
To: Brian Froelich, Senior Planner
City of Capitola Community Development Department

From: Stephanie Strelow, Catherine Wade

Subject: 720 Hill Street CEQA Categorical Exemption Review

Date: July 8, 2022

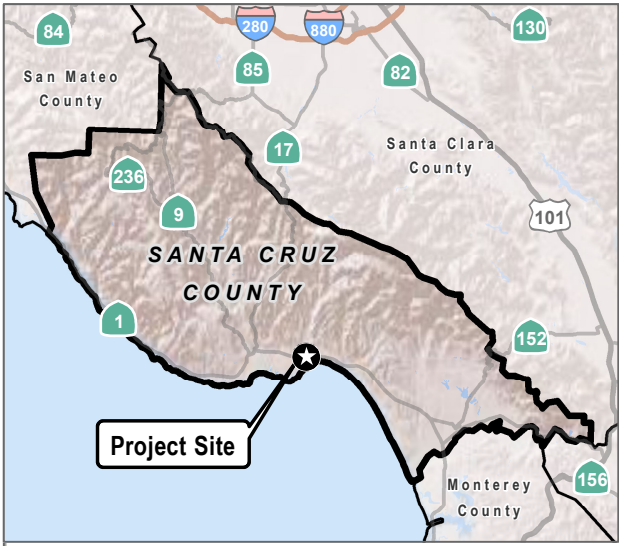
As a follow-up to our recent discussions, this memo provides a review of application of CEQA Guidelines section 15332, Class 32 categorical exemption (infill) to the proposed project at 720 Hill Street.



Background

1. **Application No:** 21-0122
2. **Project Title:** Boutique Hotel
3. **Project Location:** 720 Hill Street (036-011-28); see Figure 1.
4. **General Plan Designation:** Community Commercial (C-C)
5. **Zoning:** Community Commercial (C-C) / Affordable Housing (AH) Overlay

Project Location

The project is located at 720 Hill Street in the City of Capitola (City) on a sloping 3.1-acre (134,426-square-foot) parcel. The project site is located on the north side of the intersection of Hill Street and Crossroads Loop, immediately south of Highway 1 and is surrounded by commercial, single- and multi-family residential, and mixed uses. The site is bounded by Highway 1 to the north; Hill Street, Crossroads Loop, and single-family residential and commercial development to the south; single- and multi-family residential development to the east; and commercial retail uses, medical uses, and a U.S. Post Office to the west. The northern portion of the site is developed with an existing hotel with 55 guestrooms, 73 paved surface parking spaces, and ornamental landscaping. The southern portion of the site is undeveloped and contains a grassy field sloping gently to moderately to the southwest. The site contains 12 trees. Existing impervious surface area on site totals 73,414 square feet.



 Project Site
 Proposed Boutique Hotel Site

SOURCE: USGS 7.5-Minute Series Soquel Quadrangle



FIGURE 1
 Project Location
 720 Hill Street Hotel Project

Project Description

The proposed project applicant requests approval of a Design Permit, Conditional Use Permit, and Tree Removal Permit for a new 42-room hotel. The project consists of construction of a new, 18,261-square-foot hotel building and associated improvements on the undeveloped southwestern portion of the site in an area totaling 48,145 square feet. The hotel would have 3 stories and a rooftop patio, with a total of 42 guestrooms. The project includes 30 new paved surface parking spaces .

The project would include removal of eight existing trees on site, and planting of 22 new trees and other landscaping. Grading for the project would consist of cuts of 2,717 square feet of soil, with export of 2,216 cubic yards of soil off site. The project would add a total of 15,225 square feet of new impervious surface area. The project would connect to the existing City water, storm drain, and sanitary sewer infrastructure. Stormwater would be controlled on site through various measures including use of permeable pavement, bioretention areas, and an existing detention pond. During construction, the existing curb, gutter, and sidewalk along the project frontage would be replaced and widened. Vehicle access to the site would be provided from an existing private driveway off of Crossroads Loop. A construction staging area and temporary construction worker vehicle parking would be located on site.

