

Capitola Planning Commission

Agenda Report



Meeting: May 2, 2024

From: Community Development Department

Address: Citywide Zoning Code Update

Project Description: Permit #24-0026 for future Amendments to the Capitola Municipal Code Title 17: Zoning. The future Zoning Code amendments will impact the development standards and regulations for properties citywide. The Zoning Code is part of the City's Local Coastal Program (LCP) and amendments require certification by the California Coastal Commission prior to taking effect in the Coastal Zone.

Recommended Action: Provide feedback to staff on zoning discussion items and direct staff to prepare an ordinance to amend Capitola Municipal Code Title 17: Zoning.

Property Owner: Zoning Code amendments apply to properties citywide.

Representative: Ben Noble Consultant
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Background: The City is updating the Zoning Code to implement programs in the recently adopted Housing Element and to address other identified issues. On February 1 and February 16, 2024 the Planning Commission provided feedback on a number of Zoning Code Update topics, including the maximum height for housing projects on the Capitola Mall site, "missing middle" housing, and parking. At the May 2, 2024 meeting, staff will request feedback from the Planning Commission on the following four topics:

1. Residential Multifamily (RM Zone) Density
2. Residential Multifamily (RM Zone) Development Standards
3. Housing on Religious Facilities Sites
4. Design Permit Process

Topic 1: Residential Multifamily (RM Zone) Density

Housing Element Program 1.6 calls for the City to assess the maximum densities allowed in the RM zones and to determine if higher densities can help facilitate multi-family development in Capitola. The Housing Element notes that maximum densities and other development standards may limit multifamily housing production in Capitola.

The RM zone is divided into three subzones, with a maximum allowed density of 10 dwelling units per acre (du/ac) in RM-L, 15 du/ac in RM-M, and 20 du/ac in RM-H. The location of the RM subzones is shown in the Zoning Map (Attachment 1).

Staff requests Planning Commission input on allowed densities in the RM subzones. Options include maintaining existing allowed densities or increasing allowed densities. State law prohibits the City from reducing allowed densities the RM zone without upzones elsewhere in the City to compensate for any reduction in development potential.

To assist with this discussion, the following background information is attached to this staff report:

- **Built Densities:** Attachment 2 shows the built densities of example residential development in the RM subzones and other locations in Capitola.

- **Recent Santa Cruz Development:** Attachment 3 shows examples of recent two and three-story multi-unit development in Santa Cruz County. These examples consist of housing types that may be appropriate or desirable in Capitola's RM subzones.
- **Prototype Models:** Attachment 4 shows models of multi-unit development based on recent infill housing development in Santa Cruz County. These models were prepared by the Association of Monterey Bay Area Governments (AMBAG).

The Planning Commission may wish to consider the following observations when providing input on allowed RM densities:

R-1 Allowed Density

- **R-1 Allowed Density:** The maximum allowed density in R-1, based on the minimum parcel size of 5,000 sq. ft, is 8.7 du/ac.
- **SB 9 Density:** SB 9 allows up to four units on R-1 lots. The density of four units on a 5,000 sq. ft. lot is 35 units per acre.

Built Densities

- **R-1 Built Density:** The built density in R-1 neighborhoods ranges from 6.5 du/ac in Cliffwood Heights to 15.5 du/ac in Riverview Terrace. On R-1 parcels with an ADU or nonconforming multifamily dwelling, built densities are even higher.
- **RM-L Built Densities.** Many RM-L (but not all) properties are built at or below existing allowed density of 10 du/ac.
- **RM-M Built Densities.** The built densities in the RM-M zone are significantly higher than existing allowed densities. Three RM-M examples are more than double the current allowed density of 15 du/ac.
- **RM-H Built Densities.** Most of the RM-H properties are developed at greater densities than currently allowed. 815 Balboa (41 du/ac) is developed at over twice the allowed RM-H density.
- **PD and Other Built Densities.** Garden-style condominium planned development, such as Capitola Knolls, have densities of around 10-20 du/ac. More recent infill project range from 15 du/ac for the Tera Court motor court-style project to 30 du/ac for the vertical mixed use Capitola Beach Villas project.

