

Mayor: Dennis Norton
Vice Mayor: Ed Bottorff
Council Members: Jacques Bertrand
Stephanie Harlan
Michael Termini
Treasurer: Christine McBroom



REVISED

**CAPITOLA CITY COUNCIL
SPECIAL MEETING**

MONDAY, OCTOBER 26, 2015

6:00 PM

**CITY HALL COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010**

All correspondences received prior to 5:00 p.m. on the Wednesday preceding a Special City Council Workshop will be distributed to the City Council to review prior to the meeting. Information submitted after 5 p.m. on that Tuesday may not have time to reach the City Council, nor be read by them prior to consideration of an item.

All matters listed on the Special City Council Workshop Agenda shall be considered as Public Hearings.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Stephanie Harlan, Ed Bottorff, Jacques Bertrand, Michael Termini, and Mayor Dennis Norton

2. ADDITIONAL MATERIALS

Additional information submitted to the City after distribution of the agenda packet.

A. Item 7.A.: Public Input Summary Report

B. Item 7.A.: Public Communications

3. ADDITIONS AND DELETIONS TO AGENDA

4. PUBLIC COMMENT

Oral Communications allows time for members of the Public to address the City Council on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Council Members/City Treasurer/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration.

6. CONSENT CALENDAR

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the public or the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.

Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.

- A. Consider the October 19, 2015, Special City Council Minutes
DISCUSSION: Attached for City Council review and approval are the minutes of the subject meeting.

7. GENERAL GOVERNMENT / PUBLIC HEARINGS

General Government items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.

- A. Zoning Code Update: Review Issues and Options Report
RECOMMENDED ACTION: Accept staff presentation and provide direction on each of the zoning issues.

8. ADJOURNMENT

Note: Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes "final." Please be advised that in most instances the decision become "final" upon the City Council's announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 7:00 p.m. (or in no event earlier than 6:00 p.m.), in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City's website: www.cityofcapitola.org and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA
October 26, 2015

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.cityofcapitola.org by clicking on the Home Page link "**Meeting Video**". Archived meetings can be viewed from the website at anytime.



Multi-Family Homes in the Single-Family Zone.

Public Input Summary Report

Currently, there are approximately 50 properties with 3 or more units in the single-family zone of Capitola. In 1994, Ordinance 764 was adopted to require that multifamily properties in a single-family zone apply for an extension from the City Council to continue as a multi-family. The deadline for an extension is June 26, 2019 or fifty years from the date the activity first became nonconforming, whichever is later.

The City of Capitola conducted a survey and public workshop collecting feedback on multifamily structures with 3 or more units that are located in single-family zones. The purpose of the survey and workshop was to gauge the impacts multi-family homes have on single-family neighborhoods and understand how residents would like the city to regulate the existing multi-family homes into the future. The following report includes results and responses from the survey and public workshop.

The report is organized into 3 sections. Shown first are the overall survey results of all respondents. Next are the filtered results of each neighborhood. Each neighborhood section includes public comments as collected during the workshop. Lastly, survey results were filtered to compare responses of owners of multifamily homes versus owners/occupants of single family and duplex homes.

In summary, the survey and public outreach identified that areas with a high concentration of multi-family homes have more prevalent negative impacts and the need to address the impacts is greater. The neighborhood north of Capitola Road along 47th Avenue and 48th Avenue has the highest concentration of multi-family homes followed by the Depot Hill neighborhood. The majority of participants from these two neighborhoods

supported modifying the code to become stricter with support to require decreases in density or remove the allowed extension all together. In neighborhoods where there are fewer multi-family homes, the residents expressed more support for the multi-family homes to remain with less oversight. The Jewel Box neighborhood and the Riverview to Monterey neighborhood fit within this category. The majority of respondents from these neighborhoods expressed support to allow the multi-families to continue without the required extension.

Table of Contents

| | |
|--|----|
| Survey Results: All Respondents | 1 |
| Neighborhood Results: | |
| Depot Hill | 3 |
| Riverview to Monterey | 6 |
| North of Capitola Road | 9 |
| Jewel Box | 13 |
| Owner and/or Occupant of Multi-Family Home vs. Owner and/or Occupant of Single Family Home or Duplex | 16 |

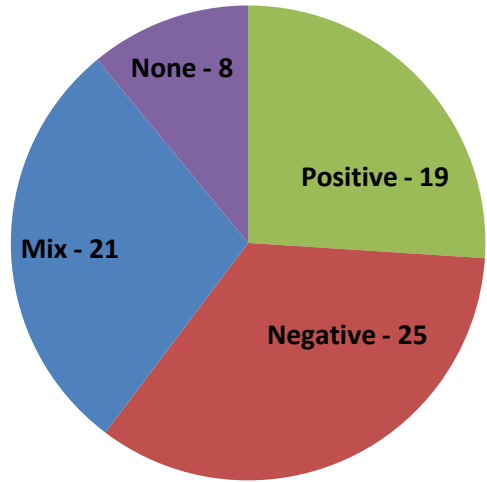
Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Survey Results: All Respondents

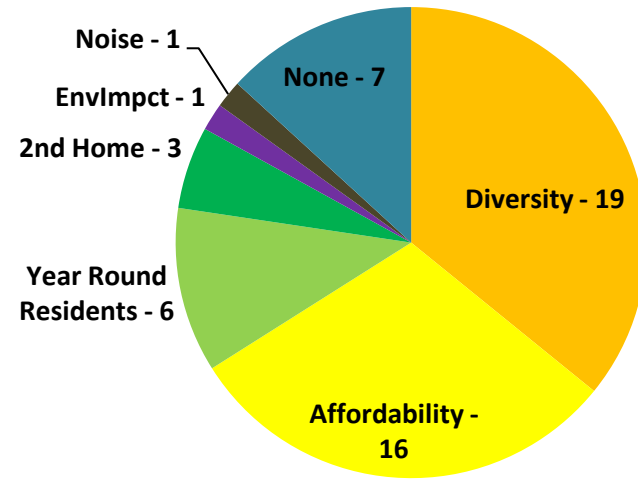
Survey Question: What best describes the influence multi-family homes have on your neighborhoods?

Survey Question: In order of importance, please select the influences multi-family properties have on your neighborhood.

Neighborhood Influence



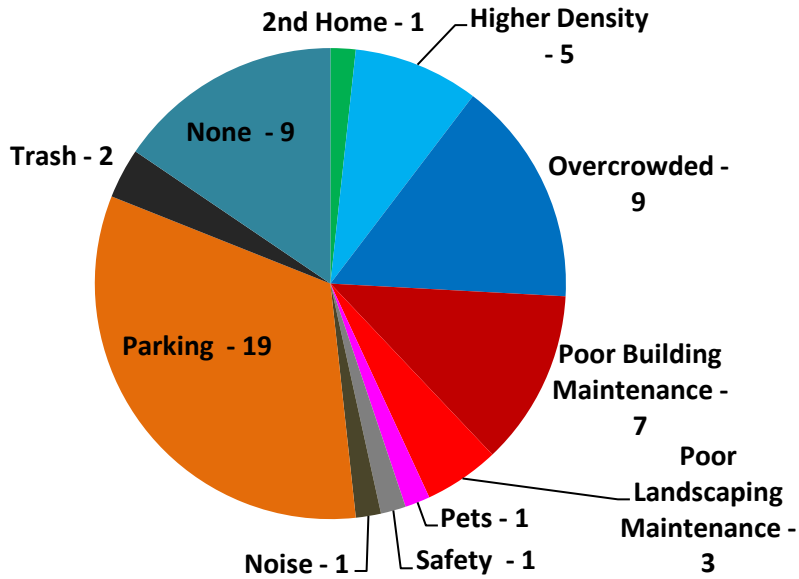
Positive Influences



Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Survey Results: All Respondents

Negative Influences



How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Option | Survey Response |
|---|-----------------|
| A. Keep the current code requirement | 11 |
| B. Remove the required extension and allow multi-family uses to continue indefinitely provided they do no increase in size of number of units. | 23 |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site, such as adequate parking | 6 |
| D. Re-zone areas with high concentrations of structures with 3+ units from Single-Family Zoning to Multi-Family Zoning | 3 |
| E. All multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 23 |
| F. Other | 3 |

Other Comments/ Suggestions:

- See individual neighborhood results.

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Depot Hill



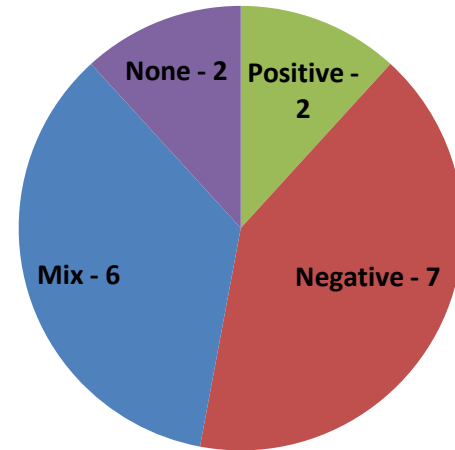
View of non-conforming properties in Depot Hill

Breakdown of Survey Participants that Live or Own Property in Depot Hill

- 12 Own and occupy a single family home
- 1 Own a duplex; do not occupy
- 1 Own & occupy a duplex
- 2 Own a multi-family home; do not occupy
- 1 Other:
 - Owner of a duplex home--rent one unit to a single and use other unit for personal vacation about a month/year

Survey Question: What best describes the influence multi-family homes have on your neighborhood?

Neighborhood Influence

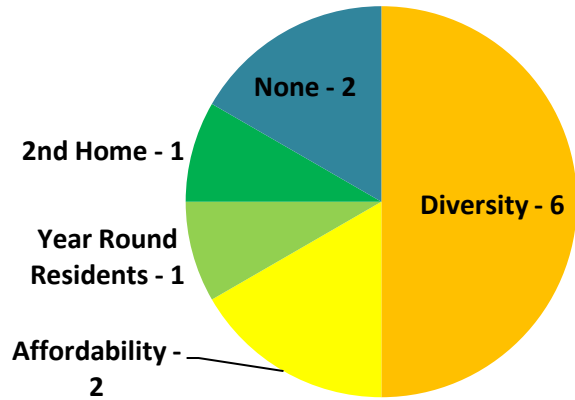


Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Depot Hill

Survey Question: In order of importance, please select the influences multi-family properties have on your neighborhood.

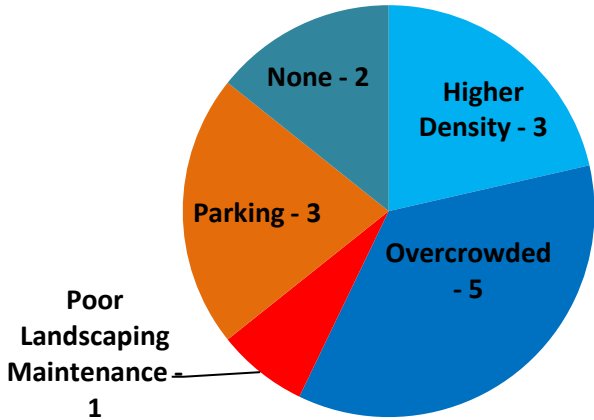
Positive Influences



Public Workshop Results

- No comments

Negative Influences



Public Workshop Results

- Parking

The City is currently updating the zoning code and would like feedback on this regulation. How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Options | Survey Results | Workshop Results | Total |
|---|----------------|------------------|-------|
| A. Keep the current Code | 3 | 0 | 3 |
| B. Removed the required extension and allow multi-family uses to continue indefinitely provided they do not increase in size of number units | 4 | 0 | 4 |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site such as adequate onsite parking | 4 | 0 | 4 |
| D. Rezone areas with high concentrations of structured with 3+ units from single-family zoning to multi-family zoning | 0 | 0 | 0 |
| E. All Multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 5 | 0 | 5 |
| F. Other | 0 | 6 | 6 |

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Depot Hill

Other Comments/Suggestions:

- Multifamily units should be defined by rent collected
- Provide minimum required on-site parking
- Two units okay
- Better define separate units (\$ exchanged)
- Public hearing good
- For the most part Depot Hill is charming and I would leave it as it is.
- Please get rid of the Monarch Cove Inn and let it become a true monarch Sanctuary



Map Notes:

- 100 Oakland Avenue - Multi-family –remodeling
- 112 Oakland Avenue - Single Family house (Note: Staff researched this property and there is a single family home on 112 Oakland and a duplex on 405 El Salto that are located on one parcel. This parcel has 3 units total.)
- 101 Grand Avenue - has an extension

Riverview to Monterey



View of non-confirming properties in the Riverview to Monterey neighborhood

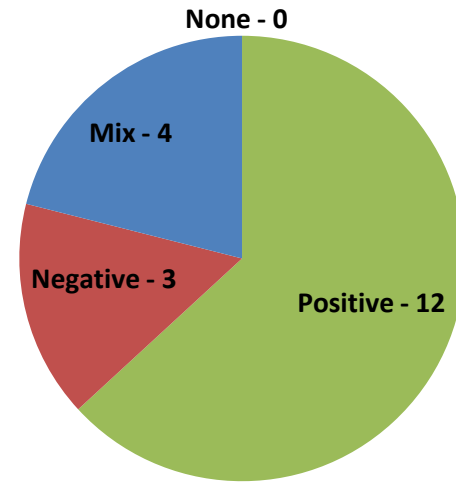
Breakdown of Survey Participants that Live or Own Property in Riverview to Monterey

- 10 Own and occupy a single-family home in Capitola
- 1 Own a duplex home in Capitola
- 1 Owner and occupier of a multi-family home (3+ units) in Capitola
- 3 Other:
 - Three year renter and currently under contract to purchase
 - Owner of a duplex in City of Capitola

- Owner/Occupier of a single family home in Capitola and owner of a duplex home in Capitola (do not occupy)

Survey Question: What best describes the influence multi-family homes have on your neighborhood?

