

# City of Capitola

## City Council Meeting Agenda

### Thursday, August 22, 2024 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Mayor:** Kristen Brown  
**Vice Mayor:** Yvette Brooks  
**Council Members:** Joe Clarke, Margaux Morgan, Alexander Pedersen

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### Closed Session – 5:30 PM

*Closed Sessions are not open to the public and held only on specific topics allowed by State Law (noticed below). An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the Open Session Meeting.*

- i. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Govt. Code § 54956.8)  
Property: A portion of the easterly terminus of Escalona Drive, spanning approximately 60-feet wide, bounded by 620 El Salto Dr. (APN 03614331) to the west and bounded by 722 Escalona Dr. (APN 03614128) to the east  
City Negotiator: Jamie Goldstein, City Manager  
Under Negotiation: Price and terms of payment

### Regular Meeting of the Capitola City Council – 6 PM

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

#### 1. Roll Call and Pledge of Allegiance

Council Members Joe Clarke, Margaux Morgan, Alexander Pedersen, Yvette Brooks, and Mayor Kristen Brown.

#### 2. Additions and Deletions to the Agenda

#### 3. Report on Closed Session

#### 4. Additional Materials

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

A. Item 8A - Correspondence Received

#### 5. Oral Communications by Members of the Public

*Oral Communications allows time for members of the Public to address the City Council on any "Consent Item" on tonight's agenda, or on any topic within the jurisdiction of the City that is not on the "General Government/Public Hearings" section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. 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. A maximum of 30 minutes is set aside for Oral Communications.*

## 6. Staff / City Council Comments

*Comments are limited to three minutes.*

## 7. Consent Items

*All items listed as “Consent Items” 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 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.** City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on July 25, 2024.

**B.** City Check Registers

Recommended Action: Approve check registers dated July 19, 2024, July 26, 2024, and August 2, 2024.

**C.** City Attorney Services Contract

Recommended Action: Authorize the City Manager to enter a five-year contract with Burke, Williams, & Sorenson, LLP to continue providing City Attorney services, effective September 1, 2024.

**D.** Stockton Bridge Repair Project Completion

Recommended Action: 1) Accept as complete the Stockton Bridge Repair Project constructed by Anderson Pacific Engineering Construction, Inc.; 2) authorize the City Clerk to file and record a Notice of Completion; and 3) authorize the release of the contract retention of \$14,610 as prescribed in the contract.

**E.** Wharf Resiliency and Public Access Project Completion

Recommended Action: 1) Accept as complete the Wharf Resiliency and Public Access Project constructed by Cushman Contraction Corporation at a final cost of \$10,145,475; 2) authorize the City Clerk to file and record a Notice of Completion; and 3) authorize the release of the contract retention held in escrow of \$257,273.75.

**F.** Conflict of Interest Code

Recommended Action: Adopt a resolution amending the City of Capitola’s Conflict of Interest Code to reflect the current organizational structure.

**G.** City Banking Services Agreement

Recommended Action: Authorize the City Manager to execute a five-year agreement for banking services with Santa Cruz County Bank with an option for a five-year contract extension, subject to City Attorney review and approval.

## 8. General Government / Public Hearings

*All items listed in “General Government / Public Hearings” are intended to provide an opportunity for public discussion of each item listed. The following procedure pertains to each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.*

**A.** Citywide Housing Element Re-Adoption



Recommended Action: Adopt a resolution approving the Planning Commission recommendation to 1) adopt the Addendum to the General Plan Update Environmental Impact Report; and 2) amend the 2023-2031 Housing Element of the General Plan, as conditionally approved by the California Department of Housing and Community Development; and direct staff to submit the amended Housing Element to the State of California for certification.

**B.** Affordable Housing Development Loan Amendment

Recommended Action: Adopt a resolution authorizing the City Manager to execute an Amended Loan Agreement with MP Rail Trail Associates, LP to increase an existing loan of \$250,000 by \$1,307,808 for a total loan of \$1,557,808 to fund development of 52 residential units affordable to low income households at 1098 38<sup>th</sup> Avenue, Capitola, CA and allocating \$357,807.60 of PLHA Funds and \$950,000 of Housing Successor Agency Funds thereto.

**C.** Coastal Commission Recommended Modifications to Capitola Zoning Code: Monarch Cove Inn

Recommended Action: Adopt a resolution accepting the California Coastal Commission modifications to amendments to the City of Capitola General Plan Map, Zoning Map, Municipal Code Chapter 17.28 Visitor Serving Overlay Zones, and removal of Municipal Code Chapter 17.30 Visitor Serving District - Monarch Cove Inn.

**D.** League of California Cities Annual Conference Voting Delegate

Recommended Action: Designate the City of Capitola’s voting delegate and alternate to the League of California Cities Annual Conference.

**9. Adjournment -** The next regularly scheduled City Council meeting is on September 12, 2024 at 6:00 PM.

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**How to View the Meeting**

**Meetings are open to the public for in-person attendance at the Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California, 95010.**

**Other ways to Watch:**

Spectrum Cable Television channel 8

City of Capitola, California YouTube Channel

**To Join Zoom Application or Call in to Zoom:**

Meeting

link: <https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAydz09>

Or dial one of these phone numbers: **1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799**

Meeting ID: **833 2817 3113**

Meeting Passcode: **678550**

**How to Provide Comments to the City Council**

Members of the public may provide public comments to the City Council in-person during the meeting. If you are unable to attend in-person, please email your comments to [citycouncil@ci.capitola.ca.us](mailto:citycouncil@ci.capitola.ca.us) and they will be included as a part of the record for the meeting. Please be aware that the City Council will not accept comments via Zoom.

**Notice regarding City Council:** The City Council meets on the 2nd and 4th Thursday of each month at 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 and at Capitola City Hall prior to the meeting. Need more information? Contact the City Clerk’s office at 831-475-7300.

**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.

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 831-475-7300 al menos tres días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a [jgautho@ci.capitola.ca.us](mailto:jgautho@ci.capitola.ca.us).

**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 by clicking on the Home Page link “Meeting Agendas/Videos.” Archived meetings can be viewed from the website at any time.

**Gautho, Julia**

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**From:** Santa Cruz YIMBY <santacruzylimby@gmail.com>  
**Sent:** Tuesday, August 20, 2024 3:46 PM  
**To:** City Council  
**Cc:** Gautho, Julia; Herlihy, Katie (kherlihy@ci.capitola.ca.us)  
**Subject:** [PDF] Santa Cruz YIMBY input on Item 8A - August 22, 2024 Agenda  
**Attachments:** Santa Cruz YIMBY input on #8A - Aug 22 2024.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Mayor, Vice Mayor and Councilmembers,

Please see attached and below for our input on item 8A on your August 22, 2024 agenda.

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To: Capitola City Council Date: August 20, 2024

RE: Item #8A on August 22, 2024 Agenda

When Capitola first published its draft Housing Element, Santa Cruz YIMBY urged the city to more directly address barriers to housing production and include incentives to significantly increase housing over the next eight years. We appreciate the city’s efforts to strengthen the Housing Element in response to our feedback, as seen in the 10th draft released in August 2024.

Several programs are now better aligned with our recommendations, including initiatives to incentivize the redevelopment of Capitola Mall and address housing development constraints for other parts of the city. There are also commitments to promote more equitable development, including on the east side, which is dominated by single-family zoning. We see programs focused on reducing building costs through objective standards and lowering parking requirements. We also commend Capitola’s commitment to transit-oriented development, with plans for a high-quality transit stop at Capitola Mall and more housing sites along key corridors like Capitola Rd, Bay Ave, and 41st Ave.

The real challenge begins as Capitola focuses on implementation. The urgent need for more homes is clear, but meaningful progress will require tough decisions and unwavering commitment. Without the changes outlined in the Housing Element, Capitola will continue to face the same housing challenges. High housing costs burden the community, particularly workers in the service, retail, and tourism sectors, leading to longer commutes, traffic congestion, and climate impacts. It’s time to prioritize getting people into homes near their jobs, schools, and essential services.

We appreciate the staff’s openness and collaborative approach in developing this 6th Cycle Housing Element. We look forward to ongoing engagement as Capitola works to implement these programs and deliver additional housing at all levels of affordability.

Sincerely,  
Lola Quiroga  
Ryan Meckel  
Janine Roeth  
*Leads, Santa Cruz YIMBY*

*Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.*



To: Capitola City Council

Date: August 20, 2024

RE: Item #8A on August 22, 2024 Agenda

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Sincerely,  
 Lola Quiroga  
 Ryan Meckel  
 Janine Roeth  
 Leads, Santa Cruz YIMBY

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# Capitola City Council Agenda Report

**Meeting:** August 22, 2024

**From:** City Manager Department

**Subject:** City Council Meeting Minutes



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**Recommended Action:** Approve minutes from the regular meeting on July 25, 2024.

**Background:** Attached for City Council review and approval are the draft minutes from the regular meeting on July 25, 2024.

**Attachments:**

1. Regular Meeting Minutes 7/25

**Report Prepared By:** Julia Gautho, City Clerk

**Approved By:** Jamie Goldstein, City Manager

# City of Capitola

## City Council Meeting Minutes

### Thursday, July 25, 2024 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Mayor:** Kristen Brown

**Vice Mayor:** Yvette Brooks

**Council Members:** Joe Clarke, Margaux Morgan, Alexander Pedersen

### Closed Session – 5 PM

- i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code §54957.6)  
Agency Designated Representatives: Mayor Kristen Brown  
Unrepresented Employee: City Attorney
- ii. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)  
Negotiator: Chloe Woodmansee, Assistant to the City Manager  
Employee Organizations: Police Captains

### Regular Meeting of the Capitola City Council – 6 PM

1. **Roll Call and Pledge of Allegiance** – *The meeting was called to order at 6:00 PM. In attendance: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, and Mayor Brown.*
2. **Additions and Deletions to the Agenda** – *None*
3. **Presentations**
  - A. *Report from United Way on the use of City of Capitola Community Grant Funding*
4. **Report on Closed Session** – *The City Council met and discussed two items on the Closed Session Agenda. No reportable action was taken.*
5. **Additional Materials**
  - A. *Item 9C – 17 emails received after publication of the agenda packet.*
  - B. *Item 9E – 5 emails received after publication of the agenda packet.*
6. **Oral Communications by Members of the Public**
  - *Marilyn Garrett*
  - *Goran Klepic*
  - *Melinda Orbach*
  - *Keith Cahalen*
  - *Mike Termini*
7. **Staff / City Council Comments**
  - *City Manager Goldstein advised the public about the July 31<sup>st</sup> Twilight Concert where the 75<sup>th</sup> Anniversary of the City's Incorporation will be celebrated.*
  - *Council Member Clarke advised the public about the National Night Out Event on August 6<sup>th</sup>.*

- Council Member Morgan advised the public that the annual Wharf to Wharf Race will be occurring July 28<sup>th</sup> and that there will be traffic impacts.
- Vice Mayor Brooks thanked Chief Dally for a staff memorandum on registered golf carts and requested that staff bring back a workplan to the City Council for implementation.

## 8. Consent Items

- A. City Council Meeting Minutes  
Recommended Action: Approved minutes from the regular meeting on June 27, 2024.
- B. City Check Registers  
Recommended Action: Approved check registers dated June 21, 2024, June 28, 2024, and July 12, 2024.
- C. Opioid Settlement Funding  
Recommended Action: Authorized the City to participate in the National Opioid Settlement with The Kroger Company (“Kroger”) and released all claims against Kroger in exchange for a portion of the settlement funds that will flow to the City through the State of California; authorized the City Manager and City Attorney to sign all relevant documents related to joining the settlement and executing the release of claims; and authorized the allocation of funding to the County of Santa Cruz pursuant to the City’s previously adopted Memorandum of Understanding.
- D. Community Center Renovation Project  
Recommended Action: Approved the plans, specifications, and construction estimate for the Capitola Community Center Renovation Project; and authorized the Public Works Department to advertise for construction bids.
- E. Memorandum of Understanding with Police Captains Employee Group  
Recommended Action: 1) Authorized the City Manager to execute a successor agreement to the existing Memorandum of Understanding with negotiated changes for the Police Captain employee group; and 2) adopted Resolution No. 4388 approving the updated salary schedule, effective July 21, 2024.
- F. Real Property Exchange Between the City and Soquel Union Elementary School District  
Recommended Action: Adopted Resolution No. 4389 approving an Agreement for Exchange of Real Property (“Exchange Agreement”) by and between the City of Capitola and the Soquel Union Elementary School District, governing the transfer of a portion of Monterey Avenue Park, comprising approximately 3,736 square feet, in exchange for a portion of New Brighton Middle School, comprising approximately 3,886; and approved the Exchange Agreement as categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guideline §15312.

***Motion to approve the Consent Calendar: Council Member Morgan***

***Second: Council Member Clarke***

***Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown***

## 9. General Government / Public Hearings

- A. Youth Liaison Program  
Recommended Action: Authorized the City Manager to execute a Memorandum of Understanding with United Way Santa Cruz County for the City of Capitola’s participation in the Santa Cruz County Youth Liaison Program; and nominated two Council Members to serve as mentors to selected Youth Liaison participants.

**Chloe Woodmansee, Assistant to the City Manager, presented the staff report.**

**Public Comment: None**

**Motion to authorize the MOU and appoint Vice Mayor Brooks and Council Member Clarke as mentors: Council Member Pedersen**

**Second: Council Member Morgan**

**Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown**

**B. Police Chief Recruitment Process**

Recommended Action: Approved the Police Chief internal recruitment process and designated up to two City Council Members to serve on the interview panel.

**City Manager Goldstein presented the staff report.**

**Public Comment: None**

**The City Council requested participation in both interview panels, requested to provide input on the selection of community members for the panels, and requested diversity on the panels.**

**Motion to approve the recruitment process and appoint Council Members Morgan and Pedersen and Council Member Clarke to serve on the two interview panels: Council Member Morgan**

**Second: Council Member Pedersen**

**Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown**

**C. Dogs at City Parks and Capitola Beach**

Recommended Action: Received a presentation on current dog regulations at City Parks and City Beaches and either a) take no further action, or b) identify potential changes to dog regulations and direct staff to return at a noticed future City Council meeting.

**Police Chief Dally presented the staff report.**

**Public Comment:**

- **Carin Hanna**
- **Dave Montgomery**
- **Maura Matera**
- **Marilyn Warner**
- **Joan Landis**
- **Richard Lippi**
- **John Fox**
- **Mike Kelly**
- **Hajen Kamali**
- **Lisa Steiger**
- **Charlotte Morrison**
- **Kevin Bransfield**
- **Kathy McDonald**
- **Susanna Staramondi**
- **Elizabeth Delgrady**
- **Josie Melo**

- **Speaker**
- **Keith Cahalen**

***The City Council discussed establishing a pilot program for an off-leash fenced dog park at Noble Gulch Park and requested that the current regulations be amended to allow on-leash dogs at Cortez Park. The City Council discussed how to evaluate the successfulness of an off-leash program and encouraged Mr. Montgomery to continue working with staff to address the needs of the community. The City Council directed staff to return at a later meeting to amend the usage of Noble Gulch Park and bring forth a fiscal analysis to implement fencing and additional dog waste bag stations. In addition to this request, the City Council requested that the signage be amended at Cortez Park to allow on-leash dogs.***

D. Ballot Argument in Favor and Rebuttal for November 2024 Measure

**Recommended Action:** Adopted Resolution No. 4390 adopting the argument in favor of the City’s Transactions and Use Tax Measure placed on the ballot by Resolution No. 4385, releasing the right to draft the rebuttal argument in favor of the City’s Transactions and Use Tax Measure to identified individuals, and amending Section 6 of Resolution No. 4385 regarding the deadline for submission of arguments for and against the City’s Transactions and Use Tax Measure.

***City Clerk Gautho, Vice Mayor Brooks, and Council Member Clarke presented the staff report.***

***Public Comment:***

- **Gerry Jensen**
- **Melinda Orbach**

***The City Council thanked the community for participating in support of the City’s ballot measure.***

***Motion to adopt Resolution No. 4390 and identify Peter Wilk as the individual authorized to submit a rebuttal argument: Council Member Morgan***

***Second: Council Member Clarke***

***Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown***

E. Ordinance Amending Capitola Municipal Code Section 2.04.275

**Recommended Action:** Introduce, by title only, waiving further reading of the text, an ordinance amending Capitola Municipal Code Section 2.04.274 to adjust Council Member compensation to provide an adjusted salary of \$950.00 per month for members of the City Council, to be effective upon the start of new terms of office following the November 2024 General Municipal Election; as recommended by the Capitola Finance Advisory Committee.

***Finance Director Malberg presented the staff report.***

***Public Comment:***

- **Gerry Jensen**
- **Carin Hanna**
- **TJ Welch**
- **Matt Arthur**

***The City Council discussed amending the ordinance to ensure an increase to City Council compensation is contingent on the City’s ballot measure passing.***



**Motion to introduce an ordinance with an amendment to ensure compensation is contingent on the ballot measure: Council Member Pedersen  
Motion died for lack of a second.**

**Motion to take no action: Council Member Clarke  
Second: Council Member Morgan  
Voting Yea: Council Members Clarke, Morgan, Vice Mayor Brooks,  
Voting Nay: Council Member Pedersen, Mayor Brown**

F. City Council Appointments to City Advisory Bodies  
Recommended Action: Appointed members of the public and a youth ex-officio member to the City of Capitola Historical Museum Board and appointed a youth ex-officio member to the Finance Advisory Committee.

**City Clerk Gautho presented the staff report.**

**Public Comment: None**

**Motion to make the following appointments: Vice Mayor Brooks  
Second: Council Member Clarke  
Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown**

- **Historical Museum Board: Brian Legakis (term exp. 6/30/2027)**
- **Historical Museum Board: Roger Wyant (term exp. 6/30/2027)**
- **Historical Museum Board: Antonia Alldredge (term exp. 6/30/2027)**
- **Historical Museum Board: Youth Member: Juliette Thompson (term exp. 6/30/2025)**
- **Finance Advisory Committee: Youth Member: James Joyce (term exp. 6/30/2025)**

**10. Adjournment** - The meeting adjourned at 8:26 PM. The next regularly scheduled City Council meeting is on August 22, 2024 at 6:00 PM.

**ATTEST:**

\_\_\_\_\_  
Kristen Brown, Mayor

\_\_\_\_\_  
Julia Gautho, City Clerk

# Capitola City Council

## Agenda Report

**Meeting:** August 22, 2024

**From:** Finance Department

**Subject:** City Check Registers



**Recommended Action:** Approve check registers dated July 19, 2024, July 26, 2024, and August 2, 2024.

<b>Account: City Main</b>				
<b>Date</b>	<b>Starting Check #</b>	<b>Ending Check #</b>	<b>Payment Count</b>	<b>Amount</b>
07/19/2024	106712	106797	91	\$ 450,991.36
07/26/2024	106798	106843	46	\$ 626,339.09
08/02/2024	106844	106915	80	\$ 2,931,792.67

The main account check register dated July 12, 2024, ended with check #10711.

<b>Account: Payroll</b>				
<b>Date</b>	<b>Starting Check/EFT #</b>	<b>Ending Check/EFT #</b>	<b>Payment Count</b>	<b>Amount</b>
07/19/2024	-	-	-	-
07/26/2024	25674	25829	156	\$ 280,219.05
08/02/2024	5867	5877	11	\$ 19,131.89

The payroll account check register dated July 12, 2024, ended with check #5866.

Following is a list of payments issued for more than \$10,000 and descriptions of the expenditures:

<b>Check/EFT</b>	<b>Issued to</b>	<b>Dept</b>	<b>Description</b>	<b>Amount</b>
106722	Burke Williams and Sorensen LLP	CM	June Legal Services	\$ 53,040.62
106732	Complete Paperless Solutions	CM	Laserfiche Cloud Services Subscription	\$ 16,225.00
106737	CSW Struber Stroeh Engineering Group	PW	Stockton Ave Bridge Repairs	\$ 19,888.19
106754	Kimley Horn and Associates	PW	Park Ave Traffic Calming Project Services	\$ 13,746.00
106765	Pacific Gas & Electric	PW	July Monthly Utilities	\$ 17,918.57
106772	Santa Cruz County Animal Shelter	PD	Quarterly Animal Services Contribution	\$ 52,997.20
106779	Soquel Creek Water District	PW	Monthly Water Services & Irrigation	\$ 15,957.68
1752	CalPERS Member Services Division	CM	PERS Contributions PPE 7/6/24	\$ 66,687.33

1753	Employment Development Department	CM	State Taxes PPE 7/6/24	\$ 14,162.24
1754	Internal Revenue Service	CM	Federal Taxes & Medicare PPE 7/6/24	\$ 50,342.16
1756	Voya Financial	CM	Employee 457 Contributions PPE 7/6/24	\$ 11,215.21
106800	Anderson Pacific Engineering Construction	PW	Stockton Ave Bridge Repairs	\$ 277,590.00
106801	Bear Electrical Solutions	PW	Uninterruptible Power Supply System	\$ 59,515.00
106807	CALE America Inc	PD	Parking Meters	\$ 21,789.34
106808	Community Bridges	CDD	Meals on Wheels April – June 2024	\$ 53,751.70
106811	Ecosystems West Consulting Group	PW	Biological Consulting Services for Park at Rispin	\$ 13,429.50
106812	Elk Grove Auto Group	PD	2023 Dodge Chargers (2)	\$ 97,648.80
106822	Kimley Horn and Associates Inc	PW	Bay Ave / Hill St Intersection Analysis Services	\$ 23,540.30
106829	MV Transportation Inc	PW	Beach Shuttle June 2024	\$ 18,600.00
106869	iWorQ Systems Inc	CDD	CDD & PW Software FY2025	\$ 10,375.00
106891	Second Harvest Food Bank	CDD	CDBG Grant April – June 2024	\$ 16,960.62
1758	CalPERS Fiscal Services Division	CM	FY 2024-2025 PERS UAL Prepayment	\$ 2,552,124.00
1759	CalPERS Health Insurance	CM	August Health Insurance	\$ 76,033.81
1760	CalPERS Member Services Division	CM	PERS Contributions PPE 7/20/2024	\$ 67,265.72
1761	Employment Development Department	CM	State Taxes PPE 7/20/2024	\$ 15,055.48
1762	Internal Revenue Service	CM	Federal Taxes & Medicare PPE 7/20/2024	\$ 53,467.75

Attachments:

1. 07-19-24 Check Register
2. 07-26-24 Check Register
3. 08-02-24 Check Register

Report Prepared By: Luis Ruiz, Accountant I

Reviewed By: Julia Gautho, City Clerk and Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

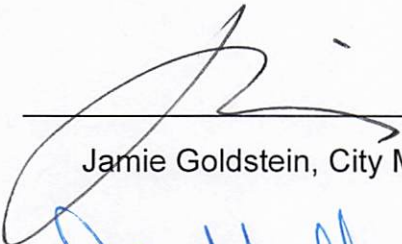
City main account checks dated July 19, 2024, numbered 106712 to 106797 totaling \$307,115.36, and 5 EFTs totaling \$143,876.00 for a grand total of \$450,991.36, have been reviewed and authorized for distribution by the City Manager.

As of July 19, 2024, the unaudited cash balance is \$4,046,421.95.

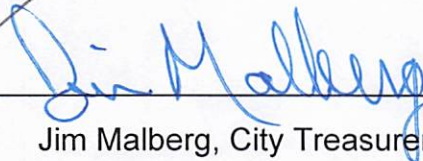
**CASH POSITION - CITY OF CAPITOLA  
July 19, 2024**

	<u>7/19/2024</u>
General Fund <sup>(1)</sup>	\$ (1,440,142.80)
Payroll Payables	\$ 45,777.48
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,381,505.54
Facilities Reserve Fund	\$ 182,714.09
Capital Improvement Fund	\$ (200,835.52)
Stores Fund	\$ 64,215.23
Information Technology Fund	\$ 235,483.16
Equipment Replacement	\$ 349,656.79
Self-Insurance Liability Fund	\$ (268,207.21)
Workers' Comp. Ins. Fund	\$ 18,748.79
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<u><u>\$ 4,046,421.95</u></u>

(1) July 19th balance includes \$4.07 million non-current investments

  
\_\_\_\_\_  
Jamie Goldstein, City Manager

7/19/24  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Jim Malberg, City Treasurer

7/19/24  
\_\_\_\_\_  
Date



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106712	07/19/2024			A-LOCKSMITH-CRAIG	\$2,990.68
	Invoice	Date	Description		Amount
	D1914	03/22/2024	Keys		\$63.19
	D1900	03/07/2024	Button remote flip keys		\$571.72
	D1884	02/15/2024	High security transponder keys		\$2,195.90
	D1963	05/24/2024	Rim lock		\$159.87
106713	07/19/2024			ACE PORTABLE SERVICES	\$561.72
	Invoice	Date	Description		Amount
	I26880	07/15/2024	Cleaning services		\$561.72
106714	07/19/2024			AMAZON CAPITAL SERVICES	\$309.78
	Invoice	Date	Description		Amount
	1DXX-Q36X-YH3T	07/10/2024	Museum Guest Book		\$23.93
	1XJ7-FDH6-XJ9F	07/15/2024	USB Cable		\$8.71
	1FY9-RGR3-FKQG	07/12/2024	Capitola Camp Supplies		\$166.25
	1XL3-LKXW-4QJR	07/16/2024	Pennant flags, tape, table cloths		\$36.92
	1WHY-WGTX-F9V3	07/16/2024	Notepad		\$41.32
	1RH9-T4NM-JHFN	07/17/2024	Daily planner		\$32.65
			1000 - General Fund		\$301.07
			2211 - ISF - Information Technology		\$8.71
106715	07/19/2024			APTOS LANDSCAPE SUPPLY INC.	\$405.44
	Invoice	Date	Description		Amount
	635275	06/25/2024	Grass and Poly Sand		\$405.44
106716	07/19/2024			ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS	\$2,660.65
	Invoice	Date	Description		Amount
	4424	07/01/2024	FY24/25 member dues		\$2,660.65
106717	07/19/2024			AT&T/CALNET 3	\$267.31
	Invoice	Date	Description		Amount
	000022002948	07/13/2024	July telephone service		\$267.31
			1000 - General Fund		\$181.50
			2211 - ISF - Information Technology		\$85.81
106718	07/19/2024			AT&T/CALNET 3	\$2,908.59
	Invoice	Date	Description		Amount
	000022003616	07/13/2024	July T-1 access		\$2,908.59
106719	07/19/2024			B & B SMALL ENGINE REPAIR	\$665.73
	Invoice	Date	Description		Amount
	20390	07/12/2024	Helmet set, camo badge		\$280.30
	20392	07/12/2024	Leaf blower		\$385.43



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106720	07/19/2024			BEAR ELECTRICAL SOLUTIONS INC.	\$1,654.80
	Invoice	Date	Description		Amount
	23332	06/28/2024	June traffic signal maintenance services - response		\$1,008.00
	23300	06/28/2024	June traffic signal maintenance services - routine		\$646.80
			1310 - Gas Tax		
106721	07/19/2024			BROPRINTS INC.	\$149.67
	Invoice	Date	Description		Amount
	BP070824	07/08/2024	Digitally printed stickers		\$149.67
106722	07/19/2024			BURKE WILLIAMS AND SORENSEN LLP	\$53,040.62
	Invoice	Date	Description		Amount
	324709	07/16/2024	June Code Enforcement Legal Services		\$1,170.00
	324710	07/16/2024	June Litigation Legal Services		\$210.00
	324711	07/16/2024	June Planning Legal Services		\$8,684.00
	324712	07/16/2024	June Parks & Recreation Legal Services		\$1,508.00
	324713	07/16/2024	June Police Legal Services		\$3,444.50
	324714	07/16/2024	June Public Works Legal Services		\$4,316.00
	324715	07/16/2024	June Labor Negotiations Legal Services		\$5,190.00
	324716	07/16/2024	June Public Records Act Requests Legal Services		\$2,022.00
	324717	07/16/2024	June 427 Riverview Legal Services		\$1,956.50
	324707	07/16/2024	June Labor and Employment Legal Services		\$7,990.00
	324708	07/16/2024	June City Attorney Services Legal Services		\$16,549.62
106723	07/19/2024			CA DEPARTMENT OF CONSERVATION	\$530.45
	Invoice	Date	Description		Amount
	CDC063024	06/30/2024	Apr - Jun strong motion & seismic hazard mapping fees		\$530.45
106724	07/19/2024			CA DEPARTMENT OF JUSTICE	\$882.00
	Invoice	Date	Description		Amount
	746918	06/30/2024	June Fingerprinting		\$882.00
106725	07/19/2024			CALIFORNIA BUILDING STANDARDS COMMISSION	\$183.00
	Invoice	Date	Description		Amount
	CBSC063024	06/30/2024	Apr - Jun Building Standards Admin Fees		\$183.00
106726	07/19/2024			CAPITOLA BEACH FESTIVAL ASSOCIATION	\$100.00
	Invoice	Date	Description		Amount
	CBF071724	07/17/2024	Refundable Deposit Check for Museum Float		\$100.00
106727	07/19/2024			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,007.00
	Invoice	Date	Description		Amount
	POA071224	07/12/2024	POA & gym dues PPE 7/6/24		\$1,007.00
			1001 - Payroll Payables		

# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106728	07/19/2024			CINTAS CORPORATION	\$240.87
	Invoice	Date	Description		Amount
	5220572689	07/15/2024	First Aid Replenishment		\$160.69
	5220572680	07/15/2024	Community Center first aid supplies		\$80.18
106729	07/19/2024			CLASSIFIED SOUND	\$2,925.00
	Invoice	Date	Description		Amount
	240703A	07/03/2024	Twilight Concert Sound Engineer 7.3.24		\$975.00
	240710A	07/10/2024	Twilight Concert Sound Engineer 7.10.24		\$975.00
	240717A	07/17/2024	Twilight Concert Sound Engineer 7.17.24		\$975.00
106730	07/19/2024			CLAUDIO FRANCA	\$117.00
	Invoice	Date	Description		Amount
	CF071624	07/16/2024	Instructor payment		\$117.00
106731	07/19/2024			COMMUNITY PRINTERS	\$136.56
	Invoice	Date	Description		Amount
	37434011	05/22/2024	Window Cling decal		\$136.56
106732	07/19/2024			COMPLETE PAPERLESS SOLUTIONS LLC	\$16,225.00
	Invoice	Date	Description		Amount
	4175	07/09/2024	Laserfiche Cloud services subscription		\$16,225.00
106733	07/19/2024			CORODATA RECORDS MANAGEMENT, INC.	\$7.50
	Invoice	Date	Description		Amount
	RS3628051	06/30/2024	Records management		\$7.50
106734	07/19/2024			CORODATA SHREDDING INC.	\$59.71
	Invoice	Date	Description		Amount
	DN1476253	06/30/2024	Records shredding		\$59.71
106735	07/19/2024			CRIMINAL JUSTICE COUNCIL OF SCC	\$3,000.00
	Invoice	Date	Description		Amount
	CJC2425-CICA	07/15/2024	Member contribution FY24/25		\$3,000.00
106736	07/19/2024			CSG Consultants Inc.	\$6,470.99
	Invoice	Date	Description		Amount
	B241098	07/01/2024	June Building Plan Review Services		\$6,470.99
106737	07/19/2024			CSW-STUBER-STROEH ENGINEERING GROUP INC	\$19,888.19
	Invoice	Date	Description		Amount
	2407019	06/30/2024	Stockton Ave Bridge Repairs through 6/30/2024		\$19,888.19
			1200 - Capital Improvement Fund		



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106738	07/19/2024			CUMMING MANAGEMENT GROUP, INC.	\$4,130.00
	Invoice	Date	Description		Amount
	149616	06/30/2024	June Community Center Construction Management Services 1200 - Capital Improvement Fund		\$4,130.00
106739	07/19/2024			CYNTHIA KASKEY	\$409.50
	Invoice	Date	Description		Amount
	CK071624	07/16/2024	Instructor payment		\$409.50
106740	07/19/2024			DOCTORS ON DUTY	\$70.00
	Invoice	Date	Description		Amount
	DOD070424	07/04/2024	New employee testing & exams		\$70.00
106741	07/19/2024			DONALD W ALLEY	\$9,126.05
	Invoice	Date	Description		Amount
	624-01	06/07/2024	Soquel Creek monitoring and reporting		\$9,126.05
106742	07/19/2024			DUDEK	\$3,600.00
	Invoice	Date	Description		Amount
	202404629	06/24/2024	#23-0525 1098 38th Ave Consulting		\$3,600.00
106743	07/19/2024			ENVIRONMENTAL INNOVATIONS INC.	\$7,250.90
	Invoice	Date	Description		Amount
	2638	07/08/2024	CalRecycle June outreach		\$7,250.90
106744	07/19/2024			EQUITABLE	\$3,214.22
	Invoice	Date	Description		Amount
	1579139	06/11/2024	July LTD, STD, AD&D, life insurance		\$3,214.22
			1000 - General Fund		\$60.27
			1001 - Payroll Payables		\$3,153.95
106745	07/19/2024			FLYERS ENERGY LLC	\$181.60
	Invoice	Date	Description		Amount
	CFS-3913198	07/15/2024	Card processing		\$181.60
106746	07/19/2024			HASCO STATIONS, LLC	\$8.50
	Invoice	Date	Description		Amount
	INV-134159	07/15/2024	Carwash Closing Date 7/15/2024		\$8.50
106747	07/19/2024			HD SUPPLY FORMERLY HOME DEPOT PRO	\$1,305.57
	Invoice	Date	Description		Amount
	812921369	07/03/2024	Cleaning supplies		\$1,305.57

# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106748	07/19/2024			HINDERLITER DELLAMAS AND ASSOCIATES	\$1,250.00
	Invoice	Date	Description		Amount
	SIN040481	06/30/2024	June services for Cannabis Management Program		\$1,250.00
106749	07/19/2024			HOME DEPOT CREDIT SERVICES	\$60.82
	Invoice	Date	Description		Amount
	3614799	07/02/2024	Paint kit, paint		\$60.82
106750	07/19/2024			JAIME PONCIANO	\$81.98
	Invoice	Date	Description		Amount
	JP071124	07/11/2024	Earpiece reimbursement		\$81.98
106751	07/19/2024			JANET RUSSELL KELLER	\$494.00
	Invoice	Date	Description		Amount
	JRK071624	07/16/2024	Instructor payment		\$494.00
106752	07/19/2024			JEANI MITCHELL	\$487.50
	Invoice	Date	Description		Amount
	JM071624	07/16/2024	Instructor payment		\$487.50
106753	07/19/2024			JV TIRE AND AUTO	\$1,872.06
	Invoice	Date	Description		Amount
	001561	07/12/2024	Tires, tire services		\$518.67
	001574	07/12/2024	Tires, tire services		\$523.43
	001550	07/12/2024	Tires, tire services		\$829.96
106754	07/19/2024			KIMLEY HORN AND ASSOCIATES INC	\$13,746.00
	Invoice	Date	Description		Amount
	28516360	06/30/2024	Park Ave Traffic Calming Project Services through 6/30/24		\$11,398.50
	28516363	06/30/2024	41st Ave Multimodal Corridor Improvements thru 6.30.24		\$2,347.50
			1000 - General Fund		\$2,347.50
			1200 - Capital Improvement Fund		\$11,398.50
106755	07/19/2024			KUSTOM CULTURE DESIGN	\$5,048.88
	Invoice	Date	Description		Amount
	5749	07/15/2024	Art and Cultural T-shirts		\$5,048.88
106756	07/19/2024			LABORMAX STAFFING	\$2,786.40
	Invoice	Date	Description		Amount
	26-391573	07/12/2024	Public works seasonal labor 7/6 - 7/12		\$2,786.40



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106757	07/19/2024			LAURA ALIOTO	\$208.00
	Invoice	Date	Description		Amount
	LA071624	07/16/2024	Instructor payment		\$208.00
106758	07/19/2024			LLOYD'S TIRE AND AUTO	\$198.85
	Invoice	Date	Description		Amount
	216861	10/02/2023	Tires, tire services		\$198.85
106759	07/19/2024			MASTER CLEANERS	\$880.43
	Invoice	Date	Description		Amount
	MC070424	07/04/2024	June 2024 Uniform Cleaning		\$880.43
106760	07/19/2024			MID COUNTY AUTO SUPPLY	\$813.61
	Invoice	Date	Description		Amount
	M-2633043	07/08/2024	Rotors		\$585.38
	M-2633849	07/09/2024	Standard Brake Rotor		\$62.55
	M-2635577	07/10/2024	Coil		\$165.68
106761	07/19/2024			MISSION LINEN SUPPLY	\$268.07
	Invoice	Date	Description		Amount
	521957229	07/10/2024	Fleet towels, uniform cleaning		\$39.31
	521957230	07/10/2024	Corp. Yard linen service		\$145.31
	521926447	07/08/2024	Community Center mop and mat service		\$83.45
106762	07/19/2024			MISSION PRINTERS	\$54.22
	Invoice	Date	Description		Amount
	65865	07/01/2024	Business Cards		\$54.22
106763	07/19/2024			MOFFATT AND NICHOL	\$3,633.47
	Invoice	Date	Description		Amount
	00789218	06/04/2024	Wharf design services through 5/25/2024		\$3,633.47
			1200 - Capital Improvement Fund		
106764	07/19/2024			O'REILLY AUTO PARTS	\$167.89
	Invoice	Date	Description		Amount
	2763-445454	06/28/2024	Carb cleaner (12), Brake cleaner (12)		\$88.68
	2763-445451	06/28/2024	Ign wire set		\$79.21



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106765	07/19/2024			PACIFIC GAS & ELECTRIC	\$17,918.57
	Invoice	Date	Description		Amount
	PGE071324-acct9	07/13/2024	July Monthly utilities		\$15,843.40
	PGE071324-acct5	07/13/2024	July Pacific Cove parking lot utilities		\$2,075.17
			1000 - General Fund		\$9,248.56
			1300 - SLESF - Supl Law Enfc		\$115.05
			1310 - Gas Tax		\$8,104.85
			1311 - Wharf		\$450.11
106766	07/19/2024			PETERSON CATERPILLAR	\$1,407.63
	Invoice	Date	Description		Amount
	PC080208397	07/12/2024	Filter assembly, element fuel, filer lube, paint, oil		\$1,407.63
106767	07/19/2024			RRM DESIGN GROUP	\$9,997.00
	Invoice	Date	Description		Amount
	2757-01-0624	07/14/2024	June Capitola Housing Element Update Services		\$9,997.00
			1313 - General Plan Update and Maint		
106768	07/19/2024			SALINAS ARMATURE AND MOTOR WORKS INC	\$300.00
	Invoice	Date	Description		Amount
	20229	06/28/2024	Inspection on pump		\$100.00
	20230	06/28/2024	Inspection on pump		\$200.00
106769	07/19/2024			SAN LORENZO LUMBER	\$267.28
	Invoice	Date	Description		Amount
	55-0898135	07/10/2024	Caulk Gun		\$26.60
	55-0899055	07/15/2024	Lumber		\$240.68
106770	07/19/2024			SANTA CLARA COUNTY OFFICE OF THE SHERIFF	\$1,115.76
	Invoice	Date	Description		Amount
	1800089997	06/05/2024	2025 COPLINK Annual Billing		\$1,115.76

# City Checks Issued July 19, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106771	07/19/2024			SANTA CRUZ AUTO CARE DETAIL	\$3,040.00
	Invoice	Date	Description		Amount
	534371	06/28/2024	Auto detail Ford #161		\$380.00
	34369	06/28/2024	Auto detail Ford #181		\$380.00
	534370	06/27/2024	Auto detail Ford #162		\$380.00
	534372	07/01/2024	Auto detail Toyota Camry Vin#BR185509		\$380.00
	534373	07/02/2024	Auto detail Ford #182		\$380.00
	534374	07/03/2024	Auto detail Toyota Camry Vin#GV558491		\$380.00
	534376	07/05/2024	Auto detail Toyota Tacoma #172		\$380.00
	534375	07/09/2024	Auto detail Toyota Tacoma #173		\$380.00
106772	07/19/2024			SANTA CRUZ COUNTY ANIMAL SHELTER	\$52,997.20
	Invoice	Date	Description		Amount
	24/25-1CA	07/15/2024	Quarterly animal services contribution		\$52,997.20
106773	07/19/2024			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$9,053.00
	Invoice	Date	Description		Amount
	SCCO063024	06/30/2024	June citation processing		\$9,053.00
106774	07/19/2024			SANTA CRUZ COUNTY DEPT OF PUBLIC WORKS	\$337.55
	Invoice	Date	Description		Amount
	ZONEV-20240232	07/03/2024	Zone V pass through payment		\$337.55
106775	07/19/2024			SANTA CRUZ MUNICIPAL UTILITIES	\$273.22
	Invoice	Date	Description		Amount
	SCMU070824	07/08/2024	June water service for medians		\$273.22
106776	07/19/2024			SANTA CRUZ SENTINEL	\$1,103.70
	Invoice	Date	Description		Amount
	0001415168	06/30/2024	June legal notices		\$1,103.70
106777	07/19/2024			SIRCHIE	\$130.06
	Invoice	Date	Description		Amount
	0651143-IN	06/28/2024	Evidence and Property Supplies		\$130.06
106778	07/19/2024			SOQUEL CREEK ANIMAL HOSPITAL	\$537.35
	Invoice	Date	Description		Amount
	78467	07/09/2024	K-9 Exam and Lab Services		\$537.35



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106779	07/19/2024			SOQUEL CREEK WATER DISTRICT	\$15,957.68
	Invoice	Date	Description		Amount
	06-14476-0070824	07/08/2024	06-14476-00 430 Kennedy Drive water service		\$145.38
	42-14952-0070124	07/01/2024	42-14952 Cortez Park irrigation		\$765.95
	42-15297-0070124	07/01/2024	42-15297-00 426 Capitola Ave irrigation		\$277.52
	42-15969-0070124	07/01/2024	42-15969-00 Lawn Way irrigation		\$395.31
	42-16122-0070124	07/01/2024	42-16122-00 Esplanade fountain irrigation		\$144.55
	42-10504-0070124	07/01/2024	42-10504-00 Cliff Drive irrigation		\$116.43
	42-11090-0070124	07/01/2024	42-11090-01 Capitola Road irrigation		\$277.52
	42-11467-0070124	07/01/2024	42-11467-00 Jade Street park irrigation		\$7,854.65
	42-11517-0070124	07/01/2024	42-11517-00 41st Avenue irrigation		\$277.52
	42-14404-0070124	07/01/2024	42-14404-00 Monterey Ave. Nobel Gulch Park irrigation		\$415.99
	42-16130-0070124	07/01/2024	42-16130-00 Wharf Road irrigation		\$116.43
	42-16136-0070124	07/01/2024	42-16136-00 1400 Wharf Road irrigation		\$130.81
	42-16407-0070124	07/01/2024	42-16407-00 Bay Ave. irrigation		\$116.43
	13-10919-0070124	07/01/2024	13-10919-00 2000 Wharf Road water service		\$93.00
	34-18508-0070124	07/01/2024	34-18508-00 1510 McGregor Drive water service		\$55.04
	42-14431-0070124	07/01/2024	42-14431-00 Monterey Ave irrigation		\$4,542.29
	42-17688-0070124	07/01/2024	42-17688-00 Lawn Way irrigation 2		\$116.43
	42-18238-0070124	07/01/2024	42-18238-00 Capitola Road irrigation		\$116.43
			1000 - General Fund		\$15,826.87
			1311 - Wharf		\$130.81
106780	07/19/2024			STAPLES ADVANTAGE	\$152.18
	Invoice	Date	Description		Amount
	7001283964	07/06/2024	Wireless keyboard		\$46.59
	6005500571	06/27/2024	Clorox Wipes and Forks		\$105.59
			1000 - General Fund		\$105.59
			2211 - ISF - Information Technology		\$46.59
106781	07/19/2024			STATE CONTROLLER	\$218.03
	Invoice	Date	Description		Amount
	FTB-00006766	05/15/2024	2023 FTB Offsets Program		\$218.03
106782	07/19/2024			TRANSPORTATION ALLIANCE BANK INC.	\$42.98
	Invoice	Date	Description		Amount
	CM681996	03/22/2024	Squeegee Assembly credit memo		(\$919.09)
	CM682143	03/22/2024	Rear grille assembly credit memo		(\$1,251.45)
	684825	07/15/2024	GB set (4), filaments		\$2,213.52
			1310 - Gas Tax		

# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106783	07/19/2024			TREETOP PRODUCTS, LLC	\$525.64
	Invoice	Date	Description		Amount
	INVTRE28116	07/08/2024	Garbage Bin		\$525.64
106784	07/19/2024			UPEC LIUNA LOCAL 792	\$909.00
	Invoice	Date	Description		Amount
	UPEC073024	07/17/2024	July UPEC dues		\$909.00
			1001 - Payroll Payables		
106785	07/19/2024			UPS	\$16.27
	Invoice	Date	Description		Amount
	0000954791284	07/13/2024	Shipping Costs		\$16.27
106786	07/19/2024			US BANK EQUIPMENT FINANCE	\$204.93
	Invoice	Date	Description		Amount
	532938651	07/05/2024	PD copier lease		\$204.93
106787	07/19/2024			US BANK PARS Acct 6746022400	\$5,903.45
	Invoice	Date	Description		Amount
	PARS071224	07/12/2024	PARS contributions PPE 7/6/24		\$5,903.45
			1001 - Payroll Payables		
106788	07/19/2024			VERIZON WIRELESS	\$2,739.69
	Invoice	Date	Description		Amount
	9968737427	07/10/2024	July telephone charges		\$2,739.69
106789	07/19/2024			WATSONVILLE FORD	\$342.01
	Invoice	Date	Description		Amount
	113	06/27/2024	Radiator		\$342.01
106790	07/19/2024			WESTERN EXTERMINATOR COMPANY	\$175.20
	Invoice	Date	Description		Amount
	62858096	07/10/2024	City Hall rodent control		\$87.60
	62858097	07/10/2024	Turnouts rodent control		\$87.60
106791	07/19/2024			ZEP SALES & SERVICE	\$540.20
	Invoice	Date	Description		Amount
	9010015669	07/15/2024	Paint stripper, lubricant		\$540.20



# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106792	07/19/2024			AYLANA ZANVILLE	\$111.00
	Invoice	Date	Description		Amount
	AZ071524	07/15/2024	Recreation Class Refund		\$111.00
106793	07/19/2024			CARUSO'S	\$1,500.00
	Invoice	Date	Description		Amount
	C071724	07/17/2024	Outdoor Dining Deposit Refund		\$1,500.00
106794	07/19/2024			CYNTHIA CAMPBELL	\$64.00
	Invoice	Date	Description		Amount
	CC071524	07/15/2024	Recreation Class Refund		\$64.00
106795	07/19/2024			Hamilton, Catherine	\$48.00
	Invoice	Date	Description		Amount
	CH071224	07/12/2024	Citation # 702129848		\$48.00
106796	07/19/2024			KYLEN WINTERBOTHAM	\$350.00
	Invoice	Date	Description		Amount
	KW071624	07/16/2024	Settlement Claim		\$350.00
			2213 - ISF - Self-Insurance Liability		
106797	07/19/2024			Wrede, Clay	\$100.00
	Invoice	Date	Description		Amount
	CW071624	07/16/2024	Special Event Application Cancellation		\$100.00
Type Check Totals:					\$307,115.36
<u>EFT</u>					
1752	07/15/2024			CalPERS Member Services Division	\$66,687.33
	Invoice	Date	Description		Amount
	1002684897-900	07/12/2024	PERS contributions PPE 7/6/24		\$66,687.33
			1000 - General Fund		\$0.04
			1001 - Payroll Payables		\$66,687.29
1753	07/15/2024			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$14,162.24
	Invoice	Date	Description		Amount
	0-270-968-592	07/12/2024	State taxes PPE 7/6/24		\$14,162.24
			1001 - Payroll Payables		

# City Checks Issued July 19, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1754	07/15/2024			INTERNAL REVENUE SERVICE	\$50,342.16
	Invoice	Date	Description		Amount
	42542929	07/12/2024	Federal taxes & Medicare PPE 7/6/24		\$50,342.16
			1001 - Payroll Payables		
1755	07/15/2024			STATE DISBURSEMENT UNIT	\$1,469.06
	Invoice	Date	Description		Amount
	48931162	07/12/2024	Employee garnishments PPE 7/6/24		\$1,469.06
			1001 - Payroll Payables		
1756	07/15/2024			VOYA FINANCIAL	\$11,215.21
	Invoice	Date	Description		Amount
	VOYA071224	07/12/2024	Employee 457 contributions PPE 7/6/24		\$11,215.21
			1001 - Payroll Payables		

Type EFT Totals: \$143,876.00

Main City Totals	Count	Total
Checks	86	\$307,115.36
EFTs	5	\$143,876.00
All	91	\$450,991.36

Payroll Totals	Count	Total
Checks	0	\$0.00
EFTs	0	\$0.00
All	0	\$0.00

Grand Totals:	Count	Total
Checks	86	\$307,115.36
EFTs	5	\$143,876.00
All	91	\$450,991.36



City main account checks dated July 26, 2024, numbered 106798 to 106843 totaling \$626,339.09, and 156 payroll EFTs totaling \$280,219.05 for a grand total of \$906,558.05, have been reviewed and authorized for distribution by the City Manager.

As of July 26, 2024, the unaudited cash balance is \$3,332,481.85.

**CASH POSITION - CITY OF CAPITOLA**  
**July 26, 2024**

	<u>7/26/2024</u>
General Fund <sup>(1)</sup>	\$ (1,870,901.48)
Payroll Payables	\$ 243,772.71
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,381,505.54
Facilities Reserve Fund	\$ 182,714.09
Capital Improvement Fund	\$ (580,193.07)
Stores Fund	\$ 60,529.35
Information Technology Fund	\$ 234,998.74
Equipment Replacement	\$ 252,007.99
Self-Insurance Liability Fund	\$ (268,207.21)
Workers' Comp. Ins. Fund	\$ 18,748.79
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<b><u>\$ 3,332,481.85</u></b>

(1) July 26th balance includes \$3.97 million non-current investments

Calvin Woodhouse for Jamie 8/5/24  
 Jamie Goldstein, City Manager Date

Jim Malberg 7/26/24  
 Jim Malberg, City Treasurer Date

# City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106798	07/26/2024			AMAZON CAPITAL SERVICES	\$182.39
	Invoice	Date	Description		Amount
	1VJJ-R7J1-6GGT	07/19/2024	Weekly planner notebook		\$32.65
	1TLQ-XT7Q-YM33	07/21/2024	Phone chargers		\$18.78
	1KFH-4TT4-RDNN	07/21/2024	Birthday Napkins, disposable forks		\$130.96
106799	07/26/2024			AMERICAN RED CROSS TRAINING SERVICES	\$190.00
	Invoice	Date	Description		Amount
	22696126	05/31/2024	CPR Training		\$190.00
106800	07/26/2024			ANDERSON PACIFIC ENGINEERING CONSTRUCTION INC	\$277,590.00
	Invoice	Date	Description		Amount
	AP#1	05/15/2024	Stockton Ave Bridge Repairs		\$277,590.00
			1200 - Capital Improvement Fund		
106801	07/26/2024			BEAR ELECTRICAL SOLUTIONS INC.	\$59,515.00
	Invoice	Date	Description		Amount
	23449	07/22/2024	Uninterruptible Power Supply System		\$59,515.00
			1200 - Capital Improvement Fund		
106802	07/26/2024			BEN NOBLE	\$6,641.25
	Invoice	Date	Description		Amount
	1484	07/22/2024	Housing Element Implementation Services through 6.30.24		\$6,641.25
			1313 - General Plan Update and Maint		
106803	07/26/2024			BROPRINTS INC.	\$111.95
	Invoice	Date	Description		Amount
	20977	07/19/2024	Digital printed stickers		\$111.95
106804	07/26/2024			CA DEPARTMENT OF JUSTICE	\$147.00
	Invoice	Date	Description		Amount
	733261	05/03/2024	Employee fingerprinting		\$147.00
106805	07/26/2024			CA DEPARTMENT OF TRANSPORTATION	\$8,982.43
	Invoice	Date	Description		Amount
	SL241101	07/15/2024	Apr-Jun signals & lighting		\$8,982.43
			1310 - Gas Tax		
106806	07/26/2024			CADILLAC DESIGNS INC.	\$1,611.00
	Invoice	Date	Description		Amount
	10243	06/20/2024	Banners		\$1,611.00



# City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106807	07/26/2024			CALE AMERICA INC.	\$21,789.34
	Invoice	Date	Description		Amount
	180057	04/23/2024	Stealth Touch S4 Plus Parking Meters		\$21,789.34
106808	07/26/2024			COMMUNITY BRIDGES	\$53,751.70
	Invoice	Date	Description		Amount
	CB063024	06/30/2024	21-CDBG-NH-20009 Meals on Wheels Apr-Jun 1350 - CDBG Grants		\$53,751.70
106809	07/26/2024			COMMUNITY PRINTERS	\$186.58
	Invoice	Date	Description		Amount
	37990011	07/11/2024	Custom single faced wharf sign 1200 - Capital Improvement Fund		\$186.58
106810	07/26/2024			CYNTHIA KASKEY	\$500.50
	Invoice	Date	Description		Amount
	CK072324	07/23/2024	Instructor payment		\$500.50
106811	07/26/2024			ECOSYSTEMS WEST CONSULTING GROUP	\$13,429.50
	Invoice	Date	Description		Amount
	001	07/18/2024	Biological Consulting Services for Park at Rispin Mansion 1200 - Capital Improvement Fund		\$13,429.50
106812	07/26/2024			ELK GROVE AUTO GROUP	\$97,648.80
	Invoice	Date	Description		Amount
	462240	07/16/2024	2023 Dodge Charger - VIN 76015		\$48,824.40
	462250	07/16/2024	2023 Dodge Charger - VIN 76016 2212 - ISF - Equipment Replacement		\$48,824.40
106813	07/26/2024			FLYERS ENERGY LLC	\$5,618.48
	Invoice	Date	Description		Amount
	24-138692	07/11/2024	165 gallons diesel		\$797.04
	24-138693	07/11/2024	588 gallons gasoline		\$2,747.84
	24-140182	07/17/2024	453 gallons gasoline		\$2,073.60
106814	07/26/2024			GOLDEN STATE COMMUNICATIONS, INC	\$2,520.00
	Invoice	Date	Description		Amount
	RI30236	05/01/2024	TLK 100 Airtime for 5/1/24 - 4/30/26 1300 - SLESF - Supl Law Enfc		\$2,520.00

# City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106815	07/26/2024			HARBOR FREIGHT	\$415.70
	Invoice	Date	Description		Amount
	b895b0c1	07/22/2024	Sockets, impact sockets, sanding belt, rod tool, drill bit set		\$415.70
106816	07/26/2024			HD SUPPLY FORMERLY HOME DEPOT PRO	\$5,191.81
	Invoice	Date	Description		Amount
	814382776	07/12/2024	Cleaning supplies		\$1,669.83
	814876413	07/16/2024	Clear mild wash		\$561.35
	814876421	07/16/2024	Clear mild wash soap		\$449.08
	815376389	07/18/2024	Cleaning supplies		\$2,062.47
	815568209	07/18/2024	Clear mild wash soap		\$449.08
106817	07/26/2024			HINDERLITER DELLAMAS AND ASSOCIATES	\$1,408.03
	Invoice	Date	Description		Amount
	SIN040703	06/30/2024	June TOT & STR admin fees		\$1,408.03
106818	07/26/2024			HOME DEPOT CREDIT SERVICES	\$43.73
	Invoice	Date	Description		Amount
	2611098	07/13/2024	Insoles, trash bags		\$43.73
106819	07/26/2024			INTERSTATE BATTERY SYSTEM OF SAN JOSE INC	\$324.09
	Invoice	Date	Description		Amount
	50294544	07/16/2024	Batteries		\$324.09
106820	07/26/2024			KARIN ANDERSON	\$600.00
	Invoice	Date	Description		Amount
	KA072024	07/01/2024	BIA ambassador		\$600.00
			1321 - BIA - Capitola Village-Wharf BIA		
106821	07/26/2024			KBA Document Solutions LLC	\$484.42
	Invoice	Date	Description		Amount
	55Y1468638	07/18/2024	Monthly copier usage charges		\$484.42
			2211 - ISF - Information Technology		
106822	07/26/2024			KIMLEY HORN AND ASSOCIATES INC	\$23,540.30
	Invoice	Date	Description		Amount
	28734199	06/30/2024	Bay Ave / Hill St intersection analysis services through 6.31.24		\$23,540.30
			1200 - Capital Improvement Fund		

# City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106823	07/26/2024			LABORMAX STAFFING	\$2,786.40
	Invoice	Date	Description		Amount
	26-392976	07/19/2024	Public works seasonal labor 7/15 - 7/19		\$2,786.40
106824	07/26/2024			LINDE GAS & EQUIPMENT INC.	\$235.53
	Invoice	Date	Description		Amount
	44149103	07/23/2024	Acetylene rental		\$235.53
106825	07/26/2024			LISA RUPP	\$1,170.00
	Invoice	Date	Description		Amount
	LMR072324	07/23/2024	Instructor payment		\$1,170.00
106826	07/26/2024			MID COUNTY AUTO SUPPLY	\$259.11
	Invoice	Date	Description		Amount
	M-2644399	07/17/2024	Black e-coat rotor		\$259.11
106827	07/26/2024			MISSION LINEN SUPPLY	\$154.44
	Invoice	Date	Description		Amount
	521996880	07/17/2024	Fleet towels, uniform cleaning		\$39.31
	521996881	07/17/2024	Corp. Yard linen service		\$115.13
106828	07/26/2024			MOFFATT AND NICHOL	\$3,568.19
	Invoice	Date	Description		Amount
	00790335	07/17/2024	Wharf design services through 6.29.24 1200 - Capital Improvement Fund		\$3,568.19
106829	07/26/2024			MV TRANSPORTATION INC.	\$18,600.00
	Invoice	Date	Description		Amount
	130081	07/02/2024	Beach Shuttle June 2024		\$18,600.00
106830	07/26/2024			O'REILLY AUTO PARTS	\$110.33
	Invoice	Date	Description		Amount
	2763-449712	07/16/2024	Crank sensor		\$110.33
106831	07/26/2024			PETERSON CATERPILLAR	\$126.16
	Invoice	Date	Description		Amount
	PC080208502	07/18/2024	Filter kit		\$126.16
106832	07/26/2024			PITNEY BOWES	\$2,325.45
	Invoice	Date	Description		Amount
	PB071924	07/19/2024	City Hall postage machine refill 2210 - ISF - Stores Fund		\$2,325.45



## City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106833	07/26/2024			PK SAFETY SUPPLY	\$434.37
	Invoice	Date	Description		Amount
	491513	07/18/2024	Respirators		\$434.37
106834	07/26/2024			SAN LORENZO LUMBER	\$952.98
	Invoice	Date	Description		Amount
	55-0899668	07/17/2024	Lumber		\$952.98
			1200 - Capital Improvement Fund		
106835	07/26/2024			SKY DESIGN	\$575.00
	Invoice	Date	Description		Amount
	0219204	07/15/2024	Capitola Wharf Signage		\$575.00
			1200 - Capital Improvement Fund		
106836	07/26/2024			SOQUEL CREEK WATER DISTRICT	\$4,088.30
	Invoice	Date	Description		Amount
	08-15299-0071524	07/15/2024	08-15299-00 Monterey Ave. water		\$184.19
	08-15562-0071524	07/15/2024	08-15562-00 Cliff and Fairview water service		\$80.44
	09-15964-0071524	07/15/2024	09-15964-00 Monterey Ave. Esplanade water		\$3,823.67
106837	07/26/2024			SOUTH BAY REGIONAL TRAINING	\$300.00
	Invoice	Date	Description		Amount
	224744	06/30/2024	534 Field Training Officer Update		\$300.00
106838	07/26/2024			STAPLES ADVANTAGE	\$52.43
	Invoice	Date	Description		Amount
	6006695870	07/13/2024	Copier paper		\$52.43
			2210 - ISF - Stores Fund		
106839	07/26/2024			T MOBILE	\$302.40
	Invoice	Date	Description		Amount
	TM072124	07/21/2024	July cell phone usage - acct # 989440968		\$302.40
106840	07/26/2024			THE CLEANING MACHINE INC.	\$5,900.00
	Invoice	Date	Description		Amount
	6694	06/12/2024	Village sidewalk cleaning		\$2,950.00
	6695	06/27/2024	Village sidewalk cleaning		\$2,950.00

# City Checks Issued July 26, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106841	07/26/2024			UNITED STATES POSTAL SERVICE	\$1,308.00
	Invoice	Date	Description		Amount
	USPS072424	07/24/2024	Permit #7013 fee- USPS Marketing Mail		\$1,308.00
			2210 - ISF - Stores Fund		
106842	07/26/2024			ALEXIS STEWART	\$166.00
	Invoice	Date	Description		Amount
	AS072224	07/22/2024	Recreation Class Refund		\$166.00
106843	07/26/2024			LINDA BANKS	\$500.00
	Invoice	Date	Description		Amount
	LB072224	07/22/2024	#24-0126 708 Rosedale Avenue Tree Permit Refund		\$500.00

Type Check Totals: \$626,339.09

Main City Totals	Count	Total
Checks	45	\$626,339.09
EFTs	0	\$0.00
All	45	\$626,339.09

Payroll Totals	Count	Total
Checks	0	\$0.00
EFTs	156	\$280,219.05
All	156	\$280,219.05

Grand Totals:	Count	Total
Checks	45	\$626,339.09
EFTs	156	\$280,219.05
All	201	\$906,558.14

City main account checks dated August 2, 2024, numbered 106844 to 106915 totaling \$151,456.62, 8 EFTs totaling \$2,780,336.05, and 11 payroll checks totaling \$19,131.89 for a grand total of \$2,950,924.56, have been reviewed and authorized for distribution by the City Manager.

As of August 2, 2024, the unaudited cash balance is \$1,353,918.91.