Recent Santa Cruz County Development

- **Townhomes.** The typical density of townhomes in the Santa Cruz County market is 15 to 20 du/ac depending on the unit size. The Blue Bonnet Lane townhomes in Scotts Valley (1,500 sq. ft. units) would be allowed in the RM-H subzone, but not RM-L or RM-M. The Dunslee Way townhomes in Scotts Valley (larger 3-4 bedroom units) would be allowed in the RM and RM-H, but not RM-L.
- **Smaller Infill Projects.** Multi-unit housing projects on smaller infill lots take many forms, including multiple detached single-family homes, sidecourt, and triplex projects. Example densities range from 15 du/ac to 20 du/ac, similar to townhomes. All of these examples would not be allowed in the RM-L subzone.
- **Stacked Flats.** The density of recent three-story stacked flats in Santa Cruz ranges from about 35 du/ac to 60 du/ac, depending on the average unit size. These types of projects would not be allowed in any of Capitola's RM subzones.

Prototype Models

- **All Not Allowed in RM-L.** All prototypes would not be allowed in RM-L as they exceed the RM-L maximum density of 10 du/ac.
- **Three Not Allowed in all RM Subzones.** Three of the prototypes (attached sidecourt, vertical mixed use, and stacked flats), exceed the maximum RM-H density of 20 du/ac and would not be allowed in any of the RM subzones.

Topics 2: Residential Multifamily (RM Zone) Development Standards

Housing Element Program 1.6 calls for the City to “review and revise as appropriate, requirements such as the minimum unit size, setbacks, parking requirements, and height restrictions to ensure they are necessary and pertinent and do not pose constraints on the development of housing.”

Development standards in the RM zone that may constrain housing production include height, building coverage, setbacks, open space, landscaping, and parking. Table 1 shows existing RM standards found in Zoning Code Chapter 17.16 (Residential Zoning Districts).

Table 1: RM Zone Development Standards

	RM-L	RM-M	RM-H
Lot Area per Unit (min)	4,400 sq. ft.	2,900 sq. ft.	2,200 sq. ft.
Height (max)	30 ft.	30 ft.	35 ft.
Building Coverage (max)	40%	40%	40%
Setbacks (min)			
Front	15 ft.	15 ft.	15 ft.
Interior Side	10% of lot width [1]	10% of lot width [1]	10% of lot width [1]
Street Side	10 ft.	10 ft.	10 ft.
Rear	15% of lot depth	15% of lot depth	15% of lot depth

Notes:

[1] In no case less than 3 feet or greater than 7 feet.

Staff finds that if existing maximum RM density standards are maintained, changes to RM standards are not needed for projects to achieve these densities. However, if the City increases maximum RM densities, some changes to existing RM standards may be needed as discussed below. Staff requests Planning Commission feedback on these potential changes.

Lot Area Per Dwelling Unit

The lot area per dwelling unit standard is a function of the allowed density standard. For example, if the allowed density in RM-L is doubled to 20 units per acre, the RM-L minimum lot area per dwelling units would need to be reduced by half (2,200 sq. ft.).

Height

The maximum height of 30 feet in the RM-L and RM-M subzones allows a 2 and ½ story building with a pitched roof or a three-story building with a flat roof. If RM densities are increased, staff recommends increasing the RM-L and RM-M heights to 35 feet to allow for three stories with pitched roof forms.

Building Coverage

Table 2 shows approximate building coverage of existing RM development in Capitola, recent Santa Cruz County development, and prototype models. All of the existing RM developments have a building coverage that conforms with the existing 40 percent RM standard. However, all of the recent Santa Cruz County development examples have a building coverage that exceeds this 40 percent standard, and the majority of prototype models also exceed this standard.