Project operation is expected to commence in 2024. The existing hotel on site would also continue to operate. Vehicle access and parking for the existing and proposed hotels would be shared through a Conditional Use Permit.

Reasons Why Project is Exempt

CEQA provides “categorical exemptions” that are applicable to categories of projects and activities that the California Natural Resources Agency has determined generally do not pose a risk of significant impacts on the environment. The Class 32 categorical exemption is for “infill development” projects that meet the following criteria:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- (c) The project site has no value as habitat for endangered, rare or threatened species;
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- (e) The site can be adequately served by all required utilities and public services.

The proposed project meets all of the foregoing criteria to claim the application of the infill exemption, as explained below.

A. Consistency with General Plan and Zoning Designations, Policies, and Regulations

The project is consistent with General Plan and zoning land use designations and all applicable General Plan policies and zoning regulations. The project site is designated Community Commercial (C-C) in the General Plan. The C-C designation is applied to areas that provides “commercial uses primarily serving Capitola residents.

Permitted land uses include general retail, personal services, restaurants, offices, and multi-family housing as part of a mixed-use project.” The General Plan allows a floor area ratio (FAR) 1.0, with a FAR of 2.0 permitted if special criteria are met. The project’s FAR is 0.39, which is within the allowed FAR established in the General Plan. Thus, the proposed mixed-use project land uses are consistent with the General Plan designation. The proposed project also is consistent with the policies of the General Plan; project consistency with General Plan policies and regulations is described further in the July 2022 Planning Commission staff report.

The General Plan Housing Element, adopted in 2015, indicates that the City’s Affordable Housing Overlay Ordinance allows additional densities up to 20 units per acre in all R-M (Multi-Residential) Districts and on designated Opportunity Sites in the RM zoned districts with the provision of at least 50 percent affordability. The project site is identified as an opportunity site in the Housing Element with the potential to accommodate an estimated 61 residential units. Program 1.1 and Program 2.5 are included in the Housing Plan to encourage development in the identified opportunity sites and monitor the progress of development on these sites. Program 1.1 further indicates that the City maintain opportunity sites adequate to meet outstanding Regional Housing Needs Allocation (RHNA) during the 2007-2014 planning period.

The proposed project is not required to include affordable housing, but if approved, would reduce availability of identified properties to meet the City’s RHNA requirements. However, the City evaluated current status of available properties and found that pending and constructed units could meet the City’s unmet RHNA in an amount that exceeds the potential 61 units at project site. These include a proposed 36-very low-unit project at 4401 Capitola Road, 6 very-low accessory dwelling units (ADU) and 2 moderate-income ADUs that have been constructed, and potential for 29 residential units at 1098 38th Avenue. Therefore, while the proposed project would eliminate the opportunity for construction of affordable housing, the number of potential units lost could be constructed or have been constructed within the Housing Element planning period elsewhere in the City.

The project site is zoned Community Commercial (C-C) with an Affordable Housing (AH) Overlay. The purpose of the C-C district is to provide areas for a variety of commercial uses serving Capitola residents and visitors. The C-C zoning district allows for retail, restaurants, and services that meet the daily needs of the community. Pursuant to section 27.24.010 of the Capitola Municipal Code, the scale, intensity, and design of development in the C-C zoning district shall be compatible with adjacent neighborhoods and contribute to Capitola’s unique coastal village character. Interspersed residential and office uses in the C-C zoning district shall support a diverse local economy and range of housing choices. Hotels are permitted in the C-C district with a Conditional Use Permit. The proposed hotel project is consistent with all development standards of the C-C zone.