Neighborhood Influence

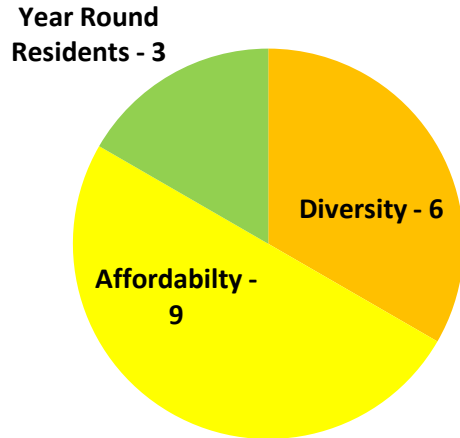


Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Riverview to Monterey

Survey Question: In order of importance, please select the influences multi-family properties have on your neighborhood.

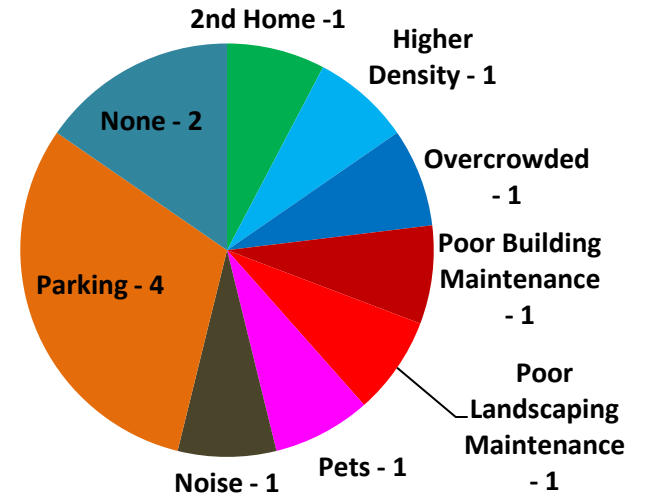
Positive Influences



Public Workshop Results:

- 407, 409, 411 built with style and character. Estate of Jean Palmer. Beautifully maintains – owner occupied one unit as a vacation getaway and is home once a week. Rose’s hydrangeas gardens are delights.
- I do not see this as a big problem. Tweak the details a bit and that is it
- The units that are non-conforming in this region are well-kept and not a major issue
- I see no problems in this neighborhood.

Negative Influences



Public Workshop Results:

- Parking due to small lots and large number of dwelling units

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

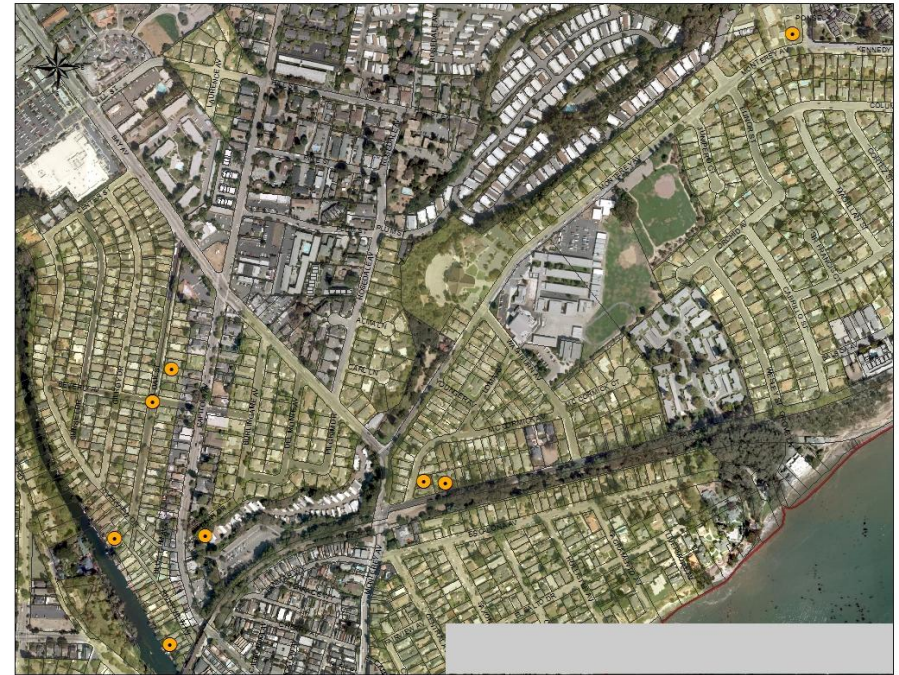
Riverview to Monterey

The City is currently updating the zoning code and would like feedback on this regulation. How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Options | Survey Results | Workshop Results | Total |
|---|----------------|------------------|-------|
| A. Keep the current Code | 1 | 0 | 1 |
| B. Removed the required extension and allow multi-family uses to continue indefinitely provided they do not increase in size of number units | 8 | 1 | 9 |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site such as adequate onsite parking | 1 | 0 | 1 |
| D. Rezone areas with high concentrations of structured with 3+ units from single-family zoning to multi-family zoning | 1 | 1 | 2 |
| E. All Multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 4 | 0 | 4 |
| F. Other | 2 | 0 | 2 |

Other Comments/ Suggestions:

- I think each property/parcel should be addressed individually as to the impact on the surrounding neighborhood. In 20 yrs, my home could be considered as a historical landmark and would maintain the beauty of our small wonderful city.
- Keep the current code, but change the last sentence to, "Extensions granted are for a minimum of 10 years."



Map Notes:

- 407 Oak and 411 Oak - Lot split 2006 – created monster house in back with no yard zero lot line and looms over 407-409-411 Beverly

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

North of Capitola Road



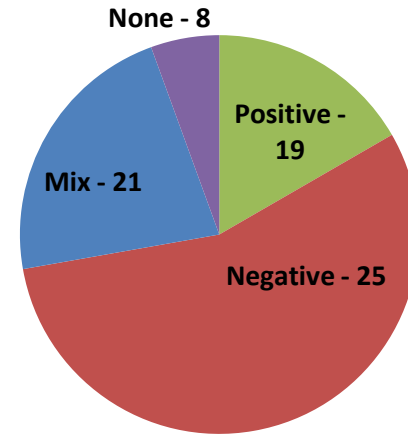
View of the non-conforming properties North of Capitola Road

Breakdown of Survey Participants that Live or Own Property in North of Capitola Road

- 11 Own and occupy a single-family home in Capitola
- 1 Rent a single-family home in Capitola
- 1 Own and Occupy a duplex home
- 3 Own a multi-family home; do not occupy
- 2 Other:
 - Owner with tenants
 - Owner(non full time occupier) of single family home

Survey Question: What best describes the influence multi-family home shave on your neighborhood?

Neighborhood Influence

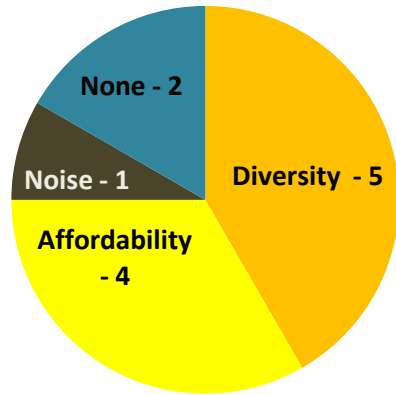


Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

North of Capitola Road

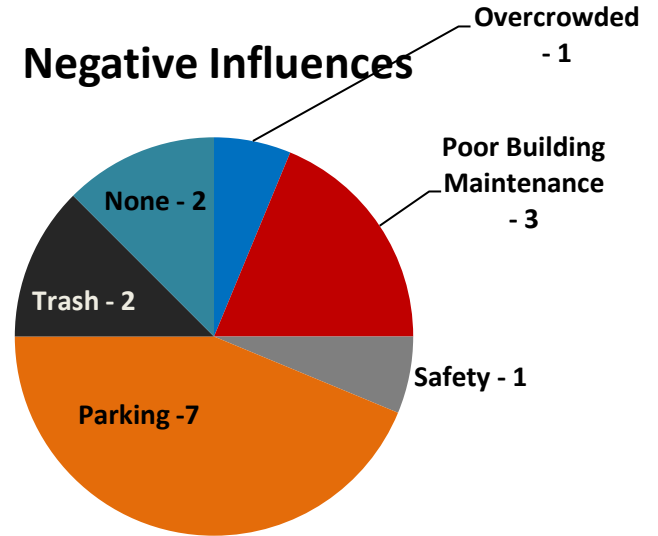
Survey Question: In order of importance, please select the influences multi-family properties have on your neighborhood.

Positive Influences



Public Workshop Results:

- May allow for more affordable housing
- Adds diversity to neighborhood
- Adds diversity to schools
- Diversity is good
- Affordable housing is good
- We need more low income housing in Capitola for seniors, students, working families, and people with disabilities



Public Workshop Results:

- Over stuffed with parking especially as compared to parking requirements for single family homes
- And as a result of above, frequent noise from rearranging the cars
- Parking under carports is single file, with one car parked behind another and often hang out into street
- Carport design with parking as described above negates the possibility of a viable sidewalk
- Apartments seem shoddily built and their designs wouldn't pass muster by current standard
- Apartments, with some exception, aren't maintained to the standards most of the other homes on the street North of Capitola Road

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

North of Capitola Road

Negative Influences: Public Workshop Results Cont.

- Patio decks above the carports are noisy and impede privacy on homes across the street
- Carports are loud echo chambers affecting the houses across the street
- Carports are often used for storage in an unsightly way
- Garbage cans and dumpsters are a constant blight and pest buffet table
- The fourplex on 47th & 48th Ave are health hazards in every single sense of the world. Holes in drive, trash spilled everywhere, over occupied, run-down construction, etc. They are dangerous
- *yes people are walking sitting, sun bathing on the flimsy carport roofs (not on patio deck).
- When two or more non-conforming multi-family units are located next to each other (ie 1710, 1720, 1730 48th Ave.) then the compound effects are multiplied exponentially. Three units (two four plexes and one 3 three plex) equals 20 plus car

The City is currently updating the zoning code and would like feedback on this regulation. How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Options | Survey Results | Workshop Results | Total |
|---|----------------|------------------|-------|
| A. Keep the current Code | 2 | 0 | 2 |
| B. Removed the required extension and allow multi-family uses to continue indefinitely provided they do not increase in size of number units | 4 | 2 | 6 |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site such as adequate onsite parking | 0 | 2 | 2 |
| D. Rezone areas with high concentrations of structured with 3+ units from single-family zoning to multi-family zoning | 0 | 1 | 1 |
| E. All Multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 10 | 0 | 10 |
| F. Other | 1 | 0 | 1 |

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

North of Capitola Road

Other Comments/ Suggestions:

- Use this opportunity to compel owners of building to upgrade building to more attractive state. Better landscaping, removal of carports, and over carport decks. Add sidewalks, improve facades and repave driveways
- By adding sidewalks (which would impinge on street) can we begin to improve the street: i.e. traffic control to stop people “cutting through” especially on 47th & 48th at excessive rates of speed?
- The existing zoning code makes getting a 30 year loan questionable
- Convert from 4 plex to duplex?
- Consider an extension only if the owner of the Property lives in one of the units *Oh, I don’t agree with that”

