



SPECIAL MEETING AGENDA

CAPITOLA PLANNING COMMISSION

Monday, June 22, 2015 – 6:00 PM

Chairperson Linda Smith
Commissioners Ed Newman
 Gayle Ortiz
 TJ Welch
 Susan Westman

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

B. Public Comments

Please Note: The Planning Commission will not be taking input on items not listed on this agenda. The Brown Act requires that agendas for special meetings provide an opportunity for members of the public to address the legislative body concerning any items listed on the agenda before or during the body's consideration of the at item. §54954.3(a). Unlike regular meetings, though, the legislative body does not have to allow public comment on non-agenda matters at a special meeting.

C. Commission Comments

D. Staff Comments

3. APPROVAL OF MINUTES

A. Approval of draft May 18, 2015, Planning Commission Special Meeting minutes

B. Approval of draft May 21, 2015, Planning Commission Special Meeting minutes

4. PUBLIC HEARINGS

Public Hearings are intended to provide an opportunity for public discussion of each item listed as a Public Hearing. The following procedure is as follows: 1) Staff Presentation; 2) Public Discussion; 3) Planning Commission Comments; 4) Close public portion of the Hearing; 5) Planning Commission Discussion; and 6) Decision.

A. Zoning Code Update: Review of Issues and Options

Issue 11: Architecture and Site Review

Issue 13: Planned Development

Issue 9: Secondary Dwelling Unit

Issue 18: City Council Appeal

5. DIRECTOR'S REPORT

6. COMMISSION COMMUNICATIONS**7. ADJOURNMENT**

APPEALS: The following decisions of the Planning Commission can be appealed to the City Council within the (10) calendar days following the date of the Commission action: Conditional Use Permit, Variance, and Coastal Permit. The decision of the Planning Commission pertaining to an Architectural and Site Review can be appealed to the City Council within the (10) working days following the date of the Commission action. If the tenth day falls on a weekend or holiday, the appeal period is extended to the next business day.

All appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk. An appeal must be accompanied by a one hundred forty two dollar (\$142.00) filing fee, unless the item involves a Coastal Permit that is appealable to the Coastal Commission, in which case there is no fee. If you challenge a decision of the Planning Commission in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

Notice regarding Planning Commission meetings: The Planning Commission meets regularly on the 1st Thursday of each month at 7:00 p.m. in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The Planning Commission Agenda and complete Agenda Packet are available on the Internet at the City's website: www.cityofcapitola.org. Agendas are also available at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. Need more information? Contact the Community Development Department at (831) 475-7300.

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**DRAFT MINUTES
CAPITOLA PLANNING COMMISSION MEETING
SPECIAL MEETING MONDAY, MAY 18, 2015
6 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

Chairperson Smith called the Special Meeting of the Capitola Planning Commission to order at 6 p.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ed Newman, Gayle Ortiz, TJ Welch, and Susan Westman and Chairperson Linda Smith.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

Senior Planner Katie Cattan noted corrections to minutes. On page three, issue 12A option 2 is identified as the direction, but should be option 3 for larger commercial developments and direction of thresholds. Also, on page 45 in the issues and options matrix, she corrected notes to reflect that issue one has not been heard and issue number 2 received direction of support for option 2 the during joint meeting.

B. Public Comments

Helen Bryce spoke to the economic viability of 41st Avenue. She believes it needs upgrade to make it more pleasant and accessible to shoppers. She suggested a skate park would draw additional people. She feels it is a better location than in a residential area because state law requires adult supervision of children under 12, and this location would encourage combining shopping trips during a visit to skate park. It is already a transportation hub for older users of the park.

C. Commission Comments

D. Staff Comments

3. APPROVAL OF MINUTES

A. Approval of draft April 30, 2015, Special Joint Planning Commission and City Council meeting for the zoning code update.

Chairperson Smith noted the minutes should reflect Planner Cattan's corrections.

A motion to approve the April 30, 2015, meeting minutes as amended was made by Commissioner Welch and seconded by Commissioner Westman.

The motion carried by the following vote: Aye: Commissioners Newman, Ortiz, Welch and Westman and Chairperson Smith. No: None. Abstain: None.

4. CONSENT CALENDAR – No items

5. PUBLIC HEARINGS

A. Zoning Code Update - Review of Issues and Options Report. Issues: 3, 4, 5 & 16

Senior Planner Cattan, Community Development Director Rich Grunow and consultant Ben Noble facilitated the discussion providing direction on several issues within the zoning code.

Issue 3 Accommodating High-Quality Development on 41st Avenue

Planner Cattan noted the General Plan calls for pedestrian-friendly, high-quality development that keeps the corridor active and inviting. Four options were presented: Maintain existing regulations and design guidelines; Increase parking flexibility with shared parking, districts, and/or mixed use; and create incentives for desired improvements such as streetscapes, public gathering spaces, and entertainment.

At the April joint meeting the City Council and Planning Commission already supported option five to streamline the permitting process by creating a new permit class and removing the design permit requirement when there are no exterior changes.

Doug Kaplan, Lomax Property Group, spoke in support of streamlining, saying the City Council should trust its city manager and his choice of staff. As much as possible, he recommended allowing decisions at staff level to speed the process, while reserving the opportunity to appeal and bring items before the commission as needed.

Karen Ow, King's Plaza, spoke in support of options 2 and 5. Based on the family's 50 years of ownership and management, she feels those approaches will allow the property to be more effective and competitive.

Commissioner Westman expressed concerns about the wording in option 3 referring to planned development, which is not a process she believes has been successful. Her other concern is shared parking, which can work well with office and residential but not with commercial and residential because of time conflicts and overlap. She also noted that 41st Avenue properties benefited when parking requirements were reduced previously.

Commissioner Newman noted the General Plan process consensus was that 41st Avenue is "overparked" with too many spaces and he supports change to allow modern uses. Any guidelines should be part of the code rather than a separate document. He would like specific incentives before he could consider that option.

Several commissioners reiterated previous support for streamlining the application process.

Commissioner Ortiz supports mixed use but worries about a tipping point toward medical uses. She does believe that a large, non-retail business in the same zoning could create customers for shops and restaurants. She does not feel the existing design guidelines are still appropriate, a position shared by her fellow commissioners. They agreed new guidelines should continue to emphasize landscaping.

Commissioners voiced general support for allowing mixed use.

There was some support for incentives but uncertainty of what those may be. There was more interest in greater flexibility of uses.

The Planning Commission recommended the following:

Issue 3: Maintaining High-Quality Development along 41st Avenue

Direction: Support of Options 2 and 5

Option 2: Increase parking flexibility.

- *Allow greater commercial parking flexibility through shared parking studies for multi-tenant commercial properties (no residential)*

Option 5: Streamline permitting process.

- *Allowing commercial uses to occupy existing commercial spaces up to XXX square-feet without a CUP (limit to be established)*
- *Only requiring a design permit for commercial uses which involve significant exterior modifications (to be defined)*
- *Create a new administrative permits and minor use permits*

Repealing the existing guidelines until such time that they can be comprehensively updated.

Incorporating applicable design criteria from the 41st Ave Design Guidelines into the Zoning Code.

Issue 4 Protecting Retail Vitality on 41st Avenue

Planner Cattan noted that the code currently discourages medical uses and that the new General Plan is very pro-retail for the corridor. It calls to redefine the area between Capitola Road and Highway 1 as regional commercial zoning. The four options presented for discussion were to maintain existing regulation; add new findings for professional and medical uses; encourage medical and professional in specific areas; and create new limits for total tenancy. The commission may also want to discuss if banks fall into the professional category.

Resident Ron Graves noted that many professional and offices uses are coming in to existing retail centers tenant by tenant and changing the mix.

Doug Kaplan said that addressing this issue is challenging. He warned against trying to predict the future, noting it can be dangerous to enshrine a vision and shut out a future opportunity. He encouraged maximum flexibility. He does not advocate for incentives, saying good ideas don't need them. He suggested less specificity about what the city wants, but instead identify what it doesn't want.

Commissioner Newman noted that in the recent past Mr. Kaplan's Aptos center changed from medical to retail, but in Capitola often medical is going into former retail. Commissioner Newman does believe that staff from those offices support nearby commerce. His preference is shifting to allow organic growth and change.

Commissioner Ortiz worries about market swing away from retail and maintaining sufficient income for the City because property taxes are not sufficient.

Commissioner Westman does not think requiring a finding to allow medical uses is harmful, but other commissioners balked at determining future economic impact.

Commissioner Welch supported many of Mr. Kaplan's suggestions, including flexibility, no incentives, and a list of uses the City does not want. Other commissioners also were receptive to public comment

asking that the code focus on prohibited uses rather than attempting to list approved types of businesses.

The commission reached consensus to allow medical and professional uses by-right in the new CC district from Capitola Road to the train tracks/city limits, on upper floors and in CC Bay Avenue. However, it did not agree on an approach for the regional commercial area, splitting on whether to require a CUP, what size may trigger that requirement and how the commission could make findings for future economic impact.

The Planning Commission recommended the following:

Issue 4: Retail vitality on 41st Avenue

Direction: Partial support of Options 2 and support of Option 3.

Option 2: Add new findings for professional and medical office use.

- *Only partial support*
- *New findings for professional and medical office use must be objective and measurable; not nebulous.*

Option 3: Encourage professional and medical office uses in certain locations.

- *Planning Commission supported increase flexibility in office space in general. Directed staff to principally permit office space up to a newly established limit south of Capitola Road and require conditional use permit for new retail conversions to office north of Capitola Road.*
- *Support Office on 2nd and 3rd story as principally permitted without size limitations in all commercial areas.*

Issue 5: Parking: Required Number of Spaces, Village Hotel Parking, Parking Efficiency, and Garages

Issue 5A: Number of Required Parking Spaces

Staff noted the General Plan strives for a balance between adequate off-street parking and other community goals. It supports efficient use, shared parking, valet services, and lifts. In comparison to similar jurisdictions, Capitola has high residential requirements. Options for discussion were maintain existing requirements; modify requirements based on land use; create location-based standards; and allow the Planning Commission to reduce requirements under certain circumstances.

The Traffic and Parking Commission favored location-based parking standards, and maintaining or increasing requirements in the Village.

Karen Ow supported flexibility such as shared parking, noting her properties' experience with mixed uses with different peak times. King's Plaza is currently "underparked" by code but parking is readily available.

Commissioners identified their goal as providing adequate parking for normal needs. They acknowledged different concerns between 41st commercial areas and the Village.

Commissioner Ortiz noted that perceived impacts are especially high in residential areas without sidewalks.

Commissioners said they have not heard requests to reduce residential requirements, except perhaps in multi-unit projects. They generally agreed with the Traffic and Parking recommendations. They support efficiencies such as lifts, which should be enclosed, and shared parking.

Commissioners noted that the new lower parking lot has relieved Village weekend beach visitor parking overflow into adjacent residential areas, but not that by Village employees. Development in the Village is tied to parking requirements based on the Local Coastal Program. There was dispute over whether the Coastal Commission or the City established the number of required parking spaces. Director Grunow said recent talks with the Coastal Commission indicated there may be some flexibility going forward. Currently the only allowance for in-lieu parking in the Village is for a hotel.

Ron Graves noted that previous in-lieu money purchased Pacific Cove and several of the options are already in practice. Lot sizes and road widths differ between neighborhoods, but he believes that current residential requirements are too stringent. Hotels will demand a large number of spaces.

Sue Gray addressed on-site parking for a new village hotel. She noted in Cannery Row valet parking works very well.

The Planning Commission recommended the following:

Issue 5a: Number of required parking spaces.

Direction: Support of Options 3 and Option 4.

Option 3: Create location-based parking standards.

- *The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial.*
- *The central village parking standards will not change.*
- *Single-family residential parking standards will not change.*

Option 4: Allow for reductions with Planning Commission Approval.

- *The updated Zoning Code will allow for reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential.*
- *All reductions would be approved by Planning Commission after making special findings.*
- *Finding that reduction does not result in spillover parking impacts on neighborhoods.*

Issue 5B: Future Village hotel:

Staff noted the property owner has indicated it is expecting to place 65-70 parking spots on-site. Options presented were to maintain existing standards; create specific standards for this project; require a parking study; and establish requirements based on a performance study.

The Parking and Traffic Commission preferred option 3, a specific study.

Commissioner Westman asked if this parking would apply to any hotel in the Village. Commissioner Newman advocated for language creating a special case for the former theater site, such as hotels over 40 units in the Village.

Resident Rene Levy asked the commission to mitigate the parking impact on nearby residential. He said Fanmar is constantly used for parking. He asked that conditions prohibit employee parking in neighborhoods.

Jesse Nickell, of property owner Barry Swenson Builder, said the developer is waiting for the update process and Coastal Commission and the project application will come in after the LCP is approved. He anticipated a proposal of about 70 rooms and parking that will include a lift.

Resident Steve Ross said his experience in the labor-intensive skilled nursing field has made him aware of the need to plan for employees. He is very concerned that requirements of one space per room are not adequate.

Commissioners did not feel comfortable setting parking standards without an application and therefore leaned toward a specific parking study.

The Planning Commission recommended the following:

Issue 5b: Future Village Hotel parking

Direction: Support of Option 3.

Option 3: Base standard on a parking and traffic study prepared for the hotels development project application.

- *The number of parking spaces required for the theater hotel site will be determined by a parking and traffic study prepared specifically for the hotel development project application.*
- *The site is unique and therefore flexibility is necessary to create a parking demand management plan that works specific to theater site.*

Aside: Planning Commission request for City Council to reconsider employee parking program in the City to decrease impact on residents.

Issue 5c: Parking Efficiency

The Planning Commission recommended the following:

*Issue 5c: Parking Efficiency**Direction: Support of Options 2A and 2B.**Option 2a: Add new shared parking provisions.*

- *The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ.*
- *Excludes residential*

Option 2b: Add new parking lift provisions.

- *The updated Zoning Code will allow for elevator-like mechanical system to stack parking spaces in a vertical configuration.*
- *Lift must be enclosed/not visible from public view.*

Issue 5d: Garages & carports:

Staff noted carports currently count as covered parking, but do not count toward the FAR as do garages. The Traffic and Parking Commission split with some members favoring garages only and others supporting design standards.

Commissioners Westman and Ortiz favored design standards and either language conditioning no storage or vehicles only. Commissioner Welch expressed concern about enforcement, and staff noted that the code does not allow required parking to be displaced.

Commissioner Smith favored limiting carports to existing structures and requiring an exception with a finding. Commissioner Newman noted a carport can't be converted to living space. There was support for eliminating the difference between a carport and garage in FAR calculations.

The Planning Commission recommended the following:

*Issue 5d: Garages & Carports**Direction: Support of Option 2.**Option 2: Add design standards for carports.*

- *Continue to require at least one covered parking space for homes 1,500 square feet or more. Covered parking may be provided in a garage or carport.*
- *Design standards for carports will be added.*
- *Carport should be the exception with findings to support the exception.*
- *Include Carport in FAR calculation.*

Issue 16: Height.

There was not sufficient time for the commission to discuss this topic, but it invited public comment.

Jesse Nickell spoke to the height of a Village hotel, and said the guidance from the General Plan has been it should not exceed the bluff height. The developer's intent is to have a conforming application.

6. DIRECTOR'S REPORT - None

7. COMMISSION COMMUNICATIONS - None

8. ADJOURNMENT

Chairperson Smith adjourned the meeting at 9:03 p.m. to a special meeting of the Planning Commission to be held on Thursday, May 21, 2015, at 6 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Approved by the Planning Commission on June 22, 2015.

Linda Fridy, Minutes Clerk



**DRAFT MINUTES
CAPITOLA PLANNING COMMISSION MEETING
SPECIAL MEETING THURSDAY, MAY 21, 2015
6 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

Chairperson Smith called the Regular Meeting of the Capitola Planning Commission to order at 6 p.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ed Newman, Gayle Ortiz, TJ Welch, and Susan Westman and Chairperson Linda Smith.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda - None

B. Public Comment – During items

C. Commission Comments - None

D. Staff Comments - None

3. PUBLIC HEARINGS

A. Zoning Code Update - Review of Issues and Option Report. Issues: 16, 15, 6, and 11.

Issue 16: Height

Senior Planner Katie Cattan gave an overview of standards for measuring height, which varies by community definition. These include from ground to top of wall plate or to ridge or to midpoint. Currently Capitola code defines height as from where the building perimeter meets final grade to top, which allows for multiple measurements on slopes. During stakeholder feedback, designers requested more flexibility.

Issue 16A: Height in Residential neighborhoods: Options for residential zoning discussed were maintain existing standards; eliminate the 27-foot exception; and allow more variation based on neighborhood characteristics.

Commissioner Welch would like more flexibility to encourage a variety of roof design. He favors measuring to the wall plate.

Commissioner Westman prefers to maintain the 25-foot limit in residential zones, but is open to flexibility in design guidelines. She found the existing half-story exemption confusing and asked for it to be rewritten if retained. The others commissioners agreed and felt it could be removed.

Commissioner Ortiz likes option 3 based on lot size, similar to FAR allowances. She believes larger lots could accommodate greater height. She noted most applications look to maximize FAR and height.

Commissioner Newman also supported option 3 as consistent with recognizing differences among neighborhoods, but wants specifics. He suggested using the top plate measurement in Cliffwood Heights, which has larger lots.

Director Grunow suggested a lower height for roof plate and noted a tie-in to lot size does not require development of design criteria. Planner Cattan also suggested slopes greater than 30 or 20 percent could have a height exception for portions of a story that exceed the height. Commissioner Newman supported those approaches, but Commissioner Ortiz she would like a differentiation for lots that slope up or down from the street level.

The commission agreed to revisit this discussion as part of the neighborhood character issue.

The Planning Commission recommended the following approach to this issue:

Issue 16A: Height in Residential Neighborhoods

Direction:

- *The Planning Commission requested this item be brought back during the future neighborhood character (Issue 1) discussion.*
- *Current code allows 25 feet max. Suggested allowing greater height (up to 27 feet max) on larger lots.*
- *Consider height exceptions on steep slopes to allow homes to step up a hill. Look at different types of slopes relative to the street (uphill and downhill).*
- *Clear direction to remove ½ story provision and historic.*

Issue 16.B: Height in Capitola Village: Options presented were to maintain the existing 27-foot standard; expand exceptions; and increase the limit to allow three stories.

Dunn Silvey, resident, expressed concern that allowing three-story structures above 27 feet in the Village will invite massive buildings.

Peter Wilk, resident, said that it is important to have clear standards. Areas that are subject to interpretation can put applicants in an uncertain situation and result in costly redesigns.

Carla Christensen, resident, also opposed larger three-story buildings, saying they create wind tunnels. Two-story structures with a nice-looking roof reflect the character of the Village.

Commissioner Newman noted that floodplain requirements do not allow new residential on the ground floor, resulting in homes with a bottom parking story and two living-area floors above.

Commissioner Welch suggested changing to a top-plate measurement to encourage variety in design. Clarity is the goal for the update and exceptions counter that effort.

Staff noted the height exception request for was made for mixed use, which often have higher-ceiling commercial on the bottom and two residential floors above.

The Planning Commission recommended the following approach to this issue:

Issue 16.B: Height in Capitola Village

Direction: Option 1

Option 1: Maintain existing standard.

- *Maintain existing height limit of 27 feet in the Central Village*
- *Include exception for non-habitable space such as elevator and lighthouse example. Current exception §17.81.070.*

Option 16.C: Village hotel: Staff noted the General Plan limits development to the height of the bluff. Options presented were to apply the CV standard height; establish project-specific performance standards; and set a specific height, such as feet above sea level.

Resident Dunn Silvey supports maintaining the 27 feet and noted height should take into consideration equipment on top.

Several commissioners did not wish to set this height into code without a project. There was support for either performance standards or another undetermined option.

The Planning Commission recommended the following approach to this issue:

Issue 16.C: Village Hotel - Height

Direction: Option 2

Option 2: Establish ~~performance~~ standard for Hotel height tied to General Plan.

- *Future height of hotel must be aligned with the guidance in the General Plan*
- *A future hotel on the unique parcel with should not be tied to specific height standards.*
- *Flexibility in the code is necessary to allow articulation, stepping, etc.*

Issue 15: Visitor Serving in Depot Hill

Staff noted the General Plan preserves the visitor serving zone at the tip of Depot Hill with a 0.5 maximum FAR. The neighborhood currently has several overlays and height exceptions. Some uses currently allowed by CUP could have significant impact on the surrounding neighborhood. There have been concerns with parking and noise from existing CUP events at Monarch Cove. Any increased development could intensify problems and be incompatible with a single-family neighborhood.

Options discussed were maintain existing uses; modify permitted uses; limit the intensity of visitor accommodation uses; and rezone to residential.

The Coastal Commission will review any changes to the zoning. Although option 4 is rezoning, staff acknowledged it would be difficult based on the General Plan and opposition from the Coastal Commission. Director Grunow said staff met with the Coastal Commission in February and its staff said it would not support rezoning and discouraged limiting expansion. It would allow some uses to be eliminated.

Commissioner Westman noted the zoning update should be consistent with the new General Plan. She supports flexibility about restricting uses, but with has concerns with rezoning.

Adam Samuels, resident, gave a presentation supported by a number of audience members. He highlighted that the concerns are not only the zoning for the Monarch Cove property, but also the existing CUP and a lack of compliance/enforcement. He described the current situation as unworkable given City staff's limited ability to monitor the use. The zoning is not consistent with the surrounding neighborhood and he asked for a workable solution. Many neighbors support a hybrid of options 2 and 3.

Mary Mcteague, a 20-year resident, noted that over time the population has become more dense and summer programs attract more people. She sees Depot Hill as visitor serving parkland and hopes the Coastal Commission will be as concerned with preserving the environment as allowing intensified visitor use.

Resident Carla Christensen noted many neighborhood concerns were raised in opposition to the recent proposed expansion of Monarch Cove. Weddings have caused problems within the neighborhood since the CUP was granted. She would like to see Monarch Cove development capped at current levels.