The purpose of the AH Overlay zone is to facilitate the provision of affordable housing units through the retention and rehabilitation of existing affordable units, or the construction of new affordable units. Section 17.40.020 sets forth requirements for density of affordable housing and obtaining permits for affordable housing projects should be met if such a project is proposed. The project does not propose affordable housing, and therefore, would conflict with provisions of the AH Overlay if other opportunity sites were not identified or developed to result in a “No Net Loss. However, as indicated above, the number of potential affordable units lost at the project site could be or have been constructed elsewhere in the City, resulting in a “No Net Loss” of the potential number of affordable housing units in the City.

Therefore, based on the foregoing review, the City has determined that the project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

B. Project Site Size and Surroundings

The 3.1-acre site is entirely located within City of Capitola limits and is less than 5 acres in size. The project site is developed with an existing hotel and surrounded by urban uses including Highway 1 to the north, residential and commercial development to the south and east, and commercial retail and medical uses and a U.S. Post Office to the west. The project area is served by the Santa Cruz Metropolitan Transit District (Metro) bus service. The nearest bus stop to the project site is approximately 100 feet to the south at the intersection of Hill Street and Crossroads Loop which serves the Mid-County Bus Route 55.

C. Project Site Habitat Value

The project site and surrounding properties are developed. The site is developed with an existing hotel and surface parking lot, with an undeveloped grassy field and several ornamental landscaped trees. The site is not within mapped areas of potential sensitive habitat as depicted in the City's General Plan, and there are no known endangered or threatened species on or adjacent to the site due to the site's location within a developed urban area (City of Capitola 2019). Therefore, the project has no value as habitat for endangered, rare, or threatened species.

D. Significant Effects Relating to Traffic, Noise, Air Quality, or Water Quality

Traffic

In December 2018, the California Natural Resources Agency certified and adopted a CEQA Guidelines update package, including the new Guidelines section implementing Senate Bill 743. SB 743 and the Guidelines state that level of service (congestion) will no longer be considered to be an environmental impact under CEQA and that vehicle miles traveled (VMT) is the most appropriate measure of transportation impact. Cities were required to adopt new thresholds and/or procedures related to VMT by July 2020.

In accordance with the amended CEQA Guidelines, the City has transitioned from intersection level of service (LOS) formerly used for traffic impact analyses to VMT as the metric for determining potentially significant impacts and has adopted a VMT threshold. The City's VMT thresholds consider the VMT performance of residential and non-residential components of a project separately, using the efficiency metrics of VMT per capita and VMT per employee, respectively. For retail components of a project, or other customer-focused uses, the citywide VMT change is analyzed. For customer-based non-residential land uses, the threshold establishes that a project that results in a net increase in VMT may result in a significant transportation impact.

The City's guidelines to determine whether a land use project is within the VMT threshold includes a screening process in which situations are identified under which projects are determined to not have a significant impact and further analysis is not required. Projects, or portions of the project, that meet the screening criteria do not require a CEQA transportation analysis. Such projects will have a non-significant CEQA transportation impact based on their project location and characteristics. These include:

- Small projects that generate fewer than 110 trips per day;
- Projects near high quality transit: within a ½ mile of a major transit stop or a high quality transit corridor with a combined service interval frequency of 15 minutes or less during the AM and PM peak hours;
- Local-serving retail - No single store on-site exceeds 50,000 square feet or project is local-serving as determined by the City of Capitola;
- Affordable housing;
- Local essential service;
- Map based screening; and
- Redevelopment projects that do not result in a net increase in VMT.

According to the City's VMT Implementation Guidelines, the City makes a determination of whether a project is a local-serving retail development less than 50,000 square feet can be considered local-serving retail. The project traffic study considered VMT. In terms of a VMT analysis, hotels are grouped into two categories: typical and destination. Typical hotels are generally those hotels with limited amenities that may include a dining area with a breakfast buffet, small gym, and sometimes a pool; generally, guests stay at these hotels because their ultimate destination is in the vicinity of the hotel. Alternatively, guests visiting destination hotels will spend the majority of their time on the hotel property or engaging in activities run by the hotel because the hotel is their ultimate destination. While both types of hotels are customer-based, and impacts are measured in terms of whether the hotel increases regional VMT, destination hotels generally require quantitative analyses while typical hotels can be assumed to result in a less-than-significant impact (Kimley-Horn 2022).