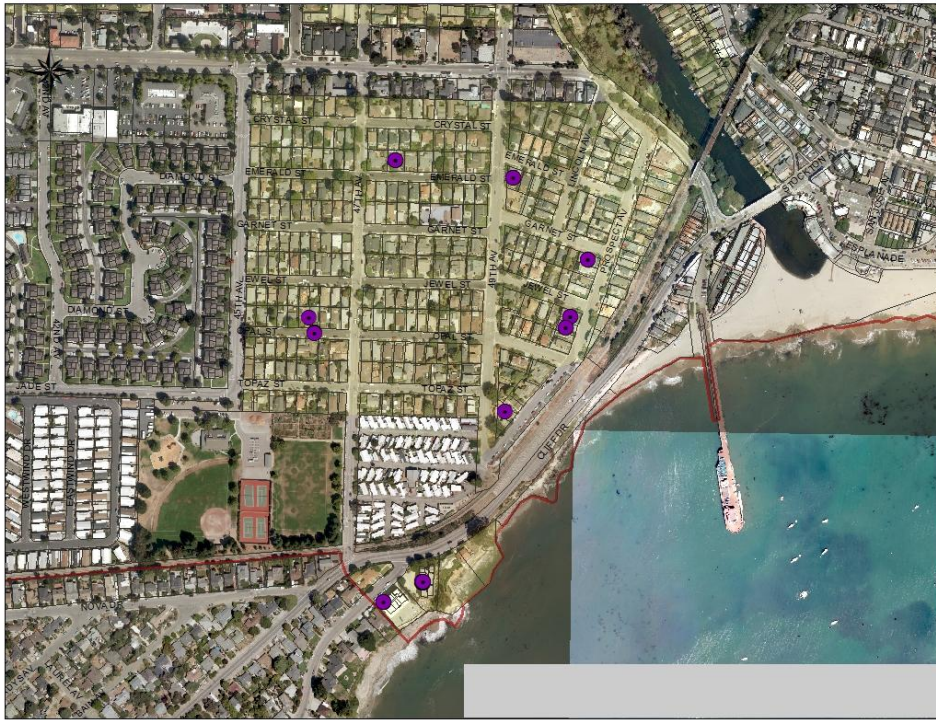


Map Notes:

- 1720 48th - Cluster of three non-conforming units = terrible parking & trash issues. Crime and parking is a major issue with four plexes having 8-10 plus cars each.
- 1720 48th - Dead non-running cars in the carports are triple parked forcing additional cars to park in street and take all available parking
- 1710 48th - Easement/ alley is full of cars blocking access, yet the two car garage is full of storage and not park-able
- 1725 47th - This is actually a nice implementation. Landscaped in front, parking hidden, one story on interior, they fir the character of the neighborhood.
- 1795 47th- Two of these units (south two units) have been upgraded. Their rents are relatively high, and they are a bit nicer, but the same parking issues persist
- 1780 47th Ave- A bad parking problem offender, plus generally low level of maintenance like crumbling asphalt in drive way
- 1745 47th - No backyard, no front yard, no decks, residents are forced to hang out in the driveway
- 1795 47th, 1725 47th - Design makes a huge difference. Lack of carports almost seems like a defining difference
- 1795 47th & 1730 48th Ave - having three of these in a row anywhere is blight on any SFR neighborhood
- 1730 – 48th Ave - When two or more non-conforming multi-family units are located next to each other (i.e. 1710, 1720, 1730 48th Ave.) then the compound effects are multiplied exponentially. Three units (two four plexes and one 3 three plex) equals 20 plus cars.

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Jewel Box



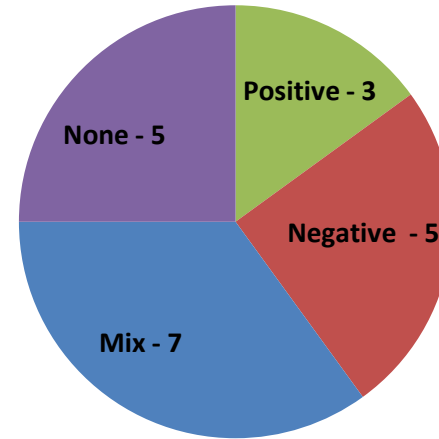
View of non-conforming properties in the Jewel Box

Breakdown of Survey Participants that Live or Own Property in Jewel Box

- 11 – Own and occupy a single-family home in Capitola
- 3 – Own and occupy a duplex home
- 1 – Own a duplex home; do not occupy
- 3 – Own and occupy a multi-family home (3+units)
- 3 – Other:
 - Vacation single-family home owner
 - Owner and summer occupier of a single family home
 - Owner of a retirement condo currently being rented

Survey Question: What best describes the influence multi-family home shave on your neighborhood?

Neighborhood Influence

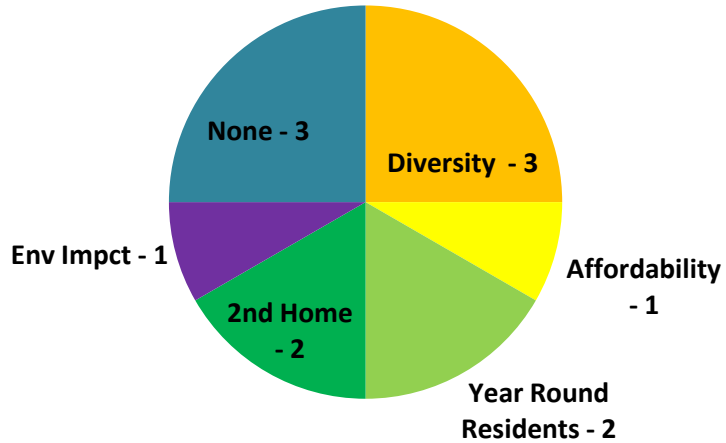


Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Jewel Box

Survey Question: In order of importance, please select the influences multi-family properties have on your neighborhood.

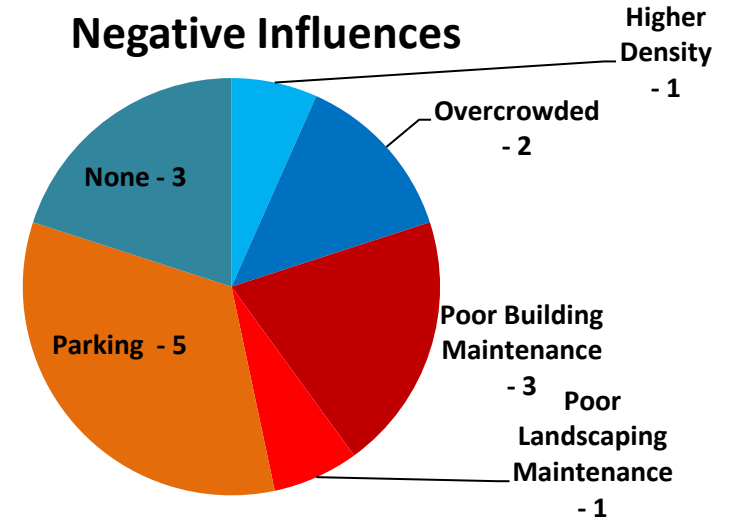
Positive Influences



Public Workshop Results:

- Slows gentrification/ allows diversification. Critical student housing provided

Negative Influences



Public Workshop Results:

- None

Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

Jewel Box

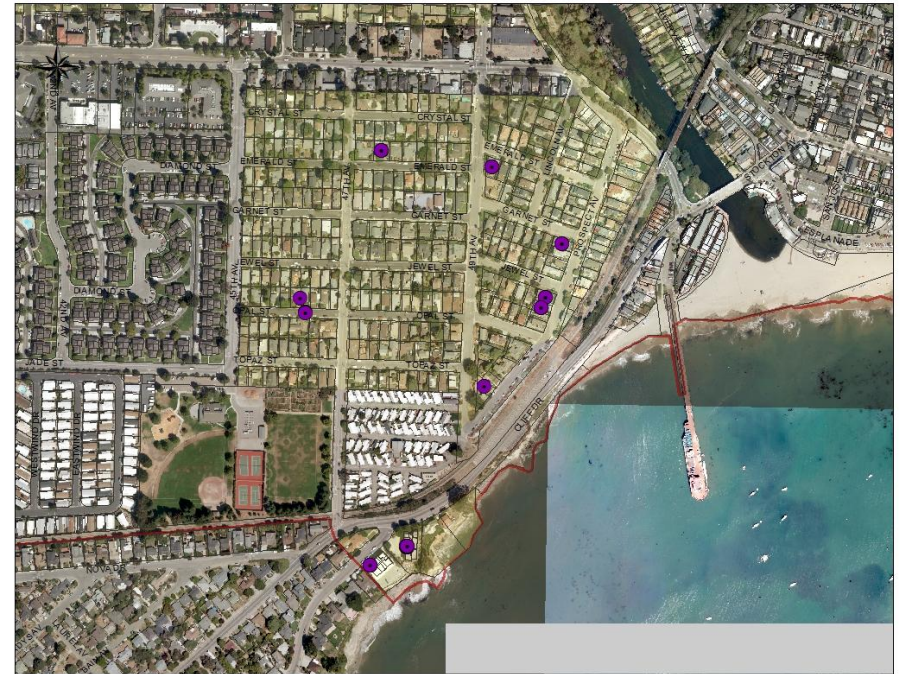
The City is currently updating the zoning code and would like feedback on this regulation. How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Options | Survey Results | Workshop Results | Total |
|---|----------------|------------------|-------|
| A. Keep the current Code | 5 | 0 | 5 |
| B. Removed the required extension and allow multi-family uses to continue indefinitely provided they do not increase in size of number units | 7 | 4 | 11 |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site such as adequate onsite parking | 1 | 0 | 1 |
| D. Rezone areas with high concentrations of structured with 3+ units from single-family zoning to multi-family zoning | 1 | 0 | 1 |
| E. All Multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 4 | 0 | 4 |
| F. Other | 1 | 0 | 1 |

Other Comments/ Suggestions:

- Each neighborhood is different. Need to take a neighborhood approach to the issue

- This area has a sparse number of multi-family units with a low impact on parking for example
- I think this neighborhood is fine as is
- There are properties with a single family and a duplex on them. Same tax parcel. These properties were originally two but combined (likely for taxes). These properties should be handled differently.
- The appearance is that of a single family residence alongside a duplex each on a lot the size of all the other 40'x80' lots in the neighborhood.



Map Notes:

- 4820 Cliff Drive - Rezone multi-family (2 buildings)
- 4800 Cliff Drive - As above
- 4605 Opal Street - Keeps single family character single family and duplex on double lot.

Owner &/ or Occupants of a Multi-Family Home (3+ units)

VS

Owner &/or Occupants of a Single-Family Homes or Duplex Homes

Breakdown of Survey Participants that Live in or Own a Multi-family Home

- 4 – Own and occupy a multi-family home
- 8 – Own a multi-family home; do not occupy

Which neighborhood do you live/own property in?

- 3 – Jewel Box
- 3 – Riverview Terrace
- 3 – 41st/West Capitola
- 1 – Cliffwood Heights
- 2 – Depot Hill

Breakdown of Survey Participants that Live in or Own a Single-Family Home or Duplex Home

- 45 – Own and occupy a single-family home
- 1 – Rent a single Family Home
- 5 – Own & occupy a duplex home
- 4 – Own a duplex Home; do not occupy
- 10 – Other

What neighborhood do you live/own property in?

- 15 – Depot Hill
- 7 – Cliffwood Heights
- 2 – Upper Village
- 6 – Riverview Terrace
- 15 – 41st/West Capitola
- 18 – Jewel Box

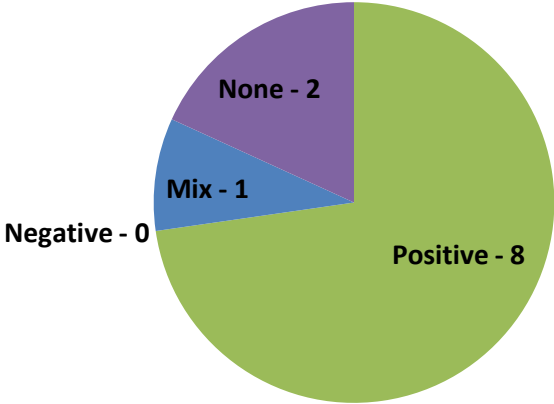
Owner &/or Occupants of a Multi-Family Home (3+ units)

VS

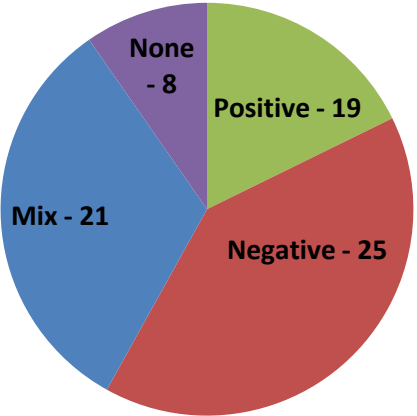
Owner &/or Occupants of a Single-Family Homes or Duplex Homes

Survey Question: What best describes the influence multi-family homes have on your neighborhoods?

