

# Capitola Planning Commission

## Agenda Report



**Meeting:** September 19, 2024  
**From:** Community Development Department  
**Address:** Citywide Zoning Code Update

**Project Description:** Application #24-0026 for Amendments to Capitola Municipal Code Title 17: Zoning Code, Chapter 18.03: Density Bonus, and the Zoning Map, collectively known as the “Zoning Code Amendments”. The proposed Zoning Code Amendments will impact the development standards and regulations for properties citywide. 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:** Adopt the resolution recommending the City Council adopt the proposed Zoning Code Amendments.

**Location:** The proposed Zoning Code Amendments apply to properties citywide.

**Representative:** Ben Noble Consultant  
 Sean Sesanto, Associate Planner

**Background:** On August 22, 2024, the City Council adopted amendments to the 2023-2031 Housing Element of the General Plan (Housing Element). The Housing Element establishes goals and policies for housing production in Capitola as required by state law. The Housing Element also contains programs with required City actions to implement Housing Element policies. The City must complete these actions by the dates specified for each program. Many Housing Element programs require amendments to the Capitola Zoning Code (Municipal Code Title 17) by the end of 2024 and 2025.

The Planning Commission has discussed the Zoning Code Amendments to implement the Housing Element at seven meetings over the past eight months. Table 1 shows topics discussed at each meeting. At these meetings, the Planning Commission also discussed Zoning Code Amendments to address issues that have arisen since the Zoning Code was last updated, but which are not required by Housing Element programs.

**Table 1: 2024 Planning Commission Meetings**

Meeting	Primary Discussion Topics
February 1	Incentives for Community Benefits; Second Story Decks; Second Story Windows; Building Massing; Capitola Character
February 15	Missing Middle Housing; Alternative Housing Types; Parking; Lot Consolidation; Building Massing
May 2	Residential Multifamily (RM Zone) Density and Development Standards; Housing on Religious Facilities Sites; Design Permit Process
June 6	RM Zone Density and Standards.
July 23	Design Review; Lot Consolidation; Replacement Housing; Parking; Special Needs Housing
August 15	Multifamily Residential (RM) zoning districts; Housing on religious sites; Retail cannabis; Office uses in C zones; “Good standing” provision. The RM zoning districts will be noticed for future Planning Commission meetings in 2025.
September 5	Density Bonus; Office Uses in Commercial Zones; Second story Decks and Balconies; Large Residential Care Facilities; Planned Development Zones; Historic Character – Design Permit Criteria

At these meetings the Planning Commission received public comment and provided direction to City staff on the Zoning Code Amendments. City staff then prepared the proposed Zoning Code Amendments (see Exhibits A and B of Attachment 1). The proposed Zoning Code 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>

The proposed Zoning Code Amendments do not include changes to standards for the Capitola Mall site or the Residential Multifamily zoning district. The City will complete these amendments in 2025.

**Discussion:** Attachment 1 is a draft Planning Commission resolution recommending the City Council adopt the proposed Zoning Code Amendments. Exhibit A to Attachment 1 contains the proposed Zoning Code Amendments, with proposed changes to the Zoning Code shown in red underline ~~striketrough~~ text. Exhibit B to Attachment 1 contains the Zoning Map. A summary table of the proposed Zoning Code Amendments (Attachment 2) describes the amendments with information on prior Planning Commission direction.

Since the Planning Commission reviewed the proposed Zoning Code Amendments on September 5, further changes have been made to the amendments. These changes are identified with yellow highlighting in the proposed Zoning Code Amendments. Changes were made to address Planning Commission direction on September 5 and to incorporate City Attorney edits received on the proposed amendments. The changes from the September 5 meeting are summarized, as follows:

Second-Story Decks and Balconies: Section 17.16.030.B.10 contains standards for second-story decks and balconies in the R-1 zoning district. The Planning Commission directed staff to revise these standards to 1) apply a maximum projection only to rear-facing decks/balconies and increase the limit to 10 feet; and 2) limit the size of second-story decks to no greater than the second-story habitable building area; 3) clarify that the 10-foot maximum projection is measured from the upper floor exterior walls including along a staggered or non-linear wall; and 4) limit the overall size of second-story decks/balconies not to exceed the size of habitable space of the same story.

