



## CITY COUNCIL AGENDA REPORT

MEETING OF MARCH 12, 2015

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ZONING CODE UPDATE – ISSUES AND OPTIONS WHITE PAPER

**RECOMMENDED ACTION:** Accept report and provide direction on review process.

**BACKGROUND:** The City of Capitola adopted the new General Plan on June 26, 2014. Since the adoption of the new General Plan, staff has initiated the update to the Zoning Ordinance. State law requires that the City's Zoning Ordinance and Local Coastal Plan (LCP) be consistent with the General Plan. The existing Zoning Code (Code) was written in 1975. Over the past 39 years, there have been multiple updates to the Code, but never a full overhaul of the entire Code. In August of 2014, staff began the process of updating the Zoning Ordinance.

The purpose of this report is to publicize the Issues and Options White Paper (Attachment 1) which will be reviewed by the Planning Commission and City Council over the next several months. Staff is not requesting any action from the City Council at this time; rather, the Issues and Options White Paper is being distributed in advance of upcoming work sessions to allow the public and the City Council with ample review time. The Planning Commission received the Issues and Option paper within the March 5, 2015, Agenda Packet.

**PROCESS OVERVIEW:** The first step to a Zoning Ordinance Update is public outreach. From August 1, 2014, through October 15, 2014, a survey was made available to the public on the City website and hardcopies were available at City Hall and the Capitola Library. The survey was completed by 150 people. During this time, staff also hosted stakeholder meetings with five focus groups. The focus groups included: a local resident group, a recent-applicant group, a commercial property owner/management group, a business owner group, and an architect/designer/planner group. The stakeholder meetings were well attended with informative, lively discussions on a wide range of issues and ideas. The results of the public survey and the stakeholder interviews were published during the November 6, 2014, Planning Commission meeting. The results are available on the City's website within the Zoning Code Update page at <http://www.cityofcapitola.org/communitydevelopment/page/zoning-code-update>.

Staff has worked closely with the City's General Plan consultant to draft the Issues and Options White Paper. The issues identified during the public outreach are the foundation of the White Paper. The report is divided into two sections: non-controversial items and items for public discussion. The non-controversial items are primarily straight-forward and technical in nature. The items for public discussion are more complex issues that require public input, discussion, and direction by the Planning Commission and City Council. The 18 larger issues are identified with an overview of the public perception and the relevant General Plan Goals and Policies. For each issue, the report presents two or more option for how the item can be addressed in the Zoning Code Update. Staff did not include recommendations on the options. During work session discussions, staff and the consultant will provide information on the strengths and weaknesses of options, as well as best planning practices.

All issues identified during public outreach have been identified in a spreadsheet included as Attachment 2. Within the spreadsheet, each issue is explained and direction is provided on how the item will be addressed. For those items addressed within the Issues and Options White Paper, the

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section of the document is references. This spreadsheet will be utilized throughout the process to ensure each issue is considered within the updated Code.

The next step in the process is the review of the issues and options by Planning Commission, followed by City Council review of the Commission’s recommendations. During the March 5, 2015 Planning Commission meeting, staff requested that Planning Commission provide direction on their preference for review. The Commission discussed different options from all day workshops to special evening meetings. There was a preference for limiting the discussions to 4 to 5 hours. Ultimately, the Planning Commission did not make a decision, rather requested the City Council weigh in as well so that the public process is the same for both boards, creating consistency for the public. Staff is requesting direction from the City Council on how to proceed with the review of the Issues and Option.

The public and key stakeholders will be invited to participate in the Issues and Options Workshops. The issues will be reviewed in order as sequenced in the Issues and Options Report. To assist the Planning Commission and City Council in their review of the report, a decision making matrix has been provided as Attachment 3. The matrix will be updated after each workshop to identify the direction provided by the Planning Commission.

The final recommendations will be compiled into a draft Zoning Ordinance. The final document requires Planning Commission recommendation and City Council adoption.

The final document must be authorized by the Coastal Commission for those regulations influencing areas within the Coastal Zone. Staff has begun discussions with the Coastal Commission regarding the update and will continue to work with Coastal Commission staff throughout the update process to facilitate adoption of the updated LCP. Coastal Commission review of updated local coastal plans and Zoning Ordinances takes approximately 6 to 12 months.

**ZONING ORDINANCE UPDATE PROCESS**

1. Stakeholder Outreach (August 2014 – October 2014)
2. Issues and Option Identification (five months)
3. Preparation of preliminary draft Zoning Ordinance (six months)
4. Planning Commission and City Council Work Sessions and Public Hearings (six months)
5. Draft Zoning Ordinance and CEQA Document (one month)
6. Adoption Hearings (two months)
7. Coastal Commission – LCP Amendment\*

2014					2015												
8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
Public Outreach																	
			Draft Issues and Options														
								Preparation of preliminary draft Zoning Ordinance									
								Planning Commission and City Council Public Work Sessions									
														CEQA			
															Adoption Hearings		

\*LCP update by California Coastal Commission following local adoption.


**FISCAL IMPACT:** None

**ATTACHMENTS**

1. Issues and Options White Paper
2. Spreadsheet of Issues
3. Options Matrix

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**Reviewed and Forwarded  
 By City Manager.**





CITY OF CAPITOLA  
COMMUNITY DEVELOPMENT DEPARTMENT

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# ZONING CODE UPDATE

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## ISSUES AND OPTIONS REPORT

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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:

<b>Issue</b>	<b>Page</b>
1. Protecting the Unique Qualities of Residential Neighborhoods	7
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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 polices in the recently adopted City of Capitola General Plan. This will include new standards for 41<sup>st</sup> 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](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 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. 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 41<sup>st</sup> Avenue**

The General Plan contains the following goals for 41<sup>st</sup> 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 41<sup>st</sup> 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 41<sup>st</sup> 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 41<sup>st</sup> Avenue Design Guidelines.** The existing Design Guidelines for 41<sup>st</sup> 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 41<sup>st</sup> 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.

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- 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](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](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 41<sup>st</sup> 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
- 41<sup>st</sup> 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 41<sup>st</sup> Avenue, these limits are problematic. The property has over 800 linear feet of frontage on 41<sup>st</sup> 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 45<sup>th</sup>-47<sup>th</sup> 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

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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 contend 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.

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- 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 List: All Zoning Issues Collected during Public Outreach

Number	Subject	Comment or Explanation of Issue	How issue will be addressed
1	Appeal by City Council	Legal issue with City Council appeals of Planning Commission decisions. Recent case law (Woodys Group, Inc. v. City of Newport Beach). Also, public input was received from local stakeholder group regarding negative public perception created by City Council appealing Planning Commission decisions.	See Issues and Options #18
2	Automatic Denials	Applicants occasionally fail to submit complete applications and/or fail to pay off a deficit account. Under current regulations, staff is required to present these applications to the Planning Commission or City Council for a denial, often creating a greater account deficit.	Add provision to enable automatic denials without a public hearing for applications that do not resubmit complete information or do not maintain a positive developer deposit account for more than a specified amount
3	Decision making matrix	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.	Include a matrix in the code that specifies thresholds for review
4	Fee references	Specific fee references do not belong in code	Delete all specific fee references and replace with requirement to pay fees consistent with adopted fee schedule
5	Modification of approved permit	It is typical for an owner/applicant to request a modification to an approved design. The code lacks guidance on the review process. A condition of approval requires significant changes to design permits to return to Planning Commission. Open to interpretation	See Issues and Options #10. New substantial Conformance Process
6	Permit Extensions	Permits may be extended for one year. Public input requesting increase in extensions to 2 years. Some concerns that there is no maximum limit for extensions.	Increase extensions to 2 years with maximum of 2 extensions per permit application. Add use and reliance standards.
7	User guide	Suggested a user guide to direct applicant through code	Create a user guide
8	AR (Automatic Review)	Everything is reviewed so why have an Automatic Review overlay.	Issues and Options #14.
9	Arch and Site review	Reconsider the function and make up of the Arch and Site Committee	Issues and Options #11
10	Neighborhood Character	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. Review should be neighborhood specific and include how we manage the automobile (width of streets, on street parking, off street parking) v. Acknowledge that within the definition of Capitola exists an eclectic mix of design. vi. Add criteria to review compatibility and context within neighborhood	Issues and Options #1 and #12
11	Neighborhood Character	Require streetscapes with Design Permit applications to evaluate compatibility of projects.	Issues and Options #12
12	Neighborhood Character	Massing – More articulation should be required and prevent two story homes with no change in wall plane between first and second story, applicable to all sides.	Issues and Options #12
13	Neighborhood Character	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.	Issues and Options #12