Neighborhood Influence



Neighborhood Influence



Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

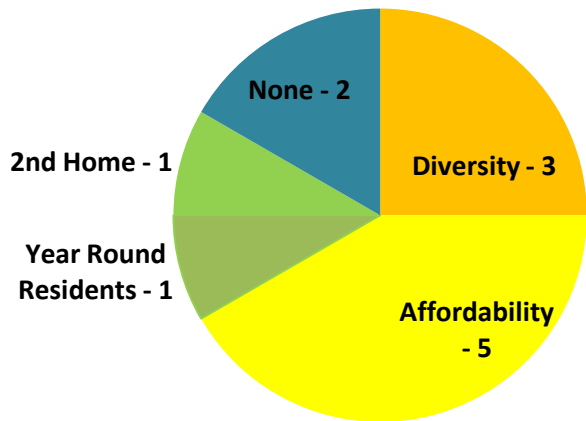
Owner &/or Occupants of a Multi-Family Home (3+ units)

VS

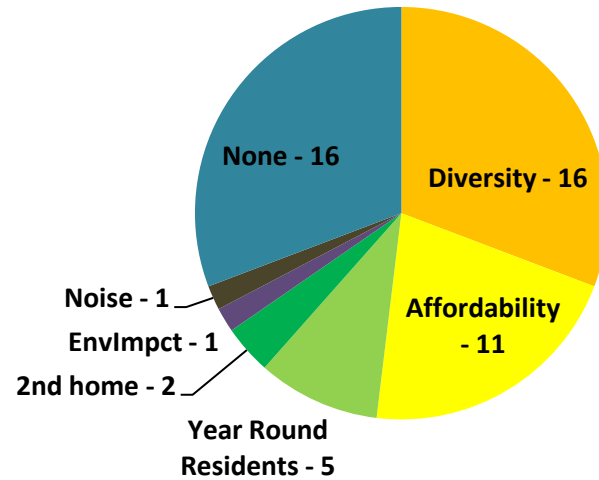
Owner &/or Occupants of a Single-Family Homes or Duplex Homes

Survey Question: Select the most important positive influence multi-family properties have on your neighborhood

Positive Influences



Positive Influences



Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

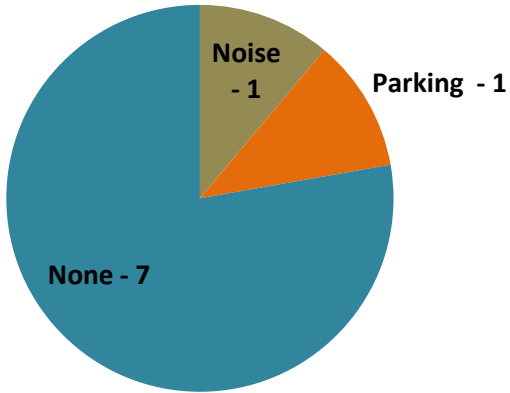
Owner &/or Occupants of a Multi-Family Home (3+ units)

VS

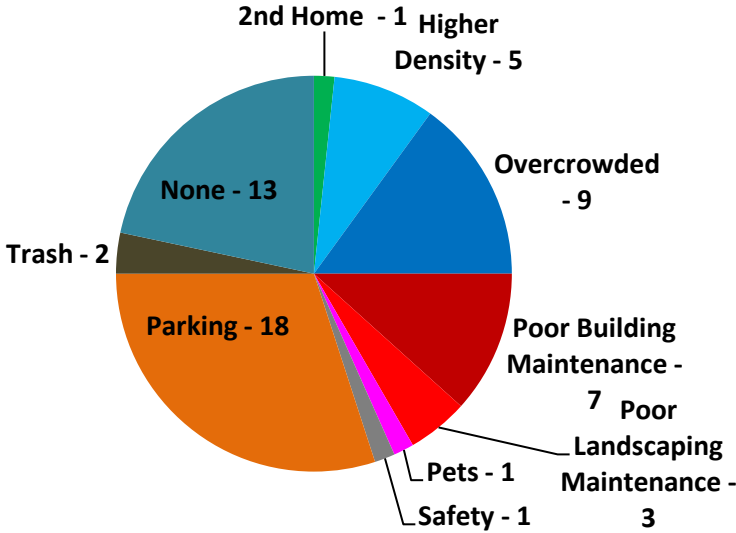
Owner &/or Occupants of a Single-Family Homes or Duplex Homes

Survey Question: Select the most important negative influence multi-family properties have on your neighborhood

Negative Influences



Negative Influences



Communication: Item 7.A.: Public Input Summary Report (ADDITIONAL MATERIALS)

The City is currently updating the zoning code and would like feedback on this regulation. How would you suggest the City of Capitola treat existing multi-family uses in single family neighborhoods?

| Options | Survey Results: Owner/Occupant of Multi-family Home | Survey Results: Owner/ Occupant of single family home or duplex |
|---|---|--|
| A. Keep the current Code | 0 (0%) | 11 (19%) |
| B. Removed the required extension and allow multi-family uses to continue indefinitely provided they do not increase in size of number units | 10 (91%) | 13 (22%) |
| C. Add to the existing requirement that the City Council may require the removal of units to address issues that cannot be addressed due to limited space on the site such as adequate onsite parking | 0 (0%) | 6 (10%) |
| D. Rezone areas with high concentrations of structured with 3+ units from single-family zoning to multi-family zoning | 1 (9%) | 2 (3%) |
| E. All Multi-family uses in single family neighborhoods should discontinue by 2019 and the extension process should be removed from the code | 0 (0%) | 22 (38%) |
| F. Other | 0 (0%) | 4 (7%) |

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Michael Adams [adamsteam@gmail.com]
Sent: Wednesday, October 21, 2015 6:53 PM
To: McBroom, Christine (cmcbroom@lanaifinancialsolutions.com); Bottorff, Ed (ebottorff167@yahoo.com); Bertrand, Jacques; Harlan, Stephanie (sharlan@ci.capitola.ca.us); Norton, Dennis (dnortondesigns@msn.com); Termini, Mike (michael@triadelectric.com)
Cc: City Council
Subject: Re: non-conforming multifamily properties at 1710, 1720 & 1730 48th Avenue, Capitola
Attachments: 48th av letter to council members 10-21-15.pdf

Dear Council Members

Re: non-conforming multifamily properties at 1710, 1720 & 1730 48th Avenue, Capitola

It has come to our attention that the City Council intends to revise the current zoning code in favor of the (non resident) owners of the non-conforming multi family units in areas zoned for single family residences. The current code requires all such non-conforming properties to be converted to single family residential use after the 50 year amortization period has expired (which will begin in 2019). We understand that this clause may be removed because of the fear of lawsuits from non-conforming property owners and that extensions will automatically be granted?

We would respectfully like to understand the following:

1. If the above is in fact the case? and if not what changes if any are actually being proposed
2. If the above is true, what proposed steps will the property owners be required to take to address the problems caused by them? (parking, trash, traffic, noise etc). And what assurances/recourse do we have in the event that the problems continue?

There are many single family homeowners in Capitola who are adversely affected by a few financially motivated, non-resident individuals and corporations running for-profit, often high turnover, poorly managed properties – The current code was written the way it is for good reason and many of the homeowners invested in their properties in knowledge of the code and the fact that the properties will ultimately be required to conform. Exactly who is defending our interests if not the City Council? We thought our voices had been heard at the meetings earlier this year but we have not had any updates since – it is alarming to think that such a decision is now possibly going to be made and we sincerely hope this is not the case.

If you need to hear more voices we would be happy to assist.

Respectfully

Michael Adams
1725 48th Av
Capitola

Ps See attached with signatures. Several neighbors are away and could not be contacted in time but I am sure will sign on their return (as we just found out there is a meeting on Monday to discuss the zoning changes, we wanted to get this out asap.)

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

October 21st 2015

Dear Council Members

Re: non-conforming multifamily properties at 1710, 1720 & 1730 48th Avenue, Capitola

It has come to our attention that the City Council intends to revise the current zoning code in favor of the (non resident) owners of the non-conforming multi family units in areas zoned for single family residences. The current code requires all such non-conforming properties to be converted to single family residential use after the 50 year amortization period has expired (which will begin in 2019). We understand that this clause may be removed because of the fear of lawsuits from non-conforming property owners and that extensions will automatically be granted?

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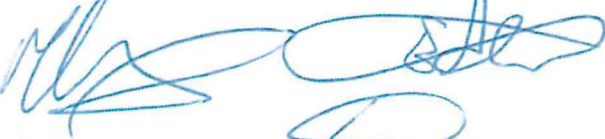
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If you need to hear more voices we would be happy to assist.


Respectfully

Residents and homeowners of 48th Avenue, Capitola

 Mike & Lizzie Adams 1725 48th

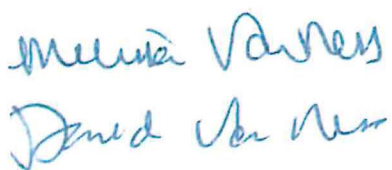
 Dan Cochereil 1735 48th

 Marcus Helenius 1740 48th Ave

 Heather McTavish 1740 48th Ave

Melissa Van Ness 1701 48th Ave.

DAVID VANNESS " "

 David Van Ness

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Michael Adams [adamsteam@gmail.com]
Sent: Monday, October 26, 2015 8:48 AM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Cc: Grunow, Rich (rgrunow@ci.capitola.ca.us)
Subject: RE: non-conforming multifamily properties at 1710, 1720 & 1730 48th Avenue, Capitola
Attachments: 1720 and 1730 48th av 10-26-15.JPG

Thanks Su

Attached is this mornings' view on 48th avenue outside #1720 & #1710 which you might also include in the additional materials for the meeting? Just behind the trash there is an old mattress. I believe several of our neighbors have taken similar photos over the past couple of years if this at all helpful..

Rich, I would very much like to understand the timeline for this particular zoning decision and how we can understand more and provide input regarding the options. I get the impression from reading the draft minutes from July 20th planning meeting (which I found on the city website this weekend) that particular attention is being paid to 47th avenue – I am sure the situation is just as bad if not worse on 48th (perhaps this is a typo as the units on 47th appear to be much better maintained than those on 48th ?) We look forward to the meeting tonight.

Thanks

Michael

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)



Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

From: Sneddon, Su (ssneddon@ci.capitola.ca.us) [mailto:ssneddon@ci.capitola.ca.us]
Sent: Thursday, October 22, 2015 10:29 AM
To: Michael Adams <adamsteam@gmail.com>
Cc: Grunow, Rich (rgrunow@ci.capitola.ca.us) <rgrunow@ci.capitola.ca.us>
Subject: RE: non-conforming multifamily properties at 1710, 1720 & 1730 48th Avenue, Capitola

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Molly Ording [mollyording@yahoo.com]
Sent: Monday, October 26, 2015 3:07 PM
To: City Council
Subject: Zoning Code Update!

Hello Valued City Council Members and Staff!

Sorry this note is so late but want to encourage you all to “do the right thing” AND... what the residents of Capitola want...

- Leave residential neighborhood and village height restrictions **the same** (except perhaps for some ornamental details)
- Maintain residential neighborhood integrity and protect our diminished tree and green stock habitat.
- Do not change village parking requirements.

I know each of you knows, in your heart of hearts, of **your constituents’ strong desire to maintain Capitola’s charm and small village feel and your need to protect all neighborhoods from overly large or tall encroachments** that are not in harmony with the surrounding neighborhood or the village!

Thanks for all of your work. See you later! Cheers!

Molly Ording

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Adam Samuels [ahsamuels@sbcglobal.net]
Sent: Wednesday, October 21, 2015 8:32 PM
To: City Council
Cc: Grunow, Rich (rgrunow@ci.capitola.ca.us); Cattan, Katie (kcattan@ci.capitola.ca.us)
Subject: Comment in advance of Monday's zoning update discussion of Depot Hill
Attachments: Depot Hill zoning response PDF.pdf

Dear members of the Capitola City Council,

Happy fall - thanks once again for all that you do for our community.

- I'm writing to ask you to please take a few minutes to review the attached presentation, if you have not previously done so.
- I presented this to the Planning Commission at their spring review of the proposed zoning updates with city staff.

I plan to speak further at the meeting, as do a number of other residents.

Thank you for your attention.
Adam Samuels

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Depot Hill Zoning

A plea for responsible change

The issue is clear....



Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Compliance and enforcement of the Monarch Cove Inn CUP is unworkable

- The operator is not consistently and reliably complying with the terms of the CUP;
- City staff (police and community development departments) are not prepared to consistently and reliably enforce the conditions of the CUP;
- Elected officials are not taking action to ensure that the CUP they implemented is enforced;
- The operator on occasion limits public access, making visitor-serving a questionable status.

Current zoning isn't consistent with the Depot Hill neighborhood

The El Salto and Monarch Cove Inn properties in the Escalona Gulch/Depot Hill area are currently zoned Visitor Serving (VS). The zoning code currently specifies uses allowed with a conditional use permit on these two properties. On the El Salto property visitor accommodations (e.g., hotels, inns), food service related to lodging use, and residential uses are allowed with a conditional use permit. On the Monarch Cove Inn property a broader range of uses is allowed, including special events (e.g., festivals, weddings), commercial recreation establishments, accessory office and retail uses, and other similar visitor-serving uses.

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

– City report on Issues and Options, 2015

Without enforceable use, the current zoning remains unworkable

The zoning policy must reflect a workable use for the operator, the neighborhood and the community

- Unless the city can consistently and reliably enforce the permitted uses, and dedicate the resources to do so, maintaining the current zoning of the property impacts the neighborhood and the community as a whole.

The Monarchs - our other residents

Any expansion of the Monarch Cove Inn would threaten an already endangered Monarch Butterfly Preserve.

