



# City of Capitola Housing Element Update

**CITY COUNCIL**  
OCTOBER 12, 2023





# **Tonight's Topics**

- **Housing Element Overview**
- **HCD 90-day review**
- **Next steps**

# What is the Housing Element?



One of seven required elements of the General Plan



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



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

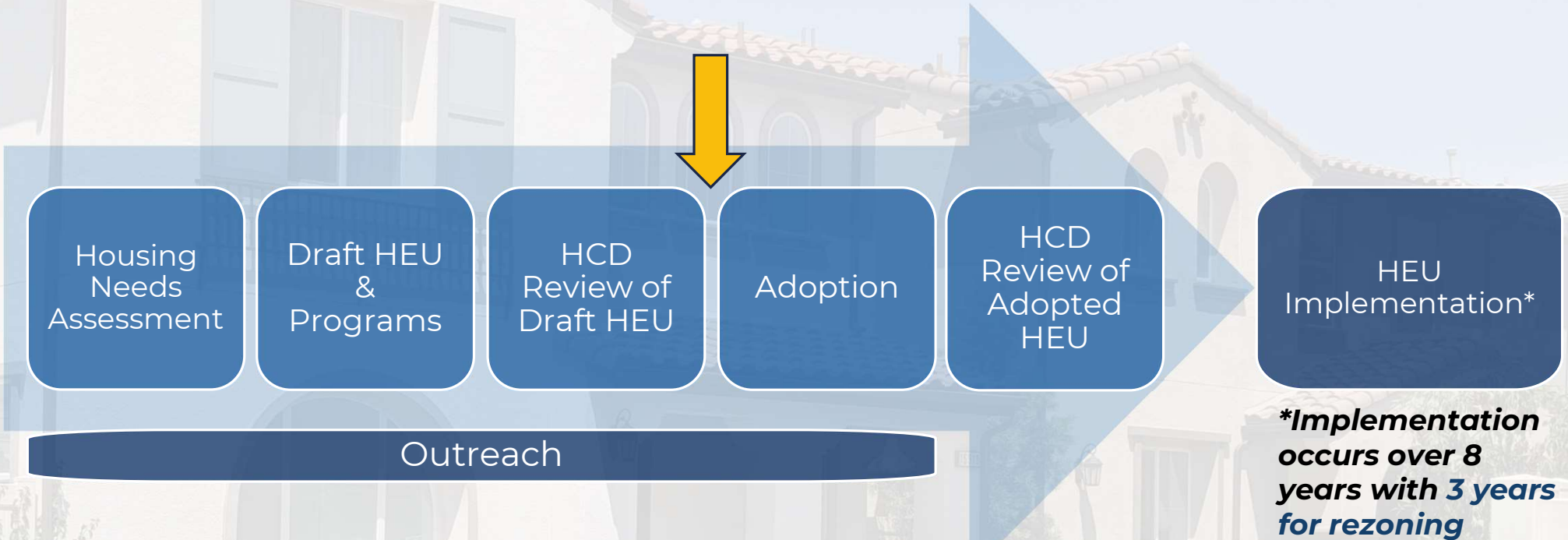


Reviewed for compliance by California Dept. of Housing and Community Development (HCD)





# Housing Element Update Process



# Drafts

City of Capitola  
Housing Element of the General Plan  
2023-2031

Public Review Draft



City of Capitola  
Housing Element of the General Plan  
2023-2031



Public Review Draft  
HCD Submittal  
July 2023



City of Capitola  
Housing Element of the General Plan  
2023-2031

Revised  
Public Review Draft  
(AUGUST 29, 2023)



City of Capitola  
Housing Element of the General Plan  
2023-2031

Revised  
Public Review Draft  
(SEPTEMBER 19, 2023)



# Updates

What changes were made in response to HCD comments?

HCD


## October 3<sup>rd</sup> HCD Comments Letter

- Additional information
- Analysis on Mall
- Programs for housing opportunities within R-1 and Multifamily
- Update Community Benefits Overlay



# Housing Needs and Opportunities

- What criteria were used to determine sites?
  - FAR, Building Age and Improvements/Land Ratio
- Additional analysis :
  - Density assumptions for the sites inventory
  - Lot consolidation
  - Non-vacant sites and the likelihood of redeveloped
  - Capital Mall site
- Changes to site inventory



State is requesting additional information on Mall site: lease agreements, phasing, programs to commit to facilitating redevelopment, and monitoring.