Many of the existing RM developments in Capitola are garden-style apartments and condominiums with buildings surrounded by open space on large sites. The Santa Cruz County development examples are mostly infill projects on smaller lots with limited on-site open space. Future RM development in Capitola will likely be smaller infill projects similar to the Santa Cruz examples and prototype models. If RM densities are increased, staff recommends also increasing the building coverage to allow for this type of

development. One possibility is to increase maximum building coverage to 50 percent in RM-L, 60 percent in RM-M, and 75 percent in RM-H.

Table 2: Building Coverage Calculations

Address	Density	Coverage
Existing RM Development in Capitola (Attachment 2)		
1007 Balboa Avenue (RM-L)	7 du/ac	40%
1745 46 th Avenue (RM-L)	15 du/ac	22%
4211 Clares St (RM-L)	10 du/ac	40%
850 Rosedale Ave (RM-M)	21 du/ac	20%
900 Capitola Ave (RM-M)	25 du/ac	38%
4820 Opal Cliff Dr (RM-M)	29 du/ac	33%
850 & 870 Park Ave (RM-H)	33 du/ac	40%
815 & 825 Balboa Ave (RM-H)	41 du/ac	40%
Example Santa Cruz County Development (Attachment 3)		
Bluebonnet Way, Scotts Valley	15 du/ac	45%
1209 Seabright Ave, Santa Cruz	16 du/ac	42%
716 Darwin Street, Santa Cruz	35 du/ac	42%
708 Frederick Street, Santa Cruz	36 du/ac	53%
Walnut Commons, Santa Cruz	59 du/ac	75%
Prototype Models (Attachment 4)		
Small Lot Single-Family	12 du/ac	32%
Detached Motorcourt	15 du/ac	45%
Detached Sidecourt	16 du/ac	25%
Duplex	20 du/ac	30%
Townhomes	20 du/ac	45%
Attached Sidecourt	23 du/ac	49%
Vertical Mixed Use	50 du/ac	58%
Stacked Flats	78 du/ac	75%

Setbacks

On lots with a depth greater than 100 feet, the existing rear setback standard could constrain development at increased densities. On a lot with a depth of 200 feet, for example, the existing standard would require a rear setback of 30 feet. If RM densities are increased, staff recommends reducing the minimum rear setback. One possibility is to reduce the rear setback to 10 feet with 20 feet required for parcels if abutting an R-1 zone. Reduced rear setbacks will also increase flexibility to provide functional open space for a range of housing types.

Usable Open Space

Table 3 shows the RM zone usable open space standards in Zoning Code Section 17.16.030.C.2 (Open Space). These standards were prepared and adopted as part of the comprehensive zoning code update specifically to accommodate infill multifamily development. Staff finds that revisions are not needed to accommodate potential RM density increases.

Table 3: Usable Open Space in RM Zoning District

Common Open Space	
Minimum area (percent of site area)	15%
Minimum horizontal dimension	15 ft.
Private Open Space	
Minimum percentage of units with private open space	50%
Minimum area (for individual unit)	48 sq. ft.
Minimum horizontal dimension	4 ft.

Landscaping

Zoning Code Section 27.73.050 requires all required front and street side setback areas, excluding areas required for access to the property, to be landscaped and maintained. Staff finds that revisions are not needed to this standard to accommodate potential RM density increases.

Parking

The Planning Commission discussed changes to onsite parking requirements at its study session on February 16, 2024. Table 4 shows the Planning Commission’s recommended changes to required parking for duplex homes and multifamily dwellings. These parking requirements, as revised, may constrain higher density projects if maximum RM density is increased. However, State Density Bonus Law requires the City to accept reduced on-site parking for a project with affordable units if needed for project feasibility. For this reason, staff recommends maintain parking standards with changes previously recommended by the Planning Commission.