Resident Don Moccia echoed his neighbors' concerns and noted the poor access to the area adds to difficulties with visitor uses.

Commissioner Westman confirmed the Monarch Cove CUP can be reviewed or revoked if the applicant is not following conditions imposed and that the use would remain as legal non-conforming even if the property were rezoned. It would transfer with the property if sold.

Director Grunow said he believes the City Council approved the original CUP so it would be the body to review or revoke the permit. It has not chosen so far to take that action. He also responded that the status of the paths for public use is uncertain.

The commission reviewed principally and conditionally permitted uses in the three visitor serving zoning/overlay areas. They supported removing as conditionally permitted high-intensity uses such as RV parks and campgrounds, restaurants, and festivals.

Commissioners supported trying to remove the VS overlay in areas that are in practice R-1.

They disagreed about whether to further limit future development within the Monarch Cove visitor serving zone. Commissioner Westman felt the application review process would result in an appropriate project for the community. Commissioner Welch said that based on the recent application, the existing standards do not give applicants a clear sense of what would be appropriate and likely approved, undermining the goal of more clarity in the code. Director Grunow confirmed that any project would be reviewed by the Coastal Commission, but it cannot overturn a denial by the City.

The Planning Commission recommended the following approach to this issue:

Issue 15: Visitor Serving Uses in Depot Hill

Direction: Support for Option 2 and Option 4

Option 2: Modify permitted uses.

- *VS Zoning will remain on Monarch Cove Parcel*
- *Land uses to be modified as follows:*

A. Accessory structures and accessory uses appurtenant to any conditionally allowed use;

B. Hotels, motels, hostels, inns; bed and breakfast lodging;

C. Food service related to lodging;

~~*D. Assemblages of people, such as festivals, not exceeding ten days and not involving construction of permanent facilities;*~~

E. Accessory structures and uses established prior to establishment of main use or structure;

F. Habitat restoration; habitat interpretive facility;

~~*G. Live entertainment;*~~

H. Public paths;

~~*I. Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within two hundred feet of the boundary of a residential district;*~~

J. Weddings;

K. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises;

~~*L. Other visitor-serving uses of a similar character, density, and intensity as those listed in this section and determined by the planning commission to be consistent and compatible with the intent of this chapter and the applicable land use plan;*~~

M. Offices and limited retail use, accessory to visitor-serving uses;

N. One caretaker unit for the purpose of providing on-site security;

O. Access roadway;

P. Residential use by the owners and their family members of up to one unit per parcel on the three parcels, as long as a minimum of six guest bedrooms are available for visitor-serving use within the three parcels;

~~*Q. Non-family residential use during the off-season months (November through April). (Ord. 886 § 3, 2005)*~~

R. Add multi-family to list of Conditional Uses

Option 4: Rezone to R-1.

- *Remove VS from the El Salto parcel*
- *Remove Automatic Review overlay from the parcels directly to the east of the El Salto parcel.*
- *The General Plan must be amended to reflect this directions.*

Issue 6: Historic Preservation

Planner Cattan summarized feedback from earlier stakeholder and survey results. Participants asked the city to establish clear standards to define historic properties, establish procedures for modifications, and to adopt and maintain a list of historic resources. She clarified five elements that would be part of the zoning update: procedures to identify historic resources; criteria for identification; procedures and criteria to modify such resources; criteria for demolition; and incentives to preserve.

The list of resources itself would not be part of the code. An adopted list would remove the current requirement that individual applications each undergo an historic determination.

Options related to this issue for were establishing an historic resources board; establish a new historic preservation overlay; establish new enforcement and penalty provisions; and establish new maintenance and upkeep provisions.

Resident Peter Wilk advised against an unnecessarily complicated process. He supports a straightforward list of truly historic structures rather than an overlay that would create confusion for property owners.

Commissioner Ortiz preferred that the resources board be an ad hoc committee rather than standing board. She also prefers a “more carrots than sticks” approach to preservation and a move away from state code requirements.

Commissioner Westman suggested some of the research work could be handled by the museum curator rather than planning staff.

Commissioner Welch supports a process that clearly guides applicants.

Commissioner Newman agreed an overlay would not be helpful and supported a priority list and standards.

Staff clarified that the City’s historic features are public elements, not private homes.

The Planning Commission recommended the following approach to this issue:

Issue 6: Historic Preservation

Direction:

- *Do not include any of the options.*
- *As the new historic preservation ordinance is drafted, have the Architectural Historian, Leslie Dill, and local Historian, Frank Perry, review the draft ordinance.*

Issue 11: Architecture and Site Review: Authority of Committee, Timing of Review, and Composition of Committee

This issue was held over for discussion at a later date due to time constraints.

4. DIRECTOR'S REPORT

5. COMMISSION COMMUNICATIONS

6. ADJOURNMENT

Chairperson Smith adjourned the meeting at 9 p.m. to a regular meeting of the Planning Commission to be held on Thursday, June 4, 2015, at 7 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Approved by the Planning Commission on June 22, 2015.

Linda Fridy, Minutes Clerk

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PLANNING COMMISSION SPECIAL MEETING

TO: PLANNING COMMISSION

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: June 22, 2015

SUBJECT: **Zoning Code Update: Issue 11: Arch and Site Review**
Issue 13: Planned Development
Issue 9: Secondary Dwelling Unit
Issue 18: City Council Appeal

RECOMMENDED ACTION

Accept the presentation and provide direction.

BACKGROUND

The Planning Commission is currently in the process of holding special meeting for the zoning code update and the review of the Issues and Options Report (Attachment A: Issues and Options Report). The Planning Commission held special meetings on April 30, 2015; May 18, 2015; and May 21, 2015. The direction provided during the special meetings to date is identified in the Issues and Options matrix (Attachment B).

DISCUSSION

The Issues and Options Report provides an overview of 18 zoning code issues that require discussion and direction early in the process, prior to drafting the updated zoning code. For each issue, the report provides an overview of the issue, explanation of the general plan direction regarding the issue, and multiple options for how the issue can be addressed within the zoning code update.

The Planning Commission will provide direction on the following topics during the June 22nd meeting:

- Issue 11 Architecture and Site Review: Authority of Committee, Timing of Review, and Composition of Committee**
- Issues and Options Report page 25
 - Zoning Chapter 17.63 Architectural and Site Review (Attachment E)
- Issue 13 Planned Development**
- Issues and Options Report page 30
 - Zoning Chapter 17.39 (Attachment F)
- Issue 9 Secondary Dwelling Units**
- Issues and Options Report page 24
 - Zoning Chapter 17.99 (Attachment G)
 - Public Input regarding Secondary Dwelling Units (Attachment H)
- Issue 18 City Council Appeals**
- Issues and Options Report page 18
 - Municipal Code Chapter 2.52 (Attachment I)

During the June 22nd meeting, staff will present an overview of each issue and the applicable options. The public will be given the opportunity to comment on each issue following the presentation. The Planning Commission will provide direction to staff on the preferred implementation option(s) for each issue. If there

is not adequate time to review all issues on the agenda, any issues not discussed will be placed on the next special meeting agenda.

SCHEDULE

The Planning Commission will hold special meetings on the dates identified in the following schedule. The special meetings will begin at 6 pm and end at approximately 9 pm. Any items not reviewed during a scheduled meeting will be moved to the beginning of the next meeting. This schedule will be updated following each meeting.

July 20, 2015 Planning Commission

Issue 8 Non-Conforming Uses: Calculations of Structural Alterations, Historic Structures, and Amortization in R-1 Zone

Issue 1 Protecting the Unique Qualities of Residential Neighborhoods

July 30, 2015 Planning Commission

To be determined

Next Steps

After receiving direction on all 18 issues, the new Zoning Code and CEQA document will be drafted for Planning Commission and City Council review. This step is estimated to take approximately two to three months. The document will be published and available for public review for an additional one month. The draft Ordinance will then return to the Planning Commission for review and recommendation. The City Council will conclude the process with the final review and adoption. Upon adoption, the update of the Local Coastal Program will begin.

ATTACHMENTS

- A. Issues and Options Report
- B. Issues and Options Matrix
- C. Zoning Chapter 17. 63 Architectural and Site Review
- D. Zoning Chapter 17.39 Planned Development
- E. Zoning Chapter 17.99 Secondary Dwelling Units
- F. Public Input regarding Secondary Dwelling Units
- G. Municipal Code Chapter 2.52 City Council Appeals



CITY OF CAPITOLA
COMMUNITY DEVELOPMENT DEPARTMENT

ZONING CODE UPDATE

ISSUES AND OPTIONS REPORT

MARCH 5, 2015

CITY OF CAPITOLA
420 CAPITOLA AVENUE
CAPITOLA, CA 95010

Introduction

This report presents options for how Capitola can address important issues in its updated Zoning Code. The report will help facilitate public discussion and summarizes input received to-date from the Planning Commission, City Council, and general public. Reviewing this input early in the process will help City staff and consultants prepare an updated zoning code that reflects the unique conditions, values, and goals in Capitola.

The report begins with a brief description of planned changes to the existing zoning code that are non-controversial and straight-forward. The second part then discusses the following 18 issues that warrant public discussion early in the zoning code update process:

Issue	Page
1. Protecting the Unique Qualities of Residential Neighborhoods	7
2. Maintaining and Enhancing the Village Character	8
3. Accommodating High-Quality Development on 41 st Avenue	10
4. Protecting Retail Vitality on 41 st Avenue	11
5. Parking: Required Number, Village Hotel, Reductions, Efficiency, and Garages	12
6. Historic Preservation	17
7. Signs: Threshold for Review and Tailored Standards	19
8. Non-Conforming Uses: Calculation of Structural Alterations, Historic Structures, and Amortization in R-1 Zone	20
9. Secondary Dwelling Units	24
10. Permits and Approvals	24
11. Architecture and Site Review: Authority of Committee, Timing of Review, and Composition of Committee	25
12. Design Permits: When Required, Review Authority, and Considerations for Approval	27
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14. Environmental and Hazards Overlays	30
15. Visitor-Serving Uses on Depot Hill	31
16. Height: Residential Neighborhoods, Capitola Village, Hotel	32
17. Floor Area Ratio	34
18. City Council Appeal	36

For each issue, the report presents two or more options for how the issue can be addressed in the updated Zoning Code. The first option is always to make no change to the existing Zoning Code. Within the no change option, the code would be updated for clarity but there would be no modification to how the regulations are applied. Other options reflect direction in the new General Plan, ideas previously discussed in Capitola, and practices from other similar communities. During public discussion new options may be suggested – these new ideas should be considered alongside those included in this report.

How This Report was Created

This report was prepared based on substantial input from the community. In August and September 2014 staff hosted a series of stakeholder meetings with architects, developers, commercial property owners, business owners, property managers, residents, and recent applicants. At these meetings participants commented on specific issues with the existing Zoning Code and how the updated Zoning Code could be improved. City staff also received

input on the Zoning Code through an online survey. Stakeholder meeting notes and survey results are available on the City's website.

The contents of this report were also shaped by the new General Plan, and the discussion of zoning-related issues during the General Plan Update process. Many policies and actions in the General Plan call for changes to the Zoning Code. The report also reflects staff's experience administering the zoning code in Capitola, professional experience elsewhere, and input from the City's consultants on best practices from other communities.

A Note about Sustainability

Environmental sustainability is a core community value in Capitola. Reflecting this, the General Plan contains the following Guiding Principle relating to environmental resources:

Embrace environmental sustainability as a foundation for Capitola's way of life. Protect and enhance all natural resources—including the beaches, creeks, ocean, and lagoon—that contribute to Capitola's unique identity and scenic beauty. Reduce greenhouse gas emissions and prepare for the effects of global climate change, including increased flooding and coastal erosion caused by sea-level rise.

General Plan Goal OSC-1 also calls for Capitola to "promote sustainability as a foundation for Capitola's way of life."

An important component of sustainability is reduction of greenhouse gas emissions and adaptation to climate change. To address this issue, Capitola is now in the process of preparing a Climate Action Plan (CAP). While the CAP primarily aims to reduce greenhouse gas emissions, it also touches on all aspects of sustainability, including the following:

- Land Use and Community Design
- Economic Development
- Transportation
- Green Building and Energy Efficiency
- Renewable Energy
- Water and Wastewater
- Solid Waste Diversion
- Open Space and Food Systems

To achieve greenhouse gas reductions related to these topics, the CAP will call for changes to Capitola's zoning code. To avoid redundancy with the CAP project, this Issues and Options report does not repeat zoning-related measures currently under consideration for the CAP. Instead, the City will consider these measures during the CAP process and then incorporate them into the Zoning Code. The timing and schedule of the two projects allows for the City to decide on preferred zoning-related CAP measures before the drafting of the updated Zoning Code begins.

Part A. Non-Controversial Changes

Below is a summary of anticipated changes to the existing Zoning Code that are primarily non-controversial, straight-forward, and technical in nature. Opportunities for public review and input for these changes will be provided through the hearing process and workshops for the updated Zoning Ordinance. These items are not expected to be a topic of discussion during the issues and options work sessions with the Planning Commission and City Council. In addition, a comprehensive list of issues and revisions for non-controversial matters is presented in Attachment 1.

1. **Revision of Overall Organization.** The overall organization of the Zoning Ordinance will be changed, with information presented in a more intuitive manner. Similar provisions will be grouped together with related standards clearly cross-referenced. A user-friendly index to the zoning code will be added. The layout of each page will be redesigned to speed up comprehension with less text per page, logical headings, and visual diagrams. Standards will be the same across the entire Zoning Ordinance, so that the document has no contradictory information. Unnecessary repetitions of standards and regulations will be removed.
2. **Clarification of Development Standards.** The zoning code will be updated to include consistent development standards that are defined. Diagrams, illustrations, and tables will be added to the ordinance. These additions will more efficiently communicate land use regulations and development standards for each zoning district. Diagrams, illustrations, and tables will be utilized throughout the code within provisions that benefit from graphic illustration.
3. **Clarification of Process.** The Zoning Ordinance will be updated to clarify when a permit is required and the process of review.
4. **Technical Language.** Much of the existing code consists of text created for those in the legal profession or professional planners. Property owners find the code difficult to understand. Language will be substantially revised to convey the same meaning, but re-written in plain English, removing jargon to the greatest extent possible.
5. **Updated Definitions.** The existing list of definitions is incomplete and outdated. Definitions will be added to include terms that are utilized but not defined. For example, personal service establishment is listed as a use in commercial districts but not defined. Diagrams or illustrations will be added for those terms in which illustrations help define the concepts, such as height as measured on a slope. Also, the existing definitions will be updated to remove discretion in interpretation.
6. **Updated Administrative, Principally Permitted, and Conditional Land Use Lists.** Land use lists will be updated within each zone within a comprehensive table. Land uses will be categorized into principally permitted, administrative, and conditional. Land uses that do not present a conflict, are non-controversial, and compatible with the zoning district, will be identified as principally permitted uses. Land uses that are compatible with the zoning district but require specific conditions to be in compliance (home occupation) will be listed as administrative land use permits. Land uses that may require mitigation or additional oversight will be included as conditional uses. The process, considerations, findings, and conditions for administrative land use permits and conditional use permits will be updated.
7. **Protect Public Pathways and Trails.** The existing Zoning Ordinance disperses various development standards related to pathways/trails within specific environmentally sensitive areas and within design guidelines. The updated zoning ordinance will introduce

development standards for properties that have trails/pathways within or adjacent to the property.

8. **Implementation of General Plan.** The updated zoning ordinance will implement a variety of goals and policies in the recently adopted City of Capitola General Plan. This will include new standards for 41st Avenue, transition areas between commercial and residential zones, night sky regulations, and updates to zoning districts to implement the General Plan land use map. Some of these policies are discussed in Part B of this report.
9. **Revision for Legal Compliance.** The City is obligated to revise the zoning ordinance in response to California laws related to zoning issues. Examples include removal of the outdated mobile home section of code, family day care, and wireless regulations.
10. **Clarification of Coastal Section.** The coastal section of the code is very difficult to read. The section will be rewritten to ensure that the threshold for when a coastal permit is required is clarified, and what findings must be made prior to the issuance of a coastal permit. Also, the list of visitor serving uses adjacent to residential properties will be revised to prohibit development of non-compatible uses, such as carnivals and circuses.

Part B. Items for Public Discussion

Complex issues worthy of public input, discussion, and direction are discussed below. The focus of the issues and options work sessions is to discuss the issues and options and provide staff with direction for the updated Zoning Code.

For each topic, the issue is first defined, followed by possible ways the updated zoning code could be modified to address the issue.

ISSUE 1: Protecting the Unique Qualities of Residential Neighborhoods

Protecting residential neighborhoods was a key issue discussed during the General Plan Update. The General Plan contains a number of goals and policies to address this issue:

Goal LU-4 Protect and enhance the special character of residential neighborhoods.

Goal LU-5 Ensure that new residential development respects the existing scale, density, and character of neighborhoods.

Policy LU-5.1 Neighborhood Characteristics. Require new residential development to strengthen and enhance the unique qualities of the neighborhood in which it is located. Residential neighborhood boundaries are identified in Figure LU-1.

Policy LU-5.3 Mass and Scale. Ensure that the mass, scale and height of new development is compatible with existing homes within residential neighborhoods.

Policy LU-5.5 Architectural Character. Ensure that the architectural character of new development and substantial remodels complements the unique qualities of the neighborhood in which it is located and the overall coastal village character of Capitola.

Within the public survey for the zoning code update, concern for preserving neighborhood character rose to the top of the list.

Capitola's current zoning ordinance takes a one size fits all approach to all single family residential neighborhood. This does not always produce desired results or respect the existing patterns within a specific neighborhood. For instance, the development standards are the same for Cliffwood Heights and Riverview Avenue north of the trestle. Both are required to have an increase in the second story setback. Although potentially appropriate in Cliffwood Heights to ensure articulation of buildings, this regulation disrupts the flow of the streetscape on Riverview.

After the zoning code update City staff plans to prepare new residential design guidelines, as called for by the General Plan. These guidelines will document the unique characteristics of individual neighborhoods in Capitola and help ensure that new homes and remodels are compatible with these characteristics. All options described below anticipate the future adoption of these new guidelines.

Options:

1. **Maintain existing R-1 standards for all neighborhoods.** With this option the Zoning Code would retain its existing R-1 standards that apply to all residential neighborhoods. Some specific standards may be modified to better meet the needs of property owners and address neighborhood concerns. After the future preparation of residential design

guidelines, reference to these guidelines could be added to the R-1 chapter or to the findings required for approval of a Design Permit.

2. **Introduce tailored development standards for individual residential neighborhoods.**

With this option the Zoning Code would identify the various neighborhoods within Capitola and identify the character-defining attributes of each area. The zoning code would establish standards for each of the residential neighborhoods that encourage the individual attributes and patterns within a neighborhood. The neighborhoods may be delineated through different residential base zones (e.g., R-1, R-2) or through overlay zones similar to residential overlay in the Village zone. For an example of a neighborhood-specific approach to zoning regulations, see the City of Azusa and Sonoma zoning codes:

https://www.municode.com/library/ca/azusa/codes/code_of_ordinances

<http://codepublishing.com/ca/sonoma/>

3. **Allow case-by-case deviations to R-1 standards.** With this option a single set of standards would remain for the R-1 zone, but the Planning Commission could allow for deviations to these standards on a case-by-case basis. This would be a different process from a variance, with different findings required for approval. Standards subject to allowable deviation could include building height, setbacks, second story setbacks, garage and parking design, and floor area ratio. To approve, the Planning Commission would need to find that the deviation reflects the prevailing character in neighborhood and won't negatively impact adjacent properties. A maximum allowable deviation could also be established (e.g., 15 percent maximum deviation from standard), and deviations could be allowed only in certain locations. For an example of waivers to development standards, see San Carlos Zoning Code Chapter 18.33:

<http://www.codepublishing.com/CA/SanCarlos/#!/SanCarlos18/SanCarlos1833.html#18.33>

ISSUE 2: Maintaining and Enhancing the Village Character

During the General Plan Update residents emphasized the importance of maintaining and enhancing the unique Village character. Specific General Plan goals and policies include the following:

Goal LU-6 Strengthen Capitola Village as the heart of the community.

Policy LU-6.1 Village Character. Maintain the Village as a vibrant mixed use district with residences, visitor accommodations, restaurants, shops, and recreational amenities.

Policy LU-7.1 New Development Design. Require all new development to enhance the unique character of the Village.

The existing Zoning Code establishes land use regulations and development standards for the Village in Chapter 17.21 (C-V Central Village District). The C-V district chapter itself contains limited standards pertaining to building and site design. Instead, the chapter states that development standards for the C-V district are contained in the adopted Central Village Design Guidelines. This document, adopted in 1987, contains design guidelines for site planning, building design, landscaping, signs, and parking in the Village. The guidelines also address the

unique needs of the Esplanade, the residential overlay districts, and residential properties in general.

Typically, design guidelines describe in qualitative terms the desired form and character of new development. These guidelines are advisory, not mandatory, and allow for flexibility for individual projects. The Central Village Design Guidelines, in contrast, contains numerous statement of mandatory standards. For example, the Guidelines state that “structures shall be limited to one story” on the Soquel Creek side of Riverview Avenue. The use of “shall” rather than “should” statements such as this is primarily found in the guidelines for residential overlay districts, including the Six Sisters Houses, Venetian Court, Lawn Way, and Riverview Avenue.

The updated Zoning Code should consider if some of these “guidelines” for the residential overlays should be added to the Zoning Code as mandatory standards. The City should also consider if additional design standards should be added to the Zoning Code for all properties within the Village.