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Number	Subject	Comment or Explanation of Issue	How issue will be addressed
14	Neighborhood Character	Privacy for adjacent neighbors should be maintained when reviewing second story additions, including new <del>second story decks and second story window locations</del>	Issues and Options #12
15	Threshold for Residential Design Permit	Public Input that 1 <sup>st</sup> floor additions and detached structures that meet development standards should be exempt from Design Review	Issues and Options #12
16	Threshold for Residential Design Permit	Public Input: Consider 2nd floor additions to go through administrative review with adjacent neighbors noticed and have 10 day appeal to Planning Commission if <del>objector have concerns</del>	Issues and Options #12
17	Threshold for Residential Design Permit	Single story additions that meet all requirements of zoning should not require Planning Commission review	Issues and Options #12
18	Threshold for Commercial Design Permit	It is unclear in the current code when a design permit is needed for a façade upgrade.	Issues and Options #12
19	Views	Public comment to protect views. Public views are considered within the coastal findings and historic vistas are considered within architecture and site review consideration 17.63.90(J)	Issues and Options #12
20	Archaeological/Paleontological Resources (Overlay)	Identify the best way to approach current archaeological/paleontological resources overlay zone.	Issues and Options #14.
21	Archaeological/Paleontological Resources (Overlay) Report	Report is intensive and not always necessary. Survey report should be required when a specific amount of native soil will be moved	Issues and Options #14.
22	Conditional Uses in CC (community commercial)	Conditional use list should be expanded in CC	Establish broad categories of land uses that encompass many specific uses
23	Setbacks	Unclear in the CC Zone	Clarify in updated cc zone
24	Accessory structures	17.15.035 allows "additional" accessory structures. 17.15.140 mentions only 1 accessory structure in rear and side yard	Clarify review authority and process as follows: Administrative approval for one accessory structures 80 sf or less, no electrical, no plumbing. CDD approval of additional accessory structures or accessory structure larger than 80 sf. without electric or plumbing. Add exception for pool/hot tub mechanical equipment in enclosed structure with electric/water. Planning Commission approval conditional use permit for accessory structure with electric or plumbing.
25	Accessory Structures	Unclear and disorganized. The standards should be in the general regulations and applicable to all accessory structures throughout town.	Create clear standards and organize within correct section of new code.
26	Animal regulations	Outdated regulations in 17.81.060. Add setbacks for chicken coops.	Maintain existing limits for animal regulations. Update section to specify that accessory structures, such as chicken coop, must comply with standards for accessory structures.
27	Fence	Arbors and trellis are not included in the fence regulations. They are all over town and are typically 8 feet high.	Create allowance for arbors or trellis in front yard above walkway entrance.
28	Fence	Regulations are for residential. No commercial standards	Add fence standards for commercial zones
29	Fence	Treatment of fence in public right-of-way is unclear.	Clarify that a fence in the public right-of-way requires a major revocable encroachment permit approved by the Planning Commission - Consistent with 12.56.060(B) of Municipal Code.
30	Fence	Corner lots. Existing 5 foot inset creates issues for property owners and strange fence lines.	Remove required inset for corner lots when it can be demonstrated that adequate sight distance exists and add height restriction that is consistent with the public works requirement.
31	Fence height	Measurement from both sides of property line in situations with uneven grades.	update regulation to address uneven grade



Number	Subject	Comment or Explanation of Issue	How issue will be addressed
32	Fence permit	Currently replacement fences and fences that conform with the code require a permit. Too much oversight of fences	Update code to allow fence replacements. Include fence regulations and ability for the Planning Commission to approve alternative location, heights, and materials for special circumstances.
33	Fence and retaining walls	No rules for height of retaining walls and separation	Include retaining walls within fence section.
34	Fence permit	Retaining walls should be called out within the fence permit sections. Set standard for when engineering and permit is required.	Add standards within fence permit section. Rename section wall and fence permits
35	Fencing in unique areas	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). Establish rules for walls and fences within riparian areas	Consider within fence regulation updates
36	Landscape - water efficient landscape	Chapter 17.97 does not comply with state law	Maintain and improve standards for water-efficient landscaping. Add requirement that landscaping projects subject to the requirements of AB 1881 comply with State Water Efficient Landscape Ordinance.
37	Lighting	Lighting in residential areas should be required to be down directed and shielded to not impact adjacent property owners. Night sky ordinance.	Add lighting standards and night sky provisions.
38	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. Examples: Riverview Pathway, Prospect Avenue, Cliff Drive, Grand Avenue	Create standards for areas along pathways and railroad
39	Problem sites in need of attention	Create solutions to existing problem sites (Rispin, Village parking, and Village hotel) within the updated code. Set up favorable standards.	Incorporate desirable development standards for identified sites, consider incentives for positive redevelopment opportunities.
40	Railtrail	Rail – Build in zoning requirements for setbacks/public improvements at intersections of railtrail in anticipation of transit service and public access and parking.	Include new considerations for development near rail access points (41st Avenue, Monterey Avenue, New Brighton, 47th, to include pedestrian and bicycle ease, fence, parking, benches, landscaping etc..
41	Solar	Remove permit requirements for non-commercial solar energy facilities	Remove discretionary permit requirements for non-commercial solar energy facilities
42	Temporary Storage Facilities (PODS)	PODS require an encroachment permit when located on city street. §9.52.010 regulates unenclosed storage but does not list PODs within the exceptions of what may be stored. Therefore, they are illegal if located in the front of the home. Long-term pods are a source of complaints by residents.	Create administrative permit that establishes a 30 day time limit for temporary storage facilities. Require CUP from PC for temporary storage beyond 30 days.
43	Conditional Uses in CN (Neighborhood Commercial)	Conditional use list should be updated/expanded in CN	Update conditional uses in CN district to include full range of land uses appropriate in the CN district. Note: Staff will update this item with complete list of updated/new conditional uses as code is drafted.
44	Setbacks in CN	Setbacks are too restrictive for the small lots and prevent development. EXISTING SETBACKS: Front yard: 15 foot landscape strip. Side yard: 10% of lot width. Rear yard: Commercial 10 foot landscape strip OR Residential 20% of lot depth	The CN setback requirements will be updated to remove the term <i>landscape strip</i> and require front, rear, and side yard setbacks. Lots between 401 - 431 Capitola Avenue are substandard. These lots will be rezoned to Central Village to allow placement along the street frontage to maintain the existing rhythm of the street. See Attachment A.
45	Coastal Zone exemptions	This section is very difficult to understand.	Clarify exempt projects in Coastal Zone
46	Coastal Permit review	Currently the code states review by PC and CC	Clarify review authority is PC
47	Allowed and Conditional Use - placement in commercial districts	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.	Issues and Options #4

