

ACTION MINUTES

Group 1 Stakeholder Interview Minutes

Friday, September 19, 2014

1. **Introductions** Senior Planner Cattan provided overview of the Zoning Code update process and stakeholder meetings.
Stakeholders present: Matthew Thompson, Charlie Eadie, Frank Phanton, Daniel Townsend, and Linda Smith (Planning Commissioner)
Staff present: Community Development Director Rich Grunow and Senior Planner Katie Cattan
2. **Ease of Use.** Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly?
 - a. Coastal section is difficult to read
 - b. Diagrams of residential development standards would be helpful but overall residential zoning requirements are easy to understand.
 - c. Maximum Floor Area Ratio (FAR) should be viewed as an entitlement and is not a negotiation tool during review by Planning Commission.
 - d. Commercial District
 - i. Overly thought out. Let the market place figure out what uses will work within the community and regulated those things you do not want in the community. Allow flexibility in land use.
 - e. Historic Regulations lack standards and process for reviewing modifications to historic resources.
 - f. Non-conforming regulations have major loop-holes and are open to interpretation.
3. **Development Standards and Regulations.** Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues?
 - a. Principle Permitted Uses is a farce.
 - i. All principle permitted uses require architectural and site review in Community Commercial zoning district. New zoning code should remove required review for those types of commercial uses the City would like to encourage.
 - ii. Requirement to review all new commercial development politicizes all applications. Some permits should be allowed with approval over the counter.
 - iii. Analogy "if you're a hammer, everything looks like nails" Capitola is very focused on regulating land use. A new approach was suggested to allow everything and prohibit those things that are not healthy to the community. Example: Pacific Avenue, Santa Cruz. The City identifies the types of businesses they do not want to see within identified block. (Thrift stores)
 - b. Allow housing within commercial areas. Sustainable practice.

- c. Healthy neighborhoods: zone for what the City would like to see within the neighborhoods – pedestrian/bicycle connectivity – interactive yards – less emphasis on the car.
- d. Parking Standards
 - i. Allow applicants to utilize best available information to comply with parking. (Example: Urban Land Institute parking methods). The zoning code often demands too much parking and is an approximation. There are more accurate tools out there that incorporate other factors such as multi-family, mixed use, proximity to public transit, etc.
 - ii. Build into the process an option that an applicant can provide a solution to parking other than onsite. (Bicycle off-sets, multi-modal options in proximity to development, in-lieu fees toward public parking, etc.)
 - iii. Parking should not be utilized as a zoning tool to limit development.
 - iv. Treat parking as a public utility with a parking district. Capitola should invest money into this approach. The parking could pay for itself with higher priced parking in the premium locations. Most likely the coastal commission will challenge, but with good information the City can challenge the coastal commission. Similar to San Francisco’s approach.
- e. Development standards must be clear to ensure quality and compatibility.
- f. Historic Preservation.
 - i. The City must have the policy discussion “Does the city want to be historic or look historic”
 - ii. Set policy for integrity of original material.
 - iii. Need to define historic and why it is historic.
 - iv. Identify the benefits to property owners/community to have an adopted list.

4. **New Provisions.** Is the existing Zoning Code silent on any issues or uses that should be addressed in the Zoning Code? Examples from other jurisdictions that would improve the code and the built environment.

- a. Create certainty in the process and plan ahead. This formula leads to investment.
 - i. Example given of Santa Cruz redevelopment plan after Earthquake.
 - ii. Create an area plan for the areas of Capitola that will be redeveloped. Create public/private partnerships toward redevelopment and have both parties involved in development of the area plan. Define what future development looks like (sunlight, windows, building frontage, streetscapes, public realm etc.) Then create the standards that reflect the vision.
 - iii. Suggested area: 41st avenue and focused properties that expect redevelopment.
- b. Examples from other jurisdictions:
 - i. Santa Cruz County Pleasure Point Community Plan
<http://www.sccoplanning.com/PlanningHome/SustainabilityPlanning/TownVillageSpecificPlans/PleasurePointCommunityPlan.aspx>