**CASH POSITION - CITY OF CAPITOLA  
August 2, 2024**

	<u>8/2/2024</u>
General Fund <sup>(1)</sup>	\$ (3,578,076.95)
Payroll Payables	\$ 14,067.01
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,381,505.54
Facilities Reserve Fund	\$ 182,714.09
Capital Improvement Fund	\$ (604,631.74)
Stores Fund	\$ 55,014.17
Information Technology Fund	\$ 223,270.82
Equipment Replacement	\$ 252,007.99
Self-Insurance Liability Fund	\$ (268,207.21)
Workers' Comp. Ins. Fund	\$ 18,748.79
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<u><u>\$ 1,353,918.91</u></u>

(1) August 2nd balance includes \$3.95 million non-current investments

Alton Workmansee for Jamie 8/5/24

Jamie Goldstein, City Manager

Date

Jim Malberg  
Jim Malberg, City Treasurer

8/2/24  
Date



# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106844	07/31/2024			PALACE BUSINESS SOLUTIONS	\$18.86
	Invoice	Date	Description		Amount
	2352454-0	06/17/2024	Post its		\$4.79
	2349761-0	06/04/2024	Pads		\$13.66
	2355799-0	07/02/2024	Portfolio		\$18.43
	2352387-0	06/17/2024	Notebook		\$2.80
	C2350663-7	06/18/2024	Markers, pens credit		(\$20.82)
		1000 - General Fund			(\$4.36)
		2210 - ISF - Stores Fund			\$23.22
106845	08/02/2024			AFLAC	\$1,865.14
	Invoice	Date	Description		Amount
	773635	07/25/2024	July supplemental insurance		\$1,865.14
		1001 - Payroll Payables			
106846	08/02/2024			ALEX LUCERO	\$1,250.00
	Invoice	Date	Description		Amount
	AL082824	08/28/2024	Twilight Concert 8.28.24		\$1,250.00
106847	08/02/2024			AMAZON CAPITAL SERVICES	\$812.56
	Invoice	Date	Description		Amount
	1G14-161W-3JH7	07/24/2024	Wool polishing wheel		(\$28.32)
	1GFQ-D1FD-FFD6	07/27/2024	Sanitary napkin		\$98.05
	1Y7T-PG66-M73F	07/28/2024	Tubular keys		\$16.90
	1YNF-99D9-MHFQ	07/28/2024	Light up numbers, pennant flags, decorations		\$155.73
	1TYF-XKYL-NXPJ	07/28/2024	Assorted candy		\$42.46
	1JDF-W6GX-PFQW	07/29/2024	Sign holder		\$21.79
	1QNY-4FJR-79WL	07/25/2024	Camp supplies		\$346.21
	1JR3-X1GL-4VXX	07/26/2024	Batteries		\$68.21
	1VXL-J7HJ-N7YY	07/28/2024	Face Masks		\$26.15
	13FP-LCWK-69P6	07/29/2024	Glass cups		\$65.38
106848	08/02/2024			ART FACTORY STUDIOS, LLC	\$448.00
	Invoice	Date	Description		Amount
	0000498	07/23/2024	Studio Art Class		\$448.00
106849	08/02/2024			BENEFIT COORDINATORS CORP.	\$5,582.90
	Invoice	Date	Description		Amount
	B0DQHS	07/26/2024	July dental & vision insurance		\$5,582.90
		1001 - Payroll Payables			

## City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106850	08/02/2024			BERNADETTE ALBANO	\$1,250.00
	Invoice	Date	Description		Amount
	BA082124	08/21/2024	Twilight Concert 8.21.24		\$1,250.00
106851	08/02/2024			BIG CREEK LUMBER	\$2,173.99
	Invoice	Date	Description		Amount
	2214190	07/17/2024	Saw blades, handle wire, gloves, extension cord		\$1,344.90
	2218544	07/24/2024	Plywood, screws, safety glasses, saw tool		\$829.09
			1200 - Capital Improvement Fund		
106852	08/02/2024			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,007.00
	Invoice	Date	Description		Amount
	POA072624	07/26/2024	POA & gym dues PPE 7/20/24		\$1,007.00
			1001 - Payroll Payables		
106853	08/02/2024			CLASSIFIED SOUND	\$1,950.00
	Invoice	Date	Description		Amount
	240724A	07/24/2024	Twilight concert sound engineer 7.24.24		\$975.00
	240731A	07/31/2024	Twilight concert sound engineer 7.31.24		\$975.00
106854	08/02/2024			CLAUDIO FRANCA	\$97.50
	Invoice	Date	Description		Amount
	CF072624	07/26/2024	Instructor payment		\$97.50
106855	08/02/2024			COVELLO AND COVELLO PHOTOGRAPHY	\$4,326.89
	Invoice	Date	Description		Amount
	1057	07/19/2024	Photography sessions		\$4,326.89
106856	08/02/2024			D & G SANITATION	\$1,070.38
	Invoice	Date	Description		Amount
	307039	06/30/2024	June Skate park hand wash station, portable toilets		\$501.78
	307040	06/30/2024	June Lower parking lot portable toilet rental		\$568.60
106857	08/02/2024			DOOLEY ENTERPRISES INC.	\$2,926.18
	Invoice	Date	Description		Amount
	68370	07/24/2024	Range Equipment		\$2,926.18
106858	08/02/2024			DUDEK	\$1,125.00
	Invoice	Date	Description		Amount
	202405129	07/09/2024	#23-0525 1098 38th Ave Consulting		\$1,125.00



# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106859	08/02/2024			EWING IRRIGATION	\$977.78
	Invoice	Date	Description		Amount
	22588560	06/13/2024	Hose, swivel, controller		\$303.45
	22627199	06/18/2024	Safari hat		\$19.60
	22797513	07/08/2024	PVC pipes and parts		\$627.14
	22797957	07/08/2024	PVC couplings, pipes		\$27.59
			1000 - General Fund		\$350.64
			1200 - Capital Improvement Fund		\$627.14
106860	08/02/2024			EXCEEDIO	\$8,944.91
	Invoice	Date	Description		Amount
	15836	08/01/2024	August IT services		\$8,944.91
			2211 - ISF - Information Technology		
106861	08/02/2024			FUSE ARCHITECTS, INC.	\$8,841.40
	Invoice	Date	Description		Amount
	24-504-002	07/25/2024	CWEP Final Construction Designs thru 5.31.24		\$8,841.40
			1200 - Capital Improvement Fund		
106862	08/02/2024			GALLS LLC	\$321.73
	Invoice	Date	Description		Amount
	028407315	07/03/2024	Wool S/S Shirt		\$74.08
	028429679	07/08/2024	Mens Performance L/S Shirt and Tactical Pant		\$247.65
106863	08/02/2024			GINA ENRIQUEZ	\$8,020.60
	Invoice	Date	Description		Amount
	GE072624	07/26/2024	Instructor payment		\$8,020.60
106864	08/02/2024			HDL COREN & CONE	\$695.00
	Invoice	Date	Description		Amount
	SIN041460	07/25/2024	2023-24 ACFR Statistical Package		\$695.00

# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106865	08/02/2024			HOME DEPOT CREDIT SERVICES	\$2,480.86
	Invoice	Date	Description		Amount
	6621463	07/09/2024	Nuts, swivels, clamps, trash cans, wire rope		\$563.02
	3523786	07/22/2024	Saw blades		\$98.48
	3624413	07/22/2024	Barricades		\$43.43
	8623307	07/17/2024	Bucket, tape, staples, staple gun, pellets		\$83.59
	1033789	06/24/2024	Screwdrivers, cords, table, hex drive set, mag bit holder		\$449.20
	0611305	07/15/2024	Lumber		\$34.61
	7611854	07/18/2024	Premium primer, tape measure, adhesive tape, gloss, tray		\$309.58
	6523202	07/19/2024	Lumber, sharpener, countersink, mini roll, roller		\$342.02
	5514872	07/10/2024	Hose hanger, saw blades, bolts, bucket		\$228.53
	3622055	07/12/2024	Scraper, paint		\$31.12
	9510526	07/16/2024	Putty knife		\$10.93
	6514725	07/09/2024	Lumber, tool lubricant, primed siding		\$171.98
	5610508	07/10/2024	Aerosol, sponge, sand		\$114.37
		1000 - General Fund		\$1,658.19	
		1200 - Capital Improvement Fund		\$822.67	
106866	08/02/2024			INCITERS MUSIC	\$1,250.00
	Invoice	Date	Description		Amount
	IM081424	08/14/2024	Twilight Concert 8.14.24		\$1,250.00
106867	08/02/2024			INTERNATIONAL BRONZE PLAQUE COMPANY	\$2,275.00
	Invoice	Date	Description		Amount
	24-69871	06/21/2024	13 Bronze Plaques		\$2,275.00
106868	08/02/2024			INTERSTATE TRAFFIC CONTROL PRODUCTS	\$765.63
	Invoice	Date	Description		Amount
	264553	07/26/2024	Traffic control delineators		\$765.63
106869	08/02/2024			iWorQ Systems Inc.	\$10,375.00
	Invoice	Date	Description		Amount
	203781	06/03/2024	CDD & PW software July 2024 - June 2025		\$10,375.00
		1317 - Technology Fee Fund			
106870	08/02/2024			JDH CORROSION CONSULTANTS, INC.	\$9,482.50
	Invoice	Date	Description		Amount
	11103	07/12/2024	Peery Park Bridge Corrosion Engineering Services		\$9,482.50
		1200 - Capital Improvement Fund			

# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106871	08/02/2024			KING'S PAINT AND PAPER INC.	\$458.55
	Invoice	Date	Description		Amount
	JDNHX	07/25/2024	Paint		\$307.87
	Q659M	07/29/2024	Paint		\$105.82
	PUUCF	07/30/2024	Paint		\$44.86
		1000 - General Fund			\$105.82
		1200 - Capital Improvement Fund			\$352.73
106872	08/02/2024			LABORMAX STAFFING	\$2,786.40
	Invoice	Date	Description		Amount
	26-394405	07/26/2024	Public works seasonal labor 7/20 - 7/26		\$2,786.40
106873	08/02/2024			LC ACTION POLICE SUPPLY LTD	\$837.50
	Invoice	Date	Description		Amount
	467447	07/24/2024	Range Equipment		\$837.50
106874	08/02/2024			LIUNA PENSION FUND	\$1,075.20
	Invoice	Date	Description		Amount
	FT4880	07/26/2024	LIUNA pension dues - July		\$1,075.20
		1001 - Payroll Payables			
106875	08/02/2024			MASON HICKS	\$1,250.00
	Invoice	Date	Description		Amount
	MH080724	08/07/2024	Twilight Concert 8.7.24		\$1,250.00
106876	08/02/2024			MID COUNTY AUTO SUPPLY	\$70.27
	Invoice	Date	Description		Amount
	M-2623639	06/27/2024	Oil filter		\$70.27
106877	08/02/2024			MISSION LINEN SUPPLY	\$184.62
	Invoice	Date	Description		Amount
	522041774	07/24/2024	Fleet towels, uniform cleaning		\$39.31
	522041775	07/24/2024	Corp. Yard linen service		\$145.31
106878	08/02/2024			MISSION PRINTERS	\$330.43
	Invoice	Date	Description		Amount
	65998	07/31/2024	Business Cards		\$330.43
106879	08/02/2024			NICHOLE BRYANT LEBLOND	\$153.40
	Invoice	Date	Description		Amount
	NB072624	07/26/2024	JG Regionals Reimbursement		\$153.40



# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106880	08/02/2024			NOAH SHERIN	\$167.50
	Invoice	Date	Description		Amount
	NS072424	07/24/2024	Earpiece reimbursement		\$167.50
106881	08/02/2024			O'REILLY AUTO PARTS	\$45.42
	Invoice	Date	Description		Amount
	2763-448799	07/12/2024	Coil		\$45.42
106882	08/02/2024			OUTDOOR SUPPLY HARDWARE	\$251.88
	Invoice	Date	Description		Amount
	J78071	07/26/2024	Bulk fasteners		\$54.97
	J68895	07/09/2024	PVC pipes, adaptors, bucket		\$72.78
	J70546	07/12/2024	Key tag, locket, key balnk		\$124.13
		1000 - General Fund		\$179.10	
		1200 - Capital Improvement Fund		\$72.78	
106883	08/02/2024			PALACE BUSINESS SOLUTIONS	\$196.20
	Invoice	Date	Description		Amount
	2360536-0	07/29/2024	Binders and Desk Pad		\$113.37
	2358675-0	07/18/2024	Printing Paper		\$82.83
106884	08/02/2024			PAPE KENWORTH	\$9,755.35
	Invoice	Date	Description		Amount
	1103258	07/02/2024	Street Sweeper Maintenance		\$9,755.35
106885	08/02/2024			PETERSON CATERPILLAR	\$60.53
	Invoice	Date	Description		Amount
	PC080208570	07/20/2024	Jug		\$60.53
106886	08/02/2024			PHOENIX GROUP INFORMATION SYSTEMS	\$4,021.28
	Invoice	Date	Description		Amount
	062024070	07/19/2024	June 2024 Citation Processing		\$4,021.28
106887	08/02/2024			SAFELITE FULFILLMENT, INC	\$992.22
	Invoice	Date	Description		Amount
	03727-002637	07/25/2024	Windshields, installation		\$992.22

# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106888	08/02/2024			SAMUEL NIGH	\$800.00
	Invoice	Date	Description		Amount
	SN081624	08/16/2024	Food Truck Friday Performance 8.16.24		\$800.00
106889	08/02/2024			SANTA CRUZ AUTO PARTS INC.	\$491.81
	Invoice	Date	Description		Amount
	14508-501422	07/25/2024	Gloves, paint coat		\$58.49
	14508-501257	07/24/2024	Coolant		\$263.14
	14508-501231	07/23/2024	Oil filter		\$53.34
	14508-501247	07/24/2024	Accuspray kit, prime guard, plastic sheeting		\$116.84
106890	08/02/2024			SANTA CRUZ COUNTY SHERIFF	\$7,163.00
	Invoice	Date	Description		Amount
	2425 CLETS	07/25/2024	FY24/25 CLETS Administrative Cost Recovery		\$7,163.00
106891	08/02/2024			SECOND HARVEST FOOD BANK	\$16,960.62
	Invoice	Date	Description		Amount
	SHFB063024	06/30/2024	21-CDBG-NH-20010 April - June 2024		\$16,960.62
			1350 - CDBG Grants		
106892	08/02/2024			SECURE SOLUTIONS	\$2,007.00
	Invoice	Date	Description		Amount
	001214	07/26/2024	Police Officer Candidate Background Investigation		\$2,007.00
106893	08/02/2024			SERVPRO OF PALO ALTO	\$978.16
	Invoice	Date	Description		Amount
	4616	07/24/2024	Bio Remediation for 211 on 7/17/2024		\$978.16
106894	08/02/2024			SOQUEL CREEK WATER DISTRICT	\$749.45
	Invoice	Date	Description		Amount
	10-16317-0072224	07/22/2024	10-16317-00 420 Capitola Ave. water		\$460.86
	10-16315-0072224	07/22/2024	10-16315-00 504 Beulah Dr. water		\$101.04
	10-16316-0072224	07/22/2024	10-16316-00 426 Capitola Ave. water		\$187.55
106895	08/02/2024			SPECTRUM BUSINESS	\$3,786.30
	Invoice	Date	Description		Amount
	170005701072224	07/22/2024	August internet service		\$3,786.30
			1000 - General Fund		\$1,664.51
			2211 - ISF - Information Technology		\$2,121.79

# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106896	08/02/2024			STAPLES ADVANTAGE	\$1,527.61
	Invoice	Date	Description		Amount
	6007110114	07/20/2024	Binders		\$50.36
	6006942132	07/15/2024	Napkins, Pens and Febreze		\$86.84
	6007060961	07/18/2024	Cups		\$153.82
	6001252879	04/16/2024	Post-Its, Correction Tape, Pens, Envelopes and Notepads		\$183.04
	6002186285	05/06/2024	Cups, Utensils, Napkins and Scissors		\$298.51
	6002775983	05/22/2024	Portable Hard Drives		\$365.10
	6002722653	05/22/2024	Portable Hard Drive and Flash Drive		\$126.31
	6004554479	06/12/2024	Dust-Off		\$88.49
	6005553873	06/27/2024	Storage Boxes and Lysol Spray		\$175.14
			1000 - General Fund		\$1,477.25
			2210 - ISF - Stores Fund		\$50.36
106897	08/02/2024			T MOBILE	\$87.19
	Invoice	Date	Description		Amount
	TM072124-2	07/21/2024	July cell phone usage - acct # 947590665		\$87.19
106898	08/02/2024			TPX COMMUNICATIONS	\$1,444.09
	Invoice	Date	Description		Amount
	180631345-0	07/23/2024	July phone service		\$1,444.09
			1000 - General Fund		\$782.87
			2211 - ISF - Information Technology		\$661.22
106899	08/02/2024			TRANSPORTATION ALLIANCE BANK INC.	\$1,087.55
	Invoice	Date	Description		Amount
	685046	07/26/2024	Skate weldment		\$1,087.55
			1310 - Gas Tax		
106900	08/02/2024			UNITED WAY OF SANTA CRUZ COUNTY	\$20.00
	Invoice	Date	Description		Amount
	UW073124	07/26/2024	July United Way contributions		\$20.00
			1001 - Payroll Payables		
106901	08/02/2024			UPS	\$14.59
	Invoice	Date	Description		Amount
	0000954791304	07/27/2024	Shipping Costs		\$14.59



# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106902	08/02/2024			US BANK EQUIPMENT FINANCE	\$174.40
	Invoice	Date	Description		Amount
	534424692	07/25/2024	City Hall Copier Lease		\$174.40
			2210 - ISF - Stores Fund		
106903	08/02/2024			US BANK PARS Acct 6746022400	\$6,574.14
	Invoice	Date	Description		Amount
	PARS072624	07/26/2024	PARS contributions PPE 7/20/24		\$6,574.14
			1001 - Payroll Payables		
106904	08/02/2024			VERDE DESIGN INC	\$1,245.00
	Invoice	Date	Description		Amount
	2-2300301	07/29/2024	Jade Street Accessibility Path services thru 6.25.24		\$1,245.00
			1200 - Capital Improvement Fund		
106905	08/02/2024			WATSONVILLE FORD	\$293.65
	Invoice	Date	Description		Amount
	PD161	07/17/2024	Auto parts		\$293.65
106906	08/02/2024			ARI LESSIN	\$292.00
	Invoice	Date	Description		Amount
	AL072924	07/29/2024	Camp Capitola Refund		\$292.00
106907	08/02/2024			GUILLERMO RIVERA	\$219.00
	Invoice	Date	Description		Amount
	GR072924	07/29/2024	Camp Capitola Refund		\$219.00
106908	08/02/2024			JESSICA KAHN	\$108.00
	Invoice	Date	Description		Amount
	JK072924	07/29/2024	Camp Capitola Refund		\$108.00
106909	08/02/2024			JULIA TINDER	\$73.00
	Invoice	Date	Description		Amount
	JT072924	07/29/2024	Camp Capitola Refund		\$73.00
106910	08/02/2024			LAUREN ANDREWS	\$1,500.00
	Invoice	Date	Description		Amount
	LA073124	07/31/2024	Bandstand Deposit Refund		\$1,500.00



# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106911	08/02/2024			LISA CHIORELLO	\$219.00
	Invoice	Date	Description		Amount
	LC072924	07/29/2024	Camp Capitola Refund		\$219.00
106912	08/02/2024			MICAELA LOPEZ	\$73.00
	Invoice	Date	Description		Amount
	ML072924	07/29/2024	Camp Capitola Refund		\$73.00
106913	08/02/2024			Monahan, Heidi	\$36.00
	Invoice	Date	Description		Amount
	HM073124	07/31/2024	Citation # 544127369		\$36.00
106914	08/02/2024			TIA LUCAS	\$73.00
	Invoice	Date	Description		Amount
	TL072924	07/29/2024	Camp Capitola Refund		\$73.00
106915	08/01/2024			JEANI MITCHELL	\$487.50
	Invoice	Date	Description		Amount
	JM071624	07/16/2024	Instructor payment		\$487.50
Type Check Totals:					\$151,456.62
<u>EFT</u>					
1758	07/31/2024			CalPERS Fiscal Services Division	\$2,552,124.00
	Invoice	Date	Description		Amount
	1002698019-22	07/01/2024	FY24-25 PERS UAL prepayment		\$2,552,124.00
1759	08/01/2024			CalPERS Health Insurance	\$76,033.81
	Invoice	Date	Description		Amount
	1002696885	07/15/2024	August health insurance		\$76,033.81
			1000 - General Fund		\$4,302.07
			1001 - Payroll Payables		\$71,731.74
1760	07/29/2024			CalPERS Member Services Division	\$67,265.72
	Invoice	Date	Description		Amount
	1002695890-3	07/26/2024	PERS contributions PPE 7/20/24		\$67,265.72
			1000 - General Fund		\$0.07
			1001 - Payroll Payables		\$67,265.65

# City Checks Issued August 2, 2024

Item 7 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1761	07/29/2024			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$15,055.48
	Invoice	Date	Description		Amount
	0-323-325-712	07/26/2024	State taxes PPE 7/20/24		\$15,055.48
			1001 - Payroll Payables		
1762	07/29/2024			INTERNAL REVENUE SERVICE	\$53,467.75
	Invoice	Date	Description		Amount
	81069936	07/26/2024	Federal taxes & Medicare PPE 7/20/24		\$53,467.75
			1001 - Payroll Payables		
1763	07/29/2024			STATE DISBURSEMENT UNIT	\$1,469.06
	Invoice	Date	Description		Amount
	49085208	07/26/2024	Employee garnishments PPE 7/20/24		\$1,469.06
			1001 - Payroll Payables		
1764	07/29/2024			VOYA FINANCIAL	\$9,629.81
	Invoice	Date	Description		Amount
	VOYA072624	07/26/2024	Employee 457 contributions PPE 7/20/24		\$9,629.81
			1001 - Payroll Payables		
1766	07/30/2024			PITNEY BOWES	\$5,290.42
	Invoice	Date	Description		Amount
	1025629252	07/01/2024	New Postage Machine		\$5,290.42
			2210 - ISF - Stores Fund		

Type EFT Totals: \$2,780,336.05

Main City Totals	Count	Total
Checks	72	\$151,456.62
EFTs	8	\$2,780,336.05
All	80	\$2,931,792.67

Payroll Totals	Count	Total
Checks	11	\$19,131.89
EFTs	0	\$0.00
All	11	\$19,131.89

Grand Totals:	Count	Total
Checks	83	\$170,588.51
EFTs	8	\$2,780,336.05
All	91	\$2,950,924.56

# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024  
**From:** City Manager Department  
**Subject:** City Attorney Services Contract

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**Recommended Action:** Authorize the City Manager to enter a five-year contract with Burke, Williams, & Sorenson, LLP to continue providing City Attorney services, effective September 1, 2024.

**Background:** Burke, Williams, & Sorenson, LLP (BWS) is a full-service public law firm with multiple offices in California, including San Francisco and Oakland. BWS was founded in 1927 and represents more than 200 local government agencies, including serving as city attorney for more than 20 cities. The City of Capitola first entered a five-year contract with BWS in 2019, and Samantha Zutler has served as the City Attorney since September of that year.

**Discussion:** The City's 2019 agreement with BWS expires August 31, 2024. The City Council wishes to adopt a new five-year agreement with BWS. The agreement reflects updated rates and \$5 annual increases.

**Fiscal Impact:** BWS's current hourly rates are shown in Attachment 2. The Fiscal Year 2024-25 adopted budget includes \$270,000 for City Attorney Services, allocated across multiple City departments. Staff monitors monthly billing for City Attorney services and can update the City Council during the fiscal year. Staff anticipates slightly less specialized attorney work in this fiscal year because of the upcoming adoption of the Housing Element and the recent conclusion of employee contract negotiations.

**Attachments:**

1. 2024-2029 Contract
2. Fee Update Chart

**Report Prepared By:** Chloé Woodmansee, Assistant to the City Manager

**Reviewed By:** Julia Gautho, City Clerk; Jim Malberg, Finance Director

**Approved By:** Jamie Goldstein, City Manager

**LEGAL SERVICES AGREEMENT**

**BETWEEN**

**THE CITY OF CAPITOLA AND BURKE, WILLIAMS & SORENSEN, LLP**

This LEGAL SERVICES AGREEMENT ("Agreement") is effective as of Sept 1, 2024 and is between the CITY OF CAPITOLA, a City in the State of California ("CITY"), and BURKE, WILLIAMS & SORENSEN, LLP, a limited liability partnership ("BWS", or "Consultant") (collectively, the "Parties").

**RECITALS**

I. **RECITALS.** This Agreement is entered into with respect to the following:

A. This Agreement is a written legal services agreement containing the terms under which BWS has been retained by CITY to serve as its City Attorney.

B. California Business and Professions Code section 6148 requires a written fee agreement between attorneys and their clients setting forth the scope of services and fees to be charged. When executed by CITY and BWS, this Agreement will satisfy the requirements of Section 6148.

II. **APPOINTMENT OF CITY ATTORNEY.** By this Agreement, CITY appoints BWS as CITY's City Attorney, and BWS undertakes the responsibility of that appointment. BWS will serve at the pleasure of CITY's City Council ("Council") and may be replaced at any time, with or without cause, without amending this Agreement. The designated City Attorney or an approved successor will be responsible for providing or causing to be provided the legal services contemplated by this Agreement.

III. **DESIGNATED CITY ATTORNEY.** Samantha W. Zutler will perform the functions of BWS as CITY's City Attorney. No changes in this assignment may be made without the consent of CITY. BWS retains authority to assign from time to time such of its attorneys, paralegals, or law clerks as may be necessary to perform other legal services called for by this Agreement.

IV. **TERM OF AGREEMENT.** This Agreement shall be effective on September 1, 2024, and shall expire on August 31, 2029, unless extended by written agreement signed by both parties.

V. **LEGAL SERVICES.** The scope of BWS's appointment as City Attorney includes without limitation the following basic legal services and those special legal services as requested by CITY.

A. **Basic Legal Services.** BWS will perform the following "Basic Legal Services" to serve CITY:

(1) Attendance at meetings of the Capitola City Council (including regular sessions, closed sessions, special meetings, and as needed work sessions).

(2) Attendance, as needed and as directed by the City Council and/or City Manager, at meetings of the City's Commissions or other City committees.



(3) Review and/or preparation of ordinances, resolutions, orders, agreements, forms, notices, declarations, certificates, deeds, leases, and other documents as required by CITY.

(4) Consultation with the City Council and CITY staff as needed, as well as rendering of legal advice and opinions concerning legal matters that affect the City, including new legislation and court decisions. Performance of research and interpretation of laws, court decisions, and other legal authorities in order to prepare legal opinions and to advise the Council and management staff on legal matters pertaining to CITY operations.

(5) Legal work pertaining to routine issues related to property acquisition, zoning, property disposal, public improvements, public rights-of-way and easements, and matters relating to public utilities.

(6) Coordination and management of the work of outside legal counsel as needed and as directed by the City Council and/or City Manager.

(7) Office hours at City Hall as requested by the City Council or City Manager.

B. **Special Legal Services.** Services not defined as Basic Legal Services in Section IV(A) will be considered "**Special Legal Services**" and will be undertaken as such upon agreement of BWS and the CITY, through the Council or Manager. Special Legal Services generally are complex in nature (as opposed to routine), and require significant amounts of work, and/ or engagement of Special Counsel. Special Legal Services may include, but are not limited to:

(1) **Litigation.** Any litigation, arbitration, mediation, code enforcement, criminal prosecution commenced or defended by CITY, including disciplinary appeals and/ or grievances;

(2) **Personnel.** Counsel and representation regarding employment and labor matters;

(3) **Eminent Domain.** Counsel and representation in matters involving the CITY's attempted or actual exercise of its powers of eminent domain;

(4) **Development and/ or Real Estate.** All advice, counsel and representation of CITY in matters involving complex and ongoing real estate and development transactions, including drafting and negotiating purchase and sale agreements, leases, development agreements, deed restrictions, regulatory agreements, loan/ financing agreements, subordination agreements, public improvement agreements, and water use agreements.

(5) **Land Use.** All advice, counsel and representation of CITY in land use permitting and entitlement of property and related environmental review as required by California Environmental Quality Act or National Environmental Policy Act;

(6) **Environmental Matters.** All advice, counsel and representation of CITY in environmental matters, including issues related to the Endangered Species Act, environmental permitting and regulations, Clean Water Act, and NDPE compliance.

(7) **Other:** Legal advice or representation regarding any project or issue that is particularly complex and requires the ongoing assistance of special counsel within BWS, and other duties as assigned by the Council or Manager as Special Legal Services.

VI. **COMPENSATION.** BWS will be compensated as follows:

A. **Basic Legal Services.** For Basic City Attorney Services, CITY shall pay to BWS \$295 per hour. Paralegals shall be billed at a rate of \$155 per hour.

B. **Special Legal Services.** Fees for Special Legal Services, as described in Section IV(B) of this Agreement will be charged at a rate of \$325 per hour for partners and \$300 for associates. Paralegals shall be billed at a rate of \$155 per hour. .

C. **Cost Recovery Matters.** BWS will charge its current standard private client rates (as opposed to the public entity client rates provided in this Agreement or charged other public agencies) for work that is reimbursed by private parties pursuant to litigation, conditions of approval, pass through agreements, or other authorization. Current standard private client rates are \$405 for associates, \$505 for partners, and \$550 for senior partners.

D. **Compensation of Hours Billed by City Attorney and Designated Assistant City Attorney.** All hours billed by the City Attorney and the designated Assistant City Attorney shall be billed at the Basic Legal Services rate, regardless of the subject of the work, with the following exceptions: a) any hours billed on a Cost Recovery Matter, as described in Section V(C), shall be billed as described in that Section; and b) any hours billed on Development/ Real Estate, Land Use, or Environmental matters, as described in Section IV(B)(4), shall be billed at the Special Legal Services rate.

E. **Travel Time.** BWS shall not charge CITY for travel by the City Attorney, or any other attorney from BWS, to and from up to twenty-six (26) City Council or appointed Commission or Committee meetings, regardless of whether those meetings are regularly scheduled or special. Any travel by attorneys providing Special Legal Services, as defined in Section IV(B), or by any attorney (including the City Attorney) to meetings in excess of 26 per year shall be compensated at the rate of \$170 per hour for associates and \$200 per hour for partners.

F. **Fee Adjustments.** BWS's billing rates will be increased annually by \$5, on the anniversary date of the execution of this Agreement.

G. **Cost and Expense Reimbursement.** CITY will reimburse BWS for costs and expenses reasonably incurred by BWS in performance of the services provided under this Agreement. CITY preauthorizes routine costs including but not limited to postage, courier services, copying charges, long distance telephone charges, cost of producing and reproducing photographs, and court, county, recording and other filing fees. CITY will reimburse BWS for any attorney's automobile mileage at the standard rate for business use as announced periodically by the Internal Revenue Service to and from the CITY, or other locations as CITY business may

require, from the attorney's residence or office. BWS will not request reimbursement from CITY for hotel expenses incurred before or after regularly scheduled City Council meetings.

H. **Reimbursable Extraordinary Expenses.** With prior approval from the City Council or City Manager, CITY will reimburse other non-routine costs and expenses incurred by BWS for or on behalf of, including but not limited to outside counsel, consultants, expert witnesses, travel outside Santa Cruz County, and outside investigative services.

I. **Billing.** BWS will bill CITY monthly for the services provided pursuant to this Agreement, as well as all reimbursable costs and expenses. All bills for legal fees will set forth in detail the work performed during the billing period in line item format, so that each task is separately described and has specific time recorded. BWS attorneys bill in 1/10th of one hour increments. Bills for reimbursable costs and expenses will set forth the cost for each category of such expenses incurred during the billing period in addition to the total cost of the expenses. Reimbursement for expenses incurred by an outside vendor will include the vendor's invoice.

J. **Payment.** CITY will pay BWS for all of BWS's services, costs and expenses provided or incurred pursuant to this Agreement following receipt and approval of the bill. Payment is due within 30 days of receipt of bill by CITY.

K. **Taxpayer Information.** BWS will provide a completed W-9 Form to facilitate tax reporting for payments made by CITY to BWS under this Agreement.

VII. **CITY'S OBLIGATIONS.** CITY agrees to cooperate and keep BWS advised of information and developments pertaining to this engagement. CITY also agrees to promptly pay the fees, costs and other sums incurred under this Agreement when due.

VIII. **REVIEW OF CITY ATTORNEY.** CITY will review BWS's performance under this Agreement approximately six (6) months after execution of this Agreement, and thereafter on an, at least, an annual basis. In advance of each review, City Attorney will provide to City Manager and City Council a memorandum summarizing the work of BWS on behalf of CITY during the time period that is the subject of the review. Reviews shall be conducted in closed session following proper notice.

IX. **CONFLICTS OF INTEREST.**

A. BWS represents that neither BWS nor any of the attorneys or other persons employed by BWS have any material financial interest, direct or indirect, in any contract or decision made by or on behalf of CITY that may be affected by the services to be provided to CITY pursuant to this Agreement, other than a financial interest that is similar, in all material respects, to the interests of the general public. BWS further agrees that no attorney or other person having any such interest will be employed by BWS while this Agreement remains in effect. If BWS or an attorney or other person employed by BWS acquires such an interest while this Agreement remains in effect, BWS will immediately disclose such interest to CITY, and the interested individual will not participate in or influence the performance of the services to be provided to CITY pursuant to this Agreement.

B. The California Rules of Professional Conduct, as promulgated by the California State Bar, require that an attorney receive informed written consent from a client prior to undertaking work where there is a potential for conflicts between existing or future clients (Rule 1.7). BWS represents numerous cities, school CITYs, and public agencies, which from time-to-

time may be adverse to CITY. Should an actual conflict occur between any one of these clients and CITY, BWS will attempt to resolve the conflict in a manner that protects our ability to continue our concurrent representation of all our clients. However, that may not be possible or practical under the applicable ethical rules. By signing below, CITY represents that it is fully informed regarding the potential conflict of interests between it and existing and future clients of BWS, and it waives all rights regarding such conflicts and consents to the BWS's representation in this regard.

X. **INSURANCE.** BWS shall procure and maintain for the duration of the contract and for 2 years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

**Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- 1. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001).
- 2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
- 3. Workers' Compensation insurance as required by the State of California, and Employer's Liability Insurance.
- 4. Professional (Errors and Omissions) Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage shall include contractual liability.

**Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

- 1. General Liability: **\$1,000,000** per occurrence and \$2,000,000 in aggregate (including operations, for bodily injury, personal and property damage)
- 2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
- 3. Employer's Liability Insurance **\$1,000,000 per accident for bodily injury and property damage.**
- 4. Errors and Omissions Liability Claims: \$1,000,000 per claim and **\$2,000,000** in the aggregate.

**Other Insurance Provisions**

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:



(1) The City of Capitola, its officers, officials, employees and volunteers are to be covered as additional insured's as respects: liability arising out of work or operations performed by or on behalf of the Consultant or automobiles owned, leased, hired or borrowed by the Consultant.

(2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

(3) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled except after prior written notice has been given to the City.

XI. **WAIVER OF SUBROGATION.** Consultant hereby agrees to waive rights of subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Capitols** for all work performed by the Consultant, its employees, agents and subcontractors.

XII. **INDEMNIFICATION.** To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the City, its directors, officers, and employees from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from any negligence or misconduct of Consultant or its agents in any way related to the obligations or in the performance of services under this Agreement, except where caused by the sole or active negligence or willful misconduct of the City.

XIII. **TERMINATION OF SERVICES.**

A. CITY may terminate this Agreement with or without cause at any time by written notice of such termination.

B. BWS may terminate this Agreement with or without cause upon 60 days' written notice to CITY. BWS may terminate this Agreement immediately in the event that BWS determines that to continue services to CITY would be illegal, unethical, impractical, or improper.

C. CITY will compensate BWS for its services and reimburse it for costs rendered through the effective date of any termination.

XIV. **DOCUMENT RETENTION.** CITY is entitled upon written request to any files in BWS's possession relating to the legal services performed by BWS for CITY, excluding BWS's internal accounting records and other documents not reasonably necessary to CITY's representation, subject to BWS's right to make copies of any files withdrawn by CITY. Once a CITY matter is concluded, BWS will close the file. The physical files may be sent to storage offsite, and thereafter there may be an administrative cost for retrieving them from storage. Thus, BWS recommends that CITY request the return of a file at the conclusion of any individual matter. BWS will retain and destroy files consistent with the CITY's records retention schedule. BWS will work

with CITY to provide or preserve any documents that may be subject to the California Public Records Act.

XV. **FEE DISPUTES.** If a dispute between CITY and BWS arises over fees or other amounts charged to CITY for services, the controversy will be submitted to binding arbitration in accordance with the rules of the California State Bar Fee Arbitration Program, set forth in California Business and Professions Code sections 6200 through 6206. The arbitrator or arbitration panel will have the authority to award to the prevailing party in such arbitration attorney's fees, costs and interest incurred. Any arbitration award may be served by mail upon either side and personal service will not be required.

XVI. **NOTICES.** Notices required under this Agreement must be given by personal service or by first class mail, postage prepaid, and addressed as follows:

To BWS: BURKE, WILLIAMS & SORENSEN, LLP  
1901 Harrison Street, Suite 900  
Oakland, CA 94612  
Attn: John Welsh, Esq.

To City: City of Capitola  
420 Capitola Ave.  
Capitola, CA 95010  
Attn: City Manager

Service of notice by personal service is deemed to be given as of the date of service. Notices by mail are deemed to have been given two consecutive business days after deposit into the U.S. Postal Service. Either party may, from time to time, by written notice to the other, designate a different address or person to be substituted for that specified above.

XVII. **INDEPENDENT CONTRACTOR.** CITY and BWS agree that BWS will act as an independent contractor and will have control of all work and the manner in which is it performed. BWS will be free to contract for similar service to be performed for other clients while under contract with CITY. BWS is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct BWS as to the details of doing the work or to exercise a measure of control over the work means that BWS will follow the direction of the CITY as to end results of the work only.

XVIII. **MISCELLANEOUS.** This Agreement sets forth the entire understanding of the Parties and will be governed by the laws of the State of California. The terms of this Agreement are not set by law but are the result of negotiation between the Parties. CITY has the right to consult with another attorney regarding this Agreement before signing it. This Agreement may be modified only by a written amendment signed by both Parties.

The undersigned authorized representatives of the Parties have executed this Agreement effective as the day and year first set forth above.

CITY OF CAPITOLA

By: \_\_\_\_\_

BURKE, WILLIAMS & SORENSEN, LLP

By: \_\_\_\_\_

Samantha W. Zutler  
Shareholder

### Proposed City Attorney 2024 – 2029 Contract Costs

	2019 Rate	Current Rate	Proposed 2024 Rate	Percentage increase
<b><u>Hourly Rates &amp; Other Costs:</u></b>				
<b>Basic Legal/City Attorney Services</b>	\$260	\$260	\$295	13%
<b>Special Legal Services - Partners</b>	\$285	\$300	\$325	8.3%
<b>Special Legal Services - Associates</b>	\$260	\$260	\$300	9%
<b>Paralegals</b>	\$135	\$150	\$155	3%
<b><u>In-person Meetings/Travel Time: (more than 27 meetings/year)</u></b>				
<b>Associates</b>	\$150	\$160	\$170	6%
<b>Partners</b>	\$180	\$195	\$200	3%
<b><u>Cost Recovery Matters:</u></b>				
<b>Matters billed to private developers, for time spent on private development projects, are billed at BWS's current (at the time of the matter) private client rates (currently \$405/\$505/\$550)</b>				
<b><u>Future Annual Increase to hourly rate: \$5 each year</u></b>				



# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024

**From:** Public Works Department

**Subject:** Stockton Bridge Repair Project Completion

**Recommended Action:** 1) Accept as complete the Stockton Bridge Repair Project constructed by Anderson Pacific Engineering Construction, Inc.; 2) authorize the City Clerk to file and record a Notice of Completion; and 3) authorize the release of the contract retention of \$14,610 as prescribed in the contract.

**Background:** On November 21, 2023, the City Council approved the plans, specifications, and construction estimate for the Stockton Bridge Repair Project and authorized advertising for construction bids with an approved budget of \$355,000. Following this approval, the project was advertised, and bids were received on December 5, 2023. The lowest responsive bid received was from Anderson Pacific Engineering Construction, Inc. in the amount of \$300,300.

On December 20, 2023, the City Manager approved a construction contract for the Stockton Bridge Repair Project with Anderson Pacific Engineering Construction, Inc. in the amount of \$300,300.

Construction of the project began in May 2023 and was completed in September 2023. Staff has inspected the improvements and has determined that the work has been completed in accordance with the approved plans and specifications.

**Fiscal Impact:** Funding for the project was allocated through the Federal Emergency Relief (ER) Emergency Opening (EO) program, a collaboration between the Federal Highway Administration (FHWA) and Caltrans Local Assistance (Caltrans LA). The engineering and permitting costs amounted to \$78,000. The final project cost was \$380,000, which is fully reimbursed through the FHWA Emergency Relief EO Program.

**Attachments:**

1. Notice of Completion

**Report Prepared By:** Kailash Mozumder, Public Works Project Manager

**Reviewed By:** Jessica Kahn, Public Works Director; Julia Gautho, City Clerk

**Approved By:** Jamie Goldstein, City Manager

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Capitola  
Public Works Department  
Attn: Jessica Kahn  
420 Capitola Avenue  
Capitola, California 95010

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS INSTRUMENT IS BEING RECORDED FOR THE BENEFIT OF THE CITY OF CAPITOLA  
NO RECORDING FEE IS REQUIRED PURSUANT TO GOVERNMENT CODE §27383

### NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the City of Capitola, owner of the property hereinafter described, whose address is 420 Capitola Avenue, Capitola, California, has caused a work of improvements more particularly described as follows:

PROJECT NAME: Capitola Bridge over Soquel Creek Bridge [Stockton Bridge] Repairs

PROJECT DESCRIPTION: Emergency Repair of the Stockton Avenue Bridge over Soquel Creek in Capitola, California to be constructed on property more particularly described as follows:

DESCRIPTION: Capitola Bridge over Soquel Creek Bridge [Stockton Bridge]

BRIDGE NUMBER: 36C0110

APN: N/A

The work of the improvement was completed by:

CONTRACTOR: Anderson Pacific Engineering Construction, Inc

ADDRESS: 1370 Norman Avenue, Santa Clara, CA 95054

The work of the improvements was actually completed on the 10<sup>th</sup> day of May 2024 and accepted by the City Council of said City on the 22<sup>nd</sup> day of August 2024.

Signature of City Clerk: \_\_\_\_\_  
Julia Gautho, City Clerk

The undersigned certifies that he is an officer of the City of Capitola, that he has read the foregoing Notice of Completion and knows the content thereof; and that the same is true of his own knowledge, except as to those matters which are therein stated on information or belief, and as to those matters that he believes to be true. I certify under penalty of perjury that the foregoing is true and correct. Executed at the City of Capitola, County of Santa Cruz, State of California.

Jessica Kahn  
Director of Public Works

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024

**From:** Public Works Department

**Subject:** Wharf Resiliency and Public Access Project Completion

**Recommended Action:** 1) Accept as complete the Wharf Resiliency and Public Access Project constructed by Cushman Contraction Corporation at a final cost of \$10,145,475; 2) authorize the City Clerk to file and record a Notice of Completion; and 3) authorize the release of the contract retention held in escrow of \$257,273.75.

**Background:** The Wharf Resiliency and Public Access Project (the Project) addresses the long-term resiliency of the Capitola Wharf by widening the Wharf, repairing failing pilings, replacing the deck, and adding new restroom facilities. Construction by Cushman Contracting Corporation (Cushman) began in September 2023.

The storms in December 2023 caused additional damage to the Wharf and its structures, necessitating the removal of buildings and further repairs to the Wharf beneath them. The removal of these buildings required modifications to the Wharf’s utilities. To facilitate interim uses on the Wharf while a permanent plan is developed, several temporary utility hook-up locations were installed.

In conjunction with this Project, the Capitola Wharf Enhancement Project (CWEP) fundraised for enhancements to the Wharf. Some of these enhancements included utility connections, which were contracted to Cushman and funded by the City.

Remaining enhancements, which are not within Cushman’s scope, include an enhanced entry gate, installation of seating, additional memorial plaque replacement, and educational signage funded by the Monterey Bay National Marine Sanctuary Foundation (MBNMSF). These enhancements will be completed in September 2024.

**Discussion:** The Project was substantially complete at the end of June. The only incomplete items in Cushman’s scope are the installation of CWEP light fixtures, electrical panel, and a water-filling station. Due to long lead times and their addition mid-project, it did not make sense for Cushman to remain mobilized for these installations. This work will be completed by Cushman’s electrical subcontractor. These items have been removed from Cushman’s scope, via change order, to complete the Project and contracted directly with the subcontractor at the same price.

The Project has been inspected by staff and the engineer of record, Moffatt & Nichol, and all punch list items have been completed. Staff recommends a Notice of Completion (NOC) be issued for the Project.

**Fiscal Impact:** The following tables itemize the final revenue and expenditures for the project.

**Table 1. Wharf Resiliency and Public Access Project Funding**

Source	Amount
Coastal Conservancy Grant	\$1,900,000
HUD Grant	\$3,500,000
Measure F	\$2,500,000
General Fund (2/27 and 4/11)	\$849,000
Insurance from January 2023 Storm Damages	\$1,000,000
California Natural Resources Agency	\$500,000
FEMA/CalOES	TBD

Source	Amount
<b>Total Project Funding</b>	<b>\$10,249,000</b>

**Table 2. Wharf Resiliency and Public Access Project Expenses – Cushman Contracting**

Item	Amount
Initial Contract (inclusive of January 2023 Storm Damage and Change Order 1)	\$7,742,200
Change Order 2 – Additional Pile Sleeves	\$104,400
Change Order 3 – Modification of Pile Attachment	\$42,600
Change Order 4 – Design Modifications	\$213,800
Change Order 5 – Storm Damage (December 2023)	\$212,900
Change Order 6 – Building Demolition	\$832,500
Change Order 7 – Work Under Buildings	\$496,900
Change Order 8 – CWEP Utilities and Installation	\$102,800
Change Order 9 – Head of Wharf Utilities, Displaced Piles	\$190,700
Change Order 10 – Final Project Balancing	\$206,675
<b>Total Project Expenses - Cushman</b>	<b>\$10,145,475</b>

Coordination with FEMA and CalOES for financial assistance remains ongoing. While financial reimbursement is anticipated, the exact amount is currently uncertain.

Attachments:

1. Notice of Completion

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager



RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Capitola  
Public Works Department  
Attn: Jessica Kahn  
420 Capitola Avenue  
Capitola, California 95010

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS INSTRUMENT IS BEING RECORDED FOR THE BENEFIT OF THE CITY OF CAPITOLA  
NO RECORDING FEE IS REQUIRED PURSUANT TO GOVERNMENT CODE §27383

### NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the City of Capitola, owner of the property hereinafter described, whose address is 420 Capitola Avenue, Capitola, California, has caused a work of improvements more particularly described as follows:

PROJECT NAME: Capitola Wharf Resiliency and Public Access Improvement Project – Phase 2

PROJECT DESCRIPTION: Comprehensive repairs and upgrades, including storm damage restoration, to the Capitola Wharf in Capitola, California to be constructed on property more particularly described as follows:

DESCRIPTION: Capitola Wharf

ADDRESS: Capitola Wharf, 1400 Wharf Road, Capitola, CA 95010

APN: N/A

The work of the improvement was completed by:

CONTRACTOR: Cushman Contracting Corporation

ADDRESS: PO Box 147, Goleta, CA 93116

The work of the improvements was actually completed on the 19<sup>th</sup> day of June 2024 and accepted by the City Council of said City on the 22<sup>nd</sup> day of August 2024.

Signature of City Clerk: \_\_\_\_\_  
Julia Gautho, City Clerk

The undersigned certifies that he is an officer of the City of Capitola, that he has read the foregoing Notice of Completion and knows the content thereof; and that the same is true of his own knowledge, except as to those matters which are therein stated on information or belief, and as to those matters that he believes to be true. I certify under penalty of perjury that the foregoing is true and correct. Executed at the City of Capitola, County of Santa Cruz, State of California.

Jessica Kahn  
Director of Public Works

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# Capitola City Council

## Agenda Report

**Meeting:** August 22, 2024  
**From:** City Manager Department  
**Subject:** Conflict of Interest Code



**Recommended Action:** Adopt a resolution amending the City of Capitola's Conflict of Interest Code to reflect the current organizational structure.

**Background:** The California Political Reform Act requires jurisdictions to adopt a Conflict of Interest Code to identify positions that involve decision-making or participation in decision-making that may affect the personal economic interests of people holding these positions. These positions are in addition to those mandated in Government Code 87200. Once designated, the individuals occupying these positions are required to make annual disclosures in a Statement of Economic Interest (Form 700) regarding sources of income. These may include investments, interest in real property, and any business positions held outside of their employment with the City and are identified in order to avoid potential conflicts of interest.

The California Fair Political Practices Commission (FPPC) requires local jurisdictions to review (and amend, if necessary) their conflict-of-interest code biennially. The last update was adopted April 13, 2023. Since the last update, there has been a staffing reorganization which necessitates a change to the code.

**Discussion:** The proposed changes to the City's Conflict of Interest Code:

- Change title of Field Supervisor to Operations Maintenance Supervisor
- Change title of Recreation Division Manager to Recreation and Community Services Director
- Remove Architectural & Site Review Committee Public Members (This committee is no longer active and has been replaced with an internal staff review committee, all internal staff members are already designated filers)
- Addition of Community Services and Recreation Coordinator position

**Fiscal Impact:** There is no fiscal impact associated with this resolution.

**Attachments:**

1. Resolution

**Report Prepared By:** Julia Gautho, City Clerk

**Reviewed By:** Samantha Zutler, City Attorney

**Approved By:** Jamie Goldstein, City Manager

**RESOLUTION NO. XXXX**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
RESCINDING RESOLUTION NO. 4311 AND ADOPTING A REVISED  
CONFLICT OF INTEREST CODE FOR THE CITY OF CAPITOLA**

**WHEREAS**, the Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes; and

**WHEREAS**, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code; and

**WHEREAS**, said standard conflict of interest code can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act; and

**WHEREAS**, the City of Capitola adopted a revised Conflict of Interest Code effective on February 11, 2021, by Resolution No. 4210.1; and

**WHEREAS**, the Conflict of Interest Code is currently being updated to add to the list of designated positions in Appendix C and to clarify its application to designated persons.

**NOW, THEREFORE**, the City Council of the City of Capitola resolves as follows:

1. As of August 22, 2024, Resolution No. 4311 is rescinded, and this resolution shall become effective.
2. This resolution does not pertain to the following offices because these offices are already regulated by and subject to Government Code Section 87200: Council Members, Planning Commissioners, City Manager, and City Attorney.
3. The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix "A" and "B" in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the City of Capitola.
4. Upon electronic filing or receipt of the statements of the Council Members, Planning Commission Members, City Manager, and City Attorney, the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Designated employees shall file statements of economic interests with the City Clerk who will make the statements available for public inspection and reproduction (Government Code Section 81008). The City Clerk will retain statements for all designated employees.



**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 22<sup>nd</sup> day of August, 2024, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

\_\_\_\_\_  
Kristen Brown, Mayor

ATTEST:

\_\_\_\_\_  
Julia Gautho, City Clerk

**LIST OF DESIGNATED POSITIONS**

<u>TITLE</u>	<u>DISCLOSURE CATEGORIES</u>
Art & Cultural Commission Members	A
Assistant to the City Manager	C, D
Associate Planner	C, D
Building Official	C, D
Chief of Police	A
City Clerk	C
Community Development Director	C, D
Community Services and Recreation Director	C, D
Community Services and Recreation Coordinator	C
Deputy City Attorney	A
Environmental Project Manager	C, D
Information Systems Specialist	B
Finance Director	A
Historical Museum Board Members and Curator	C
Operations Maintenance Supervisor	C
Police Captain	A
Project Manager	C, D
Public Works Director	C, D
Senior Planner	C, D
Senior Mechanic	C
Consultants *	A

\*Consultants shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

**DISCLOSURE CATEGORIES**

The Disclosure Categories for the City of Capitola are listed below.

- CATEGORY A.** All sources of income, interests in real property, and investments and business positions in business entities.
- CATEGORY B.** Investments and positions in business entities, and sources of income, including interests in real property, if the source is of the type which provide services, supplies, materials, machinery, or equipment of the type utilized by the City of Capitola.
- CATEGORY C.** Investments and positions in business entities, and sources of income, if the source is of the type which provide services, supplies, materials, machinery or equipment of the type utilized by the designated employee's department or division.
- CATEGORY D.** Investments and positions in business entities, and sources of income, including interests in real property, if the source is of the type that is subject to the regulatory permit or licensing authority by the department in which that person is employed or if the source of income is from land development, construction or the acquisition or sale of real property by the City of Capitola.

**General Provisions**

When a designated person is required to disclose investments and sources of income, the person need only disclose investments in business entities and sources of income, which are doing business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. When a designated person is required to disclose interests in real property, the person need only disclose real property, which is located in whole or in part within, or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

Designated persons shall disclose their financial interests pursuant to the appropriate disclosure category as indicated in Appendix "A."

# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024  
**From:** Finance Department  
**Subject:** City Banking Services Agreement

**Recommended Action:** Authorize the City Manager to execute a five-year agreement for banking services with Santa Cruz County Bank with an option for a five-year contract extension, subject to City Attorney review and approval.

**Background:** On August 5, 2023, the Finance Advisory Committee discussed the City's banking services and recommended the Finance Director issue a Request for Proposals (RFP) during fiscal year (FY) 2023-24. The RFP was issued March 22, 2024, with proposals due by April 26, 2024. The City received and reviewed three proposals from the following banks:

- BMO Commercial Bank
- Santa Cruz County Bank
- Wells Fargo (current provider)

**Discussion:** The City has obtained banking services from Wells Fargo for approximately 10 years. The Government Finance Officers Association (GFOA) recommends local governments conduct periodic reviews of professional services, such as banking services, every five to ten years. Issuance of an RFP allows the City to compare competitive rates, allow local banks an opportunity to propose services, and take advantage of technological enhancements and evolution in the market.

All three proposals were reviewed by each member of the Finance Department. Staff came to a consensus that all three banks were highly qualified and proceeded to interview each bank. The interviews consisted of a presentation, which included an overview of key proposal points, and the opportunity to respond to questions. The interviews with BMO and Santa Cruz County Bank also included a demonstration of their online banking systems. The City is currently using Wells Fargo's online banking platform and therefore a demonstration was not requested. All interview panel members were asked to evaluate the following criteria:

- Protection of funds, collateralization, bank ratings, profitability;
- Ability to provide required services, technologies, and controls;
- Relevant experience managing similar account relationships with public institutions and similar clients. This includes reviewing experience, resources, qualifications of the team, and references;
- Proposed fees and compensation;
- Ability and value of providing any new product or service; suggestions or other new ideas and enhancements;
- Community and local reinvestment;
- Quality of the proposal.

Following the interviews and demonstrations, staff proceeded to review references for both BMO and Santa Cruz County Bank. References were not contacted for Wells Fargo since the City is



an existing customer. Based on the proposals, interviews, demonstrations, and references, staff is recommending a five-year contract with Santa Cruz County Bank, with an option to extend an additional five years.

Santa Cruz County Bank offers the best value for the City in terms of its capabilities, operational effectiveness, ability to safely collateralize City funds, technological innovation, Community Reinvestment Act rating, and ranked highly in customer service rating. The Government Banking Unit consists of managers, senior leaders, and executive leaders, providing the City with direct and immediate access to decision-makers, all of whom have extensive government banking experience.

Currently, Santa Cruz County Bank manages banking services for fourteen Government Agencies, including the Santa Cruz County Housing Authority and Soquel Creek Water District, with a total of \$29.5 million in combined balances. One important differentiator for Santa Cruz County Bank is that they reinvest deposits by lending to the businesses that serve the local community. They currently have offices in Capitola, Santa Cruz, Scotts Valley, Aptos, Watsonville, Monterey, Salinas, and Cupertino.

The entire Government Banking Team lives in Santa Cruz County, and all give back to local communities by serving non-profits, community service groups, or by participating in events that Santa Cruz County Bank supports. During 2023, Santa Cruz County Bank employees participated in 180 community events generating \$290,000 in contributions and 91 volunteers donated 2,743 hours.

Fiscal Impact: In FY 2023-24 the City incurred approximately \$17,500 in account maintenance fees that were offset with earnings credits for balances on deposit. Additionally, the City incurred approximately \$62,000 in parking-related merchant credit card fees. Parking-related fees have doubled over the last 10 years as more individuals utilize electronic payment methods, but have leveled off over the last several years. Parking-related fees are offset by parking revenue. Based on the proposed services staff expects the account maintenance and parking-related fees to remain relatively constant while increasing online and paperless service options.

There are no fees directly associated with this transition. If approved, staff anticipates the transition to take approximately 60 days.

Attachments:

- 1. Banking Services Agreement
- 2. Pricing Schedule

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Julia Gautho, City Clerk, Samatha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

DEMAND DEPOSIT ACCOUNT ANALYSIS PROPOSAL FOR  
 CITY OF CAPITOLA  
 Jun-24



COMPOSITE ACCOUNT SUMMARY

AVERAGE LEDGER BALANCE \$4,033,585.92

ACTIVITY CHARGES SUMMARY

ACTIVITY	Number of Units	SCCB Per Unit Cost	SCCB Total
ACCOUNT MAINTENANCE	4	\$ 12.00	\$ 48.00
ACH ORIGINATION MODULE	1	\$ 25.00	\$ 25.00
ACH CREDITS/DEBITS ORIGINATED	290	\$ 0.25	\$ 72.50
ELECTRONIC ACH CREDITS/DEBITS	206	\$ 0.10	\$ 20.60
CHECKS DEPOSITED (OTHER BANKS)	84	\$ 0.09	\$ 7.56
CHECKS DEPOSITED OR REMOTE DEPOSIT	167	\$ 0.07	\$ 11.69
CHECKS CLEARED	236	\$ 0.12	\$ 28.32
COIN DEPOSITED-PER ROLL		\$ 0.15	\$ -
**COIN DEPOSITED-LOOSE		\$ 0.09	\$ -
**COIN DEPOSITED-PER BAG		\$ 10.50	\$ -
COIN ORDERED-FULL BOX		\$ 3.00	\$ -
COINS ORDERED-PER ROLL		\$ 0.10	\$ -
CURRENCY DEPOSITED	3,902	\$0.0020	\$ 7.80
CURRENCY ORDERED-PER THOUSAND		\$ 0.0135	\$ -
DEPOSIT ADJUSTMENTS	2	\$ 2.00	\$ 4.00
BRANCH DEPOSITS-OVER THE COUNTER	5	\$ 1.00	\$ 5.00
PAYEE POSITIVE PAY MODULE	1	\$0.00	\$ -
POSITIVE PAY ISSUE ITEMS		\$0.00	\$ -
POSITIVE PAY EXCEPTION ITEMS		\$0.00	\$ -
ACH POSITIVE PAY MODULE	1	\$0.00	\$ -
ACH POSITIVE PAY EXCEPTIONS		\$0.00	\$ -
REMOTE DEPOSIT CAPTURE	1	\$ 35.00	\$ 35.00
RETURNED DEPOSIT ITEMS		\$ 10.00	\$ -
STOP PAYMENT		\$ 24.00	\$ -
WIRE INCOMING-DOMESTIC/INTERNATIONAL		\$ 15.00	\$ -
WIRE OUTGOING-DOMESTIC/INTERNATIONAL		\$ 35.00	\$ -
		\$ -	\$ -

\*(For misc. fees just put total cost in per unit cost section)

TOTAL ACTIVITY CHARGES \$ 265.47

ANALYSIS SUMMARY

AVERAGE POSITIVE BALANCE:	\$4,033,585.92
LESSS AVERAGE FLOAT	
NET INVESTABLE BALANCE	\$4,033,585.92
LESS REQUIRED RESERVES: 10%	(\$403,358.59)
NET INVESTABLE BALANCE	\$3,630,227.33
*SCCB EARNINGS CREDIT ON INVESTABLE	0.50% \$1,541.60
LESS ACTIVITY CHARGE	(\$265.47)
<b>Directly Debited Charge</b>	<b>\$0.00</b>

\*\*THIS ANALYSIS IS AN ESTIMATION BASED ON INFORMATION PROVIDED BY THE CUSTOMER. ACTUAL EARNINGS AND COSTS COULD DIFFER BASED ON FLOAT AND ADDITIONAL CHARGES. ARMORED COURIER PRICING SUBJECT TO CHANGE  
 \*\*\*THE BANK WILL TAKE INTO CONSIDERATION ALL FUNDS ON DEPOSITS, INCLUDING THOSE WITHIN OUR FDIC SWEEP/INTRAFLI LAIF MATCHING PRODUCTS

# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024

**From:** Community Development Department

**Subject:** Citywide Housing Element Re-Adoption

**Recommended Action:** Adopt a resolution approving the Planning Commission recommendation to 1) adopt the Addendum to the General Plan Update Environmental Impact Report; and 2) amend the 2023-2031 Housing Element of the General Plan, as conditionally approved by the California Department of Housing and Community Development; and direct staff to submit the amended Housing Element to the State of California for certification.

**Background:** In accordance with applicable State law, local jurisdictions are required to adopt plans and programs that provide opportunities for, and do not unduly constrain, housing development. The Housing Element, which is one of seven State-mandated components of the City's General Plan, is a mechanism by which the State requires local jurisdictions to provide a variety of housing development options and meet regional housing needs. The Housing Element should also address the economic, environmental, fiscal factors, and community goals stated in the City's General Plan documents.

State law requires the City to update its Housing Element every eight years. The City's current Housing Element was adopted by the Capitola City Council in 2015 and certified by the State of California in 2016 and was in effect through December 2023. State law requires the City update the Housing Element for the 2023-2031 planning period (also known as the 6th Cycle).

On November 9, 2023, the City Council adopted the 6<sup>th</sup> Cycle Housing Element and an addendum to the General Plan Update Environmental Impact Report and directed staff to submit the Housing Element to the State Department of Housing and Community Development (HCD) for certification.

On January 12, 2024, the City received a letter from HCD identifying areas where additional information was needed, including the Sites Inventory (Non-Vacant Sites Analysis), Capitola Mall Site Program, and publicly-owned sites. Since receiving the letter, staff has continued to work with HCD towards a conditional letter of compliance. The City has published subsequent drafts on the City's website for seven days prior to resubmitting to HCD on April 19, June 13, July 3, July 10, and a final Subsequent Draft Housing Element on July 23, 2024. The Subsequent Draft Housing Element includes an updated sites inventory with additional analysis to support the selection of a representative sample of non-vacant sites, strengthens the Capitola Mall site program with community benefits and objective standards to encourage redevelopment of the Capitola Mall, and additional clarifications and information. On July 26, 2024, HCD provided the City with a conditional approval letter indicating that the Subsequent Draft Housing Element is in substantial compliance with State Housing Element Law.

The Subsequent Draft Housing Element received one public comment, and City staff prepared and posted a response to that comment.

The City also prepared an Errata to the EIR Addendum to reflect the Subsequent Draft Housing Element.

On August 8, 2024, the Planning Commission held a public hearing and considered the Housing Element amendments and EIR Addendum and HCD's conditional approval, and adopted a resolution recommending that the City Council adopt the Addendum and amendments to the Housing Element.

**Discussion:** The purpose of this agenda item is to receive public comment and adopt the amendments to the 2023-2031 Housing Element as contained in the Subsequent Draft Housing Element and conditionally approved by HCD, as well as the addendum to the General Plan Update EIR.

The Subsequent Draft Housing Element, published on July 10, 2024, is available in hard copy at Capitola City Hall and the Capitola Library. The Housing Element is also available on the City's website Housing Element Update page at the following link:

<https://www.cityofcapitola.org/communitydevelopment/page/2023-2031-housing-element-update>

Since receiving the January 12, 2024, comment letter, City staff and the City's consultant have worked closely with HCD and stakeholders on revisions and informal resubmittals in an effort to receive a conditional letter of certification prior to re-adoption hearings. In total, five additional updates were published for public review and submitted to HCD. On the publicly-posted drafts, the April revisions are highlighted in yellow, the June revisions in blue, and the July revisions in green.

The January 12, 2024, HCD comment letter focused on two items: 1) additional information on non-vacant sites including in the sites inventory and demonstrated potential for realistic redevelopment through examples, and 2) additional analysis on government constraints specific to the community benefits and the costs for providing community benefits and impact on housing supply. Since the Capitola Mall site is identified as providing the majority of the affordable units in the next cycle, HCD asked the City to "commit to establishing heights that encourage redevelopment".

On February 1, 2024, the Planning Commission held a work session and discussed HCD's input regarding Chapter 17.88: Incentives for Community Benefits relative to the Capitola Mall. The Commission expressed unanimous support for the request to increase the height limit to 75 feet and the addition of an exception for parking garages from the floor area ratio to encourage redevelopment. The Planning Commission also supported adding design mitigations that include stepping the massing of the building from the street frontage, wrapping parking garages into the site architecture, and limiting the increased 75-foot height limit to the Capitola Mall site.

On February 8, 2024, City Council received an update on the Housing Element and echoed the Planning Commission's recommendations related to height, floor area calculations, and additional design mitigation. During the City Council meeting, a representative from Merlone Geier Properties (MGP), the developer for the Capitola Mall site, provided additional comments regarding the Housing Element sites inventory's stated number of affordable units on the Capitola Mall site. Following public comment, the City Council directed staff to work with MGP on the number of affordable units while preparing an updated draft of the Housing Element for HCD review.