- For the first time in many years, the Monarch population at this site is increasing.
- Monarch populations are threatened worldwide and the City of Capitola has identified protection of this endangered species as a goal within our General Plan.
- Any construction, expansion or increased traffic will irreparably harm this unique butterfly habitat.

Option 1 - comments

Maintain existing permitted uses

- While operating an 11 unit bed and breakfast might be compatible with neighborhood character, the current practice of allowing weddings and events is not, and poses an ongoing threat to neighborhood safety as well as quiet enjoyment.
- The City does not have resources to monitor or enforce the current CUP.

Option 2 - comments

Modify permitted uses

- Limiting use to a bed and breakfast not to exceed the current number (11) of units, without allowing additional uses such as weddings and events *might* meet neighborhoods concerns;
- This option could allow ongoing coastal access to visitors and residents (as long as operator is not allowed to block public access roadway).

Option 3 - comments

Limit intensity of visitor accommodation uses

- Limiting intensity to current accommodation (Bed and Breakfast of no more than 11 units) could meet neighborhood requirements.
- Any increase in number of units, size or density would aggravate an already unworkable situation.

Option 4 - comments

Rezone to R-1

- This would be the ideal choice among the proposed options. The bed and breakfast could still operate. Coastal access along the public right of way would be preserved, and ongoing conflicts and the accompanying costs of monitoring conflicting uses would be reduced or eliminated.
- The Coastal Commission would very likely take into account the ongoing incompatibility issues, the fact that the operator has tried to block access on a public right of way and the preservation of fragile Monarch butterfly habitat in making their decision.

Thank you!

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Doug Thom [doug@campcapitola.com]
Sent: Friday, October 23, 2015 9:22 AM
To: City Council; PLANNING COMMISSION
Subject: Special City Council Meeting - October 26th

October 23, 2015

To: Capitola City Council Members and Planning Commissioners

Re: Potential zoning changes and The Monarch Cove Inn

All-

We will be traveling the evening of October 26th, but wanted express our support for changes in zoning in advance of the meeting.

We are 20-year residents of Depot Hill who, like many neighbors, have struggled with Monarch Cove and its incompatibility with the unique character of our neighborhood. We have watched years of struggle and the attempts the City has made to manage the problems with the current zoning in conjunction with Conditional Use Permits. We have concluded that this approach has been ineffective and failed to produce any significant results. We want to see the zoning changed permanently and the discontinuance of Conditional Use Permits.

We believe the appropriate zoning for this property is R-1. However, if this cannot be achieved we believe that you need to find an enforceable solution that caps the number of units on the property at its current level and eliminates the types of events that create the problems – weddings, festivals, etc.

The City must be prepared to enforce whatever changes are made, including the protection of natural habitats. We want to see a solution that doesn't invite future zoning creep or interpretation. Let's get this fixed, now and forever!

Doug & Susan Thom

117 Central Ave

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Nels Westman [nels@bestwestman.com]
Sent: Sunday, October 25, 2015 5:03 PM
To: City Council
Subject: Item 7A Council Meeting 10/26/15

Dear City Council,

I'm sorry to miss your 10/26/15 meeting, but I do have a brief comment regarding item 7A on your agenda.

ISSUE 9 SECONDARY DWELLING UNITS

I would like to re-emphasize the stated goal of the Council from last week's meeting to protect Capitola's residential neighborhoods. Allowing Secondary Dwelling Units in R-1 neighborhoods represents a very delicate balancing act in a community like Capitola with its smaller lots, limited on street parking inventory and running debate about privacy and congestion issues. While the goals of creating more affordable housing and increasing rental income to property owners may initially seem attractive, they quickly become counter-productive when they result in unhappy neighbors and deteriorating conditions in R-1 residential areas.

Please do not allow any liberalization of Secondary Dwelling Unit rules for the stated reasons: parking impacts, loss of privacy, congestion and noise. Profits to the homeowner should not trump the welfare of the neighborhood.

Similarly please maintain tight residency rules to prevent short term and covert rentals that exacerbate the above issues.

Thanks for your attention.

Nels Westman

Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Craig Wilson [craig@crwilson.net]
Sent: Friday, October 23, 2015 1:21 AM
To: City Council
Cc: Grunow, Rich (rgrunow@ci.capitola.ca.us); PLANNING COMMISSION
Subject: Zoning Code Update - Monarch Cove

Council Persons and Capitola Staff:

Throughout the public debate about the disposition of the Monarch Cove property it is has become clear that the City of Capitola has no real way to enforce the Conditional Use Permit under which the property is supposed to operate. This has led to any number of complaints and hard feelings among its neighboring residents, Capitola City Council, Planning Commission and Staff. It seems obvious that some other solution for this property is called for.

The easiest solution will be to rezone the property to more suitably fit the context of the neighborhood and uphold the goals of the General Plan Update. An R-1 designation will obviate all of the current issues with the neighbors and Capitola's ability to oversee the property's development and use. Less ideal will be a designation that allows the continued use of the property as Visitor Serving, even though that is what the Coastal Commission currently requires.

At the last Planning Commission meeting I attended, Commissioner Ortiz remarked that the Coastal Commission should be invited to view the property first hand in order to apprise it of the changes that have occurred to the property over the past two decades. They will find that: 1) much of the former resort has been sold off for residential development, thus reducing the buffer between the neighborhood and resort functions, 2) the operator of the property has severely damaged a once thriving Monarch butterfly habitat for purely personal financial gain regardless of the implied habitat stewardship that comes with such a property and 3) the neighbors of the property and much of the neighborhood is entirely unhappy with the current situation and plans that have been put forward to develop it further. The Coastal Commission will see a property that is substantially changed from its Visitor Serving origins.

Perhaps, under the circumstances the Coastal Commission's mandate will be better served by allowing public access to a "small" park-like portion of the property bordering the Monarch butterfly habitat which Capitola could improve over time; rebuilding the lost habitat and gaining a new attraction that will be accessible to more visitors than can be accommodated by the current property.

In your discussions please keep in mind the General Plan Update which suggests the need to preserve the unique character of Capitola's neighborhoods and to protect natural resources like the Monarch butterfly habitat.

Thank you for your attention.

Respectfully,
Craig Wilson
411 El Salto Drive

craig@crwilson.net



Communication: Item 7.A.: Public Communications (ADDITIONAL MATERIALS)



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 26, 2015

FROM: City Manager Department

SUBJECT: Consider the October 19, 2015, Special City Council Minutes

DISCUSSION: Attached for City Council review and approval are the minutes of the subject meeting.

ATTACHMENTS:

1. Draft October 19, 2015, City Council Special Meeting Minutes

Report Prepared By: Susan Sneddon
City Clerk

A handwritten signature in blue ink, appearing to be "JG", is written over a horizontal line.

Jamie Goldstein, City Manager

10/23/2015

DRAFT

CAPITOLA CITY COUNCIL

SPECIAL MEETING ACTION MINUTES

MONDAY, OCTOBER 19, 2015 – 6:00 PM

CALL TO ORDER

Mayor Norton called the meeting to order at 6:00 PM.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Dennis Norton: Present, Vice Mayor Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Council Member Stephanie Harlan: Present, Council Member Michael Termini: Present.

2. ADDITIONAL MATERIALS

City Clerk Sneddon stated that two communications were received regarding the City's Zoning Code Update (*Item 6.A.*).

3. ADDITIONS AND DELETIONS TO AGENDA (None Provided)

4. PUBLIC COMMENT (None Provided)

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS (None Provided)

6. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Zoning Code Update: Review Issues and Options Report [730-85]

RECOMMENDED ACTION: Accept staff presentation and provide direction on each of the zoning issues.

The following issues were discussed (see attached Exhibit A – October 19, 2015 Special City Council Meeting Summary Notes):

ISSUE 1. Protecting the Unique Qualities of Residential Neighborhoods

Public Comment:

- Ron Graves, local resident, provided comments regarding height limit for residential neighborhoods.
- Charles Huddleston, Aptos, stated concerns regarding second stories in residential neighborhoods.
- Nels Westman, local resident, stated he does not support raising the density in R-1 neighborhoods.

ISSUE 17. Floor Area Ratio (FAR)

Public Comment:

- Charles Huddleston, Aptos resident, recommended increasing the footprint for residential lots.
- Helen Bryce, local resident, requested an explanation regarding FAR in reference to decks adjacent to open space.

ISSUE 17.A. FAR and Decks

ISSUE 17.B. FAR and Basements

ISSUE 17.C. FAR and Phantom Floors, Roof Eaves, and Window Projections (Bay Windows)

ISSUE 16. Height

ISSUE 16.B. Capitola Village Height

Public Comment:

- Ron Graves, local resident, stated he does not recommend expanding the height in the Village.
- Charles Huddleston, stated he does not support an increased height in the Village

ISSUE 16.C. Height of future hotel on Theater Site in Village

ISSUE 5.A. Number of Required Parking Spaces

ISSUE 5. Parking

Public Comment:

- Charles Huddleston, Aptos resident, recommends that the City start reducing parking requirements.
- Nels Westman, local resident, does not support reducing parking requirement.
- Helen Bryce, local resident, stated that she supports preserving the City's parking requirement.
- Peter Wilk, local resident, made comments regarding covered parking in residential areas.

ISSUE 5.B. Village Hotel Parking

ISSUE 5.C. Parking Efficiency

ISSUE 5.D. Garages

ISSUE 6. Historic Preservation

7. ADJOURNMENT

The meeting adjourned at 8:55 PM.

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

Attachment: Draft October 19, 2015, City Council Special Meeting Minutes (1227 : October 19, 2015, Special City Council Minutes)

Exhibit A
SUMMARY OF SPECIAL ZONING CODE UPDATE MEETING
OCTOBER 19, 2015

Note: City Council additions/modifications are underlined.

ISSUE 1. Protecting the Unique Qualities of Residential Neighborhoods

Direction: Introduce additional standards/exceptions based on lot characteristics and existing development patterns.

- Retain 25 feet height limit (Note: Residential Height is also Issue 16A)
- 27 feet height exception for the following circumstances:
 - Addition to historic structures that is designed to match the roof pitch of the historic structure within the area of new addition.
 - Lots greater than 6,000 sf in size
 - Lots with width 60 feet wide or more.
 - Lots on a steep slope. Steep slope is defined as a lot having an average slope of 25% or greater.
 - Max plate height of structure does not exceed 22 feet.
- Retain current requirement for Second Story setbacks at 15 % of lot width
 - Add exception to second story setback for lots that are 30 feet wide or less.
- Secondary Structure in Rear Yard
 - Decrease rear yard setback from 8 feet to 4 feet.
 - Maintain 17.15.140.G “The width of detached garages or carports in the rear yard is limited to twenty-one feet. The height is limited to fifteen feet (nine feet to the top of the wall plate) for secondary structures located a minimum of 8 feet from the rear property line. However, the planning commission may approve an exception to allow additional height if necessary to match the architectural style of the existing primary structure.”
 - Secondary Structures less than 8 feet from the side yard may not exceed 12 feet in height.
 - Maintain required 2 foot landscape buffer between driveway and property line.
 - Maintain front setback (40 feet), side yard setback (3 feet) and setback from primary structure (3 feet)
 - Add statement in residential zoning districts an existing garage located within the required setback areas are legal non-conforming structures that may be updated but the non-conformity may not be expanded.

Attachment: Draft October 19, 2015, City Council Special Meeting Minutes (1227 : October 19, 2015, Special City Council Minutes)

Issue 17. Floor Area Ratio

Issue 17.A. FAR and Decks

Direction: New Option. Remove decks from FAR Calculation

- Acknowledged that deck regulations do not belong in the FAR standards. Decks should be included in the updated design permit thresholds and residential development standards.
 - Decks on the front of a home are exempt from a design permit and may be approved administratively.
 - Decks on the rear of a home may be approved administratively if it complies with new development standards including location/separation standards, size limitation, height (no higher than finished floor of second story) and is accessed through bedroom.
 - Rooftop decks and decks that do not comply with the administrative permit development standards require a design permit with Planning Commission approval.
 - Remove decks on restaurants and hotels from the floor area calculation. Include decks associated with bar/restaurant toward parking calc.
- Clarify staircase requirement in code.
- Lots less than 3000 sf: exception up to 250 sf for enclosed garage.

Issue 17.B. FAR and Basements

Direction: Option 3. Remove basements from FAR formula:

- Include area of basement in parking requirement.
- Basements on slopes that are visible and not located below natural grade on all 4 sides will count toward FAR.
- Basements that are not visible and are located below natural grade on 4 sides will not count toward FAR.

Issue 17.C. FAR and Phantom Floors, Roof Eaves, and Bay Windows

Direction: Option 5. Remove a combination of roof eaves and window projections from the FAR calculation.

- Keep phantom floors in FAR calculation
- Add dimensions to maximum size for Bay Windows

Issue 16.B. Capitola Village Height

Direction: Option 1: Maintain existing standard.

- Maintain existing height limit of 27 feet in the Central Village
- Include exception up to 31 feet for non-habitable space such as elevator, architectural features, and roof designs with architectural interest. Current exception §17.81.070.
- Show examples of architectural features in code (cupolas, turrets, chimney, etc.)

