

RESOLUTION NO. _____

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
CAPITOLA RECOMMENDING THAT THE CITY COUNCIL ADOPT AN
ORDINANCE AMENDING MUNICIPAL CODE TITLE 17 (ZONING) FOR THE
CAPITOLA MALL PROPERTY, AND FINDING THE PROJECT EXEMPT FROM
CEQA**

WHEREAS, 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, Housing Element Program 1.7 states that the City shall revise development standards in the Zoning Code to facilitate residential development on the Capitola Mall property;

WHEREAS, the Planning Commission held work sessions on October 2, October 30, and November 19, 2025 to consider Zoning Code amendments for the Capitola Mall in furtherance of Housing Element Program 1.7;

WHEREAS, on October 8, 2025, the City hosted a community meeting, to receive public input on design standards for residential development on the Capitola Mall property;

WHEREAS City staff utilized Planning Commission input and considered public feedback to prepare draft amendments to Municipal Code Title 17 (Zoning) to implement Housing Element Program 1.7;

WHEREAS, notice of the Zoning Code Amendment availability was mailed November 13, 2025, and a public review draft made available on November 26, 2025, in compliance with California Coastal Act public participation requirements and applicable state law;

WHEREAS, a second notice of the Zoning Code Amendment availability was mailed on January 8, 2026, and an updated public review draft made available on January 30, 2026, in compliance with California Coastal Act public participation requirements and applicable state law;

WHEREAS, the Zoning Code Amendments 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 1.7, 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 1.7, 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.

WHEREAS, at a duly noticed public hearing on February 5, 2026, the Planning Commission reviewed the proposed Zoning Code Amendments at which time it considered all evidence presented, both written and oral.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. Pursuant to Capitola Municipal Code Section 17.144.040 and 17.144.060 and based on substantial evidence in the record:
 - a) The proposed Zoning Code 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. Concurrent with the Amendments, the Planning Commission and City Council will be considering a text amendment to the General Plan Land Use Element to allow without special City Council authorization a maximum 2.0 FAR for residential and mixed-use development that complies with objective standards in the Zoning Code. Adoption of the Amendments will be subject to final City Council approval and 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 proposed Amendments are internally consistent with other applicable provisions of the Zoning Code.
3. The Planning Commission has considered the Amendments' consistency with the certified Local Coastal Program (LCP) and finds the Zoning Code Amendments in conformity with and adequate to carry out the certified Land Use Plan as described in Exhibit C attached hereto and incorporated herein.
4. The Planning Commission recommends that the City Council:

a. Find that the Amendments 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 1.7, 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 1.7, 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.

b. Adopt an ordinance amending Capitola Municipal Code Title 17: Zoning set forth in Exhibit A attached hereto and incorporated herein, subject to the adoption of the associated General Plan text amendment.

SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

ADOPTED by the Planning Commission of the City of Capitola at a meeting this 5th day of February, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

Attest: _____

Katie Herlihy, Community and
Economic Development Director