

# Capitola Planning Commission

## Agenda Report



**Meeting:** August 15, 2024

**From:** Community Development Department

**Address:** Citywide Zoning Code Update

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**Project Description:** Application #24-0026 for Amendments to Capitola Municipal Code Title 17: Zoning and Zoning Map. The proposed Zoning Code amendments will impact the development standards and regulations for properties citywide. The proposed Zoning Map amendments will alter the Residential Multifamily (RM) Zoning District. The Zoning Code and Zoning Map are part of the City's Local Coastal Program (LCP), and amendments require certification by the California Coastal Commission before taking effect in the Coastal Zone.

**Recommended Action:** Staff recommends the Planning Commission (1) provide feedback to staff on discussion items outlined in the staff report related to the draft Zoning Code amendments and draft Zoning Map Amendments; and (2) continue the discussion on the Zoning Code and Zoning Map amendments to the August 27, 2024, Special Planning Commission hearing.

**Location:** The draft Zoning Code amendments apply to properties citywide. The draft Zoning Map amendments apply to properties in the RM Zone.

**Representative:** Ben Noble Consultant

Sean Sesanto, Associate Planner

**Background:** The City is updating the Zoning Code to implement programs in the sixth cycle Housing Element and to address other identified issues. The Planning Commission met on February 1, February 16, May 2, June 6, and July 23, 2024, to discuss and provide staff direction on required Zoning Code updates relating to the Housing Element and other topics. Attachment 1, which lists all proposed Zoning Code amendments, identifies Planning Commission direction received at these meetings.

**Discussion:** The purpose of this agenda item is to receive public comment and direction on the draft amendments to the Zoning Code and Zoning Map.

The draft amendments to the Zoning Code and Zoning Map, published on August 6, 2024, are available in hard copy at Capitola City Hall and the Capitola Library. The Draft Amendments are also available on the City's website at the following link:

<https://www.cityofcapitola.org/communitydevelopment/page/public-review-drafts-zoning-code-updates>

On July 23, 2024, the Planning Commission reviewed and provided feedback on a preliminary draft of the Zoning Code Amendments, which included most, but not all, of the proposed amendments. Staff used this feedback to prepare further revisions to the Zoning Code. The additional changes to the Zoning Code previously reviewed by the Planning Commission are indicated with yellow highlights and underline or strikethrough.

Since July 23, staff has prepared further Zoning Code amendments for Planning Commission review on August 15, 2024. In particular, Planning Commission feedback is requested on proposed changes to the allowed density and development standards in the RM zone and the draft Zoning Map amendments to the RM zone. Staff also requests Planning Commission feedback on other new amendments, including new provisions for housing on religious sites, retail cannabis, office uses in the C-R and C-C zones, and a "good standing" provision. These amendments are discussed in greater detail below.

The Draft Zoning Code Amendments include all proposed changes except for pending amendments to Chapter 17.88 (Incentives for Community Benefits), which will include updates to the community benefits and incentives for the Capitola Mall site, consistent with Housing Element. Amendments to the Capitola

Mall site have been the focus of the latest amendments to the Housing Element. Staff is awaiting final adoption of the Housing Element prior to revising Chapter 17.88.

**RM Zoning Districts:** Housing Element Program 1.6 requires the City to assess the maximum densities allowed in the Residential Multifamily (RM) zones and to determine if higher densities can help facilitate multi-family development. Program 1.6 also requires the City to review the RM development standards such as the limits to lot building coverage, setbacks, parking, and height and revise these standards, if necessary, to reduce constraints on the development of housing.

Currently, the RM zone is divided into three subzones, including Residential Multifamily Low Density (RM-L), Residential Multifamily Medium Density (RM-M), and Residential Multifamily High Density (RM-H) with a maximum allowed density of 10 dwelling units per acre (du/ac) in RM-L, 15 du/ac in RM-M, and 20 du/ac in RM-H. Table 1 outlines existing RM development standards for density, height, building coverage, and setbacks.

