

City of Capitola

Planning Commission Meeting Minutes

Thursday, May 02, 2024 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Chairperson: Courtney Christiansen

Commissioners: Paul Estey, Gerry Jensen, Susan Westman, Peter Wilk

1. Roll Call and Pledge of Allegiance

The meeting was called to order at 6:01 PM. In attendance, Commissioners Estey, Wilk, Westman, Vice Chair Jensen and Chair Christiansen.

2. Additions and Deletions to the Agenda

One additional material was received for item 6B.

Commissioner Westman requested that Public Hearing items be reordered. Staff and the Commission determined the new order of business.

3. Oral Communications

None.

4. Planning Commission/Staff Comments

Director Herlihy provided updates on the Housing Element, Wharf project, and upcoming Council business that concerns the Planning Commission.

Commissioners asked questions about the Housing Element and Wharf project, and Director Herlihy provided answers.

Vice Chair Jensen offered a reminder about the ongoing community mosaic-making sessions hosted at the Capitola Mall.

5. Consent Calendar

Item A was pulled for discussion by Vice Chair Jensen.

A. Approval of April 4, 2024, Special Planning Commission Meeting Minutes

Vice Chair Jensen requested 2 corrections to the April 4, 2024 Minutes.

The first correction was to Item 6A for 1098 38th Avenue to amend the motion as follows: "Motion to approve staff's recommendation with additional conditions to investigate whether it is feasible to place a concrete wall between the project and the Mobile Home Park, to investigate if it is possible to include more native trees in their landscaping plan, and that staff be directed to communicate to the City Council a request that surrounding streets be relieved of additional parking burdens considered in future road improvement projects to mitigate onstreet parking impacts."

The second correction was to item 6B for 2175 41st Avenue to modify "The Planning Commission directed the applicant and staff to continue working on a Master Sign Program to fit within the purpose of a master sign program incorporating multiple tenants and address concerns related to the proposed monument sign size, height, and required landscape plan for the front planter area."

Motion to approve the amended April 4, 2024, Special Planning Commission Meeting Minutes: Commissioner Westman

Seconded: Commissioner Wilk

Voting Yea: 5-0

B. 210 Fanmar Way

Project Description: Application #23-0523. APN: 035-151-14. Design Permit for the demolition of an existing residence and construction of a new two-story, single-family residence. The project includes Minor Modification requests for the maximum second-floor balcony depth and the minimum side yard setback for second-floor decks. The project is located within the RM-L (Mult-Family Residential, Low Density) zoning district but is subject to R-1 (Single-Family Residential) development standards.

This project is in the Coastal Zone and requires a Coastal Development Permit which is not appealable to the California Coastal Commission.

Recommended Action: Consider Application #23-0523 and approve the project based on the attached Conditions and Findings for Approval.

Motion to approve 210 Fanmar Way Application #23-0523: Commissioner Westman

Seconded: Commissioner Estey

Voting Yea: 4-0

Recused: Commissioner Wilk

Design Permit Findings:

- A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.**

Community Development Staff and the Planning Commission have reviewed the project. The project is located within the RM-L zoning district but is subject to the standards of the R-1 (Single-Family Residential) zoning district. With approval of the minor modification requests, the proposed single-family residence complies with the development standards of the R-1 zone. The project secures the purpose of the General Plan, and Local Coastal Program, and design policies and regulations adopted by the City Council.

- B. The proposed project complies with all applicable provisions of the zoning code and municipal code.**

Community Development Staff and the Planning Commission have reviewed the application for the proposed single-family residence. The project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section §15303(a) of the CEQA Guidelines exempts the construction of a single-family residence in a residential zone and is subject to Section 753.5 of Title 14 of the California Code of Regulations. The project involves a new single-family residence. The project is located within the R-1 (Single-Family Residential) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

- D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.**

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family residence will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

E. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).

The Community Development Staff and the Planning Commission have reviewed the application. The proposed single-family residence complies with all applicable design review criteria in Section 17.120.070.

F. The proposed project maintains the character, scale, and development pattern of the neighborhood.

Community Development Staff and the Planning Commission have all reviewed the application for the new single-family residence. The contemporary two-story residence replaces a single-story cottage but maintains much of the overall character and scale of the neighborhood. The proposed design includes ground level with stucco siding with stone veneer wrap visible along street, second-story board and batten, and low-pitched gable roofs with composition shingle. The covered entryway, stepped massing, open second-story balcony, and new landscaping create an engaging and aesthetically pleasing street frontage.