Similar to retail stores, typical hotels such as the proposed project most often serve pre-existing needs (i.e., the hotel does not generate new trips because it meets existing demand) because their guests are staying at the hotel not because of the amenities offered by the hotel, but because of the area the hotel is located in. Because of this, typical hotels can be presumed to reduce trip lengths when a new hotel is proposed. Essentially, the assumption is that someone will travel to a newly constructed typical hotel because of its proximity to the area attraction, rather than that the proposed hotel is fulfilling an unmet need (i.e., the person had an existing need to travel to the area that was previously met by an existing hotel located in the same general area, but now is traveling to the new hotel because it is either closer to the person's origin location or located a similar distance away) (Kimley-Horn 2022).

Typical hotels most often can be presumed to reduce trip lengths when a new hotel is introduced within a cluster of existing hotels located near a local destination or attraction. Essentially, a trip to a hotel is expected to occur due to someone planning to travel to Capitola, or the immediate area, but the proximity of the hotel to the surrounding attractions would drive the length of that trip and the resultant impact to the overall transportation system. Thus, the impact to the transportation system would be negligible or reduced by the introduction of a new hotel to an area where people are already traveling and planning on staying unless the hotel significantly effects the local supply of rooms or introduces a significant new attraction (Kimley-Horn 2022).

Several existing hotels are located in the project area, including one on the project site. The proposed project would reduce trip lengths by "adding hotel opportunities into the local area, further improving hotel destination proximity" (OPR 2018). Accordingly, it is appropriate that the proposed project development be presumed, in

accordance with the Technical Advisory, that it will result in a VMT reduction and support the goals of SB 743. The addition of the proposed hotel can shorten existing trip lengths, which would result in a net decrease in VMT. Therefore, it is presumed that the VMT-related impact of the proposed hotel would be less than significant based on the City's adopted threshold, which is no net increase of VMT for retail uses, and would not conflict or be inconsistent with CEQA Guidelines section 15064.3.

It is also noted that a traffic impact study was prepared for the project in accordance with City requirements. The study found that the intersection LOS analysis results show that the project would not generate an adverse effect to any study intersections during both AM and PM peak hours under Existing Plus Project and Cumulative Plus Project conditions (Kimley-Horn 2022).

Noise

The project would include commercial development with hotel uses. Hotel land uses would not be associated with activities that would generate substantial permanent increases in ambient noise levels. The project would result in a minor increase in net vehicle trips over existing conditions, but it would not be of a magnitude to affect ambient noise levels or result in a substantial increase in ambient noise levels.

The City of Capitola Municipal Code regulates noise through the Noise Ordinance (Chapter 9.12). Section 9.12.010(B) of the Noise Ordinance states that construction noise shall be prohibited between the hours of 9:00 PM and 7:30 AM on weekdays, and shall be prohibited on weekends with the exception of Saturday work between 9:00 AM and 4:00 PM. In addition, Municipal Code Section 9.12.010(A) prohibits loud, boisterous, irritating, penetrating, or unusual noise between the hours of 10:00 PM and 8:00 AM within two hundred feet of any residence, hotel, apartment house, cabin, cottage, cottage court, lodging facility, or any building or place regularly used for sleeping purposes. These regulations are intended to prevent increases in ambient noise levels and would be considered uniformly applied regulations to which the proposed project would be subject to compliance.