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Number	Subject	Comment or Explanation of Issue	How issue will be addressed
48	Allowed and Conditional Use Land Use and review	Provide more flexibility in allowed uses. Identify those uses the city does want and allow them.	Issues and Options #4
49	Allowed and Conditional Use Land Use and required design review	All principle permitted uses require architectural and site review in Community Commercial zoning district. New zoning code should remove required review for tenant modifications for those types of commercial uses the City would like to encourage	Issues and Options #12
50	Allowed Use and Tenant modifications	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.	Issues and Options #12
51	Allowed and Conditional Use Land Use categories	Land uses are outdated. Update and categorize uses better. Example: sauerkraut production not allowed. Gym or yoga studio not listed.	Modernize land use classification in code
52	Commercial land use	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.	Issues and Options #4
53	Density	Allow density bonus for project that provide congestion relief (ex. Square footage credit for bike parking, transit	Issue and Option #3
54	Drive-thru	Allow drive-thru on 41st Avenue. Survey showed support (98.3%) for drive-thru along 41st avenue.	Create conditional use permit review for drive-thrus on 41st. Establish a required setback from residential properties and shielding.
55	Food establishment with 6 chairs	The zoning code lists "restaurants, including take-out restaurants or adding a take-out window to an existing restaurant use" as a conditional use permit. In the parking section, the # or spaces required for a "Retail use and restaurants/take-out food establishments with six or fewer seats" are treated equal. This allows retail to convert to restaurant with a limit of 6 seats. Applicants are often confused on the limitation of 6 chairs. The 6 seat regulation is problematic to monitor.	Create a new land use category for "to-go" restaurant. Rather than limit seats, limit the area for dining. Update the parking regulations to include the same amount of parking for "to-go" restaurants as retail. This will allow retail to be converted to "to-go" restaurants. It will also eliminate the need the staff to continuously monitor seats.
56	Outdoor Display - Permanent	17.21.035 requires a conditional use permit for outdoor display in the CV (Central Village). Many violations exist in the CV. Expand outdoor display to all commercial areas. No standards exist. Need standards placement of display on private property, size of area, upkeep, maintaining pedestrian circulation, etc. Specify that automated dispensers (outdoor soda machines, red box, shipping centers) require a permit. Build integrity into process. Not just quantitative measure but qualitative measures too.	Establish new standards to address outdoor commercial displays on properties in commercial and mixed uses zones. Standards will address location of displays, screening, hours, permitted materials, height, etc.
57	Outdoor Display/Parking lot sale - Temporary Use	No regulations in code. There is an administrative permit for sales twice a year on weekends. No standards exist. Add administrative permit with standards.	Add a new section to address temporary uses, including temporary parking lot sales associated with a permanent business.
58	Outdoor Dining	The code currently does not specify outdoor dining as a use. Request to consider utilization of public parking spaces in Village for dining decks. Add conditional use and standards for review of outdoor dining on private or public areas within commercial districts.	Staff will discuss with Coastal Commission possibility of using street parking spaces for dining decks. Zoning Code will contain new standards for sidewalk dining that address hours of operation, required permits, minimum sidewalk clearance, design of dining area, operation standards, and maintenance standards.
59	Public realm along 41st avenue	Support (71.9%) to improve the design of the public realm with improved pedestrian sidewalks, bicycle lanes, street trees and landscaping, and pocket parks, where appropriate	Issues and Options #3
60	Thresholds for design review in CC	New structure vs. front façade change vs. accessory structure vs. new landscaping	Issues and Options #12

Number	Subject	Comment or Explanation of Issue	How issue will be addressed
61	Top 5 community benefits for increased FAR along 41st Ave	Pedestrian Circulation Improvements (35.6%), Public Realm Improvements (32.2%), Bicycle Circulation (29.7%), Provide funding/support for Regional Trail System (28%), and Automobile circulation and parking improvements (22.9%).	Issues and Options #3
62	Transition standards for circulation to decrease Impacts on neighbors	Neighborhood integrity – protect neighborhoods from vehicle cut-through circulation	Include in review criteria for commercial and mixed-use projects.
63	Transition standards for commercial development adjacent to residential	The code lacks standards to buffer residential uses that are adjacent to commercial.	Add transition standards to commercial and mixed-use projects.
64	Transition standards for commercial development	Transition areas between Commercial and Residential should have development standards to protect residents	Update code to include transition standards between commercial and residential
65	Bakeries, Coffee Shop, Take-out, Restaurant	Confusion of why bakeries are allowed uses in CC but take out restaurant is a CUP. Coffee shop is treated as take our restaurant. What is the difference between a bakery, a coffee shop, and a yogurt shop?	Categorize land uses appropriately associated with impacts. Principally permitted or CUP
66	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.	Issues and Options #2 and #3
67	Urban Agriculture/Community Gardens	Include urban agriculture in zoning update	Add definitions, standards, and include in permitted use lists
68	Commercial standards for different types of commercial areas.	Create different commercial standards (uses, landscaping, signs, and parking) for the different commercial areas. 41st Avenue, Central Village, and Neighborhood Commercial.	Issues and Option #2, #3, #7
69	Conceptual Review	Invite the conversation to work toward a desirable outcome rather than being reactive. Keep conceptual review process in code update	Keep conceptual review process in code update.
70	Conditional Uses in CR (Commercial Residential) District	Conditional use list should be expanded in CR	Expand conditional uses in CR district
71	Development standards in CR	Development standards are too open ended	Create more specific development standards in the CR
72	Conditional Use Permit Findings	Findings are lacking	Add specific findings for CUP
73	Conditional Use Permit Modifications	No reference to required process for modifications to CUPs.	Add process for modification to CUP
74	Central Village hotel	Zone for hotel in village	Issues and Options #5, #16
75	Conversion of commercial to residential in CV	CV states that commercial may not be converted to residential under architectural and site review section.	Reorganize to include requirement under "use" section.
76	Height	Increase maximum height to 30' to result in better design and more useful space in Village	Issues and Options #16
77	Outdoor dining in village	Create opportunities for outdoor dining in the village	Update code to support outdoor dining in village, to the extent adequate parking can be provided.
78	Transient Rental Overlay	Requires a CUP by Planning Commission. Permits expire annually. Not enforced.	Update code to create administrative permit process.
79	Uses in Central Village	Use list is lacking diversity	Expand conditional uses in Central Village
80	Definitions	Personal service establishment - Listed Use, Not defined	Update definitions

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Number	Subject	Comment or Explanation of Issue	How issue will be addressed
81	Definitions	Bakeries, Coffee Shop, Take-out, Restaurant. Listed Uses, Unclear what the differences in the uses are.	Update definitions
82	Definitions	The code utilizes the term "design use". Uses should be tied to land uses not design.	Update definitions
83	Definitions	Professional Office Use. Not defined. Medical? Real estate? Engineering? Architecture?	Update definitions
84	Definitions	Lodging Facility, Hotel, Motel, Bed and Breakfast. Many terms used for lodging.	Update definitions
85	Definitions	Height. Not defined. Unclear how it is measure in different situations (Slope)	Update definitions
86	Definitions	Lot Area. Define to specify what is/is not included in calculation for FAR. Floor area is based on the size of the lot area. Lot area is not defined. There are unique circumstances in which lots have areas that extend into the ocean, creeks, trails, roads, and alleyways.	Update definitions
87	Definitions	Yard vs. Landscape Area vs. Landscape strip. Terms utilized within development standards but unclear what the differences are.	Update definitions
88	Definitions	Demolition. Define for evaluation of non-conforming. Problem with applicant taking down the majority of a structure and replacing in the same spot.	Update definitions
89	Definitions	Accessory structures, secondary units, kitchen, dwelling unit. Clarify definitions.	Update definitions
90	FEMA	Outdated regulations within floodplain	update regulations to reflect most recent FEMA regulations
91	Bluff Erosion	Geological Hazard overly is not consistent with General Plan	Issues and Options #14.
92	Additional credit for green building techniques	Include credits for alternative transportation, impervious surfaces, walk/bike	This will be addressed in the Climate Action Plan. Note: Staff will update to reflect CAP guidance.
93	Check list rather than points	Create a check list with boxes rather than quantifying everything	This will be addressed in the Climate Action Plan. Note: Staff will update to reflect CAP guidance.
94	Duplication in Local and State regs	CAL green covers mandatory state requirements. Eliminate the duplication in process from Federal and State levels	Update and expand the green building program to comply with state mandates for greenhouse gas emission reductions
95	Points for reutilizing buildings and longevity	Points should be granted for reutilizing existing buildings and longevity	This will be addressed in the Climate Action Plan. Note: Staff will update to reflect CAP guidance.
96	Solar	Assembly Bill 2188 requires adoption of administrative ordinance for small rooftop solar systems	Update code to comply with state regulation
97	Demolition of Historic Features	Demolition of Historic Features. No process outlined for demolition of historic structures	Issues and Options #6
98	Historic features review	Historic Feature Determination. Criteria in 17.87.030 for identifying historic feature is extremely broad.	Issues and Options #6
99	Non-conforming	Non-conforming 80% improvements. Regulations are too restrictive and do not support historic preservation.	Issues and Options #8
100	Process for review of potential historic resource	Process for review of potentially historic resources. City has 2005 list of historic structures. This list should be treated as a "potentially historic structure list". Process for modification to a structure on the list is lacking in the code.	Issue and Option #6
101	Repairs to Historic Features	Repairs to Historic Features. Code specifies that modifications to historic require a CUP. Does not specify process for replacing damaged exterior materials if they	Update to allow in-kind replacement of damaged historic materials. Administrative review for exact replications of historic material.
102	Incentives	Incentives for Historic Preservation. Add incentives for historic preservation	Issues and Options #6
103	Modification to historic resource	Modification to Historic. No standards in code for review of modifications to historic structures.	Issues and Options #6
104	IP (Industrial)	Conditional use list should be updated/expanded. Reconsider fish processing, vinegar operations, etc.	Expand/update conditional uses in IP district to include broad range of uses appropriate for IP district. Note: Staff will update this cell once upon draft of the use table.