- ii. Saratoga design guidelines
(<http://saratoga.ca.us/civicax/filebank/blobdload.aspx?blobid=8126>)
- c. Planned Developments should be kept as a way to get the best design.
 - i. Decrease 4 acre minimum.
 - ii. Infill requires flexibility to result in the best design within an established area.
 - iii. Let architect fix issues through design rather than zoning creating additional hurdles to development.
 - iv. Remove public benefit requirements – the public benefit is the redevelopment
 - v. Reminder that the buildings that are most loved in Capitola could not be built within today's zoning code. Allow for creativity.
- d. Update Design Guidelines
 - i. Identify neighborhood priorities specified in the general plan.
 - ii. Guide design elements including placement of buildings, form, and massing.
 - iii. Define the public realm – streets, sidewalks, bike lanes, crosswalks, curb and gutter, trees/landscape, bus stops, benches, and trails.
 - iv. Work with individual neighborhoods to define the future. Example of pleasure point (3 workshops and guidelines based on community input)
 - v. Guidelines should be neighborhood specific and include how we manage the automobile (width of streets, on street parking, off street parking)
 - vi. Acknowledge that within the definition of Capitola exists an eclectic mix of design.
- e. Incentivize what the City would like to see in the future.
 - i. Example of Portland and tiny homes. Secondary units no permits and no fees.
 - ii. Accept that property owners will not redevelop unless it makes economic sense. If the City wants to see areas redeveloped, incentives will help property owners participate.
- f. Density and mixed use.
 - i. Density works with good architecture and designing the public realm. Allow increased density by requiring great architecture and improved public realm.
 - ii. Allow more height in mixed use commercial. Limit with # of stories rather than maximum height. Define stories.
 - iii. 41st Avenue and Capitola Road could be a new Urban Village with mixed use and housing.
 - iv. Sustainability is not stopping development. Shift mindset to allow housing through density with multi-modal transportation. Density and multi-modal transportation have a mutually beneficial relationship and are sustainable.
- g. Inform applicants of requirements to obtain approvals/permits from other agencies (Water District, Fire, etc.)

5. **Zoning Map.** Do you know of any needed revisions to the existing zoning map? Are there any errors that need to be corrected or needed rezoning to better promote community goals?

6. **Permit Decision-Making Process.** Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review more or less project types)?
 - a. Reduce risk for property owners.
 - i. Identify allowed square footage
 - ii. Allow redevelopment without additional parking requirements
 - iii. ADU without fees
 - iv. Create clear, specific conditions for approval
 - v. Less public process in design review permit.
 - b. Train Chair of Planning Commission to remind Commissioners and Public of what review criteria applies to an application and keep the PC discussion and public comment limited to those criteria under review.

7. **Architecture and Site Review.** Applicants are required to attend an Architecture and Site Review Committee meeting prior to Planning Commission. Do you find this required step effective? Would you suggest any improvements to the Arch and Site Review process?
 - a. Sign permits should not go to Arch and Site.
 - b. Currently, this step is necessary because the code does not have clear design guidelines.
 - c. Rethink timing of arch and site. Might be more helpful as a pre-design review to know what development requirements and contextual elements should be considered within design.
 - d. Residential additions under a certain square footage should be reviewed administratively.
 - e. Arch and Site needs to be redefined and repurposed. Time is costly and this step is not always necessary.
 - f. A City Architect or contract Architect should be considered to replace the need for Arch and Site committee.
 - i. Improve design/compatibility
 - ii. Ability to assist applicant through sketching how to fix identified design issues.
 - g. Suggestion to replace Arch and Site with Architectural Peer review.

8. **Economic Development.** Are there changes we could make to the zoning code to promote economic development? Are there obstacles we could remove or incentives we could add to encourage positive redevelopment?
 - a. City needs to lighten restrictions on use. Reverse the approach of listing what is allowed to prohibit what City does not want in certain areas.
 - b. City needs to encourage development where it wants development to occur. Identify those areas that it would like to see (re)developed and encourage development through code allowances or other economic incentives. Identify what, where, when, how, and goals. Projects must be economically feasible.
 - c. Important to maintain quality within economic development.

- d. The City should invite the conversations to work toward an outcome rather than being reactive. Keep conceptual review process open.
9. **Sustainability.** The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.?
- a. Documentation of Green Standards
 - i. CAL Green covers mandatory requirements. Eliminate the duplication in the process.
 - ii. Points should be granted for reutilizing existing buildings and longevity.
 - iii. Create a check list with boxes rather than quantifying everything.
 - iv. Include alternative transportation credits, impervious surfaces, walk/bike
 - b. Parking is a victimless crime. Unnecessary asphalt should be reclaimed.
 - c. Create achievement awards. Award best landscape improvements for water wise, green buildings, etc.
10. **Other Issues:** Are there any other issues with the zoning code you would like to tell us about?
- The role of staff is to represent the public interest. Staff should focus on purpose of the zoning code and assess projects with purpose statements in mind.
 - The City needs to ask “What are we trying to accomplish? What is the vision?” and make sure the new zoning code functions to allow the city to evolve into the vision.
 - The City should keep an eye on the trends and plan accordingly.
 - Suggestion to put focus on small projects. Identify the areas to focus on and figure out how to nurture those types of projects to be the best they can be. Small projects are attractive: fun, easy, low-risk.
11. **Close. Community Development Director Rich Grunow thanks the stakeholder participants and talks about next steps.**

ACTION MINUTES

Group 2 Development and Commercial Property Owners Stakeholder Interview Minutes

Thursday, August 14, 2014

1. **Introductions** Senior Planner Cattan provided overview of the Zoning Code update process and stakeholder meetings.

Stakeholders present: Mary Gourlay, Craig French, Benjamin Ow, Doug Kaplan, Craig Dean, Ed Newman, and Planning Commissioner Mick Routh.

