



**FINAL MINUTES
CAPITOLA PLANNING COMMISSION MEETING
Thursday, September 2, 2021
7 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair Routh called the meeting to order at 7 P.M. Commissioners Christiansen, Newman, Westman, Wilk and Chair Routh were present remotely.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

Community Development Director Katie Herlihy stated there are no additions or deletions to the Agenda, but the department received timely public comments concerning items on the Agenda.

B. Public Comments

C. Commission Comments

D. Staff Comments

Director Herlihy announced a grant opportunity for small businesses that were negatively impacted by COVID-19. Interested businesses may apply to receive up to \$7,500 towards reimbursement of qualified mortgage and rental payments.

She also stated that a discussion regarding non-conforming structures in Capitola is expected for the October meeting. Additionally, in-person meetings will resume on the October 7th meeting.

3. PUBLIC HEARINGS

A. 325 Cherry Avenue #21-0255 APN: 035-181-19

Design Permit and Historical Alteration Permit for first- and second-story modifications to a historic single-family residence located within the Mixed Use Village (MU-V) zoning district and the Village Residential (VR) overlay zone. This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Craig Paxton

Representative: Craig Paxton, Filed: 06.04.21

Commissioners Peter Wilk and Ed Newman recused themselves due to proximity.

Assistant Planner Sean Sesanto presented the staff report. Assistant Planner Sesanto stated all projects on tonight's agenda have been reviewed under the new code.

Applicant Craig Paxton was present. He stated his family's desire to repair the property, and sought clarification regarding public comments that were received, and the basis for Commissioners Newman and Wilk's recusal. Chair Routh addressed Mr. Paxton's questions.

Commissioner Routh felt the proposal effectively preserved the character of the historic home.

MOTION: Approve the design permit and historical alteration permit with the following conditions and findings.

CONDITIONS

1. The project approval consists of construction of a new 2,688-gross-square-foot, single-family home with an attached secondary dwelling unit. The maximum Floor Area Ratio for the property is 2,703 square feet. The FAR of the primary residence is 2,195 square feet. The secondary dwelling unit is 493 square feet. The secondary dwelling unit may not exceed 500 square feet.
2. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on September 5, 2013, except as modified through conditions imposed by the Planning Commission at the time of the hearing. A building permit shall be secured for any new construction or modifications to structures, including interior modifications, authorized by this permit. Final building plans shall reflect the set of plans approved by the Planning Commission. All construction shall be completed according to the approved plans on which building permits are issued.
3. Any modifications to approved plans after the issuance of any building permit must be specifically requested and approved in writing prior to execution. Minor modifications to the design permit (i.e. minor material change, color change) shall require Community Development Department approval. Any significant changes (increase in size, modification to massing) shall require Planning Commission approval.
4. Prior to building permit sign off, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Zoning Administrator or Community Development Director. The application shall be reviewed by the Planning Commission upon evidence of non-compliance with conditions of approval or applicable municipal code provisions.
5. Hours of construction shall be Monday through Friday 7:30 a.m. – 9 p.m., and Saturday 9 a.m. – 4 p.m., per city ordinance.
6. The utilities shall be underground to the nearest utility pole in accordance with PG&E and Public Works Department requirements. A note shall be placed on the final building plans indicating this requirement.
7. An encroachment permit shall be acquired for any work performed in the right-of-way.
8. The existing sidewalk will be cut for driveway access onto the property at 410 Bay Avenue. The sidewalk replacement shall be built to ADA standards.
9. A drainage plan or design shall be submitted with the final building plans, to the satisfaction of the Public Works Director.
10. The project shall implement Low Impact Development BMPs outlined in the *Slow it. Spread it. Sink it. Homeowner's Guide to Greening Stormwater Runoff* by the Resource Conservation District of Santa Cruz County. The applicant shall provide details on the BMPs implemented and with a goal of not allowing more than 25% of total impervious area from discharging directly from the site.
11. The final landscape plan shall be submitted with the building permit application and will include the specific number of plants of each type and their size, as well as the irrigation

system to be utilized. Front yard landscaping and all trees shall be installed prior to final building occupancy.

12. Planning fees associated with permit #13-102 shall be paid in full prior to building permit issuances.
13. Affordable housing in-lieu fees shall be paid as required to assure compliance with the City of Capitola Affordable (Inclusionary) Housing Ordinance. Any appropriate fees shall be paid prior to building permit issuance.
14. Prior to granting of final occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Zoning Administrator or Community Development Director.
15. This permit shall expire 24 months from the date of issuance, unless an application for an extension is submitted prior to expiration pursuant to Municipal Code section 17.81.160.

DESIGN PERMIT FINDINGS

- A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.**

Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have reviewed proposed first- and second-story modifications to a single-family residence and determined complies with the development standards of the MU-V (Mixed Use Village) zoning district and VR (Village Residential) zone.