Issue 16.C. Height of future hotel on Theater Site in Village

Direction: Option 2. Establish Performance qualitative Standard for Hotel Height tied to General Plan.

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

Issue 5. Parking

Issue 5.A. Number of Required Parking Spaces

Direction: Option 3 and Option 4.

Option 3. Create Location-Based Parking Standards.

- The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial.
- The central village parking standards will not change. CC: Modify existing 6 seat allowance for restaurant to a square foot allowance for dining area. Decrease required parking requirement for area not utilized for dining.
- Single-family residential parking standards will not change. CC: max covered parking 1 space for single-family

Option 4. Allow parking reductions for multi-tenant commercial uses with Planning Commission approval.

- Retain reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential. CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue)
- All reductions would require approval by Planning Commission after making special findings.
- Finding that adequate parking is provided on-site as demonstrated by a parking study and reduction does not result in spillover parking impacts on neighborhoods.

Issue 5.B. Village Hotel Parking

Direction: Option 3: Base Standard on a Parking and Traffic Study prepared from the hotel development project application.

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

Notes: Aside: PC request for CC to reconsider employee parking program in the City parking facilities to decrease impact on residents during winter months. CC would like to revisit the in-lieu program to include more land use types.

Issue 5.C. Parking Efficiency

Direction: Option 2. Clarify existing code to match past practice.

A: Add New Shared Parking Provision.

- The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ.
- Excludes residential CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue)

B: Add new parking lift provisions.

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

Issue 5.D. Garages

Direction: Option 2. Add design standards for carports.

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

Issue 6. Historic Preservation

Direction: Do not include any of the 4 options. Incorporate the 5 new provisions identified in the issues and options summary, including

1. Procedures to identify historic resources
 2. Improve criteria to identify historic resources
 3. Add procedures and review criteria for projects which involve potentially significant resources.
 4. Add criteria to approve demolition of a historic resource.
 5. Add incentives for historic preservation.
- Do not include any of the additional options.
 - As the new historic preservation ordinance is drafted, have Architectural Historian, Leslie Dill, and local Historian, Frank Perry, review the draft ordinance.
 - Follow-up: CC would like to see money budgeted for following year for historic inventory



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 26, 2015

FROM: Community Development

SUBJECT: Zoning Code Update: Review Issues and Options Report

RECOMMENDED ACTION: Accept staff presentation and provide direction on each of the zoning issues.

BACKGROUND: The City is currently working on the Zoning Ordinance Update. The Planning Commission held five special meetings on April 30th (joint meeting); May 18th; May 21st; June 22nd; and July 20, 2015, to review the Issues and Options Report (Attachment 1) and provided direction to staff on the preferred option. The City Council reviewed six of the 18 Issues during the April 30th joint meeting and five of the Issues at the October 19, 2015 special meeting. The Planning Commission direction on all 18 Zoning Issues and the City Council direction on 11 Issues are included in the Issues and Options Matrix (Attachment 2).

DISCUSSION: On October 19, the City Council reviewed and provided staff with direction on 5 of the 12 total issues identified for additional discussion, including:

- Issue 1: Protecting the unique qualities of residential neighborhoods
- Issue 16: Height
- Issue 17: Floor Area Ratio
- Issue 5: Parking
- Issue 6: Historic Preservation

The City Council will review the remaining seven Zoning Code Issues during the October 26th Special meeting:

- Issue 15: Visitor Serving Uses on Depot Hill
- Issue 8: Non-Conforming Uses
- Issue 9: Secondary Dwelling Units
- Issue 11: Architectural and Site Review Committee
- Issue 13: Planned Development
- Issue 18: City Council Appeal of Planning Commission Decision
- Issue 7: Signs

A third Special City Council meeting is tentatively scheduled for November 19th for items that require additional discussion.

During the special meetings, staff will present the Issue, the relative options, and the direction provided by the Planning Commission. Following the presentation of each item, the City Council will discuss the item, hear public comments, and provide staff with direction.

Zoning Code Update
October 26, 2015

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

ACTIVITY

Issues and Options Hearings – Planning Commission
Issues and Options Hearings – City Council
Preparation of Draft Zoning Code
Draft Zoning Code Review Hearings – Planning Commission
Draft Zoning Code Review Hearings – City Council
Zoning Code Review – Coastal Commission

SCHEDULE

May 2015 – July 2015
October 2015 – Nov 2015
Dec 2015 – Feb 2016
March 2016 – May 2016
June 2016 – August 2016
August 2016 – TBD

FISCAL IMPACT: None

ATTACHMENTS:

1. Issues and Options Report
2. Issues and Option Matrix
3. Summary from 10/19/2015 City Council meeting

Report Prepared By: Katie Cattan
Senior Planner



Jamie Goldstein, City Manager

10/23/2015



CITY OF CAPITOLA
COMMUNITY DEVELOPMENT DEPARTMENT

ZONING CODE UPDATE

ISSUES AND OPTIONS REPORT

MARCH 5, 2015

CITY OF CAPITOLA
420 CAPITOLA AVENUE
CAPITOLA, CA 95010

Attachment: Issues and Options Report (1226 : Zoning Code Update)

Introduction

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

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

| Issue | Page |
|--|-------------|
| 1. Protecting the Unique Qualities of Residential Neighborhoods | 7 |
| 2. Maintaining and Enhancing the Village Character | 8 |
| 3. Accommodating High-Quality Development on 41 st Avenue | 10 |
| 4. Protecting Retail Vitality on 41 st Avenue | 11 |
| 5. Parking: Required Number, Village Hotel, Reductions, Efficiency, and Garages | 12 |
| 6. Historic Preservation | 17 |
| 7. Signs: Threshold for Review and Tailored Standards | 19 |
| 8. Non-Conforming Uses: Calculation of Structural Alterations, Historic Structures, and Amortization in R-1 Zone | 20 |
| 9. Secondary Dwelling Units | 24 |
| 10. Permits and Approvals | 24 |
| 11. Architecture and Site Review: Authority of Committee, Timing of Review, and Composition of Committee | 25 |
| 12. Design Permits: When Required, Review Authority, and Considerations for Approval | 27 |
| 13. Planned Development | 30 |
| 14. Environmental and Hazards Overlays | 30 |
| 15. Visitor-Serving Uses on Depot Hill | 31 |
| 16. Height: Residential Neighborhoods, Capitola Village, Hotel | 32 |
| 17. Floor Area Ratio | 34 |
| 18. City Council Appeal | 36 |

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

How This Report was Created

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

Attachment: Issues and Options Report (1226 : Zoning Code Update)

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

Part B. Items for Public Discussion

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

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

ISSUE 1: Protecting the Unique Qualities of Residential Neighborhoods

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

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

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

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

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

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

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

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

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

Options:

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

Attachment: Issues and Options Report (1226 : Zoning Code Update)

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

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

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

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

- 3. **Allow case-by-case deviations to R-1 standards.** With this option a single set of standards would remain for the R-1 zone, but the Planning Commission could allow for deviations to these standards on a case-by-case basis. This would be a different process from a variance, with different findings required for approval. Standards subject to allowable deviation could include building height, setbacks, second story 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 41st Avenue

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

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

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

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

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

Options:

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

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

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

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

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

Issue 4: Protecting Retail Vitality on 41st Avenue

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

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

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

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

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

- 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 exceed under any circumstance) or the Planning Commission could allow for exceptions in special circumstances on a case-by-case basis.

ISSUE 5: Parking

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

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

A. Number of Required Parking Spaces

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

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

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

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

Allowing for parking reductions is common in communities well-served by transit and/or interested in promoting infill development to utilize land resources efficiently, increase the supply of multi-family housing, and reduce reliance on the automobile. The City of Santa Cruz, for example, allows for some reductions (Section 24.12.290: http://www.codepublishing.com/ca/santacruzcounty/html/santacruzcounty13/santacruzcounty13_10.html) and will likely further reduce/adjust on-site parking requirements along transit corridors as part of zoning code amendments to implement the City’s new General Plan. Recent research shows that parking demand for mixed use development is less than for single use development. See:

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

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

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

Options:

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

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

B. Village Hotel Parking

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

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

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

Options:

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

4. **Allow Planning Commission and/or City Council to establish parking standards for an individual project based on performance criteria.** Similar to Option 2, the Planning Commission or City Council could establish on-site and off-site parking requirements for a Village Hotel in response to a specific application. This requirement would reflect the findings of a parking and traffic study. In addition, the Zoning Code could contain specific findings that the City must make when establishing this requirement. The findings, or “performance criteria,” could reflect public input on Village Hotel parking and circulation obtained during the General Plan Update process. For example, the Zoning Code could state that when establishing the required parking for the Village Hotel, the City must find that:

- The hotel is served by a combination of on-site and off-site parking.
- Parking provided on-site is the minimum necessary for an economically viable hotel.
- On-site parking is minimized to reduce vehicle traffic in the Village and strengthen the Village as a pedestrian-oriented destination.
- On-site hotel parking will not result in any noticeable increase in traffic congestion in the Village.

C. Parking Efficiency

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

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

Options:

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

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

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

D. Garages

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

Options:

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

Issue 6: Historic Preservation

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

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

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

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

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

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

Options:

- 1. Establish a Historic Resources Board.** Many communities with historic resources establish a historic resources board or commission to assist with historic preservation activities. See Carmel Chapter 17.32 and Pacific Grove Section 23.76.021 :
<http://www.codepublishing.com/ca/carmelbythesea/html/carmel17/Carmel1732.html>
<http://www.codepublishing.com/CA/pacificgrove/html/PacificGrove23/PacificGrove2376.html>
The roles and responsibilities of the historic resources board vary in different communities. Common functions include determining if modifications to a historic resource are consistent with the Secretary of Interior’s Standards, advising on designation of historic features, advising on impacts to historic resources under CEQA, and advising the Planning Commission and City Council on other matters pertaining to historic preservation.
- 2. Establish a new Historic Preservation Overlay Zone.** Capitola could establish a new historic preservation overlay zone to apply to existing National Register Historic Districts (Old Riverview, Rispin, Six Sisters and Lawn Way, Venetian Court.). Properties within this

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

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

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

ISSUE 7: SIGNS

A. Threshold for Review

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

Options:

1. **Maintain existing regulations.**
2. **Allow staff-level review with new standards.** Revise sign standards to include new, well-defined and well-illustrated design standards that create a framework that would allow compliant signs to be reviewed by staff and an option for Planning Commission review for signs that go beyond the established standards. In this option, new maximum limits are established. Signs can be approved administratively within an over-the-counter permit. Carmel-by-the-Sea is an example of staff-level approval of signs subject to clear standards, with the ability of the Planning Commission to approve signs that do not comply with these standards. See Carmel Zoning Code Chapter 17.40: <http://www.codepublishing.com/ca/carmel.html>.

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

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

B. Tailored Standards

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

Options:

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

<http://www.codepublishing.com/ca/livermore.html>.

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

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

C. Monument Signs

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

Options:

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

Issue 8: Non-Conforming Uses

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

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

A. Calculation of Structural Alterations

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

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

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

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

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

Options:

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

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

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

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

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

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

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

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

Multi-Family Uses in Single-Family Zones

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

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

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

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

Options:

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

Issue 9: Secondary Dwelling Units

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

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

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

Options:

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

ISSUE 10: Permits and Approvals

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

Options:

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

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

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

Issue 11: Architecture and Site Review

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

A. Authority of Architecture and Site Review Committee

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

Options:

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

B. Timing of Design Permit Review.

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

Options:

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

C. Composition of Architecture and Site Committee

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

Options:

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

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

ISSUE 12: Design Permits

A. When a Design Permit is Required – Commercial Uses

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

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

Options:

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

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

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

See Santa Cruz Zoning Code Section Section 24.08.410:

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

B. Design Permit Approval Authority – Commercial Uses.

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

Options:

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

C. When a Design Permit is Required – Residential Uses

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

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

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

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

Options:

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

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

D. Design Permit Approval Authority – Residential Uses.

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

Options:

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

E. Considerations for Design Permit Approval

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

Options:

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

Issue 13: Planned Development

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

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

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

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

Options:

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

ISSUE 14: Environmental and Hazard Overlays

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

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

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

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

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

Options:

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

Issue 15: Visitor-Serving Uses on Depot Hill

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

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

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

Options:

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

Issue 16: Height

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

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

A. Residential Neighborhoods

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

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

Options:

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

B. Capitola Village

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

Options:

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

C. Hotel

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

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

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

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

Options:

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

Issue 17: Floor Area Ratio

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

Elements included in FAR calculation

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

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

A. Decks

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

Options:

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

B. Basements

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

Options:

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

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

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

Options:

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

Issue 18: City Council Appeal of Planning Commission Decision

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

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

Options:

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

| Issues and Options Matrix | | |
|---|-----------|----|
| | Direction | |
| | PC | CC |
| ISSUE 1: Protecting the Unique Qualities of Residential Neighborhoods (Page 7) PC review 7/20/2015 CC review 10/19/2015 | | |
| Option 1: Maintain existing R-1 standards for all neighborhoods. | | |
| Option 2: Introduce tailored development standards for individual residential neighborhood. | | |
| Option 3: Allow case-by-case deviations to R-1 standards. | | |
| <p>New Option: Introduce additional standards/exceptions based on lot characteristics and existing development patterns.</p> <ul style="list-style-type: none"> • Retain 25 feet height limit • 27 feet height exception for the following circumstances: <ul style="list-style-type: none"> ○ Addition to historic structures that is designed to match the roof pitch of the historic structure within the area of new addition. ○ Lots greater than 6,000 sf in size ○ Lots with width 60 feet wide or more. ○ Lots on a steep slope. Steep slope is defined as a lot having an average slope of 25% or greater. ○ <u>Max plate height of structure does not exceed 22 feet.</u> • Retain current requirement for second story setbacks at 15 % of lot width <ul style="list-style-type: none"> ○ Add exception to second story setback for lots that are 30 feet wide or less. • Secondary Structure in Rear Yard <ul style="list-style-type: none"> ○ Decrease rear yard setback from 8 feet to 4 feet. ○ Maintain 17.15.140.G “The width of detached garages or carports in the rear yard is limited to twenty-one feet. The height is limited to fifteen feet (nine feet to the top of the wall plate) <u>for secondary structures located a minimum of 8 feet from the rear property line.</u> However, the planning commission may approve an exception to allow additional height if necessary to match the architectural style of the existing primary structure.” ○ <u>Secondary Structures less than 8 feet from the side yard may not exceed 12 feet in height.</u> ○ Maintain required 2 foot landscape buffer between driveway and property line. ○ Maintain front setback (40 feet), side yard setback (3 feet) and setback from primary structure (3 feet) ○ Add statement in residential zoning districts an existing garage located within the required setback areas are legal non-conforming structures that may be updated but the non-conformity may not be expanded. | X | X |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|----|
| | Direction | |
| | PC | CC |
| ISSUE 3: Accommodating High-Quality Development on 41 st Avenue (Page 10) PC review 5.18.2015 | | |
| Option 1: Maintain Existing Regulations. | | |
| Option 2: Increase Parking Flexibility. <ul style="list-style-type: none"> Allow greater commercial parking flexibility through shared parking studies for multi-tenant commercial properties Residential mixed with office space may be considered within shared parking study. Residential mixed with commercial/restaurant/entertainment is problematic due to overlap in demand on parking. | X | X |
| Option 3: Create incentives for desired improvements. | | |
| Option 4: Strengthen connection to 41st Avenue Design Guidelines. | | |
| Option 5: Streamline Permitting Process. <ul style="list-style-type: none"> Allowing commercial uses to occupy existing commercial spaces up to XXX square-feet without a CUP (limit to be established in draft code) Only requiring a design permit for large commercial uses which involve significant exterior modifications (to be defined in draft code) Create administrative permits and minor use permits | X | X |
| Notes from 5.18.2015 Planning Commission meeting: <ul style="list-style-type: none"> Repeal existing 41st Ave design guidelines until such time that they can be comprehensively updated. Incorporate applicable design criteria from the 41st Ave Design Guidelines into the Zoning Code update. | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------------|---------|
| | Direction | |
| | PC | CC |
| ISSUE 4: Protecting Retail Vitality on 41st Avenue (Page 11) PC review 5.18.2015 | | |
| Option 1: Maintain existing regulations. | | |
| Option 2: Add new findings for professional and medical office uses. <ul style="list-style-type: none"> Only partial support New findings for professional and medical office use must be objective and measurable; not nebulous. | Partial support | X |
| Option 3: Encourage professional and medical office uses in certain locations. <ul style="list-style-type: none"> Planning Commission supported increase flexibility in office space in general. Directed staff to principally permit office space up to a newly established limit south of Capitola Road and require conditional use permit for new retail conversions to office north of Capitola Road. Support Office on 2nd and 3rd story as principally permitted without size limitations in all commercial areas. | X | X |
| Option 4: Introduce new limitations for professional and medical office uses. | | |
| Issue #5: Parking (Page 12) | | |
| Issue #5A: Number of Required Parking Spaces (Page 13) PC review 5.18.2015 CC review 10.19.2015 | | |
| Option 1: Maintain Existing Requirement. | | PENDING |
| Option 2: Modify Parking Requirements for Certain Land Uses in All Areas. | | |
| Option 3: Create Location-Based Parking Standards. <ul style="list-style-type: none"> The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial. The central village parking standards will not change. CC: Modify existing 6 seat allowance for restaurant to a square foot allowance for dining area. Decrease required parking requirement for area not utilized for dining. Single-family residential parking standards will not change. CC: max covered parking 1 space for single-family | X | X |
| Option 4: Allow parking reductions for multi-tenant commercial uses with Planning Commission approval. <ul style="list-style-type: none"> Retain reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential. CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue) All reductions require approval by Planning Commission after making special findings. Finding that adequate parking is provided on-site as demonstrated by a parking study and reduction does not result in spillover parking impacts on neighborhoods. | X | X |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------|---------|
| | Direction | |
| | PC | CC |
| Option 5: Allow for reductions By-Right. | | |
| Issue #5: Parking (continued) | | |
| Issue #5B: Village Hotel Parking (Page 15) PC review 5.18.2015 CC review on 10/19/2015 | | |
| Option 1: Maintain Existing Requirements | | |
| Option 2: Specific On-Site Parking standard for Village Hotel. | | |
| Option 3: Base Standard on a Parking and Traffic Study prepared for the hotel development project application. <ul style="list-style-type: none"> The number of parking spaces required for the theater hotel site will be determined by a parking and traffic study prepared specifically for the hotel development project application. The site is unique and therefore flexibility is necessary to create a parking demand management plan that works specific to theater site. | X | X |
| Option 4: Allow Planning Commission and/or City Council to establish parking standards for an individual project based on performance criteria. | | |
| Notes: Aside: PC request for CC to reconsider employee parking program in the City parking facilities to decrease impact on residents during winter months. CC would like to revisit the in-lieu program to include more land use types. | | |
| Issue #5: Parking (continued) | | |
| Issue #5C: Parking Efficiency (Page 16) PC review 5.18.2015 CC review on 10/19/2015 | | PENDING |
| Option 1: Maintain existing regulations. | | |
| Option 2: Clarify existing code to match past practice, including: | | |
| A: Add New Shared Parking Provision. <ul style="list-style-type: none"> The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ. Excludes residential CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue) | X | X |
| B: Add new parking lift provisions. <ul style="list-style-type: none"> The updated Zoning Code will allow for elevator-like mechanical system to stack parking spaces in a vertical configuration. Lift must be enclosed/not visible from public view. | X | X |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue #5D: Garages (Page 17) PC review 5.18.2015 CC review 10.19.2015 | | PENDING |
| Option 1: Maintain existing regulations. | | |
| Option 2: Add design standards for carports. <ul style="list-style-type: none"> • Continue to require at least one covered parking space for homes 1,500 square feet or more. Covered parking may be provided in a garage or carport. • Design standards for carports will be added. • Carport should be the exception with findings to support the exception • Include Carport in FAR calculation. | X | X |
| Option 3: Limit covered spaces to garages only. | | |
| Option 4: Eliminate covered parking requirement. | | |
| Notes: | | |
| Issue #6: Historic Preservation (Page 17) PC review 5.21.2015 | | PENDING |
| Option 1: Establish a Historic Resources Board. | | |
| Option 2: Establish a new Historic Preservation Overlay Zone. | | |
| Option 3: Establish new enforcement and penalty provisions. | | |
| Option 4: Establish new maintenance and upkeep provisions. | | |
| Planning Commission Notes: <ul style="list-style-type: none"> • Incorporate the 5 new provisions identified in the issues and options summary, including <ul style="list-style-type: none"> ○ Procedures to identify historic resources ○ Improve criteria to identify historic resources ○ Add procedures and review criteria for projects which involve potentially significant resources. ○ Add criteria to approve demolition of a historic resource. ○ Add incentives for historic preservation. • Do not include any of the additional options. • As the new historic preservation ordinance is drafted, have Architectural Historian, Leslie Dill, and local Historian, Frank Perry, review the draft ordinance. • <u>Follow-up: CC would like to see money budgeted for following year for historic inventory</u> | X | X |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 7: Signs (continued) | | |
| C. Monument Signs (Page 20) PC and CC Review 4/30/2015 | | PENDING |
| Option 1: Maintain existing regulations. | | |
| Option 2: Create a new limit for monument signs based on linear frontage along a prime commercial street. | | |
| Option 3: Create an allowance for more than 4 tenants per monument sign. | | |
| Option 4: Update Master Sign Plan to clarify discretion in monument signs (lot size, # of tenants, and frontage). | | |
| New Option <ul style="list-style-type: none"> • Preference for monument signs to be drafted into tailored standards for each commercial area. • Update to allow digital gas pricing signs. | X | X |
| Issue 8: Non-Conforming Uses (Page 20) PC Review 7/20/2015 | | |
| A. Calculation of Structural Alterations (Page 21) | | PENDING |
| 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. <ul style="list-style-type: none"> • Non-conforming structures may be rebuilt with the approval of a non-conforming permit issued by the Planning Commission. • To approve a non-conforming permit, the Planning Commission must make a finding that the existing non-conforming structure does not have a negative impact on adjacent properties, the surrounding neighborhood, or the public. • Alterations to non-conforming structure may not increase the degree of non-conformity. • Any addition to a non-conforming structure would be required comply with all development standards of the zone. | X | |
| Option 4: Change building valuation cap to a percentage of square footage calculation. | | |
| Option 5: Maintain the existing 80% threshold with new exception for historic resources. | | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 8: Non-Conforming Uses (Continued) | | |
| B. Non-conforming activities and structures on improved R-1 parcels. (Page 22) | | PENDING |
| Option 1: Maintain existing sunset clause and opportunity to apply for extension. <ul style="list-style-type: none"> • Require upgrades to mitigate impacts. • Extensions are issued for 25 years maximum. • Applicant must agree to participate in a future assessment district to mitigate impacts of multifamily. • Update code to include that the extension is publicly noticed and notice is sent to neighbor within 300 feet. | X | |
| Option 2: Modify regulations to allow non-conforming multi-family uses to remain throughout the City, but not intensify. | | |
| Option 3: Modify regulations to allow non-conforming multi-family uses to remain in targeted areas of the City. | | |
| Option 4: Rezone areas with existing non-conforming multi-family uses to a multi-family zone. <ul style="list-style-type: none"> • Rezone condominiums at Opal Cliff East and West to multi-family. • Rezone affordable housing development behind Coastal Life Church on Monterey Avenue to multi-family. | X | |
| Option 5: Create an incentive program to allow participating non-conforming property owners to retain their uses subject to providing specified public benefits. <ul style="list-style-type: none"> • City to work with City Architect to create design solutions to front facades and parking for typical four-plex. | X | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 9: Secondary Dwelling Units (Page 24) | | PENDING |
| Option 1: Maintain existing code allowances/limitations for secondary dwelling units. | | |
| Option 2: Amend the code to encourage development of additional secondary dwelling units. | | |
| a. Eliminate the current residency requirement and allow both the primary and secondary dwellings to be rented. | X | |
| b. Create opportunity for secondary dwelling units above a garage. <ul style="list-style-type: none"> • Must comply with all development standards. • No decreased setbacks for detached garage with second story. • Require approval by Planning Commission | X | |
| Option 3: Amend the code to encourage development of additional secondary dwelling units in specific areas of the City only. | | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 11: Architecture and Site Review (Page 25) PC review 6/22/2015 | | |
| A. Authority of Architecture and Site Review Committee (Page 25) | | PENDING |
| Option 1: Maintain existing authority of Architecture and Site Committee. | | |
| Option 2: Modify existing role of the Architecture and Site Committee. | | |
| Option 3: Eliminate the Architecture and Site Committee. <ul style="list-style-type: none"> • Replace the Arch and Site committee with a preliminary development review committee. • Function: review applications and make preliminary recommendations to applicant prior to Planning Commission review. | X | |
| Notes: | | |
| B. Timing of Design Permit Review (Page 26) | | PENDING |
| Option 1: Maintain existing timing of Architecture and Site Review. | X | |
| Option 2: Repurpose the committee to be a pre-design committee. | | |
| Notes: | | |
| C. Composition of Architecture and Site Committee (Page 26) | | PENDING |
| Option 1: Maintain the existing composition of the Architecture and Site Committee. | | |
| Option 2: Replace the committee with a City Architect. | | |
| Option 3: Replace committee with an Architectural Peer review committee. | | |
| Option 4: Revise committee as follows: <ul style="list-style-type: none"> • All positions on committee to be either staff or contracted long-term consultant on as-needed basis. • Committee to include: <ul style="list-style-type: none"> ○ Architect (Contracted Consultant) ○ Landscape Architect ○ Architectural Historian (Contracted Consultant) ○ Staff Planner ○ Staff Public Works representative ○ Staff Building representative | X | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|----|
| | Direction | |
| | PC | CC |
| D. Design Permit Approval Authority – Residential Use (Page 29) PC and CC review on 4/30/2015 | | |
| Option 1: Maintain existing review authority. | | |
| Option 2: Delegate limited approval authority to the Director <ul style="list-style-type: none"> Establish new thresholds for administrative approval by Community Development Director | X | X |
| Notes: | | |
| Issue 12: Design Permits (continued) | | |
| E. Consideration for Design Permit Approval (Page 29) PC and CC review on 4/30/2015 | | |
| Option 1: Maintain existing architecture and site considerations. | | |
| Option 2: Maintain the existing architecture and site considerations with additional considerations focused on design, <ul style="list-style-type: none"> Include massing, height, scale, articulation, neighborhood compatibility, privacy, quality exterior materials. | X | X |
| Option 3: Update design considerations to focus on design rather than including ancillary issues. | | |
| Notes: | | |
| Issue 13: Planned Development (Page 30) PC review on 6/22/2015 | | |
| Option 1: Maintain existing regulations. | | |
| Option 2: Reduce or eliminate minimum parcel size requirement. | | |
| Option 3: Modify approval process. | | |
| Option 4: Eliminate PD. <ul style="list-style-type: none"> City is largely built out and little opportunity exists for PD. Existing zoning results in more compatible development | X | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