Options:

1. **Maintain existing standards with advisory design guidelines.** In this option, the standards of the Central Village would remain as they are today. We would clarify that the Guidelines are advisory, not mandatory.
2. **Establish new building form and character standards.** The Zoning Code could establish mandatory site and building standards to maintain and enhance the Village character. These would apply to non-residential and mixed-use development. New standards could address the following design concepts:
 - Maximum setbacks to keep buildings and their entrances close to the sidewalk.
 - Permitted treatment of setback areas (e.g., plazas and landscaping, no parking)
 - Minimum building width at street edge (defined as percentage of lot width) to maintain a continuous presence of storefronts.
 - Buildings oriented towards a public street with a primary entrance directly accessible from the sidewalk.
 - Maximum length of unarticulated/blank building walls.
 - Required storefront transparency (percentage clear glass)
 - Maximum building/storefront width (require larger buildings to be broken down into a pedestrian-scale rhythm with individual building bay widths)
 - Surface parking location (at the rear or side of buildings, not between a building and a street-facing property line).
 - Frequency and width of driveways crossing sidewalks.
 - Requirements or incentives for residential front porches.

For an example of this approach, see San Carlos Zoning Code Chapter 18.05:

<http://www.codepublishing.com/CA/SanCarlos/#!/SanCarlos18/SanCarlos1805.html#18.05>

3. **Incorporate design guidelines as standards in the Zoning Code.** Design “guidelines” for residential overlays that are expressed as mandatory “shall” statements would be incorporated into the Zoning Code as new standards. These guidelines can be found on pages 12 and 13 of the [Design Guidelines](#). Guidelines would be modified as needed to protect and enhance the design character of these areas.

4. **Remove reference to Central Village Design Guidelines.** This modification would require applicants to follow the development standards in the code without any guidance from the guidelines. The guidelines would be repealed during the zoning code update. The reference could be reintroduced after the City prepared updated design guidelines for the Village.

After completing the zoning code update, the Community Development Department intends to update the Village design guidelines as called for by the General Plan. These updated Guidelines will be consistent and integrated with zoning regulations for the Village.

ISSUE 3: Accommodating High-Quality Development on 41st Avenue

The General Plan contains the following goals for 41st Avenue and the Capitola Mall:

Goal LU-8 Support the long-term transformation of Capitola Mall into a more pedestrian-friendly commercial district with high quality architecture and outdoor amenities attractive to shoppers and families.

Goal LU-9 Encourage high quality development within the 41st Avenue corridor that creates an active and inviting public realm.

For the mall property, General Plan policies support phased redevelopment, eventual parking lot redevelopment, relocation of the metro center, new public gathering places, and a new interior street to create a more pedestrian-friendly environment. For 41st Avenue overall, General Plan policies encourage new public amenities, more entertainment uses, and improvement that create an attractive destination for shoppers. The General Plan also aims to minimize impacts to residential neighborhoods from changes along the corridor.

The zoning code update should support these goals and policies and help implement the community's vision for long-term improvements to the corridor. This could be achieved through increased parking flexibility, incentives for community benefits, and a streamlined permitting process.

Options:

1. **Maintain existing regulations.**
2. **Increase Parking Flexibility.** Existing off-street parking requirements could prevent the type of development and improvements envisioned by the General Plan. Allowing for shared parking, mixed use reductions, and a more district-based approach to parking would help to remove this barrier. Specific methods to introduce increased parking flexibility are addressed in Issue #5.
3. **Create incentives for desired improvements.** The General Plan allows for increased floor area ratio (FAR) for certain types of projects on 41st Avenue. The Zoning Code could build from this concept by offering incentives for projects that include community benefits such as new public gathering places, streetscape improvements, entertainment uses, etc. Incentives could include additional FAR, flexibility on development standards such as height and parking, and a streamlined permitting process. Allowed FAR with an incentive-based bonus would always be within the maximum established in the General Plan. As an example, the City of Berkeley has a "Green Pathway" incentive program that offers

streamlined permitting for projects that incorporate sustainability features beyond the City's minimum requirements. See Berkeley Zoning Code Chapter 23.B.34:

<http://codepublishing.com/ca/berkeley/>

The existing Planned Development provisions (Chapter 17.39) is another tool that allows deviations from development standards. This option is further discussed within Issue 13.

4. **Strengthen connection to 41st Avenue Design Guidelines.** The existing Design Guidelines for 41st Avenue are in many ways consistent with the General Plan. The updated Zoning Code could strengthen the connection to this document by requiring the Planning Commission to find proposed projects consistent with the Guidelines when approving Design Permits.
5. **Streamline Permitting Process.** The City currently requires Design Permits for new tenants in commercial zones, and a Conditional Use Permit for many types of uses. This requirement can discourage small scale and incremental improvements to properties necessary for long-term vitality. As discussed in Issue #10 and #12, the updated zoning code could streamline the permitting process for certain types of projects to encourage new investment on the corridor.

Issue 4: Protecting Retail Vitality on 41st Avenue

Within the business owner and commercial property owner stakeholder meetings, there was recurring advice to zone for what the City would like to see and where; then make it easy for the desired use to be established. Stakeholders discussed the economic strategy to locate commercial uses that collect sales tax and visitor uses which collect transient occupation taxes (TOT) along the busiest commercial corridors to maintain a healthy tax base. Currently, transient uses, such as a hotel, are treated the same as office space beyond 3,000 sf; both require a conditional use permit in the CC zone. An office with less than 3,000 sf are principally permitted. The City has seen a number of primary retail sites convert to professional and medical offices.

This issue was discussed during the General Plan Update as well, particularly regarding medical office uses in the C-C zone along 41st Avenue. In response to this concern, the following policies and actions were added to the General Plan:

Policy LU-9.4 Retail Protection. Discourage professional and medical offices in key locations that may displace retail establishments and diminish the economic vitality of the corridor.

Action LU-9.4 Retail/Office Mix. Take action to maintain an appropriate mix of retail and non-retail uses along the 41st Avenue corridor. These actions will include:

- Continuing to require a Conditional Use permit for offices, medical services, and other non-retail uses in the Regional Commercial designation.
- Amending the Zoning Code to require the Planning Commission to specifically find that a proposed non-retail use will not detract from the economic viability of the corridor.

Item #: 4.A. Attachment A. Complete Issues and Options.pdf

- Preparing a study to examine the optimal socio-economic mix of retail and office/professional uses on 41st Avenue.

Options:

1. **Maintain existing regulations.**
2. **Add new findings for professional and medical office uses.** The updated zoning code could include new findings required to approve office and other non-retail uses in the CC zone. For example, to approve such a use the Planning Commission would have to find that the proposed use would not detract from the economic viability of the district and/or shopping center where it is located. The applicant would be required to demonstrate to the Planning Commission's satisfaction that this finding can be made. The requirement to make this or similar findings could apply throughout the CC zone, or just in specific locations where the City wishes to maintain a high concentration of retail and personal service uses.
3. **Encourage professional and medical office uses in certain locations.** The updated zoning code could make it easier to establish professional and medical office uses in certain locations, thus discouraging these uses in prime retail areas. For example, the zoning code could allow office uses by-right in tenant spaces that do not have a visible presence from 41st Avenue, Capitola Road, or Clares Street or that are on upper floors of a building. This could be a form of "vertical zoning" to incentivize the establishment of office uses in desirable locations. The updated zoning code could also use new overlay zones to identify locations where professional and medical offices are allowed by-right without a conditional use permit. The zoning code would also establish new design and operational standards for office uses allowed by-right to ensure neighborhood compatibility.
4. **Introduce new limitations for professional and medical office uses.** Cities often use zoning regulations to limit the concentration of land uses in certain areas. For example, the City of Berkeley has a cap on the number of restaurants in its "Gourmet Ghetto" neighborhood. The purpose of this limitation is to ensure that there are a sufficient number of non-restaurant uses in the area to serve neighborhood residents. Cities also frequently limit the concentration of "problem" uses such as liquor stores, adult businesses, and pawn shops. Capitola could take a similar approach to professional and medical office uses in the C-C zone. For example, the zoning code could state that medical office is limited to 20 percent of each multi-tenant building or shopping center in certain locations. Or the zoning code could establish a total cap on the number of medical office uses or a minimum separation standard for these uses. These limitations could be absolute (cannot be exceeded under any circumstance) or the Planning Commission could allow for exceptions in special circumstances on a case-by-case basis.

ISSUE 5: Parking

Parking requirements is a complicated and controversial issue in Capitola. On one hand, residents want to ensure that new development provides adequate off-street parking to minimize spillover parking impacts on neighborhoods. On the other hand, many community members desire flexibility in parking requirements to allow for infill development that will increase economic vitality and support a more multi-modal transportation system. This tension is reflected in General Plan Policy MO-5.1, which calls for the City to "balance the need for adequate off-street parking with other community goals, such as increasing transportation choices and maintaining a high-quality design environment.

The zoning code update will need to address a number of thorny parking issues, including the number of required off-street parking spaces, Village hotel parking, and promoting parking efficiency.

A. Number of Required Parking Spaces

Zoning Code Section 17.51.130 established required number of off-street parking spaces for different land uses. Some of these parking standards are shown in the table below.

Land Use	Required Off-Street Parking Spaces
Single-Family Homes	2- 4 spaces per unit, depending on unit size
Multi-Family Units	2.5 spaces per unit
Retail	1 space per 240 sq. ft. of floor area
Restaurant	1 space per 60 sq. ft. of floor area
Office	1 space per 240 sq. ft. of floor area

It should also be noted that in the CC zone outside the coastal area, the parking standards were updated to reflect recent parking studies. The updated requirements are not as restrictive with retail and office at 1 space per 300 sf, and restaurant calculations including dining area (60/sf) and other floor area (1/300 sf). During the update, discussions included application of these standards Citywide during the zoning code update.

Community members have expressed a range of opinions on the City’s existing off-street parking requirements. Some find that parking requirement inhibit new development, redevelopment, and improvements to existing properties that would benefit the community. They support reducing parking requirements in certain cases or providing more flexibility in how parking needs are met. Others believe Capitola already suffers from inadequate parking supply and reducing and modifying parking requirements will exacerbate the situation and increase spillover parking impacts on residential neighborhoods. Ultimately, the General Plan was adopted with the following Policy MO-5.3: “Consider reduced off-street parking requirements for mixed-use projects, transit-oriented development, and other projects that demonstrate a reduced demand for off-street parking.”

Allowing for parking reductions is common in communities well-served by transit and/or interested in promoting infill development to utilize land resources efficiently, increase the supply of multi-family housing, and reduce reliance on the automobile. The City of Santa Cruz, for example, allows for some reductions (Section 24.12.290:

http://www.codepublishing.com/ca/santacruzcounty/html/santacruzcounty13/santacruzcounty13_10.html) and will likely further reduce/adjust on-site parking requirements along transit corridors as part of zoning code amendments to implement the City’s new General Plan. Recent research shows that parking demand for mixed use development is less than for single use development. See:

http://asap.fehrandpeers.com/wp-content/uploads/2012/05/APA_PAS_May2013_GettingTripGenRight.pdf.

Any reduced parking requirement, however, needs to carefully consider potential spillover parking impacts on residential neighborhoods.

There is some evidence that Capitola's parking requirements are greater than what may be needed and what is required in other similar communities. In 2008, the City commissioned RBF Consulting to prepare a parking study for the Village. As part of their analysis, RBF evaluated the City's parking standards and compared them to other neighboring cities and standards established by the Institute of Transportation Engineers (ITE). The study concluded that the City's parking standards often exceed those of neighboring jurisdictions and ITE standards.

Options:

1. **Maintain Existing Requirements.**
2. **Modify Parking Requirements for Certain Land Uses in All Areas.** The updated Zoning Code could modify parking requirements for certain land uses in all areas of the City. For example, the parking standards in the CC zone for restaurant could be applied Citywide. Parking requirements could be modified for:
 - Restaurants, potentially reducing the parking requirement (currently 1 space/60 sf).
 - Take-out food establishments, eliminating the need for seat counting
 - Single-family homes, creating one standard regardless of size
 - Multi-family homes, allowing reduced parking requirements for small units
3. **Create Location-Based Parking Standards.** The updated Zoning Code could establish different parking requirements depending on the location. For example, parking requirements in the Village could be different from on 41st Avenue, reflecting that more people walk to destinations in the Village from their homes or lodging. This approach could apply only to certain land uses, such as restaurants, or to all land uses. Walnut Creek takes the later approach, identifying parking reduction zones subject to parking reductions for all land uses. See Walnut Creek Zoning Code Section 10-2.3.204.C:
<http://www.codepublishing.com/ca/walnutcreek/html/WalnutCreek10/WalnutCreek1002C.html>).
4. **Allow for reductions with Planning Commission approval.** The updated Zoning Code could allow for reductions in the number of required parking spaces as suggested in General Plan Policy MO-5.3. Reductions would need to be approached carefully to avoid spillover parking impacts on neighborhoods. All reductions would be approved by Planning Commission after making special findings. Possible reductions include the following:
 - **Low Demand.** The number of parking spaces could be reduced if the land use would not utilize the required number of spaces due to the nature of the specific use, as demonstrated by a parking demand study.
 - **Transportation Demand Management Plans.** The number of parking spaces could be reduced if the project applicant prepares and implements a Transportation Demand Management Plan to reduce the demand for off-street parking spaces by encouraging the use of transit, ridesharing, biking, walking, or travel outside of peak hours.
 - **Bus Stop/Transportation Facility Credit.** The number of parking spaces could be reduced for commercial or multiple-family development projects in close proximity of a bus stop.

- **Mixed-Use Projects.** A mixed-use project with commercial and residential units could reduce parking requirements for commercial and office uses.
5. **Allow for reductions By-Right.** This option is similar to Option 2, except that a project could receive a reduction by-right (without Planning Commission approval) provided that it complies with objective standards.

B. Village Hotel Parking

During the General Plan Update residents discussed ideas for a new hotel in the Village. Based on this discussion, the General Plan contains guiding principles for a new Village hotel if one is proposed on the old theatre site. General Plan Policy LU-7.5 identifies these guiding principles, including this principle relating to parking: “Parking for the hotel should be provided in a way that minimizes vehicle traffic in the Village and strengthens the Village as a pedestrian-oriented destination. This could be achieved through remote parking, shuttle services, and valet parking arrangements.” The General Plan also addresses Village parking more generally including Policy MO-6.4 which calls for the City to “maintain a balanced approach to parking in the Village that addresses the parking needs of residents, merchants, and visitors.”

The Zoning Code and LCP also require new development in the Village to provide adequate parking outside of the Village and within walking distance. The property owners of the proposed Village Hotel have expressed their desire to provide on-site parking to accommodate approximately 65-70 vehicles, with additional off-site parking for staff located in the Beach and Village Parking Lots.

The updated Zoning Code will need to address parking requirements for hotels in the Village. The existing Zoning Code requires one parking space for each guest room plus additional spaces as the Planning Commission determines necessary for the owners and employees. The Fairfield and Best Western on 41st Avenue, which provide 92 and 48 spaces respectively, comply with this requirement. The Coastal Commission will also have opinions on this issue, with the goal of maximizing public access to the Village and beach, increasing transportation alternatives serving the Village, and ameliorating existing parking shortage problems.

Options:

1. **Maintain existing parking requirements.** The general plan policy LU-7.5 guides against this option. Providing parking standards for a future hotel within the zoning update will create certainty in the requirements.
2. **Specific On-Site Parking standard for Village Hotel.** The updated Zoning Code could establish a specific on-site parking requirement for a new hotel in the Village. For example, the Zoning Code could carry forward the existing standard of 1 on-site parking space per guest room. Or, the Zoning Code could require 0.5 on-site spaces with the remaining parking need accommodated at an off-site location.
3. **Base Standard on a Parking and Traffic Study prepared for the hotel development project application.** The updated Zoning Code could state that the number of parking spaces required for the hotel will be as determined necessary by a parking and traffic study prepared for a hotel development project application. The Code could allow for a percentage of this needed parking to be accommodated off-site.

4. **Allow Planning Commission and/or City Council to establish parking standards for an individual project based on performance criteria.** Similar to Option 2, the Planning Commission or City Council could establish on-site and off-site parking requirements for a Village Hotel in response to a specific application. This requirement would reflect the findings of a parking and traffic study. In addition, the Zoning Code could contain specific findings that the City must make when establishing this requirement. The findings, or “performance criteria,” could reflect public input on Village Hotel parking and circulation obtained during the General Plan Update process. For example, the Zoning Code could state that when establishing the required parking for the Village Hotel, the City must find that:
 - The hotel is served by a combination of on-site and off-site parking.
 - Parking provided on-site is the minimum necessary for an economically viable hotel.
 - On-site parking is minimized to reduce vehicle traffic in the Village and strengthen the Village as a pedestrian-oriented destination.
 - On-site hotel parking will not result in any noticeable increase in traffic congestion in the Village.

C. Parking Efficiency

The General Plan calls for the City to “support the efficient use of land available for parking through shared parking, valet parking, parking lifts, and other similar methods.” (Policy MO-5.2). The updated Zoning Code could include provisions to implement this policy.

The Zoning Code currently allows for the City to designate two metered parking spaces in the Village for the operation of a valet parking program. (Section 17.21.140). The Zoning Code is silent on shared parking, and parking lifts, however past practice has been to consider the results of parking studies when evaluating mixed use projects and to allow the use of parking lifts for residential projects.

Options:

1. **Maintain existing regulations.**
2. **Clarify existing code to match past practice** of allowing shared use parking reductions with a parking study and lifts for residential projects
 - a. **Add New Shared Parking Provision.** The updated Zoning Code could allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ. Santa Cruz County allows reductions for shared parking with the preparation of a parking study demonstrating compliance with criteria required for approval. See Santa Cruz County Code Section 13.10.553: <http://www.codepublishing.com/ca/santacruzcounty/html/santacruzcounty13/santacruzcounty1310.html>).
 - b. **Add new parking lift provisions.** The updated Zoning Code could specifically allow for elevator-like mechanical system to stack parking spaces in a vertical configuration for specific land uses (e.g. residential, hotel valet, etc). Many cities are incorporating such a provision into their zoning codes to allow for a more efficient use of structured parking areas. For example, Walnut Creek allows for mechanical

lift spaces up to 20 percent of the total required spaces subject to special design standards. See Walnut Creek Zoning Code Section 10-2.3.204.D.4:

<http://www.codepublishing.com/ca/walnutcreek/html/WalnutCreek10/WalnutCreek1002C.html>)

D. Garages

Single family homes 1,500 square feet or more, must provide at least one “covered” parking space. During the stakeholder interviews staff received comments that this requirement should be revisited, allowing only garages to qualify as a covered spaces (no carports) or eliminating the covered space requirement altogether.

Options:

1. **Maintain existing regulations.**
2. **Add design standards for carports.** Continue to require at least one covered parking space for homes 1,500 square feet or more. Covered parking may be provided in a garage or carport. Design standards for carports would be added.
3. **Limit covered spaces to garages only.** Specify that a carport may not satisfy the covered parking requirement.
4. **Eliminate covered parking requirement.** Remove the requirement for covered parking spaces for single-family homes.

Issue 6: Historic Preservation

During the General Plan Update process, many residents expressed the desire to improve Capitola’s historic preservation regulations. In particular, residents identified the need to adopt and maintain a complete list of local historic resources, adopt clear standards for including properties on this list, and establish a procedure and criteria for the City to approve or deny modifications to historic resources. City staff received similar comments during the stakeholder interviews for the zoning code update.

The General Plan includes Action LU-2.3 to develop a historic preservation program to enhance and protect Capitola’s historic resources. This program, along with an updated inventory of historic resources, will be developed following completion of the zoning code update process.

At a minimum, the updated Zoning Code will include new provisions to address the issues raised during the General Plan Update and Stakeholder Interviews. Staff anticipates a new historic preservation chapter in the Zoning Code that addresses the following topics:

- A. **Procedures to identify historic resources.** Until an official historic inventory is adopted, the zoning code update will specify the required procedure for review of potentially historic resources which includes completion of a Primary Record Form to evaluate whether a structure is eligible to be included on the National Register of Historic Places, the California Register of Historic Resources, and/or the City’s Register of Historic Features.

- B. **Improve criteria to identify historic resources.** Chapter 17.87 describes the process for designating properties on the local register of historic features. To be identified as a historic feature, the potential historic feature must evidence one or more of ten identified qualities. The current qualifications are wide reaching and should be revised to more closely follow CEQA Guidelines and criteria for listing on the California Register of historic properties, as done in the City of Carmel. See Carmel Zoning Code Chapter 17.32: <http://www.codepublishing.com/ca/carmel.html>
- C. **Add Procedures and Review Criteria for projects which involve potentially significant historic resources.** Currently, a Conditional Use Permit is required for alterations to historic structures based on findings that the alteration will not be “significantly detrimental” to the structure or that denial would result in substantial hardship for the applicant. The code does not, however, include review criteria for alterations to historic structures. The code will be updated to specify that all proposals to alter historic resources shall be reviewed for compliance with the Secretary of Interior Standards. In addition, the process can be updated to include different levels of review depending on the nature of the alteration. In Carmel, there are different procedures for “minor” and “major” alterations to historic resources.
- D. **Criteria to approve demolition of a historic resource.** Zoning Codes also typically include special findings required for the approval of the demolition of a historic resource.
- E. **Incentives for historic preservation.** Possible incentives include Mills Act contracts, fee reductions, federal tax credits for commercial properties, increased flexibility for modifications to nonconformities, exceptions on development standards (see Issue 8.A Option 5), and exceptions to non-conforming standards. See Santa Cruz 24.12.445 for example of allowed variation to development standards to promote historic preservation: <http://www.codepublishing.com/ca/santacruz/>

Other options to address historic preservation in the updated Zoning Code are provided below.

