

# Capitola City Council

## Agenda Report

**Meeting:** May 12, 2022

**From:** Community Development Department

**Subject:** Objective Standards for Multifamily and Mixed-Use Residential Ordinance



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**Recommended Action:** 1) Introduce, by title only, waiving further reading of the text, an ordinance of the City of Capitola adding Municipal Code Chapter 17.82 to establish objective standards for multifamily dwellings and mixed-use residential development, amending section 17.16 Residential Zoning Districts, section 17.20 Mixed Use Zoning Districts, and 17.24 Commercial and Industrial Zoning Districts to reference Chapter 17.82 Objective Standards for Multifamily Dwellings and Mixed-Use Residential Development; and 2) Adopt the proposed resolution Authorizing Submittal to the California Coastal Commission for the Certification of an Amendment to the Local Coastal Program.

**Background:** In 2017, the State of California established the Senate Bill 2 (SB2) grant program to fund city planning efforts that streamline housing approvals and accelerate housing production. Capitola utilized part of its SB2 grant to create objective standards for multi-family and mixed-use development projects, which will ensure quality design and development in Capitola, while keeping the City in compliance with new state housing laws.

In 2021, the City began to prepare objective standards for multifamily dwellings and mixed-use residential development. These standards are needed to protect the city and ensure quality development considering new state housing laws. The City is using part of its SB2 grant funds for this project and is working with consultants Ben Noble and Bottomley Design and Planning on the project.

The City has held the following meetings regarding the Objective Standards project:

- 2021:
  - February 3: Planning Commission Study Session to present project goals and approach
  - April 8: City Council Study Session to present project goals and approach
  - July 21: Stakeholder Meeting #1 to receive preliminary input from developers, architects, and residents on potential draft standards
- 2022:
  - February 16: Stakeholder Meeting #2 to receive feedback on draft standards
  - March 31: Planning Commission to receive feedback on draft standards
  - April 21: Planning Commission positive recommendation to City Council
  - April 28: City Council receives staff presentation on recommended ordinance

**Discussion:** Recent changes to state law aimed at increasing housing production mandate an “expedited review” process for multifamily housing projects. These laws include Senate Bill (SB) 35, the Housing Accountability Act, and SB 330. The state created a streamlined administrative review process for applicable multifamily housing projects which comply with the local jurisdiction’s objective standards. Objective standards are defined by the state as standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark. Subjective standards, such as “neighborhood

compatibility,” are not allowed in the review of applicable multifamily and mixed-use housing applications. Multifamily housing is allowed in the Multifamily Residential (RM) zoning districts in the City, and mixed-use applications are allowed in Mixed-Use Neighborhood (MU-N), Community Commercial (C-C), and Regional Commercial (C-R) zoning districts as shown in Zoning Map in Attachment 3.

The objective standards for multifamily and mixed-use residential development would apply to all new multifamily and mixed-use residential development in the Multifamily Residential (RM), Mixed-Use Neighborhood (MU-N), Community Commercial (C-C), and Regional Commercial (C-R) districts. The standards would not apply in the Mixed-Use Village (MU-V) district as sufficient standards are already in place for this district. The standards would apply to projects that require a design permit, as well as projects requesting ministerial approval under SB 35.

The standards are divided into six categories. Each category includes an intent statement to explain the purpose of the standards followed by the objective standards to guide the design and citing. The six categories are:

1. Circulation and Streetscape
2. Parking and Vehicle Access
3. Building Placement, Orientation, and Entries
4. Building Massing
5. Facade and Roof Design
6. Other Site Features

A proposed project would be permitted to request deviation from one or more standards with Planning Commission review. The Planning Commission could approve a deviation upon finding the project successfully incorporates an alternative method to achieve the intent of the standard. A project requesting a deviation would not be eligible for streamlined review under SB 35.

CEQA:

State CEQA Guidelines Section 15061(b)(3) 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. There is no possibility that the objective design standards will have a significant effect on the environment, and all non-ministerial projects approved pursuant to the objective design standards shall be subject to CEQA review.

Fiscal Impact: None.

Attachments:

1. Objective Standards for Multifamily and Mixed-Use Residential Ordinance
2. Objective Standards LCP Amendment Resolution
3. Memorandum on Objective Standards for Multifamily and Mixed-Use Development
4. Zoning Map

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