Table 4: Planning Commission Recommended Changes to Parking Standards

	Existing	New
Duplex homes	2 per unit, 1 covered	No change
Multifamily Dwellings	2.5 per unit, 1 covered	0.5 per unit <350 sf close to transit 1.0 per unit <500 sf 1.5 per unit 500-750 sf 2.0 per unit ≥750 sf No covered or additional guest parking required

Topic 3: Housing on Religious Facilities Sites

Housing Element Program 1.8 calls for the City to “clarify state law and applicable development standards that would allow residential units to be constructed primarily on open or parking areas on religious institutional sites as a permitted use, as well as creating objective development standards that facilitate residential development.

Two recent state laws, AB 1851 and SB 4, are relevant to this program. AB 1851 limits parking requirements when a religious institution partners with a nonprofit organization to provide affordable housing on site. SB 4 requires jurisdictions to allow qualifying affordable housing projects as a by right use on land owned by a religious institution.

The Housing Element identifies land owned by Saint Joseph's Catholic Church (435 Monterey Avenue) and Shorelife Community Church (875 Monterey Avenue) as potential sites for affordable housing development under SB 4. The Housing Element identifies a capacity for 5 units on each of these sites. However, SB 4 specifies that the City must allow a density of at least 20 units per acre and a height of 35 feet on these sites. The Shorelife Community Church site has an area of 5 acres and the Saint Joseph's Catholic Church site has an area of just over 3 acres.

An SB 4 residential project must comply with applicable objective standards that do not conflict with provisions specified in the law (e.g., allowable height). The Shorelife and Saint Josephs sites are both zoned R-1 and subject to land use regulations and development standards in Zoning Code Chapter 17.16. The City's recently adopted objective standards for multi-unit residential development (Zoning Code Chapter 17.82) would also apply to residential development of two or more units on these sites.

Staff requests Planning Commission input on parameters for potential residential development on the Shorelife and Saint Josephs sites. The City may adopt objective standards for this development provided such standards allow for a density of 20 units per acre, a height of 35 feet, and one parking space per unit. Within these limitations, the City may specify standards for building placement, vehicle access, building massing, exterior façade design, site landscaping, and other site and building design considerations. These standards may apply generally to all SB 4 projects, or be tailored to individual sites.

Below are three general options for SB 4 standards for the Planning Commission to consider.

Option 1: Single-Family Homes and Duplexes

In all locations, required SB 4 units to be in the form of detached-single family homes or duplex units. Establish design standards that would be generally applicable to all SB 4 projects. Possible standards include the following:

- Limit the amount of street-facing garage frontage to no more than 50 percent of the front building facade
- Require a break in building massing for street-facing building walls longer than 30 feet
- Limit the length of street-facing blank walls without windows, doors, or other types of articulation to no more than 15 feet.
- Require covered porches or other similar treatment for street-facing primary entrances
- Require a break in street-facing rooflines longer than 30 feet
- Require at least 100 square feet of private open space per unit

Option 2: All Housing Types

In all locations, allow all housing types, including multifamily dwellings and single-family homes. Require single-family homes and duplexes to comply with new standards described in Option 1. Require multifamily projects to comply with the Zoning Code Chapter 17.82 (Objective Standards for Multifamily and Mixed Use Residential Development).

Option 3: Site-Specific Standards

Adopt standards that are specific to individual sites. For example, on the Saint Joseph's site require building placement, orientation, and massing to continue the pattern established on adjacent residential properties (511, 515 Monterey Avenue). On the Shorelife site, require units with individual entrances facing Kennedy Drive with parking prohibited between the buildings and the street. Also include standards that are generally applicable to all SB 4 projects (e.g., minimum private open space per unit).

Topic 4: Design Permit Process

At prior meetings, the Planning Commission requested continued discussion of the City's Design Permit process. Specifically, the Planning Commission wishes to consider if the Development and Design Review Committee process should be modified, potentially to return to the Architecture and Site Review Committee process in place prior to the Zoning Code Update in 2020.