2. **Ease of Use.** Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly?
 - a. Clarity of Process. The new code must clearly define the process and regulations to avoid misinterpretation.
 - b. Code lacks clarity and specificity in regards to process and regulations. Applicant must rely on direction from staff. Expectations of the City are unclear due to the combination of a code which lacks specificity and the previous high turnover in staff, which has resulted in differing interpretations.
3. **Development Standards and Regulations.** Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues?
 - a. Sign Code:
 - a. Monument signs in the code are too limited. Does not create enough visibility along 41st for larger shopping centers with many tenants. A solution for visibility along the road frontage is necessary for shopping centers.
 - b. Create limits within administrative permits that can be approved over the counter. Then allow businesses to apply for a discretionary permit requiring Planning Commission review for signs that go beyond the administrative limits.
 - c. Allow creativity. Set standards for size, location, logos, brand identification, and types of signs. Allow flexibility of materials, lighting, and color.
 - d. Allow more variety between sign styles within master sign programs.
 - e. Create different sign standards for Central Village, 41st Avenue, and neighborhood commercial.
 - f. Provide a maximum allowance for signs and allow businesses/property owners to determine the number and size of individual signs which fit within the maximum allowance (e.g., set a cumulative square-foot maximum signage allowance for a shopping center without limits on the number or size of individual signs).
 - b. Flexibility in Use is necessary for Commercial. Make doing business in Capitola easy by not requiring Conditional Use Permits for change of tenant within existing commercial space.
 - c. Parking Requirements for Mixed Use and Multi-Modal Transportation

- a. Include reduced parking standards for mixed use development.
 - b. Allow parking reduction in exchange for onsite bicycle parking.
 - c. Allow parking reductions for development in close proximity to multi-modal transportation, such as bus stops.
4. **New Provisions.** Is the existing Zoning Code silent on any issues or uses that should be addressed in the Zoning Code? Do you know of provisions from other City codes that you think would improve the Capitola code and overall development?
 - a. Camden Park Center signage in San Jose
5. **Administration.** Are there any needed changes to streamline the City's existing permitting and administration procedures?
 - a. Improve coordination with outside permitting agencies (e.g., water, fire, sanitation districts). Consider joint agency meetings to coordinate permit reviews.
 - b. Establish firm, maximum standards in the code instead of providing exceptions to go beyond stated maximums. Clear expectations by applicants.
6. **Permit Decision-Making Process.** Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review more or less project types)?
 - a. The code should create standards for administrative permits that are allowable and do not require additional oversight. Then add the option to apply for discretionary permits beyond the standards through special exceptions and variances reviewed by the Planning Commission.
 - b. Capitola's current zoning code requirement that all "use" permits must receive a "design permit" should be update to separate "use" from "design". If an existing commercial building is changing tenants, a design permit should not be required for principal permitted uses in the district.
 - c. Provide more flexibility in use to allow new businesses to come into existing commercial sites with little or no review if the building is not being modified. Timing and execution are critical for business success.
 - d. Allow staff to make administrative decisions on tenant modifications.
 - e. Avoid noticing requirements because this takes additional time. (this suggestion is not consistent with state code requirements)
7. **Economic Development.** Are there changes we could make to the zoning code to promote economic development? Are there obstacles we could remove or incentives we could add to encourage positive redevelopment?
 - a. Work with developers to expedite the review process by creating clear expectations of what is desired within future development and redevelopment.
 - b. Example was given of the "1991 Downtown Recovery Plan" for Santa Cruz following the Loma Prieta earthquake of 1989. The plan not only set up clear expectations of what was desired in redevelopment but also included an EIR for redevelopment of the entire district, saving developers money and time.
 - c. Reiterated that administrative permits for change of tenant use when the use is principally permitted in the zone and for signs that comply with the sign code.

- d. Encourage redevelopment and improvements in C.V. zone and along Bay Avenue
8. **Sustainability.** The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.?
- a. Sustainability: Focus on education rather than imposing new regulations for sustainability. Eliminate the Green Building Ordinance. Allow businesses to voluntarily provide green building features and rely on the free market to encourage behavioral changes.
9. **Other Issues:** Are there any other issues with the zoning code you would like to tell us about?
- a. Staff recommendations within discretionary permits. Discussion on whether or not a staff recommendation should be included in discretionary permits. Two sides were shared on this subject. One expressed the need to leave discretionary permits up to policy makers. The other viewpoint was that a lot of work is done with staff prior to review by Planning Commission, and that is often reflected in the staff recommendation.
10. **Close.** Community Development Director Rich Grunow thanks the stakeholder participants and talks about next steps.