Minor Modification Permit Findings:

A. The modification will be compatible with adjacent structures and uses and is consistent with the character of the neighborhood or district where it is located.

Staff Analysis: The proposed modifications are compatible with adjacent structures and uses and are consistent with the neighborhood and district. Finding F cites several examples of similar improvements along Fanmar Way.

B. The modification will not adversely impact neighboring properties or the community at large.

Staff Analysis: The modifications affect an upper-story deck located in the front yard. Approval of the modifications will not adversely impact neighboring properties or the community at large.

C. The modification is necessary due to unique characteristics of the subject property, structure, or use.

Staff Analysis: As with most lots along Fanmar Way, the subject property is curved and has substandard dimensions, with an average depth of 68.5 feet. Smaller lots are disproportionately affected by development standards for upper decks, limited by both the fixed side setbacks and a maximum projection from the structure. The subject property is also adjacent to 208 Fanmar Way; a small, narrow lot with limited separation and open space between it and 210 Fanmar Way. Approval of the modifications may be of modest mutual benefit between the two properties, enabling a larger deck in front of the residence in exchange for more open space and privacy in their respective backyards.

D. The modification will be consistent with the purpose of the zoning district, the general plan, local coastal program, and any adopted area or neighborhood plan.

Staff Analysis: The proposed modifications enable the proposed upper deck to modestly exceed the depth and side setback limitations and are consistent with the purpose of the zoning district, general plan, and local coastal program.

E. The modification is consistent with the general plan, local coastal program, and any applicable specific plan or area plan adopted by the city council.

Staff Analysis: The modifications are consistent with the general plan and local coastal program.

F. The modification will not establish a precedent.

Staff Analysis: Fanmar Way is characterized by curved and often substandard lots. Many residential structures do not meet all current development standards, particularly setbacks. There are five residences on the north side of Fanmar Way that have non-complying upper-story decks. Two of the properties exceed the maximum deck projection of six feet and five of the properties have decks that encroach into the required ten-foot side setback.

Coastal Development Permit Findings:

A. The project is consistent with the LCP land use plan, and the LCP implementation program.

The proposed development conforms to the City’s certified Local Coastal Plan (LCP) land use plan and the LCP implementation program.

B. The project maintains or enhances public views.

The proposed project is located on private property at 210 Fanmar Way. The project will not negatively impact public landmarks and/or public views.

C. The project maintains or enhances vegetation, natural habitats and natural resources.

The residential project is not located in an area with natural habitats or natural resources. The project will maintain or enhance vegetation consistent with the allowed use and will not impact natural habitats or natural resources.

D. The project maintains or enhances low-cost public recreational access, including to the beach and ocean.

The project involves the construction of a new single-family residence and will not negatively impact low-cost public recreational access.

E. The project maintains or enhances opportunities for visitors.

The project involves the construction of a new single-family residence and will not negatively impact visitor serving opportunities.

F. The project maintains or enhances coastal resources.

The project involves the construction of a new single-family residence and will not negatively impact coastal resources.

G. The project, including its design, location, size, and operating characteristics, is consistent with all applicable design plans and/or area plans incorporated into the LCP.

The proposed residential project complies with all applicable design criteria, design guidelines, area plans, and development standards. The project is located within the RM-L zone but is subject to development standards of the R-1 zone. The operating characteristics are consistent with the R-1 zone.

H. The project is consistent with the LCP goal of encouraging appropriate coastal development and land uses, including coastal priority development and land uses (i.e., visitor serving development and public access and recreation).

The project involves the construction of a new single-family residence on a residential lot of record. The project is consistent with the LCP goals for appropriate coastal development and land uses. The use is an allowed use consistent with the RM-L zoning district.

Conditions of Approval:

1. The project approval includes the demolition of an existing residence and the construction of a single-family residence. The maximum Floor Area Ratio for the 3,245 square foot property is 57% (1,850 square feet). The total FAR of the project is 57% with a total of 1,848 square feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the

final plans reviewed and approved by the Planning Commission on May 2, 2024, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.
7. Prior to issuance of a Certificate of Occupancy, the applicant shall complete landscape work to reflect the approval of the Planning Commission. Specifically, required landscape areas, all required tree plantings, privacy mitigations, erosion controls, irrigation systems, and any other required measures shall be addressed to the satisfaction of the Community Development Director.
8. Prior to issuance of building permit, all Planning fees associated with permit #23-0523 shall be paid in full.
9. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
10. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.
11. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.
12. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
13. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.

14. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
15. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B
16. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
17. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
18. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
19. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
20. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
21. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
22. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
23. At time of submittal for demolition and/or building permit review, the applicant shall include a demolition work of scope statement and a demolition plan.

6. Public Hearings

A. 602 El Salto Drive

Project Description: Application #23-0543. APN: 036-142-03. Design Permit for first- and second-story additions to an existing two-story single-family residence, including an attached accessory dwelling unit. The project is located within the R-1 (Single-Family Residential) zoning district.

This project is in the Coastal Zone and requires a Coastal Development Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Categorical Exemption

Recommended Action: Consider Application #23-0543 and approve the project based on the attached Conditions and Findings for Approval.

Director Herlihy reminded the audience of the change to the order of business. Associate Planner Sesanto presented the staff report.

The Commission asked questions about the proposed generator in this application and the City's setback requirements and standards for generators.

The applicant gave a statement about the generator design.

Motion to approve Item 6A: Commissioner Westman

Seconded: Commissioner Wilk

Voting Yea: 5-0

Design Permit Findings:

- A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.**

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family remodel and attached accessory dwelling unit complies with the development standards of the R-1 (Single-Family Residential) zoning district. The project secures the purpose of the General Plan, and Local Coastal Program, and design policies and regulations adopted by the City Council.

- B. The proposed project complies with all applicable provisions of the zoning code and municipal code.**

Community Development Staff and the Planning Commission have reviewed the application for the proposed additions and new ADU. The project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section §15301(3) of the CEQA Guidelines exempts minor alterations of existing private structures involving negligible or no expansion of existing or former use and is subject to Section 753.5 of Title 14 of the California Code of Regulations. The exemption includes single-family residential additions that do not result in an increase of more than 50 percent of floor area or 2,500 square feet. The project involves additions to a single-family residence and a new accessory dwelling unit that will result in an increase of 36 percent or 1,365 square feet. The project is located within the R-1 (Single-Family Residential) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

- D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.**

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family additions and new ADU will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

E. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).

The Community Development Staff and the Planning Commission have reviewed the application. The proposed remodel and attached accessory dwelling unit complies with all applicable design review criteria in Section 17.120.070.

F. The proposed project maintains the character, scale, and development pattern of the neighborhood.

Community Development Staff and the Planning Commission have all reviewed the application for additions to the single-family residence and new ADU. The remodeled structure replaces much of the existing stucco siding to include modern alternatives such as concrete panels, composite shiplap. Some signature elements of the original structure are preserved, including the circular staircase tower, round living room, and flat parapet roof. Larger volumes are located towards the street and away from adjacent lots. The project introduces a contemporary style while maintaining the overall character and scale of the neighborhood.

Limited Standards ADU Permit Findings:

A. The ADU provides a minimum rear and side setback of four feet.

The proposed ADU is four feet from the nearest side property line and more than 11 feet from the rear property line.

B. The ADU does not exceed eight hundred square feet in size.

The proposed ADU is 788 square feet.

C. The ADU has a maximum height of sixteen feet.

The proposed ADU does not exceed sixteen feet in height.

Coastal Development Permit Findings:

A. The project is consistent with the LCP land use plan, and the LCP implementation program.

The proposed development conforms to the City's certified Local Coastal Plan (LCP) land use plan and the LCP implementation program.

B. The project maintains or enhances public views.

The proposed project is located on private property at 602 El Salto Drive. The project will not negatively impact public landmarks and/or public views.

C. The project maintains or enhances vegetation, natural habitats and natural resources.

The residential project is not located in an area with natural habitats or natural resources. The project will maintain or enhance vegetation consistent with the allowed use and will not have an effect on natural habitats or natural resources.

D. The project maintains or enhances low-cost public recreational access, including to the beach and ocean.

The project involves the remodel of a single-family residence and new accessory dwelling unit will not negatively impact low-cost public recreational access.

E. The project maintains or enhances opportunities for visitors.

The project involves the remodel of a single-family residence and new accessory dwelling unit and will not negatively impact visitor serving opportunities.

F. The project maintains or enhances coastal resources.

The project involves the remodel of a single-family residence and new accessory dwelling unit and will not negatively impact coastal resources.