Number	Subject	Comment or Explanation of Issue	How issue will be addressed
105	IP (Industrial)	Issue with impacts on neighboring mobile home park. Consider impact to dense population prior to listing as allowed or conditional use	Include consideration for CUPs to assess impacts on neighboring mobile home park.
106	Capitola Road as connection	Support idea of Capitola Road connecting 41st Avenue and Village. Allow hotels along Capitola Road.	Capitola Road is presently designated as a mixed-use area and is proposed to remain. Commercial uses, including small hotels, are allowed in mixed-use areas
107	Non-Conforming Structural Alterations	Too many developers get non conforming status then take the majority of the building down and rebuild in nonconforming place.	Issues and Options #8
108	Non Conforming	Non-conforming Structures and Non conforming Use must be better defined. The 80% rule is open to interpretation. Process for valuation should be codified.	Issues and Options #8
109	Non-Conforming sunset clause	Non-conforming uses/structures: discussion on current sunset clause to end all nonconforming 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	Issues and Options #8
110	Non-conforming homes	Examples of homes being built in same place and having non-conforming status. Plans show walls remaining. In field, walls are removed. If a home is undergoing a full remodel and has non-conforming parking, parking issues should be fixed. Riverview example near north end	Issues and Options #8
111	Non-conforming multi-families in R-1	Many multifamily structures in the north of Capitola Rd 40's are in need of repair and have impact on surrounding neighborhood. Consider assessment district for street improvements for street landscaping, parking, bulb-outs.. Etc to result in mitigation of existing impacts. Consider requiring building to remove carports, plat trees, remove dumpsters, and include design improvements to the front facades.	Issues and Options #8
112	Carports	Carports should be discouraged	Issues and Options #5
113	Central village parking	Commercial parking in CC Section 17.27.120 should be applied to the Central Village.	Issues and Options #5
114	Compact parking spaces	Compact parking spaces are problematic	Maintain existing compact space provisions, which are typical
115	Electric car recharge	No requirement for electric car recharge in large parking lots	Add requirement for charging stations in larger project, and development and operational standards, clarify it is a permitted accessory use in all zones
116	Garage size	Garage internal dimension of 10' x 20' minimum is too big	Decrease garage minimum requirements to 18' x 10'
117	Garages	Often used for storing. Rethink the requirement for covered parking/garage.	See Issues and Options #5
118	Location of required parking	The code states: <u>17.51.120 Space for required off-street parking and loading shall not occupy any part of a required open space for a rear or side yard. On corner or through lots, parking space may not be included as part of required yards lying adjacent to either street.</u> No allowance for parking in rear or side yard setbacks. Makes parking on corner lot nearly impossible	Modify parking allowances within side yards. There is a 2 foot strip required in the R-1. Maintain the required 2 foot strip for residential properties but allow parking to encroach into the side yard.

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Number	Subject	Comment or Explanation of Issue	How issue will be addressed
119	Storage of RV and Boats	RV and Boat storage can displace required onsite parking. This displaces parking from the driveway onto the street. In areas with high street parking demand this is problematic.	Require additional parking for storage of RVs, PODs, boats, etc so required parking is not displaced by storage.
120	Multi-unit parking	Multi-units. Parking requirement based on # of units not unit size.	See Issues and Options #5
121	Parking alternatives	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	See Issues and Options #5
122	Parking Issues	<p>Parking</p> <p>i. Capitola is maxed out of on-street parking</p> <p>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.</p> <p>iii. Do not allow variances for parking.</p> <p>iv. Avoid parking impacts on adjacent residential neighborhoods resulting for new multi-story mixed use development along the east side (between 41st &amp; 42nd) of the 41st Avenue corridor. Separate dedicated parking for residential and commercial uses (no shared parking) is a key planning consideration.</p> <p>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</p>	See Issues and Options #5
123	Parking lot landscaper requirement impact on Solar installations	The current parking lot landscape requirements do not consider solar installations for covered parking.	Update landscape requirements to build flexibility into the requirements for parking lots with solar installations. Possible decrease in required tree planting.
124	Parking lot design: City's standard specifications	Code does not include City's standard specifications for parking lot design. The public works director has new standards that he would like to see referenced.	Reference city's standard specifications.
125	Parking reductions	Allow parking reduction in exchange for onsite bicycle parking, mixed use development, and proximity to multi-modal transportation, such as bus stop.	Issues and Options #5
126	Required parking for land uses that are not identified in parking section.	No established standards for parking requirements for unlisted uses.	Establish criteria/methodology for parking requirements for non-listed uses.
127	Required parking spaces	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.	Issues and Options #5
128	In-lieu parking	In-lieu parking to collect payment for required parking spaces and utilize the funds to develop public parking lots that are in close vicinity to the new or intensified use. Adding an allowance for in-lieu parking creates public/private partnerships creating opportunities for new uses in areas challenged with limited space for onsite parking, such as the Village.	In-lieu parking policy exists for hotels and valet in the village.
129	4 acre minimum requirement for PDs	4 acre minimum is not practical due to scarcity of 4-acre + properties	Issues and Options #13

