain closed except when a vehicle is entering or exiting the service center.
35. No car repairs shall be made during the hours of 11:00 P.M. to 6:00 A.M.
36. All employees will receive necessary training to eliminate accidentally setting off car alarms.

37. The project shall be designed to eliminate any horn honking when going around building corners. Applicant shall install mirrors or other devices as necessary to eliminate the need to honk a horn to safely go around a corner.
38. No public address system will be used at this dealership. No outside public address speakers should be allowed.
39. The applicant is encouraged to work with staff update the windows on the front façade of the building to be consistent with either picture windows with no mullions or have matching mullion design throughout.

7. Director's Report

Director Herlihy announced that there will be a virtual community meeting regarding the 41st Avenue Corridor Study on March 18th at 5:00 PM.

8. **Adjournment** – *The meeting adjourned at 6:56 PM. The next regularly scheduled meeting of the Planning Commission is on April 2, 2026, at 6:00 PM.*