There also would be a temporary increase in existing noise levels during grading and construction of the project. Noise impacts resulting from construction would depend on the noise generated by various pieces of construction equipment, the timing and duration of noise-generating activities, and the distance between construction noise sources and noise-sensitive receptors, as well as existing ambient noise levels. Noise generated during construction would vary throughout the construction period and on any given day, depending on the construction phase and the type and amount of equipment used at the construction site. The highest noise levels would be generated during grading of the site, with lower noise levels occurring during building construction and finishing. Sensitive noise receptors are located at single-family residences and an apartment complex adjacent to the project site to the east. However, construction sound levels would be intermittent and varied through a single day as well as the duration of project construction. Overall, construction noise levels would be temporary, short-term, and fluctuate throughout the construction period.

Therefore, the proposed project's impacts related to permanent and temporary increased noise levels would be less than significant.

Air Quality

The California Emissions Estimator Model (CalEEMod) Version 2020.4.0 was used to estimate criteria air pollutant emissions generated during construction and operation of the proposed project. CalEEMod is a statewide computer model developed in cooperation with air districts throughout the state to quantify criteria air pollutant emissions associated with construction activities from a variety of land use projects, such as residential, commercial, and industrial facilities. A construction assumptions scenario was developed based on the best available information known and provided by the applicant. Key construction assumptions include phase types, phase timing and duration, off-road equipment use (e.g., type, quantity, and hours of operation per day), number of vehicle trips (e.g., haul trucks, vendor trucks, and worker vehicles) and trip distance, ground disturbance acreage, amount of demolition debris, and paving area.

Emissions of criteria air pollutants associated with construction and operation of the proposed project based on the CalEEMod results are shown on Tables 1 and 2, respectively. As shown, maximum daily emissions would not exceed the applicable Monterey Bay Air Resources District (MBARD) significance thresholds related to air quality.

Therefore, project emissions would result in a less-than-significant impact.

Table 1. Estimated Maximum Daily Construction Criteria Air Pollutant Emissions

Year	ROG	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
	<i>pounds per day</i>					
2023	26.10	29.90	13.12	0.07	9.13	4.44
Maximum Daily Emissions	26.10	29.90	13.12	0.07	9.13	4.44
<i>MBARD Threshold</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	82	<i>N/A</i>
Threshold Exceeded?	N/A	N/A	N/A	N/A	No	N/A

Notes: CO = carbon monoxide; MBARD = Monterey Bay Air Resources District; N/A = not applicable; NO_x = oxides of nitrogen; PM₁₀ = coarse particulate matter; PM_{2.5} = fine particulate matter; ROG = reactive organic gases; SO_x = sulfur oxides.

The values shown are the maximum summer or winter daily emissions results from CalEEMod.

Table 2. Estimated Maximum Daily Operational Criteria Air Pollutant Emissions

Emission Source	ROG	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
	<i>pounds per day</i>					
Area	0.47	<0.01	0.01	0.00	<0.01	<0.01
Energy	0.02	0.18	0.15	<0.01	0.01	0.01
Mobile	1.38	1.74	13.56	0.02	2.32	0.63
Total	8.93	6.58	64.35	0.08	7.43	2.14
<i>MBARD Threshold</i>	<i>137</i>	<i>137</i>	<i>550</i>	<i>150</i>	<i>82</i>	<i>N/A</i>
Threshold Exceeded?	No	No	No	No	No	N/A

Notes: CO = carbon monoxide; MBARD = Monterey Bay Air Resources District; N/A = not applicable; NO_x = oxides of nitrogen; PM₁₀ = coarse particulate matter; PM_{2.5} = fine particulate matter; ROG = reactive organic gases; SO_x = sulfur oxides.

The values shown are the maximum summer or winter daily emissions results from CalEEMod.

Water Quality

The proposed project does not involve any discharges that would violate any water quality standards or waste discharge requirements. The City, in conjunction with the County of Santa Cruz, has also adopted a Stormwater Management Program (SWMP), which provides guidelines for preventing stormwater pollution in order to fulfill the requirements of the National Pollutant Discharge Elimination System (NPDES) General Permit for Discharges of Storm Water from Small Municipal Separate Storm Sewer Systems (MS4) (General Permit). The SWMP (2010) includes six minimum measures, including public education and outreach, public involvement and participation, illicit discharge detection and elimination, construction site stormwater runoff control, post-construction stormwater management in new development/redevelopment, and pollution prevention/good housekeeping for municipal operations.

