
[PDF] Input on Capitola Mall Zoning Amendments

From Santa Cruz YIMBY <santacruzylimby@gmail.com>

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To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>

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 1 attachment (128 KB)

Santa Cruz YIMBY - Capitola Mall Zoning Amendments-10-23-2025.pdf;

Hello Commissioners,

Please see attached for our input on Capitola Mall Zoning Amendments, the expected topic at your October 30 meeting.

If any questions come up ahead of the meeting, we are happy to clarify or provide additional information.

Thank you all for your service and commitment to the community,

Janine Roeth
Rafa Sonnenfeld
Jocelyn Wolf
Hope Armstrong
Ryan Meckel

volunteer leads, Santa Cruz YIMBY



October 23, 2025

To: Capitola Planning Commission

Re: Capitola Mall Zoning Code Amendments

Dear Planning Commissioners,

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

We are writing to provide input on the Capitola Mall Zoning Code Amendments. We have three main points:

1. **Ensure base density supports hotel and housing feasibility** to account for new state laws that limit density bonus benefits for the housing portions of mixed-use projects that include hotels.
2. **Recognize that the rezoning is legally exempt from CEQA** to avoid unnecessary delays and litigation risk.
3. **Update additional zoning standards**—including parking, community benefits, and bike share incentives—to better support housing and sustainability goals.

1. Hotels and Base Density

Capitola must decide whether it wants to include hotel uses as part of a future redevelopment of the Mall site. Two recently enacted state laws—**SB 92 (Blakespear, 2025)** and **AB 87 (Boerner, 2025)**—restrict the ability of projects that include hotels to benefit from density bonus waivers or concessions. As a result, any mixed-use development that includes a hotel will not be able to rely on those tools to achieve financial feasibility and meet RHNA obligations.

To make hotel uses viable, the city needs to ensure that base development regulations, including Floor Area Ratio (FAR), are sufficient to support both residential and hotel components. The current FAR of 2.0, even with a 75-foot height limit, is too low to achieve feasible residential or hotel projects and does not align with the city's Housing Element targets. For this project, a minimum FAR of 5.0 would better reflect the density and scale necessary to achieve the city's housing and economic development goals, including commitments in the Housing Element. Other jurisdictions implementing mall redevelopment projects have determined the

necessity of an increased FAR. For example, the Tanforan mall redevelopment in San Bruno has a FAR of 4.5.

2. Rezoning CEQA Exemption

This rezoning effort is, by law, exempt from CEQA. Under Public Resources Code section 21080.085, a “rezoning” that implements a schedule of actions contained in an approved Housing Element is statutorily exempt from CEQA. Capitola’s Housing Element Program 1.7 clearly qualifies, as it advances housing production, implements regulatory incentives, and removes constraints to the development of housing for all income levels.

Because this action is squarely within the city’s zoning authority under Government Code section 65850, no further environmental review is required. Conducting additional analysis or “tiering” from other studies would only introduce uncertainty, prolong the timeline, and expose the city to potential litigation from opponents who might use CEQA as a tactic for delay.

3. Other Zoning Amendments and Community Benefits

We recommend several related updates to improve the zoning code and ensure alignment with the city’s housing goals:

- **Eliminate or reduce parking minimums:** The current standards—2 spaces for units over 750 sq. ft., 1.5 for 500–750 sq. ft., and 1 for under 500 sq. ft.—discourage family-sized units and increase project costs, undermining housing goals. The Mall site is already a key Santa Cruz METRO bus stop and transit hub and has strong potential to evolve into a high-quality transit location in the future. However, it does not yet meet the formal definition of “high-quality transit” under AB 2097, and other parking-reduction tools, such as AB 2011, are unlikely to be used given the significantly higher labor costs they entail.

In addition, the Mall property is subject to reciprocal easement agreements (REAs) between existing tenants that already regulate parking supply and use. Because those agreements effectively ensure adequate parking, the city should allow developers to determine what parking is needed, rather than enforcing rigid minimums. Alternatively, parking reductions could be made available through the Community Benefits Incentive Program.

- **Make community benefits and the process fully objective:** The Incentives for Community Benefits should be both standardized and objective—meaning

that the criteria should apply consistently to all projects *and* the approval process should be free from discretionary review. This would ensure fairness, predictability, and compliance with state housing law requirements for objective standards. The Housing Element already commits the city to exempting parking garages from FAR, and the city should expand this approach to include additional FAR exemptions for public amenities and community benefits such as outdoor dining areas, community gathering spaces, and children's play areas.

- **Support bike-share as a core community benefit:** There are currently no BCycle docks near the Mall, and the private operator has determined they will not invest in additional stations without public or private subsidies. To promote sustainable mobility, the city should incentivize developers to help fund or install a BCycle station as part of their projects. In return, the city could offer parking reductions or other development incentives. This approach would strengthen the city's community benefits program, support reduced car dependency, and position the Mall as both a future transit hub and active transportation center for Capitola.

Capitola has already made strong commitments through its Housing Element, community outreach, and the forthcoming corridor plan. The next step is to **implement the Mall zoning standards**—with the right base density, CEQA exemption recognition, and clear, objective processes.

Thank you for your leadership and commitment to meeting Capitola's housing obligations.

Sincerely,

Janine Roeth
Rafa Sonnenfeld
Jocelyn Wolf
Hope Armstrong
Ryan Meckel
Volunteer leads Santa Cruz YIMBY.