Additional written comment from Doug Kaplan, Commercial Property Owner
Zoning Revisions

Planning is important but execution is critical

Flexibility: For example, restrictions on permitted uses within PO zone (17.33.040 & 060)

Flexibility: For example, restrictions on permitted uses within CC zone (17.27.040(C, D & G))

Unnecessary Procedures: For example, requiring Arch and Site reviews for all conditional use permits (17.63.030)

Unnecessary Procedures: For example, expand de minimis rule so that notice to all neighbors within 300 feet is not required for minor changes (17.60)

Delegate: Minimize need to appear before Commissions and Council, trust staff to make decisions

ACTION MINUTES

Group 3 Business Owners and Commercial Property Managers Stakeholder Interview Minutes

Tuesday, September 9, 2014

1. **Introductions** Senior Planner Cattan provided overview of the Zoning Code update process and stakeholder meetings.

Stakeholders present: Gary Wetsel, Merrie Anne Millar, Karl Rice, and Planning Commissioner Gayle Ortiz.
Staff present: Community Development Director Grunow and Senior Planner Cattan

2. **Ease of Use.** Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly?
 - a. Search engine online is difficult to utilize to locate relevant information.
 - b. The information in the code sections is often unclear and requires staff guidance. Need to remove the uncertainty in the regulations and staff interpretation.
 - c. Table of Contents in printed version should be available online
 - d. A user's guide would be helpful to direct applicants to different standards
 - e. Clutter in code should be removed and language simplified.
3. **Development Standards and Regulations.** Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues?
 - a. Update to reflect current standards and technology
 - b. Landscape regulations:
 - i. More flexibility to meet intent of code and come up with creative solutions.
 - ii. Tree planting policy
 1. Replanting policy of 2 for 1 is problematic in parking lots with limited planting space.
 2. Trees inherently problematic in parking lots: roots pull up asphalt, logistic of watering trees, cost of watering trees, and drought.
 3. Visibility. Goal of 30% canopy coverage on commercial properties is problematic as businesses want to be seen and trees screen view of businesses from right-of-way. Consider off-sets to allow businesses to plant trees elsewhere contributing to the canopy goals of the City without blocking visibility.
 - c. Create different commercial standards (uses, landscaping, signs, and parking) for the different commercial areas. 41st Avenue, Central Village, and Neighborhood Commercial.
 - d. Regulations should be consistent with other public agencies. (Fire Dept.)
 - e. Allow drive-thru on 41st Avenue.
 - f. Update design guidelines for 41st Avenue
4. **Commercial Area Issues.** Are there any zoning issues unique to commercial areas that need to be addressed?

- a. Commercial Uses that collect sales tax and TOT should be allowed along traffic corridors to maintain tax base. Medical has its place in retail but should either have a maximum % limit within an area or designate medical to specific areas. Storage facilities should not be located in commercial districts.
 - b. Avoid commercial leakage to County. Target example. Figure out what made Target site appealing vs. Home Depot location. Zone to allow what anchor businesses need. Visibility was identified as one reason for commercial leakage.
 - c. Rethink cross walk from new parking lot in village. Create a cross walk at the corner of Bluegum and Capitola to send visitors onto the side of the street with retail.
 - d. Roundabout at the corner of Bay and Capitola Avenue could have negative impacts on safety and commercial areas.
 - e. Clares Street and 41st. Create a right turning lane from Clares onto 41st to keep cars moving.
 - f. Reduce amount of lights at the 41st Avenue freeway.
 - g. Create solutions to existing problem sites (Rispin, Village parking, and Village hotel) within the updated code. Set up favorable standards.
5. **Sign Code.** Current sign regulations require a public hearing and an approximately \$700 cost for most sign applications. Staff intends to develop options to revise sign regulations. Would you generally prefer a process which 1) offers more design flexibility, but requires a public hearing and additional time and cost, or 2) an over-the-counter process which requires less time and cost, but offers less design flexibility?
- a. Visibility. Current code does not allow enough visibility from the street. Auto plaza, mall, and large shopping centers are impacted by sign code regulations.
 - b. Create different sign standards for the different commercial areas.
 - c. Central Village Pedestal Signs – remove. Ordinance does not work. Enforcement is an issue. Village should have consistency in rules and enforcement.
 - d. Enforcement of signs City-wide is an issue. Businesses that follow the rules are the ones that are punished. Banners are an issue. Sandwich boards create clutter.
 - e. Quality of signs influence perception of City overall. There is an impact on retail when quality is sacrificed. High quality provides better perception and more money is spent.
 - f. Directional signs should be allowed within larger developments.
 - g. Old signs should be required to be removed prior to installation of new signs.
6. **New Provisions.** Is the existing Zoning Code silent on any issues or uses that should be addressed in the Zoning Code? Do you know of provisions from other City codes that you think would improve the Capitola code and overall commercial development?
- a. Dublin, CA. New development is thriving. Car dealerships. Signs are great and maintains small town feel.
 - b. Old Town Pleasanton. Great signs. Small town feel.
7. **Outdoor Displays.** Outdoor displays are only allowed in the village with a conditional use permit. Should the new code set up regulations for outdoor displays in all commercial areas?
- a. Allow within set standards, including : time limitations, type of business, size of area, maintain necessary circulation for pedestrians and cars, etc.
 - b. Build integrity into process. Not just quantitative measure but qualitative measures too.
 - c. Separate outdoor dining regulations from outdoor display regulations. Support for more outdoor dining throughout Capitola.