G. The project, including its design, location, size, and operating characteristics, is consistent with all applicable design plans and/or area plans incorporated into the LCP.

The proposed residential project complies with all applicable design criteria, design guidelines, area plans, and development standards. The operating characteristics are consistent with the R-1 (Single-Family Residential) zone.

H. The project is consistent with the LCP goal of encouraging appropriate coastal development and land uses, including coastal priority development and land uses (i.e., visitor serving development and public access and recreation).

The project involves the remodel of a single-family residence and new accessory dwelling unit on a residential lot of record. The project is consistent with the LCP goals for appropriate coastal development and land uses. The use is an allowed use consistent with the R-1 zoning district.

Conditions of Approval:

1. The project approval includes the renovation and addition of 577 square-feet to the existing primary dwelling and a new 788 square-foot attached accessory dwelling unit. The maximum Floor Area Ratio for the 9,108 square foot property is 48% (4,372 square feet). The total FAR of the project is 56.5% with a total of 5,146 square feet. The project is subject to the guaranteed allowance for the 788 square-foot ADU. The effective FAR is 47.8% with a total of 4,358 square feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on May 2, 2024, except as modified through conditions imposed by the Planning Commission during the hearing.
2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.
7. Prior to issuance of a Certificate of Occupancy, the applicant shall complete landscape work to reflect the approval of the Planning Commission. Specifically, required landscape areas, all required tree plantings, privacy mitigations, erosion controls, irrigation systems, and any other required measures shall be addressed to the satisfaction of the Community Development Director.

8. Prior to issuance of building permit, all Planning fees associated with permit #23-0543 shall be paid in full.
9. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
10. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.
11. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.
12. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
13. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.
14. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
15. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B
16. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
17. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
18. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
19. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to

others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

20. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
21. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
22. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
23. At time of submittal for demolition and/or building permit review, the applicant shall include a demolition work of scope statement and a demolition plan clearly identifying all areas of walls and floors to be demolished. The City may require a letter from a structural engineer. Any modifications to the demolition plans, including modifications to the scope of work, means and methods of demolition/construction, or changes to the framing, windows, or any other exterior elements shall be submitted to the Building Department for review and approval prior to proceeding with demolition and/or construction. In the course of construction, the City may require additional plans as they deem necessary.
24. At time of building permit, the applicant must provide documentation demonstrating the emergency generator does not exceed noise levels of sixty-five dBA as measured from the property line.
25. The generator may be operated only in case of a power outage or emergency or for periodic testing as required by the manufacturer. The generator may be tested only during the hours of eight a.m. and eight p.m.
26. Before obtaining a building permit for an accessory dwelling unit, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the present owner and stating that:
 - a. The accessory dwelling unit may not be used for vacation rentals; and
 - b. The accessory dwelling unit shall not be sold separately from the primary dwelling; and
 - c. The deed restriction shall lapse upon removal of the accessory dwelling unit.

C. 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.

Ben Noble, Consultant, presented the staff report.

Throughout the presentation, the Commission engaged in a discussion with consultant and staff and provided feedback for future zoning code amendments. The recommendations are listed in the following table:

Topic	Code Section	PC Direction
Design Review Process	17.108.040, 17.120.050, 17.148.020	Re-establish the Architecture and Site Review Committee (not unanimous). Clarify if Committee should review all Design Permits for single-family homes, or just major projects, such as new single-family homes. Require public notice of pending application.
Residential Multifamily (RM Zone) Density and Development Standards	17.16.030	Increase maximum density in RM zones. Return with more details on development standards needed to achieve a range of densities and appropriate locations for increased density.
Housing on Religious Facilities Sites	17.96.210 (new section)	Create site specific standards for affordable housing projects on land owned by religious institutions as allowed under SB 4

D. 115 San Jose Avenue

Project Description: Permit #24-0036. APN# 035-221-18 &19. Proposed amendments to the Master Conditional Use Permit (MCUP) for the mixed-use Capitola Mercantile to allow off-site sale of alcoholic beverages and extend hours of operation to 11pm on Thursday, Friday, and Saturday (currently 10pm); a proposed Tenant Use Permit and Sign Permit for the Hops Shop a new take-out restaurant/tasting room to operate in Suite #101 and use Suite #103 for storage; and a Design Permit for a modified porch roof in the MU-V (Mixed-Use Village) zoning district. This project is in the Coastal Zone but does not require a Coastal Development Permit.