Options:

1. **Establish a Historic Resources Board.** Many communities with historic resources establish a historic resources board or commission to assist with historic preservation activities. See Carmel Chapter 17.32 and Pacific Grove Section 23.76.021 :
<http://www.codepublishing.com/ca/carmelbythesea/html/carmel17/Carmel1732.html>
<http://www.codepublishing.com/CA/pacificgrove/html/PacificGrove23/PacificGrove2376.html>

The roles and responsibilities of the historic resources board vary in different communities. Common functions include determining if modifications to a historic resource are consistent with the Secretary of Interior’s Standards, advising on designation of historic features, advising on impacts to historic resources under CEQA, and advising the Planning Commission and City Council on other matters pertaining to historic preservation.
2. **Establish a new Historic Preservation Overlay Zone.** Capitola could establish a new historic preservation overlay zone to apply to existing National Register Historic Districts (Old Riverview, Rispin, Six Sisters and Lawn Way, Venetian Court.). Properties within this

overlay could be subject to special permit requirements, design standards, and incentives for preservation. See City of Monterey Section 38-75:

<http://www.codepublishing.com/ca/monterey/>

3. **Establish new enforcement and penalty provisions.** The updated Zoning Code could strengthen enforcement and penalty provisions. Pacific Grove, for example, establishing financial penalties and development limitations on structures in violation of the City's historic preservation ordinance (Pacific Grove Zoning Code Section 23.76.130).
4. **Establish new maintenance and upkeep provisions.** Capitola could include language specifically requiring adequate maintenance and upkeep of historic resources to prevent demolition by neglect. For example, see Los Gatos Zoning Code Section 29.80.315: <http://www.municode.com/services/mcsgateway.asp?sid=5&pid=11760>

ISSUE 7: SIGNS

A. Threshold for Review

The existing sign ordinance requires that the Planning Commission review all new signs unless the sign replaces an existing sign that is substantially the same or has been approved through a Master Sign Program. During meetings with commercial property owners and businesses, stakeholders expressed how the current level of review is a disincentive to businesses. The review process costs business owners approximately \$700. Stakeholders expressed a preference for a code with stricter standards subject to staff-level review, with the option of Planning Commission review if the business chose to go beyond the established standards.

Options:

1. **Maintain existing regulations.**
2. **Allow staff-level review with new standards.** Revise sign standards to include new, well-defined and well-illustrated design standards that create a framework that would allow compliant signs to be reviewed by staff and an option for Planning Commission review for signs that go beyond the established standards. In this option, new maximum limits are established. Signs can be approved administratively within an over-the-counter permit. Carmel-by-the-Sea is an example of staff-level approval of signs subject to clear standards, with the ability of the Planning Commission to approve signs that do comply with these standards. See Carmel Zoning Code Chapter 17.40: <http://www.codepublishing.com/ca/carmel.html>.

Sign standards for Downtown Redwood City are another example of more detailed sign design standards:

<http://www.redwoodcity.org/phed/planning/precise/FINAL-DTPP/DTPP-Downloads/17%20Signage%20Regulations.pdf>

B. Tailored Standards

Commercial areas in Capitola include regional commercial, neighborhood commercial, and the central Village. The character, scale, and visibility in the different areas varies tremendously. The existing sign ordinance establishes the same criteria for signs in all commercial areas, with the exception of sidewalk signs in the Village. The sign code could be modified so that standards are tailored to the unique character and constraints of different areas in the city.

Options:

1. **Maintain existing regulations for all commercial areas.**
2. **Create tailored standards for different commercial areas.** Certain sign standards could be adjusted to address the unique issues in different commercial areas. Tailored standards could address types of permitted signs, maximum sign area, dimensions, location and placement, illumination, materials, and other issues. The Livermore Development Code, beginning in Section 4.06.160, is an example of this approach:
<http://www.codepublishing.com/ca/livermore.html>.

The general desired signage character for different districts in Capitola could be as follows:

- Village: Pedestrian oriented signs, village scale
- Neighborhood Commercial: Neighborhood-scale signs serving pedestrians and vehicles
- 41st Avenue: Larger-scale signs that are auto-oriented to support the corridor as a regional shopping destination.
- Auto Plaza Drive: Unique to the use (auto-dealers) and address visibility challenges
- Industrial Zone (Kennedy Drive): More industrial design aesthetic and flexibility of type and materials.

C. Monument Signs

The code currently allows one monument sign per building frontage with a maximum of four tenants named on a monument sign. A second monument sign is allowed for properties on a corner lot. For a large plaza such as King's Plaza on 41st Avenue, these limits are problematic. The property has over 800 linear feet of frontage on 41st Avenue and tenant visibility is challenged due to the majority of tenant spaces being setback on the lot. Under the current code, if Kings Plaza were simply divided into multiple parcels, as the Capitola Mall is, the owners would be allowed more signs simply by virtue of carving the property into multiple lots. This mechanism of regulating signs seems to offer an incentive to carve commercial property into smaller lots, which is likely contrary to the City's long term interest, particularly in the CC zoning District.

Options:

1. **Maintain existing regulations.**
2. **Create a new limit for monument signs based on linear frontage along a prime commercial street.**
3. **Create an allowance for more than 4 tenants per monument sign.**
4. **Update Master Sign Plan to clarify discretion in monument signs based on lot size, number of tenants, and commercial corridor frontage.**

Issue 8: Non-Conforming Uses

Chapter 17.72 of the existing zoning code outlines the regulations for non-conforming activities (uses) and non-conforming structures. The stakeholder groups identified room for improvement

on three items in this section: calculation of structural alterations, treatment of historic structures, and amortization of non-conforming in the R-1 zoning district.

A. Calculation of Structural Alterations

The methodology prescribed within the code for permissible structural alterations of non-conforming structures (17.72.070) was questioned during stakeholder outreach sessions. The code states:

“at the time application for a structural alteration is made, the building official shall determine the cost at prevailing contractor rates of the total work of the improvements involved, excluding permit costs, landscaping cost and architectural costs. If that cost, added to the cost or other work involving structural alterations, commenced in the preceding five years, exceeds eighty percent of the present fair market value of the structure (as it would be without any of the structural alterations), the proposed structural alterations may not be made.”

Members of the architect/planner stakeholder group expressed a desire for improved transparency in the process to determine the value of alterations. Others cited concerns with using building valuation as the basis for determining allowable alterations to non-conforming structures.

From an administration perspective, the current process of limiting alterations to non-conforming structures on a valuation basis is unclear, inefficient, and is a frequent source of disagreement between applicants and staff. Applicants often challenge estimates developed by staff which exceed 80% and submit lower estimates prepared by their contractors. There have also been circumstances where applicants receive approval to alter a non-conforming structure below the 80% valuation threshold, but then discover during construction that additional alterations are necessary which result in cumulative alterations exceeding the 80% threshold. This circumstance places staff and City decision-makers in the difficult position of either allowing a non-conforming structure to be altered beyond the 80% code limitation, or requiring the property owner to stop construction and restart the permitting process with a conforming project.

The local resident stakeholder group also expressed concerns regarding the impact this regulation has on property owners maintaining existing non-conforming and/or historic homes. The current zoning code was adopted in 1975. Many of the homes build prior to 1975 are non-conforming structures with setback, height, parking, or floor area ratios that do not comply with current development standards. The regulations do not allow homeowners to update their home beyond 80% of the current value. Stakeholders stated that this disincentivizes homeowners to reinvest into non-conforming properties and is counterintuitive to Capitola’s historic preservation goals.

Options:

1. **Maintain the existing 80 percent building valuation maximum of present fair market value.**
2. **Maintain valuation cap but allow the Planning Commission to authorize additional alterations if specific findings can be made.**
3. **Remove valuation cap for structural alterations to non-conforming structures.** In this option, all non-conforming structures could be maintained and updated, provided that the

alterations do not create a greater degree of non-conformity, or require that the alteration increased the level of conformity (but not require the new structure to eliminate all non-conforming issues). Any addition to a non-conforming structure would be required comply with all development standards of the zone.

4. **Change building valuation cap to a percentage of square footage calculation.** Under this approach, alterations to non-conforming structures would be limited based on how much of the existing structure is modified. For example, the new code could limit alterations to non-conforming structures to 80% of the existing square-footage. Using a percent of square footage approach would be easy to understand and administer and would significantly reduce disagreements over valuation calculations, while still limiting the degree of allowable modifications.
5. **Maintain the existing 80% threshold with new exception for historic resources.** In this option the 80% maximum of present fair market value would be maintained. An exception for historic structures would be added to allow historic structures to be updated. Any addition to a historic structure must comply with all development standards of the zone.

B. Non-conforming activities and structures on improved R-1 parcels.

The code includes an amortization period for non-conforming activities in the R-1 zones, in which all non-conforming activities must be discontinued on June 26, 2019 or fifty years from the date the activity first became nonconforming, whichever is later, except as follows:

1. Duplex Activity. Nonconforming duplex activities may continue indefinitely but the structures cannot be enlarged.
2. Residential Projects with More Than Two Units. Owners of parcels having more than two dwelling units which are nonconforming only because they exceed the current density standard may apply to the city council for one or more extensions of the fifty-year amortization period. The city council shall only grant an extension if able to make findings that:
 - a. in this particular situation, the appearance, condition and management of the property is such that the property is not greatly detrimental to the single-family residential character of the neighborhood in which it is located;
 - b. the extension is necessary in order to prevent a major economic loss to the property owner and to lessen deterioration;
 - c. and that all reasonable conditions have been imposed for the purpose of repairing dilapidation and bringing, or keeping, the property up to neighborhood standards.

Extensions granted under this section shall be at least fifty years from the date the application is granted.

There are two types of non-conforming uses in single-family residential neighborhoods: multi-family residential uses (more than 2 units) and non-residential uses (commercial, light industrial, etc). It is anticipated that non-residential uses in single-family zones will continue to be subject to the sunset clause; therefore, issues described below are focused on existing non-conforming multi-family uses.

Multi-Family Uses in Single-Family Zones

According to county records, there are 77 parcels with more than two dwelling units in the R-1 zoning district which are subject to the sunset clause, and must either discontinue the use by June 26, 2019 or apply for an extension subject to the findings listed above. This issue has the potential to impact many Capitola residents and multifamily property owners and could represent a costly and time intensive enforcement challenge for the City.

Any modification to the existing ordinance will have an impact on many Capitola's residents, including occupants of the multi-family dwellings and the surrounding neighbors. The multi-family dwellings that exist in the R-1 provide housing opportunities which are typically more affordable than a single-family home, so these units fill a housing need not typically available in single-family neighborhoods. The negative impacts of these dwellings include increased demand for on-street parking, incompatible hard-scape in front yards for parking in place of typical landscaping, incompatible design, and noise.

During public outreach, staff heard specific concerns from residents of the northern Jewel Box area around 45th-47th Streets about the concentration of existing non-conforming four-plexes in their neighborhoods. Although other Capitola neighborhoods, such as Depot Hill and the Upper Village, also have non-conforming multi-family uses, there does not appear to be as much concern about their continuation in these areas.

Due to specific concerns about four-plexes in the northern Jewel Box area, staff will host a public workshop to collect input on the matter prior to requesting direction from the Planning Commission. The workshop will be organized to collect information from attendees on their perception of the issue and viable options for future implementation. Staff will present an update to the Planning Commission and City Council after the public workshop.

Options:

1. **Maintain existing sunset clause and opportunity to apply for extension.**
2. **Modify regulations to allow non-conforming multi-family uses to remain throughout the City, but not intensify.** This approach could be applied citywide with appropriate findings or only to specific areas.
3. **Modify regulations to allow non-conforming multi-family uses to remain in targeted areas of the City.** Under this option, a sunset clause could be retained for areas like the northern Jewel Box neighborhood, but would be eliminated in areas where multi-family uses have had fewer compatibility issues.
4. **Rezone areas with existing non-conforming multi-family uses to a multi-family zone.** This approach could be applied citywide or only to specific areas.
5. **Create an incentive program to allow participating non-conforming property owners to retain their uses subject to providing specified public benefits.** For example, a program could be established to allow property owners to continue non-conforming multi-family uses if they provide guaranteed affordable housing, make significant investments in the structures which improve appearance and function, invest in neighborhood improvements (landscaping, parking, etc.) and/or reduce the degree of non-conformity (e.g., reduce a 4-plex to a 3-plex or a duplex).

Issue 9: Secondary Dwelling Units

Secondary dwelling units are currently allowed on 5,000 square-foot or larger lots in the R-1 zoning district. Attached secondary dwelling units and detached, 1-story secondary dwelling units may be approved through an administrative permit process, provided they comply with stated size limitations. Detached, 2-story secondary dwelling units or oversized units must be considered by the Planning Commission.

Staff has heard conflicting sentiments regarding secondary dwelling units. Many felt development of more secondary dwelling units should be encouraged because they contribute to the City's affordable housing stock and provide property owners with a much needed revenue source to afford Capitola's high real estate costs.

Conversely, others expressed concern about allowing more secondary dwelling units in single-family neighborhoods due to increased parking demands, loss of privacy, and noise.

Options:

1. **Maintain existing code allowances/limitations for secondary dwelling units.**
2. **Amend the code to encourage development of additional secondary dwelling units.** If this option is selected, the following changes could be considered:
 - a. Decrease the minimum lot size requirement for secondary dwelling units;
 - b. Increase the threshold which triggers the need for Planning Commission review;
 - c. Allow all secondary dwelling units to be approved through an administrative process;
 - d. Eliminate the current residency requirement and allow both the primary and secondary dwellings to be rented.
3. **Amend the code to encourage development of additional secondary dwelling units in specific areas of the City only.** Those areas could be chosen based on criteria which could include: availability of on-street parking, existing densities, land use adjacencies, etc.

ISSUE 10: Permits and Approvals

Capitola's zoning code currently identifies over twenty different types of permits and approvals, such as use permits, design permits, and variances. Staff expects that most of these will remain unchanged in the updated zoning code. However, there is the opportunity to simplify, clarify, and generally improve the types of permits required. In particular, using more general types of permits for a range of specific land use actions could help simplify the code for staff and applicants. There may also be the need for one or more new permits to address certain types of approvals or issues that are not addressed well in the existing zoning code.

Options:

1. **No change to existing permits.**
2. **Modify permits.** With this option staff will look for opportunities to combine, delete, and add permits in the zoning code to better meet the city's needs. Possible changes include the following:

- a) **Create a new Administrative Permit.** This new permit would be used for a wide range of existing, ministerial staff-level actions. It could be used as a general replacement for existing fence permits, temporary sign permits, approvals of temporary sidewalk/parking lot sales, and temporary storage approvals.
- b) **Create a new Minor Use Permit.** This new permit would be similar to a Conditional Use Permit except that it would be approved by Community Development Director. Notice would be mailed to neighbors prior to final action by Community Development Director and decisions could be appealed to Planning Commission. The Director could also choose to refer applications to Planning Commission for decision. A Minor Use Permit could be a good middle ground for uses that shouldn't be allowed by-right, but that also generally don't need to go the Planning Commission for a public hearing and approval, such as a home occupancy permit and transient occupancy permits.
- c) **Create a New Substantial Conformance Process.** The zoning code currently requires applicants to submit a new application if they wish to make any changes to an approved permit – even if the change is very minor in nature. Under this option, a substantial conformance process would be developed to allow administrative approval of specified minor alterations while still requiring Planning Commission consideration of more substantive changes.

The updated zoning code will contain a table summarizing all types of permits and approves and the review authority for each.

Issue 11: Architecture and Site Review

During stakeholder interviews, staff received input from various groups on their experience with Architecture and Site Review. These groups provided a wide range of feedback, addressing the roles and responsibilities of the Architecture and Site Review Committee, the composition of the Committee, the timing of application review, and the types of projects subject to review.

A. Authority of Architecture and Site Review Committee

The recent applicant stakeholder group explained that they found the process confusing due to the name of the committee. They were surprised that a project first “passed” Architecture and Site review but then was met by a Planning Commission with a different perspective on the design. The local resident stakeholder committee suggested that the board be empowered to approve or deny applications for minor additions or modifications without the need for subsequent Planning Commission approval. This perspective was shared by the architecture/planner stakeholder group as well.

Options:

1. **Maintain existing authority of Architecture and Site Committee.**
2. **Modify existing role of the Architecture and Site Committee.** Authorize the Architecture and Site Committee to approve or deny design permit applications. Thresholds may be established for the projects that require Architecture and Site Committee approval rather than Planning Commission approval. Under this approach, decisions rendered by the Committee could be appealed to the Planning Commission.
3. **Eliminate the Architecture and Site Committee.** Three of the six members of the Committee are City staff. The project planner could work with these staff members and outside experts to address project design issues without the need for a Committee hearing.

B. Timing of Design Permit Review.

Some stakeholders suggested that the Architecture and Site Review be required as a pre-design meeting. Currently, once a complete application is submitted, the application is reviewed by the Architecture and Site Committee. The Committee reviews the elevations, floor plans, materials board, and site plan during the meeting. The Committee identifies any necessary code violations or design/site planning recommendations. The applicant is given the opportunity to modify the application based on the recommendations prior to review by Planning Commission. A pre-design meeting would create the opportunity to discuss the site, surrounding built and natural environment, and identify issues and opportunities for the future design. This approach could be challenging, however, because many applicants make their first contact with City staff after they have designed their project.

Options:

1. **Maintain existing timing of Architecture and Site Review.**
2. **Repurpose the committee to be a pre-design committee.** In this option, the committee would meet with an applicant prior to accepting a formal development application. The committee would identify characteristics of the site/neighborhood to guide the future design. Staff would provide guidance on the development requirements for zoning, public works, and building.

C. Composition of Architecture and Site Committee

Currently, the Architecture and Site Committee is composed of one architect/home designer, one landscape architect, one historian, a City planner, a City public works representative, and a City building representative. The recent applicant stakeholder group found the diverse composition of the committee helpful to receive feedback from a wide range of expertise. The architect/planner stakeholder group had a different perspective and suggested the composition of the Architecture and Site committee be reconsidered to be more design-centric. They suggested the City replace the committee with a staff architect or contract architect to focus on design, site planning, and compatibility. With their credentials, an architect would also be able to assist applicants through sketching suggested revision to design issues. A second suggestion of the architect/planner stakeholder group was to replace the Architecture and Site Committee with an architectural peer review process.

Options:

1. **Maintain the existing composition of the Architecture and Site Committee.**
2. **Replace the committee with a City Architect.** Under this option, the City would contract an architect to review all development applications, provide design solutions, and make recommendations to staff and the Planning Commission. The downside of this option is that the valuable input of the historian and landscape architect would be eliminated in the review, unless those services are also separately contracted.
3. **Replace committee with an Architectural Peer review committee.** The committee could be replaced with an architectural peer review committee made up of three or more architects. The architectural peer review committee would continue to make a recommendation to the Planning Commission.

4. **Revise committee to add any of the following:** water district staff, sewer district staff, fire district staff, additional architect, and/or a citizen's representative.

ISSUE 12: Design Permits

A. When a Design Permit is Required – Commercial Uses

For all commercial zoning districts (CV, CC, CN, PO, and CR), the zoning code states that architectural and site approval is required to establish and conduct any principally permitted, accessory, and conditional use. The only exception is multi-tenant properties with an approved master use permit. All other new tenant changes must have a design permit regardless of whether or not there are proposed modifications to the exterior of the structure. Design permit are also required for modular housing, solar energy systems, and dish antenna larger than 24 inches.

Prospective business owners look to a zoning code to provide clarity in what is permitted within a zone and to identify the process to receive required permits. During stakeholder interviews, the business owner and commercial property owner groups recommended allowing permitted land uses and clarifying when a permit is required. The current code is unclear and requires interpretation. Both stakeholder groups said that requiring all tenant changes to go before Planning Commission is overly regulatory and has a negative impact on filling vacant commercial sites. Most jurisdictions allow principally permitted uses without a design permit if the new use does not require modifications to the exterior of the structure.

Options:

1. **Maintain existing thresholds for commercial design permits.**
2. **Require Design Permits only for Exterior Modifications.** With this option, a design permit would be required to establish a new use only with an exterior modification to the structure.

The City of Carmel takes this approach with its Design Review permits ([Carmel Zoning Code Section 17.58.030](#)).

3. **Require Design Permit only for Larger Projects.** Design permit thresholds could be lowered so that fewer types of commercial projects require a Design Permit. This approach could be similar to Santa Cruz, where design permits are required only for new commercial structures and exterior remodel increasing floor area by 25 percent or exceeding a specified dollar value.

See Santa Cruz Zoning Code Section Section 24.08.410:

<http://www.codepublishing.com/ca/santacruz/>

B. Design Permit Approval Authority – Commercial Uses.

Currently, the Planning Commission approves Design Permits for commercial projects. The updated Zoning Code could be modified to allow the Community Development Director to approve certain projects requiring Design Permits.

Options:

1. **Maintain existing review authority.**
2. **Delegate limited approval authority to the Director** With this option, the Director would approve more types of commercial projects requiring a Design Permit. For example, the Director could approve:
 - a. Minor repairs, changes and improvement to existing structures which use similar, compatible or upgraded quality building materials.
 - b. Additions not visible from the front façade up to a specified square-footage threshold.
 - c. Expansion of one tenant space into a second tenant space in a multi-tenant building.
 - d. Dish-type antenna greater than 24 inches as specified.
 - e. Accessory structures

C. When a Design Permit is Required – Residential Uses

Under the current zoning code, residential projects that require Planning Commission Design Permit approval include:

1. All new residential dwelling unit construction;
2. Upper floor additions;
3. First floor additions that are visible to the general public.
4. First floor additions in excess of 400 square feet and located at the rear of the property;
5. Design permits accompanied by a request for conditional use permit, variance, or minor land division;
6. All design permit applications referred by the community development director or appealed from the community development director/zoning administrator's decision.

During stakeholder interviews, groups voiced different views on the current threshold for residential design permits. One perspective agreed with the current level of review and explained that it results in high quality residential development. A different perspective thought the existing thresholds are too restrictive and that homeowners should be allowed to add onto their homes beyond 400 square feet without the additional oversight and cost to process a design permit through the Planning Commission.

It is common for cities to allow minor visible modifications to single-family homes without design review. The City of Sausalito, for example, requires Design Review for new single-family homes and additions that increase the height of the structure or add 300 square feet or more. Projects below this threshold, even if they are visible, do not require design review. See Sausalito Zoning Code Section 10.54.050: <http://www.ci.sausalito.ca.us/Modules/ShowDocument.aspx?documentid=378>).

