

Gautho, Julia

From: Santa Cruz YIMBY <santacruzylimby@gmail.com>
Sent: Wednesday, September 10, 2025 2:45 PM
To: City Council
Cc: Herlihy, Katie (kherlihy@ci.capitola.ca.us); Goldstein, Jamie (jgoldstein@ci.capitola.ca.us);
hello@santacruzylimby.org
Subject: [PDF] Comment on Agenda Item 9.A, September 11
Attachments: Santa Cruz YIMBY input on Agenda Item 9.A.pdf

Mayor, Vice Mayor and Council Members,

Please see the attached comment on Agenda Item 9.A for the September 11, 2025 meeting.

Thank you,

Janine Roeth
Rafa Sonnenfeld
Jocelyn Wolf
Hope Armstrong
Ryan Meckel
Volunteer leads, Santa Cruz YIMBY



September 10, 2025

To: Capitola City Council

Re: Agenda Item 9.A, Capitola Mall Update

Mayor, Vice-Mayor and Council Members,

We're writing regarding Agenda Item 9.A: Capitola Mall Update. Below is our prior letter to the Council and **we continue to urge the Council to support Option 2 – Expedited Objective Standards.**

Community Support and Opportunity

There is strong community support in Capitola for redeveloping the Mall — particularly for housing. Without the Mall, most new housing would have to go into existing neighborhoods, where there is far less community support.

Redevelopment of the Mall is a chance to add homes in a location the public already supports, while revitalizing retail and other businesses that will boost the City's tax revenues.

- "The City encourages additional housing on Capitola Mall (all mall parcels)... Redevelopment of the Mall would not only provide for additional housing options in Capitola but would also be consistent with the City's goal of developing a 'lifestyle' center that emphasizes high-quality, walkable residential communities where dining, shopping, and entertainment are all part of an interconnected ecosystem." (*Housing Element*, p. 4-9)

Feasibility and Priority Already Established

This is not just a concept on paper — the City has already studied what would make redevelopment work and built that into the Housing Element¹:

- "A recent feasibility analysis, including a pro forma, was conducted for the Capitola Mall. The study found that adding incentives (higher density, FAR and height) increased residual land value. The study also found that these changes would enhance project feasibility, particularly for multi-family development." (*Housing Element*, p. 4-9)

The Mall is one of the few places in Capitola where new homes can realistically be built at scale. The City has already made it a centerpiece of its housing strategy, providing most of the RHNA capacity and nearly 40% of required affordable units.

¹ The 75' height standard is mentioned seven times in the Housing Element.

Housing Element: Constraints and Commitments

The Housing Element makes clear that Capitola must remove barriers to housing and facilitate redevelopment:

- “This Housing Element represents the City’s strong commitment to expanding housing choices for all in the community.” (*Housing Element*, p. 1-1)
- “The City has adopted Objective Design Standards to facilitate multifamily housing development and is committed to reviewing its overall development standards... to ensure a range of housing types and sizes can be accommodated in the community.” (*Housing Element*, p. 1-2)

It also acknowledges the significant development challenges Capitola faces:

- “Capitola is mostly built-out, and vacant residentially zoned lots are almost non-existent.” (*Housing Element*, p. 3-8)
- “The high cost of building new housing in Capitola is at least partially due to the scarcity and high cost of developable land in the City.” (*Housing Element*, p. 3-8)
- “Developing on prospective sites is often more expensive and difficult due to increased acquisition costs, demolition, or rehabilitation of existing buildings.” (*Housing Element*, p. 3-9)

These constraints are exactly why the Mall is so central to Capitola’s housing strategy:

- “Throughout the Housing Element Update process, conversations with MGP as well as public comments during meetings held by the Planning Commission and City Council have resulted in approximately 37 of the 46 acres of the Capitola Mall being included in the Housing Element Sites Inventory.” (*Housing Element*, p. 4-8)

This didn’t happen by chance — it came out of HCD’s feedback on early drafts and close work with Merlone Geier Partners (MGP) to expand the site and create a plan that could actually move forward. After HCD flagged the initial affordability mix as infeasible, the City increased the inventory from six to twelve parcels within the Mall block to improve economic viability and meet state requirements.

And the Housing Element sets a firm timeline for acting on this:

- “Program 1.7... commits the City in 2024 to completing the land use study and developing land use policies to facilitate shopping center redevelopment. It also commits the City, by December of 2025, to update the Zoning Code and adopt development standards to facilitate shopping center redevelopment.” (*Housing Element*, p. 5-10)

This is a firm, state-mandated deadline. Missing it risks Housing Element decertification, lawsuits, and “Builder’s Remedy” projects that bypass local zoning.

Public Engagement Already Happening

Repeating a broad outreach process under Option 1 would spend more public dollars, take extra time, and put the December 2025 deadline at risk. The task now is simply to adapt existing standards to the Mall site — not start over.