8. **Permit Decision-Making Process.** Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review more or less project types)?
 - a. If a project complies with the code consider allowing administrative approval rather than public process. Also acknowledged that sometimes it is necessary to have a project come before the public even though it may comply.
 - b. Create clear expectations within code so there is less oversight necessary.
 - c. Staff discretion within permits should not be open to interpretations. New code must create consistency in review and avoid unfair allowances.

9. **Economic Development.** Are there changes we could make to the zoning code to promote economic development? Are there obstacles we could remove or incentives we could add to encourage positive redevelopment?
 - a. Support idea of Capitola Road connecting 41st Avenue and Village. Allow hotels along Capitola Road.
 - b. Incentives to bring in desired uses: Zone to allow desired uses, Waive fees
 - c. Capitola should identify the types of uses it would like to see within specific areas and remove unnecessary steps and uncertainty for such desired uses in identified areas.

10. **Sustainability.** The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.?

11. **Other Issues:** Are there any other issues with the zoning code you would like to tell us about?
 - a. Discussion on how does Capitola compare to surrounding areas for businesses. Watsonville is the most business friendly in terms of process. Santa Cruz is more difficult than Capitola. In Capitola, businesses expect more attention to be spent on the small details.

12. **Close.** Community Development Director Rich Grunow thanks the stakeholder participants and talks about next steps.

Email submitted by Bob Rivers of Brown Ranch. Unable to attend Stakeholder meeting

Here are my answers to some of your interview questions:

1. No comment
2. No comment
3. Yes, there should be more flexibility for uses that are part of a large shopping center as opposed to a stand-alone commercial building. The use permit process should be simplified so that a retail tenant does not have to go through the public hearing process if it is in a shopping center that has been approved for retail uses. There should be more “master use permits” like we have at Brown Ranch, and there should be more flexibility within that master use permit. (Example, our master use permit allows for uses under 1,500sq.ft. that are on an approved list of uses, or replacing one of the approved uses, to skip the use permit process. I don’t see why there should be a limit on the size of the use if the shopping center is already approved for retail use.)
4. There used to be something called “The 41st Avenue Design Guidelines” which spelled out the sign requirements for this area – basically 16” high, internally illuminated letters. The idea was to have a consistent look along 41st Ave. Over the past several years these guidelines don’t seem to apply anymore. ?
5. No comment
6. Yes, there should be more flexibility for outdoor displays. This could be handled at staff level.
7. See #2 above. Why is the mall a permitted use so that everything inside the mall does not need a use permit (and the City doesn’t collect any fees), but if you have the same use outside of the mall you have to get a CUP, pay all the fees and have a public hearing?
8. Remove the requirement for the contribution to public art. (I think this is now required as part of the development costs?) This just increases the development cost. If the City wants public art, then the public should pay for it through increased sales tax or increased property tax (both would be very small!).
9. No comment
10. No comment

ACTION MINUTES

Group 4 Local Residents Stakeholder Interview Minutes

Tuesday, September 9, 2014

1. **Introductions** Senior Planner Cattan provided overview of the Zoning Code update process and stakeholder meetings.
Stakeholders present: Ron Burke, Molly Ording, Bruce Arthur, Cathlin Atchison, Nels Westman, and Planning Commissioner Ron Graves.
Staff present: Community Development Director Grunow and Senior Planner Cattan
2. **Ease of Use.** Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly?
 - a. Must be written so the average person can understand.
 - b. Non-conforming Structures and Non conforming Use must be better defined. The 80% rule is open to interpretation. Process for valuation should be codified. Consider using an outside consultant to do evaluation.
 - c. Floor area ratio definition in the General Plan is unclear. The Zoning Code should have more clearly written definitions.
3. **Development Standards and Regulations.** Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues?
 - a. Historic Preservation
 - i. Regulations for historic do not specify the process for modifications to historic structures or demolition.
 - ii. City should adopt an official list of historic structures in Capitola which is legally defensible. A lot of work has been done without a memorialized document.
 - b. Coastal Access – The pathway around Depot Hill is no longer complete. City should reestablish public access along bluff.

- c. Pedestrian pathways – Protect public pathways within updated code. Identify what can/cannot occur along pedestrian pathways. Maintain setbacks from pathways to prevent further encroachment of development.
 - i. Riverview Pathway, Prospect Avenue, Cliff Drive, Grand Avenue, Lawn Way, Railtrail, Rispin Park
- d. Floor Area Ratio should not include the unbuildable portion of the lot. (Example: 1840 Wharf Rd, Riverview Avenue, Depot Hill properties on Bluff)

4. **Neighborhood Issues.** Are there any zoning issues unique to residential neighborhoods or commercial areas that need to be addressed?