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

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 16: Height (Page 32) | | PENDING |
| A. Residential Neighborhoods (Page 32) <i>PC review on 5/21/2015 and 7/20/2015 CC 10.19.2015</i> | | |
| Option 1: Maintain existing standards. | | |
| Option 2: Eliminate 27-foot exception. This option would eliminate the 27-foot height exception by requiring all buildings to meet either a 25-foot or 27-foot height standard. | | |
| Option 3: Allow greater variation based on existing neighborhood character. This option would allow greater variation in permitted building height based on neighborhood characteristics. There are a number of different ways to achieve this as described in Issue #1. | | |
| <p>Notes: During the 5/21/2015 meeting, the Planning Commission requested this item be brought back during the future neighborhood character (Issue 1) discussion. The following is the direction provided at 7/20/2015 Planning Commission meeting.</p> <ul style="list-style-type: none"> ○ 25 feet height limit ○ 27 feet height exception for the following circumstances: <ul style="list-style-type: none"> ● Addition to historic structures that is designed to match the roof pitch of the historic structure within the area of new addition. ● Lots greater than 6,000 sf in size ● Lots with width 60 feet wide or more. ● Lots on a steep slope. Steep slope is defined as a lot having a slope of 25% or greater. ● <u>Max plate height of structure does not exceed 22 feet.</u> | X | X |
| B. Capitola Village (Page 33) <i>PC review on 5/21/2015 CC 10/19/2015</i> | | |
| <p>Option 1: Maintain existing standard.</p> <ul style="list-style-type: none"> ● <u>Maintain existing height limit of 27 feet in the Central Village</u> ● <u>Include exception up to 31 feet for non-habitable space such as elevator, architectural features, and roof designs with architectural interest.</u> Current exception §17.81.070. ● <u>Show examples of architectural features in code (cupolas, turrets, chimneys, etc.)</u> | X | X |
| Option 2: Expand exception provisions. | | |
| Option 3: Increase maximum height limit to accommodate 3 stories. | | |
| Notes: | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 16: Height (continued) PC review on 5/21/2015 CC on 10.19.2015 | | PENDING |
| C. Hotel (Page 33) | | |
| Option 1: Apply CV Zone Standard to Hotel. | | |
| Option 2: Establish Performance Qualitative Standard for Hotel Height tied to General Plan. <ul style="list-style-type: none"> • Future height of hotel must be aligned with the guidance in the General Plan • A future hotel on the unique parcel with should not be tied to specific height standards. • Flexibility in the code is necessary to allow articulation, stepping, etc. | X | X |
| Option 3: Establish a Numerical Standard Unique to Hotel. | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|---|-----------|---------|
| | Direction | |
| | PC | CC |
| Issue 17: Floor Area Ratio (Page 34) PC 4/30/2015 ; CC review on 4/30/2015 and 10/19/2015 | | PENDING |
| A. Decks (Page 35) | | |
| Option 1: Maintain existing standards. | | |
| Option 2: Increase allowance beyond 150 sf. | | |
| Option 3: Add exception for special circumstances. | | |
| New Option: Remove decks from FAR Calculation <ul style="list-style-type: none"> Acknowledged that deck regulations do not belong in the FAR standards. Decks should be included in the updated design permit thresholds and residential development standards. Decks on the front of a home are exempt from a design permit and may be approved administratively. Decks on the rear of a home may be approved administratively if it complies with new development standards including location/separation standards, size limitation, height (no higher than finished floor of second story) and is accessed through bedroom. Rooftop decks and decks that do not comply with the administrative permit development standards require a design permit with Planning Commission approval. Remove decks on restaurants and hotels from the floor area calculation. Include decks associated with bar/restaurant toward parking calc. Clarify staircase requirement in code. Lots less than 3000 sf: exception up to 250 sf for enclosed garage. | X | X |
| Issue 17: Floor Area Ratio (Continued) PC on 4/30/2015 and CC direction on 4/30/2015 and 10/19/2015 | | |
| B. Basements (Page 35) | | PENDING |
| Option 1: Maintain existing standards. | | |
| Option 2: Increase existing allowance beyond 250 square feet. | | |
| Option 3: Remove basements from FAR formula. <ul style="list-style-type: none"> Include area of basement in parking requirement. Basements on slopes that are visible from exterior and not located below natural grade on all 4 sides count toward FAR . Basements that are not visible and are located below natural grade on 4 sides should not count toward FAR. | X | X |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

| Issues and Options Matrix | | |
|--|-----------|---------|
| | Direction | |
| | PC | CC |
| Phantom Floors, Roof Eaves, and Window Projections (Bay Windows) (Page 36) PC on 4/30/2015 and CC direction on 4/30/2015 and 10/19/2015 | | |
| Option 1: Maintain existing standards. | | |
| Option 2: Remove phantom floors from the FAR calculation. | | |
| Option 3: Remove roof eaves from the FAR calculation. | | |
| Option 4: Remove window projects from FAR calculation. | | |
| Option 5: Remove a combination of phantom floors, roof eaves, and/or window projections from the FAR calculation. <ul style="list-style-type: none"> • Keep phantom floors in FAR calculation • Add dimensions to maximum size for Bay Windows | X | X |
| Issue 18: City Council Appeal of Planning Commission Decision (Page 36) PC review on 6/22/2015 | | PENDING |
| Option 1: Maintain existing appeal process. | | |
| Option 2: Add “call-up” procedure with 2 Council member support requirement to hear a call-up an application. <ul style="list-style-type: none"> • Council member may initiate review of any decision or action of the Planning Commission by giving notice to the City Clerk within appeal period. • City Clerk places “call-up” vote on next regularly scheduled meeting. • During next regularly scheduled meeting, Council member provides reasoning for “call-up” of Planning Commission decision. 2 Council members must vote in support of hearing “call-up” • If supported by 2 members, City Clerk schedules review of Planning Commission decision. | X | |
| Option 3: Add “call-up” procedure and require majority vote by City Council to call-up an application. | | |

Attachment: Issues and Option Matrix (1226 : Zoning Code Update)

Summary of Special Zoning Code Update Meeting

October 19, 2015

Note: City Council additions/modifications are underlined.

ISSUE 1. Protecting the Unique Qualities of Residential Neighborhoods

Direction: Introduce additional standards/exceptions based on lot characteristics and existing development patterns.

- Retain 25 feet height limit (Note: Residential Height is also Issue 16A)
- 27 feet height exception for the following circumstances:
 - Addition to historic structures that is designed to match the roof pitch of the historic structure within the area of new addition.
 - Lots greater than 6,000 sf in size
 - Lots with width 60 feet wide or more.
 - Lots on a steep slope. Steep slope is defined as a lot having an average slope of 25% or greater.
 - Max plate height of structure does not exceed 22 feet.
- Retain current requirement for Second Story setbacks at 15 % of lot width
 - Add exception to second story setback for lots that are 30 feet wide or less.
- Secondary Structure in Rear Yard
 - Decrease rear yard setback from 8 feet to 4 feet.
 - Maintain 17.15.140.G “The width of detached garages or carports in the rear yard is limited to twenty-one feet. The height is limited to fifteen feet (nine feet to the top of the wall plate) for secondary structures located a minimum of 8 feet from the rear property line. However, the planning commission may approve an exception to allow additional height if necessary to match the architectural style of the existing primary structure.”
 - Secondary Structures less than 8 feet from the side yard may not exceed 12 feet in height.
 - Maintain required 2 foot landscape buffer between driveway and property line.
 - Maintain front setback (40 feet), side yard setback (3 feet) and setback from primary structure (3 feet)
 - Add statement in residential zoning districts an existing garage located within the required setback areas are legal non-conforming structures that may be updated but the non-conformity may not be expanded.

Issue 17. Floor Area Ratio

Issue 17.A. FAR and Decks

Direction: New Option. Remove decks from FAR Calculation

- Acknowledged that deck regulations do not belong in the FAR standards. Decks should be included in the updated design permit thresholds and residential development standards.
 - Decks on the front of a home are exempt from a design permit and may be approved administratively.
 - Decks on the rear of a home may be approved administratively if it complies with new development standards including location/separation standards, size limitation, height (no higher than finished floor of second story) and is accessed through bedroom.
 - Rooftop decks and decks that do not comply with the administrative permit development standards require a design permit with Planning Commission approval.
 - Remove decks on restaurants and hotels from the floor area calculation. Include decks associated with bar/restaurant toward parking calc.
- Clarify staircase requirement in code.
- Lots less than 3000 sf: exception up to 250 sf for enclosed garage.

Issue 17.B. FAR and Basements

Direction: Option 3. Remove basements from FAR formula:

- Include area of basement in parking requirement.
- Basements on slopes that are visible and not located below natural grade on all 4 sides will count toward FAR.
- Basements that are not visible and are located below natural grade on 4 sides will not count toward FAR.

Issue 17.C. FAR and Phantom Floors, Roof Eaves, and Bay Windows

Direction: Option 5. Remove a combination of roof eaves and window projections from the FAR calculation.

- Keep phantom floors in FAR calculation
- Add dimensions to maximum size for Bay Windows

Issue 16.B. Capitola Village Height

Direction: Option 1: Maintain existing standard.

- Maintain existing height limit of 27 feet in the Central Village
- Include exception up to 31 feet for non-habitable space such as elevator, architectural features, and roof designs with architectural interest. Current exception §17.81.070.
- Show examples of architectural features in code (cupolas, turrets, chimney, etc.)

Issue 16.C. Height of future hotel on Theater Site in Village

Direction: Option 2. Establish Performance qualitative Standard for Hotel Height tied to General Plan.

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

Issue #5. Parking

Issue #5A. Number of Required Parking Spaces

Direction: Option 3 and Option 4.

Option 3. Create Location-Based Parking Standards.

- The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial.
- The central village parking standards will not change. CC: Modify existing 6 seat allowance for restaurant to a square foot allowance for dining area. Decrease required parking requirement for area not utilized for dining.
- Single-family residential parking standards will not change. CC: max covered parking 1 space for single-family

Option 4. Allow parking reductions for multi-tenant commercial uses with Planning Commission approval.

- Retain reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential. CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue)
- All reductions would require approval by Planning Commission after making special findings.
- Finding that adequate parking is provided on-site as demonstrated by a parking study and reduction does not result in spillover parking impacts on neighborhoods.

Issue #5B. Village Hotel Parking

Direction: Option 3: Base Standard on a Parking and Traffic Study prepared from the hotel development project application.

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

Notes: Aside: PC request for CC to reconsider employee parking program in the City parking facilities to decrease impact on residents during winter months. CC would like to revisit the in-lieu program to include more land use types.

Issue #5C. Parking Efficiency

Direction: Option 2. Clarify existing code to match past practice.

A: Add New Shared Parking Provision.

- The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ.
- Excludes residential CC: Allow residential mixed use in CC (Bay Avenue and 41st Avenue)

B: Add new parking lift provisions.

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

Issue #5D. Garages

Direction: Option 2. Add design standards for carports.

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

Issue #6: Historic Preservation

Direction: Do not include any of the 4 options. Incorporate the 5 new provisions identified in the issues and options summary, including

1. Procedures to identify historic resources
 2. Improve criteria to identify historic resources
 3. Add procedures and review criteria for projects which involve potentially significant resources.
 4. Add criteria to approve demolition of a historic resource.
 5. Add incentives for historic preservation.
- Do not include any of the additional options.
 - As the new historic preservation ordinance is drafted, have Architectural Historian, Leslie Dill, and local Historian, Frank Perry, review the draft ordinance.
 - Follow-up: CC would like to see money budgeted for following year for historic inventory