Capitola's current multifamily Objective Design Standards and Housing Element were shaped through extensive public engagement. And even for these Mall-specific zoning updates, the process will remain public — with hearings at both the Planning Commission and City Council before adoption.

And it's not over yet — there's another public process coming. The City has committed \$105,000 for the upcoming 41st Avenue Corridor Plan, which will include stakeholder workshops, conceptual designs, and a focus on housing and transportation along the corridor.

- “Engagement with community stakeholders to ensure that the plan aligns with public needs and expectations.”
- “Plan for future housing and higher-density developments identified in the Housing Element.”

And once the Mall zoning code updates are in place, staff indicate that Merlone Geier Partners could submit a planning application early in 2026, launching a substantial opportunity for the public to weigh in Mall redevelopment plans.

Conclusion

Capitola has made commitments, invested public funds, and engaged the community in multiple ways. The Housing Element, feasibility study, and upcoming corridor plan all point to the same conclusion: the next step is to implement Mall zoning standards quickly.

Option 2 — Expedited Objective Standards — is the clear next step. It honors these commitments, keeps Capitola on schedule, and avoids the cost and delay of redoing work that's already been done.

Thank you for your leadership and commitment to meeting Capitola's housing obligations.

Sincerely,

Janine Roeth, volunteer lead, Santa Cruz YIMBY
Rafa Sonnenfeld, volunteer lead, Santa Cruz YIMBY
Jocelyn Wolf, volunteer lead, Santa Cruz YIMBY
Hope Armstrong, volunteer lead, Santa Cruz YIMBY
Ryan Meckel, volunteer lead, Santa Cruz YIMBY.



August 26, 2025

To: Capitola City Council

Re: Agenda Item 9.C, Capitola Mall Update

Mayor, Vice-Mayor and Council Members,

We are writing regarding Agenda Item 9.C: Capitola Mall Update and Amendment to Agreement with Ben Noble Planning. We urge the Council to support **Option 2 – Expedited Objective Standards**.

The Capitola Mall site is the most important housing opportunity in the Housing Element, providing the great majority of the RHNA units and nearly 40% of the required affordable homes, largely on the Merlone Geier property.

Programs 1.6 and 1.7 were designed to enable redevelopment of the Mall through objective standards, and zoning that supports housing and mixed-use opportunities appropriate to the site. **Program 1.7, focused specifically on the shopping mall, is among the most consequential Housing Element programs, with a firm deadline of December 31, 2025.**

We applaud the ongoing conversations with Merlone Geier to shape the City's options, and we urge the Council to support Merlone Geier's recommended approach, **Option 2 – Expedited Objective Standards**. This option is:

- The quickest and least expensive path to compliance;
- Fully consistent with Housing Element requirements and deadlines;
- Aligned with the property owner's preference to move forward; and
- Predictable in producing coherent urban design and placemaking outcomes.

By contrast:

- Option 3, with its highly prescriptive form-based codes and regulating maps, would undermine Programs 1.6 and 1.7 and cause the City to miss the December 31, 2025 deadline.
- Option 1 is unnecessary. Capitola already completed citywide objective standards and developed the Housing Element with extensive community input. The task now is simply to modify the standards to the Mall site. Option 1 wastes additional city dollars, and also risks missing the December 31, 2025 deadline.

It's critical that Capitola meet the December 31, 2025 deadline for Program 1.7. If the deadline is missed, the state could take away Capitola's Housing Element certification, which would mean losing local control over development and opening the door to "Builder's Remedy" projects that bypass city zoning. Even without decertification, missing the deadline could still invite lawsuits and make it easier for developers to submit Builder's Remedy projects the City would have to approve.

We respectfully urge you to act decisively on Thursday to keep Capitola on track, protect local control, and position the City to deliver the housing and revitalization opportunities promised at the Capitola Mall. **Support Option 2 – Expedited Objective Standards.**

Thank you for your leadership and commitment to meeting Capitola's housing obligations.

Sincerely,

Janine Roeth, volunteer lead, Santa Cruz YIMBY
Rafa Sonnenfeld, volunteer lead, Santa Cruz YIMBY
Jocelyn Wolf, volunteer lead, Santa Cruz YIMBY
Hope Armstrong, volunteer lead, Santa Cruz YIMBY
Ryan Meckel, volunteer lead, Santa Cruz YIMBY

Santa Cruz YIMBY Mission: We envision a community where our neighbors of all ages, cultures, abilities, and incomes, can make Santa Cruz County their home. In response to the ever-increasing cost of living, we advocate for more affordable housing to meet the needs of our growing population.

Santa Cruz YIMBY is a chapter of YIMBY Action, a 501(c)(4) nonprofit organization.