Options:

1. **Maintain existing thresholds.**
2. **Modify threshold for residential design permits.** The threshold could be revised in multiple ways. Thresholds that could be modified to include:
 - a. Increase existing threshold (greater than 400 square feet) for additions located on the rear of a single family home

- b. Allow first story additions (unlimited) that are located on the back of an existing home and comply with all standards of the code.
- c. Allow minor additions to the front of a building that upgrade the front façade and comply with all standards of the code. Minor additions could include enclosing recessed entrances, enclosing open front porches, and installation of bay windows.

D. Design Permit Approval Authority – Residential Uses.

Currently, the Planning Commission approves Design Permits for the majority of residential uses as outlined in the previous section C. The Community Development Director/Zoning Administrator is authorized to approve applications for: first floor additions up to 400 square feet not visible to the general public; minor repairs, changes, and improvements to existing structures which use similar, compatible or upgraded quality building materials; and additional accessory structures beyond the single eighty square foot or less is size without plumbing or electrical. The updated Zoning Code could be modified to increase the authority of the Community Development Director within specified limits. For example, the Director could approve residential projects that do not increase the size of an existing structure by more than 10 percent, as is allowed in under “Track One) Design Review in Carmel. See Carmel Zoning Code section 17.58.040: <http://www.codepublishing.com/ca/carmel.html>

Options:

- 1. **Maintain existing review authority.**
- 2. **Delegate increased approval authority to the Director** With this option, the Director would approve more types of residential projects requiring a Design Permit.

E. Considerations for Design Permit Approval

Within the zoning survey, items of greatest concern in residential areas included: height, size of new homes, neighborhood character, adequate onsite parking, and sustainability (water and energy conservation). For each design permit, the Architecture and Site Committee reviews the design considerations listed in §17.63.090, including traffic circulation, safety, congestion, outdoor advertising, landscaping, site layout, architectural character, historic preservation, drainage, fire safety, advertising, etc. The local resident stakeholder group suggested placing more emphasis on design during the review.

Options:

- 1. **Maintain existing architecture and site considerations.**
- 2. **Maintain the existing architecture and site considerations with additional considerations focused on design**, including massing; height, scale and articulation, neighborhood compatibility; privacy; quality exterior materials; and submittal requirements.
- 3. **Update design considerations to focus on design rather than including ancillary issues.** In this option, existing ancillary issues would be removed from the criteria and the updated list would focus on design, materials, context, and compatibility. The San Carlos Zoning Code contains an example of design review criteria that focus more on aspects of project design (San Carlos Zoning Code Section 18.29.060 <http://www.codepublishing.com/ca/sancarlos/html/SanCarlos18/SanCarlos1829.html>)

Issue 13: Planned Development

Capitola's zoning code includes a Planned Development (PD) district that allows for flexibility in permitted uses and development standards on a particularly site or property. The minimum parcel size eligible for PD zoning is four acres, unless the Planning Commission and City Council finds that a smaller property is suitable due to its "unique historical character, topography, land use or landscaping features."

Development standards in each PD district are the same as most similar zoning district unless an exception is granted by the Planning Commission and City Council. Proposed Development in a PD district is subject to a two-step process requiring approval of a preliminary development plan and a general development plan. Currently the Planning Commission reviews both the preliminary and general development plans; the City Council reviews and approves on the general development plan. Establishing a PD district is a legislative act requiring City Council approval.

During stakeholder interviews local architects commented that the PD is a valuable tool to respond to unique site conditions, but that 4 acre minimum is not practical due to scarcity of large properties in Capitola. They also suggested that the City Council review the preliminary as well as general development plan.

In contrast to comments from architects, some Capitola residents have expressed concerns about planned developments and the PD district. They see the PD district as a form of "spot zoning" that allows for development in neighborhoods out of character with surrounding properties.

Options:

1. **Maintain existing regulations.**
2. **Reduce or eliminate minimum parcel size requirement.** Reduce the minimum parcel size required to establish a PD district, or eliminate the minimum parcel size requirement entirely. This option would eliminate or establish a new minimum parcel size (possibly 1 or 2 acres). It is typical for there to be some minimum size requirement, so that individual single-family lots cannot be rezoned to PD, for example.
3. **Modify approval process.** Modify the planned development review process so that the City Council reviews the preliminary development plan as well as the general development plan. This change would add an additional step in the process but would increase certainty for applicants and allow the City Council to influence project design earlier in the process.
4. **Eliminate PD.** Eliminate the PD district entirely. To deviate from standards of the applicable zoning district, an applicant would need to receive a variance, a rezone, or some other exception to development standards.

ISSUE 14: Environmental and Hazard Overlays

Overlay zones establish standards that apply to a property in addition to the standards of the base zoning district. Overlay zones are also referred to as combining districts. Capitola's zoning code contains the following overlay zones and combining districts that relate to environmental resources and hazards:

- Archaeological/Paleontological Resources (APR)
- Automatic Review (AR)

- Coastal Zone (CZ)
- Floodplain (F)
- Geological Hazards (GH)

Chapter 17.95 (Environmentally Sensitive Habitats) also functions like an overlay with unique regulations applying to specific geographic areas.

Figure 1 shows the boundaries of the floodplain, geological hazards, and automatic review overlays. Figure 2 from the LCP shows the Archaeological/Paleontological Resources (APR) and Environmentally Sensitive Habitats areas.

Options:

1. **Maintain existing overlays and clarify boundaries.** In this option all five of the existing environmental and hazard overlays would be maintained and shown on the zoning map.
2. **Modify existing overlays.** This option would modify existing overlays as described below:
 - **Archaeological/Paleontological Resources (APR).** Eliminate this overlay zone. Continue to require the preparation of an archaeological survey report and mitigation plan for any project which disturbs native soils in an area with a probability of containing archaeological resources. Continue to address issue through CEQA process.
 - **Automatic Review (AR).** Remove this overlay zone as it duplicates current process.
 - **Coastal Zone (CZ).** Maintain this overlay zone as required by State law.
 - **Floodplain (F).** Move existing Chapter 17.50 (Floodplain District) out of the zoning code and remove the floodplain overlay boundaries from the zoning map. Floodplain regulations are administered by the Building Official, not the Community Development Director, and should be located in Title 15 (Buildings and Construction), not the zoning code. The boundaries of this overlay should not be included in the zoning map, as they are based on FIRM maps which are frequently changing, particularly with rising seas.
 - **Geological Hazards (GH).** Eliminate this overlay zone and replace with citywide standards for proposed development in beach areas, bluff and cliff areas, landslides-prone areas, and steep slope areas
 - **Chapter 17.95 (Environmentally Sensitive Habitats).** Map boundaries of these areas as a new overlay zone and maintain existing regulations.
3. **Create a new, consolidated environmental/hazards overlay.** This option would merge the overlays into one new environmental/hazards overlay. The zoning code would state that proposed development within these areas could be subject to additional standards and limitations. The Coastal Zone overlay would remain as a separate overlay. This option could be combined with the creation of new citywide standards that would address geological hazards, flood hazards, sensitive habitat, and archaeological/paleontological resources.

Issue 15: Visitor-Serving Uses on Depot Hill

The El Salto and Monarch Cove Inn properties in the Escalona Gulch/Depot Hill area are currently zoned Visitor Serving (VS). The zoning code currently specifies uses allowed with a conditional use permit on these two properties. On the El Salto property visitor accommodations (e.g., hotels, inns), food service related to lodging use, and residential uses are allowed with a conditional use permit. On the Monarch Cove Inn property a broader range

of uses is allowed, including special events (e.g., festivals, weddings), commercial recreation establishments, accessory office and retail uses, and other similar visitor-serving uses

Depot Hill residents have expressed concern about existing uses on these properties, and new visitor-serving uses that are currently allowed by the zoning code. Residents are concerned about the permitted intensity of new visitor-accommodation uses and their compatibility with the surrounding single-family neighborhood.

Options:

1. **Maintain existing permitted uses.**
2. **Modify permitted use.** With this option the VS zoning would remain on the El Salto and Monarch Cove Inn properties, but the land uses permitted on the properties would be restricted. For example, uses permitted on the Monarch Cove Inn property could be limited to residential and visitor accommodation uses, with other non-residential commercial uses currently allowed, such as carnivals and circuses, no longer permitted.
3. **Limit intensity of visitor accommodation uses.** This option would also maintain the VS zoning on the El Salto and Monarch Cove Inn properties, but would reduce the maximum permitted intensity of hotels and other visitor accommodation uses on the site. This could be accomplished by limiting the square footage of new or existing uses, specifying a maximum number of permitted guest rooms, or reducing the maximum allowable lot coverage on the site. The Coastal Commission would likely have concerns with this option.
4. **Rezone to R-1.** A final option is to eliminate the VS zoning that applies to the Monarch Cove Inn and El Salto properties. Currently the properties are subject to VS/R-1 “dual zoning,” meaning that both the R-1 and VS zoning standards apply to the property. If the VS zoning were eliminated, visitor accommodation and related visitor-serving uses (aside from bed and breakfast establishments) would not be allowed on the properties. The Coastal Commission would likely have concerns with this option.

Issue 16: Height

During stakeholder interviews, participants expressed a variety of opinions on the maximum permitted building height in Capitola. Residents often want to limit the height of buildings in residential and commercial areas in order to protect the character of residential neighborhoods. Some wish to maintain the existing height limits in the Village in order to maintain the existing Village character. Other stakeholders, particularly architects and property owners, recommend increasing permitted height in certain locations, such as the Village, in order to encourage quality architectural design, renewed investment, and the increased vitality that new development would bring.

In light of this input, the sections below addresses allowed heights in residential neighborhoods, the Village, and for a new Village hotel.

A. Residential Neighborhoods

In the R-1 zone the maximum permitted building height is 25 feet, with 27 feet permitted for half-story designs and buildings that use historic design elements. Staff has received comments

that the 25 feet maximum height limit prevents home designs that would fit well within established neighborhoods. In neighborhoods with larger lots, such as Cliffwood Heights, taller homes may not appear out of place. The existing height standard also does not consider sloping lots and other unique site conditions.

Options:

1. **Maintain existing standards.**
2. **Eliminate 27-foot exception.** This option would eliminate the 27-foot height exception by requiring all buildings to meet either a 25-foot or 27-foot height standard.
3. **Allow greater variation based on existing neighborhood character.** This option would allow greater variation in permitted building height based on neighborhood characteristics. There are a number of different ways to achieve this as described in Issue #1.

B. Capitola Village

The maximum building height permitted in the Central Village (CV) zone is 27 feet, though the Planning Commission may approve taller buildings for the restoration of a historic building. Critics of this height limit content that the Village's most treasured buildings are over the current height limit and allowing taller buildings would encourage investment in the Village, enhance vitality, and allow for higher-quality building design. Supporters of the 27 foot height limit suggest that allowing new buildings taller than 27 feet would damage the Village's unique character and charm.

Options:

1. **Maintain existing standard.**
2. **Expand exception provisions.** With this option the zoning code could modify the existing exception provision to allow taller buildings in more cases. For example, the Planning Commission could allow taller buildings if it would allow for a superior design or would enable the project to provide a substantial community benefit.
3. **Increase maximum height limit to accommodate 3 stories.** The zoning code could increase the maximum allowed building height to accommodate three stories. This could be accompanied by new standards and findings to ensure taller buildings are compatible with the existing Village character and don't negatively impact adjacent residential areas. Allowing three-story buildings in the Village could increase opportunity for new vertical mixed use development with ground floor retail and housing or office uses above.

C. Hotel

General Plan Policy LU-7.5 identifies guiding principles for the design of a new Village hotel, including the following three height-related principles:

- The design of the hotel should respect the scale and character of neighboring structures and enhance Capitola's unique sense of place.
- The maximum height of the hotel should remain below the elevation of the bluff behind. The bluff behind the hotel should remain legible as a green edge with existing mature trees maintained on site.

Item #: 4.A. Attachment A. Complete Issues and Options.pdf

- The hotel design should minimize impacts to public views of the beach and Village from Depot Hill.

The updated zoning code needs to reflect these guiding principles and establish a height standard for a new Village hotel.

Options:

1. **Apply CV Zone Standard to Hotel.** This option would apply the same height standard to the Village hotel that applies to all other properties in the Village. If the maximum permitted height in the CV remains at 27 feet, the hotel could also not exceed 27 feet. However, this option would not be consistent with General Plan goals and Policy LU-7.5.
2. **Establish Performance Standard for Hotel Height.** In zoning codes, performance standards dictate a specific outcome and provide flexibility in how best to achieve the outcome on a case-by-case basis. The Zoning code could establish a performance standard for the Hotel height instead of a numerical standard. This performance standard could be similar to the guiding principle in the General Plan that the maximum height of the hotel should remain below the elevation of the bluff behind and that the bluff behind the hotel should remain legible as a green edge with existing mature trees maintained on site.
3. **Establish a Numerical Standard Unique to Hotel.** The updated zoning code could contain a specific numerical standard for the maximum hotel height. One approach might be to limit building height at the Monterey Avenue frontage to two stories but allow a greater maximum height at the rear of the property as contemplated in the General Plan.

Issue 17: Floor Area Ratio

In the R-1 (Single Family) Zoning District, building size is regulated by the relationship of the building to the lot size, a measurement identified as *floor area ratio* (FAR). *Floor area ratio* is defined as the gross floor area of all of the buildings on the lot divided by the net lot area. Municipalities incorporate FAR maximums into the code to control overall size, massing, and scale of a buildings on a lot. The following table identifies the elements included in existing code's FAR calculation.

Elements included in FAR calculation

1. Basement in excess of 250 sf, including access staircase
2. Open areas below ceiling beyond sixteen feet in height (phantom floors)
3. Upper floor area greater than four feet in height measured between bottom of the upper floor and top of ceiling (includes garages and carports)
4. For 1 ½ story structures, the stairwell is counted on 1st floor only
5. Windows projecting more than 12 inches from wall
6. Upper floor decks over 150 sf
7. Covered exterior open space in excess of 150 sf including eaves greater than eighteen inches

During the public outreach, the inclusion of decks, basements, and eaves in the FAR calculation was cited as an opportunity for change and improvement.

A. Decks

Within the architect, designer, and planner stakeholder group, staff received criticism that the FAR calculation limits articulation of buildings, especially the inclusion of upper floor decks, covered first floor decks beyond 150 sf, and first floor decks beyond 30 inches in height. There were also discussions of how the code lacks guidance on decks within hotels and restaurants.

Options:

1. **Maintain existing standards.**
2. **Increase allowance beyond 150 sf.** Update Floor Area calculation to increase the amount of area within covered first story decks, decks beyond 30 inches in height, and second story decks that is not counted toward the floor area calculation. The 150 sf allowance could be doubled to 300 sf.
3. **Add exception for special circumstances.** There are special circumstances in which allowing a second story deck will not have an impact on neighbors or may be an asset to the public. The code could include exceptions for special circumstances to allow larger decks that are not counted toward the floor area.
 - a. **Front Façade.** Privacy issues are typically on the side and back of single family homes. The ordinance could consider increased flexibility for decks on the first and second story front facades to allow for increased articulation while not impacting privacy of neighbors. There are two options for decks on front facades. The first is to increase the allowed deck area (beyond 150 sf) on the front façade of a home. The second option is to remove front façade decks from the calculation entirely by including front story decks and porches within the list of items *not* included in the floor area calculation.
 - b. **Open Space.** There are a number of homes in Capitola that are located adjacent to open space. For example, the homes located along Soquel Creek and ocean front properties. Similar to the prior exception, the code could be revised to either increase the allowed deck area or remove the calculation entirely for decks located on elevations facing open space.
 - c. **Restaurants and Hotels.** Visitor experiences are enhanced when they take in a view. The code currently does not include an exception for decks on hotels or restaurants. The code could be revised to either increase the maximum allowed deck area of restaurants and hotels or remove decks on restaurants and hotels from the floor area calculation entirely.
 - d. **Eliminate decks from FAR formula**

B. Basements

Stakeholders raised contrasting views on inclusion of basements in the FAR. One perspective is that basements should not be included toward the FAR calculation because they do not influence massing and allow increased living space without adversely affecting community character. The other perspective is that although basements do not increase massing, they do increase living areas and therefore intensify impacts on parking demand. It is worth mentioning that studies have shown that larger new homes generally have fewer inhabitants than smaller new homes. Within the current code, the parking requirement is based on the floor area of the home. Also, removal of basements from the FAR calculation will likely result in larger home sizes with increased sales prices, impacting affordability.

Options:

1. **Maintain existing standards.**
2. **Increase existing allowance beyond 250 square feet.**
3. **Remove basements from FAR formula.**

C. Phantom Floors, Roof Eaves, and Window Projections (Bay Windows)

The Floor Area Ratio calculation includes phantom floors (all open area below the ceiling or angled walls greater than sixteen feet in height), eaves greater than eighteen inches in length, and bay windows which extend 12 inches or more from the wall. Calculating these features in the FAR is administratively difficult and confusing for applicants. Roof eaves and bay windows can add to the architectural style of the home and are controlled within setback regulations. To simplify the FAR calculation, these elements could be removed.

Options:

1. **Maintain existing standards.**
2. **Remove phantom floors from the FAR calculation.**
3. **Remove roof eaves from the FAR calculation.**
4. **Remove window projects from FAR calculation.**
5. **Remove a combination of phantom floors, roof eaves, and/or window projections from the FAR calculation.**

Issue 18: City Council Appeal of Planning Commission Decision

The City Council has appealed Planning Commission decisions over the years. In a recent lawsuit, Woody's Group, Inc. v. City of Newport Beach, it was found to be illegal for a City Council member to appeal a Planning Commission when not a "interested party". The court also found that the council erred in allowing the City Council member to sit as adjudicator of his own appeal.

To allow City Council review of Planning Commission decisions, Capitola may adopt a "call-up" ordinance that allows a member of City Council to call-up a recent decision by the Planning Commission. If an application is called-up, the City Council is allowed to review and make a final decision on the application. The ordinance can either require or not require a majority vote of the City Council to call-up an application.

Options:

1. **Maintain existing appeal process.**
2. **Add "call-up" procedure without requirement of majority vote by CC to call-up an application.**
3. **Add "call-up" procedure and require majority vote by City Council to call-up an application.**

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 1: Protecting the Unique Qualities of Residential Neighborhoods (Page 7)		
<p>Option 1: Maintain existing R-1 standards for all neighborhoods. With this option the Zoning Code would retain its existing R-1 standards that apply to all residential neighborhoods. Some specific standards may be modified to better meet the needs of property owners and address neighborhood concerns. After the future preparation of residential design guidelines, reference to these guidelines could be added to the R-1 chapter or to the findings required for approval of a Design Permit.</p>		
<p>Option 2: Introduce tailored development standards for individual residential neighborhood. With this option the Zoning Code would identify the various neighborhoods within Capitola and identify the character-defining attributes of each area. The zoning code would establish standards for each of the residential neighborhoods that encourage the individual attributes and patterns within a neighborhood. The neighborhoods may be delineated through different residential base zones (e.g., R-1, R-2) or through overlay zones similar to residential overlay in the Village zone.</p>		
<p>Option 3: Allow case-by-case deviations to R-1 standards. With this option a single set of standards would remain for the R-1 zone, but the Planning Commission could allow for deviations to these standards on a case-by-case basis. This would be a different process from a variance, with different findings required for approval. Standards subject to allowable deviation could include building height, setbacks, second story stepbacks, garage and parking design, and floor area ratio. To approve, the Planning Commission would need to find that the deviation reflects the prevailing character in neighborhood and won't negatively impact adjacent properties. A maximum allowable deviation could also be established (e.g., 15 percent maximum deviation from standard), and deviations could be allowed only in certain locations.</p>		
<p>Notes:</p>		

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 2: Maintaining and Enhancing the Village Character (Page 8) PC and CC reviewed 4/30/2015		
Option 1: Maintain existing standards with advisory design guidelines.		
Option 2: Establish new building form and character standards. The Zoning Code will establish mandatory site and building standards to maintain and enhance the Village character. These would apply to non-residential and mixed-use development. New standards could address the following design concepts: <ul style="list-style-type: none"> • Maximum setbacks to keep buildings and their entrances close to the sidewalk. • Permitted treatment of setback areas (e.g., plazas and landscaping, no parking) • Minimum building width at street edge (defined as percentage of lot width) to maintain a continuous presence of storefronts. • Buildings oriented towards a public street with a primary entrance directly accessible from the sidewalk. • Maximum length of unarticulated/blank building walls. • Required storefront transparency (percentage clear glass) • Maximum building/storefront width (require larger buildings to be broken down into a pedestrian-scale rhythm with individual building bay widths) • Surface parking location (at rear or side of buildings, not between a building and a street-facing property line). • Frequency and width of driveways crossing sidewalks. • Requirements or incentives for residential front porches. 	X	X
Option 3: Incorporate design guidelines as standards in the Zoning Code. <ul style="list-style-type: none"> • Incorporate applicable design criteria from the Central Village Design Guidelines into the Zoning Code update. 	X	X
Option 4: Remove reference to Central Village Design Guidelines. <ul style="list-style-type: none"> • This modification would require applicants to follow the development standards in the code without any guidance from the guidelines. The guidelines would be repealed during the zoning code update. The reference could be reintroduced after the City prepared updated design guidelines for the Village 	X	X
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 3: Accommodating High-Quality Development on 41 st Avenue (Page 10) PC review 5.18.2015		
Option 1: Maintain Existing Regulations.		
Option 2: Increase Parking Flexibility. <ul style="list-style-type: none"> Allow greater commercial parking flexibility through shared parking studies for multi-tenant commercial properties (no residential) 	X	
Option 3: Create incentives for desired improvements.		
Option 4: Strengthen connection to 41st Avenue Design Guidelines.		
Option 5: Streamline Permitting Process. <ul style="list-style-type: none"> Allowing commercial uses to occupy existing commercial spaces up to XXX square-feet without a CUP (limit to be established in draft code) Only requiring a design permit for commercial uses which involve significant exterior modifications (to be defined in draft code) Create administrative permits and minor use permits 	X	
Notes from 5.18.2015 Planning Commission meeting: <ul style="list-style-type: none"> Repeal existing 41st Ave design guidelines until such time that they can be comprehensively updated. Incorporate applicable design criteria from the 41st Ave Design Guidelines into the Zoning Code update. 		