Number	Subject	Comment or Explanation of Issue	How issue will be addressed
130	Maintain PD	Keep Planned Development. Infill requires flexibility to result in the best design within an established area. Let architect fix issues through design rather than zoning creating additional hurdles to development. Reminder that the buildings that are most love in Capitola could not be built within today's zoning code. Allow for creativity.	Issues and Options #13
131	preliminary view by PC and CC	PD preliminary plan is reviewed only by PC. It would be more reliable to bring CC in at this stage so applicant has perspectives of recommending and approving bodies.	Issues and Options #13
132	Remove PD	Eliminate spot zoning that allows parcels in residential neighborhoods to be rezoned as Planned Development	Issues and Options #13
133	Professional Office Zone	There is one small area zoned OP (Professional Office) along Capitola Road. It is located between the CN (neighborhood commercial) and CR (Commercial/Residential) zoning districts.	Rezone OP to Neighborhood Commercial.
134	City Hall and Pac Cove Development Standards	Lack development standards that allow a multi-story parking structure to be reviewed on City Hall parking lot site for the village. The City Hall property will likely be redeveloped in the future. Development standards should be included in update for redevelopment	Create development standards that allow a multi-story parking structure to be reviewed on City Hall parking lot site for the village. Include guidance within the public facilities chapter or within the planned development chapter for future development on property.
135	FAR calculation	17.15.100(B)6. Remove decks on second story and garages from calculation.	Issues and Options #17
136	Floor Area Ratio	Clarify what is/is not included in FAR	Issues and Options #17
137	Floor Area Ratio	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.	Issues and Options #17
138	Floor Area Ratio	Floor Area Ratio. If floor area is to control massing, basement, decks, and stairs should not be included in calculation.	Issues and Options #17
139	Floor Area Ratio	Floor Area Ratio should not include the unbuildable portion of the lot. (Example: 1840 Wharf Rd, Riverview Avenue, Depot Hill properties on Bluff)	Floor area is based on the size of the lot area. Lot area is not defined. There are unique circumstances in which lots have areas that extend into the ocean, creeks, trails, roads, and alleyways. The definition of lot area will be updated to specify that lot area does not include areas of lots that are located beyond the cliff edge, or beyond the high water mark of a creek. The update will also include specificity that the trail and open space parcel between Soquel Creek and Riverview is not calculated in the lot area.
140	Garage conversions	Code is vague on garage conversions to living space when parking requirement is met within driveway.	Specify that garage conversions are allowed if onsite parking requirements are met.
141	Height	Public Input: Height limit of 25 feet in R-1 is too restrictive for certain types of architectural design.	Issues and Options #16
142	Height	Height: Allow flexibility for additional height for design compatibility and unique circumstances (sloped lots).	Issues and Options #16
143	Height in Cliffwood Heights	Cliffwood heights has larger lots. Taller homes could be allowed in this area	Issues and Options #16
144	Minimum lot size for secondary units is 5000sf.	Lower minimum lot size to allow more secondary units on smaller properties.	Issues and Options #9

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Number	Subject	Comment or Explanation of Issue	How issue will be addressed
145	Kitchen Limitations and Secondary Dwelling	Code limits 1 kitchen to each dwelling unit. Often times laundry rooms are converted to kitchens and become code issues. Another issue is that outdoor kitchens are <u>not allowed due to single limit.</u>	Update dwelling unit definition to allow for 1 outdoor kitchen and limit each dwelling unit to 1 laundry room.
146	Minimum lot size	Density in R-1. Do not increase density in R-1. Maintain minimum lot size requirement as is. (5000 sf).	Maintain R-1 minimum lot size of 5,000 sf
147	Minimum lot size	Many lots are 4000 sf in R-1. (modify minimum lot size to fit the neighborhood the lot is in. (Jewel box example)	Existing lots under 5,000 sf are legal and may remain in perpetuity according to state law. No change <u>proposed.</u>
148	Multi-family.	Do not downsize multi-family lots. Lock in centralized sites for multi-family with minimum density requirements	No down-zoning of MF lots proposed.
149	Neighborhood Character	With several types of neighborhoods with different lot sizes and characteristics, it seems logical to introduce a new residential zone. The Riverview and Cliffwood Heights neighborhoods are very different but share the same zoning designation. This requires the need for variances and special considerations. A new zone would be appropriate to keep specific neighborhoods intact. Cliffwood Heights - (large lots), Depot Hill (row is <del>landscaped, front setbacks from property line</del> ). Riverview	Issues and Options #1
150	Rental Stock	Allow multi-units that are intended to be rented	Multi-family uses are allowed to be rented. No <u>change proposed.</u>
151	Required separation between buildings (3 feet) is listed in <u>wrong area of code.</u>	Regulation is listed under setback requirements of the R-1	Reorganize to include required separation within section on garages and accessory structures.
152	Roof top decks in Single family and CV zones	Suggestion that rooftop decks be prohibited.	Add Design Permit considerations to protect privacy.
153	Second Dwelling Units	Code requires owner to live in either primary home or secondary unit. Public input that the city should reconsider this requirement and allow both to be rental.	Issues and Options #9
154	Second Dwelling Units	Consider excluding secondary dwelling units from FAR calculation.	A lot with a secondary unit is given an increased FAR of 60%. Rather than provide the increase FAR, the new code can exclude secondary dwelling units from the FAR calculation. By allowing the exception, the FAR would never exceed 60% as currently allowed.
155	Secondary Dwelling Units	Detached units limited to 15 feet high	Issue and Option #9
156	Secondary Dwelling Units	Allow on lots with 4,000 sf	Issue and Option #9
157	Setbacks in RM	RM setbacks are confusing	Updated code will have standardized tables with limited and specified exceptions.
158	Setbacks of Detached Structures	Current setback requirement is 8 feet from rear property line. Decrease the setback requirement in rear yard	Decrease to 5'
159	Setbacks and Encroachments	Setbacks regulations and encroachments are confusing and the exceptions are not consistent	Updated code will have standardized tables with limited and specified exceptions.
160	Side Yards 15% regulation	<u>17.15.110E(3) Side yard: for levels above the first floor, set back shall be at least fifteen percent of the side yard .</u> It seems there was an error in the description of the second story setbacks to be 15% of the lot width as opposed to 15% of the side yard setback.	Updated code will have standardized tables with limited and specified exceptions.