Since the original adoption in November 2023, the following additional updates to the 6<sup>th</sup> Cycle Housing Element have been added:

1. Analysis of realistic capacity analysis on previously redeveloped sites. (Pages 4-6 through 4-9)
2. Analysis of current conditions of sites identified for future lot consolidations. (Pages 4-26 through 4-27)
3. Analysis and examples specific to areas and transportation corridors where redevelopment sites are identified. (Pages 4-35 through 4-40)
4. Example buildout of a site. (Pages 4-41 through 4-42)
5. Analysis of realistic capacity of the Capitola Mall site. (Pages 4-44 through 4-48)
6. Analysis on the sites inventory capacity and future housing opportunities. (Pages 4-48 through 4-50)
7. Update to Program 1.6 Development Regulations related to mall height. (Page 5-9)
8. Update to Program 1.7 Shopping/Commercial Redevelopment related to mall height and monitoring financial feasibility. (Pages 5-10 through 5-11)
9. Added information related to Program 1.10 Housing on Publicly and Quasi-Publicly Owned Land not being included in the 6<sup>th</sup> Cycle Inventory. (Page 5-14)
10. Edits to Program 3.1 Emergency Shelters and Low Barrier Navigation Centers to comply with state law. (Page 5-24)

On July 26, 2024, HCD provided the City a conditional approval letter indicating the Subsequent Draft Housing Element is in substantial compliance with State Housing Element Law.

On August 8, 2024, the Planning Commission held a public hearing and considered the Addendum to the Environmental Impact Report (EIR), as well as revisions to the Housing Element and HCD's conditional approval, and adopted a resolution recommending the City Council adopt the Addendum and amendments to the Housing Element consistent with the Subsequent Draft Housing Element and HCD's conditional approval.

The following table identifies the next steps for the Housing Element update.

<b>Next Steps</b>	<b>Date</b>
City Council Adoption	August 22, 2024
Submit Housing Element to HCD for Certification	August 23, 2024
HCD Certification	60 days review (October)

CEQA: An Addendum to the General Plan Update Environmental Impact Report for the 2023-2031 Housing Element is included as Attachment 3. The proposed amendments to the Housing Element are also covered by the Addendum and its associated Errata (Attachment 4), and none of the circumstances requiring a supplemental EIR or subsequent EIR exist (CEQA Guidelines Section 15162). The General Plan Update EIR is available at <https://www.cityofcapitola.org/communitydevelopment/page/capitola-general-plan>.

Fiscal Impact: The General Plan update includes numerous commitments to affordable housing projects. Staff intends to utilize special revenue funds related to housing and apply for grants to fund future project commitments.

Public Notice: Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of a notice in the local newspaper.

Attachments:

1. Resolution
2. HCD Conditional Letter January 12, 2024
3. Addendum to General Plan EIR
4. Errata to the Addendum to General Plan EIR
5. Subsequent Draft Housing Element available at the following link:  
<https://www.cityofcapitola.org/communitydevelopment/page/2023-2031-housing-element-update>.
6. Planning Commission resolution recommending adoption of amendments to the 2023-2031 Housing Element

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney; Leila Moshref-Danesh, Deputy City Attorney

Approved By: Jamie Goldstein, City Manager



**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ADOPTING AN ADDENDUM TO THE GENERAL PLAN UPDATE ENVIRONMENTAL IMPACT REPORT AND ADOPTING AMENDMENTS TO THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN, AS CONDITIONALLY APPROVED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, the California legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives.” (Gov. Code Section 65589.5.); and

WHEREAS, the legislature has further found that “[a]mong the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.” (Gov. Code Section 65589.5.); and

WHEREAS, the legislature adopted the Housing Crisis Act of 2019 (SB 330) which states that “California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”; and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Capitola’s (City’s) regional housing need allocation (RHNA) of 1336 housing units, comprised of 430 very-low income units, 282 low-income units, 169 moderate-income units, and 455 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City has prepared the Capitola 2023-2031 Housing Element (the Housing Element); and

WHEREAS, as provided in Government Code Section 65350 et. seq., the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Section 65352.3, the City contacted California Native American tribes on the contact list provided by the Native American Heritage Commission and informed them of the opportunity for consultation under SB 18; and

WHEREAS, no California Native American tribe requested consultation; and

WHEREAS, as provided in Government Code Section 65352, the City referred the Housing Element to appropriate agencies;

WHEREAS, the City has prepared the Housing Element in accordance with State Housing Element Law; and

WHEREAS, State law requires that the City take meaningful steps to promote and affirmatively further fair housing (Gov. Code Section 65583(c)(5)); and

WHEREAS, the Housing Element must be adopted to comply with State law, accommodate the RHNA, affirmatively further fair housing, and facilitate and encourage a variety of housing types for all income levels, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted an extensive community outreach program including an conducting an online housing needs survey from November 022 through March 2023, conducting stakeholder interviews in November 2022, engaging the development community and housing advocates, facilitating community workshops on February 16, 2023 and May 16, 2023, and holding study sessions with the Planning Commission and City Council on February 2, 2023, February 9, 2023, and March 16, 2023; and

WHEREAS, staff published a draft Housing Element on May 10, 2023, for a 30-day public review and comment period. During the public review and comment period, the draft was presented during a virtual community meeting on May 16, 2023, a Planning Commission meeting on June 1, 2023, and a City Council meeting on June 8, 2023; and

WHEREAS, staff received comments and made extensive revisions to the draft in response to public input; and

WHEREAS, in accordance with Government Code Section 65585(b), on July 5, 2023, the City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on July 26, 2023, the City met with HCD to review the draft Housing Element prior to HCD's issuance of its findings letter; and

WHEREAS, on August 29, 2023, the City posted the second draft of the Housing Element on its website, with redlined modifications for public review.

WHEREAS, on September 6, 2023 the City met with HCD to review the draft Housing Element prior to HCD's issuance of its findings letter; and

WHEREAS, on September 19, 2023, the City posted the third draft of the Housing Element on its website, with all additional modifications highlighted in yellow for public review; and

WHEREAS, on October 3, 2023, the City received a letter from HCD providing its findings regarding the draft Housing Element. The findings stated that while the draft Housing Element addressed many statutory requirements, revisions would be necessary to comply with State Housing Element Law (Article 10.6 of the Government Code); and

WHEREAS, on October 5, 2023, the City provided a briefing to the Planning Commission on HCD’s findings, and on October 12, 2023 the City provided a briefing to the City Council on HCD’s findings, including opportunities for public comment; and

WHEREAS, the City systematically analyzed HCD’s findings and identified areas needing responses or revisions and implemented said revisions; and

WHEREAS, on October 19, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider a Resolution regarding the Addendum and the proposed Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD’s findings, the City’s response to HCD’s findings, the staff report and all attachments, and oral and written public comments.

WHEREAS, on October 19, 2023, the Planning Commission forwarded a unanimous positive recommendation to the City Council to adopt the updated draft housing element; and

WHEREAS, the City Council at a regularly scheduled meeting on November 9, 2023, held a public hearing and adopted the Housing Element and Addendum to the General Plan Final Environmental Impact Report and directed staff to submit the Housing Element to HCD for certification; and

WHEREAS, on January 12, 2024, the City received a comment letter from HCD acknowledging that the adopted Housing Element addressed many statutory requirements, but requesting additional revisions; and

WHEREAS, on February 1, 2024, the Planning Commission held a work session and discussed HCD’s requests;

WHEREAS, on February 8, 2024, the City Council conducted a public hearing and received an update on the Housing Element and authorized staff to submit a Housing Element incorporating HCD’s requested revisions for review.

WHEREAS, following receipt of the January 12, 2024 letter, the City worked with HCD toward a conditional letter of compliance. Subsequent drafts of the Housing Element to address compliance issues were published on the City’s website for seven days prior to each resubmittal to HCD on April 19, June 13, July 3, July 10, and July 23, 2024; and

WHEREAS, on July 26, 2024, HCD provided a letter as shown in Attachment A, notifying the City the July 23, 2024, updated draft Housing Element is in substantial compliance with State Housing Element Law (“Conditional Approval”); and

WHEREAS, the City notified all interested parties of the availability of the updated draft and appendices, as shown in attachments B and C, the opportunity to provide comments, and the dates of upcoming public hearings; and

WHEREAS, on June 26, 2014 the City Council certified a Final Environmental Impact Report (SCH 2013072002) (FEIR) for the General Plan Update, adopting the Mitigation Monitoring and Reporting Program and Statement of Overriding Considerations; and

WHEREAS, an EIR Addendum (Addendum) to the FEIR has been prepared as shown in Attachment D, in accordance with Section 15162 of the California Environmental Quality Act (CEQA) Guidelines, which demonstrates that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the changes that are part of the Housing Element update would not result in any significant impacts not considered under the original EIR; and

WHEREAS, an Errata to the Addendum was prepared, as shown in Attachment E, to reflect the proposed amendments to the 2023-2031 Housing Element as the proposed amendments are also covered by the Addendum and none of the circumstances requiring a supplemental EIR or subsequent EIR exist (CEQA Guidelines Section 15162); and

WHEREAS, on August 8, 2024, the Planning Commission conducted a duly and properly noticed public hearing and consider the Addendum and the proposed amendments to the Housing Element, including all pertinent maps, documents and exhibits as well as HCD's conditional approval, the staff report and all attachments, and oral and written public comments, and adopted Resolution 2024-01 recommending the City Council adopt the Addendum and proposed Housing Element amendments consistent with HCD's conditional approval; and

WHEREAS, the City provided notice of the August 22, 2024 City Council meeting as required by law; and

WHEREAS, on August 22, 2024, the City Council conducted a duly and properly noticed public hearing to take public testimony and consider the Planning Commission's recommendation regarding the Addendum and proposed Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD findings, the staff report and all attachments, and oral and written public comments.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. The City Council has reviewed and considered the Addendum to the General Plan Update Environmental Impact Report for the amended Housing Element, and finds that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the amendments to the Housing Element would not result in any significant impacts not

considered under the original EIR. No supplemental or subsequent EIR is required because none of the circumstances requiring a supplemental or subsequent EIR exist (CEQA Guidelines Section 15162):

(a) No substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The amendments to the 2023-2031 Housing Element do not create any additional environmental impacts.

(b) No substantial changes have occurred with respect to the circumstances under which the project is undertaken. No substantial evidence has been submitted showing any change in the circumstances applicable to the project.

(c) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, has been submitted to the City.

3. The findings made by the Planning Commission in Resolution No. 2024-01 are hereby incorporated herein by reference.

4. The City has considered the requests for additional information from the Department of Housing and Community Development and information has been included in the amendments to the 2023-2031 Housing Element that respond to these requests.

5. Based on substantial evidence in the record, the amended Housing Element is consistent with state and local law, including the City of Capitola General Plan and municipal code.

6. Based on substantial evidence in the record, the non-vacant sites identified in the amended Housing Element site inventory to accommodate the RHNA do not constitute an impediment to planned residential development on the site during the planning period.

Section 65583.2(g)(2) of the Government Code requires that any jurisdiction relying on non-vacant sites to meet more than 50 percent of the RHNA for lower-income households must make findings that the existing use on the non-vacant site is not an impediment to residential development during the planning period. The findings must be made on substantial evidence that the existing use is likely to be discontinued during the planning period. The City has provided such substantial evidence in the Housing Element that the existing uses have already been or will be discontinued during the planning period. This is based on the physical characteristics, existing uses, redevelopment potential (including improvement to land value ratio, floor area ratio, and known developer interest), location and context, local knowledge, and environmental and infrastructure constraints.

The sites inventory analysis demonstrates that all of the selected sites represent the best opportunities to add significant numbers of units to the City's housing stock and possess the highest potential for becoming available for residential development over the 8-year planning period. Several non-vacant parcels selected to accommodate lower-income units where a property owner or developer has stated recent interest to the City in developing residential uses include:

- Six parcels along 41st Avenue



- 3720 Capitola Road
- 1404 38th Avenue
- 4148 and 4160 Clares Avenue
- 1098 38th Avenue
- 1840 41st Avenue
- 4243 Capitola Road
- Two sites at 4401 Capitola Road
- 4450 Capitola Road
- 1430 41st Avenue

The sites inventory analysis has also identified at least eight non-vacant parcels, selected to accommodate lower-income units, that already contain discontinued uses (which have a greater likelihood of being redeveloped with residential units):

- 1430 41st Avenue
- 1210 41st Avenue
- 3825 Clares Street
- 1098 38th Avenue
- Four sites at 911 Capitola Avenue

The sites inventory analysis has also identified approximately 23 non-vacant parcels selected to accommodate lower-income units which have the potential for lot consolidation based on adjacency with like properties. Further, sites with newer business or known long-term leases were not included, as they have a lower probability of redeveloping within the next housing cycle. The age of construction, potential for lot consolidation, vacancy rate, under-developed/under-utilized nature of the site, and owner interest where applicable indicate that reuse of these sites with housing or mixed use mixed-use development during the planning period is likely.

7. As required by Government Code Section 65585(e), the Planning Commission has considered the findings made by HCD in HCD’s letters to the City dated October 3, 2023, and January 12, 2024, as required by Government Code Section 65585(f). Consistent with Government Code §65585(f)(1), the City has modified the 2023-2031 Housing Element in response to HCD’s findings to substantially comply with the requirements of Article 10.6 of the Government Code as interpreted by HCD, as indicated by HCD’s July 26, 2024 Conditional Approval.

8. The amended Housing Element substantially complies with Housing Element Law, as provided in Government Code 65580 et seq. and contains all provisions required by State Housing Element Law.

9. The City Council of the City of Capitola hereby adopts the Addendum to the General Plan Update Final Environmental Impact Report as prepared in compliance with the California Environmental Quality Act, as shown in Attachment D to this Resolution, incorporated herein, and directs the City Clerk to file or cause to be filed a Notice of Determination in compliance with State law.

10. The City Council of the City of Capitola hereby adopts amendments to the 2023-2031 Housing Element, in substantially the same form attached hereto as Exhibit “B”, is adopted.

11. This Resolution shall become effective upon adoption by the City Council.

12. The Community Development Director or designee is hereby authorized and directed to submit the amended Housing Element and all supporting documentation to HCD, with a request for certification, and is further directed and authorized to make any non-substantive changes to the Housing Element that may be required by the State to achieve certification or that may be necessary to ensure internal consistency with other planning documents.

13. The Community Development Director or designee is hereby authorized and directed to distribute and make available copies of the Housing Element in the manner provided in Government Code Sections 65357 (requiring that copies be provided to specific public entities and persons submitting comments, as well as made available to the general public) and 65589.7 (requiring that copies be submitted to water and sewer service providers).

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola, California, at its regular meeting held on the 22<sup>nd</sup> day of August, 2024 by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**ABSENT:**

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Kristen Brown, Mayor

ATTEST:

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Julia Gautho, City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400  
Sacramento, CA 95811  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



July 26, 2024

Katie Herlihy, Director  
Community Development Department  
City of Capitola  
420 Capitola Ave.  
Capitola, CA 95010

Dear Katie Herlihy:

**RE: City of Capitola's 6<sup>th</sup> Cycle (2023-2031) Revised Draft Housing Element**

Thank you for submitting the City of Capitola's (City) revised draft housing element received for review on July 24, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Santa Cruz YIMBY pursuant to Government Code section 65585, subdivision (c).

The revised draft element meets the statutory requirements that were described in HCD's June 25, 2024 review. The housing element will substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) when it is adopted, submitted to, and approved by HCD, in accordance with Government Code section 65585.

As a reminder, the City's 6th cycle housing element was due December 15, 2023. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to expeditiously adopt and submit to HCD to regain housing element compliance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

In addition, for your information, if the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, requirements are triggered to make findings based on substantial evidence (as part of adoption) that the existing use is not an impediment and will likely discontinue in the planning period. Please see HCD's prior reviews for additional information.

For your information, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future adopted versions of the element must also submit the electronic version of the sites inventory.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work and dedication you, staff, and consultants provided in preparation of the City's housing element and looks forward to working with the City toward a compliant housing element. If you have any questions or need additional technical assistance, please contact Clare Blackwell, of our staff, at [Clare.Blackwell@hcd.ca.gov](mailto:Clare.Blackwell@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

# City of Capitola

## Housing Element of the General Plan 2023-2031

### Re-Adopted Date

APRIL 2024 REVISIONS

JUNE 2024 REVISIONS

JULY 2024 REVISIONS





## **Acknowledgements**

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Kristen Brown, Vice Mayor  
Yvette Brooks, Council Member  
Joe Clarke, Council Member  
Alexander Pedersen, Council Member

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# Housing Element of the General Plan City of Capitola

## Executive Summary

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With a population of 9,938<sup>1</sup> persons residing in 5,292<sup>1</sup> dwelling units, the City of Capitola is nearly built out. Capitola's existing housing is uniquely balanced to meet the diverse needs of its residents. Throughout its history, Capitola has served as a vacation destination with a mixture of summer cottages and fairly high-valued single-family homes with ocean views.

Capitola's housing stock comprises approximately 57% multifamily units. Of occupied housing units, approximately 52% are renter-occupied. Capitola has a fairly high population density of 6,211 persons per square mile and a housing unit density of 3,428 units per square mile.<sup>2</sup> Multiple-family dwellings and mobile home parks are interspersed within and adjacent to single-family neighborhoods. Many of the community's major commercial areas are zoned to encourage mixed uses and a more pedestrian-friendly environment.

The City of Capitola has been, and continues to be, a proponent of affordable housing. It has actively assisted with the construction of new affordable units and the maintenance and improvement of its existing affordable housing stock. From 2014 to 2020, the City completed a comprehensive zoning code update and city-wide rezoning to permit residential and mixed-use development in the commercial and mixed-use zones with no density limits and removed previous barriers to housing. The update included 66 public meetings from August 2014 through July 2019 and an

---

1 United States Census Bureau, 2020 5-Year Estimates Table.

2 Based on a geographic land area of 1.6 square miles (United States Census Bureau) of the entire City.



additional 9 hearings in 2019 and 2020 for certification by the California Coastal Commission. Subsequently, the City also amended the accessory dwelling ordinance and inclusionary housing ordinance and added an SB9 ordinance and objective standards for multifamily development ordinance.

In this 2023-2031 Housing Element Update, the City of Capitola outlines its plan to identify new opportunities for expanding affordable housing opportunities. This Housing Element identifies housing programs that:

- Identify adequate sites, with appropriate zoning and development standards to exceed the 1,336 units required under RHNA;
- Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low, and moderate-income households;
- Address and remove governmental constraints, including housing for persons with disabilities;
- Conserve and improve the condition of the existing affordable housing stock;
- Preserve assisted housing developments at-risk of conversion to market-rate; and
- Promote equal housing opportunities for all persons.

This Housing Element represents the City's strong commitment to expanding housing choices for all in the community. Major initiatives and actions include:

- **Adequate Sites:** In anticipation of this Housing Element update, the City completed a comprehensive rezoning program to allow mixed use development in most commercial zoning districts in the City. This action has significantly expanded the City's ability to provide additional and diverse housing opportunities in the community.
- **Development Regulations:** The City has adopted Objective Design Standards to facilitate multifamily housing development and is committed to reviewing its overall development standards, including parking requirements to ensure a range of housing types and sizes can be accommodated in the community.
- **Accessory Dwelling Units (ADUs):** The City is committed to promoting ADUs as an alternative affordable housing options. The City has already developed pre-designed plans available to property owners free of charge. In upcoming years, the City will pursue available resources to enhance the affordability of ADUs.

- **Removal of Development Constraints:** The City will review and revise development standards, including parking requirements, to facilitate the development of a range of housing types and sizes that can meet the diverse needs of the community.
- **Mobile Home Park Assistance:** The City adopted an urgency rent stabilization ordinance for mobile home parks in May 2023 and a regular ordinance in June 2023. This ordinance will stabilize mobile home park rent increases to 5 percent plus CPI, or up to 10 percent of base rent, whichever is less.
- **Housing for Special Needs:** The City will amend the Zoning Code to address the provision of a variety of housing options for persons with special needs.

The City looks forward to the successful implementation of this Housing Element. Annually, the City will conduct an evaluation of its progress. This evaluation will be presented to the Planning Commission and City Council to determine if additional efforts or change in policy direction are warranted.



## Chapter 1: Introduction

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### A. Community Overview

The City of Capitola is a small (1.6 square miles of land area) seaside community located along Monterey Bay in Santa Cruz County (refer to Figure 1-1: Vicinity Map). Soquel Creek generally bisects the community in a northwest-southeasterly direction, with residences and community- and regional-serving commercial uses to the west of the creek, and a mixture of residences and small shops and businesses along the east side of the creek.

Capitola was originally founded in 1869 as California's first seaside resort. Incorporated as a city in 1949, the village area remains California's oldest coastal resort and includes one of the region's most active beaches. Most of the growth in Capitola occurred in the 1970s as the community annexed surrounding land and residential growth accelerated.

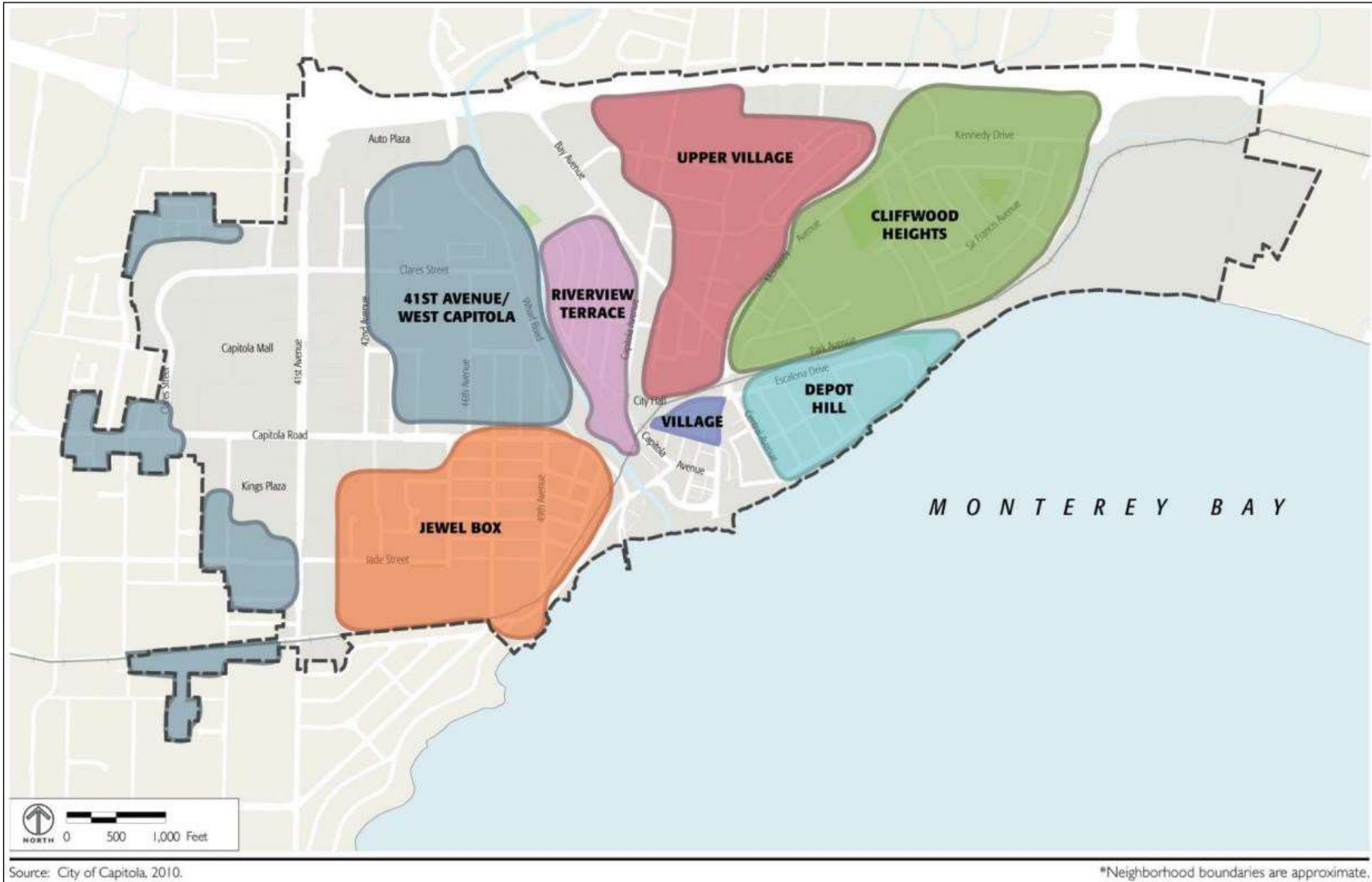
Capitola, with a population of 9,938<sup>3</sup> persons residing in 5,292<sup>3</sup> dwelling units, is nearly built-out. Its housing stock contains a varied and balanced mix of housing types, including single-family houses, multifamily structures, and mobile

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<sup>3</sup> United States Census Bureau, 2020 5-Year Estimates Table.



Figure 1-2: Capitola Neighborhoods





## B. Purpose of the Element

The provision of adequate housing for families and individuals of all economic levels is an important public goal and has been a main focus for state and local governments. The issue has grown in complexity due to rising land and construction costs, as well as increasing competition for physical and financial resources in the public and the private sectors.

In response to this concern, the California Legislature amended the Government Code in 1980. The amendment instituted the requirement that each local community is to include a specific analysis of its housing needs and a realistic set of programs designed to meet those needs. This analysis is to be set forth in a Housing Element and incorporated into the General Plan of each municipality.

The requirements of the law are prefaced by several statements of state policy set forth in §65580 of the Government Code:

“... The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian ... is a priority of the highest order.”

“... Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.”

“... The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.”

## C. Legislative Requirements

State law requires each municipality to accomplish the following tasks:

- To identify and analyze the current and projected housing needs of all economic segments of the community, including persons with disabilities.
- To evaluate and remove, as legally feasible and appropriate, the current and potential constraints to meeting those needs, including identifying the constraints that are due to the marketplace and those imposed by the government.
- To identify adequate sites to facilitate and encourage housing for households of all economic levels, including persons with disabilities.
- To establish a series of goals, objectives, policies and programs aimed at responding to the identified housing needs, the market and governmental constraints, and the housing opportunities.

This Housing Element addresses the planning period from 2023 through 2031. It has been prepared in accordance with applicable state law, and consistent with the City of Capitola General Plan and the community's vision of its housing needs and objectives. For more information regarding compliance with state law, see Chapter 5 of this document.

## D. Scope and Content

The Housing Element consists of five major components:

- An analysis of the City's demographic, housing, and special needs characteristics and trends.
- Review of potential market, governmental, and environmental constraints that impact the City's ability to address its housing needs.
- Analysis of land, financial, and organizational resources available to address the community's housing goals.
- Evaluation of the City's accomplishments toward meeting the goals and objectives of the prior 2015-2023 Housing Element.

- A statement of the Housing Plan for the years 2023-2031 to address the City’s identified housing needs, including the housing goals, policies, and programs.

## E. Relationship to Other General Plan Elements

The Government Code requires internal consistency among the various elements of a General Plan. Section 65300.5 of the Government Code states that, “the General Plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies.” The Capitola General Plan 2014 contains the following five elements: 1) Land Use; 2) Open Space and Conservation; 3) Mobility; 4) Safety and Noise; and 5) Economic Development. The Capitola General Plan is internally consistent. Policy direction introduced in one element is reflected in the other elements.

The Capitola General Plan, updated in 2014 with some revisions in 2019, supports a balanced land use pattern that maintains and enhances Capitola’s distinctive identity and unique sense of place. The Housing Element is most directly related to the Land Use Element. Relative to housing, the General Plan identifies constraints and opportunities to providing new affordable housing. The Land Use Element is guided by the principle of sustainable development and supports a pattern of development that protects natural resources, supports economic development, and promotes access to opportunity for all residents. Consistent with its Local Coastal Program policies, the Land Use Element protects and promotes its seashore resources, providing recreational facilities to the community and visitors. It also promotes commercial and mixed-use districts. The City’s residential and mixed use densities allow for an adequate diversity and supply of housing to satisfy the requirements of the Regional Housing Needs Assessment (RHNA) presented in this Housing Element. This Housing Element builds upon the other General Plan elements. It is entirely consistent with the policies and proposals set forth by the Plan.

Pursuant to Government Code §65400, the City will annually review its progress in implementing this Housing Element and ensuring consistency between this Housing Element and the City’s other General Plan Elements.

## F. Public Participation

The update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers pursuant to Government Code §65583. The City has conducted community outreach using several in-person and virtual engagement tools. Public participation efforts have included stakeholder interviews, an online housing questionnaire, a dedicated webpage on the City's website, two Planning Commission Study Sessions, two City Council Study Sessions, a Joint Planning Commission and City Council Study Session focusing on the sites inventory, and two community workshops. All project materials and notices are posted and advertised on the City's website and social media platforms, and printed copies were made available at public facilities including the Capitola City Hall to ensure broad access and exposure throughout the City. Additional materials about the public outreach process are located in Appendix B of this Housing Element.

### 1. Community Outreach Summary

The outreach efforts mentioned above generated a variety of comments and input from the public. Community input and feedback to help to guide preparation of the 2023-2031 Housing Element are summarized below.

#### Stakeholder Interviews

On November 2, November 3, and November 15, 2022, the City conducted stakeholder interviews through a series of seven virtual video calls. City staff reached out to a variety of stakeholders with known involvement in housing issues or development, commitment to serving special needs populations, or affiliation within organizations that provide a variety of services in the community and/or the immediate Santa Cruz County region. Approximately 19 stakeholders were interviewed, with a range of for-profit and nonprofit developers, local realtors, local school district officials, and business leaders. The interviews generally focused on key issues and ideas of the various groups and representatives for the Housing Element Update. A strong consensus among the stakeholders interviewed emerged regarding the major challenges, ideas, and needs for the community. Following is a list of key/recurring themes heard during the stakeholder interviews:

1. Streamline entitlement and permitting processes to encourage housing developments
  - Streamline entitlement process to minimize risk and entice developers and property owners to build housing
  - Streamline permitting process for ADUs to reduce cost and encourage property owners to build ADUs
2. Encourage partnerships with service organizations and nonprofit organizations to provide housing and/or housing-related services/programs.
  - Consider housing development on available, vacant, or underutilized school district or church/religious institution properties
  - Consider further partnership with nonprofit affordable housing advocates
3. Look for mixed-use commercial/housing opportunities at Capitola Mall site and along 41<sup>st</sup> Avenue.
  - Revisit the ratio of residential to nonresidential uses for mixed-use product types for greater feasibility

## Housing Questionnaire

On November 14, 2022, the City launched an online questionnaire on the Housing Element webpage. A printed poster of the questionnaire availability was also provided at public facilities including City Hall, the library, and the senior center. The questionnaire was made available online until March 21, 2023, with a total of 92 responses. Participants were asked to provide feedback on current housing conditions, concerns, and/or preferences for the Housing Element team to consider. Other questions included demographics, such as age and connection to the City of Capitola, to better understand the profile of participants responding. See Appendix A for Housing Questionnaire Summary and Results.

## 2. Planning Commission and City Council Study Sessions

On February 2 and February 9, 2023, and June 1 and 8, 2023, virtual study sessions focusing on the Housing Element Update were held with the Capitola Planning Commission and the City Council. Staff and the consulting team made brief presentations to the Planning Commission and City Council that provided an overview of the Housing Element Update process, as well as the City's approach to the Regional Housing Needs Assessment (RHNA). The study sessions were properly noticed, agendized, and advertised on the City's website and social media platforms. Comments from the City



Council centered around the sites inventory analysis, ranging from ideas on specific site locations for housing to broader level ideas to streamline and meet the RHNA housing allocation for the City.

### 3. Community Workshops

On February 16, 2023, the City hosted a community workshop to solicit public input on the 2023-2031 Housing Element. The workshop was advertised on the City's website and social media platforms, as well as flyers posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview of the Housing Element Update process. A virtual poll was conducted during the presentation to gather feedback from participants to gauge perceived housing needs and preferred locations for potential future housing. The Community Workshop presentation can be furnished by City staff per request. Approximately 50 participants attended the workshop and were able to share their ideas and concepts to address the City's housing needs and trends by participating in a large group discussion at the conclusion of the presentation.

On May 16, 2023, City staff and consultants hosted the second of two community meetings regarding the 2024-2031 Housing Element. The workshop was advertised on the City's website and social media platforms, as well as materials posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview and update of the housing element update process. The Community Meeting presentation can be furnished by City staff on request. Participants were able to share their ideas to address the City's housing needs and trends by participating in a group discussion at the conclusion of the presentation.

### 4. Joint Study Session with Planning Commission and City Council

On March 16, 2023, a joint study session was conducted with the Capitola Planning Commission and the City Council, focusing on the sites inventory, analysis, and site selection. Staff and the consulting team made a brief presentation to the Planning Commission and the City Council that provided an overview of the sites inventory, analysis, and site selection for potential allocation for the Housing Element. A number of public comments were made during the joint study session, primarily on the issues relating to an existing mobile home park. The joint study session was properly noticed, agendized, and advertised on the City's webpage and social media platforms.

## 5. Public Review Draft

On May 10, 2023, the Public Review Draft was published online on City website, and printed copies were made available at City facilities, including City Hall and the Capitola Library, for 30 days. Local and regional stakeholders and organizations identified in Appendix B were notified of the availability of the Draft Housing Element for public review.

During the development of the Draft Housing Element and during the 30-day public review of the Draft Element, the City also conducted a community meeting and two public meetings, one before the Planning Commission and one before the City Council, to receive public input. The City also received written comments from residents and other interested parties, including:

- Housing Choices – Developmental Disabilities Housing Needs Analysis for City of Capitola
- Santa Cruz County Regional Transportation Commission
- Communities Organized for Regional Power in Action
- Santa Cruz YIMBY
- Carpenters Union
- Merlone Geier Partners
- Housing Authority of the County of Santa Cruz

Key Comments	Housing Element Responses
Facilitate the development of housing for persons with developmental disabilities.	Program 3.1 Emergency Shelters and Low Barrier Navigation Center, Program 3.2 Transitional and Supportive Housing, Program 3.4 Housing for Persons with Disabilities, and Program 3.5 Housing for Extremely Low Income Households aim at facilitating housing opportunities for persons with special needs, including those with developmental disabilities.
Reduce parking standards and incentivize the development of high-density housing.	Program 1.6 Development Regulations includes actions to review and revise the development standards, including parking and height, to facilitate multifamily housing development.
Support the City’s priority of planning for sites along transit corridors and pursuing the strategy of infill building and higher density.	The sites inventory focuses on high density sites along transportation corridors.

Key Comments	Housing Element Responses
<p>Support a range of strategies to expand affordable housing opportunities, including acquisition of existing properties for conversion into deed restricted units, Community/Tenant Opportunity to Purchase Act (C/TOPA), housing for persons with disabilities, and providing housing assistance.</p>	<p>Program 2.3 Preservation of Rental Housing includes actions to pursue funding for the acquisition/ rehabilitation of rental housing.</p> <p>Program 2.5 Affordable Housing Development includes actions to pursue affordable housing opportunities. However, the City does not currently have the financial capacity to implement C/TOPA programs.</p> <p>Program 2.7 Housing Trust Fund and Program 2.8 Inclusionary Housing Ordinance to potentially reinstate the rental housing component of inclusionary housing.</p> <p>Program 4.1 Security Deposit and Program 4.2 Rental Housing Assistance include specific commitments of the City to provide assistance to renters.</p>
<p>Consider rezoning/upzoning additional properties.</p>	<p>From 2014 to 2020, the City completed a comprehensive zoning code update and rezoning to permit residential and mixed-use development in the City’s commercially zoned properties with no density limits and removed existing barriers to housing. The update included 66 public meetings from August 2014 through July 2019 and an addition 9 hearings in 2019 and 2020 for Certification by Coastal Commission.</p>
<p>Expand opportunities through ADUs, SB 9, and SB 10 and develop an overlay for congregational and educational sites to allow multifamily housing development at higher density.</p>	<p>Program 1.3 Accessory Dwelling Units includes actions to promote ADU development.</p> <p>The sites inventory includes some church sites. Recent changes in state law (AB 2295) allows affordable housing for staff and faculty members to be constructed on properties owned by a local educational agency.</p>
<p>Identify the Housing Authority as an important partner for affordable housing development and to update the Affordable Housing Overlay.</p>	<p>The Resources section includes the Housing Authority as a partner and the Housing Plan has been revised to include an action to update the Affordable Housing Overlay.</p>
<p>Specific site constraints in the redevelopment of Capitola Mall, including height limit, FAR, and ground floor commercial, as well as existing leases on a portion of the site.</p>	<p>The 2019 mall redevelopment conceptual application included 637 units. The City has removed the Kohl’s site from the inventory (site 7), and the adjusted number of units on the mall site is consistent with the conceptual application.</p>

Key Comments	Housing Element Responses
<p>Increase height and FAR to enable density that Capitola needs in the C-C and C-R districts, including the mall project and other mixed-use development.</p>	<p>The Capitola Mall is included in CMC Chapter 17.88 Incentives for Community Benefits. Within the incentive chapter, the mall can receive an increase FAR of 2.0 and height of 50 feet.</p> <p>Also, the mall could build residential next to commercial on the same development site. Within the regional commercial zone, the land use table allows multifamily residential as long as it is part of a mixed-use project integrated with commercial structures located on the same development site. The first story does not have to be commercial.</p> <p>The City of Capitola included funding in the 23/24 budget to fund a study to identify actions the City could take to assist in mall redevelopment. The City has committed to creating a mall redevelopment committee and completing the study. Capitola anticipates forming the committee and initiating the study by September of 2023.</p>
<p>Local hires preference for housing construction.</p>	<p>Policy 2.5 Affordable Housing Development</p> <p>Encourage developers and contractors to evaluate hiring local labor, hiring from or contributing to apprenticeship programs, increasing resources for labor compliance, and providing living wages.</p>

6. HCD Review Draft (July 2023)

In August 2023, the City received additional written comments from Merlone Geier Partners and Santa Cruz Yimby. A shared concern was the sites inventory and reliance on the Capitola mall for the majority of lower-income units. The proposed sites inventory for this Element has been revised to include additional lower-income site capacity at other locations. Updates to the sites inventory has also resulted in a 138-unit buffer of lower-income units.

In addition to changes in the sites inventory, this Housing Element includes several programs to promote affordable housing development throughout the City:

- The expansion of the City’s Incentives Community Benefit Ordinance, which will expand the incentivized zone for increased FAR and Height to facilitate mixed use development in commercial areas.
- Continued support of Accessory Dwelling Unit (ADUs): a program has been included to continue the City’s support of ADU development, which can help integrate affordable housing into existing neighborhoods throughout Capitola. It is assumed, based on recent trends, that 50 ADUs will be constructed over the next eight years and 20 percent (ten units) will be affordable.
- A program for establishing SB9 Technical Assistance from Planning, Building, and Public Works staff available on request by the end of 2023. An SB guidance document will be created by 2024.
- A program to comply with State law about Religious Facility sites
- A Shopping Center Redevelopment program that, among other things, calls for: Facilitating a mixed income community through a range of housing choices (unit sizes, types, and prices) on site; and a strong sense of place and cohesive urban design both within the site and in relation to the surrounding neighborhoods.
- A program to update the Inclusionary Housing Ordinance feasibility study by October 2026 to ensure that the fees are sufficient to support the development of affordable housing. This ordinance was established to not only develop affordable housing, but to ensure that affordable units are better integrated into the community.

## 7. Planning Commission Public Hearing

A Planning Commission public hearing was held on October 5, 2023. This hearing was a review of the proposed changes being made to address HCD comments. The Planning Commission provided the following input to staff in preparation of the adoption hearings:

- Have the studies for the Shopping Center and Community Benefits programs determine what steps should be implemented instead of prescribing them now prior to the studies being conducted;
- Create a strategy to engage with the State about future residential development on State-owned properties in the City.



- Support for staff’s recommended changes to the Zoning Code (Housing Mobility) programs including looking at maximum densities in the RM-L and RM-M zones and allowing duplexes on corner lots in the R-1 zones with objective standards.

8. Correspondence Received Prior to City Council Adoption Hearing (November 2023)

A letter was received by the City from Perkins Coie LLP on November 8, 2023. Perkins Coie represents Merlone Geier Partners (MGP), the owner of the majority of the Capitola Mall site, and more specifically Assessor’s Parcel Numbers 034-261-15, -37, -38, 39 and -40. A total of 679 units in the Housing Element site inventory are located on these parcels.

Below are the key points from the MGP letter along with the City’s responses located in this Housing Element:

Merlone Geier Partners Key Comments	Housing Element Responses
Suggest that the City add minimum densities.	In the C-R zone, the City’s Zoning Code does not have any minimum or maximum densities. This was done to allow flexibility are remove potential barriers to redevelopment or housing.
The City based assumptions on the 2019 plan of 20 units per acre at 7 stories	The City included multiple examples of projects with densities at or above 29 units per acre all under 40 feet in height. See pages 4-15 through 4-20 of the housing element.
In 2024, the City is completing a land use study to identify strategies to initiate mall redevelopment and notes that the City is committed in 2027 to develop alternative strategies to the 6 <sup>th</sup> Cycle RHNA requirement if it becomes apparent that redevelopment of the Mall site is not achievable.	Program 1.7 on Page 5-10 commits the City in 2024 to completing the land use study and developing land use policies to facilitate shopping center redevelopment. It also commits the City, by December of 2025, to update the Zoning Code and adopt development standards to facilitate shopping center redevelopment. This essential second step is not noted in MG comment letter. If the 2025 zoning updates do not initiate redevelopment, then the City will develop alternative strategies. The City is committed to updating the zoning code following the completion of the study.
Request the city increase the maximum FAR from 1.5:1 to 2:1 and remove discretion.	In Program 1.6, the City is committed to updating City Code Section 17.88 to make standards objective. Program 1.6 has been updated to clarify that Mall Redevelopment projects have an FAR of 2.0.

**9. HCD Review Draft (April 2024)**

Correspondence was received by HCD from Santa Cruz YIMBY. Below are the key points from the letter along with the City’s responses located in this Housing Element:

Key Comments	Housing Element Responses
Capitola's buffer for low income is now only 2% as the number of low-income homes in the Mall project has significantly dropped.	The City recognize the low buffer; however, actions have been included in the programs to monitor status and address any shortfall.
Capitola relies on nonvacant sites for most of their RHNA and >50% of Lower income RHNA. The analysis on realistic development potential and existing uses impeding development is incomplete. It covers only a fraction of sites. Further, modified development constraints apply only to the Mall, so it is lessening the potential that other parcels needed for Lower income RHNA will be developed.	Realistic capacity was analyzed, which resulted in the buffer being reduced due to the removed/reallocated income distribution for a few sites.  Market economics have changed and based on comments from MGP, higher densities today are preferred and feasible.
Capitola has not addressed HCD's comment about evaluating the impact of their Incentives for Community Benefit on housing supply and cost.	Analysis was conducted for the community benefits, including height, FAR and additional incentives for lot coverage, etc.

**10. HCD Informal Revisions (June/July 2024)**

Informal revisions were made to the Housing Element and published for a seven-day public review on July 3, 2024. During that public review period, correspondence was received from the Santa Cruz YIMBY. The organization stated that the updates are responsive to Santa Cruz YIMBY’s most recent comments on the draft Housing Element, including adding additional information to address the reliance on non-vacant sites, showing development potential along the key corridors, and the additions to Programs 1-1 and 1-10 help address concerns about the low income units buffer.

During a second public review period from July 16-July 23, 2024, a comment letter was received via email from a Capitola resident. Below is a summary of the key comments and how the Housing Element responded, when applicable.

Key Comments	Housing Element Responses
<p>Can we get more ADU Design options, anything to reduce Soquel Water cost?</p>	<p>The City website has five pre-approved ADU plans, an ADU toolkit and links to the State's ADU Grant Program. The Housing Element addresses the State's Regional Housing Needs Assessment (RHNA) and does not include specific housing designs, including ADUs. However, as part of Program 1.3 in this Element, the City has committed to facilitate the development of 50 ADUs over 8 years and update the toolkit and preapproved plans to reflect building code changes and state law.</p>
<p>There is talk to remove On-Street parking for a bike lanes, that will severely hurt and deter ADUs and more housing.</p>	<p>Plans for removing on-street parking for bike lanes is not in the scope of the Housing Element. However, with the recent updates to the City's Zoning Ordinance, ADUs that require one parking space may be provided as tandem parking or within the minimum setback areas. Outside of the Coastal Zone and Cliffwood Heights, no additional parking is required for an internal ADU, a junior ADU or ADUs that are located within one-half mile walking distance of public transit.</p>
<p>The City needs to "Plan", looks like a Plan is there. We are already too dense. And most do not want the characteristics of our City changed.</p>	<p>The Housing Element addresses the City's housing needs and identifies adequate sites to facilitate and encourage housing to meet the unit allocation assigned to the City through the Regional Housing Needs Assessment process.</p> <p>The Housing Element shows projects already built in the City at various densities (21 to 41 units per acre) and how they have visually integrated into their surroundings (please refer to pages 4-9 to 4-21).</p> <p>A majority of the sites selected as part of the Element's site inventory are located in commercial areas along corridors to promote walkability and the use of other alternative transportation. Many of these sites are parking</p>

	<p>areas or underutilized commercial sites. No sites are located in the Coastal Zone.</p>
<p>How will this Roundabout by Nob Hill, Bay and Hill street affect traffic and housing?</p>	<p>This is not within the scope of the Housing Element. There currently is not a plan for a roundabout by Bay and Hill. The City is doing a quick build project to decrease the amount of lanes at the four way stop to improve safety at the intersection.</p>
<p>A lot of the numbers in the Survey in the Appendix were only about 100 respondents or less. How do we get more awareness and participation? That is only about 1% of our population. The City needs to do better about informing the citizens. How can information be simplified and metrics to track and help engagement?</p>	<p>The City has a dedicated webpage for the Housing Element update. This page includes information about the draft Element, workshops and public hearings. Notices for public hearings are published in the newspaper and online. The list of stakeholders for the Housing Element Update include local housing developers, community groups and interested parties. We also utilize the city's social media and newsletter to update the public.</p>
<p>Why do we have a construction firm from San Diego? Building The Bluffs at 44th ave? We need affordable jobs, and keep the money in the community!</p>	<p>Selection of a construction company for a privately-owned project is not within the scope of the Housing Element. The Housing Element addresses the City's housing needs and identifies adequate sites to facilitate and encourage housing to meet the unit allocation assigned to the City through the Regional Housing Needs Assessment process.</p>
<p>How can we quantify housing for Residents 1st in Capitola, for our children going off to College, or for elderly parents needing to move closer to us, for our disabled children/siblings that need some type of assisted care, while having independence</p>	<p>The Needs Assessment chapter of the Housing Element includes data about Capitola residents, including seniors, single parent households, young adults, families, and persons with disabilities among others (Please refer to Chapter 2, beginning on pg. 2-21). This section also includes available resources, such as housing, community programs, and other support services. The sites inventory in the Element includes planning for</p>

	<p>housing that is available to lower income and moderate income residents in addition to market rate units. Programs in the Element call for a variety of housing types (ADUs, duplexes, apartments, mixed use, residential care facilities) to support all of Capitola's residents.</p>
<p>How is the city going to priorities housing for Capitola First?</p>	<p>The Housing Element includes policies and programs to address the State requirements for Affirmatively Furthering Fair Housing. These policies and programs are not specific to local residents; however, may still provide opportunities for them to remain in Capitola by addressing affordability and housing type options.</p>

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### G. Sources of Information

A number of data sources were used to create the Capitola Housing Element. These resources include:

- County of Santa Cruz Assessor's Office Parcel Information Data
- City of Capitola General Plan
- City of Capitola Community Development and Building Department building permit records
- Association of Monterey Bay Area Governments (AMBAG) Final Regional Housing Needs Allocation Plan 2023-2031, adopted October 2022
- 2010 and 2020 U.S. Census Reports
- 2006-2010 and 2016-2020 American Community Survey, 5-Year Estimates
- California Department of Housing and Community Development, State Income for 2022
- US Department of Finance, E-5 City/County Population and Housing Estimates, 1/1/22
- United States Census Bureau, 5-Year Estimates, 2020



- 2022 Santa Cruz County Homeless Census and Survey
- Comprehensive Housing Affordability Strategy (CHAS) data for 2015-2019 (<https://www.huduser.gov/portal/datasets/cp.html>).
- Various other informational sources were also referenced where appropriate. References to these informational sources are cited where they appear within the text.



## Chapter 2: Housing Needs Assessment

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A successful strategy for improving housing conditions must be preceded by an assessment of the housing needs of the community and the region. This section of the Housing Element reviews the major components of Capitola’s housing need, including trends in population, households, and the types of housing available. These changes reflect local and regional conditions. Consequently, the regional context is also presented.

The analysis that follows is broken down into four major subsections:

- Section A, Population Characteristics, analyzes the City of Capitola in terms of individual persons and population trends that may affect future housing needs.
- Section B, Household Characteristics, analyzes Capitola in terms of households, or living groups, to see how past and expected household changes will affect housing needs.
- Section C, Housing Stock, analyzes the housing units in Capitola in terms of availability, affordability, and condition.

- Section D, Assisted Housing Developments At-Risk of Conversion, analyzes housing units that have expiring use restrictions. Such projects may be at risk of losing rent restrictions within the next few years, which could result in significant rent increases for their tenants.
- Section E, Regional Housing Needs Assessment (RHNA) looks at the housing units by income category that Capitola must plan for during the 2023-2031 Housing Element planning period.

This assessment of Capitola's housing needs was used as the basis for identifying appropriate policies and programs in this Element.

The most recent demographic data available was from the 2020 U.S. Census report and the 2016-2020 American Community Survey, 5-Year Estimates. Where more recent data was available and appropriate, it was included. Some of these sources provide data on the same topic, but because of different methodologies, the resulting data differ. For example, the decennial census and the ACS report slightly different estimates for the total population, number of households, number of housing units, and household size. This is in part because ACS provides estimates based on a small survey of the population taken over the course of the whole year. Because of the survey size and seasonal population shifts, some information provided by the ACS is less reliable. For this reason, the reader should keep in mind the potential for data errors when drawing conclusions based on the ACS data used in this chapter. The information is included because it provides an indication of possible trends.

## A. Population Characteristics

Capitola's population characteristics are important factors affecting the types and extent of housing needs in the City. Population growth, age, race/ethnicity and employment characteristics are discussed in this section.

## 1. Population Change

According to the State of California, Department of Finance, the City of Capitola had a slight increase in population from 2010 to 2020. During this time Santa Cruz County grew by approximately 3.2%. The fastest growing city within the county, in terms of percentage growth, was Scotts Valley at 5.6%. Table 2-1 indicates population growth trends for Capitola and surrounding communities.

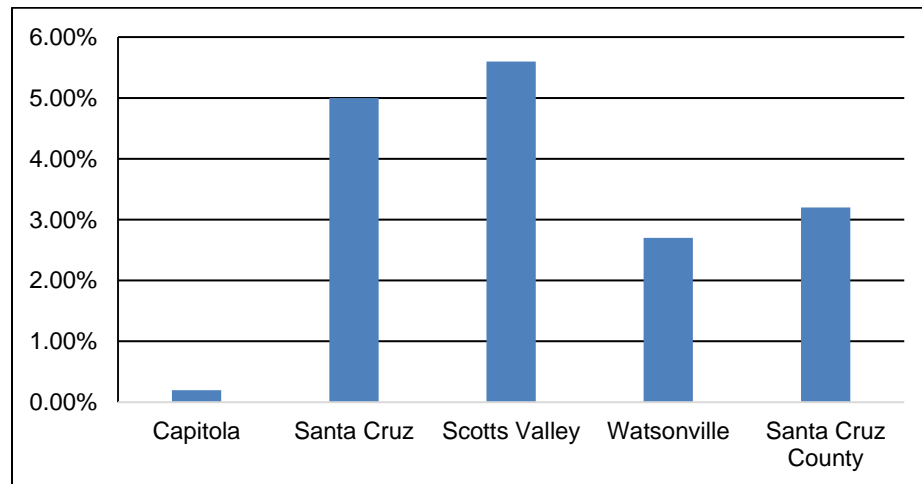
**Table 2-1: Total Population of Santa Cruz County Jurisdictions in 2010 and 2020**

Jurisdiction	2010	2020	Percentage Change 2010-2020
Capitola	9,918	9,938	+0.2%
Santa Cruz	59,946	62,956	+5.0%
Scotts Valley	11,580	12,224	+5.6%
Watsonville	51,199	52,590	+2.7%
Santa Cruz County	262,382	270,861	+3.2%

Source: 2020 U.S. Census

Figure 2–1 shows the population change between 2010 and 2020 in graphic form, using the [U.S. Census estimates California Department of Finance E-5 Estimates](#) shown in Table 2-1.

**Figure 2–1: Percent Population Change, 2010-2020**



Source: 2020 U.S. Census

Although it has the smallest population of all the jurisdictions in Santa Cruz County, the City of Capitola is among the most densely populated (see Table 2-2). Housing in Capitola is characterized by a large number of housing units per square mile and a small household size. Some of this density occurs in the historic areas such as Capitola Village where small beach bungalows that characterized “Camp Capitola” evolved into permanent single-family housing. The large percentage of multi-residential developments and mobile home parks has also contributed to the community’s higher than average density.

**Table 2-2: Housing and Population Densities by Jurisdiction**

Jurisdiction	Population per Square Miles <sup>1</sup>	Housing Units per Square Mile <sup>2</sup>	Persons per Household <sup>3</sup>
City of Capitola	6,235	3,328	2.12
City of Santa Cruz	4,942	1,925	2.41
City of Scotts Valley	2,647	1,136	2.48
City of Watsonville	7,841	2,218	3.63
City of Los Angeles	8,304	2,987	2.77
City of San Francisco	18,629	7,720	2.36

<sup>1</sup>Total population based on 2020 U.S. Census Estimate divided by the total area in miles of city limits

<sup>2</sup>Total housing units based on 2020 U.S. Census Estimate divided by the total area in miles of city limits

<sup>3</sup>Source: 2016-2020 American Community Survey 5-Year Estimates

## 2. Age Characteristics

The age characteristics of a population are important factors in evaluating housing needs and planning future housing development. For example, if a city is experiencing an outmigration of young adults (ages 25–34), there may be a shortage of first-time homebuyer opportunities and/or well-paying employment opportunities. If a city has a substantial elderly population, special housing types or services may be needed, such as assisted living facilities, housing rehabilitation programs, paratransit, meals on wheels, and home health care services, to enable seniors to remain in the community. Table 2-3 shows the number of Capitola and Santa Cruz County residents in each age group.

Between 2010 and 2020, the median age of Capitolans increased from 42.9 to 45.3 years (see Table 2-3 below). While most age groups declined between 2010 and 2020, the number of city residents aged 5 to 9 doubled and residents age



65 to 74 increased by almost 200% (from 490 residents to 1,427). The median age in Capitola is higher than the County’s (45.3 years versus 38.2 years). Median age for the City, as well as the County, is expected to continue to increase as the Baby Boom generation ages.<sup>5</sup>

**Table 2-3: Population by Age Group, City of Capitola and Santa Cruz County**

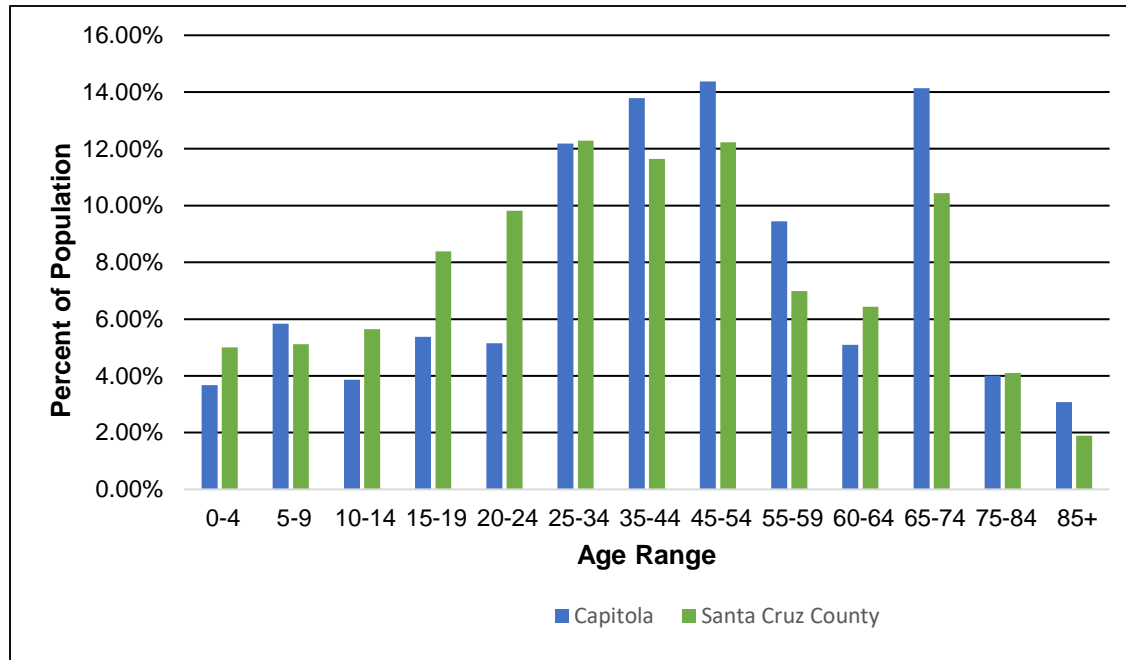
Age Range	City of Capitola				% Growth 2010-2020	Santa Cruz County	
	2010		2020			2020	
	# of Persons	% of Population	# of Persons	% of Population		# of Persons	% of Population
Under 5 years	627	6.4%	371	3.7%	-40.9%	13,661	5.0%
5 – 9	294	3.0%	589	5.8%	100.3%	13,991	5.1%
10 - 14	470	4.8%	389	3.7%	-17.3%	15,432	5.7%
15 - 19	353	3.6%	542	5.4%	53.6%	22,915	8.4%
20 - 24	764	7.8%	520	5.2%	-32.0%	26,816	9.8%
25 - 34	1,392	14.2%	1,229	12.2%	-11.7%	33,559	12.3%
35 - 44	1,186	12.1%	1,391	13.8%	17.3%	31,791	11.6%
45 - 54	1,588	16.2%	1,450	14.4%	-8.7%	33,422	12.2%
55 - 59	951	9.7%	952	9.4%	0.1%	19,084	7.0%
60 - 64	706	7.2%	514	5.1%	-27.2%	17,586	6.4%
65 - 74	490	5.0%	1,427	14.1%	191.2%	28,532	10.4%
75 - 84	568	5.8%	405	4.0%	-28.2%	11,208	4.1%
85 and over	412	4.2%	311	3.1%	-24.4%	5,173	1.9%
<b>Total</b>	<b>9,801</b>	<b>100%</b>	<b>10,090</b>	<b>100%</b>	<b>2.9%</b>	<b>273,170</b>	<b>100%</b>
<b>Median Age</b>	<b>42.9</b>		<b>45.3</b>		<b>-</b>	<b>38.2</b>	

Source: 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates

5 The Baby Boom is a defined as the generation of people born between 1946 and 1964, during the post World War II period, when there was a marked increase in the national birth rate.

As seen in Figure 2-2 Capitola has a smaller proportional population of children than the County: 13.2% of Capitolans were aged 14 or younger, while 15.8% of County residents were children in this age group. In contrast, 50.1% of Capitola’s residents were aged 45 or older, while that group comprised 42.0% of the County’s population.

**Figure 2–2: Percent of Total Population by Age Group, Capitola and Santa Cruz County**



Source: 2016-2020 American Community Survey 5-Year Estimates

These age distributions reflect the local housing stock of Capitola, which has a high percentage of apartments, small homes, and senior housing developments (including senior mobile home parks), and a smaller percentage of family-sized (3 or more bedrooms) units, single-family homes, and owner-occupied units than the county as a whole.

### 3. Race and Ethnicity

A community’s racial and ethnic composition may have implications for housing needs to the extent that different groups have different household characteristics and cultural backgrounds that may affect housing needs and preferences. Table 2-4 shows the racial and ethnic makeup of Capitola in 2010 and 2020. While the percentage of White residents decreased in the last decade, they still make up the majority of Capitola residents (69%). Hispanic or Latino residents increased from 16% to 23% of residents between 2010 and 2020, while Asian residents increased from 3% to 4% and residents identifying as two or more races increased from 2% to 3%. All other racial and ethnic groups comprise less than 1% of Capitola’s population. The population of the City of Capitola in 2020 had slightly less diversity than Santa Cruz County as a whole (Table 2-4).

**Table 2-4: Population by Race and Hispanic or Latino Origin, 2010-2020**

Race	City of Capitola					Santa Cruz County	
	2010		2020		% Change 2010-2020	2020	
	# of Persons	% of Population	# of Persons	% of Population		# of Persons	% of Population
One Race	9,589	97.8%	9,771	96.8%	1.9%	264,286	96.7%
Two or More Races	212	2.2%	319	3.2%	50.5%	8,884	3.34%
White	7,410	75.6%	6,962	69.0%	-6.0%	155,409	56.9%
Black or African American	109	1.1%	21	0.2%	-80.7%	2,610	1.0%
American Indian or Alaska Native	20	0.2%	51	0.5%	155.0%	305	0.1%
Asian	299	3.1%	422	4.26%	41.1%	12,944	4.7%
Native Hawaiian or other Pacific Islander	88	0.9%	0	0.0%	-100.0%	295	0.1%
Some Other Race	41	0.4%	0	0.0%	-100.0%	847	0.3%
<b>Total</b>	<b>9,801</b>	<b>100%</b>	<b>10,090</b>	<b>100%</b>	<b>2.9%</b>	<b>273,170</b>	<b>%</b>
<b>Hispanic or Latino Origin</b>							
Hispanic or Latino (of any race)	1,622	16.5%	2,315	22.9%	42.7%	91,876	33.6%
Not Hispanic or Latino	8,179	83.5%	7,775	77.1%	-4.9%	181,294	66.4%
<b>Total</b>	<b>9,801</b>	<b>100%</b>	<b>10,090</b>	<b>100%</b>	<b>2.9%</b>	<b>273,170</b>	<b>100%</b>

Source: 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates

This comparatively low degree of racial and ethnic diversity may have resulted in part from the high cost of housing in the area as compared to the state, combined with a local employment base made up of relatively low-wage jobs in the service, retail, and tourism sectors. This combination of low-paying jobs and high-cost housing makes it difficult for lower- and moderate-income households to find housing they can afford within Capitola. This can have a disproportionate effect on those racial/ethnic groups that have lower median incomes compared to the overall population, just as it affects other types of lower income households, such as younger workers, single parents, and recent immigrants. For this reason, sufficient affordable housing of all types is needed to ensure fair access to housing in this region for all racial and ethnic groups and to prevent further housing segregation, consistent with fair housing goals and laws. The provision of housing that is affordable to the Capitola workforce would also reduce the need for these workers to commute from out of the area.

#### 4. Employment

Capitola has approximately 1,589 businesses operating within its boundaries. Most of these businesses are retail and service establishments. The majority of the commercial and industrial land in the City is already developed. The primary commercial areas are located on either side of 41<sup>st</sup> Avenue in the western portion of town and along Bay Avenue just south of Highway 1. The industrial zoned land in Capitola is east of Capitola Avenue and south of Highway 1.

According to the 2016-2020 American Community Survey, there were approximately 5,699 residents in the labor force in Capitola. According to Table 2-5 below, the highest percentage of Capitola residents worked educational services, health care, and social assistance (29.7%) followed by workers in retail trade (13.8%), manufacturing (11.9%), and arts, entertainment, recreation, accommodation and food services (11.8%). It is important to note that the aforementioned industries and associated jobs are not necessarily located within the City of Capitola.

**Table 2-5: Employment by Industry (Residents of Capitola)**

Industry Type	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	19	0.3%
Construction	286	5.0%
Manufacturing	680	11.9%
Wholesale trade	107	1.9%
Retail trade	786	13.8%
Transportation, warehousing, and utilities	122	2.1%
Information	87	1.5%
Finance, insurance, real estate, rental and leasing	378	6.6%
Professional, scientific, management, administrative	466	8.2%
Educational services, health care and social assistance	1,691	29.7%
Arts, entertainment, recreation, accommodation and food services	671	11.8%
Other, except public administration	219	3.8%
Public administration	187	3.3%
<b>Total</b>	<b>5,699</b>	<b>100%</b>

Source: 2016-2020 American Community Survey 5-Year Estimates

According to the City’s 2022 Annual Financial Report, within the City, the largest employers are:

- Soquel Union School District (198 employees)
- Subaru, Toyota, Kia of Santa Cruz (180 employees)
- Target (170 employees)
- Culinary Enterprises (150 employees)
- Gayle’s Bakery & Rosticceria (140 employees)

Many of these offer service-oriented positions that provide lower to moderate income ranges.