- Architectural Design Compatibility
 - Height of New Homes and Additions
 - Size of New Homes
 - Privacy between Neighbors
 - Adequate Yard Size
 - Adequate Parking Onsite
 - Protection of Environmentally Sensitive Areas
 - Historic Preservation
 - Housing Costs and Affordability
 - Maintain Neighborhood Character
 - Sustainability (Reduce Energy and Water Consumption)
- a. Visitor Serving Use within Depot Hill. Suggest no increase in density (or intensity) for future projects. Current Hotel Use Permit must be enforced. The list of uses should be narrowed to include only those uses that are compatible with the surrounding single family neighborhood. Amusement Park and Campground are not compatible uses. City should consider eliminating VS zone in Depot Hill]
 - b. Compatibility concerns for infill development
 - i. Mass and Scale is specific to built condition of neighborhood/surrounding properties. Require streetscapes to evaluate compatibility of projects.
 - ii. Massing – More articulation should be required and prevent two storey homes with no change in wall plane between first and second storey, applicable to all sides. Concern for homes being developed to maximize FAR.
 - iii. Exterior finishes.
 - 1. Multiple exterior finishes should be required to add more interest. Stucco only should not be allowed.
 - 2. Regulate types of exterior finishes that are allowed. No vinyl.
 - 3. Require trim and of substantial profile.
 - c. Identify unique circumstances for lots with views of ocean, walkways, or river. In these areas the standards for front, side, and rear yard setbacks, allowed encroachments, and

fences should be improved. Prevent high fences on street facing yards where inappropriate. (Prospect Ave)

- d. Update and categorize uses better. Example: sauerkraut production not allowed.
- e. Transition areas between Commercial and Residential should have development standards to protect residents from lighting and noise impacts.
- f. Lighting in residential areas should be required to be down directed and shielded to not impact adjacent property owners. Night sky ordinance.
- g. Floor area ratio and basements discussion. Although basements do not influence mass and scale, basements should be included in the FAR calculation to prevent additional bedrooms and impacts on parking.
- h. Neighborhood integrity – protect neighborhoods from vehicle cut-through circulation.
- i. Parking
 - i. Capitola is maxed out of on-street parking
 - ii. Shared parking leads to more congestion, more competition for limited on-street parking, and impact to nearby residential neighborhoods. Commercial areas that are adjacent to residential neighborhoods should not be allowed to decrease parking requirement through mixed use. Also need to be cautious to not create additional residential parking problems by creating mid-block pedestrian connections between commercial and residential zones. Make it too easy for retail shoppers and employees to access residential neighborhoods to park during busy seasons like Christmas.
 - iii. Do not allow variances for parking.
 - iv. Avoid parking impacts on adjacent residential neighborhoods resulting for new multi-story mixed use development along the east side (between 41st & 42nd) of the 41st Avenue corridor. Separate dedicated parking for residential and commercial uses (no shared parking) is a key planning consideration.
 - v. be careful in allowing additional commercial space being built on existing mall parking which could very quickly change an "over-parked" condition into an "under-parked" one with inevitable negative impacts on adjacent residential neighborhoods.
- j. Second home owner impacts
 - i. Losing families in neighborhoods, losing community, 'dark' homes losing self-policing by residents.
 - ii. TOT must be enforced. City needs to enforce online nightly rentals in non-transient neighborhoods. (Air BnB, VRBO)
- k. Density in R-1. Do not increase density in R-1. Maintain minimum lot size requirement as is. (5000 sf).
- l. Rail – Build in zoning requirements for public improvements along mass transit routes and rail in anticipation of transit services. Parking, bicycle bays, covered seating areas, landscape, public art.

5. **Permit Decision-Making Process.** Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current

code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review more or less project types)?

- a. Architecture and Site Review Committee –
 - i. Empower this board to assess compatibility of infill development.
 - ii. Consider pre-application meetings with applicants to identify characteristics of the site/neighborhood and guide compatible design prior to the architect designing the project while still allowing unique structures (for example, the wave house on corner of Monterey and Fanmar).
 - iii. Update review criteria for Arch and Site to include:
 1. Modeling or streetscape requirement
 2. Privacy is maintained second storey
 3. Compatible Exterior Materials – no vinyl siding, require trim, etc.
 4. Parking Requirements
 5. Landscaping and Trees
 - a. Add condition that trees must stay alive after being planted.
- b. Enforcement is necessary. Renegade weekend tree cutting as an example.
- c. Must maintain a fair process for all. Favoritism is perceived by public.
- d. Duration of Planning and Building permits:
 - i. 2 year time period to develop a project based on approved planning permits is too long. Decrease (suggested: 4 months to 1 year) to encourage projects to be built which add to the community.
 - ii. Require that building permits be built within a specific timeframe. Enforcement issues exist throughout the City. (Example 4968 Capitola Road)

6. **Sustainability.** The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.?

- a. Check irrigation prior to occupancy to make sure it is captured onsite and not going down the drain.
- b. Educate rather than Legislate.
- c. Remove ordinance elements which have been superseded or duplicated by State or Federal Laws (example: green building ordinance relative to Title 24)

7. **Other Issues:** Are there any other issues with the zoning code you would like to tell us about?