- B. The proposed project complies with all applicable provisions of the zoning code and municipal code.**

Community Development Staff and the Planning Commission have reviewed the application for first- and second-story modifications to a single-family residence and determined the project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.**

Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have reviewed the project. The proposed first- and second-story modifications to a single-family residence will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity. The project will maintain the existing residential use which is compatible within the Mixed-Use Village (MU-V) zoning district.

- D. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).**

The Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have reviewed the application. The proposed first- and second-story modifications to a single-family residence comply with all applicable design review criteria in Section 17.120.070.

- E. For projects in residential neighborhoods, the proposed project maintains the character, scale, and development pattern of the neighborhood. (Ord. 1017 § 2 (Exh. A) (part), 2018)**

Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the application for the first- and second-story modifications to a single-family residence. The project will repair or replace existing materials while preserving the historic significance of the home, which will fit in nicely with the existing neighborhood. The project will maintain the character, scale, and development pattern of the neighborhood.

HISTORIC ALTERATION PERMIT AND CEQA FINDINGS

A. The historic character of a property is retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize the property is avoided.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined it will retain and preserve the primary front elevation, maintain spatial relationships, and allow the structure to continue the existing residential use.

B. Distinctive materials, features, finishes, and construction techniques or examples of fine craftsmanship that characterize a property are preserved.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined that distinctive materials and design will be preserved.

C. Any new additions complement the historic character of the existing structure. New building components and materials for the addition are similar in scale and size to those of the existing structure.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined that the new rear shed roof is on a non-primary elevation and fenestration changes are not readily visible to the public. Differentiation between new and original board-and-batten walls will be accomplished with narrower batten spacing.

D. Deteriorated historic features are repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature matches the old in design, color, texture, and, where possible, materials.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined that historic features will be repaired to the extent possible. Character-defining features, such as wood window surrounds and wood wall cladding will be repaired rather than replaced.

E. Archeological resources are protected and preserved in place. If such resources must be disturbed, mitigation measures are undertaken.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined it will not disturb archeological resources.

F. The proposed project is consistent with the general plan, any applicable specific plan, the zoning code, and the California Environmental Quality Act (CEQA) and is subject to Section 753.5 of Title 14 of the California Code of Regulations.

Community Development Staff and the Planning Commission have reviewed the proposed first- and second-story modifications to a single-family residence and determined the project is consistent with the general plan and the zoning code for historic preservation. Section 15331 of the CEQA Guidelines categorically exempts

rehabilitation projects of historic resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic buildings. The proposed project is consistent with the Secretary of the Interior's Standards and no adverse environmental impacts were discovered by Planning Staff during the review of the proposed project.

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| RESULT: | APPROVED [3 TO 0] |
| MOVER: | Susan Westman |
| SECONDER: | Courtney Christiansen |
| AYES: | Courtney Christiansen, Mick Routh, Susan Westman |
| RECUSED: | Ed Newman, Peter Wilk |

B. 1501 41st Avenue Ste. I #21-0262 APN: 034-151-20

Conditional Use Permit Amendment to change the allowed sale of beer and wine to include the sale of distilled spirits for on-site consumption at the East End Gastropub restaurant located within the C-C (Community Commercial) zoning district.

This project is not in the Coastal Zone and does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Ow Commercial

Representative: Quinn Cormier, Filed: 06.04.21

Assistant Planner Sesanto presented the staff report.

Commissioner Westman stated that she was not aware of the establishment ever being problematic and supported the proposal.

MOTION: Approve the Conditional Use Permit Amendment with the following conditions and findings:

CONDITIONS

1. The project approval consists of an amendment to a Conditional Use Permit to include the on-site consumption of distilled spirits in addition to beer and wine for an existing restaurant at 1501 41st Avenue Suite I. The proposed amendment is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on September 2, 2021, except as modified through conditions imposed by the Planning Commission during the hearing.
2. The conditional use permit allows the restaurant to operate with a California Department of Alcoholic Beverage Control (ABC), Type 47 license for "on sale general eating place. The sale of beer, wine, and distilled spirits shall be permitted for on-site consumption. Retail sale of beer and wine for off-site consumption is permissible as an accessory use to the primary restaurant use and must comply with any and all restrictions from the ABC. The retail sale of distilled spirits and alcoholic "mini-bottles" for off-site consumption is prohibited.
3. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.

4. Prior to sale of distilled spirits, all Planning fees associated with permit #21-0262 shall be paid in full.
5. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
6. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
7. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

USE PERMIT FINDINGS

A. The proposed use is allowed in the applicable zoning district.

Community Development Staff and the Planning Commission have reviewed the project and determined restaurants with alcohol sales requires a are allowed with the issuance of a Conditional Use Permit within the C-C (Community Commercial) zoning district.

B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.

Community Development Staff and the Planning Commission have reviewed the proposed Conditional Use Permit and determined it complies with all development standards and meets the intent and purpose of the C-C (Community Commercial) zoning district.

C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.

Community Development Staff and the Planning Commission have reviewed the proposed use and determined it fits well with the existing blend of commercial uses found within the Kings Plaza shopping center and the zoning district.