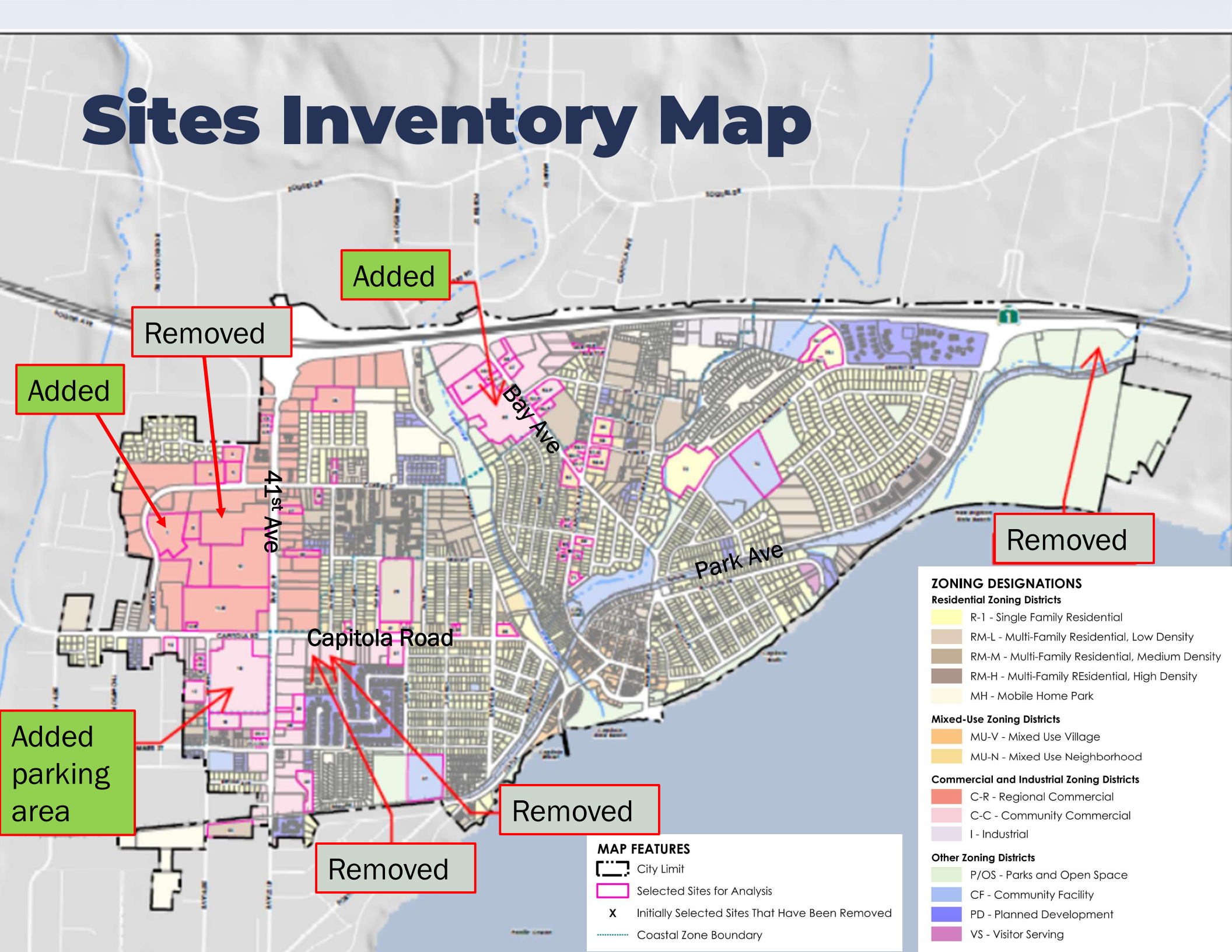
# Sites Inventory Summary

|                | Total Residential Capacity           |
|----------------|--------------------------------------|
| 6th Cycle RHNA | 1,336                                |
| R-1 (churches) | 10                                   |
| RM-L           | 18                                   |
| RM-M           | 55                                   |
| MU-N           | 173                                  |
| C-R            | <del>888</del> 833                   |
| C-C            | <del>343</del> 292                   |
| P/OS           | 10                                   |
| CF             | 12                                   |
| ADUs           | 50                                   |
| <b>Total</b>   | <b><u>1,559</u> <del>1,453</del></b> |

14 % buffer



# Sites Inventory Map



Added

Removed

Added

Removed

Added parking area

Removed

Removed

- ZONING DESIGNATIONS**
- Residential Zoning Districts**
- R-1 - Single Family Residential
  - RM-L - Multi-Family Residential, Low Density
  - RM-M - Multi-Family Residential, Medium Density
  - RM-H - Multi-Family Residential, High Density
  - MH - Mobile Home Park
- Mixed-Use Zoning Districts**
- MU-V - Mixed Use Village
  - MU-N - Mixed Use Neighborhood
- Commercial and Industrial Zoning Districts**
- C-R - Regional Commercial
  - C-C - Community Commercial
  - I - Industrial
- Other Zoning Districts**
- P/OS - Parks and Open Space
  - CF - Community Facility
  - PD - Planned Development
  - VS - Visitor Serving