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 4: Protecting Retail Vitality on 41 st Avenue (Page 11) PC review 5.18.2015		
Option 1: Maintain existing regulations.		
Option 2: Add new findings for professional and medical office uses. <ul style="list-style-type: none"> • Only partial support • New findings for professional and medical office use must be objective and measurable; not nebulous. 	Partial support	
Option 3: Encourage professional and medical office uses in certain locations. <ul style="list-style-type: none"> • Planning Commission supported increase flexibility in office space in general. Directed staff to principally permit office space up to a newly established limit south of Capitola Road and require conditional use permit for new retail conversions to office north of Capitola Road. • Support Office on 2nd and 3rd story as principally permitted without size limitations in all commercial areas. 	X	
Option 4: Introduce new limitations for professional and medical office uses.		
Issue #5: Parking (Page 12)		
Issue #5A: Number of Required Parking Spaces (Page 13) PC review 5.18.2015		
Option 1: Maintain Existing Requirement.		
Option 2: Modify Parking Requirements for Certain Land Uses in All Areas.		
Option 3: Create Location-Based Parking Standards. <ul style="list-style-type: none"> • The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial. • The central village parking standards will not change. • Single-family residential parking standards will not change. 	X	
Option 4: Allow for reductions with Planning Commission approval. <ul style="list-style-type: none"> • The updated Zoning Code will allow for reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential.. • All reductions would be approved by Planning Commission after making special findings. • Finding that reduction does not result in spillover parking impacts on neighborhoods. 	X	
Option 5: Allow for reductions By-Right.		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue #5: Parking (continued)		
Issue #5B: Village Hotel Parking (Page 15) PC review 5.18.2015		
Option 1: Maintain Existing Requirements		
Option 2: Specific On-Site Parking standard for Village Hotel.		
Option 3: Base Standard on a Parking and Traffic Study prepared for the hotel development project application. <ul style="list-style-type: none"> • The number of parking spaces required for the theater hotel site will be determined by a parking and traffic study prepared specifically for the hotel development project application. • The site is unique and therefore flexibility is necessary to create a parking demand management plan that works specific to theater site. 	X	
Option 4: Allow Planning Commission and/or City Council to establish parking standards for an individual project based on performance criteria.		
Notes: Aside: PC request for CC to reconsider employee parking program in the City to decrease impact on residents.		
Issue #5: Parking (continued)		
Issue #5C: Parking Efficiency (Page 16) PC review 5.18.2015		
Option 1: Maintain existing regulations.		
Option 2: Clarify existing code to match past practice, including:		
A: Add New Shared Parking Provision. <ul style="list-style-type: none"> • The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ. • Excludes residential 	X	
B: Add new parking lift provisions. <ul style="list-style-type: none"> • The updated Zoning Code will allow for elevator-like mechanical system to stack parking spaces in a vertical configuration. • Lift must be enclosed/not visible from public view. 	X	
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue #5D: Garages (Page 17) PC review 5.18.2015		
Option 1: Maintain existing regulations.		
Option 2: Add design standards for carports. <ul style="list-style-type: none"> • Continue to require at least one covered parking space for homes 1,500 square feet or more. Covered parking may be provided in a garage or carport. • Design standards for carports will be added. • Carport should be the exception with findings to support the exception • Include Carport in FAR calculation. 	X	
Option 3: Limit covered spaces to garages only.		
Option 4: Eliminate covered parking requirement.		
Notes:		
Issue #6: Historic Preservation (Page 17) PC review 5.21.2015		
Option 1: Establish a Historic Resources Board.		
Option 2: Establish a new Historic Preservation Overlay Zone.		
Option 3: Establish new enforcement and penalty provisions.		
Option 4: Establish new maintenance and upkeep provisions.		
Planning Commission Notes: <ul style="list-style-type: none"> • Do not include any of the options. • As the new historic preservation ordinance is drafted, have Architectural Historian, Leslie Dill, and local Historian, Frank Perry, review the draft ordinance. 	X	

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 7: Signs (Page 19)		
A. Threshold for Review PC and CC Review 4/30/2015		
Option 1: Maintain existing regulations.		
Option 2: Allow staff-level review with new standards. <ul style="list-style-type: none"> • Revise sign standards to include new, well-defined and well-illustrated design standards that create new maximum allowances within staff-level administrative review. Signs can be approved administratively within an over-the-counter permit. • Include an option for Planning Commission review for signs that go beyond the maximum administrative review allowance. • Ensure high quality signs within new standards. 	X	X
Notes:		
B. Tailored Standards (Page 19) PC and CC Review 4/30/2015		
Option 1: Maintain existing regulations.		
Option 2: Create tailored standards for different commercial areas. <ul style="list-style-type: none"> • Sign standards will be adjusted to address the unique character of different commercial areas. Tailored standards will include types of permitted signs, maximum sign area, sign dimensions, sign location and placement, illumination, materials, and other place appropriate standards. • The general desired signage character for different districts in Capitola could be as follows: <ul style="list-style-type: none"> ○ Village: Pedestrian oriented signs, village scale ○ Neighborhood Commercial: Neighborhood-scale signs serving pedestrians and vehicles ○ 41st Avenue: Larger-scale, auto-oriented signs to support corridor as a regional shopping destination. ○ Auto Plaza Drive: Unique to the use (auto-dealers) and address visibility challenges ○ Industrial Zone (Kennedy Drive): More industrial design aesthetic and flexibility of type and materials. 	X	X
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 7: Signs (continued)		
C. Monument Signs (Page 20) <i>PC and CC Review 4/30/2015</i>		
Option 1: Maintain existing regulations.		
Option 2: Create a new limit for monument signs based on linear frontage along a prime commercial street.		
Option 3: Create an allowance for more than 4 tenants per monument sign.		
Option 4: Update Master Sign Plan to clarify discretion in monument signs (lot size, # of tenants, and frontage).		
New Option <ul style="list-style-type: none"> • Preference for monument signs to be drafted into tailored standards for each commercial area. • Update to allow digital gas pricing signs. 	X	X
Issue 8: Non-Conforming Uses (Page 20)		
A. Calculation of Structural Alterations (Page 21)		
Option 1: Maintain the existing 80 percent building valuation maximum of present fair market value.		
Option 2: Maintain valuation cap but allow the Planning Commission to authorize additional alterations if specific findings can be made.		
Option 3: Remove valuation cap for structural alterations to non-conforming structures. In this option, all non-conforming structures could be maintained and updated, provided that the alterations do not create a greater degree of non-conformity. Any addition to a non-conforming structure would be required comply with all development standards of the zone.		
Option 4: Change building valuation cap to a percentage of square footage calculation. Under this approach, alterations to non-conforming structures would be limited based on how much of the existing structure is modified. For example, the new code could limit alterations to non-conforming structures to 80% of the existing square-footage. Using a percent of square footage approach would be easy to understand and administer and would significantly reduce disagreements over valuation calculations, while still limiting the degree of allowable modifications.		
Option 5: Maintain the existing 80% threshold with new exception for historic resources. In this option the 80% maximum of present fair market value would be maintained. An exception for historic structures would be added to allow historic structures to be updated. Any addition to a historic structure must comply with all development standards of the zone.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 8: Non-Conforming Uses (Continued)		
B. Non-conforming activities and structures on improved R-1 parcels. (Page 22)		
Option 1: Maintain existing sunset clause and opportunity to apply for extension.		
Option 2: Modify regulations to allow non-conforming multi-family uses to remain throughout the City, but not intensify. This approach could be applied citywide with appropriate findings or only to specific areas.		
Option 3: Modify regulations to allow non-conforming multi-family uses to remain in targeted areas of the City. Under this option, a sunset clause could be retained for areas like the northern Jewel Box neighborhood, but would be eliminated in areas where multi-family uses have had fewer compatibility issues.		
Option 4: Rezone areas with existing non-conforming multi-family uses to a multi-family zone. This approach could be applied citywide or only to specific areas.		
Option 5: Create an incentive program to allow participating non-conforming property owners to retain their uses subject to providing specified public benefits. For example, a program could be established to allow property owners to continue non-conforming multi-family uses if they provide guaranteed affordable housing, make significant investments in the structures which improve appearance and function, invest in neighborhood improvements (landscaping, parking, etc.) and/or reduce the degree of non-conformity (e.g., reduce a 4-plex to a 3-plex or a duplex).		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 9: Secondary Dwelling Units (Page 24)		
Option 1: Maintain existing code allowances/limitations for secondary dwelling units.		
Option 2: Amend the code to encourage development of additional secondary dwelling units. If this option is selected, the following changes may be considered:		
a. Decrease the minimum lot size requirement for secondary dwelling units;		
b. Increase the threshold which triggers the need for Planning Commission review;		
c. Allow all secondary dwelling units to be approved through an administrative process;		
d. Eliminate the current residency requirement and allow both the primary and secondary dwellings to be rented.		
Option 3: Amend the code to encourage development of additional secondary dwelling units in specific areas of the City only.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 10: Permits and Approvals (Page 24) PC and CC review on 4/30/2015		
Option 1: No change to existing permits.		
Option 2: Modify permits. With this option staff will look for opportunities to combine, delete, and add permits in the zoning code to better meet the city’s needs. Possible changes include the following:		
a. Create a new Administrative Permit. <ul style="list-style-type: none"> • Create administrative permit for a wide range of existing, ministerial staff-level actions. • Include: fence permits, temporary sign permits, approvals of temporary sidewalk/parking lot sales, and temporary storage. 	X	X
b. Create a new Minor Use Permit. <ul style="list-style-type: none"> • A new minor use permit will be created similar to a Conditional Use Permit except that it will be approved by Community Development Director. • Notice will be mailed to neighbors prior to final action by Community Development Director and decisions could be appealed to Planning Commission. • The Director could also choose to refer applications to Planning Commission for decision. • Include: home occupancy permit and transient occupancy permits. 	X	X
c. Create a New Substantial Conformance Process. <ul style="list-style-type: none"> • A substantial conformance process will be developed to allow administrative approval of specified minor alterations while still requiring Planning Commission consideration of more substantive changes. 	X	X
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 11: Architecture and Site Review (Page 25)		
A. Authority of Architecture and Site Review Committee (Page 25)		
Option 1: Maintain existing authority of Architecture and Site Committee.		
Option 2: Modify existing role of the Architecture and Site Committee. Authorize the Architecture and Site Committee to approve or deny design permit applications. Thresholds may be established for the projects that require Architecture and Site Committee approval rather than Planning Commission approval. Under this approach, decisions rendered by the Committee could be appealed to the Planning Commission.		
Option 3: Eliminate the Architecture and Site Committee. Three of the six members of the Committee are City staff. The project planner could work with these staff members and outside experts to address project design issues.		
Notes:		
B. Timing of Design Permit Review (Page 26)		
Option 1: Maintain existing timing of Architecture and Site Review.		
Option 2: Repurpose the committee to be a pre-design committee. In this option, the committee would meet with an applicant prior to accepting a formal development application. The committee would identify characteristics of the site/neighborhood to guide the future design. Staff would provide guidance on the development requirements for zoning, public works, and building.		
Notes:		
C. Composition of Architecture and Site Committee (Page 26)		
Option 1: Maintain the existing composition of the Architecture and Site Committee.		
Option 2: Replace the committee with a City Architect. Under this option, the City would contract an architect to review all development applications, provide design solutions, and make recommendations to staff and the Planning Commission. The downside of this option is that the valuable input of the historian and landscape architect would be eliminated in the review, unless those services are also separately contracted.		
Option 3: Replace committee with an Architectural Peer review committee. The committee could be replaced with an architectural peer review committee made up of three or more architects. The architectural peer review committee would continue to make a recommendation to the Planning Commission.		
Option 4: Revise committee to add any of the following: water district staff, sewer district staff, fire district staff, additional architect, and/or a citizen's representative.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 12: Design Permits (Page 27) PC and CC review on 4/30/2015		
A. When a Design Permit is Required – Commercial Uses (Page 27)		
Option 1: Maintain existing thresholds.		
Option 2: Require Design Permits only for Exterior Modifications. With this option, a design permit would be required to establish a new use only with an exterior modification to the structure. All other commercial design permit thresholds would remain the same.		
Option 3: Require Design Permit only for Larger Projects.		
<ul style="list-style-type: none"> • Design permit thresholds will be created to allow minor modifications to commercial buildings without requiring review by Arch and Site and Planning Commission. 		
Notes:		
B. Design Permit Approval Authority – Commercial Use (Page 27) PC and CC review on 4/30/2015		
Option 1: Maintain existing review authority.		
Option 2: Delegate limited approval authority to the Director.		
<ul style="list-style-type: none"> • The Director will be given the authority to approve the following types of commercial projects: <ul style="list-style-type: none"> ○ Minor repairs, changes and improvement to existing structures which use similar, compatible or upgraded quality building materials. ○ Additions not visible from the front façade up to a specified square-footage threshold. ○ Expansion of one tenant space into a second tenant space in a multi-tenant building. ○ Accessory structures including garbage and recycling enclosures. 		
Notes:		
C. When a Design Permit is Required – Residential Uses (Page 28) PC and CC review on 4/30/2015		
Option 1: Maintain existing thresholds.		
Option 2: Modify threshold for residential design permits, as follows:		
<ul style="list-style-type: none"> • Allow first story additions (unlimited) that are located on the back of an existing home and comply with all standards of the code. • Allow minor additions to the front of a building that upgrade the front façade and comply with all standards of the code. Minor additions could include enclosing recessed entrances, enclosing open front porches, and installation of bay windows. 		

Issues and Options Matrix		
	Direction	
	PC	CC
D. Design Permit Approval Authority – Residential Use (Page 29) PC and CC review on 4/30/2015		
Option 1: Maintain existing review authority.		
Option 2: Delegate limited approval authority to the Director	X	X
<ul style="list-style-type: none"> Establish new thresholds for administrative approval by Community Development Director 		
Notes:		
Issue 12: Design Permits (continued)		
E. Consideration for Design Permit Approval (Page 29) PC and CC review on 4/30/2015		
Option 1: Maintain existing architecture and site considerations.		
Option 2: Maintain the existing architecture and site considerations with additional considerations focused on design,	X	X
<ul style="list-style-type: none"> Include massing, height, scale, articulation, neighborhood compatibility, privacy, quality exterior materials. 		
Option 3: Update design considerations to focus on design rather than including ancillary issues.		
Notes:		
Issue 13: Planned Development (Page 30)		
Option 1: Maintain existing regulations.		
Option 2: Reduce or eliminate minimum parcel size requirement. Reduce the minimum parcel size required to establish a PD district, or eliminate the minimum parcel size requirement entirely. This option would eliminate or establish a new minimum parcel size (possibly 1 or 2 acres). It is typical for there to be some minimum size requirement, so that individual single-family lots cannot be rezoned to PD, for example.		
Option 3: Modify approval process. Modify the planned development review process so that the City Council reviews the preliminary development plan as well as the general development plan. This change would add an additional step in the process but would increase certainty for applicants and allow the City Council to influence project design earlier in the process.		
Option 4: Eliminate PD. Eliminate the PD district entirely. To deviate from standards of the applicable zoning district, an applicant would need to receive a variance, a rezone, or some other exception to development standards.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 14: Environmental and Hazard Overlays (Page 30) PC and CC review on 4/30/2015		
Option 1: Maintain existing overlays and clarify boundaries.		
<p>Option 2: Modify existing overlays. This option would modify existing overlays as described below:</p> <ul style="list-style-type: none"> • Archaeological/Paleontological Resources (APR). Eliminate this overlay zone. Continue to require the preparation of an archaeological survey report and mitigation plan for any project which disturbs native soils in an area with a probability of containing archaeological resources. Continue to address issue through CEQA process. • Automatic Review (AR). Remove this overlay zone as it duplicates current process. • Coastal Zone (CZ). Maintain this overlay zone as required by State law. • Floodplain (F). Move existing Chapter 17.50 (Floodplain District) out of the zoning code and remove the floodplain overlay boundaries from the zoning map. Floodplain regulations are administered by the Building Official, not the Community Development Director, and should be located in Title 15 (Buildings and Construction), not the zoning code. The boundaries of this overlay should not be included in the zoning map, as they are based on FIRM maps which are frequently changing, particularly with rising seas. • Geological Hazards (GH). Eliminate this overlay zone and replace with citywide standards for proposed development in beach areas, bluff and cliff areas, landslides-prone areas, and steep slope areas • Chapter 17.95 (Environmentally Sensitive Habitats). Map boundaries of these areas as a new overlay zone and maintain existing regulations. 		
<p>Option 3: Create a new, consolidated environmental/hazards overlay. This option would merge the overlays into one new environmental/hazards overlay. The zoning code would state that proposed development within these areas could be subject to additional standards and limitations. The Coastal Zone overlay would remain as a separate overlay. This option could be combined with the creation of new citywide standards that would address geological hazards, flood hazards, sensitive habitat, and archaeological/paleontological resources.</p>		
<p>Notes: Staff to Simplify the overlays utilizing the best approach. Likely option 2, but top concern is simplicity for applicants and administration.</p>	Hybrid	Hybrid

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 15: Visitor-Serving Uses on Depot Hill (Page 31) PC on 5/21/2015		
Option 1: Maintain existing permitted uses.		
<p>Option 2: Modify permitted use.</p> <ul style="list-style-type: none"> • VS zoning will remain on Monarch Cove Inn property. • Land uses to be modified as follows: <ul style="list-style-type: none"> A. Accessory structures and accessory uses appurtenant to any conditionally allowed use; B. Hotels, motels, hostels, inns; bed and breakfast lodging; C. Food service related to lodging; D. Assemblages of people, such as festivals, not exceeding ten days and not involving construction of permanent facilities; E. Accessory structures and uses established prior to establishment of main use or structure; F. Habitat restoration; habitat interpretive facility; G. Live entertainment; H. Public paths; I. Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within two hundred feet of the boundary of a residential district; J. Weddings; K. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises; L. Other visitor-serving uses of a similar character, density, and intensity as those listed in this section and determined by the planning commission to be consistent and compatible with the intent of this chapter and the applicable land use plan; M. Offices and limited retail use, accessory to visitor-serving uses; N. One caretaker unit for the purpose of providing on-site security; O. Access roadway; P. Residential use by the owners and their family members of up to one unit per parcel on the three parcels, as long as a minimum of six guest bedrooms are available for visitor-serving use within the three parcels; Q. Non-family residential use during the off-season months (November through April). (Ord. 886 § 3, 2005) R. Add multi-family as a CUP. 	X	
Option 3: Limit intensity of visitor accommodation uses.		
<p>Option 4: Rezone to R-1.</p> <ul style="list-style-type: none"> • Eliminate the VS zoning on the El Salto property and the Automatic Review from the parcels to the East of the El Salto property. • The General Plan must be amended to reflect this direction. 	X	
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 16: Height (Page 32)		
A. Residential Neighborhoods (Page 32) PC review on 5/21/2015		
Option 1: Maintain existing standards.		
Option 2: Eliminate 27-foot exception. This option would eliminate the 27-foot height exception by requiring all buildings to meet either a 25-foot or 27-foot height standard.		
Option 3: Allow greater variation based on existing neighborhood character. This option would allow greater variation in permitted building height based on neighborhood characteristics. There are a number of different ways to achieve this as described in Issue #1.		
Notes: <ul style="list-style-type: none"> • The Planning Commission requested this item be brought back during the future neighborhood character (Issue 1) discussion. • Current code allows 25 feet max. Suggested allowing greater height (up to 27 feet max) on larger lots. • Consider height exceptions on steep slopes to allow homes to step up a hill. Look at different types of slopes relative to the street (uphill and downhill). • Clear direction to remove ½ story provision and historic. 	X	X
B. Capitola Village (Page 33) PC review on 5/21/2015		
Option 1: Maintain existing standard. <ul style="list-style-type: none"> • Maintain existing height limit of 27 feet in the Central Village • Include exception for non-habitable space such as elevator and lighthouse example. Current exception §17.81.070. 	X	X
Option 2: Expand exception provisions.		
Option 3: Increase maximum height limit to accommodate 3 stories.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 16: Height (continued) PC review on 5/21/2015		
C. Hotel (Page 33)		
Option 1: Apply CV Zone Standard to Hotel.		
<p>Option 2: Establish Performance Standard for Hotel Height tied to General Plan.</p> <ul style="list-style-type: none"> • Future height of hotel must be aligned with the guidance in the General Plan • A future hotel on the unique parcel with should not be tied to specific height standards. • Flexibility in the code is necessary to allow articulation, stepping, etc. 	X	
Option 3: Establish a Numerical Standard Unique to Hotel.		
Notes:		
Issue 17: Floor Area Ratio (Page 34) PC and CC review on 4/30/2015		
A. Decks (Page 35)		
Option 1: Maintain existing standards.		
Option 2: Increase allowance beyond 150 sf.		
<p>Option 3: Add exception for special circumstances.</p> <ul style="list-style-type: none"> • Support to add exceptions for larger decks in the following circumstances: <ol style="list-style-type: none"> i. Front Façade. Remove front façade decks from the calculation entirely and list front story decks within the list of items not included in the floor area calculation. ii. Open Space. Create an exception for homes that are located adjacent to open space that creates adequate spacing between the home and the next property. <ol style="list-style-type: none"> 1. Example, the homes located along Soquel Creek and ocean front properties. 2. Rail corridor open space should not be included in the exception due to the limited width of the corridor and impacts to neighbors. 3. Code could be revised to remove the calculation entirely for decks located on elevations facing open space. iii. Restaurants and Hotels. Revise FAR to remove decks on restaurants and hotels from the floor area calculation entirely. • Acknowledged that deck regulations do not necessarily belong in the FAR standards. Decks should be included in the updated design permit standards and individual neighborhood standards. 	X	X

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 17: Floor Area Ratio (Continued) PC and CC direction on 4/30/2015		
B. Basements (Page 35)		
Option 1: Maintain existing standards.		
Option 2: Increase existing allowance beyond 250 square feet.		
Option 3: Remove basements from FAR formula.	X	X
<ul style="list-style-type: none"> • Include area of basement in parking requirement. • Basements on slopes that have a visible 3rd story with potential of “walk-out” door will count toward FAR . • Basements that are not visible (located below grade on 4 sides) should not count toward FAR. 		
Notes:		
C. Phantom Floors, Roof Eaves, and Window Projections (Bay Windows)(Page 36) PC and CC direction on 4/30/2015		
Option 1: Maintain existing standards.		
Option 2: Remove phantom floors from the FAR calculation.		
Option 3: Remove roof eaves from the FAR calculation.		
Option 4: Remove window projects from FAR calculation.		
Option 5: Remove a combination of phantom floors, roof eaves, and/or window projections from the FAR calculation.	X	X
Notes:		
Issue 18: City Council Appeal of Planning Commission Decision (Page 36)		
Option 1: Maintain existing appeal process.		
Option 2: Add “call-up” procedure without requirement of majority vote by CC to call-up an application.		
Option 3: Add “call-up” procedure and require majority vote by City Council to call-up an application.		
Notes:		

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Chapter 17.63 ARCHITECTURAL AND SITE REVIEW

Sections:

- [17.63.010](#) Purpose.
- [17.63.020](#) Architectural and site review committee.
- [17.63.030](#) Required when.
- [17.63.035](#) Exemptions from design permit requirement.
- [17.63.040](#) Application.
- [17.63.050](#) Maps and drawings.
- [17.63.055](#) Visualization requirements.
- [17.63.060](#) Fee.
- [17.63.070](#) Design permit approval.
- [17.63.080](#) Hearing and notice.
- [17.63.090](#) Considerations in review of applications.
- [17.63.100](#) Conditions.
- [17.63.110](#) Findings and decision.
- [17.63.120](#) Notification of approval.
- [17.63.130](#) Time limitations on approval.
- [17.63.140](#) Transfer of approval upon change in use.
- [17.63.150](#) Conformance to approval and site supervision.
- [17.63.160](#) Appeal to city council.
- [17.63.170](#) Hearing on appeal.
- [17.63.180](#) Revocation.
- [17.63.190](#) Council review.
- [17.63.200](#) Amendments.