The employment trend projections prepared by the Association of Monterey Bay Area Governments (AMBAG) show an overall 8% increase in employment from 2025 to 2045 (Table 2-6). The financial and professional services sector is expected to experience the greatest percent increase in employment during this period, with the addition of 229 jobs.

**Table 2-6: City of Capitola Employment Projections, 2025-2045**

Employment Sector	2025	2030	2035	2040	2045	% Change
Agriculture	8	8	8	8	8	0%
Manufacturing	526	529	534	539	544	0%
Skilled Trade	884	906	922	942	962	8.8%
Wholesale	107	107	107	107	107	0%
Retail	3,327	3,354	3,394	3,434	3,469	4.3%
Financial and Professional Services	1,913	1,967	2,023	2,083	2,142	12.0%
Education	370	379	389	399	409	10.5%
Health Care and Social Assistance	1,738	1,777	1,826	1,876	1,926	10.8%
Other Services	2,784	2,872	2,952	3,032	3,112	11.7%
Public	330	335	340	345	350	6.1%
Self-employed	389	399	407	416	425	9.3%
<b>Total</b>	<b>12,376</b>	<b>12,633</b>	<b>12,902</b>	<b>13,181</b>	<b>13,454</b>	<b>8.0%</b>

Source: AMBAG, 2022 Regional Growth Forecast: Technical Document

The unemployment rate in Capitola dropped between 2016 and 2022 (see Table 2-7 below). The trend in unemployment has seen an annual decrease since its peak of 4.1% in 2016. The unemployment rate in Capitola was on average 4.2% lower than the unemployment rate in Santa Cruz County between 2016 and 2022.

**Table 2-7: Unemployment Rate, City of Capitola and Santa Cruz County**

Jurisdiction	2016	2017	2018	2019	2020	2021	2022*	Net Change
Capitola	4.1%	2.6%	1.5%	1.1%	2.1%	1.8%	1.3%	-2.8%
Santa Cruz County	7%	5.7%	5%	5%	9.5%	6.9%	4.9%	-2.1%

Source: California Employment Development Department, Labor Force and Unemployment Data

\*Unemployment rate averaged from monthly unemployment rates through June 2022 from the California Employment Development Department’s Labor Force and Unemployment Data



Known as the first resort community on the California coast, Capitola still relies heavily on tourism and retail sales tax. The revenue from tourism increased by 25.3% between 2012 and 2018 (see Table 2-8 below) in Santa Cruz County, illustrating an opportunity for economic growth in visitor-serving businesses.

**Table 2-8: Tourism Revenue (in Millions of Dollars), Santa Cruz County**

Revenue	2012	2013	2014	2015	2016	2017	2018	2012-2018 % Change
Direct Travel Spending	\$868.1	\$869.5	\$903.6	\$928.1	\$945.7	\$1023.0	\$1088.2	25.3%
Industry Earnings	\$239.8	\$251.7	\$269.8	\$295.9	\$324.6	\$347.6	\$376.2	56.8%
Local Tax Receipts	\$28.4	\$30.0	\$32.5	\$35.5	\$39.5	\$44.5	\$47.1	65.8%
State Tax Receipts	\$40.8	\$41.8	\$43.2	\$43.2	\$42.6	\$43.8	\$49.8	22.1%
Number of Jobs Generated by Tourism	9,450	9,680	10,060	10,470	10,690	11,140	11,403	+21%

Source: Applied Survey Research, 2019 Santa Cruz County Community Assessment Project  
Dean Runyan Associates, 2010-2018 California Travel Impacts by County

## 5. Commuting

According to the 2016-2020 American Community Survey Estimates, 72.7% of Capitola’s working residents were employed outside of Capitola and 12.8% of Capitola’s work force were employed outside Santa Cruz County. The average travel time to work was 22.9 minutes.

As to the mode of transportation used, Table 2-9 shows that the majority of commuters in Capitola drove to work alone (66%). The least popular means of travel was public transportation with less than 1% of the commuters. Approximately 13% of employees worked from home. Given the changes in work trends due to the pandemic, this percentage has likely increased since 2020. These changes in work environments may also have a positive impact on local and regional traffic.

**Table 2-9: Commuting to Work**

Mode of Travel	Number of Commuters	Percent
Car, truck, or van – drove alone	3,660	66.0%
Car, truck, or van – carpooled	556	10.0%
Public transportation (excluding taxicab)	28	0.5%
Walked	300	5.4%
Other means	249	4.5%
Worked at home	750	13.5%

Source: 2015-2020 American Community Survey 5-Year Estimates

A heavy reliance on automobile use contributes to air pollution and carbon dioxide (CO<sub>2</sub>) emissions, which is a contributor to climate change. Lowering CO<sub>2</sub> emissions has been identified as a state goal through the passage of AB 32, the California Global Warming Solutions Act, and SB 375, the Sustainable Communities and Climate Protection Act. The City adopted a Climate Action Plan in 2015. This Plan includes measures to reduce vehicle miles travelled (VMT) and encourage alternative transportation modes such as ridesharing, increased bus ridership, increased bicycle ridership, local uptake of electric vehicles, and public outreach and education about alternative transportation modes (2015 Climate Action Plan, Table 6-1). The proximity of housing to jobs is directly related to the amount of CO<sub>2</sub> emitted. The closer affordable housing is located to jobs, the more likely workers will choose alternative modes of transportation over the automobile or will drive shorter distances.

The City of Capitola already has infrastructure to support alternative modes of transportation. The City is serviced by the Santa Cruz Metro buses, which act as the public transit system for the region. One of the busiest transit stops is located at the Capitola Mall, at the heart of the major commercial district in the City. In 2023, Metro was awarded \$38.6 million from the California State Transportation Agency’s Transit and Intercity Rail Capital Program (TIRCP) to support 24 zero-emission hydrogen-powered buses and associated fueling infrastructure on a regional level. This will increase service frequency while providing clean energy. In addition to encouraging public transit, Capitola offered 15.21 miles of bike paths and bike lanes in 2020 (Table 2-10).

**Table 2-10: Bikeway Miles**

Jurisdiction	2014	2015	2016	2017	2018	2019	2020
Capitola	14.58	14.58	15.08	15.21	15.21	15.21	15.21
Santa Cruz County*	220.51	221.43	223.28	223.85	225.34	226.29	227.03

Source: Santa Cruz County Regional Transportation Commission, *Annual Bikeway Miles: 2002-2020*

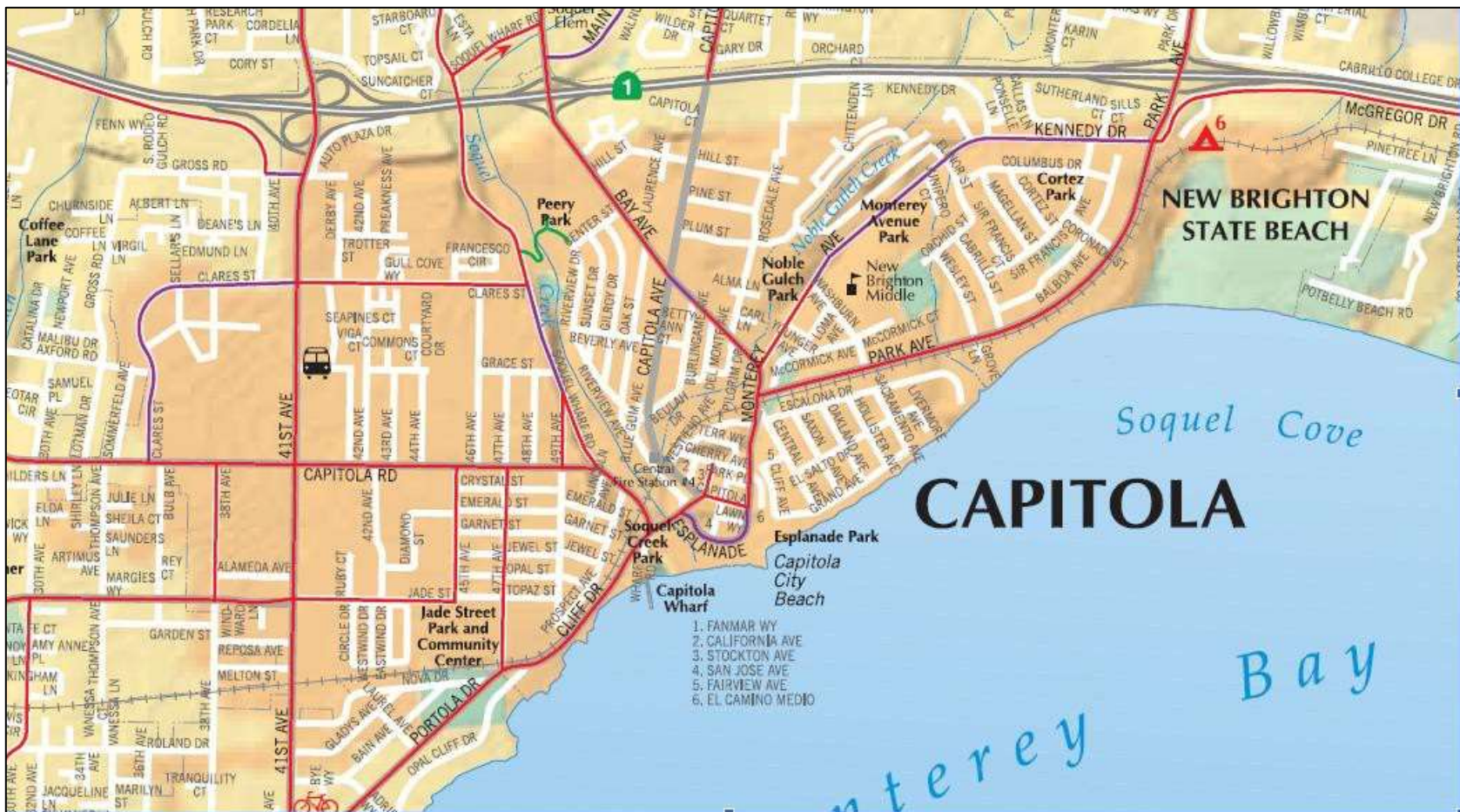
\*Santa Cruz County includes incorporated jurisdictions such as the City of Capitola.

The City’s bike lanes extend along all of the major transportation corridors, including 41<sup>st</sup> Avenue, Bay Avenue, Park Avenue and Capitola Road, and connect Capitola to the immediately surrounding areas of Aptos, Live Oak and Soquel, and beyond to the City of Santa Cruz (Figure 2-3). The City will continue to support alternative modes of transportation and their relation to housing in support of the implementation of SB 375.

The Santa Cruz County Regional Transportation Commission (RTC) adopted the Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan in November 2013. The Master Plan laid out an overview of the Coastal Rail Trail, a proposed 32-mile-long paved multi-use pathway for bicyclists and pedestrians along the RTC-owned Santa Cruz Branch Rail Line (SCBRL) (Figure 2-4). The Master Plan divided the Coastal Rail Trail into 20 segments. The cities of Capitola, Santa Cruz, and Watsonville, and the County of Santa Cruz all adopted the MBSST Master Plan in 2014.

In December 2022, the County of Santa Cruz applied for, and was awarded, \$67.6 million in competitive grant funding from the California Transportation Commission (CTC) through the State Active Transportation Program (ATP) for Coastal Rail Trail Segments 10 and 11. With matching funds from Measure D, this funding is sufficient to fully fund the Ultimate Trail configuration with construction anticipated to start in Fiscal Year 2026/27. Segments 10 and 11 will create an additional 2 miles of trail through the City from 38<sup>th</sup> Avenue to New Brighton State Beach. The Capitola Trestle currently is not funded.

Figure 2-3: Capitola Bike Paths/Bike Lanes



Source: Santa Cruz County Regional Transportation Commission, *Local Cities Bicycle Map*, 2010.  
 Note: Routes lined in red are bike lanes, purple are alternative routes, and green are Class I bike paths

Figure 2-4: Coastal Rail Trail





## B. Household Characteristics

Information on household characteristics is an important indicator of housing needs in a community. Income and affordability are best measured at the household level, as are the special housing needs of certain groups such as large families and families with children. As an example, if a community has a substantial number of young family households whose incomes combined with local housing costs preclude the option of home purchases, the city may wish to initiate a home-buyer assistance program or participate in or publicize the programs that are available elsewhere.

The United States Census Bureau defines a “household” as “all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood and unrelated individuals living together. The following are also household categories:

- Boarders are included as part of the primary household by the Census.
- Families are households related through marriage, domestic partnership, blood or adoption and includes single-parent households with children.
- A single household refers to individuals living alone.
- “Other” households reflect unrelated individuals living together (e.g., roommates).
- Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

### 1. Household Type

As shown in Table 2-11, there were a total of 4,658 households in Capitola according to the 2016-2020 ACS 5-Year Estimates. This is a decrease of 26 households from the year 2010.<sup>6</sup> Approximately 53% of total households are family households in Capitola, compared to approximately 63% of family households for Santa Cruz County. Nonfamily households made up a larger share of the total number of households in Capitola (47.4%) than in Santa Cruz County (36.8%). While the average household size in Capitola increased from 2.04 persons per household in 2010 to 2.12 in

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<sup>6</sup> Vacancy rates in Capitola in 2010 and 2020 are discussed further in this chapter.



2020, the average family household size decreased (2.80 versus 2.75). The City of Capitola has a smaller average household and family household size compared to Santa Cruz County.

**Table 2-11: Households by Type**

Household Type	City of Capitola				Santa Cruz County	
	2010		2020		2020	
	# of Households	% of Total	# of Households	% of Total	# of Households	% of Total
Family Households	2,219	47.4%	2,449	52.6%	60,870	63.2%
Married-Couple Family	1,664	35.5%	1,783	38.3%	46,297	48.1%
Male Householder, No Spouse Present	182	3.9%	209	4.5%	4,855	5.0%
Female Householder, No Spouse Present	373	8.0%	457	9.8%	9,718	10.1%
Nonfamily Households	2,465	52.6%	2,209	47.4%	35,405	36.8%
Single Person Households	1,858	39.7%	1,661	35.7%	24,163	25.1%
Other Nonfamily Households	607	13.0%	548	11.8%	11,242	11.7%
Total	4,684	100%	4,658	100%	96,275	100%
Average Household Size	2.04		2.12		2.70	
Average Family Household Size	2.80		2.75		3.22	

Source: 2006-2010, 2016-2020 American Community Survey 5-Year Estimates

As evidenced in Table 2-12, just over half (52.3%) of the households in 2016-2020 were renter-occupied, which is consistent with a high number of nonfamily households and also attests to the high cost of housing in Capitola (discussed in Section C.4, Housing Costs of this chapter). The balance of ownership housing and rental housing changed slightly from 2010 to 2020 with the percentage of ownership housing increasing from 42% to 48%, while the percentage of rental housing decreased from 58% to 52%.

**Table 2-12: Households by Tenure**

Occupied Housing Units	2010		2020	
	Number	Percent	Number	Percent
Owner	1,976	42.2%	2,222	47.7%
Renter	2,708	57.8%	2,436	52.3%
Total	4,684	100%	4,658	100%

Source: 20006-2010 and 2016-2020 American Community Survey 5-Year Estimates

These household statistics coincide with the age distribution data presented in Table 2-3 and Figure 2-2 earlier in this chapter: Capitola has a relatively low percentage of children and a high percentage of single adults and elderly, both of whom are more likely to be in nonfamily households. The City’s existing pattern of small and/or attached housing units is expected to continue through the current planning period. Many families prefer single-family homes with several bedrooms and a yard. There is very little vacant land available for single-family development in the City. New housing developments to be built in Capitola are expected to be mostly medium and higher density dwellings (either attached or detached), which can also accommodate families comfortably if they are designed with families in mind.

## 2. Overcrowding

Overcrowding is an indicator of housing affordability. Unit overcrowding is caused by the combined effect of low earnings and high housing costs in a community, and reflects the inability of households to buy or rent housing that provides sufficient living space for their needs. The U.S. Census defines overcrowded households as units with greater than 1.01 persons per room, excluding bathrooms, hallways, and porches. Units with more than 1.5 persons per room are considered severely overcrowded.

According to the 2016-2020 American Community Survey 5-Year Estimates, the incidence of overcrowding in Capitola was minimal, with approximately 3.7% or 171 of the City's households defined as overcrowded, compared with 6.8% County-wide. Estimates indicate that 147 renter households were overcrowded, which means that 86% of all overcrowded households were renters, and 6% of all renter households were overcrowded (Table 2-13). Severe overcrowding (>1.51 persons per room) did not impact any renter or owner households in Capitola.

**Table 2-13: Overcrowded Households**

Persons per Room	Owner		Renter		Total Overcrowded	
	# of Households*	% of Total	# of Households*	% of Total	# of Households*	% of Total
1.0 or less	2,198	98.9%	2,289	94.0%	4,487	96.3%
1.01 to 1.5	24	1.1%	147	6.0%	171	3.7%
1.51 or more	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>2,222</b>	<b>100%</b>	<b>2,436</b>	<b>100%</b>	<b>4,658</b>	<b>100%</b>

Source: 2016-2020 American Community Survey 5-Year Estimates

\*Based on the estimate of occupied housing units

### 3. Household Income

An important factor in housing affordability is household income. While upper income households have more discretionary income to spend on housing, extremely low-, very low-, low-, and moderate-income households are more limited in the range of housing they can afford.

#### State-Defined Income Categories

According to the Federal Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD), the area median income for a four-person household in Santa Cruz

County was \$119,300 in 2022.<sup>7</sup> California law and some federal housing programs define several income categories based on a percentage of the area median income (AMI) determined by HUD and HCD, as follows:

- Extremely Low Income – up to 30% of the area median income
- Very Low Income – between 31% and 50% of the area median income
- Low Income - between 51% and 80% of the area median income
- Moderate Income – between 81% and 120% of the area median income
- Above Moderate Income – over 120% of the area median income

These income ranges are used to determine eligibility for various subsidized housing programs. The 2022 income limits for these categories by household size are presented in Table 2-14.

**Table 2-14: Santa Cruz County 2022 Area Median Incomes and Income Limits Adjusted by Household Size**

Income Category	Maximum Income by Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low (up to 30% AMI)	\$32,700	\$37,350	\$42,000	\$46,650	\$50,400	\$54,150	\$57,850	\$61,600
Very Low Income (31-50% AMI)	\$54,450	\$62,200	\$70,000	\$77,750	\$84,000	\$90,200	\$96,450	\$102,650
Low Income (51-80% of AMI)	\$87,350	\$99,800	\$112,300	\$124,750	\$134,750	\$144,750	\$154,700	\$164,700
Median Income	\$83,500	\$95,450	\$107,350	<b>\$119,300</b>	\$128,850	\$138,400	\$147,950	\$157,500
Moderate Income (81-120% of AMI)	\$100,200	\$114,500	\$128,850	\$143,150	\$154,000	\$166,050	\$177,500	\$188,950

Source: California Department of Housing and Urban Development, FY 2022 State Income Limits, May 13, 2022

Note: Due to a Hold Harmless policy adopted by HCD, the lower income household income limits would not be decreased from the previous year even if the survey result for the new year shows a decreased median income for the county. This often would result in the lower income limits being higher than the median income.

7 California Department of Housing and Community Development, State Income Limits for 2022

According to the 2015-2019 CHAS data generated for the City, approximately 2,405 low-, very low-, and extremely low-income households were living in Capitola. This means that approximately 54% of households in the City have 80% or less of the Median Family Income for Santa Cruz County. Table 2-15 below includes the number and percentage of households by income category for Capitola.

**Table 2-15: Capitola Household Median Family Income**

Income Category*	# of Households	% of Households
Extremely Low (up to 30% of HAMFI)	860	19.4%
Very Low Income (31 to 50% of HAMFI)	625	14.0%
Low Income (51-80% of HAMFI)	915	20.5%
Moderate Income (81-100% of HAMFI)	510	11.4%
Above Moderate Income (101% and above of HAMFI)	1,550	34.7%
Total	4,460	100%

Source: HUD CHAS Data Tables, 2016-2020

\*Based on Housing Urban Development Area Median Family Income (HAMFI)

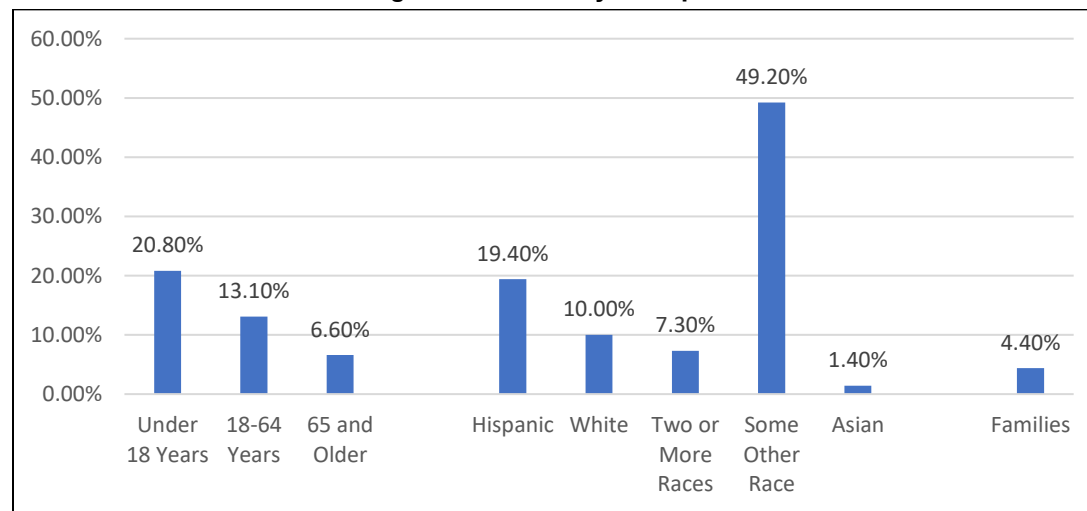
#### 4. Special Needs Groups

State law recognizes that certain households have more difficulty in finding adequate and affordable housing due to special circumstances. Special needs populations include the extremely low-income households, the elderly, large households, persons with disabilities, female-headed households, farm workers, and the homeless population. In addition, many often have lower incomes as a result of their condition.

### Residents Living Below the Poverty Level

Residents with incomes below the poverty level are at greatest risk of becoming homeless and typically require special programs to assist them in meeting their rent and mortgage obligations so as to not become homeless. The 2016-2020 ACS 5-Year Estimates identified 13% of Capitola’s residents as living below the poverty line. Figure 2-5 shows further details about poverty in the City. More than 20% of children under the age of 18 live in poverty, compared to 13% of adults age 18 to 64 and 7% of seniors. Regarding race and ethnicity, 10% of White residents, almost 20% of Hispanic residents, 1% of Asian residents, 7% of Two or More races, and 49% of Some Other Race experience poverty in Capitola.

Figure 2-5: Poverty in Capitola



Source: 2016-2020 American Community Survey 5-Year Estimates

### Resources for Residents Living Below the Poverty Level

As discussed in the Affordable Housing Development subsection below, there are currently two federally assisted multifamily rental complexes in Capitola. One is the Capitola Supportive Housing Development (formerly Dakota Apartments, at 3245 Clares Street), which has 24 units for very low-income households with one or more persons



affected by mobility impairment/traumatic brain injury. The second complex, Bay Avenue Senior Apartments (750 Bay Avenue), has 109 units and has a 55-year affordability requirement that will expire in 2065. Fifty of the units are restricted to extremely low-income senior households, 30 units have been restricted to very low-income senior households, 28 units have been restricted to low-income senior households and one 2-bedroom unit serves as the manager's unit and is not restricted.

Capitola's Emergency Housing Assistance Program is designed to prevent very low-income Capitola households from becoming homeless due to an unexpected financial event (such as job loss, sudden disability, or major medical expenses), that prevents them from making their regular monthly rent or mortgage payment. The program provides one-time emergency grants for up to four months of rent or mortgage payments. The grants are paid directly to the landlord or mortgage company to prevent the household from being evicted or foreclosed upon. In order to be eligible for this assistance, households must be at or below 50% of median income and must include children, a disabled person, or an elderly person as household members. The program is the Capitola-funded portion of The Shelter Project, administered by the Community Action Board (CAB).

Please also see the Extremely Low-Income Households subsection below for additional resources for persons living below the poverty line.

### Extremely Low-Income Households

An extremely low-income household is one that makes less than 30% of the Area Median Income (AMI). According to the 2015-2019 CHAS data generated for the City, 19.3% of households were extremely low-income (Table 2-16). The percentage of extremely low income renters was similar to owners. Over 90% of owner households and 86% of renter households in the extremely low income category experience housing problems, including cost burden (paying more than 30% of household income on housing costs).

**Table 2-16: Extremely Low Income Households by Tenure and Housing Problems**

	Owner		Renter		Total	
	Households	Percent	Households	Percent	Households	Percent
ELI Households	415	19.8%	445	18.9%	860	19.3%
With Housing Problems*	380	91.6%	385	86.5%	765	89.0%
With Cost Burden	380	91.6%	385	86.5%	765	89.0%
Total Households in Capitola	2,100		2,360		4,460	

Source: HUD CHAS Data, 2015-2019

Note: \*Housing Problems are: (1) incomplete kitchen facilities, (2) incomplete plumbing facilities, (3) more than 1 person per room, and cost burden greater than 30%.

### Resources for Residents Living Below the Poverty Level

A security deposit assistance program is available through the City, which is designed to aid eligible renters in Capitola, by offering eligible individuals and families assistance to cover a portion of their security deposit. The household income cannot exceed 80% of median income. Applicants must be determined to be eligible before moving in. This program is administered by the Housing Authority of the County of Santa Cruz on behalf of Capitola. Assistance is provided in the amount of up to one month’s rent.

As of April 2023, approximately 206 households were participating in the Housing Choice Voucher (HCV) Program, which provides rent subsidies to the voucher holder. The HCV holder typically pays up to 30% of their income on

housing. The difference between the actual rent and what the HCV holder pays is covered by the voucher. Most of these housing units are in multifamily residential developments.<sup>8</sup>

The County’s Landlord Incentives Program is designed to assist Section 8 Landlords to reimburse expenses of up to \$5,000 associated with unpaid rent, property damage, vacancy loss, and legal fees. The program is a collaboration of the All In Landlord Partnership, under the auspices of the Homeless Action Partnership (HAP).

The Santa Cruz Public Libraries is a proud partner of the Monterey Bay Aquarium Shelf to Shore Program, which provides free access to the Monterey Bay Aquarium for low-income families. The program, created for families who otherwise could not afford to go, admits up to six family members for a visit.

The 2023-2031 Housing Plan in Chapter 5 addresses the need for more alternative types of housing that will accommodate groups such as extremely low-income households. Please also refer to the Residents Living Below the Poverty Level subsection for additional resources.

Elderly

The special housing needs of the elderly are an important concern in Capitola. Many of the elderly residents in the City are retired and living on a fixed low-income, which puts them at greater risk for housing overpayment. In addition, the elderly maintain special needs related to housing construction and location. The elderly often require ramps, handrails, and lower cupboards and counters to allow for greater access and mobility. In terms of location, because of limited mobility the elderly typically need access to public facilities (i.e., medical and shopping) and public transit facilities.

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8 California Department of Housing and Community Development, AFFH Data Viewer, Accessed March 2023.

As reported in the 2016-2020 ACS 5-Year Estimates, 1,448 City residents, or 31% of the total population, were 65 years or older. Table 2-17 indicates the number of elderly households by tenure in Capitola compared to Santa Cruz County. In terms of tenure, 1,096 owner-occupied and 352 renter-occupied units were headed by occupants 65 years or older.

**Table 2-17: Elderly Householders by Tenure by Age, Capitola and Santa Cruz County**

Householder Age	Capitola			Santa Cruz County		
	Owners	Renters	Total	Owners	Renters	Total
65-74 years	766	308	1,074	13,895	3,693	17,588
75-84 years	121	44	165	5,870	1,233	7,103
85 years and over	209	0	209	2,613	962	3,575
Total Elderly Households	1,096	352	1,448	22,378	5,888	28,266
Total Households	2,222	2,436	4,658	58,094	38,181	96,275

Source: 2016-2020 American Community Survey 5-Year Estimates

The median age for the City, as well as the County and the state, is expected to continue to increase. According to a projection by AMBAG the percentage of seniors 65 and over in Santa Cruz County will nearly double between 2015 and 2045.<sup>9</sup>

Table 2-18 shows the number of elderly householders in Capitola by income, tenure, and housing problems. According to the 2015-2018 CHAS data, approximately 77% of households age 62 and over owned their home.<sup>10</sup> Of the total 1,205 elderly owner households, 797 (66%) of the households are extremely low-, very low-, and low-income. In comparison, 305 of the 360 (85%) elderly renter households are extremely low-, very low-, and low-income households. As shown, housing problems and cost burden impact a majority of lower-income elderly households. Renter elderly households are particularly impacted, with 100% of extremely low, very low and low-income households facing housing problems compared to 36% of moderate- and above-moderate income elderly households.

9 Association of Monterey Bay Area Governments, 2008, Forecast of Population, Housing and Employment to 2035.

10 The CHAS data is developed by HUD, which defines seniors as those age 62 or over.

**Table 2-18: Elderly Householders by Income and Tenure**

Income Category <sup>1</sup>	Elderly <sup>2</sup> Owner Households		Elderly Renter Householder		Total Elderly Householder	
	Number	Percent	Number	Percent	Number	Percent
Extremely Low (up to 30% of HAMFI)	215	17.9%	70	19.5%	285	18.2%
With Housing Problems*	200	93%	70	100%	270	94.7%
With Cost Burden	200	93%	70	100%	270	94.7%
Very Low Income (31-50% of HAMFI)	250	20.7%	120	33.4%	370	23.6%
With Housing Problems*	85	34%	120	100%	205	55.4%
With Cost Burden	85	34%	70	58%	155	41.8%
Low Income (51-80% of HAMFI)	330	27.4%	115	31.9%	445	28.5%
With Housing Problems*	115	34.8%	115	100%	230	51.6%
With Cost Burden	115	34.8%	115	100%	230	51.6%
Moderate and Above Moderate Income (81% and above of HAMFI)	410	34.0%	55	15.2%	465	29.7%
With Housing Problems*	80	19.5%	20	36.3%	100	21.5%
With Cost Burden	75	18.2%	20	36.3%	95	20.4%
<b>Total</b>	<b>1,205</b>	<b>100%</b>	<b>360</b>	<b>100%</b>	<b>1,565</b>	<b>100%</b>

Source: HUD CHAS Data Tables, 2015-2019

1. CHAS data is developed by HUD, which does not offer assistance to households with incomes above 80% AMI.

2. Elderly, under federal definition, refers to seniors aged 62 and over

\*Housing Problems include housing cost burden over 30%; housing cost burden over 50%; overcrowding; and inadequate housing.

**Resources for Elderly Residents**

The City has been able to meet the demand for elderly rental housing, and currently has a number of existing affordable housing projects that rent exclusively or primarily to senior citizens. These include the Bay Avenue Senior Apartments (formerly known as Silvercrest Apartments), the Loma Vista Mobile Home Park, and the Shorelife Community Church Neighborhood Manor. In addition, many seniors reside in non-senior-restricted mobile home parks within the City that have converted to cooperative ownership with income eligibility requirements.

Many elderly persons have limited income potential, as they are most often retired and have fixed incomes. While the majority of seniors are homeowners, the number of lower income senior owners and renters who are overpaying for housing remains a general concern moving into the 2023-2031 planning period. To address the housing needs of Capitola’s elderly population, the Housing Element establishes policies and programs to rehabilitate existing senior housing and encourage the development of this type of housing in the future.

The Mid-County Senior Center (MCSC) located in Capitola is a self-supporting non-profit organization dedicated to providing social, recreational, educational and healthy lifestyle activities for seniors. Activities include classes, dances, fitness and wellness among others.

The Santa Cruz County Meals-on-Wheels program provides home delivered meals as well as dining sites in Ben Lomond, and the cities of Santa Cruz and Watsonville.

### Large Households

Large households are identified by state housing law as a “group with special housing needs based on the generally limited availability of adequately sized, affordable housing units.” Large households are defined as those with five or more members. According to the 2016-2020 American Community Survey 5-Year Estimates, only 3.9% of all households in the City, or 180 households, were large households. Approximately 43.9% of these large households, or 79 households, were renters, while 56.1%, or 101 households, were homeowners (Table 2-19).

**Table 2-19: Householder Size by Tenure**

Household Size	Owner		Renter		Total	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
1-4 persons	2,121	95.5%	2,357	96.8%	4,478	96.1%
5 or more persons	101	4.5%	79	3.2%	180	3.9%
Total	2,222	100%	2,436	100%	4,658	100%

Source: 2016-2020 American Community Survey 5-Year Estimates



See Figure 2–6 for detail on household size.

Given the small number of large households in the City, and the relatively low rate of overcrowding, the need for larger housing units does not appear to be one of the most pressing special housing needs in the City at this time.

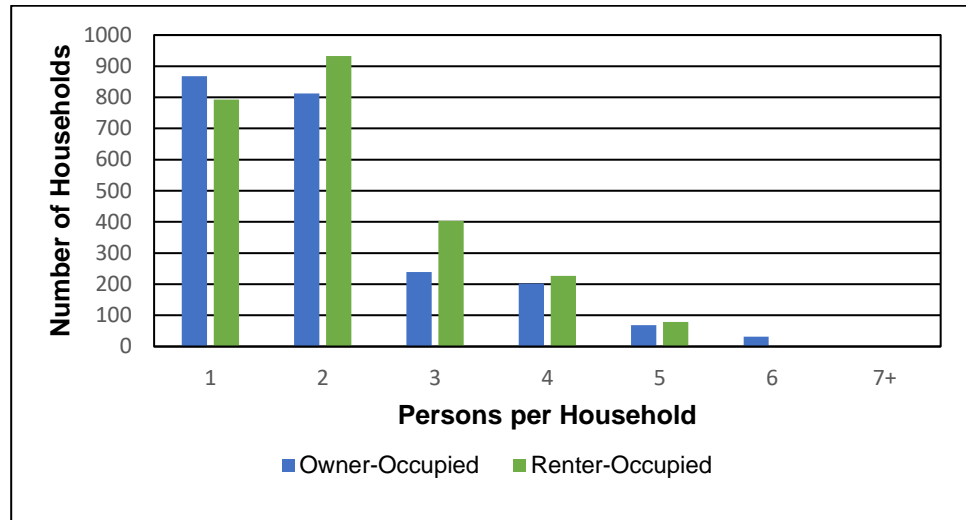
### Resources for Large Households

The HCV program and the City’s Security Deposit Assistance and Emergency Housing Assistance programs are available for large households in Capitola. Also, programs that facilitate affordable housing development and diversity of housing types in general will benefit large households.

### Persons with Disabilities

According to the Americans with Disabilities Act, a disability refers to a “physical or mental impairment that substantially limits one or more of the major life activities.” Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. State and federal laws require that a portion of all rental apartments containing five or more units are made accessible to disabled persons. The cost for retrofitting an existing structure may be thousands of dollars and be beyond the reach of those households with lower incomes. For example, special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, elevators, and other interior and exterior design features. Furthermore, many lower-income persons with disabilities are likely to require housing assistance.

Figure 2–6: Householder Size by Tenure, Capitola



Source: 2016-2020 American Community Survey 5-Year Estimates

As shown in the 2016-2020 American Community Survey Estimates, 14.2% of the civilian noninstitutionalized population have some form of disability. When looking at disabilities by age, approximately 15% of children (under the age of 18) have a disability, 10% of the population age 18 to 64 have a disability, and 29% of seniors (age 65 and older) have a disability. Table 2-20 shows the type of disability by age group in Capitola. Cognitive difficulties impact residents age 64 and younger at a higher rate than other disabilities, while ambulatory difficulties are the most pronounced for seniors (21.1%).

Housing opportunities for individuals with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward disabled renters and homeowners for unit modification to improve accessibility.

**Table 2-20: Persons with Disabilities by Age**

Disability Status	0-17 years		18-64 years		65 years and over	
	# of Persons	% of Population	# of Persons	% of Population	# of Persons	% of Population
Hearing Difficulty	72	4.5%	156	2.5%	252	12.3%
Vision Difficulty	26	1.6%	140	2.2%	133	6.5%
Cognitive Difficulty	117	9.5%	302	4.8%	186	9.1%
Ambulatory Difficulty	15	1.2%	229	3.6%	433	21.1%
Self-Care Difficulty	15	1.2%	141	2.2%	258	12.6%
Independent Living Difficulty*	–	–	241	3.8%	299	14.6%
Total Population in Capitola by Age Group	1,604	–	6,332	–	2,050	–

Source: 2016-2020 American Community Survey 5-Year Estimates

Note: Residents may have more than one disability

Percent of the total civilian noninstitutionalized population (9,986 persons)

\*Independent Living Difficulties are not tabulated for children (under age 18) by the ACS.

Housing opportunities for persons with disabilities will continue to be addressed through the provision of affordable, barrier-free housing. The City’s Zoning Code provides reasonable accommodation procedures. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local

governments to ensure equal access to housing opportunities. The Zoning Code also provides for reduced parking standards for group homes and residential care facilities (including long-term care facilities).

One of the obstacles that people with physical disabilities face when seeking accessible housing is that a large percentage of the accessible units now being developed are restricted for senior-only occupancy. As new affordable housing projects are developed, or as existing housing units are rehabilitated and converted to provide affordable and accessible housing, it will be important that these units be financed and regulated in ways that allow for occupancy by households of all age groups.

### **Resources for Persons with Disabilities**

As discussed in the Affordable Housing Development subsection below, there is one federally assisted multifamily rental complex in Capitola for persons with disabilities. The Capitola Supportive Housing Development (formerly Dakota Apartments, at 3245 Clares Street), has 24 units for very low-income households with one or more persons affected by mobility impairment/traumatic brain injury. In addition, two adult residential facilities that provide care for adults ages 18 through 59 with mental health care needs or who have physical or developmental disabilities are licensed in Capitola. These two facilities provide a total of 16 beds.<sup>11</sup>

The Santa Cruz County In-Home Supportive Services (IHSS) Program helps elderly, blind and disabled people to safely remain in their own homes when they are not able to fully care for themselves or handle routine household tasks. IHSS encourages independence and self-reliance where possible. IHSS is an alternative to out-of-home care in institutions.

### **Persons with Developmental Disabilities**

Senate Bill 812, which took effect in January 2011, requires housing elements to include an analysis of the special housing needs of the developmentally disabled in accordance with Government Code §65583(e). Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person

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<sup>11</sup> State of California Department of Social Services, [Home | California Dept. of Social Services](https://www.cdss.ca.gov/).

turns 18 years old. This can include Down Syndrome, autism, epilepsy, cerebral palsy, and mild to severely impaired intellectual and adaptive functioning.

Many persons with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 407,020 persons with developmental disabilities and their families through a statewide system of 21 regional centers, 4 developmental centers, and 2 community-based facilities. The San Andreas Regional Center is 1 of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a community-based, private nonprofit corporation that is funded by the State of California to serve people with developmental disabilities and their families. According to DDS, in December 2021, the San Andreas Regional Center provided services to 86 people living in the 95010 ZIP code (which includes Capitola).<sup>12</sup> Of this total, 15 were under the age of 18 and 71 were over the age of 18. The DDS also included the following information about the 86 regional center consumers.

- 41 persons lived in the home of a parent/family/guardian
- 31 persons lived in independent/supported living
- 14 persons lived in a community care facility

### **Resources for Persons with Developmental Disabilities**

A number of housing types are appropriate for people living with a developmental disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home

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<sup>12</sup> State of California Department of Developmental Services, Consumer County by California ZIP Code and Residential Type, End of December 2021. [www.dds.ca.gov](http://www.dds.ca.gov).

purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating “barrier-free” design in all new multifamily housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choice for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income. Currently, the City is looking into the possibility of assisting the Dakota Apartments with necessary rehabilitation and repairs. The apartment complex includes 24 affordable accessible rental apartments.

As part of the San Andreas Regional Center, the Bayside Adult Day Activity Program offers activities focused on developing work skills for developmentally disabled adults. Also refer to the Persons with Disabilities section above for additional resources.

### Single-Parent Family Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. In particular, many female-headed households with children are susceptible to having lower incomes than similar two-parent households. Single, female mothers also face social marginalization pressures that often limit their occupational choices, housing options and access to supportive services.

Table 2-21 shows the number of single-parent family households in Capitola. According to the 2016-2020 American Community Survey Estimates, there were 457 female-headed households in the City of Capitola, of which 295 had children under the age of 18. These numbers account for approximately 10% and 6%, respectively, of all households in the City. Of the 457 female-headed households, 79 live below the poverty level, which is approximately 2% of the City’s households. Capitola had 209 male-headed households in 2020, with 126 of these households having children under the age of 18, representing 4% and 3%, respectively, of the City’s total households. When looking at poverty, 73 of the male-headed household live below the poverty line, which is 2% of Capitola’s households. In the County, there are 9,718 single female-headed households, of which 4,268 have children under the age of 18. These numbers account for approximately 9% and 4%, respectively, of all households in the County. Male-headed households in the County totaled 4,855 in 2020, of which 2,555 had children under the age of 18, representing 5% and 3%, respectively, of the County’s

households. Female-headed households in the County facing poverty totaled 1,676 (2% of County households) while 642 male-headed households lived below the poverty line (less than 1% of County households). The percentage of single-parent households within the City is similar to the County as a whole.

**Table 2-21: Single-Parent Family Households**

Household Type	Number	Percent
Total Households	4,658	100%
Total Female Headed Family Households	457	9.8%
With own children under 18 years	295	6.3%
Living below the poverty level	102	2.2%%
Total Male-Headed Family Households	209	4.5%
With own children under 18 years	126	2.7%
Living below the poverty level	56	1.2%

Source: 2016-2020 American Community Survey 5-Year Estimates

In households with young children in which the single parent, or both parents in a two-parent household, work, convenient and affordable childcare is a necessity. According to the Santa Cruz County Child Care Needs Priorities for fiscal year 2020-21, Capitola is a Priority 1 for Santa Cruz County General Child Care and Development Local Planning Council Priorities.<sup>13</sup> The Childhood Advisory Council of Santa Cruz County is the Local Planning Council for the County. Table 2-22 below shows the childcare expansion priorities for Santa Cruz County, which was last published by the Childhood Advisory Council in 2018. Approximately 11% of children age 0-12 that are qualified for the Child Care and Development/California State Preschool Program are served in Capitola. Therefore, there is a definite need for additional childcare facilities to meet the needs of the City’s younger population.

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13 California Department of Education Early Learning and Care Division, Local Planning Council Priorities for Fiscal Year 2020-21. [www.cde.ca.gov](http://www.cde.ca.gov).



**Table 2-22: Child Care Expansion Priorities for Santa Cruz County 2018**

Jurisdiction	# of Children 0-12 Who Qualify for CCTR/CSPP <sup>1</sup> Full Day/Needs Based Child Care	Total Served	% of Qualified Children Served	% of Children Not Served	Priority <sup>2</sup>
Capitola	362	41	11%	89%	Priority 1
Aptos	1,189	70	6%	94%	Priority 1
Soquel	765	50	7%	93%	Priority 1

Source: Childhood Advisory Council of Santa Cruz County, *Recommended Subsidy Priority Zip Codes for 2018*.

Notes:

- 1 CCTR/CSPP – Child Care and Development/California State Preschool Program
- 2 Priority 1: 40% unserved & more than 150 children  
 Priority 2: 25% unserved & more than 75 children  
 Priority 3: 25% unserved & more than 50 children

According to the City of Capitola Municipal Code (17.03.242) a “family day care home” is a home that regularly provides care, protection, and supervision for fourteen or fewer children in the provider’s own home, for periods of less than twenty-four hours per day”.

Family day care homes can be large or small, providing care for up to 14 children in a large home, and up to 8 children in a small home if certain criteria are met. By state law, small family day care homes are principally permitted in all zones without the need for a use permit or local business license. In Capitola all large family day care homes require a Large Family Day Care Home permit from the City. There are no zoning districts that allow large family day care homes as a principally permitted use. Day care centers require a Conditional Use Permit in residential and commercial zones in Capitola.

The Housing Element provides for the needs of this group through policies that promote maintenance and construction of affordable housing, specifically in areas close to commercial districts and transportation corridors, as well as programs to improve the availability of affordable childcare. The City’s Density Bonus Ordinance also provides specific incentives to encourage the development of childcare facilities in conjunction with new affordable housing projects.

### **Resources for Single-Parent Family Households**

In addition to the Childhood Advisory Council of Santa Cruz County information above, other resources are available for single-parent family households. The New Brighton Middle School offers students a safe and fun place to get homework help, a healthy snack, participate in special activities and develop confidence in learning new skills. The program dates follow the Soquel Union Elementary School District (SUESD) calendar and hours vary depending on which school your child attends. The program starts at the end of the school day and ends at 6:00pm Monday-Thursday and 5:00pm on Fridays. Scholarships are available to participants. The City's Recreation Department offers a variety of youth sports and activities that parents can sign up for online.

### **Farmworkers**

The special housing needs of many agricultural workers stem from their lower wages and the insecure nature of their employment. Estimates of the "farmworker" population in the City are extrapolated from individuals who categorize their employment as "Agriculture, Forestry, Fishing and Hunting, and Mining" in the 2016-2020 American Community Survey Estimates. This category also includes people who work in such non-agricultural fields as boating, veterinary services, and landscape and horticultural. Based on these estimates, there are 19 persons, approximately 0.3% of the City's population, engaged in this broad category of agricultural employment.

There are no designated agricultural uses in or immediately adjacent to Capitola. Persons employed in this broad category are most likely associated with fishing or boating activities at the nearby Santa Cruz Small Craft Harbor, forestry activities in the nearby state parks, or landscape and horticultural jobs. Consequently, farmworkers are not expected to be a significant special needs group in Capitola.

### **Resources for Farmworkers**

The Center for Farmworker Families is a nonprofit located in Felton that provides education, advocacy and support to farmworker families Northern California and Mexico. Projects include free in-home tutoring for children of farmworkers, tours of farmworker housing for organizations to outline the difficulties that farmworkers have in obtaining safe, affordable and nearby housing and a supply shed with toiletries and household goods needed by members of the Oaxacan farmworker community.

SER (Service, Employment and Redevelopment) is a national network of community-based organizations (CBOs).<sup>14</sup> In Santa Cruz County, SER's National Farmworker Jobs Program (NFJP) has an office located in Watsonville. This program assists farmworkers with learning skills to either stabilize or advance in their agricultural jobs or obtain employment in new industries. The NFJP also advocates for safe and sanitary farmworker housing.

Housing programs that benefit very low income households, including extremely low income households, such as Housing Choice Vouchers (HCVs) and affordable units can benefit farmworker households.

### People and Families Who are Experiencing Homelessness

Homelessness has become an increasingly reported problem throughout the state. Factors contributing to the rise in homelessness included the general lack of housing affordable to low-, very low-, and extremely low-income persons, an increased number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of people with mental illness without adequate support services necessary for independent living.

The 2022 Santa Cruz County Homeless Point-in-Time (PIT) Count and Survey Report completed by Applied Survey Research on the morning of February 28, 2022, found that approximately 2,299 persons were experiencing homelessness in Santa Cruz County. This was an increase of 6% from the 2,167 persons included in the 2019 PIT Count and Survey (see Table 2-23). The homeless population in Capitola in 2022 was 35 unsheltered persons, which was an increase from 6 persons counted in Capitola in 2019 and represents approximately 1.5% of the total homeless population in Santa Cruz County in 2022.

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14 SER National Annual Report, 2022. [www.ser-national.org](http://www.ser-national.org).

**Table 2-23: Sheltered and Unsheltered Homeless Population in Capitola and Santa Cruz County**

Jurisdiction	2019			2022		
	Unsheltered	Sheltered	Total	Unsheltered	Sheltered	Total
City of Capitola	6	0	6	35	0	35
Santa Cruz County*	1,700	467	2,167	1,774	525	2,299

Source: Applied Survey Research, 2022 Santa Cruz County Homeless Point-in-Time Census & Survey  
 \*Count includes Capitola.

**Resources for People and Families Experiencing Homelessness**

Capitola recognizes the diversity of needs of homeless people. Therefore, the City participates in inter-jurisdictional efforts to comprehensively address the needs of people who are homeless. Capitola is a participating jurisdiction in Santa Cruz County’s newly created H4HP described above. The cities and county, along with other interested parties, are part of the H4HP to coordinate a regional system for helping people who are experiencing homelessness or at imminent risk of experiencing homelessness.

Although there are no homeless shelters or transitional housing projects currently located in Capitola, the City does provide direct financial support to a number of agencies that provide social services to people and families who are homeless. The City provides community service grants on a 3-year cycle to a number of nonprofit organizations who provide services to homeless individuals. Grant amounts vary by organization and City general fund availability. The majority of grants provided are between \$7,500 and \$15,000. The City has three categories for prioritizing grants geared toward housing/shelter, health and wellness, and the environment.

To decrease the frequency of homelessness, the City also helped fund the redevelopment of the Bay Avenue Senior Apartments, which includes 50 units for extremely low-income seniors and 30 very low-income seniors, 28 low-income seniors, and one onsite manager. Thirty-nine of these units are set aside for chronically ill seniors and five of the units, with funding through the Mental Health Services Act, serve extremely low-income seniors with mental illness who are homeless or who are at risk of becoming homeless.

## 5. Housing for a Healthy Santa Cruz

A three-year strategic framework was adopted in 2021 to address homelessness in Santa Cruz County. The 2021 to 2024 Housing for a Healthy Santa Cruz Framework (Framework) was published by the County's Housing for Health Division.<sup>15,16</sup> The County's new Housing for Health Partnership (H4HP) will serve as the Continuum of Care (CoC) for the County and County staff will provide leadership and the backbone administrative support to implement the Framework.

The Framework outlined the following causes of homelessness in the County:

- Housing Affordability Gap
- Health Issues Impacting Living Situations
- Lack of Supportive Connections
- Loss of Hope and Sense of Purpose

To address these causes, the Framework includes the following goals and strategies to meet the following: 1) Reduce the number of households experiencing unsheltered homelessness by 50% and 2) Reduce the number of households experiencing homelessness by 25%.

- Goal #1: Improve the effectiveness of all programs in helping people secure housing.
- Goal #2: Expand capacity within the homelessness response system.
- Strategy #1: Build a Coalition – develop a strong and informed action-oriented partnership with leaders and stakeholders within the community.
- Strategy #2: Prevent Homelessness – use targeted prevention and early intervention housing problem solving to help people and families keep or return to housing as quickly as possible.

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15 The Housing for Health Division was created in November 2020 within the County of Santa Cruz Human Services Department to support implementation of the Framework and includes a coalition of resources and partners.

16 County of Santa Cruz, Housing for a Healthy Santa Cruz: A Strategic Framework for Addressing Homelessness in Santa Cruz County, January 2021 to January 2024.

- Strategy #3: Increase Connections – expand and improve “Front Door” programs and services including outreach, temporary housing, and supportive services.
- Strategy #4: Expand Permanent Housing – increase permanent housing and income growth resources and opportunities to become housed.

One effort currently underway by the H4HP to implement the Framework is a redesign of the coordinated entry system for housing services. The changes are necessary, because there is insufficient permanent housing to meet the needs of people experiencing homelessness in the County. Only 133 referrals to housing were made in 2022, while over 1,774 persons counted in the 2022 PIT count were living without shelter.<sup>17</sup>

## 6. Emergency Shelters in Santa Cruz County

The emergency shelter system comprises various short-term housing options including permanent shelters with services and case management, temporary winter shelters, and motel vouchers for those with medical emergencies. Some shelters serve special groups, such as families, youth, or severely mentally ill adults, while others serve the general homeless population. Table 2-24 lists the emergency shelters located in Santa Cruz County.

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<sup>17</sup> <https://www.homelessactionpartnership.org/GetHelp/CoordinatedEntry.aspx>



**Table 2-24: Santa Cruz Emergency Shelters**

Agency and Shelter Name/Location	Location	Target Population	Number of Beds
Association of Faith Communities Rotating Faith Shelter	Site Rotates	Mixed	15
Front St Paget Center	831 Paget Avenue Live Oak, CA 95062	Homeless veterans	14
Housing Matters Emergency Shelter Services	115 Coral Street Santa Cruz, CA 95060	Homeless adults	57
Housing Matters Rebele Family Shelter	115 B Coral Street Santa Cruz, CA 95060	Homeless families	90
Housing Matters Recuperative Care Center	115 D Coral Street Santa Cruz, CA 95060	Hospital/ED discharge	12
Monarch Services Mariposa House	Santa Cruz, CA 95060	Domestic Violence victims (women and children)	12
Pajaro Valley Shelter Services Emergency Shelter and Transitional Housing for Families	115 Brennan Street Watsonville, CA 95076	Women and children, no boys over 12	36
Salvation Army Overlook Shelter and Safe Sleeping Site	301 Armory Road Santa Cruz, CA 95065	Mixed	135
Salvation Army Watsonville Shelter	104 Grant Street Watsonville, CA 95076	Mixed	21
Sienna House	108 High Street Santa Cruz, CA 95060	Pregnant women, women with newborns	16
St. Francis Catholic Kitchen Jesus Mary Joseph	132 Lennox Street Santa Cruz CA 95060	Women, children, hospice	12
Teen Challenge, Monterey Bay Grace Harbor Women's Center	55 Brennan Street Watsonville, CA 95076	Women and children	42
Teen Challenge, Monterey Bay Pajaro Rescue Mission	111 Railroad Avenue Royal Oaks CA 95076	Men	35

Source: County of Santa Cruz, Emergency Shelter and Transitional Housing Inventory, March 2023. <https://www.housingforhealthpartnership.org/>

## 7. Cumulative Needs and Resources for Special Needs Groups in Capitola

Below is a summary of special needs groups in Capitola as well as recent activities and available resources to assist them.

### Special Needs Groups

- Approximately 31% (1,448 City residents) were 65 years or older in 2020. In terms of tenure, 1,096 owner-occupied and 352 renter-occupied units were headed by occupants 65 years or older.
- Only 4% of all households in the City, or 180 households, were large households in 2020.
- Approximately 14% of the civilian noninstitutionalized population have some form of disability. When looking at disabilities by age, approximately 15% of children (under the age of 18) have a disability, 10% of the population aged 18 to 64 have a disability, and 29% of seniors (age 65 and older) have a disability. Cognitive difficulties impact residents aged 64 and younger at a higher rate than other disabilities, while ambulatory difficulties are the most pronounced for seniors (21.1%).
- The San Andreas Regional Center is 1 of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a community-based, private nonprofit corporation that is funded by the State of California to serve people with developmental disabilities and their families. According to DDS, in December 2021, the San Andreas Regional Center provided services to 86 people living in the 95010 ZIP code (which includes Capitola).
- There were 457 female-headed households in the City of Capitola in 2020, of which 295 had children under the age of 18 live below the poverty level, which is approximately 2% of the City's households. Capitola had 209 male-headed households in 2020, with 126 of these households having children under the age of 18. When looking at poverty, 73 of the male-headed household live below the poverty line, which is 2% of Capitola's households.
- When looking at agricultural employment, there are 19 persons, approximately 0.3% of the City's population, engaged in this broad category of agricultural employment.
- The homeless population in Capitola in 2022 was 35 unsheltered persons, which was an increase from 6 persons counted in Capitola in 2019 and represents approximately 1.5% of the total homeless population in Santa Cruz County in 2022.

## Support, Projects and Resources

### Housing Developments

- Capitola Supportive Housing Development (formerly Dakota Apartments, at 3245 Clares Street), which has 24 units for very low-income households with one or more persons affected by mobility impairment/traumatic brain injury. The City is currently working with the Dakota Apartment toward rehabilitation and preservation of affordable units for persons with disabilities. Bay Avenue Senior Apartments (750 Bay Avenue), has 109 units and 50 of the units are restricted to extremely low-income senior households, 30 units have been restricted to very low-income senior households and 28 units have been restricted to low-income senior households. The Loma Vista Mobile Home Park and the Shorelife Community Church Neighborhood Manor also have senior housing. In addition, many seniors reside in non-senior-restricted mobile home parks within the City that have converted to cooperative ownership with income eligibility requirements.
- Two Adult Residential Facilities provide care for adults ages 18 through 59 with mental health care needs or who have physical or developmental disabilities are licensed in Capitola. These two facilities provide a total of 16 beds.

### Local Resources and Facilities

- The Mid-County Senior Center (MCSC) is located in Capitola, this self-supporting non-profit organization is dedicated to providing social, recreational, educational and healthy lifestyle activities for seniors. Activities include classes, dances, fitness and wellness among others.
- The City's recreation department created a new partnership with the local schools to provide after-school care with special funds to assist low-income families.

### Capitola Funding for Assistance and Programs

- Capitola's Emergency Housing Assistance Program is designed to prevent very low-income Capitola households from becoming homeless due to an unexpected financial event- (such as job loss, sudden disability, or major medical expenses)-. The program provides one-time emergency grants for up to four months of rent or mortgage payments and the grants are paid directly to the landlord or mortgage company to prevent the household from being evicted or foreclosed upon. In order to be eligible for this assistance,

households must be at or below 50% of median income and must include children, a disabled person, or an elderly person as household members.

- A Security Deposit Assistance Program is available through the City, which is designed to aid eligible renters in Capitola, by offering eligible individuals and families assistance to cover a portion of their security deposit. The household income cannot exceed 80% of median income.
- In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income eligible Capitola residents. The program allowed residents to invest in a variety of home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.
- The City of Capitola Recreation Department offers a variety of youth sports and programs.
- Capitola allocated funds out of the youth and early childhood funds of Measure J to offset the cost associated with large home daycare facilities
- The City provides direct financial support to a number of agencies that provide social services to people and families who are homeless. The City provides community service grants on a 3-year cycle to a number of nonprofit organizations who provide services to homeless individuals. Grant amounts vary by organization and City general fund availability. The majority of grants provided are between \$7,500 and \$15,000. The City has three categories for prioritizing grants geared toward housing/shelter, health and wellness, and the environment.

### **Participation in Federal, State, County and Non-Profit Programs**

- As of April 2023, approximately 206 households were participating in the Housing Choice Voucher (HCV) Program, which provides rent subsidies to the voucher holder. The HCV holder typically pays up to 30% of their income on housing.
- The County's Landlord Incentives Program is designed to assist Section 8 Landlords to reimburse expenses of up to \$5,000 associated with unpaid rent, property damage, vacancy loss, and legal fees. The program is a collaboration of the All In Landlord Partnership, under the auspices of the Homeless Action Partnership (HAP).

- The Monterey Bay Aquarium Shelf to Shore Program provides free access to the Monterey Bay Aquarium for low-income families. The program, created for families who otherwise could not afford to go, admits up to six family members for a visit.
- The Santa Cruz County Meals-on-Wheels Program: provides home delivered meals as well as dining sites in Ben Lomond, city of Santa Cruz and Watsonville.
- The Santa Cruz County In-Home Supportive Services (IHSS) Program helps elderly, blind and disabled people to safely remain in their own homes when they are not able to fully care for themselves or handle routine household tasks.
- The Bayside Adult Day Activity Program offers activities focused on developing work skills for developmentally disabled adults.
- The Childhood Advisory Council of Santa Cruz County is the Local Planning Council for the County and has established childcare expansion priorities throughout the County. Approximately 11% of children aged 0-12 that are qualified for the Child Care and Development/California State Preschool Program are served in Capitola. Therefore, there is a definite need for additional childcare facilities to meet the needs of the City's younger population.
- The New Brighton Middle School offers students safe and fun place to get homework help, a healthy snack, participate in special activities and develop confidence in learning new skills. The program dates follow the Soquel Union Elementary School District (SUESD).
- The Center for Farmworker Families is a nonprofit located in Felton that provides education, advocacy and support to farmworker families Northern California and Mexico.
- SER (Service, Employment and Redevelopment) is a national network of community-based organizations (CBOs). In Santa Cruz County, SER's National Farmworker Jobs Program (NFJP) has an office located in Watsonville. This program assists farmworkers with learning skills to either stabilize or advance in their agricultural jobs or obtain employment in new industries.

### C. -Housing Characteristics

A housing unit is defined as a house, apartment, mobile home, or a single room occupied as a separate living quarters or, if vacant, intended for occupancy as a separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and that have direct access from the outside of the building or through a common hall. A community's housing stock is the compilation of all its housing units.

#### 1. Housing Growth

According to the U.S. Census and ACS 5-Year Estimates, from 2010 to 2020 there was a decrease of 49 housing units in Capitola for a total of 5,485 housing units. As seen in Table 2-25, the number of occupied housing units has stayed nearly the same between 2010 and 2020 despite the decrease in housing units. The slowing rate of construction is primarily because most of the vacant, easily developable parcels in the City were built out during the prior decades. In 2023, the City had two remaining vacant parcels citywide; all others have been developed.

**Table 2-25: Total Number of Housing Units**

Year	# of Housing Units	# of Occupied Housing Units
2020	5,485	4,624
2010	5,534	4,626

Source: 2020 and 2010 U.S. Census



## 2. Housing Type

The majority of Capitola’s housing units are multifamily attached units. As summarized in Table 2-26 below, single-family detached homes comprise approximately 30% of the housing stock, with another 11% that is single-family attached (townhomes with independent exterior walls and utilities). In comparison, 63% of the County’s housing units are single family detached homes, which is due in part to the rural nature of much of the County’s land area.

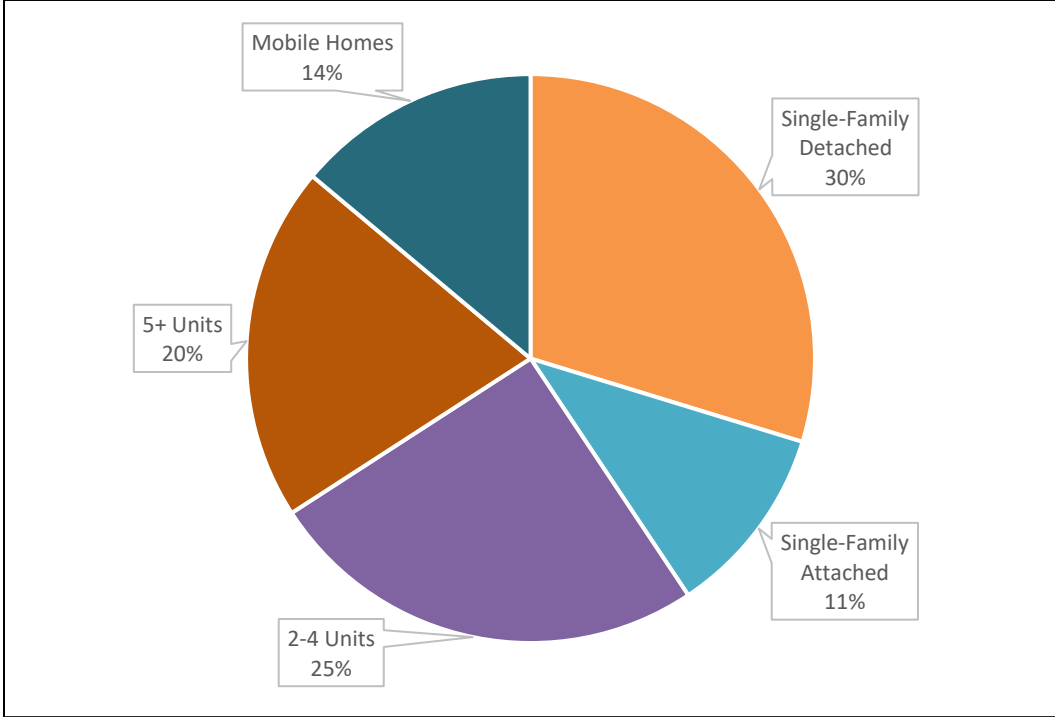
**Table 2-26: Housing Units by Type, Capitola and Santa Cruz County**

Unit Type	City of Capitola				% Change 2010-2020	Santa Cruz County	
	2010		2020			2020	
	# of Units	% of Units	# of Units	% of Units		# of Units	% of Units
Single-Family Detached	1,638	29.7%	1,634	29.7%	-0.2%	66,913	62.9%%
Single-Family Attached	594	10.7%	598	10.9%	0.7%	9,584	9.0%
2-4 Units	1,391	25.1%	1,386	25.2%	-0.4%	9,751	9.2%
5+ Units	1,118	20.2%	1,104	20.2%	-1.3%%	13,145	12.4%
Mobile Homes	793	14.3%	763	13.9	-3.8%	6,952	6.5%
<b>Total</b>	<b>5,534</b>	<b>100%</b>	<b>5,485</b>	<b>100%</b>	<b>-0.9%</b>	<b>106,345</b>	<b>100%</b>

Source: 2010 US Census, Department of Finance E-5 City/County Population and Housing Estimates, 2010-2020

In the 2016-2020 American Community Survey Estimates, multifamily developments with 20 or more units in a structure comprised 8% of Capitola’s housing stock, compared to 6% for the County. Capitola also has a larger percentage of mobile home units, 11% compared to 6% for the County. Mobile homes in Capitola are installed in eight mobile home parks varying in size from 36 to 114 units. The relative proportion of the City’s housing units in each type of structure is shown in Figure 2-7 below.