The City also adopted an ordinance for “Storm Water Pollution Prevention and Protection” (Chapter 13.16 of the City’s Municipal Code) to ensure compliance with the provisions of the NPDES General Permit and Waste Discharge Requirements. The ordinance includes requirements regarding discharge, construction site stormwater runoff control, post-construction stormwater management, and notification of spills. Sections 15.28.130 and 16.24.220 of the City’s Municipal Code also include design standards for erosion and sediment control related to excavation and grading.

A Stormwater Control Plan (SWCP) has been prepared for the project that details drainage features to collect and treat stormwater runoff. There is an existing stormwater system which collects stormwater at the upper parking area and the roadway and conveys it to a detention pond. The southern edge of the site has a retaining wall which diverts run-on to a downstream release point on the site. Approximately 33,722 sf of upstream drainage area discharges to the site from the south. The neighboring parcels to the east have a curbed parking area which gets collected and conveyed through the site via a 12-inch SD pipe to a downstream stormwater system. The stormwater system from the project site and neighboring parcels discharges to the drainage system in Bay Avenue. The project proposes to install self-treating areas and bioretention facilities and would be designed so that stormwater would collect into this system. Stormwater would be filtered through this system

before it is discharged from the site. The SWCP is subject to review and approval by the City's Engineering Department.

Construction activity on projects that disturb one or more acres of soil must obtain coverage under the State's General Permit for Discharges of Storm Water Associated with Construction Activity (Construction General Permit, 99-08-DWQ). Construction activity subject to this permit includes clearing, grading, and disturbances to the ground such as stockpiling or excavation. The Construction General Permit requires the development and implementation of a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP is required to list BMPs that the discharger will use to protect stormwater runoff. Proposed grading and development on the project site would disturb more than 1 acre and, thus, the project would be subject to the Construction General Permit and preparation of a SWPPP.

Compliance with regulations contained in the City's Municipal Code regarding implementation of stormwater BMPs, grading requirements and implementation of erosion control plans (City Municipal Code Chapter 13.16 and sections 15.28.130 and 16.24.220), as well as preparation and implementation of a SWPPP during construction, would avoid/minimize potential stormwater runoff water quality impacts.

E. Utilities and Public Services

The project site is in an urban area and is currently served by public utilities and services for water, wastewater, gas, electricity, and solid waste. The proposed project would continue to be served by existing utilities and service providers. Except for gas and electricity, all services and utilities are provided by the City (fire and police protection services) and other public utilities (for water and wastewater). All existing public services and utilities are adequate to serve the proposed project. The site is served by existing water and sewer lines. The project site is served by the Soquel Creek Water District (SqCWD) and Santa Cruz County Sanitation District. SqCWD's 2020 Urban Water Management Plan indicates that the District expects to meet water demands to the year 2040 under all water year scenarios (normal, single dry, and five-year consecutive droughts) (WSC 2021). Wastewater treatment is adequate for the County's share of wastewater treatment at the City of Santa Cruz Wastewater Treatment Facility (County of Santa Cruz 2022).

Exceptions to Categorical Exemptions

The City has further considered whether the project is subject to any of the exceptions to the use of a categorical exemption found at CEQA Guidelines Section 15300.2. This section prohibits the use of categorical exemptions under the following circumstances:

- (a) for certain classes of projects (not the Class 32 infill exemption) due to location;
- (b) when the cumulative impact of successive projects of the same type in the same place, over time, is significant;
- (c) where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;
- (d) where the project may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway;
- (e) where the project is located on a state designated hazardous waste site; and

- (f) where the project may cause a substantial adverse change in the significance of a historical resource.

