

**Gautho, Julia**

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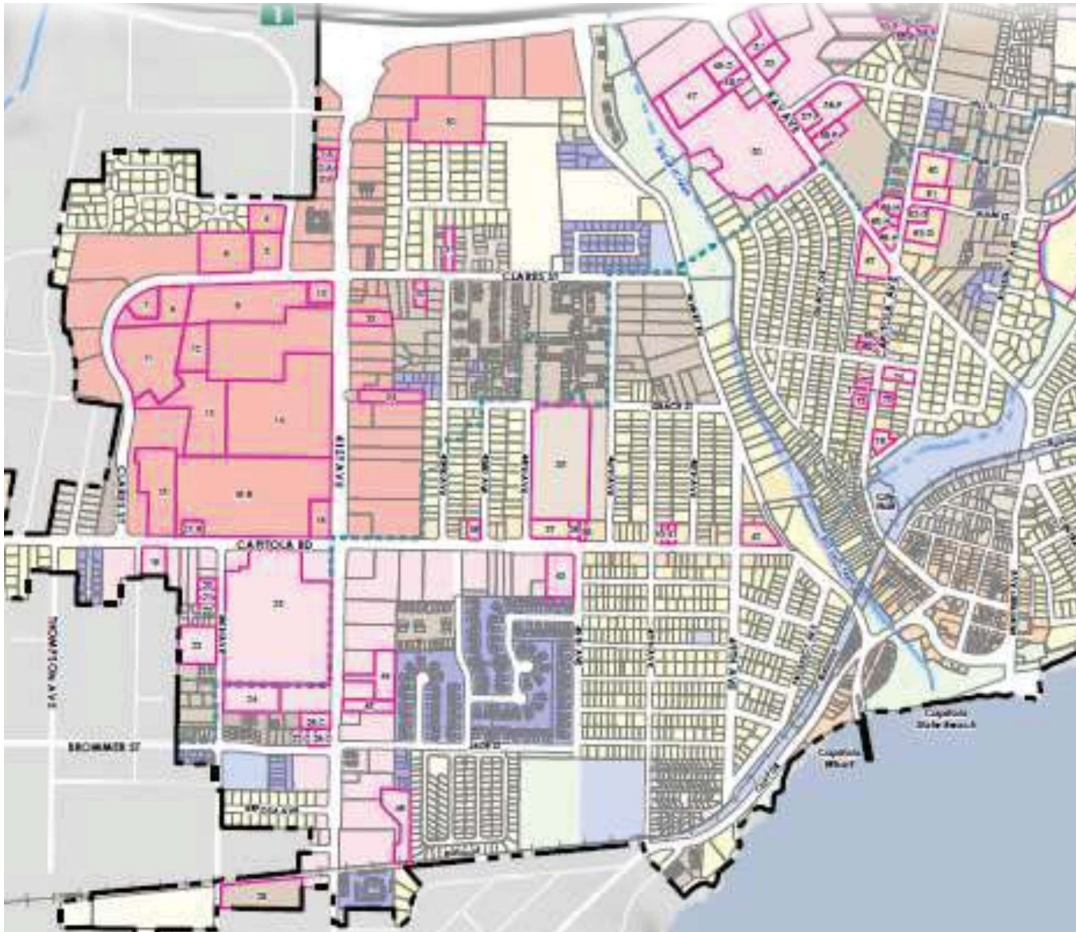
**From:** Janine Roeth, Santa Cruz YIMBY <j9discuss@gmail.com>  
**Sent:** Thursday, March 26, 2026 11:24 AM  
**To:** City Council  
**Cc:** Herlihy, Katie (kherlihy@ci.capitola.ca.us); Sesanto, Sean  
**Subject:** Comment on Agenda Item 8.F

Dear City Council Members,

The work Capitola has put into its Housing Element over the past few years deserves real recognition, from certification through the updating and development of zoning standards and these Annual Progress Reports. I offer the following observations on Agenda Item 8.F (2025 APR) in that same spirit.

**Program 1.4: Mixed-Use Development and Incentives Along the Corridor — CMC §17.88.040**

The APR marks as completed: "By December 2025, incentivize development of affordable housing on commercial sites along transit corridors." and notes the work on the Mall. While the updates to the Mall block is a meaningful milestone, Program 1.4 also covers commercial sites fronting 41st Avenue and Capitola Road between Clares Street and 42nd Avenue. The map below shows how many sites that includes and there is more work ahead to extend incentives to those corridors.



I am eager to see the corridors develop with housing. The Housing Element already includes an architectural rendering of a

mixed-use project at 1430 41st Ave (the former Outdoor World site) showing the City sees that potential too.

The current incentive criteria in §17.88.040 are discretionary — the Planning Commission decides case by case whether a community benefit justifies a zoning deviation. The City has done impressive work developing objective standards for multifamily housing and then for the mall. Making the criteria in §17.88.040 objective would give everyone a predictable path to housing with community benefit along these corridors.

### **No Net Loss: Kings Plaza**

Two parcels in the Housing Element inventory are at Kings Plaza: 1404 38th Ave (APN 034-164-41) and 1475 41st Ave (APN 034-151-20), together carrying a projected capacity of 44 lower-income, 13 moderate, and 29 above-moderate homes. Does the Tesla store lease take these parcels out of play for this planning cycle? If so, has the City completed a No Net Loss analysis under Government Code §65863? The lower-income buffer is thin and these parcels represent real capacity.

Thank you for your commitment to a vibrant Capitola.

Janine Roeth