**Figure 2-7: Percent of Capitola Housing Units by Type**



Source: DOF E-5 City/County Population and Housing Estimates, 2020

### 3. Age and Condition of Housing Stock

Most homes begin to exhibit signs of decay when they approach 30 years of age. Common repairs needed include new roofs, wall plaster, and stucco. Homes 30 years or over with deferred maintenance require more substantial repairs, such as new siding, plumbing, or multiple repairs to the roof and walls. According to the 2016-2020 American Community Survey approximately 78% of Capitola’s housing stock is over 30 years old (built prior to 1990) (Table 2-27).

**Table 2-27: Year Structure Built**

Year Structure Built	# of Units	% of Units
Built 2014 or later	65	1.2%
Built 2010 to 2013	210	4.0%
Built 2000 to 2009	304	5.7%
Built 1990 to 1999	572	10.8%
Built 1980 to 1989	802	15.2%
Built 1970 to 1979	1,036	19.6%
Built 1960 to 1969	1,066	20.1%
Built 1950 to 1959	566	10.7%
Built 1940 to 1949	264	5.0%
Built 1939 or earlier	407	7.7%
Total housing units*	5,292	100%

Source: 2016-2020 American Community Survey 5-Year Estimates

\*Total is not representative of total housing units; this table counts only new structures built and not units demolished

### Substandard Housing Conditions

The 2016-2020 American Community Survey provides data about the conditions of the City’s existing housing stock (Table 2-28). In general, the housing stock in Capitola is good. None of the owner-occupied units in the City have substandard conditions (lacking plumbing or kitchen facilities) and 1% of renter-occupied households lack kitchen facilities. Overall, in the City, substandard conditions are lower than in Santa Cruz County.

**Table 2-28: Lack of Complete Facilities by Tenure**

Facility Type	Owner Occupied	Renter Occupied	Total Households	Santa Cruz County
Lacking Complete Kitchen Facilities	0%	1.0%	0.5%	1.0%
Lacking Complete Plumbing Facilities	0%	0%	0%	0.4%
Total Households	2,222	2,436	4,658	96,275

Source: 2016-2020 American Community Survey 5-Year Estimates

Possible code violations can be reported to the City’s Code Enforcement division. Since 2015, the City has received 56 code violation complaints regarding substandard structures, of which only one was for the absence of a kitchen within an accessory dwelling unit (ADU). The list of complaints noted unsafe conditions related to decline of outdated structures including leaking roofs, mold, and issues with electricity. Capitola required improvement on the ADU to comply with building code to include a kitchen. The City is not aware of any additional units needing rehabilitation or replacement as observed by staff inspectors while in the field.

#### 4. Housing Costs

Housing costs are driven by the price of raw land, infrastructure costs (e.g., sewer and water), construction costs, supply relative to demand, and financing costs. The diminishing supply of developable land in Capitola, the built-out nature of the community, its attractive coastal location, and the level of unmet demand for housing in the entire region have driven up the cost of both ownership and rental housing in Capitola.

##### Ownership Housing

According to the 2016-2020 American Community Survey, approximately 42% of the occupied housing units are owner-occupied. In comparison, in Santa Cruz County, approximately 55% of occupied housing units are owner-occupied.

The value of homes in Capitola varies based on the type, size, and location. Recent listings show prices ranging from \$230,000 for a 2-bedroom, 1-bath mobile home to \$2,875,000 for a 3-bedroom, 2-bath home.<sup>18</sup> In July 2022, the median sale price of a single-family home in Capitola was \$2,147,500 according to the Santa Cruz Association of Realtors (SCAR) (Table 2-29).

**Table 2-29: Regional Median Home Values**

Jurisdiction	Single-Family Residential	Common Interest Development
City of Capitola	\$2,147,500	\$745,000
City of Santa Cruz	\$1,602,500	\$912,500
City of Scotts Valley	\$1,360,000	\$826,000
City of Watsonville	\$900,000	\$550,000

Source: Santa Cruz Association of Realtors, Regional Median Home Values June 2022

Median home values in neighboring Santa Cruz County communities are lower than that of Capitola, \$1,602,500 in Santa Cruz and \$1,360,000 in Scotts Valley.

<sup>18</sup> Zillow website, [www.zillow.com](http://www.zillow.com); accessed August 10, 2022.

## Rental Housing

The U.S. Census provides information on median contract rents. Table 2-30 shows these rents for Capitola and Santa Cruz County in 2010 and 2020. As shown, the contract rents increased by 43% (\$566) in Capitola and 47% (\$552) in Santa Cruz County.

**Table 2-30: Median Contract Rents**

Median Contract Rent	2010	2020	% Change
Capitola	\$1,315	\$1,881	43.0%
Santa Cruz County	\$1,170	\$1,722	47.2%

Source: 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates

Because the ACS data may not fully reflect current rent trends, a review of rental listing online was conducted in March 2023. As shown in Table 2-31, the median rents for apartments are \$2,815 for a 1-bedroom and \$2,950 for a 2-bedroom. The median rent for a 3-bedroom townhome is \$3,650 and the rents for a house range from \$3,073 for a 1-bedroom up to \$5,500 for a four-bedroom home.

**Table 2-31: Capitola Rent Survey**

Unit Type	Number of Listings	Range	Median	Average
<b>Apartments</b>				
Studio	1	\$2,195	--	--
1 bedroom	6	\$2,725-\$3,800	\$2,815	\$2,975
2 bedrooms	7	\$2,695-\$3,582	\$2,950	\$3,017
<b>Townhomes</b>				
3 bedrooms	3	\$3,495-\$4,950	\$3,650	\$4,032
<b>House</b>				
1 bedroom	2	\$1,900-\$4,245	\$3,073	\$3,073
2 bedrooms	2	\$3,900-\$5,500	\$4,700	\$4,700
3 bedrooms	5	\$5,000-\$6,500	\$5,500	\$5,600
4 bedrooms	1	\$5,500	--	--

Source: Zillow.com, Apartments.com and Rent.com, accessed March 2023



The rental housing market in Capitola includes apartments, condominiums, mobile homes and single-family homes. Some of the rental units are rented on a short-term basis as vacation lodging. The 2016-2020 American Community Survey estimates that 410 Capitola dwellings (8% of the City's housing stock) were being used as seasonal, recreational, or occasional units. In 2011, Capitola repealed the City's Mobile Home Park Rent Stabilization Ordinance. The City currently has eight mobile home parks, which have all been subdivided and converted to resident cooperatives or have long-term affordability agreements with tenants. One mobile home park, Cabrillo Mobile Home Estates, faces an expiring rent stabilization agreement in 2023 and is negotiating with the park owner relating to rent increases. The Cabrillo Mobile Home Estate owner has no interest in selling the park; therefore, the residents are working with an attorney on rent negotiations. City staff has provided information on HOME rental assistance for qualified residents within the park under an existing program administered by the County of Santa Cruz.

Given the percentage of units rented on a short-term basis and the median rents described above, residents may face challenges in finding rental units in Capitola.

### Vacancy Rates

The residential vacancy rate, a translation of the number of unoccupied housing units on the market, is a good indicator of the balance between housing supply and demand in a community. When the demand for housing exceeds the available supply, the vacancy rate will be low. Concurrently, a low vacancy rate drives the cost of housing upward to the disadvantage of prospective buyers or renters.

In a healthy housing market, a vacancy rate of 1.5% to 2% for ownership housing and 5% to 6% for rental housing is considered necessary to balance demand and supply for housing. These vacant units should be distributed across a variety of housing types, sizes, price ranges, and locations within the City. This allows adequate selection opportunities for households seeking new residences.

According to the 2016-2020 American Community Survey, Capitola's owner-occupied units have a vacancy rate of 0.8%, and rental units have a rate of 4.0%. These rates indicate that the housing market is somewhat tight with little room for buyers or renters to find a suitable unit or negotiate a lower purchase or rental price. However, nearly 12% of all the housing units in the City were classified as vacant, according to the 2016-2020 American Community Survey. Of

these vacant units, 65% (410 units) were vacant for seasonal use as either vacation homes or vacation rental properties. In the county as a whole, more than 4,890 units, or approximately 5% of the entire housing stock in the county, including the cities, were vacant for seasonal use as vacation homes or rentals. As described earlier, the seasonal and vacation rentals may make it difficult for residents to obtain rental housing, particularly within their price range. Occupancy status of housing units in Capitola and Santa Cruz County are shown in Table 2-32 below.

**Table 2-32: Occupancy Status of Housing Units in Capitola and Santa Cruz County**

Occupancy Status	Capitola		Santa Cruz County	
	# of Units	% of Units	# of Units	% of Units
Owner-Occupied	2,222	42.0%	58,094	54.9%
Renter-Occupied	2,436	46.0%	38,181	36.1%
<b>Total Occupied</b>	<b>4,658</b>	<b>88.0%</b>	<b>96,275</b>	<b>91.0%</b>
Vacant Housing Units	634	12.0%	9,544	9.0%
<b>Total Housing Units</b>	<b>5,292</b>	<b>100%</b>	<b>105,819</b>	<b>100%</b>
Homeowner Vacancy Rate	0.8%		0.8%	
Rental Vacancy Rate	4.0%		2.1%	

Source: 2016-2020 American Community Survey 5-Year Estimates

## 5. Housing Affordability and Overpayment

### Housing Affordability by Household Income

Housing affordability is dependent upon income and housing costs. Using set income guidelines, current housing affordability can be estimated. According to the HCD income guidelines for 2022, the median income in Santa Cruz County is \$119,300 (adjusted for household size). Assuming that the potential homebuyer has sufficient credit and down payment (10%) and spends no greater than 30% of their income on housing expenses (i.e., mortgage, taxes, utilities, and insurance), the maximum affordable home price and rental price can be determined. The maximum affordable home and rental prices for residents in Santa Cruz County are shown in Table 2-33 below.

Comparing the information from Table 2-33 with the rental and purchase prices described earlier in this section, the following assumptions can be made about affordability in Capitola.

- **Home Purchases:** With a median home value of \$2,147,500 for a single-family home and \$745,000 for a townhome in Capitola (Table 2-29), purchasing a home or townhome is unaffordable for all low- and moderate-income households.
- **Apartment Rentals:** The median rents for studios (\$2,195) and one-bedroom (\$2,815) units are unaffordable to all lower- and moderate-income households in Capitola. The median prices for 2-bedroom units (\$2,950) are only affordable to three-person moderate income families. The median rent for 3-bedroom townhome units (\$3,650) is unaffordable for all lower- and moderate-income households.
- **Single-Family Home Rentals:** The median rents for house rentals (\$3,073 to \$5,500) are unaffordable to all lower- and moderate-income households in Capitola.

One option to increase housing options is to explore “missing middle housing.”<sup>19</sup> In general, the concept of missing middle housing refers to two scenarios. One, housing is not affordable to middle income households. Two, the range of housing available in a community is missing housing types at medium densities. Often these two scenarios overlap, as affordability is correlated with density. Housing in Capitola is generally not affordable to lower and moderate-income households. Even middle income or workforce households, defined as households making up to 150% of the area median income, have difficulty locating affordable and adequate housing options. Missing middle housing focuses on smaller multifamily options, such as duplexes, townhomes, live/work units, and cottages located in a walkable neighborhood.<sup>20</sup>

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19 Association of Bay Area Governments, Missing Middle Housing website. The term “Missing Middle” was coined by Opticos Design in 2010.

20 Missing Middle Housing website, missingmiddlehousing.com, created by Opticos Design.

**Table 2-33: Housing Affordability Matrix Santa Cruz County (2022)**

	Annual Income	Affordable Costs (All Costs)	Estimated Utilities	Estimated Taxes, Insurance, HOA (Ownership)	Affordable Rent	Affordable Home Price
<b>Extremely Low Income (0-30% AMI)</b>						
1-Person	\$32,700	\$818	\$287	\$286	\$531	\$64,404
2-Person	\$37,350	\$934	\$309	\$327	\$625	\$78,520
3-Person	\$42,000	\$1,050	\$371	\$368	\$679	\$82,094
4 Person	\$46,650	\$1,166	\$439	\$408	\$727	\$84,087
5 Person	\$50,400	\$1,260	\$512	\$441	\$748	\$80,908
<b>Very Low Income (30-50% AMI)</b>						
1-Person	\$54,450	\$1,361	\$287	\$476	\$1,074	\$157,550
2-Person	\$62,200	\$1,555	\$309	\$544	\$1,246	\$184,942
3-Person	\$70,000	\$1,750	\$371	\$613	\$1,379	\$202,006
4 Person	\$77,750	\$1,944	\$439	\$680	\$1,505	\$217,275
5 Person	\$84,000	\$2,100	\$512	\$735	\$1,588	\$224,803
<b>Low Income (50-80% AMI)</b>						
1-Person	\$87,350	\$2,184	\$287	\$764	\$1,897	\$298,447
2-Person	\$99,800	\$2,495	\$309	\$873	\$2,186	\$345,967
3-Person	\$112,300	\$2,808	\$371	\$983	\$2,437	\$383,160
4 Person	\$124,750	\$3,119	\$439	\$1,092	\$2,680	\$418,557
5 Person	\$134,750	\$3,369	\$512	\$1,179	\$2,857	\$442,144
<b>Median Income (80-100% AMI)</b>						
1-Person	\$83,500	\$2,088	\$287	\$731	\$1,801	\$281,959
2-Person	\$95,450	\$2,386	\$309	\$835	\$2,077	\$327,338
3-Person	\$107,350	\$2,684	\$371	\$939	\$2,313	\$361,961
4 Person	\$119,300	\$2,983	\$439	\$1,044	\$2,544	\$395,217
5 Person	\$128,850	\$3,221	\$512	\$1,127	\$2,709	\$416,877
<b>Moderate Income (100-120% AMI)</b>						
1-Person	\$100,200	\$2,505	\$287	\$877	\$2,218	\$353,478
2-Person	\$114,500	\$2,863	\$309	\$1,002	\$2,554	\$408,921
3-Person	\$128,850	\$3,221	\$371	\$1,127	\$2,850	\$454,036
4 Person	\$143,150	\$3,579	\$439	\$1,253	\$3,140	\$497,356
5 Person	\$154,000	\$3,850	\$512	\$1,348	\$3,338	\$524,584

Sources: Calif. Dept. of Housing and Comm. Development (HCD) 2022 Income Limits; Housing Authority of Santa Cruz County (HASCC), 2022 Utility Allowance Schedule; Veronica Tam & Assoc., 2023. Assumptions:

1. 2022 HCD income limits;
2. 30% of household income spent on housing; HASCC utility allowance; 35% of monthly affordable cost for taxes and insurance; 10% down payment; and 3% interest rate for a 30-year fixed-rate mortgage loan. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

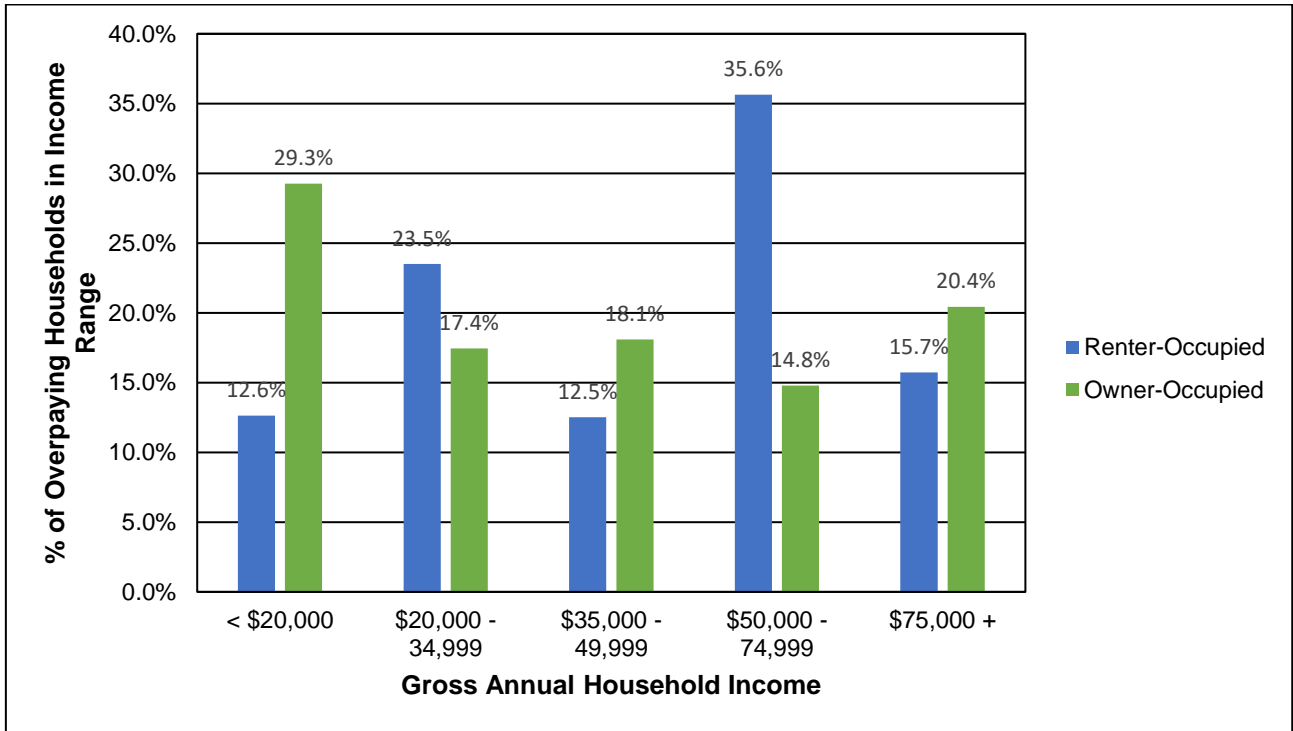
## Ability to Pay for Housing/Cost Burden

State and federal standards for housing overpayment are based on an income-to-housing cost ratio of 30% and above. Severe cost burden is when households spend 50% or more on housing. The cost of housing includes rent or mortgage payments, utilities (e.g., water, sewer, electric, gas), taxes, and insurance. Households spending more than 30% of their incomes on housing have limited remaining income for other necessities such as food, clothing, and health care. Because household incomes and sizes vary, the affordable price for each household also varies. For example, a double income household with no children could afford a different level of housing cost than a large family with one lower income wage earner. Figure 2-8 below shows that many households in the lower income ranges paid over 30% of their incomes on housing. Among the lowest income households, a significantly greater proportion of homeowners overpaid than renters. In comparison, of those renters earning between \$50,000 and \$74,999, over 35% were overpaying.

The HUD CHAS data from 2019 shows further detail on cost burden by income category (Table 2-34). Of the 2,100 owner households in Capitola, 895 (42.6%) faced cost burden. Approximately 565 (26.9%) of these households faced severe cost burden. More than 40% of the owner households facing cost burden were extremely low income.

Of those owner households that faced cost burden, more than 45% of Capitola's 2,360 renter-occupied households faced cost burden, and 20% faced severe cost burden. Of the cost burdened renter households, more than 35% were extremely low income.

**Figure 2–8: Estimated Percent of Capitola Renter and Owner-Occupied Households Paying over 30% of Income on Housing Cost, by Income Range**



Source: 2016-2020 American Community Survey 5-Year Estimates



**Table 2-34: Income By Cost Burden**

	Cost Burden >30%	Percent	Cost Burden >50%	Percent
Total Owner Households in Capitola	2,100			
Owner Households with Cost Burden	895	42.6%	565	26.9%
Household Income <30% AMI	380	42.5%	325	57.5%
Household Income >30% to <50% AMI	145	16.2%	55	9.7%
Household Income >50% to <80% AMI	185	20.7%	105	18.6%
Household Income >80% to <100% AMI	90	10.1%	25	4.4%
Household Income >100% AMI	95	10.6%	55	9.7%
Total Renter Households in Capitola	2,360			
Renter Households with Cost Burden	1,080	45.8%	475	20.1%
Household Income <30% AMI	385	35.6%	385	81.1%
Household Income >30% to <50% AMI	260	24.1%	40	8.4%
Household Income >50% to <80% AMI	295	27.3%	50	10.5%
Household Income >80% to <100% AMI	65	6.0%	0	0.0%
Household Income >100% AMI	75	6.9%	0	0.0%

Source: HUD CHAS Data Tables, 2015-2019

## D. Assisted Housing Developments

State law requires the City to identify, analyze, and propose programs to preserve housing units that are currently deed restricted to low-income families and will possibly be lost as low-income housing as these deed restrictions expire.

There are currently two federally assisted multifamily rental complexes in Capitola. One is the Capitola Supportive Housing Development (formerly Dakota Apartments, at 3245 Clares Street), which has 24 units for very low-income households with one or more persons affected by mobility impairment/traumatic brain injury. The project used funding from the Capitola Redevelopment Agency’s Housing Fund, HOME Program Income Re-Use Funds, and the HUD 811 program. The development is owned by the National Handicapped Housing Institute, a nonprofit agency, and restrictions ensure that the units will remain affordable in perpetuity. The second complex, Bay Avenue Senior Apartments (750 Bay Avenue), has 109 units and has a 55-year affordability requirement that will expire in 2065. Fifty of the units are

restricted to extremely low-income senior households, 30 units have been restricted to very low-income senior households, 28 units have been restricted to low-income senior households and one 2-bedroom unit serves as the manager’s unit and will not be restricted. Thirty-nine units in the development have been set aside to serve seniors who need assistance with certain activities of daily living and qualify under the state’s definition of Chronically Ill. First Community Housing worked in participation with the County of Santa Cruz to provide assistance through the Mental Health Services Act (MHSA) program to set aside five units to serve extremely low-income seniors with mental illness who are homeless or at risk of homelessness.

Table 2-35 shows details of these two projects. Neither project is set to expire during the 2023-2031 planning period.

**Table 2-35: Assisted Multifamily Rental Complexes in Capitola**

Development Name	Number of Units			Type of Assistance	Covenant Start	Covenant End
	Extremely Low	Very Low	Low			
Capitola Supportive Housing Development # of units: 24 Supportive Housing for Persons with Disabilities	0	24	0	PRAC/811	2000	Perpetuity*
Bay Area Senior Apartments # of units: 108 Seniors	50	30	28	LIHTC	2010	2065

Source: City of Capitola, [affordablehousingonline.com](http://affordablehousingonline.com), [affordablehomes.chpc.net](http://affordablehomes.chpc.net)

\*Capitola Supportive Housing Development is owned by the National Handicapped Housing Institute and will remain affordable in perpetuity.

Another affordable housing development at 1900-1920 Courtyard Drive, was a former public housing development. The Housing Authority of the County of Santa Cruz transferred ownership of this development to New Horizons Affordable Housing and Development Inc. The project also has a long-term affordability requirement that is not set to expire within this Housing Element planning period.

## E. Mobile Home Parks in Capitola

Mobile home parks provide another important source of affordable housing for Capitola and should be discussed as a separate form of “at-risk” housing. As a tourist and retirement-oriented beach community, Capitola developed over time with a large number of small cottage homes and mobile home parks. The City today continues to host a total of eight parks serving a total of 681 households.

One park, Pacific Cover, was closed in 2012 due to a flood in 2011, and all of its residents were relocated. Seven of the eight remaining mobile home parks have been subdivided and converted into resident cooperatives or have long-term affordability agreements with tenants. Brookvale Terrace and Tradewinds Mobilehome Park are cooperatives with no ongoing affordability agreements with the City. Loma Vista Estates and Wharf Road Manor have affordable housing income restrictions that all new buyers must comply with. Turner Lane Mobilehome Park also has income restrictions, but they are only applicable to 7 of the 79 spaces. Castle Mobile Home Estates is owned by a nonprofit and has long-term affordability agreements and income restrictions in place. As previously mentioned, Cabrillo Mobilehome Estates had a 12-year affordability agreement in place for rent that expires in July 2023. The residents and City staff are currently working together to identify ways to ensure residents are not displaced by a hike in space rent.

From past experience, a transition to cooperative/nonprofit ownership offers the highest likelihood of preserving long-term affordability. The subdivision of a park also offers some protections to the current residents and provides affordable ownership opportunities consistent with the City’s Inclusionary Housing Policy.

There is a concern that another option would be that one or more of the rental parks could close in the future and be converted to other uses. The closure of a park could cause the potential loss of housing stock that currently serves low and moderate-income residents.

In the case of a park closure the City will ensure that:

- The park closure is consistent with applicable sections of City Municipal Code.
- The closure is consistent with relevant state law.

## F. Inventory of Affordable Housing Not at-Risk

There are five other affordable housing developments in the City. The majority of these projects were constructed with assistance from the City. None of these projects are at risk during this planning period, and the majority of the projects will remain affordable indefinitely. A summary of these projects is provided below.

### 1. Shorelife Church Neighborhood Manor

This 20-unit rental property is owned by Shorelife Community Church. Rents are below market, and some units are rented to households who have Section 8 rental assistance, but the project is not deed restricted as affordable housing. The church generally fills vacancies with households referred to them by local social agencies, such as the Housing Authority and the Skills Center, with a preference for disabled, elderly, or low-income students and church staff. Because these units are owned by a nonprofit agency, they are expected to remain affordable indefinitely.

### 2. Grace Street Apartments

This 12-unit apartment project built in 1997 is managed and owned by the Housing Authority of the County of Santa Cruz. Rents are affordable and units are limited to occupancy by low and very low-income households. Because these units are owned by a nonprofit agency, they are expected to remain affordable indefinitely.

### 3. Habitat for Humanity Project (38<sup>th</sup> and Brommer)

This project includes six very low-income dwellings constructed for very low-income first-time homebuyers in 1999. The Capitola Redevelopment Agency (RDA) provided the land, and a CDBG grant was secured to help with costs related to infrastructure improvements. These ownership units will remain affordable in perpetuity and are not at risk of losing their affordability restrictions.

#### 4. Loma Vista Mobile Home Park Resident Acquisition

This project is an existing 90-space mobile home park that was purchased by a resident-owned cooperative in 2000. The project was funded with assistance from the Redevelopment Agency’s Housing Fund, CDBG funds and the state’s Mobilehome Park Resident Ownership Project (MPROP). The mobile home park lots are owned by the cooperative, and the homes are owned by the individual residents. These lots are bound by a covenant that allows the lots to be sold only to senior households with incomes at or below 120% of the Area Median Income.

#### 5. Wharf Road Manor Mobile Home Park Residents Acquisition

This project is an existing 36-space mobile home park that was purchased by a resident-owned cooperative in 2006. The project was funded with assistance from the Redevelopment Agency’s Housing Fund, HOME Program Re-Use funds and the state’s Mobilehome Park Resident Ownership Program (MPROP). The mobile home park lots are owned by the cooperative, and the homes are owned by the individual residents. Thirty-four of the lots are restricted to moderate-income households with incomes at or below 100% of the area median income. Two units in the park were newly constructed in 2006 with the assistance of HOME Program Re-use Funds. These two units are regulated under the City’s Inclusionary Housing Program and are resale restricted to remain affordable for low-income households.

### G. Inclusionary Housing Units

Beginning in 2004 the City passed an Inclusionary Housing Ordinance that requires that 15% of the units in any new construction ownership project of seven units or more be made permanently affordable to low- or moderate-income households. Currently, the City has created 12 ownership units through this program.

#### Inclusionary Ordinance Units

- 1) Heritage Lane (2 units-2006)  
1616 & 1615 Heritage Lane
- 2) Capitola Beach Villas (8 units-2013)  
1066 41<sup>st</sup> Avenue

- 3) Pearson Court (1 unit-2014)  
4150 Pearson Court
- 4) Tera Commons (1 unit-2020)  
1506 Tera Court

The City's Inclusionary Housing Program was designed only to require inclusionary units in the case of for-sale developments of seven units or more. Rental housing developments and projects of six units or fewer do not have an inclusionary requirement.

## H. Regional Housing Needs Allocation (RHNA)

The Regional Housing Needs Allocation (RHNA) is a critical part of state housing element law (Government Code §65580). The process for determining the RHNA is briefly described below:

- The California Department of Housing and Community Development uses a California Department of Finance growth projection and other factors to determine the number of housing units that are needed statewide over an 8-year planning period (for Capitola and other Monterey Bay Area jurisdictions, this time period is 2023-2031).
- This statewide housing unit number (called the Regional Housing Needs Determination, or RHND), is divided into regions. Capitola is located within the Association of Monterey Bay Area Governments (AMBAG) region.
- AMBAG is responsible for creating a methodology to distribute the RHND among all of its cities and counties. Each jurisdiction's housing unit number is called the Regional Housing Needs Allocation (RHNA).
- The RHNA is the number of units that a jurisdiction must plan for in the Housing Element update. The units are divided into four categories based on median income: very low (earn <50% of the area median income), low (earn between 51% and 80% of the area median income), moderate (earn between 81% and 120% of the area median income) and above moderate (earn 121% or more of the area median income).

Almost all jurisdictions in the AMBAG region received a larger RHNA this cycle compared to the last housing element cycle, primarily due to changes in state law that led to a considerably higher RHND compared to previous cycles.



Table 2-36 illustrates Capitola’s RHNA by income category for the 2023-2031 planning period. Per state law, local jurisdictions are required to provide an estimate for their projected extremely low income households (those earning 30% or less of the area median income). Jurisdictions can use half of their very low income RHNA allocation to make this projection. Therefore, Capitola is dividing the very low income allocation of 430 units in half to meet this state requirement.

**Table 2-36: Capitola’s RHNA by Income Category for Capitola for 2023-2031**

Extremely Low (0-30% AMI)	Very Low (31-50% AMI)	Low (51-80% AMI)	Moderate (81-120% AMI)	Above Moderate (>121% AMI)	Total RHNA
215*	215*	282	169	455	1,336

Source: Association of Monterey Bay Area Governments, Final 6<sup>th</sup> Cycle Regional Housing Needs Allocation Plan 2023-2031, October 2022.  
\*The City has a RHNA allocation of 430 very low income units (inclusive of extremely low income units). While the RHNA did not separately define housing needs for extremely low income households, the very low income allocation can be split evenly between very low- and extremely low income households.



## Chapter 3: Constraints on Housing Production

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A variety of factors add to the cost of housing in Capitola and constrain the provision of affordable units. These factors include the market, governmental constraints, and environmental considerations. Moreover, housing goals may at times conflict with the need to promote other important City goals, such as the desire to provide open space and recreational facilities, protect environmental and historic resources, provide visitor-serving accommodations, and maintain current service levels.

State law requires the housing element to analyze potential and actual governmental and nongovernmental constraints to the production, maintenance, and improvement of housing for all persons of all income levels, including persons with disabilities. This chapter analyzes the following three potential constraints:

- A. Market Constraints
- B. Governmental Constraints
- D. Environmental Constraints

## A. Market Constraints

The high cost of building new housing in Capitola is at least partially due to the scarcity and high cost of developable land in the City. High materials costs and labor costs also contribute to the high cost of housing development. Capitola's beachfront setting and commutable distance from Silicon Valley have allowed many existing and new Capitola homes to sell and rent at higher-than-average levels. No units affordable to low- or moderate-income buyers or renters are being developed, with the exception of the required Inclusionary Housing units and units that are being built by nonprofit developers with the assistance of federal, state, and local government programs. The only possible exception to this would be the development of accessory dwelling units that, by the nature of their small size, are most likely renting at rates that are affordable to low- and moderate-income households.

### 1. Land Costs

Capitola is mostly built-out, and vacant residentially zoned lots are almost non-existent. A survey of online real estate listing sites in February 2023<sup>21</sup> found no vacant residential sites listed for sale in Capitola. Further, only one vacant site, a single-family lot, was sold in the last 3 years at a high cost of \$288 per square foot. Because of the built-out nature of Capitola, new development almost invariably requires the acquisition and redevelopment of prospective in-fill sites. Developing on prospective sites is often more expensive and difficult due to increased acquisition costs, demolition, or rehabilitation of existing buildings, and the possible need to remove toxic materials left by earlier uses on the site. Additionally, because most new residential construction is taking place on sites that contain some existing residential units, the net increase of new units is often greatly reduced. For example, the online survey found one such site zoned multifamily that contained an existing duplex, but was also entitled for a five-unit development. This site sold for \$1,005,000 in 2021. Ultimately, the new owner rehabilitated the duplex and developed a single-family home on the same parcel in front of the existing duplex.

Utilization of available state and federal funding can counterbalance the constraint of high land costs to some extent. The involvement of state or federal funds, however, also dramatically increases the cost of new development in that the

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21 Zillow.com, Redfin.com, and Realty.com; accessed February 27, 2023.

use of these funds triggers the need to comply with federal and state relocation laws and prevailing wage regulations. Relocation costs in some instances can be nearly as high as the original cost of site acquisition.

Allowing for increased densities through the City’s Density Bonus Ordinance and Affordable Housing Overlay are important tools to reduce the per unit cost of land in the case of developments that include affordable housing units. These ordinances are actually more successful in lowering per unit land costs than are across-the-board zoning changes that allow density increases. This is because typical zoning changes that allow increased density often cause an increase in the sale price of the property in that zone. The Density Bonus and Affordable Housing Overlay, on the other hand, only allow an increase in density in exchange for guaranteed levels of affordability and therefore do not tend to cause an increase in the sales price of the land.

## 2. Construction Costs

Development costs for housing can vary significantly depending on the type of housing, such as single-family, townhomes, and apartments. Even within a particular building type, construction costs can vary by unit size, amenities, materials used, and site conditions.

One indicator of construction costs is building valuation data. The International Code Council (ICC) compiles building valuation data on a national level. While the data is not local to Capitola, it gives a general range of building costs. Building valuation for various residential construction types is provided in Table 3-1.

**Table 3-1: Average Building Valuation by Construction Type**

Construction/Residence Type	Average per Square Foot
Type I or II, R-2 Residential Multi-family	\$158-\$179
Type V Wood Frame, R-2 Residential Multi-family	\$120-\$125
Type V Wood Frame, R-3 Residential One- and Two-family	\$131-\$139
R-4 Residential Care/Assisted Living Facilities	\$152-\$211

Source: International Code Council, Building Valuation Data, February 2021. <https://cdn-web.iccsafe.org/>

Included in the cost of development are the costs of building materials. The cost of building materials varies tremendously depending on the material, quality, style, scale of construction, and shipping costs related to the particular product. Additionally, building material prices increased drastically in the last few years due to supply issues relating to the COVID-19 pandemic.

That being said, there are ways of reducing materials cost in certain development situations. One way to reduce the cost of demolition/rebuild is to reuse and recycle materials from the old (demolished) structure. Not only is this measure cost-effective but it is one of the Green Building methods suggested in the City of Capitola's Green Building program. In addition, selecting materials that are manufactured locally can help save costs associated with materials transport while helping to reinvest development dollars in the local economy.

Lower residential construction costs can also be achieved by reducing amenities, quality, and/or types of building materials and by reducing the actual square footage of the homes being developed. Since the 1950s the square footage of homes has more than doubled in the United States, according to the National Association of Home Builders, while average household size has dropped. Oversized homes require significantly more construction materials than smaller homes, require more land, and use significantly more energy to operate. Reduced square footage can allow for a higher density of development on the site and thus reduce per unit land costs. The City's efforts to allow higher density housing construction and encourage the development of smaller square footage housing units are illustrated in the Capitola Green Building Program, the Accessory Dwelling Unit Ordinance, and the City's Density Bonus and Affordable Housing Overlay Ordinances. The City has also used the Planned Development zoning process to allow for the development of small units at higher densities.

The move toward smaller homes is not new to Capitola. Due to the community's vacation cottage history, many of the City's single-family lots are less than 4,000 square feet in size and can accommodate only fairly modest-sized homes. Capitola's Jewel Box neighborhood, for example, averages 14 units per acre, and the Upper Village neighborhood averages 15 units per acre. Capitola's zoning ordinances help to restrict the size of homes by imposing fairly strict lot coverage, set-back, and height requirements in the single-family zones. In addition, parking requirements for single-family homes vary by house size, thereby further reducing the incentive to build larger homes.

The City of Capitola contains eight existing mobile home parks that have been developed at an average of about 10 units per acre with relatively small individual units. While the development of new parks is not being pursued, the preservation of these existing parks is seen as an important part of maintaining existing homes that are modest in size and higher than average in density. As the older manufactured homes and mobile homes in the City's existing parks age, the City works to provide financial assistance to park residents who are interested in upgrading their homes with new manufactured homes.

### 3. Timing and Density

In some cases, market demand can act as a constraint to the development of housing at the densities prescribed in the General Plan. Developers may choose to build larger units rather than at the highest density if they believe this will be more profitable. Another reason sites may not be developed to their maximum density is there are currently no density limits in the mixed-use districts. Therefore, maximum density is really the result of conforming with development standards and the unit size. Also, the parcels within the City's multifamily zones have all been developed; therefore, existing owners must decide if there is potential for more units onsite and analyze the economics of redevelopment. Many of the multifamily and mixed-use sites in Capitola have not been built-out with maximum density. Proposition 13 is likely a reason many apartment complex owners have not redeveloped their sites to maximize the allowed density in multifamily zones. Older buildings generally enjoy low property tax valuations, making the rental properties highly profitable investments. However, given the need for additional housing in the community and escalating housing prices, some multifamily property owners have expressed interest in opportunities to intensify the density on their sites.

Non-governmental constraints can impact the timing between when a project receives approval and when the developer pulls building permits to begin project construction. These constraints may include the time it takes to secure construction financing, securing contractors, and changes in the housing market after project approval. According to building permit records, the typical time between project approval and building permit issuance is 190 days. The time lapse is primarily a function of how quickly the applicant can respond to required changes to construction documents, such as adding screening to mechanical equipment to comply with a condition of approval. NIMBYism also tends to extend timeframe for projects requiring discretionary reviews, particularly regarding impacts on water capacity, traffic, and neighborhood/community character.

## 4. Financing

Mortgage interest rates have a large influence over the affordability of housing. Increases in interest rates decrease the number of persons able to afford a home purchase. Decreases in interest rates result in more potential homebuyers introduced into the market.

National policies and economic conditions determine interest rates, and there is little that local governments can do to affect these rates. However, jurisdictions can “leverage” funds by offering interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government-insured loan programs may be available to reduce mortgage down payment requirements.

Mortgage interest rates reached historic lows during the COVID-19 pandemic, dropping to under 3%. However, to deal with rising inflation, the Federal Reserve Board raised interest rates multiple times in 2022 and 2023, resulting in mortgage interest rates over 7%.

First-time homebuyers are the most impacted by financing requirements. The recent sharp increase in rates has a significant impact on the home price a household can afford and has the potential to price many households out of the market. Lower initial rates may be available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARMs), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point that interest rates exceed the cost of living adjustments, which is a constraint on affordability.

A critical impediment to homeownership involves both the affordability of the housing stock and the ability of potential buyers to fulfill down payment requirements. Typically, conventional home loans will require 80% loan-to-value and represent the largest constraint to homebuyers. Down payment requirements are particularly cumbersome for first-time homebuyers who have not built equity in another property.

One of the greatest impediments to homeownership, however, is creditworthiness. According to the Federal Housing Authority, lenders consider a person’s debt-to-income ratio, cash available for down payment, and credit history when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit ratings. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit ratings can be especially damaging to lower-income residents, who have fewer financial resources with which to qualify for a loan. The



FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to re-establish a good credit history.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to report lending activity by the income, gender, and race of the applicants. Table 3-2 provides loan application data for the City of Capitola. In 2021, there were a total of 707 loan applications. Out of these, 477 (67%) were for refinance loans, 182 (26%) were for conventional purchase loans, 45 (6%) were for home improvement loans and three (<1%) were for government-backed purchase loans. Overall approval rate in the City was 71%. The three government-backed purchase loans had a 100% approval rate, followed by refinance loans (72%), conventional purchase loans (70%) and home improvement loans (60%). Home improvement loans had the highest denial rate, at 22%, while 19% of refinance loans were either withdrawn by the applicant or closed for incompleteness.

**Table 3-2: Disposition of Home Loan Applications, Capitola (2021)**

Loan Type	Total Applications	Approved	Denied	Other
Conventional Purchase	182	69.8%	13.7%	16.5%
Government-Backed Purchase	3	100.0%	0.0%	0.0%
Refinance	477	71.9%	9.4%	18.7%
Home Improvement	45	60.0%	22.2%	17.8%
Total	707	70.7%	11.3%	18.0%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfpb.gov>

Note: "Approved" loans include loans originated and applications approved but not accepted. "Other" includes loans withdrawn by the applicant or closed for incompleteness.

## 5. Down Payments and Move-In Costs

The ability to accumulate a sufficient down payment remains a formidable barrier to many potential homebuyers. Low- and moderate-income households find it difficult to make the transition from rental to ownership units because they cannot accumulate a down payment while renting. A program has been added to this Housing Element to utilize HOME funds for a First-Time Homebuyer (FTHB) program. Eligible FTHB programs include down payment assistance, acquisition with rehabilitation, and infill new construction.

Even with down payment assistance, market rate home sales prices in the Capitola area are so high that the City’s “gap” financing is not typically able to make up the difference. This means that the City’s First-Time Homebuyer Program is used almost exclusively to assist in the purchase of mobile homes and condominiums that already have some level of affordability built into the sale price via the City’s Inclusionary Housing Ordinance or through other forms of City involvement such as the provision of financial assistance in the cooperative conversion of mobile home parks. Historically, the City has utilized affordable housing funds to assist residents in the purchase of mobile home parks.

Low-income households may also be unable to obtain rental housing because they cannot accrue the necessary security deposits and first and last months’ rent. The City’s Security Deposit Program, also administered by the Housing Authority, provides low-income households with deposit assistance of up to one month’s rent. The funds are considered a loan during the time that the renter occupies the unit. When the resident moves out, they are required to return the full amount of the security deposit assistance to the Housing Authority.

### Loss Prevention

Capitola has a Landlord Incentive Program. This program is designed to assist Section 8 Landlords to reimburse expenses of up to \$5,000 associated with unpaid rent, property damage, vacancy loss, and legal fees.

### Rent and Mortgage Payments

Unexpected financial events (such as job loss, sudden disability, or major medical expenses) prevent households from making their regular monthly rent or mortgage payments. The City has an emergency housing assistance program designed to prevent very low-income Capitola households from becoming homeless due to these types of events. The program provides one-time emergency grants for up to 4 months of rent or mortgage payments. The grants are paid directly to the landlord or mortgage company to prevent the household from being evicted or foreclosed upon. To be eligible for this assistance, households must be at or below 50% of median income and must include children, a disabled person, or an elderly person as household members.

## B. Governmental Constraints

Housing affordability is influenced by factors in the public sector. Actions by the City and by the surrounding jurisdictions influence the amount of housing developed, its type, form, location, and ultimate price. Land use controls, site improvement requirements, building codes, fees, and other local programs intended to improve the overall quality of housing may have the additional consequence of serving as a constraint to housing development.

### 1. Land Use Controls

The Capitola General Plan provides for a range of housing types and densities, including low density single-family development, multifamily development, and mixed-use development. Table 3-3 provides a summary of the General Plan land use designations that allow for residential development, along with the corresponding zoning districts.

**Table 3-3: Capitola General Plan Land Use Designations**

Land Use Designation	Corresponding Zoning District	Maximum Density	Primary Residential Uses
Single-Family Residential (R-SF)	Residential Single Family (R-1)	10 du/ac	Single family residences
Multifamily Residential (R-MF)	Residential Multifamily, Low Density (RM-L) Residential Multifamily, Medium Density (RM-M) Residential Multifamily, High Density (RM-H)	20 du/ac	Single family, duplexes, townhomes, multifamily residences
Mobile Home Park (MH)	Mobile Home Park (MH)	20 du/ac	Mobile home parks
Village Mixed-Use (MU-V)	Mixed Use, Village (MU-V)	FAR = 2.0	Mixed-use residential; multifamily residential in the village residential overlay zone
Neighborhood Mixed-Use (MU-N)	Mixed Use, Neighborhood (MU-N)	FAR = 1.0	Single family and multifamily residences
Regional Commercial (C-R)	Regional Commercial (C-R)	FAR = 1.5-2.0	Mixed-use residential
Community Commercial (C-C)	Community Commercial (C-C)	FAR = 1.0-1.5	Mixed-use residential

Source: Capitola General Plan, 2014.

In addition to the City’s primary zoning districts included above, the City has adopted overlay districts as well as a Planned Development District to facilitate housing development. These are described in more detail below.

### Affordable Housing Overlay

The Affordable Housing Overlay (-AH) was created to meet the 5<sup>th</sup> cycle Housing Element RHNA. The intent of the Affordable Housing Overlay (-AH) zone is to facilitate the provision of affordable housing through the retention and rehabilitation of existing affordable units and the construction of new affordable units. The -AH zone may be applied to any parcel within a multifamily zone or the C-C zone to permit residential development containing at least 50% affordable units at a density of up to 20 units per acre. At least 25% of the units must be affordable to lower income households. The -AH zone further encourages affordable housing development by providing flexibility in development standards through the design permit review process. However, the Affordable Housing Overlay is obsolete to some extent, given the City's recent comprehensive rezoning program that allows mixed use/residential uses in commercial zones with no density limit and significant density incentives offered by the State Density Bonus law. In addition, it only applies to two properties in the city and none of these properties is included in the sites inventory for meeting the 6<sup>th</sup> cycle RHNA requirements. Therefore, this Housing Element includes a program to remove the Overlay from the City's Municipal Code and Zoning Map.

### Vacation Rental Overlay

The Vacation Rental Overlay (-VRU) zone permits transient rental use in the Central Village District and a small portion of Riverview Avenue (within the R-1 zone), subject to a vacation rental permit. Short-term vacation rentals are prohibited outside the -VRU zone. Limiting vacation rentals to the -VRU zone preserves housing in other areas for permanent residents.

### Village Residential Overlay

The Village Residential Overlay (-VR) zone applies to a portion of the Mixed Use Village (MU-V) zone that is reserved exclusively for residential uses. The development standards that apply to the MU-V zone also apply to the -VR overlay.

## PD Planned Development District

This district allows mixed land uses and/or varied dwelling types. Development standards are flexible, tailored to the constraints of the site and needs of the development. The PD district approach has proved to be a key tool that has enabled multi-residential developers to pursue creative, well-designed residential projects with development standards suitable to the specific site.

## 2. Development Requirements

In addition to regulating the types of uses permitted in each zone, the Capitola Zoning Ordinance regulates the density, scale, and other design components of residential development. These standards are intended to promote high quality development and neighborhood compatibility, along with ensuring safety and quality of life.

### Development Standards

Table 3-4 summarizes development standards for zones that allow residential development. Densities range from approximately 8.7 units per acre in the R-1 zone to 20 units per acre in the RM-H zone. In the mixed use and commercial zones, density is regulated in terms of floor area ratio (FAR) rather than units per acre, with FARs ranging from 1.0 to 2.0. The setback requirements for the residential zones provide flexibility, particularly for smaller lots, by requiring side and rear yard setbacks as a percentage of the lot width or depth rather than a flat requirement for all lots. Setback requirements in the mixed use and commercial areas are intended to provide consistency and a pedestrian-friendly environment. Height limits range from 25 feet in the R-1 zone to 40 feet in the commercial zones and are compatible with the density of development permitted in the zone.

**Table 3-4: Capitola Development Standards**

Zoning District	Minimum Lot Area / Dwelling Unit	Maximum Height	Minimum Setbacks		
			Front	Side	Rear
R-1	5,000	25'	1 <sup>st</sup> story: 15' 2 <sup>nd</sup> story: 20'	Interior: 1 <sup>st</sup> story: 10% of lot width <sup>1</sup> 2 <sup>nd</sup> story: 15% of lot width Street: 10'	20% of lot depth; 25' max.
RM-L	4,400	30'	15'	Interior: 10% of lot width Street: 10'	15% of lot depth
RM-M	2,900	30'			
RM-H	2,200	35'			
MU-V	Max. FAR = 2.0	27'	0'	0'	0'
MU-N	Max. FAR = 1.0	27'	10' <sup>2</sup>	Interior: 10% of lot width Street: 10'	10' <sup>2</sup>
C-C	Max. FAR = 1.0	40'	15' <sup>3</sup>	Interior: 0' <sup>4</sup> Street: 15' <sup>3</sup>	0' <sup>4</sup>
C-R	Max. FAR = 1.5	40'	15' <sup>3</sup>	Interior: 0' <sup>4</sup> Street: 15' <sup>3</sup>	0' <sup>4</sup>

Notes:

1. 3' min.; 7' max.
2. 0' from the property line or 10' from the curb, whichever is greater
3. 15' from curb edge; must allow for a 10' sidewalk along frontage
4. Minimum setback from adjacent residential property is 15' for interior side yards and 20' for rear yards.

Source: Capitola Municipal Code, 2023.

Capitola’s development regulations include building height and lot requirements that may have an impact on achieving maximum allowable density in certain residential zones. However, options are available to facilitate higher densities throughout the City: With a comprehensive Zoning Code update in 2018, several of its zoning categories that allow residential development, including Regional Commercial (C-R), Community Commercial (C-C), and Mixed Use Neighborhood (MU-N), currently have no density limits. Projects within the MU-N zone are permitted to be 100% residential; single family and duplexes are permitted uses while multifamily is a conditional use. As indicated by recent development trends, existing non-residential developments consisting of single commercial uses continue to decline whereas development of mixed or blend developments are increasing, especially along major thoroughfares in the City. It is anticipated that development in mixed use zones will feature and integrate residential development where existing

commercial uses are present, thus providing for additional housing capacity on sites that contain neighborhood-serving resources and jobs.

### Incentives for Community Benefits

Facilitate this residential development the Zoning Code also includes Chapter 17.88: Incentives for Community Benefits. This chapter allows increased FAR and height in exchange for community benefits, such as affordable housing. The incentives are intended to facilitate the redevelopment of underutilized properties along 41<sup>st</sup> Avenue. Qualifying projects may receive an increased FAR of 2.0 and increased maximum height of 50 feet. Several sites in the 6<sup>th</sup> Cycle inventory are located in this incentivized zone. A recent feasibility analysis, including a pro forma, was conducted for the Capitola Mall. The study found that adding incentives (higher density, FAR and height) increased residual land value. The study also found that these changes would enhance project feasibility, particularly for multi-family development. The City recognizes the 50-foot height may not be adequate to accommodate an increased FAR of 2.0, incorporating existing and new commercial uses while adding higher density residential uses. Therefore, this Housing Element includes an action to expand the incentivized zone to extend the incentives to more sites included in the sites inventory and to increase the height to 75 feet. The City is also amending the process of obtaining these benefits based on objective criteria. This will result in affordable units being distributed in a more even pattern in Capitola.

Applications for incentives in exchange for benefits under Chapter 17.88 are submitted concurrently with discretionary applications for a project. Applications are considered by the Planning Commission and then reviewed by the City Council for action. The applications must include:

- A description of the proposed amenities and how they will benefit the community.
- Information needed by the city council to make the following findings:
  - The proposed amenities will provide a substantial benefit to the community and advance the goals of the general plan.
  - There are adequate public services and infrastructure to accommodate the increased development potential provided by the incentive.
  - The public benefit exceeds the minimum requirements of the zoning code or any other provisions of local, state, or federal law.
  - The project minimizes adverse impacts to neighboring properties to the greatest extent possible.



- If in the coastal zone and subject to a coastal development permit, the project enhances coastal resources.

Due to this application process, incentives for community benefits may be a constraint for applicants. Therefore, this Housing Element includes a program to revise the findings to meet objective standards. This will allow applicants to address all discretionary permits needed for a project, including community benefits, to meet the same objective standards. Please also refer to the Objective Design Guideline discussion below. This would result in a clearer application process in addition to the increased FAR and/or height allowances; thereby, potentially moderating the cost of construction for these projects.

### Parking

Parking standards have the potential to constrain development or limit density on a site due to the cost of constructing parking facilities and space limitations. Capitola’s residential parking requirements are listed in Table 3-5. Parking requirements for single-family dwellings are based on the size of the unit. Duplexes require two spaces per unit and multifamily dwellings of three or more units require 2.5 spaces per unit. Although the multifamily parking requirement does not account for the size of the unit, the regulations provide flexibility by allowing a portion of the required spaces to be uncovered. Also, the City does not impose an additional guest parking requirement for multifamily development.

**Table 3-5: Residential Parking Requirements**

Residential Use	Spaces Required per Unit	Covered Spaces Required
Single Family Dwelling (by unit size)		
< 1,500 SF	2	0
1,501 – 2,000 SF	2	1
2,001 – 2,600 SF	3	1
> 2,600 SF	4	1
Duplex	2	1
Multifamily Dwellings	2.5	1

Source: Capitola Municipal Code, 2023.

Recognizing that parking is a constraint on development in Capitola, the City has implemented strategies that reduce costs and site requirements for parking, while still protecting the integrity of existing neighborhoods. For example, the Zoning Ordinance allows for 30% of required parking to be compact spaces. Additionally, tandem spaces are permitted for all residential uses, provided that spaces configured in tandem are assigned to the same unit.

Section 17.76.050(E) of the Zoning Ordinance allows the Planning Commission to approve “shared parking” arrangements, upon a determination that the periods of occupancy and use of the structures/uses in the development(s) are not simultaneous with each other. This sort of arrangement will likely become more popular in the future as more residential-commercial mixed-use projects are developed in the C-C, C-R and MU-N zoning districts. The Planning Commission may also approve off-site parking for residential uses if it finds that practical difficulties prevent parking from being located on the same lot.

However, the City’s parking requirements for multifamily housing do not vary by size of the unit, potentially constraining the development of smaller units and discouraging higher density. As a program of this Housing Element, the City will revise the multifamily residential parking requirements based on the unit size or number of bedrooms. The program will also revise the current covered parking requirement for multifamily development.

### Objective Design Standards

Objective standards are generally defined by state law as standards that involve no personal or subjective judgment and that rely on a uniform benchmark or criterion available and knowable prior to application submittal. The City adopted objective standards for multifamily and mixed-use residential development in November 2022 (Zoning Ordinance Chapter 17.82). The standards are intended to ensure that development exhibits high quality design and enhance Capitola’s unique identity and sense of place, while providing clear direction to designers and developers. The standards address design elements including the following:

- Circulation and streetscape
- Parking and vehicle access
- Building placement, orientation, and entries
- Building massing
- Façade and roof design
- Other site features (e.g., refuse storage areas and equipment screening)

Objective standards increase approval certainty and decrease processing time and costs for projects by allowing developers to design to clear standards prior to initial submittal, rather than having to change the design to meet City requirements later in the process.

### Condominium Conversion Ordinance

The Condominium Conversion Ordinance regulates the conversion of apartments to condominiums by requiring conversions involving five or more units to mitigate for the loss of rental housing through a dedication of on-site affordable units and/or payment of in-lieu fees into the City's Housing Trust Fund. No condominium conversions occurred during the 2015-2023 planning period. Due to the rising rents statewide, apartment rental is a profitable investment option for most property owners. Condominium conversion has not been a trend in the last decade or more.

### Density Bonus

The City's density bonus ordinance (Zoning Ordinance Chapter 18.03) was adopted in 2009. Therefore, due to significant changes in state density bonus law since 2009, City staff reference state law directly when processing density bonus applications. Recent changes to state density bonus law include the following:

- Requirement to replace existing affordable units and increase in the required affordability period from 30 years to 55 years (AB 2222);
- Density bonuses for developments serving transitional foster youth, disabled veterans, and homeless individuals (AB 2442);
- Increased density bonus and incentives for 100 percent affordable developments (AB 1763); and
- Increase in the maximum provided density bonus from 35 percent to 50 percent (AB 2345).

As part of the housing programs in this Housing Element, the City will amend Chapter 18.03 of the Zoning Ordinance to be up to date with current state density bonus law.

## Inclusionary Housing Ordinance

The City's inclusionary housing requirements are contained in Chapter 18.02 of the Municipal Code. The inclusionary requirement applies to projects creating seven or more for-sale housing units, residential parcels, mobile home parcels, or converted condominium units. Applicable projects must restrict 15% of units or parcels for sale to moderate-, low-, or very low-income households. Rental housing is exempt from the inclusionary requirements. Consistent with state laws, developments subject to the requirement are provided the option of alternative compliance methods, including payment of an in-lieu fee, land dedication, or constructing the units off site.

Multifamily rental housing and other residential development is subject to affordable housing impact fees. The affordable housing impact fee is discussed in more detail in Section B.5, Development Fees of this chapter.

While the inclusionary housing requirements add to the supply of affordable units, the requirements increase the cost of housing development and further limit supply.

## Cumulative Impacts of Land Use Controls

Capitola's development regulations include parking, building height and lot requirements that may have an impact on achieving maximum allowable density in certain residential zones. However, the following shows that the City is working to remove these constraints:

- With a comprehensive Zoning Code update in 2018, several of its zoning categories that allow residential development, including Regional Commercial (C-R), Community Commercial (C-C), and Mixed Use Neighborhood (MU-N), currently have no density limits. Projects within the MU-N zone are permitted to be 100% residential; single family and duplexes are permitted uses while multifamily is a conditional use.
- As indicated by recent development trends, existing non-residential developments consisting of single commercial uses continue to decline whereas development of mixed or blend developments are increasing, especially along major thoroughfares in the City. Recent developments in the City are described below:
  - 1066 41<sup>st</sup> Avenue: The 81,357 square-foot site was formerly used as a car sales lot, and then used by the adjacent businesses at Begonia Plaza, as off-site parking. Redeveloped into a mixed-use site with 53 residential units and 3,000 square feet of commercial. Density 29.6 units per acre.

- 3606 – 3610 Capitola Rd (Heritage Lane). The project site is made up of two parcels totaling 53,351 square feet (1.22 acres). The site previously contains two single-family residences, each on their respective parcel. Redeveloped with 14 new units and a density of 12.3 units per acre.
- 1500 Tera court – previously Recycle Center to purchase used industrial/construction equipment and goods. Redeveloped with 11 new units and a density of 15.5 units per acre.
- 4025 Brommer – previously one single-family home. Redeveloped with a density of 17.4 units per acre.
- A program to expand the Incentives for Community Benefits. This Zoning chapter allows increased FAR and height in exchange for community benefits, such as affordable housing. The incentives are intended to facilitate the redevelopment of underutilized properties along 41<sup>st</sup> Avenue. Qualifying projects may receive an increased FAR of 2.0 and increased maximum height of 50 feet. Several sites in the 6<sup>th</sup> Cycle inventory are located in this incentivized zone. This Housing Element includes an action to expand the incentivized zone to extend the incentives to more sites included in the sites inventory. When the zone boundaries are expanded, the City will also modify the required findings so that projects meet objective design standards for the incentive application process.
- A program to revise the multifamily residential parking requirements based on the unit size or number of bedrooms and revisions to the current covered parking requirement for multifamily development.
- Maximum density regulations are typically included in zoning districts to limit the number of units allowed per acre. For instance, the City of Carmel has a maximum density of 33 units per acre in commercial districts and the City of Santa Cruz has a maximum density of 55 units per acre in mixed use zones, which includes both residential and commercial uses in the calculation. Capitola does not have density limits in mixed use and commercial zones; therefore, developers have flexibility when deciding what density will work best in terms of the site and development goals. However, to further facilitate affordable housing in the City, Capitola has included the following provisions in the Development Standards program of this Element:
  - Corner lot duplexes in the R-1 zone: Allow corner lots in single-family neighborhoods to accommodate duplex units. Such a strategy is intended to provide flexibility compared to SB 9 requirements, with the goal of introducing moderately priced homes in the neighborhoods. Objective development standards will be used for these projects.
  - Examine the maximum densities in the RM-L and RM-M zones to determine if higher density limits will help facilitate multi-family development in the City.
  - The Fair Housing Actions table in this Element expands on facilitating housing production using these actions.

### 3. Zoning for a Variety of Housing Types

Housing element law requires jurisdictions to designate zoning districts within the City to encourage and facilitate the development of a variety of residential uses and types for all economic segments of the community and groups having special housing needs. This includes a wide range of residential uses, including traditional single-family and multifamily housing, mixed-use development, transitional and supportive housing, farm worker and employee housing, and emergency shelters.

Table 3-6 summarizes the various residential uses permitted in Capitola by zone. These uses are discussed in more detail in the following sections.

**Table 3-6: Permitted Residential Uses by Zone**

Residential Use	R-1	RM-L	RM-M	RM-H	MH	MU-V	MU-N	C-C	C-R
Single Family	P	P	P	P	C	- / P <sup>1</sup>	P	-	-
Duplex	-	P	P	P	-			-	-
Multifamily	-	P	P	P	-	- / P <sup>1</sup>	P	C <sup>5</sup>	C <sup>5</sup>
Mixed-use	-	-	-	-	-	P / C <sup>4</sup>	C	C	C <sup>6</sup>
Group Housing	-	P	P	P	-	C <sup>2</sup>	C	-	-
Mobile Home Parks	-	C	C	C	P	-	-	-	-
Residential Care Facility, Small (6 or fewer)	P	P	P	P	C	3	3	-	-
Residential Care Facility, Large (7 or more)	C	C	C	C	C	3	3	-	-
Accessory Dwelling Units	A	A	A	A	-	A	A	A	A

P = Permitted; A = Administrative Permit required; C = Conditional Use Permit required; - = Use not allowed

1. Only allowed in village residential (-VR) overlay zone.
2. Allowed only on the second or third story of a mixed-use development out of the -VR overlay zone. Allowed in any story in the -VR overlay zone.
3. Residential care facilities shall be allowed with the permits required for dwellings of the same type within the applicable zoning district. For example, a residential care facility in a detached single-family home requires the same permits and is subject to the same use regulations as a detached single-family home.
4. If a proposed residential mixed-use project contains any use that requires a conditional use permit, the entire project, including the residential use, requires a conditional use permit. If a proposed residential use replaces an existing upper-floor commercial use, the residential use is allowed by right.
5. Only allowed as part of a mixed-use project integrated with commercial structures on the same site.
6. Residential uses are prohibited on the first story.

Source: Capitola Municipal Code, 2023.

## Single-Family Residences and Duplexes

The City permits single-family residences in all residential zones as well as in the MU-N zone and the Village Residential Overlay zone. Duplexes are permitted in all three multifamily zones.

## Multifamily Residences

Multifamily development is permitted in the City's multifamily zones (RM-L, RM-M, and RM-H). Standalone multifamily development is also permitted by right in the MU-N zone and the Village Residential Overlay zone. Multifamily development is permitted with a conditional use permit in the C-C zone.

## Mobile Homes and Mobile Home Parks

Manufactured homes offer affordable housing opportunities to City residents through lowered construction costs. Single-family manufactured housing units and modular homes are permitted in all residential districts, and manufactured homes are allowed in the City's mobile home parks that are regulated by the California Department of Housing and Community Development.

The Mobile Home Park (MH) zone provides areas for exclusive development of mobile home parks. Zoning Ordinance Section 17.16.030(D) provides development standards specific to the MH zone. Mobile home parks are permitted with a conditional use permit in the RM zones. Chapter 17.100 of the Zoning Ordinance provides specific requirements similar to state law that protect the City's existing mobile home parks from conversion to another use, through the Relocation Impact Report and other requirements.