Demolition and Replacement of Dwelling Units: The City Attorney has reviewed all proposed Zoning Code Amendments, including the proposed new Section 17.96.210 (Demolition and Replacement of Dwelling Units). This section codifies state law requirements for proposed projects that, 1) demolish existing dwelling units or 2) are on Housing Element opportunity sites with fewer units by income category than identified for the site in the Housing Element. Changes to this section were made to address City Attorney comments.

Design Review Process: Section 17.108.040 A and B and Section 17.120.040.F have been updated to modify the design review process and participants. Currently, a City-contracted design professional reviews all new multi-family and nonresidential construction projects. The City-contracted design professional reviews the application for consistency with applicable design standards. Under the current process, the cost for these contract services is passed to the applicant.

Within the proposed amendments, a Development and Design Review Committee is formalized in the ordinance, a City-appointed design professional has been added as a participant in committee meetings, and the criteria have been amended to include reviewing new single-family homes and upper-floor additions to existing single-family homes. The criteria have also been updated for the contracted design professionals to review new mixed-use, upper-floor additions to multifamily structures, and additions to an existing non-residential structure that is either an increase in existing floor area of 15 percent or more or more than 3,000 square feet. The City-appointed design professional has the same advisory role of reviewing applications for consistency with the applicable design standards.

The Planning Commission asked if the proposed changes to the design review would add cost and/or time to processing an application. Before 2021, the Architecture and Site Committee included a city-appointed design professional who was provided a stipend of \$50 per meeting funded through the City's General Fund, not by individual applicants. With this change, the City would pay the additional cost for a city-appointed design professional to the review process, not the applicant. The timing of application

review by the Committee will not change. The amendments may increase the time to process an application, dependent on the City-appointed design professional's feedback and recommended changes.

To address City Attorney comments, staff also has added: 1) language in 17.120.040.F clarifying the scope of Committee review of ministerial design permit applications; and 2) public noticing requirements for Committee meetings in 17.148.020.

**Local Coastal Program Consistency:** The Zoning Code is part of Capitola's Local Coastal Program (LCP), and as such, Zoning Code Amendments must be certified by the Coastal Commission before they become effective in the coastal zone. When adopting LCP amendments, the Coastal Commission requires cities to consider consistency with the LCP Land Use Plan and potential impacts on public access to the coast. This required analysis is provided in Exhibit C of the draft Planning Commission resolution.

**Next Steps:** If the Planning Commission recommends the City Council adopt the Zoning Code Amendments, City Council will consider this recommendation on October 10, 2024, in a public hearing.

**CEQA:** The proposed Zoning Code Amendments are exempt from CEQA, pursuant to CEQA Guidelines Section 15061(b)(3), which provides that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The proposed Zoning Code Amendments implement Housing Element programs that were analyzed in the Addendum to the General Plan EIR. These amendments do not increase development potential beyond levels analyzed in the EIR. The amendments make changes to the Zoning Code to comply with state housing laws, bringing the Zoning Code into compliance with state requirements that already apply to proposed development.

Proposed Zoning Code Amendments to address issues unrelated to the Housing Element correct internal inconsistencies and resolve conflicting requirements. These amendments clarify existing requirements and expectations and will not have any significant effect on the environment.

**Attachments:**

1. Draft Planning Commission Resolution Recommending City Council Approval of the Proposed Zoning Code Amendments
  - Exhibit A: Proposed Zoning Code Amendments
  - Exhibit B: Proposed Zoning Map Amendment
  - Exhibit C: LCP Consistency Analysis
2. Zoning Code Amendments Summary Table

Report Prepared By: Ben Noble, Consultant

Reviewed By: City Clerk Office

Approved By: Katie Herlihy, Community Development Director