- a. Improve coordination between departments and outside agencies.
- b. Application and interpretation of the code must be consistent.
- c. Enforcement Issues

- i. Conditions of approval should be monitored and enforced.
 - ii. Zoning code violations should be enforced throughout the City. There are numerous violations throughout Capitola that are ignored.
 - d. Lack of parks/recreation in the neighborhood in the North West corner of the City. (Capitola Road and 41st Avenue)
 - e. Non-conforming uses/structures: discussion on current sunset clause to end all non-conforming uses by the year 2019.
 - i. Requirement to go away isn't necessary unless the use is a nuisance.
 - ii. City should study the existing conditions and guide the outcome to a better resolution.
 - iii. City should drive re-development of blighted properties.
 - iv. Code should address public nuisance issue if present
 - 1. Adequate parking onsite
 - 2. Maintain structures so they are updated and look good in the neighborhood.
- 8. Close. Community Development Director Rich Grunow thanks the stakeholder participants and talks about next steps.**

ACTION MINUTES

Group 5 Recent Applicants Stakeholder Interview Minutes

Friday, August 22, 2014

1. **Introductions** Senior Planner Cattan provided overview of the Zoning Code update process and stakeholder meetings.
Stakeholders present: Peter Wilk, Gerry Jensen, Paul Gunsky, Brigette Estey and Planning Commissioner TJ Welch.
Staff present: Community Development Director Grunow and Senior Planner Cattan
2. **Ease of Use.** Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly?
 - a. Room for interpretation throughout the code. Standards should be clear and leave little room for interpretation.
 - b. Organization of code is not coherent. New code should outline process clearly for applicant. If multiple sections apply, the code should explain which sections apply and under what circumstances.
3. **Development Standards and Regulations.** Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues?
 - a. The upper village area (Fanmar, Terrace, north side of Cherry) is zoned RM-LM and reverts back to R-1. This is confusing and does not reflect reality. Rezone to R-1 for single family neighborhood with no nightly rental.
 - b. How height is measured along slopes is unclear and open to interpretation.
 - c. Floor Area Ratio. If floor area is to control massing, basement, decks, and stairs should not be included in calculation.
 - d. Define significant change. Suggestion: Consider a process for change orders. In the engineering field there are ECO (engineering change orders). Typically these are simple forms with redlines of the drawings attached. The ECOS then get routed and signed off by stakeholders in a period of a day or two. The idea is not to convene a full board meeting but rather circulate the change to individual board members (e.g. by e-mail) for comment and signoff without having to wait a month to the next board meeting. If the change is

controversial, the board member can opt for a full board meeting but a quick approval should be an option. That way the project keeps moving without costly delays.

e. Specify if paint color is/is not regulated?

4. **Neighborhood Issues.** Are there any zoning issues unique to residential neighborhoods or commercial areas that need to be addressed?

- Architectural Design Compatibility
- Height of New Homes and Additions
- Size of New Homes
- Privacy between Neighbors
- Adequate Yard Size
- Adequate Parking Onsite
- Protection of Environmentally Sensitive Areas
- Historic Preservation
- Housing Costs and Affordability
- Maintain Neighborhood Character
- Sustainability (Reduce Energy and Water Consumption)

a. Height: Allow flexibility for additional height for design compatibility and unique circumstances (sloped lots).

b. Historic Preservation:

i. Identify what needs to be preserved. Update Survey of Historic Properties, remove subjectivity from the list.

ii. Let homes progress. The current regulations are too restrictive and do not allow homeowners to improve.

c. View protection. Clearly establish whether or not views are to be reviewed within projects and set standards/criteria. Support for protecting views.

d. Compatibility. There is no specific style of architecture that defines Capitola. There is a mix of styles and design. To set a standard design would not reflect current conditions. Keep eclectic mix of design as the standard.

e. Adequate yard size – Keep setbacks as they are. They work.

5. **Administration.** Are there any needed changes to streamline the City's existing permitting and administration procedures?

a. Create an online fee calculator

b. Establish the level of review of each type of decision maker. Administrative decisions by staff, decisions by Planning Commission and City Council. Establish the limits and leave no room for interpretation.

c. Create a frequently asked questions document for website.

6. **Architecture and Site Review.** Applicants are required to attend an Architecture and Site Review Committee meeting prior to Planning Commission. Do you find this required step effective? Would you suggest any improvements to the Arch and Site Review process?
 - a. Perception that there is little value in Arch and Site b/c Planning Commission can override direction provided by Arch and Site committee. Consider removing Arch and Site from the process
 - b. Empower Arch and Site as an authority. Give this committee the authority to streamline the process or remove the extra step in the review.
 - c. The name of this committee is misleading. Perceived as “passing” the first step for design. Need to clarify this step is required but advisory in nature. The Planning Commission has the authority to require modifications. Consider renaming committee to remove perception that the design is being approved.
 - d. Found Arch and Site helpful to know what other departments are looking for in the process. Thought it was useful information within the staff report so the Planning Commission became aware of what interim changes have been made.
 - e. Require Owner and Architect to attend to improve communication and expectations.