## Mixed-Use Developments

Mixed-use development refers to development that locates multiple uses on the same site. Mixed-use developments combining commercial and residential uses typically locate the residential use behind the commercial use or on the upper stories of the building. Mixed-use development is beneficial in that it increases neighborhood walkability and access to transit and other services for residents.



The City has two mixed-use zones, the MU-V and MU-N zones. In the MU-V zone, mixed use development is permitted by right; however, if any use in the development requires a conditional use permit, that requirement will apply to the entire development. Mixed use projects also require a conditional use permit in the MU-N zone. The commercial zones (C-C and C-R) require a conditional use permit for mixed use. Conditional use permit approval is common for mixed use development in many cities, to ensure that uses are compatible and potential negative impacts of various uses sharing a site are mitigated.

### Accessory Dwelling Units

As defined by Chapter 17.74 of the Capitola Zoning Ordinance, an accessory dwelling unit (ADU) is “a self-contained living unit located on the same parcel as a primary dwelling unit.” The City last updated its ADU regulations in 2022. Per Chapter 17.74, ADUs are permitted on any parcel with a proposed or existing single- or multifamily dwelling. The City’s regulations allow for the ministerial review of ADUs that meet the requirements outlined in state law. ADUs that do not meet these requirements are subject to design permit review by the Planning Commission.

Capitola has undertaken many steps in recent years to facilitate the development of ADUs. This includes:

1. Updating ADU standards within the zoning code in 2020 and 2022 to align with new state law.
2. Created three prototype ADU design. Each design is building permit ready and has three options of different architectural styles including beach cottage, modern, and craftsman.
3. Published an ADU guidance document for Capitola residents which explains the administrative review process and allowed development standards. The ADU guidance document is highly illustrative to clearly explain development of ADUs to readers with little or no development experience.

### Single Room Occupancy Developments and Group Homes

The Capitola Zoning Ordinance defines single-room occupancy as “housing consisting of a single-room dwelling unit that is the primary residence of its occupants. A single-room occupancy must include either food preparation or sanitary facilities (or both) and must be four hundred square feet or less.” Due to their smaller size and, in some cases, shared

facilities, single-room occupancy units provide an affordable option for lower income individuals. Single-room occupancy developments in Capitola are permitted as group housing.

Group housing is a permitted use in the City’s multifamily zones (RM-L, RM-M, and RM-H) and is conditionally permitted in the mixed-use zones. When a conditional use permit is required, there is an opportunity for public comment that aligns with the review process for mixed-use and multifamily residential developments.

### Transitional and Supportive Housing

California Health and Safety Code (§50675.2) defines “transitional housing” and “transitional housing development” as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than 6 months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments, and typically offers case management and support services to help return people to independent living. The Capitola Zoning Ordinance does not include a definition for transitional housing; however, the definition of residential care facility includes transitional housing as a type of residential care facility. Residential care facilities are regulated based on the number of clients they serve (see discussion later in this chapter).

California Government Code §65582 defines supportive housing as housing with no limits on the length of stay that is occupied by a “target population” and links this population with the provision of housing and social services. “Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with §4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless individuals (California Government Code §§65582(f) and (g)). The Capitola Zoning Ordinance does not include a definition of or regulations pertaining to supportive housing.

State law requires transitional and supportive housing to be defined as a residential use that is subject only to the same regulations that pertain to comparable residential uses in the same zone. For example, a transitional housing development configured as multifamily housing should be subject to the requirements that pertain to other multifamily developments. Additionally, with the passage of AB 2162, state law makes further allowances for supportive housing projects in zones where multifamily and mixed-use development are permitted. Supportive housing of 50 or fewer units is permitted by right in these zones and parking requirements are prohibited for developments within one-half mile of a public transit stop. The Housing Element contains a program to remove constraints to the development of transitional and supportive housing by clarifying requirements and ensuring compliance with applicable state requirements.

### Emergency Shelters and Low Barrier Navigation Centers

Emergency shelters are currently permitted by right in Capitola's Industrial zone. Section 17.96.030 of the Zoning Ordinance contains supplemental standards that apply to emergency shelters, which include requirements for parking, common facilities, security, lighting, and submittal of a management plan to the City annually. Specifically, the City requires one parking space per staff member and one parking space per six occupants. The City also requires bicycle parking at a rate of one space per occupant. The City has not established a bed limit or separation requirement for emergency shelters.

Government Code §65583(a)(4)(B) lists the operational and development standards that cities are permitted to regulate. These include security, lighting, length of stay, separation from other shelters, provision of on-site management, and parking, among others. A comparison between Zoning Ordinance §17.96.030 and Government Code §65583(a)(4)(B) reveals some inconsistencies. Specifically, state law (AB 139) mandates that the parking requirement imposed by cities may only be based on staffing levels of the facility, not number of occupants, and does not allow for the requirement of bicycle parking.

Additionally, with the passage of AB 2339 in 2022, emergency shelters must be permitted in a zone where residential uses are permitted or in a nonresidential zone where the city can demonstrate that the emergency shelter would be near necessary amenities and services for homeless individuals. The City will amend the Zoning Ordinance to identify the Community Commercial zone where emergency shelter is permitted by right. The Community Commercial zone provides the best access to transit and services in the community. As shown later in this Housing Element, the sites

inventory includes 21 parcels totaling 14.6 acres of underutilized Community Commercial land. In addition, many parcels not included in the sites inventory have the potential for adaptive reuse. Capitola has an unsheltered homeless population of 35 persons. Given the general guidance of AB 2339 – an average of 200 square feet of shelter space is needed per person – an estimated 7,000 square feet of building space is needed for 35 persons. Developing new shelter space may be cost prohibitive. However, adaptive reuse of existing buildings can be a feasible option.

In addition to requirements for traditional emergency shelters, AB 101 requires cities to allow the development of Low Barrier Navigation Centers by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if the Centers meet specified requirements. A “Low Barrier Navigation Center” is defined as “a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.” (Government Code Section 65660(a).) Low Barrier Navigation Centers best practices include options such as allowing pets, permitting partners to share living space, and providing storage for residents’ possessions. AB 101 also sets a timeline for jurisdictions to act on applications for Low Barrier Navigation Center developments. The requirements of this bill are effective through the end of 2026, at which point they are repealed.

A program has been included in the Housing Element to amend the Zoning Ordinance to add provisions for Low Barrier Navigation Centers, to review and amend emergency shelter standards, and to identify the Community Commercial zone where emergency shelters are permitted by right that is compliant with the new requirements of AB 2339.

### Employee Housing and Farm Worker Housing

The Employee Housing Act (Health and Safety Code §17021.5) requires that employee housing providing accommodations for six or fewer employees be deemed a residential use subject to the same standards as single-family residences. The Capitola Zoning Ordinance does not include provisions for employee housing; therefore, the Housing Element includes a program to amend the Zoning Ordinance to allow employee housing for six or fewer employees where single-family residences are permitted.

Pursuant to the Employee Housing Act (Health and Safety Code §17021.6), any employee housing consisting of no more than 36 beds in a group quarters or 12 units shall be deemed an agricultural land use to be similarly permitted in

zones that permit agricultural activities. The City permits Urban Farms conditionally in its residential, mixed use, and commercial zones. Urban Farm is defined as “privately or publicly owned land used for the cultivation of fruits, vegetables, plants, flowers, or herbs by an individual, organization, or business with the primary purpose of growing food for sale.” However, the City has no commercial-scale farming operations and is unlikely to have any in the future.

The Housing Element includes a program action to amend the Zoning Ordinance to define the types of small-scale hobby farming activities (not commercial farming) permitted in the City and remove the Urban Farms as a permitted use.

According to the 2016-2020 American Community Survey, just 19 Capitola residents were employed in the agriculture, forestry, fishing and hunting, and mining industries. Therefore, given the absence of farm workers in the community, the City has not identified a need for specialized farm worker housing beyond overall programs for housing affordability.

#### 4. Housing for Individuals with Disabilities

Pursuant to SB 520, this section analyzes potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities; discusses local efforts to remove governmental constraints that hinder the locality from meeting the need for housing of persons with disabilities; and identifies programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities.

##### Building Code and Public Improvements

Capitola endeavors to accommodate disabled access within the existing and future housing stock. The majority of Capitola’s arterial streets are fitted with curb cuts, disabled access signal controls, and seeing-impaired crossing signals. The City Building Department enforces the Americans with Disabilities Act (ADA) requirements on new and rehabilitated development and provides no cost consultations to assist in the development of plans for ADA retrofitting upon request. In addition to the requirements of Chapter 11 of the California Building Code, Section 15.04.040 of the Capitola Municipal Code requires that residential units have a minimum clear width of 30 inches at all doorways with the exception of shower doors and closet or pantry doors that are less than 3 feet deep.

## Residential Care Facilities

Pursuant to the Lanterman Disability Services Act, small residential care facilities for up to six clients are permitted in the City's residential zones. In the mixed-use zones, these facilities are subject to the same requirements as other residential uses. Large residential care facilities for seven or more clients are allowed as a conditional use in the City's residential zones, which requires a public hearing before the Planning Commission. Capitola Zoning Code Section 17.96.080 includes the conditions for large residential care facilities:

- A large residential care facility in a residential zoning district shall not be located within five hundred feet of another large residential care facility.
- A wall or fence shall be provided for purposes of screening and securing outdoor recreational areas in compliance with Chapter 17.60 of the Zoning Code.
- The care provider shall obtain and maintain a license from the State of California Department of Social Services. Large residential care facilities shall be operated according to all applicable state and local regulations.
- The applicant is required to have the facility inspected and submit a letter of compliance from the following:
  - City Building Department. The facility shall be inspected and brought into compliance with the building codes relative to the proposed use.
  - Fire Marshall. The facility shall be inspected and brought into compliance with the California Health and Safety Code and fire code relative to the proposed use.

The findings for use permit approval are:

- The proposed use is allowed in the applicable zoning district.
- 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.
- 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.
- The proposed use will not be detrimental to public health, safety, and welfare.
- The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure. (Ord. 1043 § 2 (Att. 2), 2020)

The majority of the conditions are objective standards geared at balancing safety for residents with disabilities while ensuring mitigation of impacts associated with large residential care facilities. The compatibility requirements may be considered subjective. Due to this, a program has been included in this Housing Element to amend the Zoning Code by the end of 2025 to permit large residential care facilities in zones where residential uses are permitted and only subject to objective approval standards.

### Reasonable Accommodations

Chapter 17.140 of the Capitola Zoning Ordinance provides a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Act and the California Fair Employment and Housing Act in the application of zoning laws and other land use regulations, policies, and procedures. Reasonable accommodation requests are reviewed and approved by the Community Development Director, unless the request is filed concurrently with an application that requires discretionary review before the Planning Commission or the City Council.

The review authority shall make a written decision and approve, approve with modifications, or deny a request for reasonable accommodation based on consideration of all of the following factors:

- Whether the housing which is the subject of the request will be used by an individual defined as disabled under the Americans with Disabilities Act.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Americans with Disabilities Act.
- Whether the requested reasonable accommodation would impose an undue financial or administrative burden on the City.
- Whether the requested reasonable accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use and zoning.
- Potential impacts on surrounding uses.
- Physical attributes of the property and structures.
- Other reasonable accommodations that may provide an equivalent level of benefit.



The two findings relating to “potential impacts on surrounding uses” and “physical attributes of the property and structures” may be considered subjective with the potential to constrain the development and improvement of housing for persons with disabilities. This Housing Element includes a program action to remove the potentially subjective findings.

### Definition of Family

Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities but not for housing families that are similarly sized or situated.

The Capitola Zoning Ordinance does not contain any definition for family and therefore, does not constrain development of housing for unrelated persons in the same household.

## 5. Development Fees

The City charges various fees to cover costs associated with project review, plan check, building permits and inspections. Additionally, impact fees are imposed by outside agencies which are intended to offset the future impact of development on infrastructure and services.

Table 3-7 provides a comparison of typical planning fees for cities in Santa Cruz County. Design permits are the most commonly required entitlement for residential projects in Capitola. Design permit review costs \$2,977 for a new single-family residence and \$4,165 for a new multifamily development, which on a per-unit basis, is less than for single-family housing. The majority of Capitola’s fees are charged on a time and materials basis, with a required minimum deposit. A developer may be billed for additional time if necessary, and any remaining funds are refunded after the project review process is complete. As shown in the table, Capitola’s planning fees tend to be comparable or lower than other regional jurisdictions.

**Table 3-7: Planning Fee Comparison**

Fee Type	Capitola	Santa Cruz	Scotts Valley	Watsonville
Design Permit	SF, minor: \$870 SF, PC review: \$2,977 MF, minor: \$2,000 deposit* MF, PC review: \$4,165	Minor: \$1,920 Major: \$472 per 1,000 square feet	\$3,548 deposit	N/A
Minor Use Permit	\$1,756	\$2,754	\$3,538	\$1,644
Conditional Use Permit	\$3,000 min. deposit*	\$3,778	\$7,077	\$6,015
Tentative Parcel Map	\$2,000 min. deposit*	\$9,453	\$12,418 deposit	\$9,265 per lot
Tentative Tract Map	\$5,000 min. deposit*	\$18,978	\$12,418 deposit	\$23,978 (1 <sup>st</sup> 10 lots); \$927/additional lot
General Plan Amendment	\$5,000 min. deposit*	\$6,222 deposit	\$12,418 deposit	\$23,978
Rezone	\$5,000 min. deposit*	\$6,222 deposit	\$9,225 deposit	\$14,169

\*Deposit accounts are billed on a time and materials basis. Additional deposits may be necessary depending on the complexity of the project. Unused funds are refunded following case closure.

Sources: City of Capitola, 2022-2023 Amended Fee Schedule; City of Santa Cruz, Unified Master Fee Schedule, 2023; City of Scotts Valley, Fee Schedule, FY 2022-2023; City of Watsonville, Fees, Rates, and Charges for City Services, Effective July 1, 2022.

In addition to planning fees, residential development is subject to building permit, plan check, and impact fees, which can add significantly to the cost of the development. Table 3-8 includes a comparison of fee amounts for a typical single-family dwelling and a four-unit multifamily dwelling. The City’s approach to development fees usually results in a lower per-unit fee cost for multi-unit projects. As shown in Table 3-8, the per-unit fee for the multifamily project was \$67,827, compared to \$118,216 for the single-family dwelling. Based on the valuation notes in the table, development fees comprise 15 percent of the valuation for single-family units and 19 percent of the valuation for multi-family units. It should be noted that over 30 percent of the total development fees (32% of single-family fees and 38% of multi-family fees) come from outside agencies and are not set by the City of Capitola. In addition, the largest City-initiated fee is the affordable housing impact fee, which is based on square footage. This fee is not assessed for affordable housing projects. Therefore, the City’s development fees do not present a constraint to development.

**Table 3-8: Residential Development Fees**

Fee Type	Single-Family Dwelling <sup>1</sup>	4-Unit Multifamily Dwelling <sup>2</sup>
<b>City Fees</b>		
Design Permit	\$2,977	\$4,165
CBSC Fee (State Fee)	\$32	\$56
Combo Permit Fee	\$6,933	\$11,320
Combo Plan Check Fee	\$4,506	\$7,358
General Plan Fee	\$3,957	\$6,990
Green Building Fee	\$1,979	\$3,495
IT Combo Fee	\$347	\$566
Seismic Cat 2 Fee	\$103	\$182
Planning Fee Combo- Planning Plan Check and Final Inspection	\$1,387	\$2,264
Zone V- Impervious area Fee	\$3,584	\$8,005
Affordable Housing Impact Fee	\$57,075	\$127,475
<b>Outside Agency Fees</b>		
School Impact Fee	\$9,315	\$20,804
Sewer Connection Fee	\$3,000	\$12,000
Fire District Fee	\$1,210	\$2,702
Soquel Creek Water District Fees <sup>3, 4</sup>	\$24,790	\$68,090
<b>Total Cost</b>	<b>\$118,216</b>	<b>\$271,308</b>
<b>Cost per Unit</b>	<b>\$118,216</b>	<b>\$67,827</b>

1. Assumptions for single-family dwelling: 2,283 square feet; valuation of \$791,400.
2. Assumptions for multifamily dwelling: 5,099 square feet total; two units over 640 square feet and two units under 640 square feet; valuation of \$1,398,000.
3. Total includes application fees, water capacity fee, meters, and inspection deposit. Fee does not include connection; developer must hire a contractor to install the new service (typically \$12,000-\$15,000).
4. Fees for projects served by the Santa Cruz City Water are less than the Soquel Creek Water District.

Development and impact fees that apply to residential development in Capitola are low relative to most areas in California. There are no parks, transportation, administration, roadside improvement, childcare, or other infrastructure exactions imposed by the City. The City established an Affordable Housing Impact Fee in 2021. Prior to establishing the fee, the City conducted a nexus study that examined the link between new market rate housing and the demand for affordable housing to accommodate new worker households. The Affordable Housing Impact Fee is charged at a rate of \$25 per square foot. Because the fee is charged on a per square foot basis, rather than a per unit basis, it does not

unduly impact multifamily development compared to single-family development. For-sale housing developments of seven or more units are exempt from the impact fee; however, they are subject to the City’s inclusionary housing requirements.

Outside agencies impose impact fees on residential development as well. These include the following:

- School fees totaling \$4.08 per square foot to Live Oak School and Soquel Union Elementary School District;
- Sewer connection fee to the County of Santa Cruz Sanitation District;
- Water connection fee to either the Soquel Creek Water District or the Santa Cruz Water District, depending on the area in which the development is located; and
- Fire District fees at \$0.53 per square foot to the Central Fire District.

In general, these fees can be a constraint on housing development and compromise affordability because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City. This Housing Element includes a program to incentivize affordable housing development, which may include deferral of fees for affordable housing.

## 6. Local Processing and Permit Procedures

The evaluation and review process required by the City’s procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately reflected in the unit’s selling price. The City’s goal is to further expedite the processing of all residential development applications.

### Typical Permit Process and Timeline

Because Capitola is nearly built-out, most residential projects are small infill or redevelopment projects. New single-family and new multifamily construction requires a design permit; therefore, the review and approval process is similar for both housing types.<sup>22</sup> The approval process entails a site review by Community Development Department staff, an advisory review by the Development and Design Review Committee, review and approval by the Planning Commission,

<sup>22</sup> For residential projects that are not subject to a design permit per state law then the City’s Objective Design Standards apply.

followed by plan check by building and planning staff. Total time to process an application typically ranges from 2 to 3 months. For projects that require a Conditional Use Permit, the permitting process will usually take 2 to 6 months. Most zoning districts in the City allow some type of residential use (single-family or multifamily) as principally permitted. The Community Commercial and Commercial/Residential zoning districts allow residential-commercial mixed-use development as a conditional use. Because the Conditional Use Permit only adds an additional 2 to 3 months to the permitting process, it is not seen as a constraint to this sort of development. Coastal permits are processed and approved concurrently for most projects in the Coastal Zone.

After a project has received a permit from the Planning Department, it must obtain a building permit before construction begins. The City of Capitola Building Department provides plan checking and building inspection services to assure compliance with the California Building Code. The Building Department enforces the provisions of the 2022 California Building Code and appendices. Additionally, the Building Official serves as the City of Capitola's Americans with Disabilities Act compliance officer. The City has made no local amendments to the building code that would constrain housing development.

### Local Coastal Program and Coastal Permits

The City of Capitola's Local Coastal Program has been certified by the California Coastal Commission, and coastal permits are issued by the City. Within the City of Capitola, the location of a project in the coastal zone generally does not result in a more complex or time-consuming development review process. Because the City requires Development and Design Review (design permit) for nearly all development, the fact that a coastal permit may also be required does not generally result in a substantively different application review process or timing. The City of Capitola typically carries out development review for design review of principally permitted uses in a very timely way, usually completed within 2 to 3 months of application submittal.

### General Plan Amendment and Zoning Code Amendment Processing

Applications for amendments to the City General Plan and the Zoning Code are reviewed as discretionary actions. These applications are reviewed by the Community Development Department, then forwarded to the Planning Commission. The Planning Commission holds a public hearing, reviews the application, and forwards its recommendation to the City

Council. The City Council is the approving body for all General Plan and Zoning Code amendments. It is the City's goal to process these actions within 6 months after a complete application is received, or as required under CEQA and other applicable laws.

### Conditional Use Permits

Conditional Use Permits (CUPs) for residential uses are shown in Table 3-6. Provisions for CUPs are described in Chapter 17.124 of the City's Municipal Code. The Planning Commission takes action on CUPs.

When evaluating a conditional use permit, the Planning Commission shall consider the following characteristics of the proposed use:

- A. Operating characteristics (hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).
- B. Availability of adequate public services and infrastructure.
- C. Potential impacts to the natural environment.
- D. Physical suitability of the subject site for the proposed use in terms of design, location, operating characteristics, shape, size, topography.

To approve a conditional use permit, the Planning Commission shall make all of the following findings:

- A. The proposed use is allowed in the applicable 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.
- 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.
- D. The proposed use will not be detrimental to the public health, safety, and welfare.

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

Finding C may be considered a constraint due to the language of “compatible with the *existing* land uses in the vicinity of the of the property”. However, since “*planned* land uses” is also included in the finding, this provides flexibility in different types of housing that may not currently be in a particular area. With the comprehensive Zoning Code update in 2018, several of its zoning categories that allow residential development, including Regional Commercial (C-R), Community Commercial (C-C), and Mixed Use Neighborhood (MU-N), currently have no density limits. Projects within the MU-N zone are permitted to be 100% residential; single family and duplexes are permitted uses while multifamily is a conditional use. As indicated by recent development trends, existing non-residential developments consisting of single commercial uses continue to decline whereas development of mixed or blend developments are increasing, especially along major thoroughfares in the City. It is anticipated that development in mixed use zones will feature and integrate residential development where existing commercial uses are present. Therefore, due to the flexibility in the findings and the recent development trends of conditionally permitted residential uses, the CUP process is not considered a constraint to housing development in Capitola.

## 7. Required On-Site and Off-Site Improvements

The City requirements for on-site and off-site improvements are decided on a case-by-case basis. However, a few required improvements are standard for most residential development.

### On-Site Improvements

Most projects must submit a final Landscaping Plan and Irrigation Plan at the time of building permit submittal and install improvements prior to final building occupancy. The utilities are to be underground to the nearest utility pole in accordance with PG&E. Required on-site improvements are generally not development or cost prohibitive.



### Off-Site Improvements

Required off-site improvements are more costly than on-site improvements; however, they are necessary to achieve consistency within neighborhoods and contribute to systems that benefit the entire community. One such example is requiring curbs and gutters to provide stormwater mitigation. The City requires that any curbs, gutters (concrete swale) and/or sidewalks that are damaged during construction be repaired or replaced.

## 8. Transparency in Development Processes and Regulations

The City of Capitola strives for transparency in the development review process, facilitating in the streamlining of the development application and review process. A key factor in transparency is providing readily accessible information about the City’s development application review requirements, processes, fees, and development regulations on the City website. Table 3-9 provides a listing of development information provided and its location on the City’s website.

**Table 3-9: Development Resources on the Capitola Website**

Development Information	Website Location
General Plan	<a href="https://www.cityofcapitola.org/communitydevelopment/page/capitola-general-plan">https://www.cityofcapitola.org/communitydevelopment/page/capitola-general-plan</a>
Municipal Code / Zoning Ordinance	<a href="https://www.codepublishing.com/CA/Capitola/#!/Capitola17/Capitola17.html">https://www.codepublishing.com/CA/Capitola/#!/Capitola17/Capitola17.html</a>
Zoning Map	<a href="https://www.cityofcapitola.org/communitydevelopment/page/zoning-maps">https://www.cityofcapitola.org/communitydevelopment/page/zoning-maps</a>
Forms and Applications	<a href="https://www.cityofcapitola.org/forms?field_microsite_tid=27&amp;field_microsite_tid_1=All">https://www.cityofcapitola.org/forms?field_microsite_tid=27&amp;field_microsite_tid_1=All</a>
Fee Schedule	<a href="https://www.cityofcapitola.org/finance/page/fee-schedule">https://www.cityofcapitola.org/finance/page/fee-schedule</a>

## 9. Jobs/Housing Balance

The City of Capitola intends to work toward the implementation of SB 375, the Sustainable Communities and Climate Protection Act. The City of Capitola is an active participant in AMBAG’s Sustainable Communities Planning Program to help in the development of preferred land use patterns that will support improved mobility, reduce greenhouse gas emissions, and reduced dependency on single-occupant vehicle trips. In response to the requirements of the Federal Clean Air Act, the State of California has formulated a State Implementation Plan (SIP) that sets forth the measures that are necessary to ensure the attainment and maintenance of the National Ambient Air Quality Standards (NAAQS) contained in the Act. As a means of carrying out the SIP and ensuring that the NAAQS are attained in the Monterey

Bay/Santa Cruz County region, in which Capitola is located, the Monterey Bay Unified Air Pollution Control District has adopted a Regional Air Quality Management Plan (AQMP). The AQMP, in turn, requires all jurisdictions within its region revise their general plans to be consistent with the SIP. A local general plan is consistent with the SIP if the development allowed by the plan promotes balanced development and traffic management strategies.

The City of Capitola's adopted General Plan permits a mix of residential, mixed commercial-residential, commercial, and industrial development. Although a good portion of its land area is in residential uses, Capitola has a strong regional commercial center and a commercial tourism industry focused on its seashore location.

The Capitola General Plan also promulgates a traffic level of service "C," which indicates that the roadway is operating at 71% to 80% of its design capacity, and traffic is moving at a moderate pace. Increases in residential development that cause traffic to increase and roadways to exceed level of service "C" would be judged inconsistent with that standard, and CEQA review/mitigation measures would occur. Lower levels of service may be accepted if necessary improvements are infeasible or result in significant environmental impacts. Furthermore, LOS is no longer analyzed under CEQA. As a policy of this Housing Element, the City will locate higher density zoning along transportation corridors and seek opportunities to expand transit ridership and alternative modes of transportation in the community.

Many of the key housing development Opportunity Sites identified in Appendix D are located along major transportation routes that are served by transit buses, bike lanes, and sidewalks. Many are located close to job centers. The City plans to work with nearby jurisdictions to retain and utilize the trail right-of-way, which runs along Capitola's entire coastal edge. In the short term, the trail will likely serve as a walking/bicycle trail and in the long-term may include a light-rail system. The City's opportunity sites are also oriented to take advantage of this future alternative transportation opportunity.

## C. Environmental and Infrastructure Constraints

### 1. Environmental Conditions

Environmental conditions can affect development potential. Compliance with regulations pertaining to the coastal zone, riparian corridors, and environmentally sensitive habitat areas can constrain development potential on certain sites. A portion of the opportunity sites identified in Chapter 4 of this Housing Element are in the Coastal Zone; however, apart from four smaller vacant parcels, the sites are already developed or are in a developed area, so are unlikely to cause a significant environmental impact. Within the 2015-2023 housing element cycle, 68 units within the Coastal Zone were demolished. However, they were replaced with new homes. Because all but four of the opportunity sites are already developed, few environmental and infrastructure constraints are projected to be significant. Figure 3-1, Figure 3-2, and Figure 3-3 show environmental factors that impact the City of Capitola. Figure 3-1 shows the Environmentally Sensitive Habitat Areas (ESHA), including coastal bluffs/sea chiffs, riparian corridors and the Monarch Butterfly Grove, while Figure 3-2 shows the flood plain area and Figure 3-3 illustrates the geological hazards in the City. Most of these environmental resource and constraints areas are located along the coastline, in the Soquel Creek and north of Monterey Avenue.

Figure 3-1: Environmentally Sensitive Habitat Areas (ESHAs) in Capitola



Figure 3-2: Flood Zones in Capitola





Figure 3-3: Geological Hazards in Capitola



## 2. Traffic Constraints

Traffic congestion throughout the region is a significant constraint. Highway 1 along much of its length contains only two lanes in each direction, and it operates at Level of Service F during peak hours as well as at other times. In 2008, Caltrans completed the construction of auxiliary lanes at the interchange of Highway 1 and Highway 17. While this work eased traffic congestion in this area, congestion is still present in the remainder of the corridor. To improve traffic and safety operations on Highway 1, the Santa Cruz County Regional Transportation Commission (SCCRTC) is constructing auxiliary lanes and bus-on-shoulder improvement throughout the county including the segment between the Bay Avenue/Porter Street and State Park Drive interchange. Also, the Capitola Avenue over cross will be replaced as part of the project.

Within the City of Capitola, traffic congestion along the 41<sup>st</sup> Avenue corridor remains problematic. The County of Santa Cruz completed improvements to the 41<sup>st</sup> Avenue overcrossing at Highway 1, which include restriping of the bridge deck to add an additional southbound lane. An adaptive signal and bicycle lane mileage for 41<sup>st</sup> Avenue have also been added. If the development creates traffic impacts, then a mitigation measure or condition of approval is imposed.

## 3. Water Supply and Infrastructure

The City is currently served by two water districts: the Soquel Creek Water District and the City of Santa Cruz Water Department. The Soquel Water District relies exclusively on available groundwater, while the Santa Cruz Water District uses a combination of groundwater and surface water to serve its customers. Increases in water connection fees, which are beyond the City's control, correlate with the impacts of the drought and saltwater intrusion on the area's water resources. To support water conservation, the City of Capitola encourages residents to take advantage of residential water rebates offered by the Soquel Creek Water District and the Santa Cruz Water District, including rebates on drip irrigation retrofits, graywater landscaping, turf replacement, water efficient toilets and washers, and rain catchments.



According to the City of Santa Cruz 2020 Urban Water Management Plan,<sup>23</sup> annual water use was about 2.6 billion gallons in 2020. Due to long-term conservation measures, demand is expected to grow very slowly over the next 25 years. Accounting for projected population growth, demand is anticipated to reach about 2.8 billion gallons per year by 2045. Based on these projections, the District can meet future demand with the implementation of its planned supply augmentation strategy if the region experiences typical rainfall. In 2025, the City will have implemented proposed water rights modifications as described in the Santa Cruz Water Rights Project Draft Environmental Impact Report, and in 2030, the City will have implemented the Aquifer Storage and Recovery (ASR) in the Santa Cruz Mid-county Groundwater Basin and/or the Santa Margarita Groundwater Basin. Under multi-year drought conditions in the near term (2025), with proposed water rights modifications but before implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, but would fall short of demand by 27 percent in year five. While the analysis characterizes this vulnerability for year five of the drought period, depending on sequencing of rain years, in reality it is possible that such a shortage could occur sooner and persist longer through a multiple dry year period. Under multi-year drought conditions after 2030, with implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, and the year-five shortage is anticipated to be substantially reduced with projected shortages no larger than a negligible two percent. Soquel Creek Water District relies entirely on groundwater for its water supply, which is overpumped and experiencing seawater intrusion, a condition that allows seawater to enter and contaminate the groundwater supply. However, the District has taken action with the Pure Water Soquel project to increase groundwater replenishment and prevent salt water intrusion. The project takes highly treated wastewater that would previously have been discharged into Monterey Bay and purifies it to replenish the groundwater basin.

According to the District's 2020 Urban Water Management Plan,<sup>24</sup> water use in 2020 was 3,062 acre-feet per year (AFY) and is projected to be 3,655 AFY in 2040. This projection takes into account many factors, including anticipated

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23 City of Santa Cruz, 2020 Urban Water Management Plan, <https://www.cityofsantacruz.com/home/showpublisheddocument/87122/637739611535800000>.

24 Soquel Creek Water District, 2020 Urban Water Management Plan, <https://www.soquelcreekwater.org/DocumentCenter/View/1665/2020-Urban-Water-Management-Report-PDF?bidId=>.

population growth. The Pure Water Soquel Project is a key component to meeting this demand while protecting groundwater resources, and the District projects that water supply in 2040 will be 3,655 AFY, sufficient to meet projected demand.

The Soquel Creek Water District's Water Demand Offset (WDO) Program was implemented beginning in 2003 to allow development to continue while conserving water and minimizing the impact on the overdrafted groundwater basin. The WDO Policy required the development projects to offset approximately two times the amount of water the project was projected to use so that there was a "net positive impact" on the District's water supply. However, given the progress of sustainable groundwater management, conservation efforts, and the Pure Water Soquel project, the District's Board of Directors ended the program in February 2023.

With the water conservation measures described above, the Soquel Creek Water District and the City of Santa Cruz Water Department will have sufficient water to meet projected demands, including the 6<sup>th</sup> Cycle RHNA. This Housing Element includes a program for the City to actively pursue water conservation techniques and to notify water service agencies of their obligation to prioritize water allocation to affordable housing projects, pursuant to SB 1087.

#### 4. Stormwater and Wastewater

Water quality issues may impact the developable areas of projects within the City of Capitola. Federal and state-mandated clean water programs aimed at removing pollutants from stormwater systems will require on-site treatment and percolation of stormwater from all new and redevelopment projects. This program is regulated by the Central Coast Regional Water Quality Control Board, which adopted Post-Construction Requirements effective March 2014 for development projects. These requirements include minimizing impervious surfaces, limiting clearing and grading, treating runoff on site, and limiting off-site discharge, even during significant rain events. While these requirements add to the total cost of residential development, they are necessary to mitigate runoff and prevent pollutants from entering the watershed.

Sanitary sewer services in Capitola are provided by the Santa Cruz County Sanitation District. The sewer system in the District consists of 186 miles of gravity sewers and 35 pump stations. The District has an annual capital improvement program aimed at addressing maintenance and capacity needs in the system. New residential development is charged

a sewer connection fee based on the size of the development. These fees are necessary to ensure that ongoing capacity improvements and regular maintenance on the system can be completed.

Wastewater is treated at the City of Santa Cruz Wastewater Treatment Facility. The facility has been expanded several times to accommodate growth and additional flows and has a current capacity of 17 million gallons per day (MGD), with an average daily flow of less than 10 MGD. Therefore, treatment capacity is adequate through the current planning period and wastewater infrastructure is not considered to be a constraint to development.

## Chapter 4: Housing Need and Opportunities

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This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Capitola. This analysis includes an evaluation of the availability of land resources for future housing development, the City's ability to satisfy its share of the region's future housing needs, financial resources available to support housing activities, and administrative resources available to assist in implementing the City's housing programs and policies. Additionally, this section examines opportunities for energy conservation.

### A. Future Housing Needs

#### 1. State Requirements

State law requires each community to play a role in meeting the region's housing needs. As such, the Association of Monterey Bay Area Governments (AMBAG) has allocated the City of Capitola housing production goals for the 6<sup>th</sup> cycle Housing Element update. This section discusses how Capitola has adequate residential and mixed/multi-use site capacity to accommodate its share of regional housing needs during the planning period.

The California Government Code requires that the Housing Element include an "inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment" (California Government Code §65583(a)(3)). It further requires that the Housing Element analyze zoning and infrastructure on these sites, to ensure that development with housing during the planning period is actually feasible. Through this process, the City must demonstrate that it has a sufficient amount of land to accommodate its fair share of the region's housing need for the 2023-2031 Housing Element cycle.

## 2. Inventory of Land Suitable for Residential Developments

Demonstrating an adequate land supply, however, is only part of the task. Capitola must also show that this supply is capable of supporting housing demand from all economic segments of the community, including lower income households. This means providing sufficient land for multifamily housing as well as single-family housing, and accommodating a wide variety of housing types, including apartments.

The City conducted a survey of all available land within its jurisdiction and has identified 76 sites that are potentially suitable for new residential development. None of these sites were identified in the 5<sup>th</sup> Housing Element cycle, and all have been deemed suitable and realistic for future housing development. Through the identification of these sites, as well as the projected development of accessory dwelling units, the City will address its RHNA allocation for the 2023-2031 Housing Element cycle.

### B. Regional Housing Needs Assessment (RHNA) Requirement

State law requires that a community provide an adequate number of sites to allow for and facilitate production of a city's regional share of housing. To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify "adequate sites." Under state law (California Government Code §65583[c][1]), adequate sites are those with appropriate zoning and development standards, with services and facilities needed to facilitate and encourage the development of a variety of housing for all income levels. Compliance with this requirement is measured by the jurisdiction's ability to provide adequate sites to accommodate the RHNA. The Association of Monterey Bay Area Governments (AMBAG), as the regional planning agency, is responsible for allocating the RHNA to individual jurisdictions within the region.

For the 2023-2031 Housing Element update, the City of Capitola is allocated a RHNA of 1,336 units, a 934% increase from the 5<sup>th</sup> cycle allocation of 143 units. The 6<sup>th</sup> cycle RHNA is distributed by income as follows.

- Extremely Low-Income (up to 30% of AMI): 215 units<sup>25</sup> (16.1%)
- Very Low-Income (31% to 50% of AMI): 215 units (16.1%)
- Low-Income (51% to 80% of AMI): 282 units (21.1%)
- Moderate-Income (81% to 120% of AMI): 169 units (12.7%)
- Above Moderate-Income (more than 120% of AMI): 455 units (34.0%)

While the Housing Element covers the planning period of December 15, 2023 through December 15, 2031, the RHNA planning period is slightly different – June 30, 2023 through December 15, 2031(i.e., 2023-2031 RHNA).

Projects within the City’s entitlement or building plan-check process, but that have not obtained a building permit as of July 1, 2023, can be counted toward the 6<sup>th</sup> Cycle RHNA requirement. Because these projects have development proposals being considered by the City, the potential units associated are considered likely to redevelop during the planning period and can be included within the sites inventory without additional justification.

## C. Realistic Capacity and Recycling Trends

### 1. Realistic Capacity

California Government Code §65583.2(c) requires, as part of the analysis of available sites, cities to calculate the projected residential development capacity of the sites identified in the Housing Element that can be realistically achieved. For this Housing Element, calculations of realistic capacity assume that properties will achieve a density less than the maximum allowed density.

This reduction accounts for applicable land use controls and site requirements (i.e., the cumulative impact of standards such as maximum lot coverage, height, open space, parking, on-site improvements such as sidewalks or easements, and floor area ratios), and adjustments based on recent development trends (e.g., local or regional residential development trends in the same nonresidential zoning districts, local or regional track records, past production trends,

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25 The City has a RHNA allocation of 430 very low-income units (inclusive of extremely low-income units). Pursuant to state law (AB 2634), the City must project the number of extremely low-income housing needs based on Census income distribution or assume 50% of the very low-income units as extremely low.

or net unit increases/yields for redeveloping sites or site intensification, or local or regional track records, trends, or build out yields for redeveloping sites or site intensification). Capacity adjustments for infrastructure availability (i.e., any limitation as a result of availability and accessibility of sufficient water, sewer, and dry utilities) and environmental impacts have not been factored, as infrastructure availability concerns or environmental constraints are not anticipated for sites identified in the inventory.

In the case of Capitola, several of its zoning categories that allow residential development, including Regional Commercial (C-R), Community Commercial (C-C), and Mixed Use Neighborhood (MU-N), currently have no density limits. There is no proposed rezoning as a part of this housing element update and its sites inventory. As a result, the standard procedure of calculating realistic capacity based on a percentage of allowed maximum density is replaced with an analysis of average densities for various zoning categories of existing developments and applying similar densities to the projected housing units within those zoning categories. With mixed-use developments anticipated to be a future trend in Capitola, this Housing Element conservatively assumes mixed-use projects to be developed at the densities shown in Table 4-1: Adjustment Capacity Factors which result in an adjusted capacity to less than the maximum density allowed (unlimited).

Density realization should not be construed as a result of the City's development standards. In most instances, developers choose not to maximize the development potential of the subject property due to the economics and profitability of their investment. Further, achievable density on a property is often influenced by unique site constraints, architectural design, engineering, building code requirements, and how much a developer is able to spend on a development in order to generate a return on their investment, all of which are factors that are beyond the control and discretion of the City of Capitola.



**Table 4-1: Adjustment Capacity Factors**

Capacity Factor	Adjustment	Reasoning
Land Use Controls and Site Improvements	55% - 95%	For net acreage due to on-site improvements including sidewalks, utility easements; these are assumed to be included in existing projects upon which realistic capacity is based.
Realistic capacity	Average densities of existing developments used to project realistic capacity of future housing PD: 19.0 du/ac RM-H: 37.2 du/ac RM-M: 17.1 du/ac C-C: 16.5 du/ac MU-N: 22.2	Assumptions based on past local and regional development trends of residential and mixed-use projects, as well as programs to incentivize development.  The densities represent averages of the existing projects analyzed in Table 4-2: Actual Residential Densities
Typical densities	95%	Affordable housing projects are built out to almost maximum density.
Infrastructure availability	No adjustment	Infrastructure available, no constraints
Environmental constraints	No adjustment	No known site constraints. The identified sites are not located within the 100-year Floodplain or Environmentally Sensitive Habitat Areas.

Table 4-2 provides actual densities of approved or constructed housing projects in the various districts that allow residential and mixed-use development which is used as a basis to calculate realistic capacity.

**Table 4-2: Actual Residential Densities**

PD (Planned Development)	MU-N (No maximum density)
<ul style="list-style-type: none"> <li>1066 41<sup>st</sup> Avenue (Capitola Beach Villas): 29.4 units per acre</li> <li>Francesco Cir.: 11.4 units per acre</li> <li>Heritage Ln.: 12.3 units per acre</li> <li>Ruby/Diamond/Jade/42nd/45th: 22.8 units per acre</li> </ul>	<ul style="list-style-type: none"> <li>4524 Capitola Road: 22.2 units per acre</li> <li>4401 Capitola Road:(just entitled)</li> </ul>
RM-H (base 19.8 units per acre)	C-C (No maximum density)
<ul style="list-style-type: none"> <li>815 Balboa Ave.: 42.6 units per acre</li> <li>825 Balboa Ave.: 41.0 units per acre</li> <li>850 Park Ave.: 32.6 units per acre</li> <li>870 Park Ave.: 32.7 units per acre</li> </ul>	<ul style="list-style-type: none"> <li>1500 Tera Court (Tera Commons): 15.5 units per acre</li> <li>4025 Brommer St.: 17.4 units per acre</li> </ul>

RM-M (base 15.0 units per acre)	RM-M (Continued)
<ul style="list-style-type: none"> <li>• 1945 42nd Ave.: 38.8 units per acre</li> <li>• Sea Pines Ct.: 13.8 units per acre</li> <li>• 4320 Clares St.: 8.6 units per acre</li> <li>• 4350 Clares St.: 14.9 units per acre</li> <li>• 919 Capitola Ave.: 34.4 units per acre</li> <li>• 406 Pine St A: 9.8 units per acre</li> <li>• 408 Pine St A: 9.7 units per acre</li> <li>• 410 Pine St 1: 18.0 units per acre</li> </ul>	<ul style="list-style-type: none"> <li>• 503 Pine St A: 12.6 units per acre</li> <li>• 719 Rosedale Ave.: 15.0 units per acre</li> <li>• 735 Rosedale Ave.: 8.5 units per acre</li> <li>• 733 Rosedale Ave 3.: 8.8 units per acre</li> <li>• 501 Plum St.: 37.6 units per acre</li> <li>• 1505 42nd Ave.: 14.0 units per acre</li> <li>• 4211 Clares St.: 9.5 units per acre</li> <li>• 46th Ave.: 23.8 units per acre</li> </ul>

**2. Existing Uses Not Impeding Future Development**

The City of Capitola continues to experience recycling of existing lower intensity uses into higher density development. Below are some recent examples of redevelopment activities.

- 1066 41<sup>st</sup> Avenue - The 81,357 square-foot site was formerly used as a car sales lot, and then used by the adjacent businesses at Begonia Plaza, as off-site parking. This site was redeveloped into a 59-unit project, with 8 inclusionary units.
- 3606 – 3610 Capitola Rd (Heritage Lane) - The project site is made up of two parcels totaling 53,351 square feet (1.22 acres). The site previously contains two single-family residences, each on their respective parcel. This project involved the demolition of these two homes and subdivision into 12 lots, 4 of which included ADUs, for a total of 16 units (or 12 net new units).
- 1500 Tera Court – Previously Recycle Center to purchase used industrial/construction equipment and goods, redeveloped into an 11-unit development, consisting of 5 duplexes and 1 single-family unit.
- 4025 Brommer – Previously one single-family home, redeveloped into a mixed use development (commercial on the ground and two new units above).
- 525 Burlingame - Prior use Golden Age Convalescent Hospital. Sold and redeveloped to subdivide one existing parcel into three parcels, with two new single-family homes with 1 ADU located at 523 and 525 Burlingame Avenue within the R-1 (Single-Family Residential) zoning district and a fourplex at 524 Capitola Avenue in the C- N (Neighborhood Commercial) zoning district; 7 new units total.

- Bay Avenue Senior Apartments – This project was formerly the 96-unit Silvercrest Apartments that had fallen into disrepair. First Community Housing acquired the property from The Salvation Army and rehabilitated five of the six two-story buildings (16 units each) on site. The sixth building was demolished and replaced with a three-story, 109-unit affordable project. The project is comprised of 108 units affordable to lower income seniors and a manager’s unit.

Information on the characteristics of the prior uses on these project sites is no longer available. The Assessor’s records have already been updated to reflect the redeveloped/reassessed conditions. Nonetheless, these projects illustrate the types of uses being recycled, including uses that may have higher FAR and ILR such as the Convalescent Hospital, and uses that represent auto-related activities.

In addition, the City has two active applications.

- 1098 38<sup>th</sup> Avenue (034-17-201)– previously Capitola Manor convalescent hospital. Will become a 52-unit 100% affordable development for very low and low income households. The Assessor’s data on this parcel is limited, as the existing structures have already been demolished. However, the Assessor’s records indicate that the property was sold in 2016 for \$5.2 million. This likely means that the ILR was high, well above 1.0, for the previous use.
- 4401 Capitola Road (034-12-305) - Four existing office buildings, totaling approximately 3,700 square feet will be demolished to accommodate the 36-unit residential project. This property has an IRL of 1.01 and the office buildings were constructed in 1985 and an existing FAR of about 1.34.

These two projects are located along the corridors and similar in characteristics as other sites included in the sites inventory. Based on the information above, the following factors were used in selecting sites for the sites inventory. A parcel is included in the sites inventory if there is expressed interest from the owner or developer for redevelopment, existing use is already discontinued, or if a parcel meets two of the three factors (FAR, Age, and ILR).

## FAR

The sites selected, particularly for lower income RHNA, are primarily zoned for CC and CR uses which offer unlimited density and an FAR of 1.5 or 2.0, respectively, depending on the site location. Both 1098 38<sup>th</sup> Avenue and 4401 Capitola Road (FAR 1.34) demonstrate that properties with significant existing buildings can be redeveloped given the declining trend of office and commercial uses. Existing uses on the majority of the selected sites have FARs that are significantly below the allowable FAR and therefore offer great potential for intensification and increase utilization and value of the properties. This analysis uses a threshold of less than 50 percent of the maximum FAR.

## Building Age

As shown, the office buildings at 4401 Capitola Road were constructed in 1985. Buildings older than 30 years usually require significant systems upgrades and buildings built prior to 1990 are not compliant with ADA requirements. Retrofitting existing structures to meet current ADA standards is usually cost prohibitive or even physically not feasible. Buildings that face such financial or physical constraints rarely invest significantly for modernization or systems upgrades, rendering the buildings progressively not suitable for current trends. Furthermore, shopping centers are usually outdated if older than 20 years, as retail trends are volatile. This analysis utilizes 1990 as an indicator. The majority of the parcels contain buildings that are at least 50 years old. For parcels with no information on building age, to the extent feasible, visual survey is used to assess the style and age of structures, whether they are consistent in character with surrounding structures and therefore were likely to be developed during the same period.

## Improvement to Land Ratio

In general, ILR of less than 1.0 shows that the land is worth more than the structures on site, a good indication of potential for redevelopment. However, certain uses, by nature of the type of development, have high ILRs. These include multi-story office buildings and shopping centers, which often have expensive tenant improvements. Typical ILRs for these uses range from 2.0-3.5. Despite the high ILRs, these are declining uses due to the accelerated trends of remote working, increased automation, and online shopping. The high ILRs mean high property tax liabilities while revenues and incomes may be declining. Therefore, this analysis uses a threshold of

1.0 for all other uses but 3.0 for office and shopping centers. There are also other exceptions – for some shopping centers, the Housing Element sites inventory assumes only the use of a portion of the site (mostly the parking areas) for infill development. These sites are included even though the City cannot arbitrarily adjust the ILR for portions of the site.

Additional information on the existing uses is also provided. Only 4 of the 80 parcels included in the sites inventory are vacant. The remaining 76 parcels all have existing uses, and 15 parcels (20%) have developer/owner interests for redevelopment. Parcels with expressed redevelopment interests consist of a range of commercial uses, including shopping center/retail, private sports/recreation, office, medical uses, and personal services. These uses are similar to the existing uses on other parcels also included in the inventory. There are also 13 parcels with non-conforming or discontinued uses, with six parcels being nonconforming single-family residential use. As previously shown, the City has a history of intensifying existing residential uses on site (e.g., 3606 – 3610 Capitola Road, 4025 Brommer, and 525 Burlingame).

Also an important trend of redevelopment of commercial uses, especially shopping centers, is adaptive reuse/reconfiguration of existing uses on site, in lieu of a complete demolition and reconstruction and displacing all existing uses. Various strategies would allow for the intensification of the property while incorporating viable existing uses, such as redevelopment in small phases where viable uses/structures would remain or temporarily relocated.

### 3. Likelihood of 100 Percent Nonresidential Development

Many of the recent residential developments in the City have been on sites zoned for commercial or mixed uses (C-C and MU-N zones). Development projects in these zones are permitted to be 100 percent nonresidential uses. As mentioned in the Constraints chapter of this element, the C-C and MU-N zones have no density limits for residential uses and projects within the MU-N zone are permitted to be 100 percent residential. As shown above, there is a trend for property owners/developers to want to reuse non-residential properties to include residential components (including mixed-use). In the last 3 years, the City received two redevelopment project applications in the C-C zone. Both were for the addition of residential units above existing commercial. During the same time period, the City received three project applications in the MU-N zone and all of them were for 100 percent residential developments (a 100% affordable 36-

unit project, a seven-unit project and a duplex). As a result, there is a high likelihood that the sites in the inventory will continue this trend and no adjustment to capacity based on this non-residential-to-residential transition was made.

#### 2.4. Variety of Residential Types and Densities in Past Projects

The following pages show projects that have been built in Capitola over the years. The purpose of these pictures and associated project details is to visually show the types of residential uses and variety of scale and densities that are possible for residential development in Capitola. Densities range from 21.3 to 41.0 dwelling units per acre.



**850 Rosedale Ave**  
**Density: 21.3 du/ac**  
**Zone: RM-M**  
**Units:62**





**750 Bay Ave**

**Density: 22.7 du/ac**

**Zone: RM-M**

**Units: 95**





**Jade St & Ruby Ct & 45<sup>th</sup>**  
**Density: 22.8 du/ac**  
**Zone: PD**  
**Units: 348**





**1925 46<sup>th</sup> Ave**  
**The Villas of Capitola**  
**Density: 23.8 du/ac**  
**Zone: RM-M**  
**Units: 172**





**900 Capitola Ave**  
**Density: 25.3 du/ac**  
**Zone: RM-M**  
**Units: 28**



**4820 Opal Cliff Dr**  
**Density: 28.8 du/ac**  
**Zone: RM-M**  
**Units: 12**





**1066 41<sup>st</sup> Ave – Beach Villas**

**Density: 29.4 du/ac**

**Zone: PD**

**Units: 55**





**850 & 870 Park Ave**  
**Density: 32.6 du/ac**  
**Zone: RM-H**  
**Units: 108**





**919 Capitola Ave**  
**Capitola Mansion**  
**Density: 34.4 du/ac**  
**Zone: RM-M**  
**Units: 66**



**501 Plum St**

**Density: 37.6 du/ac**

**Zone: RM-M**

**Units: 51**





**1945 42<sup>nd</sup> Ave**

**Density: 38.8 du/ac**

**Zone: RM-M**

**Units: 36**



**815 & 825 Balboa Ave**  
**Anchor West**  
**Density: 41.0 du/ac**  
**Zone: RM-H**  
**Units: 49**





## D. Estimating Potential Units by Income Category

State law requires that Housing Elements demonstrate that the land inventory is adequate to accommodate that jurisdiction's share of the regional growth. The City is committed to identifying sites at appropriate densities as required by law. The State of California, through Assembly Bill 2348 (AB 2348), has established "default" density standards for local jurisdictions. State law assumes that a density standard of 20 units per acre for a suburban community, such as Capitola, is adequate for facilitating the production of housing affordable to lower income households.

## E. Methodology for Identifying Sites

The City's recyclable land inventory was developed with the use of a combination of resources, including the city's GIS database, updated Assessor's data, field and digital surveys, and review of the City's Land Use Element and Zoning Ordinance. The inventory includes large sites and small parcels anticipated to be consolidated that can be redeveloped for more intense residential uses.

## F. Recyclable Residential Land

In addition to vacant sites, future housing units can be accommodated on underutilized lots where development is not built out to the maximum density permitted. As a primarily built-out community, recycling opportunities identified in this inventory primarily focus on the C-R zone, which assumes 21 units per acre; the C-C zone, which assumes 17 dwelling units per acre; and the MU-N zone, which assumes 17 units per acre. Some additional units will be accommodated on multifamily lots and religious facilities.

### 1. Single-Family and Multifamily Residential Zones

The Single Family Residential zone is the most prevalent type of land use designation in Capitola. The City intends to preserve its single-family neighborhoods with a current maximum density of 8.7 units per acre. The two single-family-zoned parcels projected for housing as part of the sites inventory are religious facilities. See the Religious Facilities subsection in this document for an expanded description of these sites.

In the Multi-Family Residential zones, development ranges from small-scale duplexes and triplexes to three-story apartments. The City has three multifamily residential zones. They include the Multi-Family Residential – Low Density (RM-L) zone with up to 9.9 units per acre, the Multi-Family Residential – Medium Density (RM-M) zone with up to 15.0 units per acre, and the Multi-Family Residential – High Density (RM-H) zone with up to 19.8 units per acre. Such density level has facilitated the development of housing including affordable to moderate-income households. The four multifamily-zoned parcels projected for housing as part of the sites inventory include the following sites (two are in the RM-L zone and two are in the RM-M zone):

- 1710 44<sup>th</sup> Avenue (Capitola Gardens); residential infill – 16 projected units
- 1098 38<sup>th</sup> Street: Rehabilitation development with 52 new low income/affordable units
- Two Clares Street sites with five projected units total

As shown on Table 4-2, past projects located in the RM-M zones have developed at a wide range of densities (8.5 du/ac to 38.8 du/ac) with an average of 16.8 du/ac. The assumed density of 15 du/ac in the sites inventory is a conservative estimate based on what has been built in the past and is well within reason of potential units.

## 2. Commercial and Mixed Use Zones

Given the scarcity of developable residential land in the City and the continuing demand for housing, recycling of underutilized land has been the prevalent trend of development in Capitola. Many of the City’s commercial-zoned corridors allow residential development with no maximum density. These include the Regional Commercial (C-R), Community Commercial (C-C) and Mixed Use Neighborhood (MU-N) zones. Given that Capitola is an almost completely built-out community, with only two vacant lots, the vast majority of the sites inventory include sites within these three zoning areas. There is great potential for including residential units within the commercially zoned areas and roadway corridors given the recent statewide trend of mixed-use projects within commercial areas and declining commercial-only brick and mortar developments. The commercially zoned corridors that are projected to accommodate future housing include Capitola Road, Bay Avenue, and 41<sup>st</sup> Avenue, which includes the Capitola Mall site (see the Capitola Mall discussion later in this section) and Kings Plaza. Overall, the density assumptions for the sites in the C-C zone are 17 du/ac, with the exception of site 18 which is 25 du/ac. Table 4.2 shows that two projects in this zone approved



residential uses with densities of 15.5 du/ac and 17.4 du/ac. This trend illustrates that proposed densities at 17 du/ac are feasible in the C-C zone. The Mixed Use Neighborhood sites are projected to include 173 units and are located along the main roadway corridors of Capitola Road and Capitola Avenue. Assumed densities in this zone for the site inventory is 17 du/ac. Two recent projects in the MU-N zone had densities of 22.2 du/ac and 11.1 du/ac (4401 Capitola Ave), illustrating that the densities assumed in the sites inventory are within the range of past development.

The projected units for these three commercial and mixed-use zones are distributed across most of the City, and their proximity to main transportation corridors provides opportunities for public transit and potential future light rail travel along the rail corridor.

A developer can request density increase allowances on sites under these mixed-use zones subject to the required provision of 20% of the units set aside to lower income households or a lesser percentage of the units set aside for extremely low- and very low-income households. An option for payment of in-lieu fees may be provided if development of affordable units as part of an eligible project is not feasible. In-lieu fees collected by the City are anticipated to be used exclusively to facilitate the development of affordable housing throughout the community. Selected mixed-use sites are identified in the Appendix D –Sites Inventory. The selected properties are considered ideal for mixed use based on the potential for transition and redevelopment due to the age, condition, suitability for consolidation, and location within transit corridors. However, as detailed in the Housing Constraints chapter of this Housing Element, actual construction and development of housing will be heavily predicated on the private development industry, private property owners, and processing of required entitlements subject to City review and approval. Projects within the Mixed Use Neighborhood zone are permitted to be 100% residential.

### 3. Accessory Dwelling Units (ADUs)

In compliance with state law, the City of Capitola allows Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) to be constructed by-right on all residential sites including multifamily and mixed-use-zoned properties in the City. To estimate the number of ADUs that can be counted toward the City’s RHNA inventory, the City used the HCD-sanctioned methodology of analyzing ADU development trends from the last 4 years (2019–2022) as the benchmark for future ADU production. Three ADUs were permitted in 2019. Five ADUs were permitted in 2020. Eight

ADUs were permitted in 2021, followed by seven ADUs permitted in 2022. In 2023, 10 ADU permits were issued while three more are under review. Based on the average ADU production from 2019 to 2023, the City assumes a projection of six ADUs each year through the 2023-2031 planning period, equating to an estimated total of 50 ADUs during the planning period. These ADUs are currently divided among each income category, as shown in [Table 4-97: Inventory of Land Suitable for Residential Development Summary](#).

In accordance with state law (AB 671), the City will promote the creation of ADUs by providing additional material at Capitola City Hall and on the City’s website related to the development of ADUs, including various state and county incentives as available. Additionally, the City will seek to streamline processing of proposed ADUs. Additionally, Capitola will continue to monitor the development of ADUs throughout the City and will amend the Capitola Municipal Code for compliance with changes to state law as applicable.

#### 4. Small Sites and Lot Consolidation

Several of the non-vacant sites identified consist of multiple smaller parcels with different owners, and their development within the planning period will depend on whether they can be consolidated.

In addition to a number of large residential parcels under single ownership elsewhere in Capitola, these smaller sites provide development opportunities to accommodate the City’s RHNA fair-share allocation within the planning period along with providing a wider distribution of projected housing opportunities throughout the City. Two of the recent residential projects described in the *Realistic Capacity and Recycling Trends* section above included lot consolidation: 3606-3610 Capitola Road and 4401 Capitola Road.

As detailed in Appendix D: Sites Inventory, all parcels identified as affordable that are less than 0.5 acres in size are assumed to be consolidated into clustered sites that are a minimum 0.5 acres in size. Table 4-43 shows information about these sites. Of the [eight](#) consolidated sites, [five](#) have parcels under common ownership (Consolidated Sites A, B, E, F, [and H](#)), making potential development more feasible. For the three sites with different ownership, analysis of the parcels has shown that there is the potential for shared access given their corner lot locations, which makes the likelihood of consolidation greater and will allow for the needed densities for lower income units. [The eight sites are also located in zones that do not have a density limit, thereby giving the City and developers flexibility to make lower income](#)

and/or mixed income projects feasible. –The Housing Resources Chapter addresses how the City will facilitate lot consolidation and small site development. lot consolidation of parcels with different owners.

**Table 4-3: Consolidated Sites Analysis**

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access
2175 41ST AVE	1	034-192-07	A	Yes	Yes
2765 41ST AVE	2	034-192-08	A	Yes	Yes
2155 41ST AVE	3	034-192-09	A	Yes	Yes
4015 CAPITOLA RD	11	034-261-40	B	Yes	Yes
3775 CAPITOLA RD	12	034-261-39	B	Yes	Yes
1395 41ST AVE	20	034-164-12	C	No	Potential
4055 BROMMER ST A	21	034-164-09	C	No	Potential
1355 41ST AVE	22	034-164-13	C	No	Potential
831 BAY AVE	43	035-381-03	D	No	Yes
827 BAY AVE	44	035-381-04	D	No	Yes
911 CAPITOLA AVE	48	036-011-13	E	Yes	Yes
911 CAPITOLA AVE	49	036-011-14	E	Yes	Yes
911 CAPITOLA AVE	50	036-011-12	E	Yes	Yes
911 CAPITOLA AVE A	51	036-011-11	E	Yes	Yes
816 BAY AVE	52	036-051-26	F	Yes	Potential
816 BAY AVE A	53	036-051-29	F	Yes	Potential
800 BAY AVE	54	036-051-30	F	Yes	Potential
712 CAPITOLA AVE	57	036-062-14	G	No	Potential
706 CAPITOLA AVE	58	036-062-15	G	No	Potential
715 CAPITOLA AVE	59	036-051-34	H	Yes	No
700 BAY AVE	60	036-051-35	H	Yes	No
600 BAY AVE	61	036-051-12	H	Yes	No

The City's efforts to facilitate lot consolidation will include the following actions.

- **Opportunity sites marketing and outreach:** The City will make a list of prime opportunity mixed-use sites available on the City's website. The list will include information on parcel size, zoning, and existing uses, as well as highlight opportunities for lot consolidation.
- **Outreach to real estate community:** The City will establish an outreach program to local real estate brokers and the Santa Cruz County Association of Realtors to increase awareness of lot consolidation opportunities.
- **Reduced or Alternative Parking:** Required parking may be reduced subject to finding that adequate parking will be available to serve the subject project. To facilitate lot consolidations, tandem, shared, and off-site/remote parking options may be allowed, subject to finding that adequate parking will be available to serve the project.
- **Technical assistance:** The City will provide technical assistance to expedite the site acquisition, plan review, and entitlement process.

## G. Religious Facilities Sites

Adopted in September 2020, Assembly Bill 1851 (AB 1851) increases opportunities to develop housing on religious institutional properties by removing parking as a barrier to development. The new law allows for a 50% reduction in religious use parking spaces to accommodate affordable housing and allows the number of religious use parking spaces available after completion of an affordable housing project to count toward the housing project's parking requirements. As part of the Housing Element's public outreach process, religious institutional leaders expressed interest in developing housing on their properties and indicated that the provision of affordable housing on these sites would be aligned with their core mission.

The City includes many places of worship, with the majority located along major and secondary arterials. Several of these sites include excess surface parking lots and underutilized buildings that have the potential to carry residential units. Staff recommend allowing affordable housing to be constructed on such properties, consistent with state law and other requirements. Understanding the importance of providing diverse housing opportunities citywide, Capitola is committed to updating the zoning ordinance to clarify state law and applicable development standards that would allow

residential units to be constructed primarily on open or parking areas on religious institutional sites as a permitted use, as well as creating development standards that facilitate residential development.

The following methodology was used, along with development interest from the religious institutions, to determine which properties were suitable for housing (in descending order of importance):

- Properties at least 0.5 acres in size
- Properties with large parking areas; and
- Properties along major corridors.

Since this is a new housing concept, there are no specific projects being reviewed by the City. Based on discussions with the owners, staff identified two properties that were the most suitable for housing. The residential capacity for these two sites is estimated at 8.7 units per acre, consistent with the R-1 zoning. A conservative total of 10 units (five moderate-income and five above-moderate income), based on primarily the parking area, are projected as part of the of the 6<sup>th</sup> cycle Housing Element Update. Five units each were assigned to both the Shorelife Community Church and Saint Joseph’s Catholic Church properties.

Potential religious institutional sites with excess surface parking and/or underutilized buildings are identified below in Table 4-4.