The current Development and Design Review Committee process is described in Zoning Code Section 17.108.040. This process allows for City staff and a City-contracted design professional to provide preliminary recommendations to the applicant on design permit applications prior to Planning Commission review. The Development and Design Review Committee process replaced the Architecture and Site Review Committee process when the Zoning Code was updated in 2020. The biggest change with the new process is that there is no longer an architect/designer on the committee for single-family homes and that a third-party design professional reviews larger multifamily and mixed-use projects.

At prior meetings, the Planning Commission has discussed potentially returning to the prior Architecture and Site Review Committee process. Reasons given for this change include improved project designs and early consideration of project conformance with City design standards and criteria. Some Planning Commissioners have also expressed concern that returning to the prior process could add time and cost to the Design Permit process and increase the degree to which personal aesthetic preferences influence City decision-making on Design Permit applications. The Planning Commission asked staff to return with options to address this issue.

At the May 2, 2024 meeting, staff will request further Planning Commission input on potential changes to the Development and Design Review Committee process. To assist with this discussion, staff solicited input from local architects and designers who have prior experience with both the current Development and Design Review Committee process and the prior Architecture and Site Review Committee process. Staff created a survey to solicit input, with survey responses provided in Attachment 5. Additional survey responses and feedback will be shared with the Planning Commission as it is received prior to the May 2, 2024 meeting.

Based on prior Planning Commission input and local architect/designer feedback, staff has prepared four options to address this topic:

Option 1: Enhanced Staff Review

City staff would continue to review the design of single-family homes in accordance with the following process:

- Staff will schedule a design review meeting with the applicant early in the application review process (e.g., within 30 days of deeming application complete). This meeting may occur in-person, via Zoom, or over the phone.
- Prior to this design review meeting, staff will review the project for conformance with the design review criteria in Zoning Code Section 17.120.020 and general conformance with applicable Zoning Code standards.
- If City staff has any concerns that the project does not conform with the design review criteria or other applicable standards, City staff will communicate this to the applicant at the design review meeting. To the extent possible, City staff will identify specific changes to the project needed to achieve conformance.
- If City staff recommends project changes, these recommendations will be provided to the applicant in writing.

- The Design Permit application staff report will include a discussion of this design review process, including the recommendations provided to the applicant and the extent to which the project was modified in response to these recommendations.

Option 2: Outside Review for Projects of Concern

Staff would continue to review the design of single-family homes. As with Option 1 above, City staff would review project conformance early in the application process. If staff has any concerns with project conformance, the City would utilize a city-contracted design professional to participate in the design review process. The design professional would discuss the project with the applicant and, together with City staff, identify specific changes that would achieve conformance. This recommendation would be communicated to the Planning Commission in the project staff report.

Option 3: Outside Review if Requested by Applicant

If requested by the applicant, the City-contracted design professional would review project plans and meet with the applicant. If the applicant does not request this review, design review would occur as described in Option 1 or 2.

Option 4: Design Review Committee with Focused Review

The City would establish a Design Review Committee for all projects, including single-family homes. Similar to the prior Architecture and Site Review Committee, the Design Review Committee would consist of City planning, public works, and building staff, and two design professionals who are not City staff. The Design Review Committee would meet with the applicant early in the application review process (e.g., within 30 days of deeming application complete). Meetings would follow Brown Sct noticing requirements. The scope of Committee review would be limited to: 1) project conformance with objective standards; 2) issues and concerns raised by City staff or the applicant; 3) site layout (e.g., building placement and circulation; and 4) building massing. The Planning Commission may wish to add other specific design issues for Committee review. However, the Committee would not review the project for conformance with all nineteen criteria in Zoning Code Section 17.120.020.

Next Steps: An ordinance to amend the zoning code will be drafted in preparation for public input, Planning Commission recommendation, and City Council Adoption.

CEQA: Not Applicable

Attachments:

1. Zoning Map
2. RM Zone Built Densities
3. Recent Santa Cruz County Development
4. Infill Residential Prototype Models
5. Design Permit Survey Response

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