

Capitola Planning Commission

Agenda Report



Meeting: February 2, 2024

From: Community Development Department

Address: Citywide Zoning Code Update

Project Description: Permit #24-0026 for future Amendments to the Capitola Municipal Code Title 17: Zoning. The future Zoning Code ordinance amendments will impact the development standards and regulations for properties citywide. The Zoning Code is part of the City's Local Coastal Program (LCP) and amendments require certification by the California Coastal Commission prior to taking effect in the Coastal Zone.

Recommended Action: Provide feedback to staff on zoning discussion items and direct staff to prepare an ordinance to amend Capitola Municipal Code Title 17: Zoning.

Property Owner: Zoning Code amendments apply to properties citywide.

Representative: Katie Herlihy, Community Development Director

Background: In 2020, the City of Capitola adopted a comprehensive Zoning Code Update which was certified by the Coastal Commission in 2021. In late 2022, additional zoning code amendments were adopted to address new topics of interest and resolve ambiguities. The California Coastal Commission certified the amendments in 2023. Since the 2023 certification, City staff has kept a running list of additional zoning standards which required clarification through future amendments, which is included in Attachment 11.

On November 9, 2021, the City Council unanimously adopted the 6th Cycle Housing Element and submitted the element to the State Department of Housing and Community Development (HCD) for Certification. On January 12, 2024, staff received comments from HCD recommending further items be addressed prior to certification (Attachment 12). The HCD letter specifically comments on the need to "commit to establishing heights that encourage redevelopment" and modifications to Chapter 17.88: Incentives for Community Benefits to "remove governmental constraints to the development of housing".

Program 1.7 (Shopping/Commercial Center Redevelopment): While the element now includes actions to evaluate whether the Capitola Mall site redevelopment is achievable, an evaluation should instead evaluate whether redevelopment will occur in the planning period. In addition, as part of establishing land use policies, zoning and development standards, the Program should commit to establishing heights that encourage redevelopment.

An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... (Gov. Code, § 65583, subd. (a)(5).)

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)

Other Locally Adopted Ordinances – Incentives for Community Benefit: While the element now discusses the discretionary process for incentives, it should still evaluate impacts on

housing supply and cost. The analysis should particularly address the impacts on costs for providing community benefits and add or modify programs, as appropriate.

The Housing Element also includes fifteen zoning items that must be addressed during the current cycle. Staff included a list of the required updates as Attachment 13.

On January 18, 2024, the Planning Commission requested a work session be scheduled to discuss sections of the zoning code that repeatedly come up during the review of applications, including second-story decks, opaque windows, landscaping requirements, and massing. The Commission also requested discussion on the role of staff and the design review committee, as well as broader planning topics such as meeting protocol, builder's remedy, upcoming project lists, and historic preservation.

Discussion: During the February 2, 2024, Planning Commission meeting, the work session will focus on three categories, including 1) planning documents and roles, 2) zoning code update topics, and 3) broader planning discussion items. The following list includes all topics requested by Commissioners for discussion and the corresponding sections of the General Plan or Zoning Code. The relative general plan and zoning code sections are included as attachments.

Planning Documents and Roles

1. §17.04 Purpose and Effect of Zoning Code. Relationship between the [General Plan](#), Local Coastal Program, and [Zoning Ordinance](#).
2. §17.108 Administrative Responsibility. Staff's role in the application review process.
3. §17.108 Administrative Responsibility. Design review process and committee makeup.

Zoning Code Topics

4. §17.88: Incentives for Community Benefits

The chapter establishes incentives of additional height and floor area ratio in exchange for community benefits. Mall redevelopment qualifies as a community benefit. The current code incentives include increasing the height from 40 to 50 feet and floor area from 1.5 to 2.0 on the mall site.

The Housing Element identifies 645 housing units on the mall sites, 419 of which are affordable. The City's housing element consultants confirmed the development of 645 units can be accommodated within a height limit of 50 feet and a FAR of 2.0; however, the project may not be economically feasible with 419 of the units required to be affordable. To make the project economically feasible, additional development must be allowed on the site. The mall owner, through public comment letters on the housing element, has expressed a need for a 75 feet limit to make the project feasible. A height limit of 60 - 75 feet could result in 1,000 - 1,300 total units.

The mall owner also requested an exception within the floor area ratio calculation to exclude parking garages. This modification would incentivize onsite parking. At a time when the state is decreasing/removing parking requirements, having incentives for parking in the code will likely assist in the development of onsite parking. The visual impacts of parking garages can be mitigated through objective design standards.

Staff is requesting direction on maximum building height of 75 feet and a FAR exception for garages.

5. §17.16.030.11 Second Story Decks. Revisit objective review standards.
6. §17.20.010 Mixed Use Village. Vision for the village related to massing, aesthetics, heights, and third-story and rooftop decks.
7. §17.72 Landscaping. Relationship to Soquel Creek Water District Landscaping Standards and what is reviewed within a landscape plan.

8. §13.16 Stormwater relative to drainage and permeable surfaces.
9. §17.48.040 Floor Area and §17.120 Design Permits. Discuss building massing and provide a mix of examples.
10. §17.120 Design Permits. Privacy and opaque windows on the second-story.
11. §17.120 Design Permits. Aesthetic guidelines regarding the “character” of Capitola.
12. §17.128 Variance and relationship to California Government Code section 65906.

Broader Planning Topics

13. Discuss Zoom and Oral Communications 30-minute maximum.
14. Builders remedy -- Clarify the implications of the builders' remedy.
15. Upcoming projects being discussed or businesses coming to the community.
16. Historical Districts, their relationship with FEMA, and whether there is still interest in preserving historical districts and/or historic buildings in Capitola.

Next Steps: Staff will schedule a similar work session to introduce additional amendments identified in the Housing element and by staff. Following the two work sessions, an ordinance to amend the zoning code will be drafted in preparation for public input, Planning Commission recommendation, and City Council Adoption.

CEQA: Not Applicable

Attachments:

1. General Plan Land Use Element
2. §17.04 Purpose and Effect of Zoning Code.
3. §17.108 Administrative Responsibility.
4. §17.88: Incentives for Community Benefits
5. §17.16.030.11 Second Story Decks
6. §17.20.010 Mixed Use Village
7. §17.72 Landscaping
8. §13.16 Stormwater
9. §17.48.040 Floor Area
10. §17.120 Design Permits
11. §17.128 Variance
12. List of Staff Zoning Code Amendments
13. CA HCD January 12, 2024 Letter
14. List of Housing Element Zoning Code amendments

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Austin Westly, Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director