**Table 4-4: Religious Facilities Sites**

Religious Institution	Zoning	Site Acreage	Unit Potential
Shorelife Community Church	R-1	5.02	5
Saint Josephs Catholic Church	R-1	3.14	5
<b>Total</b>		<b>8.16</b>	<b>10</b>

Source: City of Capitola 2023  
RF-OZ = Religious Facilities Overlay Zone

## H. Vacant and Non-Vacant Land

### 1. Vacant Land

State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction’s share of the region’s projected growth. Capitola is a built-out community with limited opportunities for development on vacant land. The City’s inventory of vacant residential land totals just 0.69 acres. The only four vacant parcels within the City are designated Mixed Use Neighborhood (MU-N) and can accommodate residential uses. Combined, these parcels have the realistic capacity to yield 12 housing units. Each identified site is adjacent to developed land and can be readily served with existing infrastructure. Table 4-5, Residential Development Potential on Vacant Residential Zoned Sites summarizes Capitola’s vacant residential development potential by land use designation and zoning.

**Table 4-5: Residential Development Potential on Vacant Residential Zoned Sites**

Land Use (Zoning)	APN	Base Density	Site Area Bonus	Housing Opportunity Overlay	Vacant Acres	Realistic Capacity*	Affordability Level
Mixed Use Neighborhood (MU-N)	034-022-18	Unlimited	–	–	0.12	2	Mixed Income
Mixed Use Neighborhood (MU-N)	034-022-19	Unlimited	–	–	0.12	2	Mixed Income
Mixed Use Neighborhood (MU-N)	036-011-13	Unlimited	–	–	0.16	3	Mixed Income
Mixed Use Neighborhood (MU-N)	036-051-12	Unlimited	–	–	0.29	5	Mixed Income
<b>Total</b>					<b>0.69</b>	<b>12</b>	

\*Adjustment capacity factors applied  
 Source: City of Capitola, 2023

### 2. Non-Vacant Sites

The sites inventory consists of a selection of non-vacant sites that are most likely to be redeveloped at the various income levels over the 6<sup>th</sup> cycle. It is important to note that Capitola only has two vacant sites in the city. To identify sites, the City focused much of its housing growth in specific areas and along major corridors. These include 41<sup>st</sup> Avenue, Capitola Road, Capitola Avenue, and Bay Avenue. The City’s RHNA of 1,336 units is considered very high, and for the



purposes of identifying sites, this analysis considered commercially and mixed-use zoned parcels to accommodate the majority of the required RHNA units.

Moreover, the varied geographic disposition of these sites also factored strongly in their selections. While located in various parts of the City, the non-vacant sites are almost all within high-resource areas served by existing infrastructure, an arterial roadway network, employment centers, retail services, and community amenities (schools and parks). All the parcels and sites identified in Appendix C remain available to assist in meeting the City's 2023-2031 RHNA allocation.

In all, 74 non-vacant sites have been identified, covering approximately 94.26 acres and having capacity for an estimated 1,497 units. Of these, 857 units are considered affordable to lower-income households, while the remaining 640 units are considered suitable for moderate-income and above-moderate-income housing. A precise breakdown of the number and affordability of potential units on each site and individual parcels may be found in Appendix D: Sites Inventory. These numbers have been derived by analyzing recent development trends within Capitola and the surrounding communities.

Pursuant to California Government Code §65583.2, if the housing element relies upon non-vacant sites to accommodate more than 50% of the RHNA for lower-income households, it must demonstrate that existing uses are not an impediment to additional residential development. As shown in the sites inventory in Appendix D, non-vacant sites will be utilized to accommodate nearly all the projected housing development, as Capitola is virtually a built-out community. This includes housing for lower-income households. However, the non-vacant sites selected for inclusion in the inventory have been chosen because they represent the best opportunities to add significant numbers of units to the City's housing stock and possess the highest potential for becoming available for residential development over the 8-year planning period. As described below, several of the parcels selected have discontinued commercial use or the property owner has expressed interest in redeveloping. It should also be noted that units on many of the non-vacant sites in the inventory are only based on the underutilized portion of the developed area, not the entire parcel. The Housing Element includes programs to facilitate shopping/commercial center redevelopments that would allow existing uses to continue. In terms of religious facility sites that still have a portion with a viable use, AB 1851 states that 50 percent of the parking that is used for housing does not need to be replaced.

Since the City’s comprehensive rezoning to allow mixed use development in commercial areas, redevelopment of these properties have all primarily included a residential component. Two recent examples are the Tera Court and Capitola Beach Villas projects, which were primarily residential projects in commercial zones (see Table 4.2a). The Capitola Beach Villas is a 53-unit housing development with eight inclusionary units. It includes 3,000 square feet of commercial space on the street frontage. Tera Court is 100 percent residential. With the increasing demand for housing and need to reimagine retail and office uses, the City anticipates mixed use development to be the predominant products in the upcoming years.

Regarding the congregational sites located in the R-1 zone, capacity for these two sites is estimated at 10 units (five moderate-income and five above-moderate income), using primarily the parking area (conservative estimate based on the 8.7 du/ac permitted in the R-1 zone). Five units each were assigned to both the Shorelife Community Church and Saint Joseph’s Catholic Church properties.

In selecting sites for meeting the RHNA, the following criteria are used (the Sites Inventory table in Appendix D shows how each of the selected sites meets the criteria):

1. Property owner or developer interest to redevelop
2. Structures over 40 years old and/or occupied by marginal, low-value or low-intensity non-residential uses (including parking lots)
3. Property located in mixed use zones
4. Considered underdeveloped/underutilized
5. Parcel can be consolidated with adjacent properties and may feature common or government ownership
6. Use is discontinued or non-conforming to the zoning district
7. Parcel is vacant, devoid of structures, site improvements or an established use
8. Current market demand for the use
9. Existing long-term leases
10. Development trends, market conditions, and other incentives

Property Owner or Developer Interest. The City has received development interest from various property owners and developers who seek to repurpose land throughout the City. Interest includes development of residential uses, either

exclusively or part of a mixed-use project. The sites inventory analysis has identified several non-vacant parcels selected to accommodate lower-income units where a property owner or developer has stated recent interest to the City in developing residential uses:

- Six parcels along 41<sup>st</sup> Avenue – These sites have been identified for the Capitola Mall redevelopment (see Capitola Mall sub-section)
- 3720 Capitola Road – a discontinued use
- 1404 38<sup>th</sup> Avenue – site owner submitted form with interest in redevelopment
- 4148 and 4160 Clares Avenue – a family-owned property; owners have expressed interest in redevelopment
- 1098 38<sup>th</sup> Avenue – Owners have expressed interest in redevelopment
- 1840 41<sup>st</sup> Avenue
- 4243 Capitola Road
- Two sites at 4401 Capitola Road
- 4450 Capitola Road
- 1430 41<sup>st</sup> Avenue – a discontinued use

Age/Condition of Structure. Age of structure is a significant factor in determining suitability of nonvacant sites. Building deterioration, lack of adequate property maintenance issues, as well as other market-driven factors contribute to the likelihood that many existing non-residential uses are being eliminated. In the last housing cycle, the City had success in converting existing older developments into higher density residential development. For example, the 11-unit Tera Commons Development replaced an outdated salvage yard.

Mixed-use Zones. As mentioned, a majority of the non-vacant parcels are located in mixed use zones and consist mainly of underdeveloped commercial and mixed-use properties with low-value or marginal uses. As indicated by recent development trends, existing non-residential developments consisting of single commercial uses continue to decline whereas development of mixed or blend developments are increasing, especially along major thoroughfares in the City. It is anticipated that development in mixed use zones will feature and integrate residential development where existing commercial uses are present, thus providing for additional housing capacity on sites that contain neighborhood-serving resources and jobs. Projects within the Mixed Use Neighborhood zone are permitted to be 100% residential. Single family and duplexes are permitted uses; multifamily is a conditional use.

Lot Consolidation Potential. Parcels were considered for inclusion based on whether they can be consolidated with adjacent properties to form contiguous development sites that can take advantage of incentives including use of federal, state, regional funding to write-down the cost of land for development of **lower** and moderate-income housing, and technical assistance provided by the City in the form of permit streamlining and expediting for mixed- use projects. The sites inventory analysis has identified approximately 23 non-vacant parcels selected to accommodate lower-income units which have the potential for lot consolidation based on adjacency with like properties. The City recently approved a density bonus application for 4101 and 4205 Clares Street, adjacent properties but separately owned. These projects were approved for ten units.

Discontinued Uses. Some parcels throughout the City contain commercial businesses that are no longer in operation; however, these properties remain improved with vacated structures. With no site activity, these structures quickly fall into disrepair and minimal to no property maintenance is conducted by the owner. With greater demand for housing than commercial uses, there is a high likelihood that redevelopment will include new residential units. The sites inventory analysis has identified at least eight non-vacant parcels selected to accommodate lower-income units that contain discontinued uses:

- 1430 41<sup>st</sup> Avenue – Site has been without a tenant for 2 years
- 1210 41<sup>st</sup> Avenue – Site will be vacant soon; current tenant is moving up 41st Avenue to Kings Plaza
- 3825 Clares Street
- 1098 38<sup>th</sup> Avenue
- Four sites at 911 Capitola Avenue

Current Market Demand for the Existing Use. The City of Capitola has many businesses that are in high demand, including grocery stores, restaurants, gyms, and retail. Properties with high demand from consumers have a low probability of redeveloping and therefore were not included in the sites inventory. On the flip side, types of businesses that are experiencing decreased demand for brick-and-mortar structures, such as banks, were included in the sites inventory.

Existing Long-Term Lease. Businesses with an existing long-term lease have a low probability of redeveloping within the next housing cycle. Sites with newer business or known long-term leases were not included in the sites inventory.

Development Trends, Market Conditions, and other Incentives. In creating the sites inventory, development trends, market conditions, and development incentives were considered. With the relatively new trend of more employees working from home and decreased demand on office space, office buildings were considered for inclusion in the sites inventory if they also met additional criteria for selection such as age and underutilization. In terms of incentives, the City adopted an overlay zone in 2018 to incentivize community benefits in exchange for increased FAR and height. Properties included in the incentivized zone, which include additional favorable criteria for selection, were included in the sites inventory.

### Representative Sites

As described above, the City focused much of its housing growth in specific areas and along major corridors when identifying sites. These include Bay Avenue, Capitola Avenue 41<sup>st</sup> Avenue South (south of Capitola Road) and 41<sup>st</sup> Avenue North (north of Capitola Road).

### Bay Avenue Corridor

Bay Avenue runs from Highway 1 to Monterey Avenue. Land uses along this street include Community Commercial (C-C) and residential uses. Sites selected along this corridor are all within the C-C zone, which has no density limits. Sites along this corridor include Sites 47 through 52 and 57 through 59. The majority of existing buildings on these sites were built in the 1970s and, with the exception of one site, have FARs of less than 0.30. These sites are located near shopping, a museum, City Hall and the ocean. Of the nine sites on this portion of Bay Avenue, five of them can be consolidated due to a common owner and/or shared access. As described above, the realistic capacity for the C-C zone is 17 dwelling units per acre and a mix of uses (commercial and residential) are allowed. Recent trends in the region (City of Watsonville, City of Santa Cruz and County of Santa Cruz) have shown an increase of blended or mixed uses versus stand-alone commercial uses. Furthermore, redevelopment of shopping centers throughout California is prevalent and often through a variety of strategies, including incorporating some existing uses, infilling the parking areas, and adapting/redeveloping outdated structures into new uses.

**Table 4-6: Representative Sites – Bay Avenue**

Site	Description	Size (Acres)	Capacity (Units)
816 Bay Avenue (Site 57)	<ul style="list-style-type: none"> <li>Fast food restaurant, building has been there since 1967.</li> <li>Structure is over 40 years old and occupied by low-value/low intensity use.</li> <li>Building has had only minor repairs with no substantial tenant improvements.</li> <li>Considered to be underdeveloped/ underutilized with an improvement-to-land ratio of 0.32.</li> <li>Parcels can be consolidated due to Same owner as sites 58 and 59.</li> <li>Has and potential for shared access with shopping center at Site 58.</li> </ul>	0.38	6
816 Bay Avenue A (Site 58)	<ul style="list-style-type: none"> <li>Small shopping center with substantial parking area. Buildings, totaling about 13,000 square feet, have been there since 1971.</li> <li>Structure is over 40 years old and occupied by low-value/low intensity use.</li> <li>Building has had only minor repairs with no substantial tenant improvements.</li> <li>Considered to be underdeveloped/underutilized with an improvement-to-land ratio of 0.34.</li> <li>Property located in mixed use zone with no density limit.</li> <li>Parcels can be consolidated due to same owner as sites 57 and 59.</li> <li>Has shared access with fast food restaurant at Site 57.</li> <li>Vacancies exist in two units. Same owner as sites 58 and 59 and potential for shared access.</li> </ul>	1.36	23
800 Bay Avenue (Site 59)	<ul style="list-style-type: none"> <li>Non-conforming residential use with structure from 1936.</li> <li>Same owner as sites 58 and 59 and potential for shared access. Property is underutilized with an existing single-family home, over 80 years old, and located in mixed use zone with no density limit.</li> <li>Same owner as sites 57 and 58 and potential for shared access.</li> <li>No major improvements.</li> <li>Adjacent property to the south is high density residential three and four stories.</li> </ul>	0.44	7



Figure 4-1: Bay Avenue Corridor



Source: County of Monterey Geographic Information System

### Capitola Avenue Corridor

Capitola Avenue extends from Highway 1 to Monterey Avenue near the coastline. The sites along this corridor are zoned for Mixed-Use Neighborhood (MU-N); which permits a variety of uses and has no density limits. Sites along this corridor include Sites 60 through 65 and 67 through 76 (Site 66 is a vacant parcel). The FAR of these locations are 0.16 to 0.50 and were built between 1910 and 1977. Five sites may be consolidated due to common ownership and/or shared access. These sites have access to the Capitola Village, shopping, recreation areas, and City Hall and are located at key intersections of the city. As described above, the realistic capacity in the MU-N zone is 17 dwelling units per acre. Uses on these sites are similar to uses that have been redeveloped throughout the region, such as standalone retail, small office buildings, and restaurants.

**Table 4-7: Representative Sites – Capitola Avenue**

Site	Description	Size (Acres)	Capacity (Units)
<a href="#">718 Capitola Ave (Site 60)</a>	<ul style="list-style-type: none"> <li>• <a href="#">Small center with a restaurant and service businesses.</a></li> <li>• <a href="#">Four octagonal buildings have been there since 1946. Structures are over 70 years old and occupied by low-value, low-intensity non-residential uses with large underutilized central parking lot.</a></li> <li>• <a href="#">Underdeveloped with four single-story small buildings and a FAR of 0.24</a></li> <li>• <a href="#">Located in mixed use zone with no density limit</a></li> <li>• <a href="#">No substantial improvements other than small front building conversion to restaurant in 2012. Building has been there since 1946.</a></li> </ul>	<a href="#">0.86</a>	<a href="#">15</a>
<a href="#">716 Capitola Ave (Site 61)</a>	<ul style="list-style-type: none"> <li>• <a href="#">Buildings there since 1966. Structure is over 50 years old and occupied by low-value, low-intensity non-residential uses.</a></li> <li>• <a href="#">Underdeveloped with an FAR of 0.43.</a></li> <li>• <a href="#">Located in mixed use zone with no density limit.</a></li> <li>• <a href="#">Minor repairs with no substantial tenant improvements other than salon conversion in past decade.</a></li> <li>• <a href="#">Corner lot with access from two streets. Small center with stores and offices. Buildings there since 1966.</a></li> </ul>	<a href="#">0.50</a>	<a href="#">8</a>
<a href="#">712 Capitola Ave (Site 62)</a>	<ul style="list-style-type: none"> <li>• <a href="#">Buildings there since 1966. Structure is over 50 years old and occupied by low-value, low-intensity non-residential uses.</a></li> <li>• <a href="#">Underdeveloped with an FAR of 0.43.</a></li> <li>• <a href="#">Located in mixed use zone with no density limit.</a></li> <li>• <a href="#">Minor repairs with no substantial tenant improvements other than salon conversion in past decade.</a></li> <li>• <a href="#">Corner lot with access from two streets. Single-story building there since 1966. Low FAR (0.23) – Potential for shared access with Site 63.</a></li> </ul>	<a href="#">0.27</a>	<a href="#">5</a>
<a href="#">706 Capitola Ave (Site 63)</a>	<ul style="list-style-type: none"> <li>• <a href="#">Small center with stores and offices. Buildings there since 1966. Potential for shared access with Site 62.</a></li> </ul>	<a href="#">0.88</a>	<a href="#">15</a>

Figure 4-2: Capitola Avenue



Source: County of Monterey Geographic Information System

**41st Avenue South (South of Capitola Road)**

41<sup>st</sup> Avenue is one of the highest capacity roadways in Capitola and extends from Highway 1 to the City's southern boundary. The portion south of Capitola Road is zoned Community Commercial (C-C) on either side of the street. The C-C zone does not have any density limits and allows for a mix of uses. Sites 24 through 28, 45 and 46 run along 41<sup>st</sup> Avenue south of Capitola Road, while other sites are along Capitola Road or adjacent roadways. These sites are near transit options, shopping and community facilities. Of the seven sites located along 41<sup>st</sup> Street, three have developer interested and three have discontinued or nonconforming uses.

An architectural site concept was developed for 1430 41<sup>st</sup> Avenue (Site 44). The site concept, including conceptual massing, shows how residential or mixed use development can occur adjacent to parcels with existing commercial uses. The shape of this parcel could allow for a mixed use building that would blend well into the surrounding area. The building is currently vacant.

#### 41<sup>st</sup> Avenue North (north of Capitola Road)

Land uses for parcels along 41<sup>st</sup> Avenue north of Capitola Road are zoned for Regional Commercial (C-R); which allows for mixed use. A majority of the parcels west of 41<sup>st</sup> Avenue and north of Capitola Road are part of the Capitola Mall. Similarly, many of the sites in the inventory located along this portion of the corridor are within the Mall. The section below describes the Mall and redevelopment opportunities.



# CAPITOLA HOUSING ELEMENT UPDATE

## ARCHITECTURAL SITE CONCEPT

Item 8 A.

1430 41ST AVENUE



CAPITOLA



### Existing Site

- 1.1 Acres
- Zoning: Community Commercial
- Density: Unlimited
- Unit Target: 19
- FAR: 1.0
- Height Max: 40 ft
- Setbacks: 0 ft Typ, 20 ft Rear
- Required Parking: 2 Spaces/Unit
- 1:300 Space/Commercial sf

### Project Program

- Mixed Use Building
- 3,300 sf Retail
- 18x 2 Bedroom Units
- 6x 3 Bedroom Units
- 3 stories, approx. 10 ft floor, 2 story retail
- Parking: 48 spaces required
- 1:300 Space/Commercial sf = 11 parking spaces
- Provided Parking: 59 Spaces



# CAPITOLA HOUSING ELEMENT UPDATE ARCHITECTURAL SITE CONCEPT

Item 8 A.

1430 41ST AVENUE



CAPITOLA



**CONCEPTUAL MASSING - VIEW FROM WEST**



**CONCEPTUAL MASSING - VIEW FROM NORTH EAST**



## I. Capitola Mall Site

The Capitola Mall site is located within the northwest portion of Capitola and is bounded by Clares Street to the north and west, 41<sup>st</sup> Avenue to the east, and Capitola Road to the south. It is surrounded by regional commercial uses to the north, west and east, and community commercial uses to the south. The Capitola Mall is 46.16 acres in total and contains a total of 640,631 square feet of building area on ten parcels and is surrounded by a mix of existing commercial development. The site is currently zoned Regional Commercial (C-R).

The existing mall building, which was constructed in the 1970s and expanded in 1989, is approximately 35 feet high and currently includes 68 retail tenants. The Target, Macy's, and Kohl's buildings are larger anchor retail stores which range from 30 to 40 feet in height.

The City prepared the 41<sup>st</sup> Avenue/Capitola Mall Re-visioning Plan in 2011 as part of the City's General Plan Update. The General Plan includes goals, policies, and actions which support redevelopment of the Capitola Mall with a focus on introducing housing sites, encouraging parking lot redevelopment, improving the retail and entertainment experience, and enhancing multimodal transportation alternatives. In 2018, the City adopted a new zoning code which implements the actions outlined in the General Plan to incentivize redevelopment at the mall site. Updates to the zoning code included **incentives** allowing increased FARs from 1.5 to 2.0 and a building height increase from 40 feet to 50 feet **in exchange for community benefits** (Municipal Code Chapter 17.88, Incentives for Community Benefits). **Currently, mixed use redevelopment of the Capitola Mall site qualifies as a community benefit where incentives may be applied, such as increased height and FAR.** The Regional Commercial Zone was also updated to allow residential development adjacent to commercial development on the same site. Within this zone, the first story of a structure does not have to be commercial. **A recent feasibility analysis, including a pro forma, was conducted for the Capitola Mall. The study found that adding incentives (higher density, FAR and height) increased residual land value. The study also found that these changes would enhance project feasibility, particularly for multi-family development. The shopping center redevelopment program included in this Housing Element addresses the need to update the community benefits program for mall redevelopment with clear objective standards, increased incentives, and acknowledgement of phased development.**

Since 2011, the City of Capitola has taken part in discussions with the Capitola Mall owners regarding potential development concepts for an integrated housing development and retail and commercial services. In 2019 Merlone Geier Partners (MGP), the property owner of five contiguous mall parcels, submitted a mall redevelopment application which included approximately 339,131 square feet of commercial space, including retail, restaurants, fitness, and entertainment uses, for a net reduction of approximately 34,320 square feet of commercial space. The application also included 637 multi-family residential units at 20 units per acre. Two mixed use structures were proposed that would have ground floor commercial and residential above “wrapped” around two parking garages. The floor area ratio (FAR) of the entire mixed use project was 1.19, well under the C-R zone maximum of 1.5 and the Community Benefit Overlay zone of 2.0. In 2020, Merlone Geier Partners withdrew the application due to the pandemic.

Redevelopment of the Capitola Mall is a priority project for MGP. The City and MGP have had recent conversations regarding redevelopment and incorporation of more than the originally proposed 637 residential mixed-income units, including very low-, low-, moderate- and above moderate-income households to be included in the 6<sup>th</sup> cycle Housing Element update. As stated above, MGP's previous mall redevelopment conceptual application included 637 units at 20 units per acre and was under the maximum FAR. Throughout the Housing Element Update process, conversations with MGP as well as public comments during meetings held by the Planning Commission and City Council have resulted in approximately 37 of the 46 acres of the Capitola Mall being included in the Housing Element Sites Inventory. The realistic development density is proposed at 48 dwelling units per acre. Due to the multiple property owners and cases of long-term leases on some parcels, the mall properties are expected to be redeveloped in phases during the Housing Element planning period to allow for reconfiguration of existing uses, timing for market absorption, etc.

The details of the Mall redevelopment include:

- Twelve parcels total
  - Four of the parcels are owned by MGP.
  - The Sears building is vacant
  - The Takara Restaurant has closed and has a short-term lease with a religious establishment
- Table 4-86 shows the potential unit capacity of the Capitola Mall: 1,777 total units with 266 (15%) lower income units and 89 (5%) moderate income units. Lower income units will be deed restricted to remain lower income. The moderate income units (5%) may be, at developers option, either moderate by deed restriction or by

design as studio units. A studio unit includes a kitchen and living space, does not have a separate bedroom, and is smaller than a one bedroom unit.

- The proposed 48 dwelling units per acre can be achieved by permitting building heights up to 75 feet on the Capitola Mall parcels.<sup>26</sup> This will allow commercial uses on the first floor and residential uses on upper floors. The Shopping Center Redevelopment Program within the Housing Plan section of this element includes amending Municipal Code Chapter 17.88, Incentives for Community Benefits, to permit this increased height. This will apply to the Capitola Mall site only which is the area bounded by Clares Street, 41<sup>st</sup> Avenue, and Capitola Road. It will not include the rest of the parcels within the Community Benefit Incentivized zone.
- With its 2019 application, MGP proposed a mixed-use development program that included residential and commercial uses. MGP continues to revise its residential/commercial mixed-use development program, including in response to this Housing Element update.

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<sup>26</sup> Using HCD's general assumption of 10 units per acre per floor. 75 feet allows 15-foot first story commercial uses.

**Table 4-68:: Site Analysis – Capitola Mall**

Site Inventory #	APN	Address	Parcel Size	GP/Zoning Designation	Parcel Owned by MGP	Realistic Unit Capacity*	Realistic Lower Income Units**
7	034-261-35	3400 Clares St	0.66 acre	(C-R)	No	31	5 Lower, 2 Mod
8	034-261-36	3700 Clares St	1.45 acre	(C-R)	No	69	10 Lower, 3 Mod
9	034-261-53	1955 41 <sup>st</sup> Ave	3.94 acre	(C-R)	No	189	28 Lower, 9 Mod
10	034-261-54	1995 41 <sup>st</sup> Ave	0.48 acre	(C-R)	No	23	3 Lower, 1 Mod
11	034-261-34	1865 41 <sup>st</sup> Ave	3.84 acre	(C-R)	No	184	28 Lower, 9 Mod
12	034-261-15	1855 41 <sup>st</sup> Ave	1.16 acre	(C-R)	No	55	8 Lower, 3 Mod
13	034-261-38	1855 41 <sup>st</sup> Ave	3.57 acre	(C-R)	Yes	171	26 Lower, 9 Mod
14	034-261-37	1855 41 <sup>st</sup> Ave	8.36 acre	(C-R)	Yes	401	60 Lower, 20 Mod
15	034-261-51	1855 41 <sup>st</sup> Ave	2.59 acre	(C-R)	No	124	19 Lower, 6 Mod
16	034-261-40	4015 Capitola Rd	10.05 acre	(C-R)	Yes	482	72 Lower, 24 Mod
17	034-261-39	3775 Capitola Rd	0.28 acre	(C-R)	Yes	13	2 Lower, 1 Mod
18	034-261-14	4055 Capitola Rd	0.68	(C-R)	No	32	5 Lower, 2 Mod
Subtotal (Parcels owned by MGP; Site Inventory #s 13,14,16,17)			22.26			1,069	160 Lower, 54 Mod
TOTAL			37.06			1,777	266 Lower, 89 Mod

\*Assumes 48 dwelling units per acre

\*\* Lower = lower income units (15% of total units); Mod = moderate income units (5% of total units). Lower-income units will be deed restricted to remain lower income. The moderate income units (5%) may be, at developers option, either moderate by deed restriction or by design as studio units. A studio unit includes a kitchen and living space, does not have a separate bedroom, and is smaller than a one bedroom unit.

Figure 4-3: Potential Roadway and Transit Realignments at Capitola Mall



Source: Merlone Geier Partners 2019 Application

The City encourages additional housing on Capitola Mall (all mall parcels) and proposes a height increase up to 75 feet to accommodate densities at 48 to 60 units per acre. Redevelopment of the Mall would not only provide for additional housing options in Capitola but would also be consistent with the City’s goal of developing a “lifestyle” center that emphasizes high-quality, walkable residential communities where dining, shopping, and entertainment, are all part of an interconnected ecosystem. The growing trend of repositioning large obsolete retail stores, like the now-defunct Sears locations, to accommodate residential capacity as part of larger “lifestyle” centers can be observed throughout various California regions. The Shopping Center Redevelopment Program within the Housing Plan section of this element includes amending Municipal Code Chapter 17.88, Incentives for Community Benefits, to permit this increased height

based on increased density. This will apply to Capitola Mall only (not the rest of the parcels within the Community Benefit Incentivized zone).

The City of Capitola has included funding in the 2023/2024 budget to fund a study to identify additional actions the City could take to assist in mall redevelopment. The City Council authorized the study and the formation of a mall technical committee in September 2023.

## J. Comparison of Sites Inventory and RHNA

### 1. Sites Inventory Capacity

Table 4-97 shows the inventory of land suitable for residential development. After the 50 ADUs anticipated to be built during the 2023 - 2031 planning period, the remaining RHNA is 1,286 units (424 extremely low, very low income, 278 low income, 139 moderate income and 445 above moderate income). Properties identified in the sites inventory have the combined capacity to accommodate approximately ~~2,511~~ 1,468 additional housing units on underutilized sites. These sites, and the associated existing land use regulations, can facilitate the production of 426 extremely low-/very low- income units, 290 low-income units, 180 moderate-income units, and 1,615 above-moderate-income units during the planning period.



**Table 4-9: Inventory of Land Suitable for Residential Development Summary**

	Extremely Low/ Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total Residential Capacity
6th Cycle RHNA	430	282	169	455	1,336
ADUs	6	4	30	10	50
Remaining RHNA for Adequate Sites	424	278	139436	445	1,286
R-1 (churches)	06	04	50	50	10
RM-L	5	3	4	6	18
RM-M	31	21	1	2	55
MU-N	49	33	30	61	173
C-R	236	157	99	1,439	1,931
C-C	105	76	41	102	324
CF	-	-	6	6	12
<b>Total</b>	<b>426499</b>	<b>290</b>	<b>180</b>	<b>1,615464</b>	<b>2,5111,530</b>

**2. Future Housing Opportunities (Additional Residential Buffer)**

This Element includes a program for the City to facilitate discussions between the Soquel Union Elementary School District and nonprofit developers for potential residential opportunities. Two school sites have been identified: New Brighton Middle School on Monterey Avenue and Opal Cliffs Elementary School on Jade Street. These locations were chosen due to portions of these sites being used for fields or parking that could be utilized for housing. It is assumed that any future residential development would be in addition to the school uses and would not replace them. While these locations were not included in the sites inventory for the 6<sup>th</sup> cycle, six units of moderate-income and six units of above-moderate income housing are being incorporated into the City’s buffer. This is due to interest expressed by nonprofit developers, making residential development on these parcels a possibility during the 2023-2031 planning period.

State-owned land comprises eight percent of the City’s total acreage (New Brighton State Beach and the Department of Motor Vehicles site). Given the lack of vacant land within the City, interest has been expressed for the potential of housing located in the eastern end of the City on state land (New Brighton State Beach) within the Parks and Open

Space zone. Part of this proposal is due to the area’s proximity to existing housing along McGregor Drive and within close proximity to Highway 1 and the Park Avenue corridor. This interest was reiterated during a Planning Commission hearing conducted on the Housing Element in October 2023.

**Table 4-10: Comparison of Sites Inventory and RHNA**

	Lower	Moderate	Above Moderate	Total
6 <sup>th</sup> Cycle RHNA	712	169	455	1,336
ADUs	10	30	10	50
Remaining RHNA for Adequate Sites	702	139	445	1,286
<b>Sites Inventory</b>				
Recyclable Land*	716	180	1,615	2,511
Sites Inventory Total	716	180	1,615	2,511
Additional Residential Buffer**	0	6	6	12
Surplus/Deficit	+14	+47	+1,176	+1,237

\*Includes vacant sites, underutilized land, and pending projects

\*\*Includes potential units on two school district sites

### K. Summary of Residential Capacity on Vacant, Recyclable, Religious and ADU Sites

The analysis indicates that the City’s inventory of underutilized/recyclable sites, along with entitled units under plan review and potential ADU production has the potential for the development of 1,530 residential units on existing residential properties and within existing zoning categories. A detailed sites inventory table is also presented in Appendix D.

Table 4-119 below shows the distribution of the City’s RHNA allocation and low and very-low income units. While the projects focus on areas rich in transit and other amenities, the projections are spread throughout the City in various districts and neighborhoods. This includes infill single-family, ADUs and multiple-family, high density corridors, urban density corridors, and transit-oriented development.

**Table 4-11: Summary of Housing Units**

Sub-Area	Low and Very-Low Income Units	Total Units	Percent of RHNA
Single Family zone (religious sites only)	0	10	0.7%
Multi-Family Residential zones	60	73	5.4%
Commercial zones that permit residential projects	393	1,931	20.3%
Mixed Use Neighborhood zone	82	173	12.9%
Accessory Dwelling Units (ADUs)	10	50	3.7%
<b>Total*</b>	<b>726</b>	<b>2,561</b>	<b>28.3%</b>

\*Total RHNA for lower and very low: 712; total RHNA is 1,336.

## L. Environmental Conditions for Sites

As discussed in the Constraints chapter of this Element, the City has several important environmental features and conditions including the Coastal Zone, Environmentally Sensitive Habitat Areas (ESHA), floodplains and geological hazards. The sites for the inventory are not located in the floodplain, along bluffs, or within ESHA boundaries.

A portion of the opportunity sites identified this Housing Element are in the Coastal Zone; however, apart from four smaller vacant parcels, the sites are already developed or are in a developed area, so are unlikely to be subject to environmental conditions that would constrain development. Within the 2015-2023 housing element cycle, 68 units within the Coastal Zone were demolished. However, they were replaced with new homes. Because all but four of the opportunity sites are nonvacant sites with existing uses, environmental and infrastructure constraints are not expected to constrain development. In addition, none of the sites are constrained due to lot shape, access, contamination, overlays, or easements.

## M. Opportunities for Energy Conservation

Under current law (Government Code Section 65583(a)(7)), this Capitola Housing Element must include analysis of opportunities for energy conservation with respect to residential development. In 1974 the Legislature created the California Energy Commission to address the issue of energy conservation. The Commission, in 1977, adopted Title 24 of the California Administrative code, conservation standards for new buildings.

Energy-related housing costs can directly impact the affordability of housing. While state building code standards contain mandatory energy efficiency requirements for new development, the city and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy-related expenses. In addition to required compliance with the Building Code and Title 24, the City's Climate Action Plan and General Plan sets forth goals and policies that encourage the conservation of non-renewable resources in concert with the use of alternative energy sources to increase energy self-sufficiency. Though Capitola is predominantly developed, there is opportunity for energy savings in existing housing as most residential structures can be retrofitted with conservation measures that nearly provide the energy savings achieved with new construction.

### 1. Site Planning

The City requires a site plan review of all multiple-family developments and subdivisions. Through this review process, the City promotes energy conservation methods of design and orientation of the housing units. It is a specific goal of the City that all developments of a public or private nature are conscious of the need to conserve energy in all forms using good site planning techniques. Energy conservation can also be promoted by locating residential developments in proximity to schools, employment centers, public transit, and services. The City's Land Use Element and Housing Element make concerted efforts to distribute residential areas in ways that make them accessible to these various amenities and services and are thus more likely to reduce vehicular traffic.

Gases that trap heat in the atmosphere are called greenhouse gases and contribute to global temperatures through the greenhouse effect. Because automobile emissions are major sources of greenhouse gases, a reduction in vehicle trips is the most effective strategy to reduce global warming. The city's policy and land use planning approach will foster infill developments, at appropriate densities, and incentives (through density and height) for infill development near the

Capitola Mall Metro Transit Center, and the adoption of mixed uses along major corridors and near major commercial, office, and entertainment/tourist uses. These strategies aim to provide an adequate supply of housing for a full range of income groups reducing long commutes in search of affordable housing.

Specifically, the City has identified several policies/programs in this 2023-2031 housing element that will provide energy conservation opportunities and benefits. Policies and programs for resource conservation and to assist lower income, seniors, and disabled households with necessary repairs, including energy efficiency improvements, are included in Chapter 5: Housing Plan.

## 2. Capitola Green Building Ordinance

In May 2008, the Capitola City Council approved an amendment to the Zoning Code to include Chapter 17.10 “Green Building Regulations”. The Capitola Green Building program became effective July 1, 2008. The program is mandatory and requires that every new development (residential and/or commercial), and major remodels of a specified size, meet certain Green Building requirements. The Green Building requirements are intended to improve or achieve energy efficiency, indoor air quality, water conservation, reduced waste generation, and reduced carbon emissions. The program has been effective due to its flexibility and comprehensible requirements.

In relation to new residential development, and especially affordable housing, construction of an energy efficient building can add to the original production costs. Over time, however, housing with energy conservation features should have reduced occupancy costs because the consumption of fuel and electricity is decreased. This means the monthly housing costs may be equal to or less than what they otherwise would have been if no energy conservation devices were incorporated in the new residential buildings. Reduced energy consumption in new residential structures is one way of achieving affordable housing costs when those costs are measured in monthly carrying costs as contrasted to original sales price or production costs.

Strategies a developer can undertake to achieve energy efficient construction include:

- Locating the structure on the northern portion of the sunniest area on the site.
- Designing the structure to permit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions.
- Locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face of the building to serve as a buffer between heated spaces and the colder north face.
- Making the main entrance a small, enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from prevailing winds; or using a windbreak to reduce the wind velocity against the entrance.
- Locating window openings to the south and keeping east, west, and north windows small, recessed, and double-glazed.
- Installing more efficient appliances and incorporating weatherization building practices.

These and other potential energy efficient opportunities are evaluated and promoted by the City during the site plan review process.

### 3. Capitola Green Energy Incentive Program

The Capitola City Council adopted the Green Energy Incentive Program in 2014 to promote sustainable energy practices. This program provides for expedited and free permit processing for private rooftop solar systems, solar water heaters, and electric vehicle charging stations.

### 4. Capitola Commission on the Environment

Members of the Capitola Commission on the Environment have an interest in protection and enhancement of the City's environment and assist the City Council in promoting sustainable development, greenhouse gas reduction measures, green building techniques, protection and enhancement of Soquel Creek, the ocean and Capitola Beach, and associated riparian and special habitat areas. The commission members generally meet on the third Wednesday of each month.



## N. Financial Resources

A variety of potential funding sources are available for housing activities in general. However, due to both the high costs of developing and preserving housing, and limitations on both the amount and uses of funds, additional funding sources may also be required. The following describes in greater detail the primary federal, state, and local funding sources currently used in, and available to, Capitola. These funding sources can potentially be used to assist in the preservation, improvement, and development of affordable housing in Capitola.

### 1. Federal Funding Sources

#### Community Development Block Grant (CDBG) Funds

CDBG is a federal HUD program that can provide funds for a wide range of community development projects including affordable housing and economic development activities. As a small jurisdiction Capitola is not an “entitlement City” under HUD regulations but can apply for competitive grants on an annual basis through the California Department of Housing and Community Development (HCD).

CDBG funds are subject to certain restrictions and cannot be used for the actual construction of new housing. The program benefits primarily persons/households with low incomes not exceeding 80 percent of the area median income. In the past CDBG grants have provided funding for infrastructure development for the 6-unit Habitat for Humanity homeownership project, the Housing Needs Assessment Survey, disabled access retrofits, membership share loans to Loma Vista Mobile Home Park Cooperative members, and loans to income-eligible borrowers under the City’s Owner Occupied Rehabilitation Assistance Program. As CDBG funded loans are repaid, the funds are returned to the City’s CDBG Reuse account and can be used again for CDBG eligible activities.

In 2014, the City was awarded a \$500,000 CDBG grant to reinstate funding for the Housing Rehabilitation Loan Program and Mortgage Assistance Program (First-Time Homebuyer Program). The programs are designed to assist low-income Capitola residents with needed home repairs and purchasing a home.

### Housing Choice Vouchers (Section 8) Rental Assistance

The federal Section 8 program provides Housing Choice Vouchers to very low-income households in need of affordable housing. The Housing Choice Vouchers program assists a very low-income household by paying the difference between 30 percent of the gross household income and the cost of rent. The vouchers program allows the voucher recipients to choose housing that may cost above the fair market rent as long as the recipients pay for the additional cost. The Housing Authority administers approximately 206 households in Capitola to receive rental assistance under the HUD Housing Choice Vouchers program in 2023.

### Home Investment Partnership (HOME) Program

HOME is a federal HUD program that can fund a variety of activities to assist either rental or home ownership projects through acquisition, construction, and rehabilitation of affordable housing. Under the HOME program, smaller jurisdictions with populations under 50,000 are allowed to apply for competitive grants administered on an annual basis by the State Department of Housing and Community Development (HCD). HOME funds have been used in past years to assist housing projects including the 12-unit Clares Street, Brookvale Terrace Mobile Home Park purchase and the City's Mobile Home Rehabilitation Loan Program. The City continues to receive program income from the HOME program when loans are paid-off.

### ESG and HOPWA

Provided by HUD, the Emergency Shelter Grant program provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including rehabilitation or remodeling of a building to be used as a shelter. The Housing Opportunities for Persons with AIDS/HIV (HOPWA) program provides grant funds to help meet the housing needs of low and moderate-income people living with HIV/AIDS.

### HUD 811 and 202 programs

The Section 811 program provides funding for the development of rental housing with the availability of supportive services for adults with disabilities. The Section 811 program allows for persons with disabilities to live as independently as possible in the community. The program also provides project rental assistance. The Section 202 program provides

funds to finance the construction, rehabilitation or acquisition of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. The 25-unit Dakota Apartments project on Clares Street was developed in 1996 with assistance from the City's CDBG Reuse fund and the HUD 811 program.

### Low-Income Housing Tax Credits

The Low Income Housing Tax Credit program is a federal program which provides each state an allocation of tax credits to be used to create affordable housing for low-income households. The tax credits are used as an incentive for private businesses to invest in affordable housing. This program can be used in conjunction with the mortgage revenue bond program. In addition to federal tax credits, California has created a state tax credit program to be used in conjunction with the federal credits. Low Income Housing Tax Credits are a major source of funding for Capitola's \$28 million Bay Avenue Senior Apartments project. The Bluffs is a very recent project that utilized low income tax credits and was entitled in 2023 for 36 units including 25 very low income units, 10 low income units and one staff unit.

## 2. State Funding Sources

### Proposition 1C Funding

Proposition 1C authorized about \$2.85 billion in state funds for a variety of housing programs. Potential uses of Proposition 1C funds include brown-field cleanup and infill incentives, multifamily housing programs, implementation of Transit Oriented Development (TOD), the state's Homeownership Down payment Assistance Program, Supportive Housing, farmworker housing, emergency housing assistance and programs for homeless youth.

### Senate Bill (SB) 2/LEAP Grants

In 2017, Governor Jerry Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. To date, the City has been awarded \$160,000 under the SB 2 grant program and \$65,000 under the LEAP grant program. Because the

number of real estate transactions recorded in each county will vary from year to year, the revenues collected will fluctuate. SB 2 PLHA funds can be used to:

- Increase the supply of housing for households at or below 60% of AMI.
- Increase assistance to affordable owner-occupied workforce housing.
- Assist persons experiencing or at risk of homelessness.
- Facilitate housing affordability, particularly for lower and moderate-income households
- Promote projects and programs to meet the local government’s unmet share of regional housing needs allocation.

### Multifamily Housing Program

The Multifamily Housing Program (MHP) is used to assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. The state’s supportive housing program was a major funding source for the Bay Avenue Senior Apartments Project.

### Mental Health Services Act Program

Mental Health Services Act (MHSA) Housing Program was established to fund permanently supportive housing projects for people with psychiatric disabilities and children with serious emotional disturbance. The MHSA program for Santa Cruz County is administered by the County. MHSA funding has been provided for five of the units at the Bay Avenue Senior Apartments project. Those units are occupied by extremely low- income seniors with psychiatric disabilities.

### Building Equity and Growth in Neighborhoods (BEGIN)

BEGIN funding includes grants to local public agencies to make deferred payment second mortgage loans to qualified buyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions. The City no longer receives funding from the BEGIN program.

## CalHOME Funds

CalHOME funding includes grants to local public agencies and nonprofit corporations to assist individual households through deferred-payment loans, as well as direct, forgivable loans. The grants are used to enable low and very low income residents to become or remain homeowners. The City may pursue this funding during the 2023-2013 6<sup>th</sup> cycle.

## Workforce Housing Reward Program

This program provides financial incentives to cities and counties that issue building permits for new housing affordable to very low- or low-income households. Grants can be used for construction or acquisition of capital assets. The grant amount is determined based on the number of units developed. The City may pursue this utilizing this program during the 2023-2013 6<sup>th</sup> cycle if there are interested developers.

## California Housing Finance Agency (CHFA)

CHFA is a state agency that administers programs that provide below market interest rate mortgage capital through the sale of tax-exempt notes and bonds. CHFA sells tax-exempt Mortgage Revenue Bonds to provide below market rate financing through approved private lenders to first-time homebuyers for the purchase of new or existing homes. The program operates through participating lenders who originate loans for CHFA purchases.

CHFA also operates a Multifamily Rental Housing Mortgage Loan Program. This program finances the construction or substantial rehabilitation of projects containing 20 or more units where 20% of the units in the project are set aside for low income tenants at affordable rents for the greater of 15 years or as long as the mortgage is outstanding.

A new program of CHFA is the HELP Program. This program provides low interest loan assistance to local governments to assist in the provision of affordable housing. The terms of the low interest loans are 3 percent simple interest per annum for up to 10 years, with a maximum loan amount of \$2,000,000 per project.

## Inclusionary Housing Ordinance

In 2004, the City adopted an inclusionary housing ordinance that requires residential developers to provide a percentage of the total number of units as affordable to moderate-, low-, or very low-income households. Developers may choose to build the units and designate them as for-sale or as rental units or propose to use an alternative method of compliance to meet the requirement, one of which is the payment of an in-lieu fee. Under the Inclusionary Ordinance, under limited circumstances, developers can pay in lieu fees rather than providing the required inclusionary housing units. Those fees are deposited into the Affordable Housing Trust Fund (AHTF) and help support affordable housing development in other projects.

## Former Redevelopment Agency Housing Set-Aside

Until the dissolution of Community Redevelopment Agencies under AB X1 26, Redevelopment Housing Set-Aside funds were one of the primary sources of financing used for preserving, improving, and developing affordable housing. As of 2013, Redevelopment Housing Set-Aside funds are no longer available for agency use, as all tax increment that previously went to the Agency is diverted to the underlying taxing entities under AB X1 26. Any redevelopment agency housing set-aside loans that are paid off will be reutilized toward future affordable housing projects.

## Permanent Local Housing Allocation (PLHA)

PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. There are two types of assistance under PLHA:

- Formula grants to entitlement and non-entitlement jurisdictions based on the formula prescribed under federal law for the Community Development Block Grant.
- Competitive grants to non-entitlement jurisdictions. Funding amounts will vary based on annual revenues to the Building Homes and Jobs Trust Fund.

The state estimates a total of \$630,557 in funding for Capitola over the five-year funding cycle 2020-2024. The City has applied for a grant which is currently pending approval.



### 3. Local Funding Sources

#### Capitola Affordable Housing Trust Fund

This fund was adopted by the City Council in November 2004 to utilize Inclusionary Housing In-Lieu Fees and to accept donations from individuals and organizations. The Affordable Housing Trust Fund provides the City with a mechanism for accumulating and administering additional housing resources. These funds can be used as matching funds to state and federal funding sources. To date, the only source of revenue for the Trust Fund has been Inclusionary Housing Fees. The Housing Trust Fund continues to be administered per Section 18.02 of the Capitola Municipal Code. There is currently \$144,000 in available funds.

### O. Administrative Resources

#### 1. City of Capitola Community Development Department

The overall department functions include planning, building and safety, housing, community development grant administration, zoning, permit information and guidance, and economic development. While the Building Division ensures compliance with life-safety standards and building codes, the Planning Division provides comprehensive land use services. The Planning Division's primary goal is to ensure and enhance the quality of life in the community through the administration of the Capitola Municipal Code relative to zoning and subdivisions, the General Plan, the California Environmental Quality Act, and a variety of interrelated laws involving public health, safety, and welfare. The Planning Division is also responsible for the City's code enforcement program and finding solutions to problems resulting from violations of the Municipal Code. If left unattended, Code violations can detract from the positive appearance of neighborhoods and the business community. Code enforcement efforts help preserve the housing stock by requiring owners to maintain their properties in a sound condition.

Additionally, the City has offered financial assistance to homeowners through its Housing Rehabilitation Program. There currently is not an active rehabilitation program, but the City plans to administer a program during the 6<sup>th</sup> cycle to maintain the safety and quality of residences occupied by low-income residents through a Grant Program. Under the grant program, a grant will be offered for owner-occupied homes.

## 2. Nonprofit Developers

Due to the high cost of housing development in coastal California, many communities have found that partnerships with nonprofit housing developers are an effective tool for creating affordable housing units. The City of Capitola is currently working with Mid-Peninsula Housing Coalition on a future 100 percent affordable housing project at 1098 38<sup>th</sup> Avenue.

## 3. Additional Agencies Involved in Capitola Housing

Described below is a sample of public and non-profit agencies that have been involved in housing activities in north Santa Cruz County. These and other agencies play important roles in meeting the housing needs of the community. In particular, they are, or can be, involved in the improvement of the housing stock, expansion of affordable housing opportunities, preservation of affordable housing, and/or provision of housing assistance to those in need. Many of the affordable housing funding sources listed in the Financial Resources section above can only be accessed through involvement of nonprofit affordable housing agencies who serve as the developers, owners and managers of affordable housing projects.

- **County of Santa Cruz Housing Authority** – The County of Santa Cruz County Housing Authority is a key partner in the development and preservation of affordable housing. The Housing Authority’s project-based voucher (PBV) program is an important resource in stimulating and supporting affordable housing development. The PBV Program directly counters market barriers (high land and construction costs) by providing the owner with market rate rents on below-market, affordable units, allowing the owner to sufficiently cover operating expenses. Moreover, the Housing Authority is expanding its nascent self-development activities. The Housing Authority manages the 12-unit Grace Street apartments, administers the Housing Choice Voucher rental assistance program and operates the Mortgage Credit Certificate program for Capitola.
- **Community Action Board of Santa Cruz County, Inc. (CAB)** – CAB conducts, administers and coordinates community programs to combat poverty in Santa Cruz and Monterey Counties. CAB offers several programs: energy/utility payment assistance; the Shelter Project (housing and homeless services); job training and employment services; immigration assistance; and community building. CAB operates five services for homeless people or those at risk of homelessness, including: Housing for Medical Emergencies Program,

Motel Vouchers for homeless persons facing emergency medical situations, Emergency Rent Assistance to prevent eviction, and a Message Center (voice mail), Shelter Hotline, and Resource Guide.

- **Senior Network Housing Program** – The Senior Network Housing Program provides some housing-related services to elderly individuals and households. The City of Capitola contracts for provision of these services to city residents through a contract under the Community/Human Services Program. The senior network program has been active in matching seniors in shared housing arrangements. In addition, staff maintains an inventory of senior housing developments and provides information on location, eligibility requirements, affordability and level of services offered.
- **California Rural Legal Assistance** – Fair housing information and tenant-landlord dispute mediation is available through California Rural Legal Assistance. Information and resources are provided to both tenants and landlords regarding their rights and responsibilities. The City of Capitola contracts for provision of these services to City residents through a contract with California Rural Legal Assistance under the Community/Human Services Program.
- **Habitat for Humanity** – Habitat for Humanity is a nonprofit organization dedicated to building and rehabilitating affordable ownership housing for lower income families. Habitat for Humanity builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans.
- **Eden Housing** – Eden Housing creates and sustains high-quality affordable housing communities that advance equity and opportunity for all. Eden has worked in partnership with cities and local community partners to develop or acquire more than 10,600 homes in communities throughout California, currently serving a diverse population of 22,000 low-income residents from all cultures and backgrounds. Since its inception, more than 100,000 people have come home to an Eden community. Eden housing has projects within Santa Cruz County and has expressed interest in Capitola.
- **Mid-Peninsula Housing Coalition (MPHC)** – Mid-Peninsula Housing Coalition is an established regional non-profit organization involved in the development, management, acquisition, and rehabilitation of affordable rental housing. MPHC primarily develops affordable family and senior rental apartments. Since its founding in

1971, MPHC has developed over 3,700 units and rehabilitated over 300 units in six Northern California counties, including several projects in Santa Cruz County.

- **First Community Housing (FCH)** – First Community Housing is a San Jose based non-profit affordable housing developer committed to building high quality, sustainable, affordable housing and passing the energy savings along to their tenants. FCH’s incorporation of Green Building materials has been featured in numerous Green Building journals. First Community Housing develops family housing, senior housing, single room occupancy housing, live/work lofts, mixed-use development and housing for people with disabilities. Since its founding in 1986, FCH has developed over 800 units with another 200 in development. FCH is the owner/developer of the 109-unit Bay Avenue Senior Apartments project in Capitola, a \$28 million acquisition/rehabilitation and new construction project that will serve extremely low, very low and low-income seniors including some units for residents who are chronically ill and who have psychiatric disabilities.
- **South County Housing** – South County Housing is a Gilroy-based non-profit affordable housing developer. South County Housing is a nonprofit community development corporation operating in the California counties of Santa Clara, Santa Cruz, Monterey, and San Benito. Since 1979, they have developed over 2,500 units, including 1,435 affordable apartments. South County Housing’s model, which includes combining mixed income housing with on-site services, addresses the unique needs of each community. When they build neighborhoods, they invest in their long-term success with recreational amenities, childcare facilities and community buildings with computer labs. South County Housing has also been active in Santa Cruz County with the acquisition and rehabilitation of mobile home parks. In Capitola they have assisted the City with feasibility studies for future additional cooperative or non-profit mobile home park acquisitions.



## Chapter 5: Housing Plan

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Providing for the diverse housing needs of the community is a fundamental priority for the City of Capitola. The Housing Plan describes Capitola's seven housing goals and the policies and programs necessary to implement them. The Housing Plan represents the City's official housing policy for the 2023-2031 Housing Element planning period.

### A. Goals, Policies and Programs of the 2023-2031 Housing Element

- Goal 1.0: Housing Production
- Goal 2.0: Affordable Housing Development
- Goal 3.0: Housing for Persons with Special Needs Goal
- Goal 4.0: Housing Assistance
- Goal 5.0: Neighborhood Vitality
- Goal 6.0: Resource Conservation
- Goal 7.0: Affirmatively Furthering Fair Housing

## Goal 1.0 Housing Production

*Diversity in housing types and affordability levels to accommodate the needs of Capitola Residents*

Persons and households of varying ages, types, incomes, and lifestyles have a range of housing needs and preferences. Moreover, housing needs evolve over time in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents at all stages of life, promotes an inclusive community that welcomes all residents, and achieves larger social and equity goals in Capitola.

### Housing Production Policies

- Policy 1.1** Provide adequate sites and supporting infrastructure to accommodate present and future housing needs of Capitola residents.
- Policy 1.2** Encourage mixed-use developments.
- Policy 1.3** Provide opportunities for the development of alternative housing options, such as Accessory Dwelling Units.
- Policy 1.4** Periodically review development regulations, permit processes, and fees and their effect on development to ensure that such requirements facilitate housing production and rehabilitation.

### Housing Production Programs

**Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss:** Provide adequate sites for new housing to accommodate the Regional Housing Needs Allocation (RHNA) of 1,336 units for the 2023-2031 planning period. The income distribution of the RHNA is 430 very low income; 282 low income; 169 moderate income; and 455 above moderate income units. Adequate sites are those in close proximity to jobs, goods, and services, have mitigatable or no constraints, and have adequate existing or planned infrastructure. The City projects that 50 Accessory Dwelling Units will be permitted over the next eight years. The majority of the City's RHNA will be



accommodated on commercial sites where mixed use development is permitted. The comprehensive rezoning that took place in 2018 provided adequate capacity to accommodate the City's RHNA for the 6<sup>th</sup> cycle Housing Element. The updates to the ADU ordinance (2020 and 2022), the adoption of the SB-9 Ordinance (2022), and multifamily and mixed use objective standards ordinance (2022) further increased opportunities for missing middle housing and removed impediments to housing development within all residential zones, including the R1 zone.

The City will comply with SB 166 (No Net Loss) by monitoring the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City's RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code §65863 by July 2024. If an approval of development results in a reduction of capacity below the residential capacity needed to accommodate the remaining need for lower income households, the City will identify and, if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

Some sites in the inventory would require consolidation to enhance their feasibility for redevelopment. The City will facilitate lot consolidation of small sites.

The City had previously created an Affordable Housing Overlay (-AH) and designated specific parcels with the Overlay to incentivize the development of affordable housing. However, with the recent comprehensive rezoning program that provides for mixed use development in most of the City's commercial districts with no density limits, the Overlay has become obsolete. The City will remove the Affordable Housing Overlay from the City's Zoning Ordinance and Zoning Map since the City has a new mixed use strategy that offers adequate incentives for affordable housing development. None of the sites in the inventory were previously included in the 4<sup>th</sup> or 5<sup>th</sup> cycle Housing Element.

***Timeline and Objectives:***

- Facilitate the development of 1,336 housing units over 8 years.
- Maintain an inventory of available vacant and prospective sites that can accommodate new housing; update annually.

- Annually meet with property owners and interested developers to pursue housing development in the City.
- By July 2024, develop a formal procedure to monitor no net loss in capacity pursuant to SB 166.
- By the end of 2025, develop strategies to provide for missing middle housing, such as conversion of second story commercial/office space, live/work housing, and duplex/triplex.
- Facilitate lot consolidation:
  - Make the list of potential sites for lot consolidation available to interested developers. The list will be available online with information on parcel size, zoning, and existing uses.
  - Establish an outreach program to local real estate brokers and the Santa Cruz County Association of Realtors to promote opportunities and incentives for lot consolidation.
  - Facilitate communications between property owners and interested developers as part of the annual meetings (see above). **Include site development options, including zones in the City that have no density limits.**
  - Provide technical assistance to expedite the site acquisition, plan review, and entitlement process.
  - By the end of 2025, develop incentives to encourage lot consolidation. Typical strategies include ministerial approval of lot line adjustments and flexible development standards (such as reduced or alternative parking arrangements, **increased height or lot coverage**) for large sites.
- As part of the Zoning Ordinance update by the end of 2025 remove the Affordable Housing Overlay from the Zoning Code and Zoning Map.
- Capitola will work with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the Capitola Mall as a planned high-quality major transit stop.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 1.2 Replacement Housing:** Development on non-vacant sites with existing residential units is subject to replacement requirements, pursuant to AB 1397. Specifically, AB 1397 requires sites with a residential use within the last 5 years the replacement of units affordable to the same or lower income level as a condition of any development on a non-vacant site consistent with those requirements set forth in state Density Bonus Law.

***Timeline and Objectives:***

- By December 2024, amend the Zoning Code to address the replacement housing requirements.

***Responsibility:***

Community Development/Planning

***Funding:***

General Plan Fund

**Program 1.3 Accessory Dwelling Units (ADUs):** The City facilitates the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) through the following actions:

- Dedicated webpage on City website to provide resources and guidance on ADU construction.
- ADU Resource Guide created by the City to assist homeowners with the review process.
- Five pre-designed ADU Plans that are building code approved by the City’s Building Official and are available free of charge.

The City will take additional actions to promote and monitor the trend of ADU development, including pursuing ADUs that can be made affordable to lower income households.

***Timeline and Objectives:***

- Facilitate the development of 50 ADUs over 8 years.
- By December 2024, update City ADU webpage to include other resources available, such as the \$40,000 grant for pre-development costs available to lower income homeowners through California Housing Finance Agency (CalHFA).

- By July 2024, develop a Fair Housing Factsheet to be included in the ADU webpage and application packet to inform property owners of their responsibility to comply with state and federal fair housing laws.
- Beginning in 2025 and every three years thereafter, update the ADU Resource Guide to align with building code updates.
- Beginning in 2025, and every three years thereafter, update Capitola ADU Prototype Building Plans to comply with building code updates.
- Beginning in 2025, and annually thereafter, pursue funding sources available to enhance ADU affordability with the goal of creating ten affordable ADUs, targeting assistance in lower density neighborhoods.
- By July 2027, conduct a mid-term review of the City's ADU construction trend to determine the City's progress in meeting projected ADU units. If the City's ADU construction activities fall behind projection, the City will develop additional incentives, resources, and/or tools to encourage ADU development.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund; CalHFA funds

**Program 1.4 Mixed-Use Developments:** Capitola is nearly built out, and there are very few vacant residentially zoned sites left in the City. To protect open space, encourage alternative transportation, and create opportunities for affordable housing, the Housing Element encourages mixed-use developments along major transportation corridors. The City Zoning Code identifies commercially zoned areas in which mixed uses are allowed by-right or with the approval of a conditional use permit. These include the CC (Community Commercial), CR (Regional Commercial), Mixed Use Neighborhood (MU-N), and Village Mixed Use (MU-V) zones. The City will continue to support mixed-use developments to expand housing opportunities.

**Timeline and Objectives:**

- Annually meet with property owners and interested developers to pursue mixed-use housing development in the City, especially on sites identified in the sites inventory for RHNA. The sites inventory identifies capacity for 1,298 units on mixed-use properties.
- By the end of 2025, expand the incentivized zone for increased FAR and Height to facilitate mixed use development, targeting commercial corridors where key sites are identified for RHNA, in exchange for an expanded list of community benefits that complement mixed use residential development (such as child care facilities, recreation areas, etc.)
- Utilize the City's newly established Objective Design Standards to streamline review of mixed-use developments.
- By December 2025, incentivize development of affordable housing on commercial sites along transit corridors.
- Monitor and include an update in the annual Housing Element Progress Report of all mixed-use development activities to identify unforeseen barriers that should be addressed and incorporate additional incentives that may be needed.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 1.5 Alternative Housing:** The cost of land and the lack of vacant sites for conventional lower-density housing has heightened the need for the development of alternative types of housing in Capitola. These alternative housing types, including Single Room Occupancy (SRO) units, Accessory Dwelling Units (ADUs), live/work units, micro units, and co-housing programs may offer arrangements that could provide for enhanced affordability, neighborhood interaction, and support services for residents. Capitola is already heavily involved and supportive of the use of manufactured homes within the community's eight mobile home parks and will continue with that effort. Given the demand for a variety of housing, the City also facilitates the development of ADUs by providing technical guidance and referral to resources on the City website.

**Timeline and Objectives:**

- Continue to work with local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability.
- Encourage and facilitate the development of other alternative housing types, such as factory-built housing, live/work units, SRO units, Small Ownership Units (SOUs), and micro units. By the end of 2025, review and revise as appropriate, the Zoning Code to facilitate alternative housing types.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 1.6 Development Regulations:** Development standards should reflect the market conditions and development trends and therefore should be reviewed and revised periodically in order to facilitate developments that reflect current and projected demands. The City will review and revise development regulations to address governmental constraints and further incentivize the development of housing. Specifically, the following revisions are needed:

- **Parking Standards:** The City’s parking requirements for multifamily housing do not vary by the size of the unit, potentially constraining the development of smaller units and discouraging the reaching of higher density. However, the City allows parking studies to request flexibility with mixed use development. The City will revise the multifamily residential parking requirements based on the unit size or number of bedrooms and will also revise the current covered parking requirement for multifamily development.
  - **Density Bonus:** The State Density Bonus law has been amended multiple times in recent years. The City’s Density Bonus ordinance will be updated to be consistent with state law.
  - **Affordable Housing Overlay:** Since this overlay is now obsolete, remove it from the Zoning Code and Zoning Map.



### ***Timeline and Objectives:***

By the end of 2025:

- Review and revise as appropriate, requirements such as the minimum unit size, setbacks, parking requirements, and height restrictions to ensure they are necessary and pertinent and do not pose constraints on the development of housing. This includes assessing the maximum densities allowed in the RM-L and RM-M zones to determine if higher densities can help facilitate multi-family development in the City.
- Revise the multifamily residential parking requirements based on the unit size or number of bedrooms and will also revise the current covered parking requirement for multifamily development. Continue to allow the use of parking studies to request flexibility with mixed use standards, including shared parking with commercial uses.
- Include reduced parking standards for senior and special needs housing.
- Using the results of the Capitola Mall study (see Program 1.7), analyze the zoning and development standards in the Incentives for Community Benefits Ordinance and modify the findings required for Chapter 17.88, Incentives for Community Benefits, to meet objective standards. This will allow project applicants to meet all discretionary permits with the same objective standards. These revisions will occur at the same time the Incentives for Community Benefits zone boundaries are expanded. Capitola Mall Redevelopment projects will have an FAR of 2.0. **Additional amendments to Chapter 17.88 will include height allowances up to 75 feet for the Capitola Mall parcels.**
- Corner lot duplexes in the R-1 zone: to allow corner lots in single-family neighborhoods to accommodate duplex units. Such a strategy is intended to provide flexibility compared to SB 9 requirements with objective development standards, with the goal of introducing moderately priced homes in the neighborhoods. Objective development standards will be used for these projects.

Consider development standards modifications, streamlined processing for applications related to the creation of affordable housing, and fee modifications for projects proposing affordable units that are required to apply for variations to the existing development standards. By December 2025; revise the City's Density Bonus ordinance, parking standards and development modifications, and streamline processing for affordable housing projects.