D. The proposed use will not be detrimental to the public health, safety, and welfare.

Community Development Staff, and the Planning Commission have reviewed the proposed use and determined it will not be detrimental to the public health, safety, or welfare. Conditions of approval have been included to carry out these objectives.

E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure

The proposed use is located along within the Kings Plaza shopping center near 38th Avenue within the city and are already adequately served by existing services and infrastructure.

CEQA FINDINGS

A. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and is not subject to Section 753.5 of Title 14 of the California Code of Regulations.

Section 15301 of the CEQA Guidelines exempts the permitting, licensing, and minor alterations to existing private facilities. This project involves an existing commercial space with a change in the type of alcohol sales within the C-C (Community Commercial) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

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| RESULT: | APPROVED [4 TO 0] |
| MOVER: | Courtney Christiansen |
| SECONDER: | Susan Westman |
| AYES: | Courtney Christiansen, Mick Routh, Susan Westman, Peter Wilk |
| ABSTAIN: | Ed Newman |

C. 720 Hill Street Conceptual Review #21-0284 APN: 036-011-28

Conceptual Review to receive guidance on a preliminary development concept for a new three-story 42-room boutique hotel with 30 new onsite parking spaces adjacent to an existing hotel in the C-C (Community Commercial) Zoning District and the AHO (Affordable Housing Overlay) District.

This project is a conceptual review; therefore, a Coastal Development Permit is not required.

CEQA review not required for conceptual review

Owner: Dhanesh Patel

Representative: Gwen Jarick, Filed: 06.21.2021

Director Herlihy presented the staff report.

Commissioner Wilk requested clarification from staff regarding the potential impacts of the project's location within the Affordable Housing District. Director Herlihy responded that she is working to identify alternative housing sites in preparation for the 6th Housing Cycle

Commissioner Wilk requested information regarding the site's description as a highly sensitive prehistoric site. Director Herlihy stated that Capitola refers to a map that identifies prehistoric sites, and that the first step in CEQA analysis is for a specialist to review the site.

Commissioner Newman requested clarification from staff regarding the project's impact on the Local Coastal Program and as a visitor serving site. Director Herlihy responded that the LCP is in support of visiting serving sites throughout the City.

Commissioner Westman requested clarification regarding the hotel's operation. Director Herlihy stated that the owner is available to answer questions.

Chair Routh suggested discussing the use of a shuttle during the Economic Impact Review.

In response to Commissioner Westman's questions, Gwen Jarick, the architect, stated the two hotels will have shared parking. She also stated she agreed with most of the design recommendations and she will review them with the owner.

Commissioner Christiansen asked the applicant if they have plans to integrate the landscaping with the adjoining hotel, and encourage pedestrian use to alleviate traffic. The

owner, Dhanesh Patel, addressed Commissioner Christiansen's questions. Ms. Jarick provided additional background information regarding the hotel's expected clientele, and its effect on the connectivity of the grounds.

During public comment, Peter Feliz, owner of 714 Hill Street, stated his opposition to the project, and requested additional information regarding the view of the hotel from his backyard. Director Herlihy clarified the plans for Mr. Feliz. Mr. Feliz also sought clarification on affordable housing sites as it related to private homeowners. Director Herlihy explained the site must be on at least a half-acre lot.

William Babcock, the owner and resident at 905 Laurence Ave, itemized his concerns regarding the new hotel despite the hotel owner's history as a good neighbor. Specifically, he was concerned with privacy and noise from traffic at the parking lot section adjacent to his property. He requested changing the fence height to mitigate the issues he raised. He also stated his concerns of noise that would emanate from the rooftop bar and potentially intrusive security lighting.

Mr. Patel addressed Mr. Babcock's concerns and agreed to work with him.

Commissioner Newman stated it is a good use of the property, and while the applicant should consider the recommendations, he is not required to use their recommendations.

Commissioner Wilk stated it should be a visitor serving location, but he is not opposed to the project. He stated his appreciation of comments from staff, the applicant and the public. He agreed with Commissioner Newman's statements regarding the peer-reviewed recommendations.

Commissioner Westman stated her concern regarding the project's impacts on parking, and she encouraged staff and the affected parties to work together towards a solution. She stated that she may support a variance if it achieved the combined goals of the affected parties. She also stated her support for integrated landscaping, a quality design element for the windows and limited hours of rooftop use.

Commissioner Christiansen stated her support of Commissioner Westman's comments and requested clarification from staff regarding a stairwell.

Chair Routh stated his approval of the design recommendations and is in support of the applicant approving most of the peer-reviewed recommendations.

This is a presentation only. No action is required.

4. DIRECTOR'S REPORT

Director Herlihy stated the Inclusionary Housing Update will be discussed at the upcoming City Council meeting, and the Zoning Code will be updated to reflect the City Council's direction.

5. COMMISSION COMMUNICATIONS

6. ADJOURNMENT

The meeting was adjourned at 8:25 P.M. to the next regular meeting of the Planning Commission on October 7, 2021.

Approved by the Planning Commission

Edna Basa, Clerk to the Commission

APPROVED ON SEPTEMBER 2, 2021