* Prior ordinance history: Ords. 388, 448, 494, 515, 517, 556, 564, 575, 589, 613, 659, 677, 718, 724, 757, 762, 767, 794, 809 and 853.

17.63.010 Purpose.

The intent of architectural and site review is to secure the general purposes of this title and the general plan and to maintain the character and integrity of the neighborhood by promoting excellence of development, preventing undue traffic hazards or congestion, encouraging the utilization of solar energy, and encouraging the most appropriate development and [use](#) of land in harmony with the neighborhood. In fulfilling its intent, architectural and site approval may result in the placement of reasonable conditions which exceed the basic development standards listed elsewhere in this title, on the design permit which accompanies the architectural and site review process. (Ord. [873](#) § 21 (part), 2004)

17.63.020 Architectural and site review committee.

A. The architectural and site review committee shall consist of six members as follows:

1. Architect;

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2. Landscape architect;
3. Building official;
4. Community development director or designated planning staff;
5. Public works director;
6. Historian.

B. The architect, historian, and landscape architect members of the architectural and site review committee shall be appointed by the mayor; however, a majority of the city council may remove the architect, historian, or landscape architect. At the first meeting of the city council following the effective date of the ordinance codified or amended in this section, the mayor should appoint the architect, historian, and landscape architect members, whose terms will expire one month after the certification of any regular election of city council members. The mayor, at his or her discretion, may appoint an alternate architect, alternate historian, and alternate landscape architect member to serve in the absence of the regular architect or landscape architect. A majority of the city council may remove the alternate architect, alternate historian, and alternate landscape architect. The terms of the alternate architect, alternate historian, and alternate landscape architect will expire at the same time as the terms of the regular architect and landscape architect. (Ord. [873](#) § 21 (part), 2004)

17.63.030 Required when.

A design permit for architectural and site review is required for the following [structures](#), [uses](#) or significant [building](#) changes:

- A. Any [use](#) or [structure](#) requiring architectural and site review in the applicable district regulations;
- B. Any [use](#) requiring a conditional [use](#) permit or variance;
- C. Any [use](#) requiring architectural and site review by a condition of a previous permit;
- D. Any [use](#) of factory-built or [modular built housing](#) in a district;
- E. The establishment of solar energy systems as provided in Sections [17.81.120](#) and [17.81.130](#);
- F. Any dish-type antenna which is larger than twenty-four inches in diameter, except the following:
 1. Those located in a rear or [side yard](#) which are: (a) not visible either from the public right-of-way upon which the property fronts; or (b) not visible from the ground level of the adjacent properties,
 2. Those located upon flat roofs which: (a) do not exceed twenty-four inches in height above the roof and have no dimension which exceeds twenty-four inches,
 3. Those located on sloping roofs where: (a) no part of which exceeds the height of the highest part of the roof, and (b) no dimension of which exceeds twenty-four inches,
 4. Those entirely prohibited by Section [17.81.140](#). (Ord. [873](#) § 21 (part), 2004)

17.63.035 Exemptions from design permit requirement.

A. First-floor additions at the rear of a home which are not visible to the general public; do not exceed four hundred square feet; do not exceed fifteen feet in height (eight feet maximum plate height); and which utilize matching or compatible [building](#) materials.

B. A single accessory [structure](#) of less than eighty square feet, less than nine feet in height, with no electrical or plumbing fixtures. (Ord. [882](#) § 3, 2005)

17.63.040 Application.

Application for architectural and site review shall be filed with the community development department, which shall prescribe the form of application and data to be filed with the application. The application shall be signed by the property owner. Except where such information is obviously of no [use](#) to the community development department staff or planning commission, such applications should include an evaluation of whether the proposed project:

A. Makes maximum [use](#) of solar energy potential;

B. Totally or partially [blocks](#) sunlight to the south roof and wall of adjacent [buildings](#);

C. Utilizes most appropriate placement of solar energy systems;

D. All plans for development or any other type of [building](#) and planning for four or more residential units or for any commercial [use](#) shall be designed or produced by a licensed architect or civil engineer. All such [building](#) or architectural design drawings shall be stamped and signed by a licensed architect or civil engineer. (Ord. [873](#) § 21 (part), 2004)

17.63.050 Maps and drawings.

Maps and drawings shall be submitted to indicate the following:

A. A topographic map and site development plans or a staged development master plan showing:

1. The siting of all [structures](#) on subject property and on adjoining properties to show that privacy, light and air are preserved, so as not to be detrimental to the orderly and harmonious development of the city,
2. Landscaping and/or fencing of [yards](#) and setback areas and [use](#) of landscaping and/or walls or fencing for screening purposes,
3. Design of ingress and egress so as not to interfere with normal traffic flow on abutting [streets](#),
4. Off-street parking and loading facilities,
5. Disposition of drainage on the site and in the sidewalk-exempt easement areas,
6. Designation of areas to be computed as usable open space, including balconies, roof decks, patios and other spaces or areas at grade, as appropriate,
7. Designation of location of existing fire hydrants;

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- B. Drawings to scale of the exterior elevations and/or perspective drawings of the [buildings](#) or [structures](#) under consideration;
- C. Preliminary floor plans, to scale, of the [buildings](#) under consideration;
- D. Calculation and identification on the plans of all areas included in the FAR. (Ord. [873](#) § 21 (part), 2004)

17.63.055 Visualization requirements.

The city of Capitola shall have the authority to require an applicant to carry out certain visualization techniques in order to assist with city and public review of a proposed project. Projects subject to the visualization requirements includes those designated pursuant to visualization guidelines adopted by resolution of the city council. Projects proposed for major development sites, or within or adjacent to defined [vista](#) points or visually sensitive areas, or which request a height variance, or for which the city determines that carrying out visualization will assist with the development review process, shall carry out visualization techniques for the proposed development in accordance with guidelines adopted by resolution of the city council. (Ord. [873](#) § 21 (part), 2004)

17.63.060 Fee.

An application fee for architecture and site review, culminating in approval or denial of a design permit, shall be established by the city council resolution. (Ord. [873](#) § 21 (part), 2004)

17.63.070 Design permit approval.

Design permits identified in Section [17.63.030](#) of this chapter shall be considered at a public hearing as outlined in Section [17.63.080](#); following review and consideration by the architectural and site review committee as determined necessary by the community development director/zoning administrator.

A. The community development director/ zoning administrator shall be authorized to approve or deny design permit applications for:

1. First-floor additions up to four hundred square feet (although certain single-family residential additions of this type are exempt under Section [17.15.030](#)(C)(1));
2. Minor repairs, changes and improvements to existing [structures](#) which [use](#) similar, compatible or upgraded quality [building](#) materials, on [structures](#) which are not historic resources;
3. Additional [accessory structures](#) beyond the single eighty square-foot or less in size accessory [structure](#) which is exempt as per Section [17.15.030](#)(C)(2).

B. The planning commission shall be authorized to approve or deny design permit applications for:

1. All new residential [dwelling](#) unit construction;
2. Upper floor additions;
3. Additions of more than four hundred square feet;

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4. Design permits accompanied by a request for conditional [use](#) permit, variance, or minor land division;

5. All design permit applications referred by the community development director or appealed from the community development director/zoning administrator's decision. (Ord. [882](#) § 1, 2005; Ord. [873](#) § 21 (part), 2004)

17.63.080 Hearing and notice.

Design permit applications for architectural and site review may be heard by the architecture and site review committee without the notice required by other provisions of this title. The city planner shall arrange with the applicant a time and place of meeting between the applicant and the committee.

A. Consideration of design permits for architectural and site review by the community development director/zoning administrator, shall be carried out at a duly noticed public hearing for which neighboring properties (both owner and occupant) within one hundred feet of the subject property are notified, ten days in advance of the hearing, by mail and by posting the site with the time and date of the meeting.

B. Consideration of design permits for architectural and site review by the planning commission, shall be carried out at a duly noticed public hearing for which neighboring properties (both owner and occupant) within three hundred feet are notified by mail and the site is posted with the time and date of the meeting. (Ord. [873](#) § 21 (part), 2004)

17.63.090 Considerations in review of applications.

The considerations of the architectural and site review committee, community development department, and/or planning commission shall include, but not be limited to, the following:

A. Considerations relating to traffic circulation, safety and congestion;

B. Considerations relating to outdoor advertising:

1. The number, location, color, size, height, lighting and landscaping of outdoor advertising signs and [structures](#) in relation to the creation of traffic hazards and the appearance and harmony with adjacent development;

C. Considerations relating to landscaping:

1. The location, height and materials of walls, fences, hedges, trees and screen plantings to insure harmony with adjacent development or to conceal storage areas, utility installations or other unsightly development,

2. The planting of groundcover or other landscape surfacing to prevent dust and erosion,

3. The prevention of unnecessary destruction of existing healthy trees,

4. Usable open space shall be reviewed both with respect to area and quality of landscape development;

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D. Considerations relating to site layout:

1. The orientation and location of [buildings](#), decks or balconies, and open spaces in relation to the physical characteristics of the site, the character of the neighborhood and the appearance and harmony of the [buildings](#) with adjacent development such that privacy of adjacent properties is maintained;

E. Considerations relating to drainage:

1. The effect of the site development plan on the adequacy of the storm and surface water drainage to both the site and adjacent property,
2. Connection to existing drainage systems,
3. Incorporation of permeable driveway materials and other means of retaining stormwater runoff on site and reducing non-point source pollution through [use](#) of grassy swales and other water quality enhancement measures;

F. Considerations relating to architectural character:

1. The suitability of the [building](#) for its purpose,
2. The appropriate [use](#) of materials to insure compatibility with the intent of the title;

G. Considerations relating to fire prevention:

1. Sufficient and suitable access to all areas for emergency vehicles,
2. Proper location and spacing of fire hydrants;

H. Considerations relating to excavation and grading;

I. Consideration relating to landscape maintenance:

1. The proper maintenance of landscape planting to encourage healthy growth and the replacement of dead plants until all plants are established,
2. The committee may require a one thousand dollar performance bond for a period of one year beginning from the date of final inspection;

J. Protection of [historic features](#) and [vistas](#);

K. Considerations related to encouraging utilization and protection of solar energy, including:

1. The orientation of the [lot](#),
2. Height of proposed [building](#),
3. Distance between proposed [building](#) and south wall of adjacent structure(s),
4. Extent to which adjacent building(s) will have solar access to south roof and/or wall,

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5. Extent to which adjacent south facing wall(s), roof top(s), and solar collector(s) are shaded by the proposed structure(s);

L. Consideration of design guidelines for special commercial or residential areas contained in the general plan, coastal plan, area plans or other approved design policies;

M. Review of [floodplain](#) areas as designated on the flood boundary map in accord with the standards of Chapter [17.50](#) and with this title;

N. The committee will require enclosed garbage areas of an adequate size to provide for garbage and recycling storage and collection for the project, unless an exception is made for individual containers in small residential projects. (Ord. [873](#) § 21 (part), 2004)

17.63.100 Conditions.

The community development director/zoning administrator or planning commission shall consider all recommendations of the architectural and site review committee. The granting of a design permit for architectural and site approval by the community development director, zoning administrator or planning commission may include such conditions as deemed reasonable and necessary to carry out the intent of this chapter, the zoning ordinance and the general plan. (Ord. [873](#) § 21 (part), 2004)

17.63.110 Findings and decision.

Upon a finding by the community development director, zoning administrator or planning commission that the application subject to conditions imposed will:

A. Secure the general purposes of this title and the general plan;

B. Maintain the character and integrity of the neighborhood; the design permit for architectural and site approval, shall be granted subject to such conditions as deemed necessary; otherwise, it shall be continued or denied. (Ord. [873](#) § 21 (part), 2004)

17.63.120 Notification of approval.

Upon grant of a design permit for architectural and site approval, the community development director/zoning administrator shall prepare and deliver to the applicant a formal notice stating the fact of the grant and any conditions attached thereto. Such notice shall not be delivered until the period for appeal has expired. (Ord. [873](#) § 21 (part), 2004)

17.63.130 Time limitations on approval.

A. In any case where an approved design permit has not been activated by the issuance of a [building](#) permit or otherwise used, within two years after the date of granting thereof (or within such other period of time which may be prescribed in the permit), or within any extension granted pursuant to Section 17.82.160, then without further action, the permit will expire. Such termination will take effect without further city action if a timely request for extension of time has not been made or is denied. Any interruption or cessation beyond the control of the property owner shall not result in the termination of such right or privileges.

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B. For purposes of this section, “used” has the definition set forth in Section [17.60.090\(B\)](#). (Ord. [873](#) § 21 (part), 2004)

17.63.140 Transfer of approval upon change in use.

A design permit for architectural and site approval may transfer to subsequent tenant(s) of the site/structure if the [use](#) for which the approval was granted is changed, however the community development director shall not approve transfer the approval to a new [use](#) if he or she finds that the changed [use](#) does not meet the requirements of this section. If the director does not reissue the approval, a new application must be filed. (Ord. [873](#) § 21 (part), 2004)

17.63.150 Conformance to approval and site supervision.

The city planner shall perform site supervision as part of the [building](#) permit procedure for developments for which architectural and site approval has been granted, and the city planner shall follow through to ensure that all provisions and conditions of the architectural and site approval are complied with. (Ord. [873](#) § 21 (part), 2004)

17.63.160 Appeal to city council.

A determination of the community development director/zoning administrator with respect to a design permit for architectural and site review may be appealed to the planning commission. A determination of the planning commission with respect to a design permit for an architectural and site review is appealable to the city council. The appeal shall be in writing and shall give reasons for the appeal and specifically state where the findings or procedures were in error. If the appeal is by the applicant, there shall be no fee for filing such appeal. If the appeal is by others from an approval by the community development director/zoning administrator or planning commission, the fee for filing such appeal shall be set by city council resolution. In the absence of such a request being filed with the planning commission or city council within ten working days after determination by the community development director/zoning administrator or planning commission, such determination is final. (Ord. [873](#) § 21 (part), 2004)

17.63.170 Hearing on appeal.

In any appeal before the city council in an architectural and site review matter, consideration by the council shall be limited to the evidence and matters presented at the original hearing before the planning commission; provided, that the city council may, by motion duly passed, elect in its discretion to grant a hearing de novo. (Ord. [873](#) § 21 (part), 2004)

17.63.180 Revocation.

A. The planning commission may, after holding a public hearing, revoke or amend a design permit for architectural and site approval for either of the following reasons:

1. That the approval of the permit was based upon false information submitted by the applicant;
2. That the permit is being exercised contrary to the terms or conditions of approval, or in violation of this title.

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B. The violation of any of the conditions imposed by the community development director/zoning administrator or planning commission in connection with the granting of a design permit for any architectural and site approval shall constitute a violation of this title, and shall be subject to the same penalties as any other violation of this title. (Ord. [873](#) § 21 (part), 2004)

17.63.190 Council review.

Notwithstanding any other provision of this chapter, the actions of the planning commission are subject to review by the city council at its discretion. (Ord. [873](#) § 21 (part), 2004)

17.63.200 Amendments.

A property owner may petition to amend a design permit for architectural and site approval by filing a new application. (Ord. [873](#) § 21 (part), 2004)

The Capitola Municipal Code is current through Ordinance 1001, passed April 9, 2015.

Disclaimer: The City Clerk's Office has the official version of the Capitola Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

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Chapter 17.39 PD PLANNED DEVELOPMENT DISTRICT

Sections:

- [17.39.010](#) Purpose.
- [17.39.020](#) Standards and requirements.
- [17.39.030](#) Preliminary development plan approval.
- [17.39.040](#) General development plan and schedule approval.
- [17.39.050](#) Findings required.
- [17.39.060](#) Planning commission and city council action.
- [17.39.070](#) Architectural and site approval.
- [17.39.080](#) Conditional uses.
- [17.39.090](#) Utilities underground.
- [17.39.100](#) Amendments.
- [17.39.110](#) Appeals.

17.39.010 Purpose.

The purpose of PD districts is to encourage and provide a means for effectuating desirable development, redevelopment, rehabilitation, and conservation in the city, which features variation in siting, mixed land [uses](#) and/or varied [dwelling](#) types. The amenities and compatibility of PD districts is to be insured through adoption of a general development plan, showing proper orientation, desirable design character and compatible land [uses](#). (Ord. [388](#) § 13.01, 1975)

17.39.020 Standards and requirements.

The following provisions shall apply in a PD district:

A. A PD district may be established on parcels of land which are suitable for, and of sufficient size to be planned and developed in a manner consistent with the purposes of this chapter and the objectives of this title. No PD district shall include less than four acres of contiguous land unless the planning commission, or the city council on appeal from the planning commission, finds that property of less than four acres is suitable as a PD district by virtue of its unique historical character, topography, land [use](#) or landscaping features.

B. No ordinance establishing a PD district shall be adopted by the city council unless there is on file with the city written consent of every property owner within such district at the time of adoption of the ordinance.

C. Standard for area, coverage, density, [yard](#) requirements, parking and screening for PD district [uses](#) shall be governed by the standards of the residential, commercial, or industrial zoning district(s) most similar in nature and function to the proposed PD district use(s), as determined by the planning commission, or the city council on appeal from the planning commission. Standards for public improvements shall be governed by the applicable ordinances and laws of the city. Exceptions to these standards may be granted by the planning commission, or the city council on appeal from the planning commission, upon a finding that such exceptions encourage a desirable living environment and are warranted in terms of the total proposed development or unit thereof. (Ord. [981](#) § 1, 2013: Ord. [388](#) § 13.02, 1975)

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17.39.030 Preliminary development plan approval.