Recommended Action: Consider Permit #24-0036 and approve the Tenant Use Permit, Sign Permit, Design Review, and amendments to the Master Conditional Use Permit with the recommended conditions of approval and deny the requested change to hours of operation.

Senior Planner Froelich presented the staff report.

Applicant, Dennis Norton, spoke about the project.

Commissioners questioned the applicant on certain historical aspects of the project and the property.

Evan Jacques, the business owner, spoke about his project.

Doug, owner of Capitola Wine Bar, recited his letter of concerns about the conditions and management of the Mercantile property.

There was a discussion between the Commission and staff regarding details of the proposal.

Motion to approve Item 6C with the following conditions – the outside area will have 4 tables and 16 chairs, there will be no outdoor amplified live sound, the applicant will work with staff to come up with a lighting plan, and the outdoor shared use area will close at 10:00 PM: Commissioner Westman

Seconded: Commissioner Estey

Voting Yea: 5-0

Master Conditional Use Permit Findings:

A. The proposed use is allowed in the applicable zoning district.

The MU-V zone allows for takeout restaurants and tasting rooms provided the uses are conditioned to ensure compatibility within the context of surrounding uses. The proposed business, without the offsite sales component, could operate under the existing master conditional use permit. In this case, the applicant is proposing amendments to the MCUP, which requires Planning Commission review.

B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.

The proposed use is consistent with the General Plan or Zoning Ordinance. The site has a General Plan designation of Village Mixed-Use, which allows for the proposed use. The MU-V zone allows for commercial uses including takeout businesses, retail, and beer and wine sales, provided the uses are conditioned to ensure compatibility with nearby uses.

C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.

The proposed use area is limited to a capacity of internal six seats for customers and limited business hours requiring closure by 10 pm is compatible with the existing mixed-use land uses in the vicinity. The proposed use will utilize the “shared use” areas that are available to all Mercantile tenants. Conditions of approval regarding sound not being audible offsite and hours of operation are included in the permit to minimize possible noise impacts on neighbors.

D. The proposed use will not be detrimental to the public health, safety, and welfare.

Takeout food establishments and beer and wine sales are conditionally permitted in the MU-V and allowed in the Mercantile. The proposal does not introduce any new customer area that has not been similarly used by past tenants and the potential impacts to public health, safety, and welfare to adjacent residents and businesses are mitigated by the conditions of approval.

E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

The proposed use is conditionally permitted in the MU-V zone. Potential impacts to nearby residents and businesses have been considered and conditions of approval have been added to mitigate potential impacts. The site is adequately served by existing services and infrastructure.

Design Permit Findings:

G. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.

Community Development Staff and the Planning Commission have reviewed the project. The proposed roof modification complies with the applicable development.

H. The proposed project complies with all applicable provisions of the zoning code and municipal code.

Community Development Staff and the Planning Commission have reviewed the application for the modified roof. The proposed metal seam roof will comply with all applicable provisions of the zoning code and municipal code.

I. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).

Section 15301 of the CEQA Guidelines exempts minor exterior changes. No adverse environmental impacts were discovered during project review by Planning Department Staff.

J. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

The proposed roof modification will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

K. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).

The Community Development Staff and the Planning Commission have reviewed the application. The proposed roof modification complies with all applicable design review criteria in Section 17.120.070.

L. The proposed project maintains the character, scale, and development pattern of the neighborhood.

Community Development Staff and the Planning Commission have all reviewed the application for design and context. The proposed project complies with all measurable development standards for the zone and is similar in scale to nearby developments.

CONDITIONS

1. The project approval consists of a Master Conditional Use Permit Amendments, a Tenant Use Permit to establish a takeout restaurant/tasting room, and a Design Review to change a portion of the roofing material for the mixed-use Capitola Mercantile. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on May 2, 2024, except as modified through conditions imposed by the Planning Commission during the hearing.
2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. All construction and site improvements shall be completed according to the approved plans.
3. The Planning Department shall perform a final inspection, prior to initiating beer and wine sales. Prior to the Planning Department final inspection, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director.

7. Director's Report

Director Herlihy summarized the updates provided during her Staff Comments and briefly discussed other topics with the Commission.

8. Adjournment

The meeting was adjourned at 9:34 PM to the next regularly scheduled meeting of the Planning Commission on June 6, 2024, at 6:00 PM.