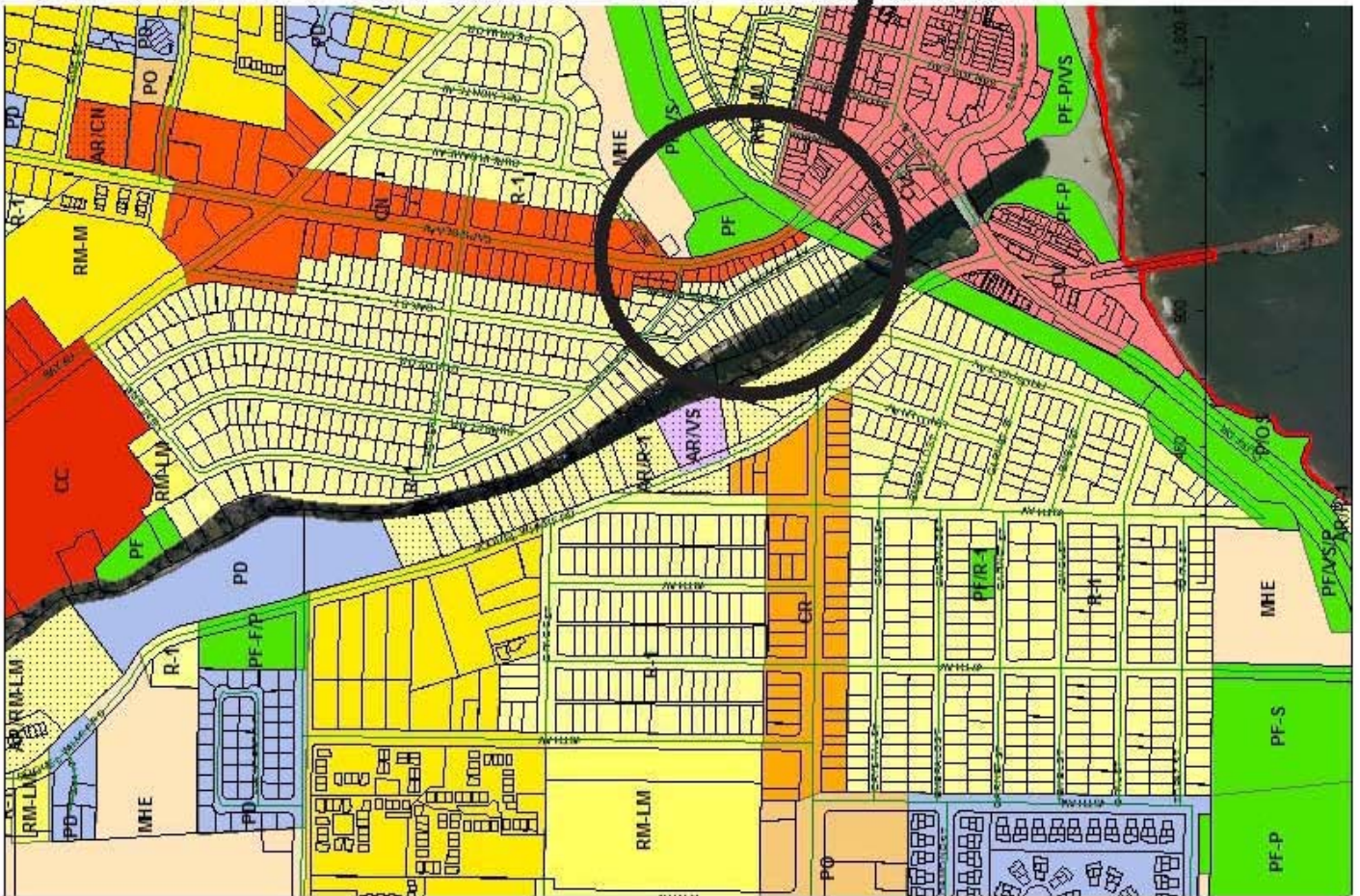
Number	Subject	Comment or Explanation of Issue	How issue will be addressed
161	Side Yards Second Story	<u>17.15.110E(3) Side yard:</u> For levels above the first floor, setback shall be at least fifteen percent of the side yard although not more than ten feet shall be required. For half-stories, projected building area under/from the roof (e.g., shed or dormer areas) shall also meet the second floor setback requirements. <u>Up to twenty percent of a second floor wall may be at the same setback as a first floor wall with a setback of at least four feet;</u> On lots that have substandard widths (less than 40' wide) the required additional setback on the second story is problematic for practical floor plans and space.	Simplify in standardized table with exception for lots with width less than 40' wide.
162	Transitional and Supportive Housing	State law requires definitions of transitional and supportive housing and requires them to be permitted the same as residential uses in the same zone.	Update under uses as principally permitted
163	Yard Encroachments	Pools, Jacuzzis, firepits, and air conditioners are not included in encroachments for side and rear setbacks. Requested often.	Include pools in encroachments and establish minimum 5' setback for side and rear yard setbacks
164	Residential	Healthy neighborhoods: zone for what the City would like to see within the neighborhoods – pedestrian/bicycle connectivity – interactive yards – less emphasis on the car. Example of Santa Cruz county pleasure point community plan	Update development standards to allow engaging front yard encroachments (patios, decks, walkways, raised flower beds, trellis, hardscape furniture (concrete bench). Commercial standards to include interior sidewalks and bike paths in parking lots.
165	Auto Plaza Drive Signs	Auto plaza Drive lacks visibility with no allowance for a monument sign or other prominent sign along 41st avenue.	Add sign standard to allow prominent sign at the entrance of auto plaza drive
166	Central Village Pedestal Sign	Central Village Pedestal Signs – remove. Ordinance does not work. Enforcement is an issue. Village should have consistency in rules and enforcement.	Issues and Options #7
167	Content regulated within signs	Current code regulates sign content. This is illegal.	Clarify that ordinance cannot regulate sign content
168	Design of Signs	Allow creativity.	Set standards for size, location on building, logos, brand identification, and types of signs. Allow flexibility in materials, lighting, and color.
169	Digital Signs	Digital display not allowed	Create clear standards for digital display.
170	Master Sign Program	Directional signs should be allowed within larger developments.	Update master sign program regulations
171	Master Sign Program and variety	Not much variation allowed within individual plazas with master sign program.	Allow more variety between sign styles within master sign program.
172	Monument Signs	Monument signs in code are too limited for large developments such as King Plaza.	Issues and Options #7
173	Political Signs	Rules for political signs are unclear	Clarify rules for political signs
174	Sign materials and quality	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.	Issues and Options #7
175	Signs at large centers	Visibility. Current code does not allow enough visibility from the street. Auto plaza, mall, and large shopping centers are impacted by sign code regulations.	Issues and Options #7
176	Signs in different commercial areas (41st, village, neighborhood commercial, and industrial)	Different areas should have different standards.	Issues and Options #7

Item #: 10.C. Attach 2.pdf

Number	Subject	Comment or Explanation of Issue	How issue will be addressed
177	Signs in large centers	No flexibility in # of types of signs. Difficult for large properties to comply and advertise effectively. 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)	This can be accomplished through a master sign plan. Code update can provide more transparency in the flexibility of a master sign plan
178	Threshold for Sign Permit	Sign ordinance requires all new signs to go before Planning Commission. Some signs should be allowed with administrative review	Issues and Options #7
179	Community Care Facilities	Standards need to be updated per state law and organized.	Update standards per state law and locate in special land use regulations.
180	Day care facilities	Standards need to be updated per state law and organized.	Update standards per state law and locate in special land use regulations.
181	Home Occupations	Home Occupations is defined and then listed as a Conditional Use in various zones (R-1, CV, MHE, RM). The definition describes the limitations. Current noticing requirement is time consuming and an added cost for new businesses.	Create an administrative review process that conditions home occupancy permit to standards. Create contingency that home occupation permit may be revoked when standards are not followed.
182	Second homes	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)	Ongoing code enforcement issues. Maintain Transient overlay.
183	Increase Nightly Rental Stock	Expand transient rental zone	Staff heard significant concerns about existing vacation rentals and very little support for expanding the transient rental overlay zone. No changes proposed.
184	Variance	Variance section is not in conformance with state code	Update to conform with state code
185	Depot Hill/ VS density	Resident of Depot Hill requested following modifications underlined and italicized. Chapter 17.30 V---S Visitor Serving District 17.30.070 Development standards. The V-S (visitor serving) district may be the only zoning district applicable to a property, but at times it is applied along with other zoning districts to a property, such as "VS/R--1," or "VS/PF" dual zoning. Dual zoning means that the uses and development standards of the V-S district apply, although uses allowed by the other district may also be permitted through approval of a conditional use permit, and the planning commission may apply development standards from the other zoning district in lieu of or as well as the V-S district, as determined through architectural and site review. <u>All visitor-serving development in the Escalona Gulch/Depot Hill area (that area bounded by Park Avenue and Bay Avenue) shall not exceed eight (8) units per acre.</u> (Ord. 868 § 1, 2004)	ISSUES and OPTIONS # 15
186	Visitor serving uses in depot hill	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)	ISSUES and OPTIONS #15



There are substandard lots in the Neighborhood Commercial Zone along Capitola Avenue that have inadequate depth to comply with front yard and rear yard setback requirements.