The applicant shall submit a preliminary development plan to the planning commission for approval in principle and the planning commission shall consider the preliminary development plan at a public hearing, prior to the submission of a PD district rezoning application. The planning commission's decision to approve, conditionally approve or disapprove the preliminary development plan shall be appealable to the city council. The PD district rezoning application will not be considered absent a prior preliminary development plan approval. The filing fee for approval in principle shall be established by city council resolution. The tentative written consent of all property owners within the proposed PD district shall be on file with the city before staff study of a preliminary development plan is commenced. Approval in principle of the preliminary development plan shall be limited to general acceptability of the land [uses](#) proposed and their interrelationship, and shall not be construed to endorse precise location of [uses](#), configuration of parcels, or engineering feasibility. Any preliminary development plan and text shall be prepared and endorsed by an architect, landscape architect or qualified urban planner and shall include the following information, as applicable, presented in a general, schematic method:

- A. Proposed land [uses](#), population densities and [building](#) intensities;
- B. Proposed circulation pattern, indicating both public and private [streets](#);
- C. Proposed parks, playgrounds, school sites, general landscaping and other open spaces;
- D. A market analysis or other acceptable data or statement of proposed commercial [uses](#), if the property is not zoned for commercial purposes at the time of submittal of the preliminary development;
- E. Delineation of the units to be constructed in progression, if any;
- F. Relation to future land [use](#) in surrounding area and general plan. (Ord. [981](#) § 2, 2013: Ord. [388](#) § 13.03, 1975)

17.39.040 General development plan and schedule approval.

- A. If from the facts presented, the planning commission or the city council on appeal from the planning commission is able to approve, in principle, the preliminary plan, with modifications as required by the planning commission or the city council on appeal from the planning commission, the applicant may submit for rezoning classification. Otherwise, the preliminary development plan shall be denied.
- B. Together with the application for rezoning classification, the applicant shall submit the following documents and supporting evidence, prepared and endorsed by the qualified professional team, which shall include an architect, civil engineer and landscape architect as appropriate:
 - 1. A map with seven prints of a survey of the property showing existing features of the property, including specimen trees, [structures](#), [streets](#), easements, utility lines and land [use](#);
 - 2. A map with twelve prints of a general development plan which shall be in conformance with the approved preliminary development plan, showing, as appropriate, all the information required on the preliminary development plan; the approximate locations and proposed density of [dwelling](#) units; nonresidential [building](#) intensity; and the land [use](#) considered suitable in accordance with adjacent properties;

3. A schedule for the development of units to be constructed in progression and a description of the design principles for [buildings](#) and street-scapes; estimated residential population by type of [dwelling](#) for each unit in the PD district; estimated nonresidential population; proposed retail sales area and economic justification; anticipated timing for each unit; and standards for height, open space, [building](#) intensity, population density, and public improvements proposed for each unit of development;
4. Proposed type of construction, [building height](#) and area of each [building](#) or [structure](#), and proposed distances between [buildings](#) and [structures](#) and distances to property lines shall be submitted in the general development plan;
5. Evidence that the applicant has sufficient control over the land to effectuate the proposed plan;
6. Site development and engineering feasibility studies as necessary. (Ord. [981](#) § 3, 2013; Ord. [388](#) § 13.04, 1975)

17.39.050 Findings required.

The planning commission, after a public hearing, shall make a recommendation to approve, conditionally approve or deny establishment of a PD district. The city council, after a public hearing, may by ordinance establish a PD district, provided the city council finds that the facts submitted with the application and presented at the hearings establish that:

- A. The proposed PD district, or a given unit thereof, can be substantially completed within two years of the establishment of the PD district;
- B. That the [uses](#) proposed will not be detrimental to present and potential surrounding [uses](#), but will have a beneficial effect which could not be achieved under other zoning districts;
- C. That any exception from standard ordinance requirements is warranted by the design and amenities incorporated in the general development plan;
- D. That the PD district and general development plan are compatible with the general plan of the city and the city's local coastal program;
- E. In formulating its recommendation to the city council, the planning commission shall advise the city council with respect to each of the above-listed findings.
- F. Standard for area, coverage, density, [yard](#) requirements, parking and screening for PD district [uses](#) shall be governed by the standards of the residential, commercial, or industrial zoning district(s) most similar in nature and function to the proposed PD district use(s), as determined by the planning commission. Standards for public improvements shall be governed by the applicable ordinances and laws of the city. Exceptions to these standards by the planning commission and the city council are possible when these bodies find that such exceptions encourage a desirable living environment and are warranted in terms of the total proposed development or unit thereof. (Ord. [981](#) § 4, 2013; Ord. [685](#) § 4, 1989; Ord. [388](#) § 13.05, 1975)

17.39.060 Planning commission and city council action.

- A. If from the facts presented, the planning commission, or the city council on appeal from the planning

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commission, is unable to make the necessary findings, the application shall be denied.

B. In taking action, the planning commission may recommend denial of the general development plan and general development schedule as submitted, may recommend approval of said plan and schedule subject to specific amendments, or may recommend approval.

C. Major changes in the general development plan shall be considered the same as a change in the zoning map and shall be made in accordance with the provisions of this chapter.

D. If no development has occurred to effectuate a PD district development within two years after the district is created, the planning commission shall review the PD approval and determine whether or not the continuation of the subject PD district is in the public interest. The planning commission's determination may be appealed to the city council. Absent affirmative action by the planning commission, or the city council on appeal from the planning commission, the PD approval shall automatically expire.

E. At the time of adopting any ordinance establishing a PD district, the city council shall make appropriate arrangements with the applicant to ensure the accomplishment, at the scheduled times, of the public improvements and grants of easement shown on the approved general development plan.

F. Fire zones shall be designated at the time of rezoning and such zones shall be delineated on the general development plan. (Ord. [981](#) § 5, 2013; Ord. [388](#) § 13.06, 1975)

17.39.070 Architectural and site approval.

An architectural and site approval shall be secured for the establishment and conduct of any [use](#) in a PD district, as provided in Chapter [17.63](#). (Ord. [388](#) § 13.07, 1975)

17.39.080 Conditional uses.

All [uses](#) in a PD district are conditional [uses](#), subject to the securing of a [use](#) permit as provided in Chapter [17.60](#). [Use](#) permit plans shall be prepared and endorsed by a qualified professional team, which shall include an architect, landscape architect and civil engineer as appropriate. The [use](#) permit application shall include but not necessarily be limited to the following:

A. Site plan, showing building(s), various functional [use](#) areas, circulation, and their relationships;

B. Preliminary [building](#) plans including floor plans and exterior elevations;

C. Landscaping plans;

D. Engineering plans, including site grading, [street](#) improvements, drainage and public utility extensions, as necessary;

E. Minor changes may be approved by the planning commission or the city council on appeal from the planning commission, provided the changes are in accord with the intent expressed in the general development plan;

F. Notation of any activity which includes any significant alteration of an [historic feature](#);

G. Within the coastal zone, any change in regulations concerning [use](#) or intensity of [use](#) for the planned development district shall require an LCP amendment. (Ord. [981](#) § 6, 2013; Ord. [685](#) § 5, 1989; Ord. [525](#)

§ 5 (part), 1982; Ord. [388](#) § 13.08, 1975)

17.39.090 Utilities underground.

Underground utilities, including telephone and electric systems, are required within the limits of all PD districts. Appurtenances to these systems which can be effectively screened may be excepted from this requirement if the planning commission finds that such exemption will not violate the intent or character of the proposed PD districts. (Ord. [388](#) § 13.09, 1975)

17.39.100 Amendments.

Amendments to any approval or permit in the planned development procedure shall be made by filing new applications as required. (Ord. [388](#) § 13.10, 1975)

17.39.110 Appeals.

All appeals to the city council taken pursuant to this chapter shall be subject to the requirements, and conducted in accordance with the procedures, set forth in Chapter [2.52](#) of this code. (Ord. [981](#) § 7, 2013)

The Capitola Municipal Code is current through Ordinance 999, passed March 25, 2015.

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Chapter 17.99 SECONDARY DWELLING UNITS

Sections:

- [17.99.010](#) Definitions.
- [17.99.020](#) Purpose.
- [17.99.030](#) Locations permitted.
- [17.99.040](#) Permit procedures.
- [17.99.050](#) Findings required for architecture and site review permitted secondary dwelling units.
- [17.99.060](#) Design and development standards.
- [17.99.070](#) Deed restrictions.
- [17.99.080](#) Zoning incentives.

17.99.010 Definitions.

“Secondary [dwelling](#) unit” means a self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single [lot](#). A secondary unit will be considered as attached to the primary residential unit for the purposes of this chapter when the secondary [dwelling](#) unit shares at least one common wall with the primary residential unit. All other secondary [dwelling](#) units for purposes of this chapter will be considered detached. (Ord. [886](#) § 1, 2005; Ord. [858](#) § 1, 2003)

17.99.020 Purpose.

The purpose of secondary [dwelling](#) units is to allow for an increase in the supply of affordable housing, in conformance with the goals and policies of the housing element of the city of Capitola general plan, while maintaining the single-family character of the neighborhoods of the city. (Ord. [858](#) § 1, 2003)

17.99.030 Locations permitted.

Notwithstanding any other provisions of this code, secondary [dwelling](#) units shall be allowed in the single-family [residence](#) district (R-1). (Ord. [858](#) § 1, 2003)

17.99.040 Permit procedures.

Any attached or one-story detached secondary [dwelling](#) unit meeting the same development standards as permitted for the primary [residence](#) in the zoning district and meeting the design standards in Section [17.99.060](#), or any single-story secondary [dwelling](#) unit that meets the design standards in Section [17.99.060](#), shall require administrative review for compliance with Section [17.99.060](#) from the community development department and a [building](#) permit.

Any secondary [dwelling](#) unit not meeting the requirements above shall be subject to: (1) an architecture and site review permit with a public hearing before the planning commission, (2) the findings as described in Section [17.99.050](#), and (3) the development standards as described in Section [17.99.060](#). (Ord. [858](#) § 1, 2003)

Item #: 4.A. Attachment E. Chapter 17.99 Secondary Dwelling Units.pdf**17.99.050 Findings required for architecture and site review permitted secondary dwelling units.**

Before approval or modified approval of an application for a secondary [dwelling](#) unit requiring a conditional [use](#) permit, the decision making body shall find that:

- A. Exterior design of the secondary [dwelling](#) unit is compatible with the existing [residence](#) on the [lot](#) through architectural [use](#) of [building](#) forms, height, construction materials, colors, landscaping, and other methods that conform to acceptable construction practices;
- B. The exterior design is in harmony with, and maintains the scale of, the neighborhood;
- C. The secondary [dwelling](#) unit does not result in excessive noise, traffic or parking congestion;
- D. The property fronts on an adequate water main and sewer line each with the capacity to serve the additional secondary [dwelling](#) unit;
- E. The site plan provides adequate open space and landscaping that is useful for both the secondary [dwelling](#) unit and the primary [residence](#). Open space and landscaping provides for privacy and screening of adjacent properties;
- F. The location and design of the secondary [dwelling](#) unit maintains a compatible relationship to adjacent properties and does not significantly impact the privacy, light, air, solar access or parking of adjacent properties;
- G. The secondary [dwelling](#) unit generally limits the major access stairs, decks, entry doors, and major windows to the walls facing the primary [residence](#), or to the [alley](#) if applicable. Windows that impact the privacy of the neighboring side or [rear yard](#) have been minimized. The design of the secondary [dwelling](#) unit shall relate to the design of the primary [residence](#) and shall not visually dominate it or the surrounding properties;
- H. The site plan shall be consistent with physical development policies of the general plan, any required or optional element of the general plan, and any area plan or specific plan or other city policy for physical development. If located in the coastal zone, a site plan shall also be consistent with policies of the local coastal plan;
- I. The orientation and location of [buildings](#), [structures](#), open spaces and other features of the site plan are such that they maintain natural resources including significant trees and shrubs to the extent feasible and minimize alteration of natural land forms;
- J. The site plan is situated and designed to protect views along the ocean and of scenic coastal areas. Where appropriate and feasible, the site plan restores and enhances the visual quality of visually degraded areas. (Ord. [858](#) § 1, 2003)

17.99.060 Design and development standards.

All secondary [dwelling](#) units must conform to the following design and development standards:

1. Parking. Parking requirements shall meet the underlying zoning requirement for the combined square footage of habitable space of the subject property.

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2. Unit Size. The [floor area](#) for secondary [dwelling](#) units shall not exceed five hundred square feet for [lots](#) between five thousand and seven thousand five hundred square feet. If a [lot](#) exceeds seven thousand five hundred square feet, a secondary [dwelling](#) unit may be up to six hundred forty square feet and, for [lots](#) in excess of ten thousand square feet, a secondary [dwelling](#) unit may be up to eight hundred square feet. In no case may any combination of habitable [buildings](#) occupy more than sixty percent [floor area](#) ratio (FAR) of the subject property. No secondary [dwelling](#) units shall be allowed on [lot](#) sizes less than five thousand square feet.
3. Existing Development on [Lot](#). A single-family [dwelling](#) shall exist on the [lot](#) or shall be constructed in conjunction with the secondary [dwelling](#) unit.
4. Number of Secondary [Dwelling](#) Units Per Parcel. Only one secondary [dwelling](#) unit shall be allowed for each parcel.
5. Setbacks for Detached Secondary [Dwelling](#) Units. A minimum five-foot side-yard setback and minimum eight-foot rear-yard setback are required for detached single-story [structures](#) containing a secondary [dwelling](#) unit. Detached secondary [dwelling](#) units shall be no higher than one [story](#). If any portion of a secondary [dwelling](#) unit is located in front of the main [building](#), then the front and [side yard](#) setbacks shall be the same as a main [building](#) in the zoning district. The entrance to the detached secondary [dwelling](#) unit shall face the interior of the [lot](#) unless the secondary [dwelling](#) unit is directly accessible from an [alley](#) or a public [street](#). Openings (e.g., doors and windows) on exterior walls that are closest to and face adjacent residentially-zoned properties shall be designed to ensure that privacy and access to light and ventilation is not diminished on adjacent properties.
6. Setbacks for Attached Secondary [Dwelling](#) Units. Attached secondary [dwelling](#) units shall meet the same setbacks as a main [building](#) in the zoning district.
7. Other Code Requirements. The secondary [dwelling](#) unit shall meet the requirements of the Uniform [Building](#) Code.
8. Occupancy. The property owner must occupy either the primary or secondary [dwelling](#).
9. Building Height and Stories.
 - a. The maximum [building height](#) for detached secondary [dwelling](#) units shall be fifteen feet, and the [building height](#) of a proposed attached secondary [dwelling](#) unit shall not exceed the lesser of either the height of the existing primary residential [structure](#) or the maximum height limit of the zoning district in which the project is located.
 - b. If the design of the main [dwelling](#) has special roof features that match the detached secondary [dwelling](#) unit, the maximum [building height](#) of the secondary [dwelling](#) unit may be exceeded to include such similar special roof features subject to review by the architecture and site review committee and approval of the planning commission.
10. Alley Orientation. When a secondary [dwelling](#) unit is adjacent to an [alley](#), every effort shall be made to orient the secondary [dwelling](#) unit toward the [alley](#) with the front access door and windows facing the [alley](#). Parking provided off the [alley](#) shall maintain a twenty-four foot back-

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out area, which may include the [alley](#). Fences shall be three feet six inches along the [alley](#). However, higher fencing up to six feet can be considered in unusual privacy, security or design circumstances subject to review and approval of the planning commission.

11. Design. The design of the secondary [dwelling](#) unit shall relate to the design of the primary [residence](#) by [use](#) of the similar exterior wall materials, window types, door and window trims, roofing materials and roof pitch.

12. Open Space and Landscaping. The site plan provides open space and landscaping that is useful for both the secondary [dwelling](#) unit and the primary [residence](#). Landscaping shall be provided which provides for the privacy and screening of adjacent properties.

13. Mobile Units. Vehicles of any kind, with or without wheels, and trailers are prohibited as secondary [dwelling](#) units. (Ord. [860](#) § 1, 2003; Ord. [858](#) § 1, 2003)

17.99.070 Deed restrictions.

Before obtaining a [building](#) permit for a secondary [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 secondary [dwelling](#) unit shall not be sold separately;
- B. The unit is restricted to the approved size;
- C. The administrative review or the architecture and site review permit, whichever applies, for the secondary [dwelling](#) unit shall be in effect only so long as the owner of record occupies either the main [residence](#) or the secondary [dwelling](#) unit;
- D. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement and/or revoking the administrative review or the architecture and site review permit, whichever applies;
- E. The deed restrictions shall lapse upon removal of the secondary [dwelling](#) unit. (Ord. [858](#) § 1, 2003)

17.99.080 Zoning incentives.

The following incentives are to encourage construction of secondary [dwelling](#) units:

- A. Affordability Requirements for Fee Waivers. Secondary [dwelling](#) units proposed to be rented at low or very low income levels, as established by the city, may have development fees waived per the city's fee schedule (Resolution No. 3183, adopted 12/13/01, as amended). Landlords of secondary [dwelling](#) units shall be relieved of the affordability condition upon payment of fees in the amount previously waived as a result of affordability requirements, subject to an annual CPI increase commencing with the date of application for [building](#) permit. Applicants of affordable secondary [dwelling](#) units must record a deed restriction limiting the rent to low or very low-income levels prior to issuance of a [building](#) permit.
- B. Historic Properties. Secondary [dwelling](#) units proposed on properties that contain local, state, or federal historic building(s) or potentially historic building(s), as identified by a professional

architectural historian approved by the city, may be entitled to certain waivers with respect to setbacks, parking, height, unit size, and other design features as deemed appropriate by the planning commission, for the purposes of preserving the architectural character of the primary [residence](#). (Ord. [858](#) § 1, 2003)

The Capitola Municipal Code is current through Ordinance 1001, passed April 9, 2015.

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Item #: 4.A. Attachment F. Public Input on Secondary Dwelling Units.pdf

From: [Louis Scalzo](#)
To: [Cattan, Katie \(kcattan@ci.capitola.ca.us\)](mailto:kcattan@ci.capitola.ca.us); [Grunow, Rich \(rgrunow@ci.capitola.ca.us\)](mailto:rgrunow@ci.capitola.ca.us)
Cc: [Chris Scalzo](#); [Teresa Mendoza](#)
Subject: Re: HOC's request regarding ADU's.
Date: Tuesday, June 16, 2015 5:30:48 PM

My son Chris will be attending on our behalf as we own the property together.

Chris and I are thankful that Capitola is taking up this issue. We have owned our houses (1576/1574 Heritage lane) sine 2006. We have faithfully adhered to the rules and one of us has always lived in either house.

In looking at the zoning map and properties, our homes on Heritage Lane is part of the Heritage of Capitola Subdivision. Our homes are unusual in that they were built new as they are. Each home (1576) & (1574) is an individual house with its own full living conditions including washer & dryer, full back yards, privacy fencing, full kitchens, landscaping, separate utilities, separate internet, separate water, and separate addresses. In fact these two homes are really independent homes.

1576/1574 Heritage Lane are really attached multi dwelling units. 1576 is about 1800 sq ft and 1574 is about 600 sq ft. As I said both have back yards. Both of these units are very rentable in Capitola and in fact should be rented. Both rented would help families stay in Capitola and live in a nice newer home.

In fact having researched this issue around town, we find out where there is a legitimate ADU, and main home, in many cases both are being rented already. I think at best the requirements that currently stand are being ignored.

Therefore I think the zoning requirements with approved ADU's should be relaxed to be able to rent both places. Capitola should however work hard to enforce the laws regarding illegitimate ADU's, since many of these can be a safety hazard.

Additionally Chris and I would ask that the zoning of the four (4) homes in Heritage of Capitola with ADU's should have the site map changed so that these homes could be sold independently. 1574 is about 600 sq ft with its own comfortable back yard. So if 1576. These are really independent homes. One doesn't depend on another. They should be treated as individual homes as part of a duplex. But maybe that is a SUBJECT for another meeting.

Once again thank you for taking up this issue at the June 22nd meeting. Your understanding and relaxing the regulations would be greatly appreciated by many homeowners and renters alike.

Sincerely

Louis A. Scalzo

Sent from Windows Mail

From: [Cattan, Katie \(kcattan@ci.capitola.ca.us\)](mailto:kcattan@ci.capitola.ca.us)

Sent: Tuesday, June 16, 2015 11:42 AM

To: [Louis Scalzo](#), [Rich Grunow](#)

Cc: [Chris Scalzo](#)

Hi Lou and Chris,

Hope you are both doing well. I wanted to reach out and let you know we will be presenting Secondary Units to the Planning Commission next Monday, June 22nd at 6 pm during a special meeting for the zoning code update. I will attach your email to the packet. I hope you are able to attend. The Planning Commission will give you the opportunity to speak on the item. Secondary Units is third on the agenda. I think you would be safe to arrive at 6:30/ 7:00. The meeting is in Council Chambers.

Here is the list of items on the agenda:

- Issue 11** **Architecture and Site Review: Authority of Committee, Timing of Review, and Composition of Committee**
 - Issues and Options Report page 25
 - Zoning Chapter 17.63 Architectural and Site Review (Attachment G)
- Issue 13** **Planned Development**
 - Issues and Options Report page 30
 - Zoning Chapter 17.39
- Issue 9** **Secondary Dwelling Units**
 - Issues and Options Report page 24
 - Zoning Chapter 17.99
- Issue 18** **City Council Appeals**
 - Issues and Options Report page 18
 - Municipal Code Chapter 2.52

Regards,

Katie Cattan, AICP
Senior Planner

City of Capitola
420 Capitola Avenue
Capitola, CA 95010

Chapter 2.52 APPEALS TO CITY COUNCIL

Sections:

- [2.52.010](#) Applicability of chapter.
- [2.52.020](#) Time and form of appeal.
- [2.52.030](#) Setting of the hearing date.
- [2.52.040](#) Standing to appeal.
- [2.52.050](#) Conduct of the hearing.
- [2.52.060](#) Findings.

2.52.010 Applicability of chapter.

Except when a different procedure is otherwise expressly provided by this code, all appeals to the city council from a decision of any city employee, board, or commission shall be conducted as set out in this chapter. (Ord. [519](#) (part), 1982)

2.52.020 Time and form of appeal.

All appeals shall be in writing, delivered to the office of the city clerk. Such appeals shall be made within ten working days from the time of the board decision, except that when neither the applicant nor the applicant's representative has been present at the meeting in which the decision was rendered, the appeal time shall be fourteen working days from the date the staff mails to the applicant a notice of the decision. The notice of appeal shall set forth the appellant's name, the phone number for the appellant, an address to which notices may be sent to the appellant and the grounds upon which the appeal is made. (Ord. [845](#) § 1, 2003; Ord. [519](#) (part), 1982)

2.52.030 Setting of the hearing date.

The city staff can either set the hearing for the next city council meeting or shall, at the next city council meeting, request the city council to set the time and place of hearing. (Ord. [519](#) (part), 1982)

2.52.040 Standing to appeal.

The council may refuse to hear an appeal by a person whom the council determines does not have a significant interest in the matter. In land use matters, any citizen of Capitola or any property owner likely to be affected by the decision, shall be deemed to have a significant interest. (Ord. [519](#) (part), 1982)

2.52.050 Conduct of the hearing.

The hearing shall be de novo. Without city council approval, the appellant's presentation shall be limited to issues raised in the notice of appeal and to reasonable rebuttal. The ordinary order of presentation is as follows: appellant, comments of other members of the audience, appellant's rebuttal, council consideration. The presiding officer may set forth any reasonable time limits upon the presentation of any person. (Ord. [519](#) (part), 1982)

2.52.060 Findings.

Item #: 4.A. Attachment G. Chapter 2.52 Appeals to City Council.pdf

Findings may either be made by the city council at the time of the hearing or the council may direct the city staff to bring back findings for later council determination. The council may render a final decision, notwithstanding that the findings may be rendered at a later time. (Ord. [519](#) (part), 1982)

The Capitola Municipal Code is current through Ordinance 1001, passed April 9, 2015.

Disclaimer: The City Clerk's Office has the official version of the Capitola Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.