- MAP FEATURES**
- City Limit
  - Selected Sites for Analysis
  - Initially Selected Sites That Have Been Removed
  - Coastal Zone Boundary

# Mall

## **1<sup>st</sup> Draft: 853 units**

- Existing Lease at Kohl's, portions of central mall, and parking areas near Target and Macy's.
- Over Reliance and No Net Loss findings

## **Current Draft: 641 units**

- Removed Kohl's Site
- Added sites (Nob Hill, King's Plaza)



# Constraints

## Request for more information:

- Affordable Housing Overlay – To be removed
- Tools regarding maximum densities
- ADU updates
- Residential Care Facilities and CUPs
- Water availability



# Housing Plan

Program 1.1 Housing Production: Diversity in housing type and affordability level to accommodate the needs of Capitola Residents

HCD

- Target growth into highest resource areas (SF)
- Set additional actions with numeric targets
- Examples: upzone, target funds, duplexes to fourplexes, go beyond state ADU/JADU laws

## **Recommended Amendments:**

- Revisit density on low and medium multifamily zones
- Allow duplexes on corner lots in R-1 with objective standards

# Housing Plan

## Program 1.4

- Expand the Community Benefit Zone to key commercial corridors to facilitate mixed use redevelopment

HCD

### Incentives for Community Benefit

- Impact on housing supply and affordability
- Application process, including discretionary hearing or standards

### **Recommended Amendments:**

- Revisit Community Benefits Overlay
- Incorporate objective standards
- Reevaluate Incentives

# Housing Plan

## Housing Plan

### Program 1.6

- Revise multi-family residential parking requirements

### Program 1.7

- New Shopping Center Redevelopment program
  - Land Use Study.
  - Develop land use policies and zoning development standards to facilitate: Subdividing, clustering, shared access, range of housing choices, and strong sense of place and cohesive urban design objective design standards.



**PC: Too specific. Reword to implement outcome of study**



# Housing Plan

## Housing Plan

### Program 1.8

- New Religious Facility Housing program

### Program 1.9

- New SB 9 support program

### Request for More Details:

- R-1 Zone. Must demonstrate how religious facility housing complies with unit/acre
- Address underutilized buildings, parking, and how that will impact additional development

HCD

# Housing Plan

## Program 2.5

- Encourage developers and contractors to hire local labor


## Program 4.2

- Emergency Rental Housing Assistance program

## Program 7.1

- Changes to the Fair Housing Actions table to increase fair housing opportunities for Capitola residents

# Affirmatively Furthering Fair Housing

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- More Information: Fair housing laws, displacement risk, homelessness, zoning code, local knowledge
  - New housing and mobility strategies
  - Update tables and maps based on revised sites inventory

## Recommended Amendments:

- Revisit density on low and medium multifamily zones
- Allow duplexes on corner lots in R-1 with objective standards



# SC Yimby

## Program 1.1

- Capitola will work with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the Capitola Mall as a planned high-quality major transit stop.

## Program 1.4:

- Incentivize development of affordable housing on commercial sites along transit corridors

## Program 1.6

- Analyze the zoning and development standards in the Incentives for Community Benefits Ordinance, using the Mall land-use study to modify the incentives
- Update the Community Benefits Ordinance to rely on Objective Standards for mixed-use developments.

## Program 1.7:

- Facilitate development of the mall and monitor approvals and progress of the mall.

## Program 1.8:

- Within the new religious facility housing program, incorporate objective design standards into the new ordinance.

# Final Edits for Adoption

## 1. Add Mobility Strategies

- Revisit density on low and medium multifamily zones
- Allow duplexes on corner lots in R-1 with objective standards

## 2. Amend Community Benefits Overlay

- Review and Incorporate Objective Standards

## 3. Additional Information

- Capitola Mall
- Religious Sites
- Small lot consolidation
- Constraints

## 4. Community Benefits and Shopping Center programs align with study

**PC**

## 5. Add a Program to initiate discussions on housing and state lands **PC**

## 6. Add SC Yimby recommendations

## 7. Timing for Commitments

# Next Steps

- October 19<sup>th</sup> – Planning Commission Special Meeting. Recommendation to City Council.
- November 9<sup>th</sup> – City Council Adoption
- Statutory City Council adoption deadline December 15, 2023





**Recommendation:** Direct staff to incorporate PC, HCD, and SC Yimby recommendations into draft housing element in preparation for adoption.