Additional discussion about each of these exceptions is provided below.

A. Location

As noted above, §15300.2(a) does not apply because the Class 32 category of this project is not excluded on the basis of location.

B. Cumulative Impacts

Under CEQA Guidelines §15300.2(b), a categorical exemption shall not be used when the cumulative impact of successive projects of the same type in the same place, over time is significant. Successive projects of the same type in the same place as the proposed project have not been approved or proposed. Therefore, this exception does not apply to the project.

There are no other pending or recently approved projects near the project site. There is no evidence to conclude that significant impacts will occur based on past project approvals or that the proposed project's impacts are cumulatively considerable when evaluating any cumulative impacts associated with construction air quality, noise, transportation, or water quality in the area surrounding the proposed project.

C. Significant Impacts Due to Unusual Circumstances

Under CEQA Guidelines §5300.2(c), a categorical exemption shall not be used where there is a reasonable possibility that the activity will have a significant effect on the environment due to "unusual circumstances." The project site possesses no unusual environmental characteristics and would not result in a change in the use of the site.

The project site's immediate area has similar General Plan and zoning designations as the subject property. There are no "unusual circumstances" that differentiate the project from the general class of similarly situated properties or projects. The project site is approximately 3.1 acres, partially developed, and approximately 55% of the site is covered by impervious surface. The site is not located within the coastal zone, is within an urban area, surrounded by development, and sensitive resources are not present as explained below. There are no "unusual circumstances" that differentiate the project from the general class of similarly situated properties or projects. The project parcel along with two neighboring parcels were improved as part of the "Capitola Square Improvements" starting with Phase 1 in 1978 with numerous subsequent phases. The project parcel was improved with a hotel, access road and associated parking. The old improvement plans show that the open field area where the proposed project would be located was planned to be a hotel with a parking area, but the construction did not take place.

The proposed project conforms to zoning height restrictions. Furthermore, the project is subject to design review pursuant to local City requirements and regulations. City staff has reviewed the project and made the required findings for issuance of a Design Permit.

Furthermore, there is no substantial evidence that the proposed project would result in a significant impact as explained below. Therefore, there are no unusual circumstances that may lead to a significant effect on the environment.

The project would not substantially increase impervious surfaces on site (from a total of 55% existing to 66% proposed) and includes a SWCP and design drainage features that would manage stormwater runoff. Therefore, the project would not modify the overall drainage patterns on or off site. The project site is not located with a Flood Hazard Zone as designated by the Federal Emergency Management Agency (FEMA). Therefore, the project site does not contain unusual hydrologic conditions or circumstances, and the project would result in significant impacts related to drainage or water quality degradation.

A geotechnical investigation conducted for the project addressed concerns involving intense seismic shaking and collateral seismic hazards including fault ground surface rupture, coseismic ground cracking, seismically induced liquefaction and lateral spreading, seismically induced differential compaction, seismically induced landsliding, and seismically induced inundation (tsunami and seiche). The investigation concluded that the potential for collateral seismic hazards to affect the site and to damage the proposed structure is low, and the project is geotechnically feasible given the existing soil conditions and implementation of construction and design recommendations included in the geotechnical report (Butano Geotechnical Engineering, Inc. 2021).

As indicated above, the project would not result in impacts to biological resources as none exist on the project site or surrounding area. The property is located within a sensitive archaeological area. A cultural resource evaluation was conducted, which included archival research and a surface reconnaissance. The archival research revealed that no previously recorded archaeological resources are located within the proposed project area. No significant cultural materials, prehistoric or historic, were noted during surface reconnaissance. The project site does not contain historical resources as explained below in subsection F (Dudek 2022).