**Table 1: Existing RM Zone Development Standards**

	RM-L	RM-M	RM-H
Density (max)	10 du/ac	15 du/ac	20 du/ac
Height (max)	30 ft.	30 ft.	35 ft.
Building Coverage (max)	40%	40%	40%
Setbacks (min)			
Front	15 ft.	15 ft.	15 ft.
Interior Side	10% of lot width [1]	10% of lot width [1]	10% of lot width [1]
Street Side	10 ft.	10 ft.	10 ft.
Rear	15% of lot depth	15% of lot depth	15% of lot depth

Foot Notes:

[1] In no case less than 3 feet or greater than 7 feet.

On June 6, 2024, staff provided an overview of the RM subzone densities and development standards and the possibility of increasing the allowed density on RM sites to a maximum of 40 units per acre. The Planning Commission requested that staff consider existing densities on RM properties to bring non-conforming development into compliance, existing land uses surrounding RM properties, and environmental constraints (such as geologic hazards and habitat areas) when drafting the amendments to the RM zone and Zoning Map. The current draft Zoning Map and Zoning Code Amendments reflect the Planning Commission's direction while also creating opportunities for additional housing in line with the Housing Element.

RM Zoning Map Amendments: In response to Planning Commission direction, Attachment 2 shows proposed Zoning Map amendments on existing RM parcels. As shown in the Zoning Map, staff recommends replacing the existing three RM subzones with five new RM subzones as follows:

- RM-10 (maximum 10 du/ac)
- RM-15 (maximum 15 du/ac)
- RM-20 (maximum 20 du/ac)
- RM-30 (maximum 30 du/ac)
- RM-40 (maximum 40 du/ac)

Attachment 2 features the proposed RM zoning in five geographic areas (e.g., Northeast, Village). To facilitate discussion of proposed zoning changes, the RM parcels in the five geographic areas are further grouped into numbered areas. For each numbered area, tables show the existing and proposed new RM

zoning. Numbered areas where proposed new zoning would increase allowed densities are noted with a pink color in the summary tables. Attachment 3 lists proposed new zoning for numbered areas with additional information explaining the rationale for the proposal.

The proposed RM zone changes include the RM-10 and RM-15 subzones to maintain existing allowed densities on RM parcels where increasing allowed densities is not desired. For example, the Grove Lane parcels (No. 7 in Northeast Area) are currently zoned RM-L, allowing a maximum density of 10 du/ac. Due to constraints related to coastal hazards and Coastal Act requirements, the proposed zoning is RM-10, maintaining the existing maximum of 10 dwelling units per acre (du/ac).

The proposed RM density allows up to 40 dwelling units per acre. This density can be accommodated with three-story buildings and the proposed parking requirement reductions. In the RM zone, a proposed project with deed-restricted affordable or senior housing may also request additional density and modified development standards through state density bonus law.

**RM Development Standards:** Proposed development standards for the new RM subzones are found in Section 17.16.030.B of the Zoning Code amendments. Table 2 outlines proposed RM density, height, coverage, and setback standards, and notes existing RM subzone with the same allowed maximum density. New and modified standards are shown in **bold**. Compared to existing RM standards, the proposed new RM standards allow for increased height for pitched roofs, increased building coverage in the RM-20, RM-30, and RM-40, and reduced rear setbacks in all subzones. Staff recommends these changes to align development standards with the allowed density in the new RM subzones.