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Issues and Options Matrix		
	Direction	
	PC	CC
<b>ISSUE 1: Protecting the Unique Qualities of Residential Neighborhoods (Page 7)</b>		
<p><b>Option 1: Maintain existing R-1 standards for all neighborhoods.</b> 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><b>Option 2: Introduce tailored development standards for individual residential neighborhood.</b> 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><b>Option 3: Allow case-by-case deviations to R-1 standards.</b> 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><b>Notes:</b></p>		

Issues and Options Matrix		
	Direction	
	PC	CC
<b>ISSUE 2: Maintaining and Enhancing the Village Character (Page 8)</b>		
<p><b>Option 1: Maintain existing standards with advisory design guidelines.</b> 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.</p>		
<p><b>Option 2: Establish new building form and character standards.</b> 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:</p> <ul style="list-style-type: none"> <li>• Maximum setbacks to keep buildings and their entrances close to the sidewalk.</li> <li>• Permitted treatment of setback areas (e.g., plazas and landscaping, no parking)</li> <li>• Minimum building width at street edge (defined as percentage of lot width) to maintain a continuous presence of storefronts.</li> <li>• Buildings oriented towards a public street with a primary entrance directly accessible from the sidewalk.</li> <li>• Maximum length of unarticulated/blank building walls.</li> <li>• Required storefront transparency (percentage clear glass)</li> <li>• Maximum building/storefront width (require larger buildings to be broken down into a pedestrian-scale rhythm with individual building bay widths)</li> <li>• Surface parking location (at rear or side of buildings, not between a building and a street-facing property line).</li> <li>• Frequency and width of driveways crossing sidewalks.</li> <li>• Requirements or incentives for residential front porches.</li> </ul>		
<p><b>Option 3: Incorporate design guidelines as standards in the Zoning Code.</b> 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.</p>		
<p><b>Option 4: Remove reference to Central Village Design Guidelines.</b> 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</p>		
<p><b>Notes:</b></p>		

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 3: Accommodating High-Quality Development on 41 <sup>st</sup> Avenue (Page 10)		
<b>Option 1: Maintain Existing Regulations.</b>		
<b>Option 2: Increase Parking Flexibility.</b> Existing off-street parking requirements for individual land uses and properties 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.		
<b>Option 3: Create incentives for desired improvements.</b> The General Plan allows for increased floor area ratio (FAR) for certain types of project on 41 <sup>st</sup> Avenue. The Zoning Code could build from this concept by offering incentives for project that include community benefits such as new public gathering places and entertainment uses. 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. 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.		
<b>Option 4: Strengthen connection to 41<sup>st</sup> Avenue Design Guidelines.</b> The existing Design Guidelines for 41 <sup>st</sup> Avenue is 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. The City will update the Design Guidelines to better reflect the vision and goals for the corridor following adoption of the new Zoning Code.		
<b>Option 5: Streamline Permitting Process.</b> 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.		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
ISSUE 4: Protecting Retail Vitality on 41 <sup>st</sup> Avenue (Page 11)		
<b>Option 1: Maintain existing regulations.</b>		
<b>Option 2: Add new findings for professional and medical office uses.</b> 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.		
<b>Option 3: Encourage professional and medical office uses in certain locations.</b> 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.		
<b>Option 4: Introduce new limitations for professional and medical office uses.</b> Cities often use zoning regulations to limit the concentration of land uses in certain areas. For example, the Capitola 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.		
<b>Notes:</b>		



Issues and Options Matrix		
	Direction	
	PC	CC
Issue #5: Parking (Page 12)		
Issue #5A: Number of Required Parking Spaces (Page 13)		
Option 1: Maintain Existing Requirement.		
<p><b>Option 2: Modify Parking Requirements for Certain Land Uses in All Areas.</b> The updated Zoning Code could modify parking requirements for certain land uses in all areas of the City. Parking requirements could be modified for:</p> <ul style="list-style-type: none"> <li>• Restaurants, potentially reducing the parking requirement (currently 1 space/60 sf).</li> <li>• Take-out food establishments, eliminating the need for seat counting</li> <li>• Single-family homes, creating one standard regardless of size</li> <li>• Multi-family homes, allowing reduced parking requirements for small units</li> </ul>		
<p><b>Option 3: Create Location-Based Parking Standards.</b> 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 or park once in or near to the Village and walk to multiple destinations during their visit. This approach could apply only to certain land uses, such as restaurants, or to all land uses.</p>		
<p><b>Option 4: Allow for reductions with Planning Commission approval.</b> 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:</p> <ul style="list-style-type: none"> <li>• <b>Low Demand.</b> 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.</li> <li>• <b>Transportation Demand Management Plans.</b> The # 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.</li> <li>• <b>Bus Stop/Transportation Facility Credit.</b> The number of parking spaces could be reduced for commercial or multiple-family development projects in close proximity of a bus stop.</li> <li>• <b>Mixed-Use Projects.</b> A mixed-use project with commercial and residential units could reduce parking requirements for commercial and office uses.</li> </ul>		
<p><b>Option 5: Allow for reductions By-Right.</b> 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.</p>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue #5: Parking (continued)		
Issue #5B: Village Hotel Parking (Page 15)		
<b>Option 1: Maintain Existing Requirements</b>		
<b>Option 2: Specific On-Site Parking standard for Village Hotel.</b> 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.		
<b>Option 3: Base Standard on a Parking and Traffic Study prepared for the hotel development project application.</b> 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.		
<b>Option 4: Allow Planning Commission and/or City Council to establish parking standards for an individual project based on performance criteria.</b> 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: <ul style="list-style-type: none"> <li>• The hotel is served by a combination of on-site and off-site parking.</li> <li>• Parking provided on-site is no more than the minimum necessary for an economically viable hotel.</li> <li>• On-site parking is minimized to reduce vehicle traffic in the Village and strengthen the Village as a pedestrian-oriented destination.</li> <li>• On-site hotel parking will not result in any noticeable increase in traffic congestion in the Village.</li> <li>• Additional parking to serve the hotel is located within 1,000 feet of the proposed hotel.</li> </ul>		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue #5: Parking (continued)		
Issue #5C: Parking Efficiency (Page 16)		
Option 1: Maintain existing regulations.		
Option 2: Clarify existing code to match past practice, including:		
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.		
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. Many cities are incorporating such a provision into their zoning codes to allow for a more efficient use of structured parking areas.		
Notes:		
Issue #5D: Garages (Page 17)		
Option 1: Maintain existing regulations.		
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 would be added.		
Option 3: Limit covered spaces to garages only. Specify that a carport may not satisfy the covered parking requirement.		
Option 4: Eliminate covered parking requirement. Remove the requirement for covered parking spaces for single-family homes.		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue #6: Historic Preservation (Page 17)		
<p><b>Option 1: Establish a Historic Resources Board.</b> Many communities with historic resources establish a historic resources board or commission to assist with historic preservation activities. 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.</p> <p><b>Option 2: Establish a new Historic Preservation Overlay Zone.</b> 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.</p> <p><b>Option 3: Establish new enforcement and penalty provisions.</b> 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.</p> <p><b>Option 4: Establish new maintenance and upkeep provisions.</b> Capitola could include language specifically requiring adequate maintenance and upkeep of historic resources to prevent demolition by neglect.</p> <p><b>Notes:</b></p>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 7: Signs (Page 19)		
<b>A. Threshold for Review</b>		
<b>Option 1: Maintain existing regulations.</b>		
<b>Option 2: Allow staff-level review with new standards.</b> Revise sign standards to include new, well-defined and well-illustrated design standards that create maximum allowances within staff-level review and an option for Planning Commission review for signs that go beyond the maximum allowance. In this option, new maximum limits are established. Signs can be approved administratively within an over-the-counter permit.		
<b>Notes:</b>		
<b>B. Tailored Standards (Page 19)</b>		
<b>Option 1: Maintain existing regulations.</b>		
<b>Option 2: Create tailored standards for different commercial areas.</b> 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, sign dimensions, sign location and placement, illumination, materials, and other issues. The Livermore Development Code, beginning in Section 4.06.160, is an example of this approach: <a href="http://www.codepublishing.com/ca/livermore.html">http://www.codepublishing.com/ca/livermore.html</a> The general desired signage character for different districts in Capitola could be as follows:		
<ul style="list-style-type: none"> <li>• Village: Pedestrian oriented signs, village scale</li> <li>• Neighborhood Commercial: Neighborhood-scale signs serving pedestrians and vehicles</li> <li>• 41<sup>st</sup> Avenue: Larger-scale signs that are auto-oriented to support corridor as a regional shopping destination.</li> <li>• Auto Plaza Drive: Unique to the use (auto-dealers) and address visibility challenges</li> <li>• Industrial Zone (Kennedy Drive): More industrial design aesthetic and flexibility of type and materials.</li> </ul>		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 7: Signs (continued)		
C. Monument Signs (Page 20)		
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).		
Notes:		
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
<b>Issue 8: Non-Conforming Uses (Continued)</b>		
<b>B. Non-conforming activities and structures on improved R-1 parcels. (Page 22)</b>		
<b>Option 1: Maintain existing sunset clause and opportunity to apply for extension.</b>		
<b>Option 2: Modify regulations to allow non-conforming multi-family uses to remain throughout the City, but not intensify.</b> This approach could be applied citywide with appropriate findings or only to specific areas.		
<b>Option 3: Modify regulations to allow non-conforming multi-family uses to remain in targeted areas of the City.</b> 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.		
<b>Option 4: Rezone areas with existing non-conforming multi-family uses to a multi-family zone.</b> This approach could be applied citywide or only to specific areas.		
<b>Option 5: Create an incentive program to allow participating non-conforming property owners to retain their uses subject to providing specified public benefits.</b> 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).		
<b>Notes:</b>		

