

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF CAPITOLA TO ADOPT AMENDMENTS TO MUNICIPAL CODE TITLE 17 (ZONING) FOR THE RESIDENTIAL MULTIFAMILY (RM) ZONE AND THE ZONING MAP, AND FINDING THE PROJECT EXEMPT FROM CEQA

WHEREAS, California continues to face an unprecedented housing crisis, caused by housing underproduction and population growth;

WHEREAS, in compliance with State law requirements, on August 22, 2024, the City Council adopted amendments to the 2023-2031 Housing Element of the General Plan (“Housing Element”) and Addendum to the General Plan Final Environmental Impact Report;

WHEREAS, on August 30, 2025, the California Department of Housing and Community Development (“HCD”) certified the Housing Element;

WHEREAS, the City’s Housing Element is intended to serve the public interest by allowing for flexibility in future housing development, creating additional opportunities to address the housing crisis, and increasing opportunities for affordable housing to be constructed at the benefit of lower-income households;

WHEREAS, in furtherance of these important public interests, Housing Element Program 1.6 states that the City shall review density and other development standards in the Residential Multifamily (RM) zone and revise as appropriate to facilitate multifamily housing development;

WHEREAS, the Planning Commission held work sessions on May 2 and June 6, 2024, to consider Zoning Code amendments affecting the RM zone in furtherance of Housing Element Program 1.6;

WHEREAS, at a noticed public hearing on August 15, 2024, the Planning Commission directed staff to conduct additional public outreach and return to the Planning Commission for continued discussion of the RM zone amendments in 2025;

WHEREAS, on February 24, 2025, the City hosted a community workshop to receive public input on the RM zone amendments with a focus on increases to allowed density in locations that could realistically accommodate additional multifamily development consistent with Housing Element Program 1.6;

WHEREAS, on March 3, 2025, the Planning Commission received an update on the RM zone amendments and provided input on the most effective and pragmatic approach to the RM zone amendments, including increased allowed density in seven RM areas;

WHEREAS City staff prepared draft amendments to Municipal Code Title 17 and the Zoning Map (together, the “Amendments”) to promote housing in the RM zones and in furtherance of Housing Element Program 1.6;

WHEREAS, City staff presented the City's proposed approach to implementing Program 1.6 with respect to the RM Amendments to HCD on July 31, 2025, and HCD staff generally concurred with the City's approach;

WHEREAS, notice of the Amendments' availability was mailed and a public review draft made available on August 1, 2025, in compliance with California Coastal Act public participation requirements and applicable state law;

WHEREAS, the Amendments and the associated General Plan text amendment (together, the "Project") are exempt from the California Environmental Quality Act (CEQA), pursuant to California Public Resources Code Section 21080.85 which exempts from CEQA rezonings to implement a certified Housing Element.

Further, the Project was analyzed and considered as part of the City's adoption of the Addendum to the General Plan EIR for the City's Housing Element, such that nothing further is required under CEQA. There are no substantial changes proposed to the Housing Element, including Program 1.6, that would require major revisions of the previous EIR or its Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The Project merely implements Housing Element Program 1.6, which was studied and evaluated in the General Plan EIR Addendum. There are no substantial changes with respect to the circumstances under which implementation of the Housing Element will be undertaken which will require major revisions of the previous environmental document due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous Addendum was adopted.

Lastly, the Project is categorically exempt from CEQA because it can be seen with certainty that there is no possibility that the Project will have a significant effect on the environment. (CEQA Guidelines, 14 Cal. Code of Regs. Section 15061(b)(3)). The Project merely implements the Housing Element and proposes no development, and implementing projects would be subject to environmental review; and

WHEREAS, at a duly noticed public hearing on August 21, 2025 the Planning Commission recommended the City Council adopt the Zoning Code Amendments and associated conforming General Plan text Amendment, with one recommended revision, to include an upper limit (10 feet) to the minimum required side yard setbacks for the two new RM subzones.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Capitola as follows:

Section 1: The above findings are adopted and incorporated herein.

Section 2: Pursuant to Capitola Municipal Code Section 17.144.050 and 17.144.060 and based on substantial evidence in the record:

a) The proposed Amendments are consistent with the General Plan, including the Housing Element and Land Use Element and any applicable specific plan as provided by Government Code Section 65860, subject to adoption of the associated General Plan text amendment.

b) The proposed Amendments will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

c) The affected sites reflected on the Zoning Map are physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the affected sites, surrounding properties, and the community at large

c) The proposed Amendments are internally consistent with other applicable provisions of the Zoning Code.

Section 3: Title 17 (Zoning) of the Capitola Municipal Code is amended as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Section 4: The official Zoning Map of the City of Capitola is amended as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

Section 5: Environmental Review.

The City Council finds and determines that the Amendments and the associated General Plan text amendment (together, the “Project”) are exempt from the California Environmental Quality Act (CEQA), pursuant to California Public Resources Code Section 21080.85 which exempts from CEQA rezonings to implement a certified Housing Element.

Further, the Project was analyzed and considered as part of the City’s adoption of the Addendum to the General Plan EIR for the City’s Housing Element, such that nothing further is required under CEQA. There are no substantial changes proposed to the Housing Element, including Program 1.6, that would require major revisions of the previous EIR or its Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The Project merely implements Housing Element Program 1.6, which was studied and evaluated in the General Plan EIR Addendum. There are no substantial changes with respect to the circumstances under which implementation of the Housing Element will be undertaken which will require major revisions of the previous environmental document due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There is no new information of substantial importance, which was not known and could not have

been known with the exercise of reasonable diligence at the time the previous Addendum was adopted.

Lastly, the Project is categorically exempt from CEQA because it can be seen with certainty that there is no possibility that the Project will have a significant effect on the environment. (CEQA Guidelines, 14 Cal. Code of Regs. Section 15061(b)(3)). The Project merely implements the Housing Element and proposes no development, and implementing projects would be subject to environmental review.

Section 6: Effective Date.

This Ordinance shall be in full force and effect thirty (30) days from its passage and adoption, subject to approval of the associated General Plan text amendment, except that it will not take effect within the coastal zone until certified by the California Coastal Commission. This Ordinance shall be transmitted to the California Coastal Commission and shall take effect in the coastal zone immediately upon certification by the California Coastal Commission or upon the concurrence of the Commission with a determination by the Executive Director that the Ordinance adopted by the City is legally adequate.

Section 7: Severability.

The City Council hereby declares every section, paragraph, sentence, cause, and phrase of this ordinance is severable. If any section, paragraph, sentence, clause, or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses, or phrases.

Section 8: Certification.

The City Clerk shall cause this ordinance to be posted and/or published in the manner required by law.

This Ordinance was introduced at the meeting of the City Council on the 11th day of September, 2025, and was adopted at a regular meeting of the City Council on the 25th day of September, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joe Clarke, Mayor

Attest: _____
Julia Gautho, City Clerk