**Table 2: Proposed New RM Standards**

<b>New Subzone</b>	<b>RM-10</b>	<b>RM-15</b>	<b>RM-20</b>	<b>RM-30</b>	<b>RM-40</b>
<i>Equivalent Existing Subzone</i>	<i>RM-L</i>	<i>RM-M</i>	<i>RM-H</i>	<i>N/A</i>	<i>N/A</i>
Density (max)	10 du/ac	15 du/ac	20 du/ac	<b>30 du/ac</b>	<b>40 du/ac</b>
Height (max)					
Stories	3	3	3	3	3
Plate	30 ft.	30 ft.	30 ft.	30 ft.	<b>35 ft.</b>
Additional for pitched roof	<b>6 ft.</b>	<b>6 ft.</b>	<b>6 ft.</b>	<b>6 ft.</b>	<b>6 ft.</b>
Building Coverage (max)	40%	40%	<b>45%</b>	<b>50%</b>	<b>60%</b>
Setbacks (min)					
Front	15 ft.	15 ft.	15 ft.	15 ft.	15 ft.
Interior Side	10% of lot width [1]	10% of lot width [1]	10% of lot width [1]	10% of lot width [1]	10% of lot width [1]
Street Side	10 ft.	10 ft.	10 ft.	10 ft.	10 ft.
Rear	<b>10 ft. [2]</b>	<b>10 ft. [2]</b>	<b>10 ft. [2]</b>	<b>10 ft. [2]</b>	<b>10 ft. [2]</b>

**Footnotes:**

[1] In no case less than 3 feet or greater than 7 feet.

[2] 20 ft. if abutting a R-1 zone.

Residential Multifamily projects must also comply with applicable requirements under Chapter 17.82 (Objective Standards for Multifamily and Mixed-Use Residential Development) including the daylight plane standard for projects adjacent R-1 zoned properties.

**Other Draft Zoning Code Amendments:** The Zoning Code amendments also contain the following new amendments that were not previously reviewed by the Planning Commission:

- **Housing On Religious Sites** (17.96.220): Allows by-right affordable housing developments on land owned by a religious institution, as required by state law. Establishes site-specific standards for development on the Saint Joseph’s Catholic Church and Shorelife Community Church sites.
- **Alternative Housing Types:** Adds definition for micro-units and cohousing (17.160), allows 0.5 parking spaces per unit for micro units (Table 17.76-2); lists cohousing as an allowed use in R-1, RM, and MH zones (Table 17.16-1); adds teacher housing as an available community benefit (17.88).
- **Retail Cannabis Establishments** (17.24.020.D): Allows retail cannabis in the C-C zoning district fronting 41st Avenue.
- **Office Uses in C-R Zone** (17.24.020.C): Expands allowed location for ground floor office uses in the C-R zoning district.
- **Good Standing for Permit Review** (17.112.020.C.3): Adds that the City will not accept applications for a property with an active code enforcement action unless correction of violation is included as part of the proposed project.

**Next Steps:** The Housing Element requires many of the proposed Zoning Code Amendments to be completed in 2024. Table 3 shows completed meetings and upcoming milestones to complete the Zoning Code amendments.

**Table 3: Zoning Code Update Schedule**

Milestone	Date
Planning Commission Study Session 1 (completed)	February 1, 2024
Planning Commission Study Session 2 (completed)	February 15, 2024
Planning Commission Study Session 3 (completed)	May 2, 2024
Planning Commission Study Session 4 (completed)	June 6, 2024
Planning Commission Study Session 5 (completed)	July 23, 2004
Planning Commission Hearing	August 15, 2024
<i>City Council Housing Element Adoption</i>	<i>August 22, 2024</i>
Planning Commission Hearing (special)	August 27, 2024
Planning Commission Hearing	September 5, 2024
Planning Commission Hearings (special)	September 19, 2024
City Council Meeting (introduce amendments)	September 26, 2024
City Council Public Hearing	October 10, 2024
City Council Second Reading	October 24, 2024

**CEQA:** Analysis of potential environmental impacts from proposed Zoning Code amendments will be presented at a future Planning Commission hearing.

**Attachments:**

1. Zoning Code Amendments Summary Table
2. Draft Zoning Map Amendments
3. Zoning Map Amendment Summary Table
4. Draft Zoning Code Amendments - Available on the City’s website at:  
<https://www.cityofcapitola.org/communitydevelopment/page/public-review-drafts-zoning-code-updates>

Report Prepared By: Ben Noble, Consultant

Reviewed By: Julia Gautho, City Clerk

Approved By: Katie Herlihy, Community Development Director