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



Issues and Options Matrix		
	Direction	
	PC	CC
Issue 10: Permits and Approvals (Page 24)		
<b>Option 1: No change to existing permits.</b>		
<b>Option 2: Modify permits.</b> 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:		
<p><b>a. Create a new Administrative Permit.</b> 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.</p> <p><b>b. Create a new Minor Use Permit.</b> 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.</p> <p><b>c. Create a New Substantial Conformance Process.</b> 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.</p>		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
<b>Issue 11: Architecture and Site Review (Page 25)</b>		
<b>A. Authority of Architecture and Site Review Committee (Page 25)</b>		
<b>Option 1: Maintain existing authority of Architecture and Site Committee.</b>		
<b>Option 2: Modify existing role of the Architecture and Site Committee.</b> 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.		
<b>Option 3: Eliminate the Architecture and Site Committee.</b> 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.		
<b>Notes:</b>		
<b>B. Timing of Design Permit Review (Page 26)</b>		
<b>Option 1: Maintain existing timing of Architecture and Site Review.</b>		
<b>Option 2: Repurpose the committee to be a pre-design committee.</b> 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.		
<b>Notes:</b>		
<b>C. Composition of Architecture and Site Committee (Page 26)</b>		
<b>Option 1: Maintain the existing composition of the Architecture and Site Committee.</b>		
<b>Option 2: Replace the committee with a City Architect.</b> 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.		
<b>Option 3: Replace committee with an Architectural Peer review committee.</b> 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.		
<b>Option 4: Revise committee to add any of the following:</b> water district staff, sewer district staff, fire district staff, additional architect, and/or a citizen's representative.		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 12: Design Permits (Page 27)		
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. 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.		
Notes:		
B. Design Permit Approval Authority – Commercial Use (Page 27)		
Option 1: Maintain existing review authority.		
Option 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		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
<b>Issue 12: Design Permits (continued)</b>		
<b>C. When a Design Permit is Required – Residential Uses (Page 28)</b>		
<b>Option 1: Maintain existing thresholds.</b>		
<b>Option 2: Modify threshold for residential design permits.</b> 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.	
<b>Notes:</b>		
<b>D. Design Permit Approval Authority – Residential Use (Page 29)</b>		
<b>Option 1: Maintain existing review authority.</b>		
<b>Option 2: Delegate limited approval authority to the Director</b> With this option; the Director would approve more types of commercial projects requiring a Design Permit. For example, the Director could approve:		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 12: Design Permits (continued)		
E. Consideration for Design Permit Approval (Page 29)		
Option 1: Maintain existing architecture and site considerations.		
Option 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		
Option 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.		
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
<b>Issue 14: Environmental and Hazard Overlays (Page 30)</b>		
<p><b>Option 1: Maintain existing overlays and clarify boundaries.</b> In this option all five of the existing environmental and hazard overlays would be maintained and shown on the zoning map.</p> <p><b>Option 2: Modify existing overlays.</b> This option would modify existing overlays as described below:</p> <ul style="list-style-type: none"> <li>• <b>Archaeological/Paleontological Resources (APR).</b> 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.</li> <li>• <b>Automatic Review (AR).</b> Remove this overlay zone as it duplicates current process.</li> <li>• <b>Coastal Zone (CZ).</b> Maintain this overlay zone as required by State law.</li> <li>• <b>Floodplain (F).</b> 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.</li> <li>• <b>Geological Hazards (GH).</b> 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</li> <li>• <b>Chapter 17.95 (Environmentally Sensitive Habitats).</b> Map boundaries of these areas as a new overlay zone and maintain existing regulations.</li> </ul> <p><b>Option 3: Create a new, consolidated environmental/hazards overlay.</b> 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>		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 15: Visitor-Serving Uses on Depot Hill (Page 31)		
<b>Option 1: Maintain existing permitted uses.</b>		
<b>Option 2: Modify permitted use.</b> 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.		
<b>Option 3: Limit intensity of visitor accommodation uses.</b> 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.		
<b>Option 4: Rezone to R-1.</b> 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.		
<b>Notes:</b>		

Issues and Options Matrix		
	Direction	
	PC	CC
<b>Issue 16: Height (Page 32)</b>		
<b>A. Residential Neighborhoods (Page 32)</b>		
<b>Option 1: Maintain existing standards.</b>		
<b>Option 2: Eliminate 27-foot exception.</b> This option would eliminate the 27-foot height exception by requiring all buildings to meet either a 25-foot or 27-foot height standard.		
<b>Option 3: Allow greater variation based on existing neighborhood character.</b> 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>Notes:</b>		
<b>B. Capitola Village (Page 33)</b>		
<b>Option 1: Maintain existing standard.</b>		
<b>Option 2: Expand exception provisions.</b> 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.		
<b>Option 3: Increase maximum height limit to accommodate 3 stories.</b> 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.		
<b>Notes:</b>		



Issues and Options Matrix		
	Direction	
	PC	CC
Issue 16: Height (continued)		
C. Hotel (Page 33)		
<p><b>Option 1: Apply CV Zone Standard to Hotel.</b> 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.</p> <p><b>Option 2: Establish Performance Standard for Hotel Height.</b> 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.</p> <p><b>Option 3: Establish a Numerical Standard Unique to Hotel.</b> 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.</p> <p><b>Notes:</b></p>		

Issues and Options Matrix		
	Direction	
	PC	CC
Issue 17: Floor Area Ratio (Page 34)		
A. Decks (Page 35)		
Option 1: Maintain existing standards.		
Option 2: Increase allowance beyond 150 sf. Update Floor Area calculation to increase the amount of area within covered first story decks and second story decks that is not counted toward the floor area calculation. The 150 sf allowance could be doubled to 300 sf.		
Option 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. <ul style="list-style-type: none"> <li>a. <b>Front Facade.</b> 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 within the list of items <i>not</i> included in the floor area calculation.</li> <li>b. <b>Open Space.</b> 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.</li> <li>c. <b>Restaurants and Hotels.</b> 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.</li> <li>d. <b>Eliminate decks from FAR formula</b></li> </ul>		
Notes:		

Issues and Options Matrix		
	Direction	
	PC	CC
<b>Issue 17: Floor Area Ratio (Continued)</b>		
<b>B. Basements (Page 35)</b>		
<b>Option 1: Maintain existing standards.</b>		
<b>Option 2: Increase existing allowance beyond 250 square feet.</b>		
<b>Option 3: Remove basements from FAR formula.</b>		
<b>Notes:</b>		
<b>C. Phantom Floors, Roof Eaves, and Window Projections (Bay Windows) (Page 36)</b>		
<b>Option 1: Maintain existing standards.</b>		
<b>Option 2: Remove phantom floors from the FAR calculation.</b>		
<b>Option 3: Remove roof eaves from the FAR calculation.</b>		
<b>Option 4: Remove window projects from FAR calculation.</b>		
<b>Option 5: Remove a combination of phantom floors, roof eaves, and/or window projections from the FAR calculation.</b>		
<b>Notes:</b>		

Issues and Options Matrix	
	Direction
	PC      CC
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:	