7. **Permit Decision-Making Process.** Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review more or less project types)?
 - a. Remove the City Council’s ability to appeal Planning Commission decisions. Impacted Citizens should appeal and the City Council’s role is to review the appeal.
 - b. Communication must improve on all levels: owner, designer/architect/building inspector, and planning.
 - c. Current level of review is good to maintain the Character of Capitola.
 - d. As a homeowner, more freedom is better. It is important that the City establish what is and what is not permitted and stay within the rules.
 - e. Empower staff to review projects. Create clear allowances that can be reviewed at the staff level. Limit unnecessary review by the Planning Commission.

8. **Sustainability.** The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.?
 - a. Do not require sustainability

- b. Do not duplicate efforts of other agencies. Let Soquel Water regulate water, let State regulate energy, let locals take initiative to go beyond requirements of other agencies if they choose.

9. **Other Issues:** Are there any other issues with the zoning code you would like to tell us about?

- a. When rezoning properties for the updated code, do not expand commercial uses into residential neighborhoods (Bay Avenue). Create transition areas to decrease impacts onto neighboring residential. Make sure rezones are adequately noticed and go through public process.
- b. Quality of wireless reception is poor in some neighborhoods. Review criteria for wireless facilities to make sure all neighborhoods have adequate cell phone coverage.
- c. Support for flat fees rather than deposits. Fees in Capitola are low relative to surrounding areas.

10. **Close.** Community Development Director Rich Grunow thanks the stakeholder participants and talks about next steps.

Written input from Steve Thomas of Burger King. Unable to attend meeting.

1. Ease of Use. Are there specific aspects of the existing Zoning Code that are unclear or difficult to understand? How could we make the code more user-friendly? As a developer you would like the Zoning Codes to be clear and concise, however, there should be an allowance for variance if the site or project benefits the community. The ultimate decision should remain with the counsel or planning commission.

2. Development Standards and Regulations. Are there specific development standards or land use regulations in existing code that have caused problems that should be revised? How do you suggest addressing these issues? From my experience, the signage ordinance should be updated to reflect similar business in the area. I understand that some projects are new and fall under current regulations while other older businesses don't, but to survive in a culture where ease of access and visibility are keys to your success this should be more consistent. The regulations should include heights, size, etc. However, we should allow businesses to complete fairly with common signage requirements.

3. Neighborhood Issues. Are there any zoning issues unique to residential neighborhoods or commercial areas that need to be addressed? Architectural Design Compatibility Height of New H

Additions Size of New H

Onsite Protection of Environm

Affordability Maintain Neighborhood C

Consumption) I do strongly feel that all project need to meet City zoning requirements to be consistent with current themes, designs and neighborhoods. In addition, parking in some areas of the City near the water front is very difficult and tends to keep tourist and others from visiting local businesses.

4. Administration. Are there any needed changes to streamline the City's existing permitting and administration procedures? Add staff for in-house review of plans or create better timelines to review plans from 3rd party vendors. These outside vendors have added items after their initial reviews created long delays in response times leaving my project idle without just cause. This has created extra hardships that should not be necessary. In Santa Cruz, Watsonville or Salinas, these Cities are doing the in-house reviews and the climate is better and more responsive.

5. Architecture and Site Review. Applicants are required to attend an Architecture and Site Review Committee meeting prior to Planning Commission. Do you find this required step effective? Somewhat, it allows you to meet the key state holders from the City. Would you suggest any improvements to the Arch and Site Review process? For new projects, this is an important step but for a remodel of existing business this should not be a mandatory meeting unless major change is forthcoming. The City knows what the project entails and this could easily be an over the counter meeting. We must pay for our AE to attend these meeting which allows us to meet the key department heads but is this necessary for all projects?

6. Permit Decision-Making Process. Depending on the type of application, land use permits require approval by City staff, the Planning Commission, or City Council. Does the current code provide a fair and appropriate level of review of permit applications (i.e., should the Planning Commission review

more or less project types)? Most Cities have this same format with an appeal process if you get denied- It is great to have the planning commission to review the final as City staff can sometimes follow or adhere to the City Charter or guidelines but each project is different and this final step is important. For example, my project was denied some current existing signage but the Planning Commission allowed the key sign to remain which was very important to our business and our success.

7. Sustainability. The new code will place an increased emphasis on sustainability. Do you have any ideas for how can we promote sustainability principles, such as alternative transportation (bicycling and walking), reducing energy and water consumption, encouraging green energy sources, compact development patterns, etc.? The contract you have for green waste disposal is very, very expensive and cost me over 25K in fees as you only allow one vendor. I encourage these ideas but the costs need to be reviewed for each project. Other green ideas are good but again the costs vs benefits should be reviewed and options allowed

8. Other Issues: Are there any other issues with the zoning code you would like to tell us about? No