The City's Municipal Code (section 17.56.040) contains requirements for unexpected discovery of archaeological resources. If an unanticipated archaeological discovery is identified during project construction, procedures outlined in the City's Municipal Code section 17.56.040 would be followed. This states that "upon discovery, "all work must immediately cease and the project applicant or their designated representatives must immediately contact community development department staff to initiate a resource evaluation by a qualified archaeologist..." Work shall not resume until the qualified archaeologist makes a determination regarding the significance of the resource and an appropriate plan of action for avoidance or mitigation, if applicable. If human remains were to be discovered, the City's Municipal Code section 17.56.050 requires the project to comply with "all applicable state and federal laws, including California Health and Safety Code Section 7050.5 and CEQA Guidelines Section 15064.5(e). Adherence to these procedures would be considered an application of uniformly applied development standards, not mitigation. Discovery of unidentified (e.g., buried) cultural resources during any construction would be subject to this requirement as a standard condition of approval. Thus, the proposed project would not result in significant impacts to archaeological resources.

The project site is not located in a mapped fire hazard area and is not located in or near a state responsibility area or lands classified as very high fire hazard severity zones by the California Department of Forestry and Fire Protection (CAL FIRE) (CAL FIRE 2022).

For these reasons, there are no unusual circumstances surrounding the project that would suggest a reasonable possibility of a significant effect on the environment due to such circumstances, and this exception does not apply to the project.

D. Scenic Resources

Under CEQA Guidelines §15300.2(d), a categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. There are no designated state scenic highways within the City; therefore, project site is not located within or near a highway officially designated as a state scenic highway. Highway 1 north of the project site is an eligible state scenic highway (Caltrans 2018); however, the project site is not visible from the highway due to vegetation, topography, and a wall. Therefore, the project would not result in damage to scenic resources within a state scenic highway and this exception does not apply to the project.

E. Hazardous Waste Sites

Under CEQA Guidelines §15300.2(e), a categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to §65962.5 of the Government Code (i.e., the Cortese List). The project site is not included on a list of hazardous waste sites compiled pursuant to Government Code §65962.5. The following Cortese List online data resources were reviewed during the preparation of this document: (1) the list of hazardous waste and substances sites from the Department of Toxic Substances Control's (DTSC's) EnviroStor database (DTSC 2022); (2) the list of leaking underground storage tank (LUST) sites from the State Water Resources Control Board's (SWRCB's) GeoTracker database (SWRCB 2022a); (3) the list of sites identified with Waste Constituent Above Hazardous Waste Levels Outside the Waste Management Unit (EPA 2022); and (4) the list of active Cease and Desist Orders and Cleanup and Abatement Orders from the SWRCB (SWRCB 2022b).

The project site is not located on any of the DTSC lists of hazardous materials sites. According to the SWRCB GeoTracker database, there are three reported LUST cleanup sites within 1,000 feet of the project site, all of which have a cleanup status as completed and case closed. There are no former or current LUST cases on or adjacent to the project site.

Therefore, based on the above review, the project site is not included on any list compiled pursuant to Government Code §65962.5 and this exception does not apply to the project.

F. Historical Resources

Under CEQA Guidelines §15300.2(f), a categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. According to maps developed for the City's General Plan Environmental Impact Report (EIR), the project site is not located within a designated historic district (City of Capitola 2013). However, the project site is located in an area mapped as archaeologically sensitive per the City's Local Coastal Program (City of Capitola 2005). Therefore, an archaeological assessment was conducted for the proposed project, which found no significant cultural materials, prehistoric or historic, on the site (Dudek 2022); see subsection C above.

Based on this information, the project would not result in a substantial adverse change to the significance of a historical resource, and this exception does not apply to the project.

For these reasons, the City is able to document that the project qualifies for the Categorical Exemption found at CEQA Guidelines section 15332, the infill exemption, and that none of the potential exceptions to the use of a categorical exemption apply to this project or the project site.

Conclusion

Therefore, the City is able to document that the project qualifies for the Categorical Exemption found at CEQA Guidelines section 15332, the infill exemption, and that none of the potential exceptions to the use of a categorical exemption apply to this project or the project site.

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