**Responsibility:**

City staff

**Funding:**

General Plan Fund

**Program 1.7 Shopping/Commercial Center Redevelopment:** Nationwide, the shift to online shopping has resulted in changes to the retail landscape. Many shopping and commercial centers are being reimagined as vibrant residential/commercial mixed-use neighborhoods. However, redeveloping shopping centers presents some challenges with regard to the large site scale, configuration of existing structures and parking areas, existing lease terms, CC&R provisions, shared parking agreements, and community desire to maintain and rejuvenate retail services. The City will launch a study with recommended options to initiate mall redevelopment and then establish policies and development regulations to enable residential development at shopping centers through a range of approaches to allow strategies such as:

- Full redevelopment;
- Addition of residential uses in existing surface parking areas;
- Clustering residential development on underutilized portions of the site; and/or
- Adding to or reconfiguring existing structures to include residential uses.

Specifically, the City will develop land use policies and zoning development standards in alignment with the outcome of the study to facilitate development of the Mall site. Capitola Mall Redevelopment projects will have an FAR of 2.0. Chapter 17.88 (Incentives for Community Benefits) shall be amended to include height allowances up to 75 feet for the Capitola Mall parcels. This increased height will permit the Capitola Mall to be redeveloped with an economically feasible project during the 2023 – 2031 planning period that includes residential units for a variety of income levels.

**Timeline and Objectives:**

- By the **fall** of 2024, complete a study identifying strategies to initiate mall redevelopment and establish a technical committee to provide input on the study and recommended options.

- By the end of 2024, develop land use policies to facilitate shopping center redevelopment with a strong sense of urban design cohesion.
- By the end of 2024 as part of the Zoning Code updates, amend the Municipal Code Chapter 17.88 to include the following:
  - i. Establish the Capitola Mall as the area between Clares Street, 41st Avenue and Capitola Road.
  - ii. Allow for building height up to 75 feet for Mall Redevelopment.
  - iii. Define “Mall Redevelopment” to mean a mix of uses that includes residential and retail/commercial components.
  - iv. Exclude parking garages from the project FAR calculations.
  - v. Adopt objective development standards to facilitate mall redevelopment.
- Annually contact property owners and developers with experience in shopping center redevelopment to pursue redevelopment opportunities.
- Monitor approvals and progress of the mall redevelopment as part of the Annual Progress Reports. By 2027, if it becomes apparent that redevelopment of the Mall site is not achievable in the planning period, the City will develop alternative strategies, including, but not limited to, rezoning to meet the 6<sup>th</sup> Cycle RHNA requirement.
- Beginning in 2025, the City will annually monitor impacts on the financial feasibility of the Incentives of Community Benefits. If financial constraints are discovered, modifications will be made within six months.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 1.8 Religious Facility Housing:** AB 1851 (Religious Facility Housing) provides relief in parking requirements when a religious institution partners with a nonprofit organization to provide affordable housing on site. This new state law applies only to religious facility properties in residential zones or nonresidential zones that also allow residential uses. SB 4 (Housing on Higher Education Institution and Religious Institution Sites), passed in September 2023 and to become effective in January 2024, ensures that churches, faith institutions, and nonprofit

colleges will be able to build affordable housing on their land without having to go through an expensive and difficult rezoning and discretionary approval process. Religious facilities are located throughout the City and oftentimes are situated in high resource areas where there is currently insufficient supply of affordable housing. Facilitating Religious Facility Housing will provide missing middle and workforce housing opportunities, including in lower density neighborhoods. The residential sites inventory has been expanded to include religious facility properties, particularly in high resource areas.

***Timeline and Objectives:***

- Capitola is committed to updating the zoning ordinance by the end of 2025 to clarify state law and applicable development standards that would allow residential units to be constructed primarily on open or parking areas on religious institutional sites as a permitted use, as well as creating objective development standards that facilitate residential development.
- Conduct an outreach and education campaign in 2026 to inform educational and religious institutions the opportunities and resources available for developing affordable housing on site.
- Support the funding applications by educational and religious institutions in pursuing funding for affordable housing.
- By the end of 2027, monitoring affordable housing development on religious facility sites to ensure the City continues to have the ability to meet its RHNA for all income groups. If affordable housing is determined to be not feasible, the City will develop alternative strategies to fully accommodate its RHNA by the end of 2028.

***Responsibility:***

Community Development

***Funding:***

General Fund

**Program 1.9 SB 9 Support:** SB 9 provides for the ministerial approval of converting existing homes occupied by a homeowner into a duplex if certain eligibility restrictions are satisfied. It also allows a single-family home lot to be split into two lots and a duplex to be built on each lot, provided that the initial home is occupied by an owner who attests that the owner will continue to live in a unit on the property as their primary residence for at least three years. Capitola has updated the Subdivision Ordinance and Zoning Ordinance to comply with SB 9 and in 2023 the City had two applications for SB 9 lot splits. The City is committed to facilitate SB 9 development throughout the 6<sup>th</sup> Housing Element Cycle.

***Timeline and Objectives:***

- By December 2024, the City will develop a Guidance Document about SB 9 SB9 (urban lot splits and two-unit developments), including the relevant objective design standards and streamlined review available for such units. This document will be available online and at City Hall.
- By December 2023, the City will begin providing technical assistance to the public about the SB 9 process.
- By December 2024, the City will develop a Fair Housing Fact Sheet to be provided to applicants that all SB 9 projects will comply with Federal and State fair housing laws. The Fact Sheet will also include information that homeowners' associations' and CC&Rs are preempted by state law and cannot prohibit SB 9 development.
- The City will aim to facilitate 10 SB 9 applications in the eight-year planning period (2023-2031).

***Responsibility:***

Community Development

***Funding:***

General Fund

**Program 1.10:** Housing on Publicly and Quasi-Publicly Owned Land: Facilitating the building of housing on publicly or quasi-publicly owned land is another opportunity for future housing production. Two school properties in the City have been identified due to portions of these sites being used for fields or parking that could be utilized for housing. It is assumed that any future residential development would be in addition to the school uses and would not replace them. While these locations were not included in the sites inventory for the 6th cycle, six units of moderate-income and six units of above-moderate income housing are being incorporated into the City’s buffer. This is due to interest expressed by nonprofit developers, making residential development on these parcels a possibility during the 2023-2031 planning period. Additionally, the state-owned New Brighton Beach Area includes land that could potentially be utilized for housing during the 7<sup>th</sup> cycle of the Housing Element update.

**Timeline and Objectives:**

Beginning in 2025:

- Facilitate discussions between the school district and nonprofit developers for potential residential opportunities,
- Begin coordination with the State for the future development of housing in New Brighton State Beach and the Department of Motor Vehicles site on Capitola Road and ensure compliance with Surplus Land Act.
- Explore coordination with quasi-publicly owned sites that fall under the provisions of SB 4 (when signed).
- If coordination with the State has not progressed by the end of 2027, and by the end of 2028, the City will dedicate additional efforts in pursuing opportunities on religious facility sites including developing incentives and assisting in pursuing funding and partnership opportunities.

**Responsibility:**

Community Development

**Funding:**

General Fund



## Goal 2.0 Affordable Housing Development

*Increased and protected supply of housing affordable to extremely-low, very-low, low, and moderate-income households*

Provision of housing for extremely-low, very-low, low, and moderate-income households is a City priority. Affordable housing allows persons of all economic segments to live in the community, provides housing for the City's workforce, and helps to ensure housing opportunities exist for the elderly and diverse racial/ethnic groups. The City's affordable housing policies encourage the production and preservation of affordable housing.

### Affordable Housing Policies

- Policy 2.1** Encourage continued affordability of affordable rental housing supply in existing mobile home parks, subsidized rental housing, and special needs housing.
- Policy 2.2** Continue participation in state and federally sponsored programs designed to maintain housing affordability, including the HUD Housing Choice Voucher (HCV) Program.
- Policy 2.3** Preserve existing unrestricted affordable rental housing during the Housing Element planning period.
- Policy 2.4** Promote the development of affordable housing.
- Policy 2.5** Maintain the City's Housing Trust Fund.
- Policy 2.6** Encourage the production of affordable ownership and rental housing through the City's Affordable "Inclusionary" Housing Ordinance.

## Affordable Housing Programs

**Program 2.1 Mobile Home Park Assistance:** Mobile home parks offer an affordable housing option for many lower income households. The City works to preserve the affordability of this important affordable housing source. Capitola has eight mobile home parks. Six parks have converted to resident-controlled ownership either as cooperatives or through subdivision. Another park – Castle Mobile Estates – was purchased by Millennium Housing, a nonprofit housing provider. The City continues to work with the residents and owners of the remaining rental park (Cabrillo MHP Estates) to identify potential plans to transition from the rental park model in ways that will protect the financial investment of existing residents and the park owners and help preserve, to the extent possible, the affordable housing stock represented by these mobile home units.

The long-term lease of Cabrillo was set to expire on June 1, 2023. Residents received notification of a 56 percent rent increase. On May 25, 2023, the City Council adopted an urgency ordinance to establish mobile home park rent stabilization, which became effective immediately upon adoption. A regular rent stabilization ordinance was adopted on June 8, 2023 and became effective on July 8, 2023. The City’s rent stabilization ordinance sets annual rent increase at 5 percent plus CPI, or up to 10% of the base rent, whichever is lower.

### ***Timeline and Objectives:***

- Annually monitor the effectiveness of the rent stabilization ordinance in preserving affordability of mobile home park rents.
- Annually, provide technical assistance, funding, and/or support for funding applications for resident-controlled and nonprofit-owned mobile home parks, and potential tenant/nonprofit acquisition of the remaining park.
- Identify funding opportunities through state, city, or nonprofits for financial assistance to mobile home park residents to facilitate their acquisition or conversion efforts. Assist and/or support in funding application.
- If conversions of use are contemplated, ensure that resident investment values are preserved and that adequate relocation assistance is provided pursuant to state law. To the extent possible, preserve or replace affordable housing units. (Mobile home park closures are subject to rigorous state regulations.)
- Identify necessary infrastructure improvements as part of the acquisition or conversion process.

**Responsibility:**

Community Development

**Funding:**

PLHA Fund, Housing Trust Fund; HCD MORE; CDBG; HOME

**Program 2.2 Affordable Housing Monitoring:** Preserving the City’s existing affordable housing inventory is an important community goal. While no deed-restricted affordable housing units are at risk of converting to market rate during the Housing Element planning period, the City will proactively monitor these units to encourage continued affordability beyond existing covenants and work proactively with owners of affordable units.

**Timeline and Objectives:**

- Maintain contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance.
- Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. Update annually.

**Responsibility:**

Community Development

**Funding:**

Housing Trust Fund

**Program 2.3 Preservation of Rental Housing:** The City will provide proactive assistance to preserve and to enhance the quality of existing rental housing in City of Capitola. Two rental housing properties may require rehabilitation during the planning period – Dakota Apartments (24 units) and Bay Avenue Senior Apartments (108 units). The City is currently working with Dakota Apartments on future rehabilitation efforts to preserve the affordable housing on-site.

**Timeline and Objectives:**

- Annually investigate new funding and financing opportunities to encourage the acquisition/rehabilitation of existing rental housing and conversion into long-term affordable housing.
- Pursue one acquisition/rehabilitation project over 8 years.

**Responsibility:**

Community Development

**Funding:**

Housing Trust Fund; other state and federal housing funds

**Program 2.4 Housing Choice Vouchers:** The Santa Cruz County Housing Choice Vouchers (HCV) program provides rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Housing Authority and what a tenant can afford to pay (i.e., 30% of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra rent above the payment standard. Currently 206 households in Capitola are voucher recipients. The City will continue to collaborate with the Housing Authority to disseminate information to persons in need of rental assistance.

**Timeline and Objectives:**

- Continue to participate in the Housing Authority of Santa Cruz County Housing Choice Vouchers Program, with the goal of providing assistance to 240 households by December 2031.
- Annually promote the HCV program to residents and property owners by disseminating program information at City Hall, on the City website and social media accounts. Conduct targeted outreach to property owners in the High and Highest Resource neighborhoods.

**Responsibility:**

Community Development; Santa Cruz County Housing Authority

**Funding:**

HUD Section 8 Allocations

**Program 2.5 Affordable Housing Development:** The City is committed to expanding affordable housing opportunities in the community, using development incentives such as density bonus provisions and/or regulatory concessions. The City will continue to coordinate with property owners and housing developers to facilitate development of housing affordable to extremely low-, very low-, low-, and moderate-income households. The City will collaborate with non-profit organization, private developers, employers, special needs groups, and other interested parties to pursue affordable housing funds available at the county, state, and federal levels.

**Timeline and Objectives:**

- Facilitate the development of affordable housing through the provision of regulatory concessions and density increases under the City’s Density Bonus Ordinance and the City’s Incentives for Community Benefit Ordinance.
- Annually collaborate with non-profit organizations, private developers, employers, special needs groups, state and federal agencies and other interested parties to pursue affordable housing projects.
- Continue to utilize available financing to assist with the planning and development of new affordable housing for all ages and household types. Annually, Community Development staff will monitor federal and state funding sources available for affordable housing projects, and pursue or support the applications for funding.
- Facilitate the development of 430 very low and 282 low-income affordable units over 8 years.
- Regularly update the City’s Density Bonus Ordinance to include updates in state law.
- Local Labor. Encourage developers and contractors to evaluate hiring local labor, hiring from or contributing to apprenticeship programs, increasing resources for labor compliance, and providing living wages.

**Responsibility:**

Community Development

**Funding:**

Housing Trust Fund; Low Income Housing Tax Credits; CalHOME; Permanent Local Housing Allocation

**Program 2.6 Public Outreach for Housing and Community Development Activities:** Public workshops and hearings are opportunities for community members to not only learn about certain plans or projects that may affect them in the future, but to let their voices be heard by City officials and staff. The City of Capitola recognizes the importance of community participation and strives to inform and include everyone in the community who may be affected by such projects.

**Timeline and Objectives:**

- Maintain communication channels with City residents, community groups, local housing representatives, and other agencies. Conduct at least one community meeting annually to discuss housing needs and opportunities.
- At least quarterly, update the City website to provide accurate and up-to-date information regarding public hearings, community events, and City projects.
- Organize community workshops for large development projects.

**Responsibility:**

Community Development

**Funding:**

Housing Trust Fund; Low Income Housing Tax Credits; CalHOME; Permanent Local Housing Allocation

**Program 2.7 Housing Trust Fund:** The City utilizes available funds to provide loans and grants through the City's Housing Rehabilitation Loan and Grant Program, to assist with affordable housing project feasibility studies, and to office assistance in permanent financing of acquisition/rehabilitation projects and new construction affordable housing projects. The primary source of funding is the Housing Trust Fund (HTF).

The HTF was adopted by the City Council in November 2004 to utilize Inclusionary Housing In-Lieu Fees and to accept donations from individuals and organizations. The HTF provides the City with a mechanism for accumulating



and administering additional housing resources. The primary sources of the HTF are the Inclusionary Housing In-Lieu fee for ownership housing (for projects with seven or more units) and the Housing Impact fee (for projects with fewer than seven units). The City recently updated the fees to \$25 per square foot as a result of the feasibility study completed in 2022. The study also concludes that an inclusionary housing requirement for rental housing is not financially feasible in Capitola under the current market conditions. An impact fee of \$6 per square foot of multifamily rental housing is established. These funds can be used as matching funds to state and federal funding sources.

To further encourage the development of affordable housing, the City will maintain the HTF and will utilize the available funds to provide loans and grants through the City’s Housing Rehabilitation Loan and Grant Program. The City will also update the affordable housing project feasibility studies and explore options for the permanent financing of acquisition/rehabilitation projects as well as new construction affordable housing projects. The City will also ensure that HTF funds are used to assist households with incomes at or below 80% of the area median income (i.e., lower income).

**Timeline and Objectives:**

- By December 2025, initiate a City Housing Rehabilitation Loan and Grant Program, to assist with affordable housing project feasibility studies and permanent financing of acquisition/rehabilitation projects and new construction affordable housing projects. Assist 10 households with affordable loans and grants and 25 households through multifamily rehabilitation over 8 years.
- As market conditions change over the 8-year planning period, update the feasibility study to ensure that the fees are sufficient to support the development of affordable housing and, if market conditions have changed, to enable the reinstatement of the inclusionary housing requirement on rental housing.

**Responsibility:**

Community Development/Planning

**Funding:**

In-Lieu and Housing Impact fees

**Program 2.8 Inclusionary Housing Ordinance:** To ensure that affordable units are better integrated into the community, the City will update the Inclusionary Housing Ordinance feasibility study to ensure that fees are sufficient to support the development of affordable housing. The last feasibility study was completed in October 2021. The Inclusionary Housing Ordinance was established to not only develop affordable housing, but to ensure that affordable units are better integrated into the community. The Ordinance requires that 15% of units in an ownership housing development with more than seven units be available to lower income households or pay an in-lieu fee. If the project has fewer than seven units, payment of a housing impact fee is required. Both fees are currently set at \$25 per square foot. An impact fee of \$6 per square foot of multifamily housing is also established, but there is no inclusionary requirement. The fees collected from the Inclusionary Housing program are deposited into the City Affordable Housing Trust Fund.

If the feasibility study shows changed market conditions, the City will also reinstate inclusionary housing requirements on rental housing. In the 2021 study, the market conditions did not support inclusionary housing requirements on rental housing.

***Timeline and Objectives:***

- Update the feasibility study by October 2026 to ensure that the fees are sufficient to support the development of affordable housing and, if market conditions have changed, to enable the reinstatement of the inclusionary housing requirement on rental housing.
- Analyze the zoning and development standards to determine if there are constraints that affect the economic feasibility of affordable rental housing development.
- Facilitate the development of 430 very low and 282 low-income affordable units over 8 years.

***Responsibility:***

Community Development/Planning

***Funding:***

In-Lieu and Housing Impact fees

**Goal 3.0 Housing for Persons with Special Needs**

*Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations*

Capitola is home to people with special housing needs due to income, family characteristics, disabilities, or other issues. These groups include, but are not limited to seniors, families with children, people with disabilities, single-parent families, and people who are homeless or at risk of becoming homeless. Capitola is dedicated to furthering a socially and economically integrated community and therefore is committed to providing a continuum of housing and supportive services to help address the diverse needs of its residents.

**Special Housing Needs Policies**

- Policy 3.1** Support and facilitate programs that address the housing needs of special needs groups, including the elderly population, homeless persons, single-parent headed households, large households, extremely low-income households, and persons with disabilities, including developmental disabilities.
- Policy 3.2** Continue the provision of city-initiated incentives to encourage affordable units in development projects.
- Policy 3.3** Support the development of accessible and affordable housing that is designed to serve all ages and is readily accessible to support services.
- Policy 3.4** Provide assistance for seniors and disabled to maintain and improve their homes.
- Policy 3.5** Facilitate and encourage the development of rental units appropriate for families with children, including the provision of supportive services such as childcare.
- Policy 3.6** Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.
- Policy 3.7** Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.

- Policy 3.8** Investigate and encourage the development of a variety of housing options for seniors including Congregate Housing, Continuing Care Retirement Communities (CCRCs), Assisted Living, Mobile Home Parks, co-housing, accessory dwelling units, and Independent Living.
- Policy 3.9** Encourage the establishment of childcare centers and family childcare homes in all appropriate zoning districts.

### Special Housing Needs Programs

**Program 3.1 Emergency Shelters and Low Barrier Navigation Centers:** Capitola contributes to the regional solutions to addressing homelessness through land use planning to accommodate housing options of the homeless, and funding support of homeless services. In compliance with Senate Bill 2, the City of Capitola has amended the Zoning Code to allow emergency shelters by-right within the Industrial Park (IP) zoning district. This area was selected due to multiple opportunities for vacant or underutilized parcels for the development of new emergency shelters. However, new state law (AB 2339) effective January 1, 2023 requires the identification of one or more zones that allow residential uses, including mixed uses, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit and that are suitable for residential uses. AB 2339 further requires that the definition of emergency shelters include other interim interventions, including but not limited to, navigation centers, bridge housing, and respite or recuperative care. The City will be updating its Zoning Code to permit emergency shelters by-right in the Community Commercial zone.

Furthermore, AB 101 requires jurisdictions to allow the development of Low Barrier Navigation Centers (LBNC) by-right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if they meet specified requirements. A code amendment will be processed to comply with this requirement.

#### ***Timeline and Objectives:***

- By December 31, 2024, amend the Zoning Code to permit emergency shelters by-right without discretionary action in the Community Commercial zone and to permit LBNCs in areas zoned for mixed uses and other nonresidential zones permitting multifamily housing. Amend the definition of emergency shelters to include interim housing options such as navigation centers, and recuperative and respite care.

- Work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.
- Prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 3.2 Transitional and Supportive Housing:** Transitional and supportive housing addresses the housing needs of special needs populations (including persons with disabilities and the homeless). The City’s Zoning Code lists transitional and supportive housing under residential care facilities. However, state law requires that transitional and supportive housing be considered a regular residential use to be similarly permitted as other residential uses in the same zone. Furthermore, state law (AB 2162) requires supportive housing (up to 50 units) meeting other income and target population requirements to be permitted by right in multifamily and mixed-use zones. If the project is located within one-half mile of transit, the City cannot impose minimum parking requirements. The City will amend the Zoning Code for transitional and supportive housing to comply with state law.

**Transitional Housing:** California Health and Safety Code (Section 50675.2) defines "transitional housing" and "transitional housing development" as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation.

**Supportive Housing:** California Government Code Section 65582 defines supportive housing as housing with no limits on the length of stay that is occupied by a "target population" and links this population with the provision of housing and social services. "Target population" means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act.

**Timeline and Objectives:**

- By December 31, 2024, amend the Zoning Code to address the provision of transitional and supportive housing consistent with state law.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 3.3 Employee Housing and Farm Worker Housing:** The Employee Housing Act (Health and Safety Code §17021.5) requires that employee housing providing accommodations for six or fewer employees be deemed a residential use subject to the same standards as single-family residences. The City’s Zoning Code does not currently address the provision of employee housing and therefore will be amended.

While the City conditionally permits Urban Farms in various zoning districts, the City has no commercial scale farming operations existing or anticipated in the future. The City will review and revise the Zoning Code to redefine the types of farming activities allowed (primarily related to hobby farming, not intended as commercial operations).

**Timeline and Objectives:**

- By December 31, 2024, amend the Zoning Code to address the provision of employee housing consistent with state law and revise the types of hobby farming activities allowed in various zones.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan fund

**Program 3.4 Housing for Persons with Disabilities:** To encourage the provision of housing for persons with disabilities, the City will amend its Zoning Code to permit large residential care facilities (for seven or more persons) in all



zones where residential uses are permitted and establish objective approval standards. Currently, large residential care facilities are not permitted in residential zones other than the R1 and RM districts. Similarly, the City’s reasonable accommodation procedure requires two findings relating to “potential impacts on surrounding uses” and “physical attributes of the property and structures” may be considered subjective with the potential to constrain the development and improvement of housing for persons with disabilities. Therefore, the City will also establish objective criteria for the approval of licensed large residential care facilities and reasonable accommodations to provide greater certainty in outcomes.

**Timeline and Objectives:**

- By December 31, 2025, amend the Zoning Code to permit large residential care facilities in zones where residential uses are permitted **similar to other residential uses of the same type in the same zone.**
- By December 31, 2025, amend the Zoning Code to review the separation requirement and to establish objective criteria for the approval of large residential care facilities as well as reasonable accommodations.
- Annually seek state and federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with disabilities, including developmental disabilities.
- By the end of 2025, amend the Zoning Code to provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with disabilities.
- By end of 2025, collaborate with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities.
- Annually update information on housing and services available for persons with disabilities at City Hall and on the City website.

**Responsibility:**

Community Development/Planning

**Funding:**

General Plan Fund

**Program 3.5 Housing for Extremely Low-Income Households:** The City will continue to encourage the development of housing for extremely low-income households by reaching out to housing developers, providing financial or in-kind technical assistance, when available, providing expedited processing, identifying grant and funding opportunities, and offering additional incentives beyond density bonus provisions. The City will also seek state and federal funding on an annual basis in support of housing construction for households with extremely low incomes.

***Timeline and Objectives:***

- Annually seek state and federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for households with extremely low incomes.
- Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects that include housing for extremely-low income households.

***Responsibility:***

Community Development/Planning

***Funding:***

General Fund

**Program 3.6 Childcare and Daycare Facilities:** Capitola recognizes children represent our future community, existing childcare services and facilities may not be adequate to meet today's demand, and the demand is increasing. To ignore this fact jeopardizes the long-term quality of the City's social, physical, and economic well-being. Thus, the City is committed to promoting high quality childcare services in conjunction with housing development, particularly through the Density Bonus Ordinance. Therefore, the City will seek to expand opportunities for childcare facilities. The City will also study and revise, as appropriate, the Zoning Code to create objective standards for daycare centers and to allow daycare centers in commercial zoning districts with a minor use permit.

***Timing and Objectives:***

- By December 2025, study and revise, as appropriate, the Zoning Code to create objective standards for daycares in the commercial districts to allow daycares with a minor use permit.
- By December 2024, update Density Bonus Ordinance.

**Responsibility:**

Community Development/Planning

**Funding:**

General Fund

<p><b>Goal 4.0 Housing Assistance</b></p> <p><i>Increased assistance for extremely low, very low, low, and moderate income residents to rent or purchase homes</i></p>	<p>Increases in rents in recent years have placed a disproportionate burden on and, in some cases, have displaced lower income residents. Due to rising housing prices and rent levels, lower income households in Capitola, many of whom work and provide critical services in Capitola, may be forced to leave the community to seek affordable housing in neighboring communities. Providing housing assistance, where feasible, helps maintain an economically and socially balanced community.</p>
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**Housing Assistance Policies**

- Policy 4.1** Maintain the City’s rental and ownership assistance programs.
- Policy 4.2** Explore and pursue City participation in other affordable homeownership assistance programs in the private market.
- Policy 4.3** Support the provision of childcare services, employment training, rental assistance, and other supportive services to enable households to be self-sufficient.
- Policy 4.4** Seek and support collaborative partnerships of nonprofit organizations and the development community to aid in the provision of affordable housing.

## Housing Assistance Programs

**Program 4.1 Security Deposit Program:** The City will continue to support and fund the Security Deposit Program administered by the Santa Cruz County Housing Authority. The objective of this program is to provide extremely-low, very-low, and low-income households who are homeless or at risk of becoming homeless with the funds to get into decent rental housing. Expenses eligible for assistance are the security deposit and last month's rent.

### ***Timeline and Objectives:***

- Assist 7 to 10 households per year during the planning period.
- Annually seek state and federal funding to expand this program.

### ***Responsibility:***

Community Development

### ***Funding:***

Housing Trust Fund

**Program 4.2 Emergency Rental Housing Assistance:** To help prevent evictions and homelessness, the City will continue funding the Emergency Housing Assistance program. This program is administered by the Community Action Board (CAB). The objective of this program is to provide emergency short-term housing payment assistance to lower-income families to prevent eviction or foreclosure leading to homelessness. The assistance granted must be used for the household's rent or mortgage payment in cases where a job loss, a medical emergency, or similar event has precluded the household from making their regular housing payment. The household must have no other funds available to make this payment, and must be below very-low income limits, with either children or a disabled adult in the household, or people 60 years or older.

### ***Timing and Objectives:***

- Continue funding the City's Emergency Housing Assistance program that offers eviction and foreclosure prevention in the form of non-reimbursable grants to eligible applicants.
- Utilizing the Emergency Rental Housing Assistance Program, assist 40 households during the planning period

**Responsibility:**

Community Development

**Funding:**

Housing Trust Fund

**Program 4.3 Homebuyer Assistance:** Given the market conditions, homeownership is beyond the reach of many lower- and moderate-income households, especially first-time homebuyers. Even with assistance, home prices in Capitola often exceed the allowable limits. The City has therefore discontinued its mortgage assistance program funded by competitive CDBG grants. The City will reinstate the homebuyer assistance for first-time buyers, particularly in conjunction with the new affordable housing anticipated during the 6<sup>th</sup> cycle Housing Element.

In addition, the City will promote other homebuyer assistance programs available through the California Housing Finance Agency (CalHFA). These include:

- First mortgage programs
- Downpayment assistance programs

**Timeline and Objectives:**

- By December 2025, reinstate City homebuyer assistance program using either city or other funding sources. Assist five households during the planning period.
- By December 2024, update City website to provide links to homebuying resources available at CalHFA.

**Responsibility:**

Community Development

**Funding:**

General Fund

## Goal 5.0 Neighborhood Vitality

*Maintain, preserve, and improve the character of existing residential neighborhoods*

Quality of life is shaped, in part, by neighborhood conditions in Capitola. As an older established and built-out community, Capitola requires concerted effort to encourage the maintenance, rehabilitation, and improvement of housing and the promotion of sustainable, livable neighborhoods in the face of increasing density. In neighborhoods, a continuing focus is needed on upgrading infrastructure, improving community facilities, protecting quality of life, and providing public services. City community development policies should balance the need for accommodating new housing, respecting neighborhood character, enhancing infrastructure and public services, and promoting vital residential neighborhoods.

### Neighborhood Vitality Policies

- Policy 5.1** Ensure a compatible relationship between new housing and circulation patterns and encourage pedestrian and bicycle-friendly communities to minimize traffic impacts on quality of life.
- Policy 5.2** Protect the integrity of existing single-family and multifamily neighborhoods by promoting balanced site design and architecture.
- Policy 5.3** Assist individual neighborhoods in establishing their own identity through the development of neighborhood amenities (e.g., pocket parks, lighting, signs), mixed-use neighborhood nodes, and pedestrian and sustainability improvements.
- Policy 5.4** Promote the repair, improvement, and rehabilitation of housing and encourage replacement of substandard housing to enhance quality of life in neighborhoods.
- Policy 5.5** Improve the quality of housing and neighborhoods by educating landlords, tenants, and property owners about code compliance issues and enforcing compliance with building and property maintenance standards.



## Neighborhood Vitality Programs

**Program 5.1 Housing Rehabilitation Program:** The program is designed to address basic health and safety issues in owner-occupied housing by providing small loans to cover the costs of repairs. Eligibility is restricted to low-income households in Capitola. However, given the limited funding, administrative burden and onerous requirements of a loan program, this program has not been effective or attracted sufficient interest from the community. Therefore, the City will restructure the program to provide grant assistance to seniors and the disabled, as well as lower-income households, to make necessary repairs.

### ***Timeline and Objectives:***

- By December 2025, reinstate a housing rehabilitation program to provide grant assistance to lower income and special needs households.
- Annually seek federal and state grants to support a rehabilitation grant program.
- Assist 16 seniors, disabled, and lower income households during the planning period through the Housing Rehabilitation program.

### ***Responsibility:***

Community Development

### ***Funding:***

Local, state, or federal funding

**Program 5.2 Code Enforcement:** The City will continue to implement the code enforcement program. Currently, the City administers the program on a complaint basis, but also provides proactive code enforcement for health and safety violations through the Community Development Department staff. The City will also inform residents of rehabilitation assistance by posting opportunities at City Hall and on the City's website.

### ***Timeline and Objectives:***

- Continue to implement a proactive code enforcement program for health and safety violations through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City's website.
- Assist 16 households during the planning period through the City's Housing Rehabilitation Program.

**Responsibility:**

Community Development

**Funding:**

General Fund

**Goal 6.0 Resource Conservation**

*Fulfill the City's housing needs while promoting an environmentally sensitive, compact community that is pedestrian-oriented and neighborhood-centered, using resources in a sustainable manner*

Capitola residents benefit from a range of natural features, including hillsides, rivers and streams, and the coastline. These resources enhance quality of life for Capitola residents and make Capitola a popular tourist destination. The City remains committed to protecting the beauty and integrity of its natural environment, particularly in light of the need to transition to more energy-efficient, pedestrian-oriented neighborhoods, continued participation as a tourist destination, anticipated population growth, and other pressures associated with urban life. Balancing environmental preservation and resource conservation with housing goals and the provision of infrastructure and services remains a priority.

**Resource Conservation Policies**

- Policy 6.1** Encourage the use of alternative modes of transportation.
- Policy 6.2** Strive to maintain a jobs/housing balance.
- Policy 6.3** Promote Green Building techniques, development, and construction standards that provide for resource conservation.
- Policy 6.4** Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.

**Policy 6.5** Ensure that adequate water supplies and sewer services continue to be available for residents and businesses.

### **Resource Conservation Programs**

**Program 6.1 Adequate Water Supplies and Sewer Services:** The City will continue to work with its various water and sewer service providers to expand water and sewer services to ensure that water and sewer providers meet their obligation to provide priority to affordable housing projects pursuant to state law.

***Timeline and Objectives:***

- Within 30 days of Housing Element adoption, provide a copy of the adopted Element to water and sewer providers, reiterating their obligation to provide priority to affordable housing projects pursuant to state law.

***Responsibility:***

Community Development

***Funding:***

General Fund

## Goal 7.0 Affirmatively Furthering Fair Housing

*Equal access to housing opportunities regardless of one's unique characteristics as protected by local, state and federal fair housing laws*

All persons and households shall have equal access to housing resources and opportunities in the community.

### Fair Housing Policies

- Policy 7.1** Promote meaningful and informed participation of residents, community groups, and governmental agencies in all local housing and community development activities.
- Policy 7.2** Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.
- Policy 7.3** Promote housing mobility by expanding housing choices and increasing housing opportunities in higher resource areas.
- Policy 7.4** Protect tenants from discriminatory housing practices and displacement.
- Policy 7.5** Promote the integration of affordable and special needs housing projects in existing neighborhoods.
- Policy 7.6** Collaborate with and support efforts of organizations dedicated to eliminating housing discrimination.

### Fair Housing Programs

**Program 7.1 Affirmatively Furthering Fair Housing:** The City will undertake a series of meaningful actions to further fair housing choices in the community.

#### ***Timeline and Objectives:***

- See Table 5-1: Summary of Fair Housing Actions.

**Table 5-1: Summary of Fair Housing Actions**

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
<b>Fair Housing Enforcement and Outreach</b>				
Program 2.4: Housing Choice Vouchers (HCV)	<ul style="list-style-type: none"> <li>Continue to participate in the Housing Authority of Santa Cruz County HCV Program</li> </ul>	Annually	Citywide, with emphasis in lower density neighborhoods	Provide assistance to 240 households; seek to increase use of HCV by 5% over 8 years
	<ul style="list-style-type: none"> <li>Promote the HCV program to residents and property owners by providing information at City Hall, the City's website, and social media accounts, and conduct targeted outreach in lower density neighborhoods.</li> </ul>			
Program 2.6: Public Outreach for Housing and Community Development Activities	<ul style="list-style-type: none"> <li>Maintain communication channels with City residents, community groups, local housing representatives and other agencies</li> </ul>	Ongoing	Citywide	Monitor inquiries for fair housing and housing information; seek to provide responses to 100% of inquiries
	<ul style="list-style-type: none"> <li>Periodically update the City website and social media accounts (Instagram, Facebook, YouTube) to provide accurate and up-to-date information regarding public hearings, community events and City projects</li> </ul>	Quarterly		
	<ul style="list-style-type: none"> <li>Include information in the City's newsletter that is published twice a year and mailed to every household in Capitola</li> </ul>	Twice a year		
	<ul style="list-style-type: none"> <li>Organize community workshops for large development projects</li> </ul>	When large projects are proposed		
<b>New Opportunities in High Resource Areas</b>				
Program 1.1: Providing Adequate Housing Sites	<ul style="list-style-type: none"> <li>Maintain an inventory of available vacant and prospective sites that can accommodate new housing</li> </ul>	Update annually	Western – high Eastern -- highest	Facilitate the development of 1,500 housing units over 8 years; target 100% of new development in high and highest resource areas
	<ul style="list-style-type: none"> <li>Meet with property owners and interested developers to pursue housing development in the City</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Develop a formal procedure to monitor no net loss in capacity pursuant to SB 166</li> </ul>	By July 2024		
	<ul style="list-style-type: none"> <li>Explore and develop options to provide for missing middle housing, such as conversion of second story commercial/office space, live/work housing, and duplex/triplex.</li> </ul>	In 2025		
	<ul style="list-style-type: none"> <li>Expand the Incentivized Zone to promote mixed use development and develop an expanded list of community benefits to include amenities and services.</li> </ul>	By the end of 2025		
Program 1.4: Mixed-Use Developments	<ul style="list-style-type: none"> <li>Meet with interested property owners and developers to pursue mixed use housing development in the City, especially on sites identified in the sites inventory for RHNA.</li> </ul>	Annually	Locations identified on sites inventory	

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
Program 2.5: Affordable Housing Development	<ul style="list-style-type: none"> <li>Utilize the City's newly established Objective Design Standards to streamline review of mixed-use developments.</li> </ul>	For new applications	Citywide	Provide capacity for 1,500 units; facilitate the development of eight mixed use projects over 8 years; Use the flexibility of housing types allowed with mixed use developments to provide new housing opportunities for households with various incomes.
	<ul style="list-style-type: none"> <li>Monitor and include an update in the Housing Element Progress Report about all mixed-use developments activities.</li> </ul>	Annually	Citywide	
	<ul style="list-style-type: none"> <li>Facilitate the development of affordable housing through the provision of regulatory concessions and density increases under the City's Density Bonus Ordinance and the City's Incentives for Community Benefit Ordinance.</li> </ul>	Ongoing	Citywide, emphasis in high and highest resource areas, particularly in areas with higher median household incomes	Development of 500 very low and 300 low-income affordable units  Modify zoning requirements to facilitate development of a variety of housing types for various income levels.
	<ul style="list-style-type: none"> <li>Collaborate with nonprofit organizations, private developers, employers, special needs groups, state and federal agencies and other interested parties to pursue affordable housing projects.</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Continue to utilize available financing to assist with the planning and development of new affordable housing for all ages and household types. Community Development staff will monitor federal and state funding sources available for affordable housing projects, and pursue or support the applications for funding.</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Encourage developers and contractors to evaluate hiring local labor, hiring from or contributing to apprenticeship programs, increasing resources for labor compliance, and providing living wages.</li> </ul>	Ongoing		
Program 2.8: Inclusionary Housing Ordinance	<ul style="list-style-type: none"> <li>Continue implementation of inclusionary housing requirements</li> <li>Update feasibility study to determine whether inclusionary housing for rental units can be required.</li> </ul>	Ongoing		
Program 3.5: Housing for Extremely Low Income Households	<ul style="list-style-type: none"> <li>Seek state and federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for households with extremely low incomes.</li> <li>Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects that include housing for extremely low-income households.</li> </ul>	Annually		
Program 1.6: Development Regulations	<ul style="list-style-type: none"> <li>Review development standards to facilitate mixed use and multifamily housing development</li> </ul>	December 2024		



Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
Program 1.3: ADUs	<ul style="list-style-type: none"> <li>Fair housing brochure/flyer with application packet, add to guidance document</li> </ul>	July 2024	Citywide, with emphasis in lower density, single-family neighborhoods, with emphasis in areas with higher median household incomes	Facilitate the development of 50 ADUs; seek to provide 25% of the ADUs in the highest resource areas, create 10 affordable ADUs in lower density neighborhoods
	<ul style="list-style-type: none"> <li>Update the ADU Resource Guide</li> <li>Update the ADU Prototype Plans to comply with Building Code updates</li> </ul>	Beginning in 2024 and every 2 years thereafter		
	<ul style="list-style-type: none"> <li>Conduct a mid-term review of the City's ADU construction trend to determine the City's progress in meeting projected ADUs. If the City's ADU construction activities fall behind projection, the City will develop additional incentives, resources, and/or tools to encourage ADU development.</li> </ul>	July 2027		
<b>Housing Mobility</b>				
Program 1.5: Alternative Housing	<ul style="list-style-type: none"> <li>Continue to work with local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability</li> </ul>	Ongoing	Citywide	Facilitate the development of 1,336 housing units over 8 years; pursue 5% of the units as alternative housing types
	<ul style="list-style-type: none"> <li>Encourage and facilitate the exploration and possible development of other alternative housing types including factory-built housing, live/work units, SRO units, Small Ownership Units (SOUs), and micro units. Review and revise as appropriate, the Zoning Code to facilitate alternative housing types</li> </ul>	December 31, 2025		
Program 1.8 Religious Facility Housing	<ul style="list-style-type: none"> <li>Updating the zoning ordinance by the end of 2025 to clarify state law and applicable development standards that would allow residential units to be constructed primarily on open or parking areas on religious institutional sites as a permitted use, as well as creating development standards that facilitate residential development.</li> </ul>	End of 2025	Citywide, with emphasis in areas with higher median household incomes	Updating of Zoning Code to comply with state law
	<ul style="list-style-type: none"> <li>Conduct an outreach and education campaign to inform educational and religious institutions about available opportunities</li> </ul>	2026		
Program 1.9: SB 9 Support	<ul style="list-style-type: none"> <li>Develop a Guidance Document</li> <li>Develop a Fair Housing Fact Sheet to be provided to applicants that all SB 9 projects will comply with Federal and State law.</li> </ul>	December 2024		
Program 3.4: Housing for Persons with Disabilities	<ul style="list-style-type: none"> <li>Amend the Zoning Code to permit large residential care facilities in zones where residential uses are permitted</li> </ul>	December 31, 2024	Citywide	Facilitate the development of 1,500 housing units over 8 years; pursue 10% of the units as housing for persons with disabilities
	<ul style="list-style-type: none"> <li>Amend the Zoning Code to revise the conditions for approval of large residential care facilities and reasonable</li> </ul>	December 31, 2024		

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
Program 4.3: Homebuyer Assistance	accommodation to ensure objective criteria are established to provide certainty in outcomes		Citywide	Assist 5 households during the planning period.
	<ul style="list-style-type: none"> <li>Seek state and federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities, including developmental disabilities</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Provide regulatory incentives, such as expedited permit processing, fee waivers and deferrals, to projects targeted for persons with disabilities</li> </ul>	By December 31, 2025		
	<ul style="list-style-type: none"> <li>Collaborate with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Update information on housing and services available for persons with disabilities at City Hall and on the City website</li> </ul>	Annually		
	<ul style="list-style-type: none"> <li>Reinstate the homebuyer assistance for first-time buyers, particularly in conjunction with the new affordable housing. Provide links to resources on City website</li> </ul>	Reinstate program by December 2024		
AFFH Action: Missing Middle Housing	<ul style="list-style-type: none"> <li>Facilitate development for missing middle housing by implementing the following:               <ul style="list-style-type: none"> <li>Program 4.3 (Homebuyer Assistance Program)</li> <li>Program 1.7 (Shopping Center Redevelopment): Facilitating a mixed income community through a range of housing choices (unit sizes, types, and prices) on site</li> <li>Program 1.3 (ADUs)</li> <li>Program 1.6 (Development Standards): Corner lot duplexes in the R-1 zone with more flexible standards than SB 9. Examine increasing densities in the RM-L and RM-M zones to help facilitate multi-family housing</li> <li>Program 1.8 (Religious Facilities Housing),</li> <li>Program 1.9 (SB 9 Support) and</li> <li>Program 5.1 (Housing Rehab): Designed to address basic health and safety issues in owner-occupied housing by providing small loans to cover the costs of repairs.</li> </ul> </li> </ul>	See individual programs for timeframes	Citywide, with emphasis in areas with higher median household incomes	<p>Combine program efforts to establish Missing Middle Housing program for Capitola.</p> <p>Evaluate the effectiveness of meeting missing middle housing targets of these strategies in 2027 year, including but not limited to further increasing development intensity in single family zones within the following year to achieve more inclusive neighborhoods throughout City.</p> <p>Add information about the existing shared housing programs in Capitola in the affordable housing section of the City website.</p> <p>Facilitate the development of the following number of units through missing middle programs:</p>

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
				<ul style="list-style-type: none"> <li>• 100 ADUs</li> <li>• 50 duplexes on 25 corner lots in the R-1 zone over the 8-year planning period.</li> <li>• 50 units through the SB9 program</li> </ul>
<b>Place-Based Strategies for Neighborhood Improvement</b>				
Program 2.7: Housing Trust Fund	<ul style="list-style-type: none"> <li>• Maintain the Housing Trust Fund and utilize the available funds to provide loans and grants through the City’s Housing rehabilitation loan and grant program</li> </ul>	2023-2031	Areas with concentration of lower-income households	Assist 16 households with rehabilitation
Program 3.6: Child Care and Day Care Centers	<ul style="list-style-type: none"> <li>• Study and revise, as appropriate, the Zoning Code to create objective standards for daycare centers in the Commercial Districts to allow daycare centers with a minor use permit</li> </ul>	December 31, 2024	Commercial districts	Increase the number of childcare and daycare centers
Program 2.3: Preservation of Rental Housing	<ul style="list-style-type: none"> <li>• Pursue at least one acquisition/rehabilitation project</li> </ul>	By 2031	Citywide, with emphasis in areas with concentration of rental units	Facilitate the rehabilitation/ improvement of 132 rental housing units over 8 years
Program 4.2: Rental Housing Assistance	<ul style="list-style-type: none"> <li>• Advertise program to residents through: <ul style="list-style-type: none"> <li>• City newsletter</li> <li>• Food Truck Fridays – Cliffwood heights</li> <li>• National Night Out – hosted by the Police Department in August</li> <li>• Capitola recreation and community center, Jade Street</li> <li>• Flyers through school district</li> </ul> </li> </ul>	Annually	Citywide, with emphasis north of Jade Street – large multifamily North of Capitola Road (“west Capitola”)	Assist 5 households over 8 years
AFFH Action: Supportive Services	<p>25 percent of Capitola households receive food assistance due to high housing costs. Continue to provide food assistance to lower-income elderly and family households through:</p> <ul style="list-style-type: none"> <li>• Food bank - Second Harvest</li> <li>• Deliveries - Community Bridges</li> </ul>	Annually	Citywide	Assist 25% of City households
AFFH Action: Capital Improvements	<ul style="list-style-type: none"> <li>• Carry out capital improvements that will help maintain community services and facilities.</li> </ul>	Annually	Renovation of the Jade Street Community Center, accessibility improvements at Jade Street Park, rebuild of Capitola Wharf, Cliff Drive improvements for coastal resiliency and bike/pedestrian circulation, Stockton Bridge repairs	Carry out capital improvements throughout the planning period

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
	<ul style="list-style-type: none"> <li>Expand the Incentivized Zone to promote mixed use development and develop an expanded list of community benefits to include amenities and services.</li> <li>Once adopted, notify local developers of new Incentivized Zone boundaries and community benefits.</li> </ul>	December 2024	Within Incentivized Zone boundaries	Include new boundaries and community benefits in Zoning Code and Map by December 2024.
Program 5.1: Housing Rehabilitation Program	<ul style="list-style-type: none"> <li>Seek federal and state grants through programs such as the state CDBG funds to support a rehabilitation grant program</li> </ul>	2023-2031	Citywide, with emphasis in areas with concentration of lower-income homeowners	Assist 16 households
<b>Tenant Protection and Anti-Displacement</b>				
Program 2.1: Mobile Home Park Assistance	<ul style="list-style-type: none"> <li>Annually monitor the effectiveness of the rent stabilization ordinance in preserving the affordability of mobile home park rents.</li> <li>Provide technical assistance, funding and/or support for funding applications for resident-controlled and non-profit owned mobile home parks, and potential tenant/non-profit acquisition of the remaining park</li> <li>Identify funding opportunities through state, city or non-profits for financial assistance to mobile home park residents to facilitate their acquisition or conversion efforts</li> <li>If conversions of use are contemplated, ensure that resident investment values are preserved and that adequate relocation assistance is provided. To the extent possible, preserve or replace affordable housing units</li> <li>Identify necessary infrastructure improvements as part of the acquisition or conversion process</li> </ul>	2023-2031	Mobile home parks	Negotiate/assist for long term lease agreement 67 units
Program 4.1: Security Deposit Program	<ul style="list-style-type: none"> <li>Continue funding the City's Security Deposit Program, which offers income-eligible individuals and families assistance to cover the costs of the security deposit for new residential rental contracts</li> </ul>	During the planning period	Citywide, with emphasis in areas with concentrations of lower income households	Assist 7 to 10 households
	<ul style="list-style-type: none"> <li>Seek state and federal funding to expand this program.</li> </ul>	Annually		
Program 1.2: Replacement Housing	<ul style="list-style-type: none"> <li>Amend the Zoning Code to address the replacement housing requirements pursuant to AB 1397</li> </ul>	By July 2024	Citywide	100% replacement of demolished lower-income units
Program 2.2: Affordable Housing Monitoring	<ul style="list-style-type: none"> <li>Maintain contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance</li> </ul>	Update annually	Citywide	Preserve all 164 lower income rental housing units

Program	Specific Action	Timeline	Geographic Targeting	8-Year Metric
	<ul style="list-style-type: none"> <li>Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants</li> </ul>			
Program 2.3: Preservation of Rental Housing	<ul style="list-style-type: none"> <li>Pursue at least one acquisition/rehabilitation project</li> </ul>	By 2031	Citywide, with emphasis in areas with concentration of rental units	Facilitate the rehabilitation/improvement of 132 rental housing units
Program 3.1: Emergency Shelters and Low Barrier Navigation Centers	<ul style="list-style-type: none"> <li>Amend the Zoning Code to permit emergency shelters by right in the Community Commercial zone and to permit LBNCs in areas zoned for mixed uses and other nonresidential zones permitting multifamily housing</li> </ul>	By December 31, 2024	Citywide	Reduce unsheltered homeless by 20% over 8 years
	<ul style="list-style-type: none"> <li>Work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met</li> </ul>	Throughout the planning period		
	<ul style="list-style-type: none"> <li>Prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible</li> </ul>	Throughout the planning period		
Program 3.2: Transitional and Supportive Housing	<ul style="list-style-type: none"> <li>Amend the Zoning Code to address the provision of transitional and supportive housing consistent with state law</li> </ul>	By December 31, 2024	Citywide	Facilitate the development of 800 lower income housing units over 8 years; seek to provide 25% as affordable housing for special needs households
Program 3.3: Employee Housing and Farm Worker Housing	<ul style="list-style-type: none"> <li>Amend the Zoning Code to address the provision of employee housing consistent with state law and revise the types of hobby farming activities allowed in various zones</li> </ul>	By December 31, 2024		
Program 4.2: Emergency Rental Housing Assistance	<ul style="list-style-type: none"> <li>This program is administered by the Community Action Board (CAB). The objective of this program is to provide emergency short-term housing payment assistance to lower-income families to prevent eviction or foreclosure leading to homelessness</li> </ul>	Throughout the planning period	Citywide	Assist 40 households over 8 years.

## B. Quantified Objectives

Capitola has established quantified objectives for housing production and rehabilitation for the Housing Element. These objectives are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans. Table 5-2 below summarizes the City’s quantified objectives for implementing its various programs and actions outlined above.

**Table 5-2: Quantified Objectives 2023-2031**

Target Income Affordability Levels	New Construction	Rehabilitation <sup>1</sup>	Conservation <sup>2</sup>
Extremely Low	215	4	50
Very Low	215	4	86
Low	282	8	28
Moderate	169	0	0
Above Moderate	455	0	0
<b>Total</b>	<b>1,336</b>	<b>16</b>	<b>164</b>

- 1. Housing Rehabilitation Program
- 2. Capitola Supportive Housing (Dakota Apartments) and Bayside Senior Apartments



## Appendix A: Glossary of Terms

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### A

**Affordable Housing:** Housing capable of being purchased or rented by an extremely low, very low, low, or moderate income household, based on the household's ability to make monthly payments (generally of not more than 30% of their gross household income) necessary to obtain housing. For-sale housing is considered affordable when a household pays no more than 30% of its gross monthly income for housing including utilities.

**Arterial Street:** A street that primarily moves traffic rather than providing access to property and typically has a greater capacity than local and collector streets. Arterial streets are appropriate for bicycle lanes and transit.

### C

**CEQA:** The California Environmental Quality Act (CEQA) is "A California law which sets forth a process for public agencies to make informed decisions on discretionary project approvals. The process aids decision makers to determine whether any environmental impacts are associated with a proposed project. It requires environmental impacts associated with a proposed project to be eliminated or reduced, and that air quality mitigation measures have been implemented" (California State Energy Commission).

**Community Care Facility:** Any building that is maintained and operated to provide nonmedical residential care, or day-care services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, or incompetent persons. This definition and others relating to community care facilities shall be interpreted so as to be consistent with definitions found in state law or state administrative regulations.

**D**

**Dwelling Unit:** A building with one or more rooms designed for occupancy by one family (or household) for living or sleeping purposes and having only one kitchen.

**Developmental Disability:** A disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature. (California Welfare and Institutions Code §4512)

**E**

**Emergency Shelter:** Housing with minimal supportive services for homeless persons that is limited to occupancy of 6 months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. Emergency shelter shall include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care. (California Government Code §65583)

**F**

**Fair Housing Act:** “Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).” U.S. Department of Housing and Urban Development (HUD)

**Family Day Care Home:** A home that regularly provides care, protection and supervision for 14 or fewer children, in the provider’s own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family day care home or a small family day care home.

**Family Day Care Home, Large:** A home that provides family day care for up to 12 children, or for up to 14 if certain criteria are met, as set forth in California Health and Safety Code §1597.465 and as defined in state regulations. These capacities include children under age 10 who live in the licensee’s home and the assistant provider’s children under age 10.

**Family Day Care Home, Small:** A home that provides family day care for up to 6 children, or for up to 8 children if certain criteria are met, as set forth in California Health and Safety Code §1597.44 and as defined in regulations. These capacities include children under age 10 who live in the licensee’s home.



**General Plan:** The General Plan is a long-range planning document that serves as the blueprint for a city or a county. It consists of seven mandatory elements: Land Use, Housing, Circulation, Open Space, Noise, Safety, and Conservation.



**Household:** All those persons, related or unrelated, who occupy a single housing unit.

**Household, Extremely Low Income:** A household whose annual income, with adjustment for household size, is less than 30% of the Santa Cruz County area median income.

**Household, Very Low Income:** A household whose income, with adjustments for household size, is less than 50% of the Santa Cruz County area median income.

**Household, Low Income:** A household whose income, with adjustment for household size, is between 50% and 80% of the Santa Cruz County area median income.

**Household, Moderate Income:** A household whose income, with adjustment for household size, is between 80% and 120% of the Santa Cruz County area median income.

**Housing Development Project:** Any development project requiring a land use permit or approval from the City for: the construction of one or more housing units including single-family residences, condominiums, townhouses, and apartments; the division of land into one or more residential parcels; the subdivision of mobile home parks; the conversion of one or more apartments to one or more condominiums; a demolition/rebuild of an existing housing unit, or a structural addition to an existing housing unit that will result in a 50% or greater increase in the housing unit's square footage.

**Housing Element:** The Housing Element is one of the seven mandated elements of the local General Plan, and the only one that is required to be updated by state law. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The Housing Element must be internally and externally consistent; in other words the document may not contradict itself or other elements of the General Plan.



**Inclusionary Housing:** Dwelling units that were developed in accordance with the Capitola Affordable (Inclusionary) Housing Ordinance. For sale projects in which seven or more units are required to provide 15% of the units for moderate, low, very low, or extremely low income households. Inclusionary units remain resale restricted for the life of the project and must be owner occupied.



**Kitchen:** Any room or part of a room used or intended or designed to be used for cooking or the preparation of food for a single dwelling unit, and distinct from a “mini-bar/convenience area” that is intended as a supplemental food preparation area within a single-family home.

**L**

**Lot:** A parcel of land under one ownership occupied or capable of being occupied by a building and its accessory buildings, together with such open spaces as are required under the regulations of Title 24, and having its principal frontage upon a street or place, but not including an alley.

**P**

**Parking Space:** Land or space privately owned, covered or uncovered, laid out for, surface, and used or designed to be used for temporary parking or storage of standard motor vehicles.

**Prospective Site:** A parcel or area of land that has been developed but has the capacity to undergo additional development.

**R**

**Reasonable Accommodation:** A request for reasonable accommodation may include a modification or exception to the rules, standards, and practices for the siting, development, and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.

**Regional Housing Needs Assessment (RHNA):** The state determines the projected regional housing need for each part of California. Each Council of Government (in our case, the Association of Monterey Bay Area Governments) allocates the region's housing need, or "Fair share Allocation" among its member jurisdictions. In the 2023-2031 Housing Element the City of Capitola's RHNA allocation is 1,336 units (430 very low income; 282 low income; 169 moderate income; and 455 above moderate income).



**Single-Room-Occupancy (SRO):** A cluster of residential units of a smaller size than normally found in multiple dwellings within a residential hotel, motel, or facility providing sleeping or living facilities in which sanitary facilities and kitchen or cooking facilities may be provided within the unit or shared within the housing project.

**Supportive Housing:** Housing with no limit on length of stay, that is occupied by the **target population**, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. (California Health and Safety Code §50675.14)



**Target Population:** Adults with low incomes having one or more disabilities including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals with a **developmental disability** and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. (California Health and Safety Code §53260)

**Transitional Housing:** Buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than 6 months. (California Health and Safety Code §50675.2)

**Transit Oriented Development:** A residential, commercial, or mixed-use development that is built in close proximity to public transportation/transit and maximizes access and ridership of public transportation/transit.

**Transportation Corridor, Multi-Modal:** An arterial street that can accommodate various modes of transportation including but not limited to automobiles, bicycles, light rail, and buses.





**Universal Design:** The design of environments that can be used by all people to the greatest extent possible without the need for adaptation or specialized design.



## **Appendix B: Community Outreach Summary**

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The update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers pursuant to California Government Code §65583. Community outreach has been conducted using several in-person and virtual engagement tools. Public participation efforts have included stakeholder interviews, an online housing questionnaire, a webpage on the City's website, two Planning Commission Study Sessions, two City Council Study Sessions, a Joint Planning Commission and City Council Study Session focusing on the sites inventory, and two community meetings. All project materials and notices are posted and advertised on the City's website and social media platforms, and printed materials were made available at public facilities including the Capitola City Hall to ensure broad access and exposure throughout the City.

### **Community Outreach Summary**

The outreach efforts mentioned above generated a variety of comments and input from the public. Community input and feedback to help to guide preparation of the 2023-2031 Housing Element are summarized below.

### **Stakeholder Interviews**

On November 2, 2022, November 3, 2022, and November 15, 2022, the City of Capitola's consultant team including Veronica Tam with Veronica Tam & Associates, as well as Brady Woods and Erina Shimanuki with RRM Design Group, conducted stakeholder interviews through a series of seven Teams virtual video calls. City staff reached out to a variety of stakeholders with known involvement in housing issues or development, commitment to serving special needs populations, or affiliation within organizations that provide a variety of services in the community and/or immediate Santa Cruz County region. Approximately 19 stakeholders were interviewed, with a range of for-profit and nonprofit developers, local realtors, local school district officials, and business leaders. The interviews generally focused on key issues and ideas of the various groups and representatives for the Housing Element Update. A strong consensus among the stakeholders interviewed emerged regarding the major challenges, ideas, and needs for the community. Stakeholders were invited to respond to the following questions:

1. What types of housing development or housing programs are you involved with, and what are the specific development types or housing programs with which you are most familiar?
2. In thinking about the Housing Element Update, what are the primary issues that we should consider?
3. How effective are the City's current Housing Element policies and programs (such as those related to developing affordable housing or programs to support special needs populations)? Are there things that could be improved?
4. The City needs to accommodate new housing in the future, and it is likely to be multi-family. Where should new housing opportunities occur? Where do you envision areas of potential change?
5. What challenges do you see for providing a range of housing opportunities, including affordable housing? What regulations and processes could be enhanced?
6. In your opinion, what would be the best outcome for the Housing Element Update?
7. Are there other issues we have not covered that are important for us to consider?

### **Emerging Themes**

A consensus among the stakeholders interviewed emerged about the major issues, ideas, and needs for the community. There is clear agreement on the need for housing in the City and opportunities and constraints that pertain to developing additional housing. The following are key/reoccurring themes heard during the interviews.

1. Streamline entitlement and permitting processes to encourage housing developments
  - Streamline entitlement process to minimize risk and entice developers and property owners to build housing
  - Streamline permitting process for ADU to reduce cost and encourage property owners to build ADUs
2. Encourage partnerships with service organizations and nonprofit organizations to provide housing and/or housing-related services/programs.
  - Consider housing development on available, vacant, or underutilized school district or church/religious institution properties.
  - Consider further partnership with nonprofit affordable housing advocates
3. Look for mixed-use retail/commercial and housing opportunities at Capitola Mall site and along 41st Avenue.
  - Revisit the ratio of residential to non-residential uses for mixed use product types for greater feasibility.

The following pages provide a comprehensive list of the comments received and are organized and separated into the following topics.

1. Demographics, Geographic Context and Influences
2. Housing Development Process
3. COVID-19 Influences and Response
4. Primary Issues / Concerns
5. Sites Inventory
6. Opportunities / Ideas
7. Strategic Partnerships

1. Demographics, Geographic Context, and Influences

- Capitola is a coastal city with unique constraints
  - Hotels bring in major revenue to the City, therefore hotel conversion is not financially viable
  - Residents are proud to live in Capitola and do not necessarily want to see additional housing and development in their city
- Schools with declining enrollments
  - Santa Cruz County
    - 2019 -1,900 enrollments to now - 1,600 enrollments
    - Covid and cost of living may be factors
  - Santa Cruz City Schools
  - Enrollment decline from 7,000 to 6,000 in the last 8 years
  - 96 teachers have left in the last 8 years because of cost of living, and many can't find a rental that is affordable
- Many employees in Capitola are leaving their jobs due to cost of living and lack of affordable housing within the city
  - Teachers
  - Santa Cruz Toyota and Subaru employees
- Many employees currently commute to Capitola
  - Prunedale, Salinas, Watsonville, San Lorenzo Valley, San Jose

- Housing navigation is one of the main housing problems in Capitola
    - Property owners forcing tenants to relocate in order to increase rent
    - People looking for a rental can't afford move-in costs (security deposit + first month's rent)
    - Cost burden for seniors
      - Rent taking up most of SSI that seniors receive, leaving very little for food, transportation, etc.
      - Housing and food insecurity
    - Increasing interest in smaller units (more affordable), especially for seniors living by themselves
2. Housing Development Process
- City of Capitola has pre-approved ADU prototypes that can help streamline the ADU permitting process
  - Make housing entitlement process easier / more streamlined
  - City of Capitola's required radius for neighborhood notice is 300ft, which is the state minimum
3. COVID-19 Influences and Response
- Cost of building has significantly increased due to shortage of labor and materials
  - High demand for contractors has led to increasing costs and delay in projects
4. Primary Issues / Concerns
- Limited available land with existing services
  - Lack of affordable housing for employees in Capitola
  - Housing allocation numbers are significantly higher than what it was in the past
  - Negative community preconception towards additional housing and development in Capitola
  - Not enough action from the City to encourage and bring affordable housing to the City
  - Hotel conversion is not a viable option in Capitola
  - Traffic congestion
    - Limited alternative transportation option in Capitola
    - Lack of connected transportation grid in the region
    - Requires significant streetscape changes, which may not be feasible
  - Housing is a net service sink
    - Every new housing unit diminished the level of service in the City (infrastructure, police, fire, etc)
  - Lack of incentives for businesses to build housing
  - Fear towards SB 9
  - Density and height limitations



## 5. Sites Inventory

- Capitola Mall
  - Opportunity for mixed-use housing development
  - Likely where residents will have jobs, can easily commute to work
  - Consider subdividing the mall and taking into account leasing duration of tenants, multiple ownership, and feasibility of housing development to identify a site with least disturbance
  - Merlone Geier proposed converting Sears into 629 housing units in 2019
- 41<sup>st</sup> Avenue
  - Vacant lots along 41st avenue
  - Prime for infill/redevelopment
- Land adjacent to King's Plaza (owned by Ow Commercial)
  - Interest in multifamily housing (affordable, market rate, etc)
- School sites
  - Possibly converting a portion of the school into affordable housing
  - Schools allow up to two ADUs on site for school workers
- Churches
  - Any underutilized properties or buildings can be an opportunity for affordable housing
  - Fairfield Inn used to be a church that got converted into a hotel
- New Brighton State Park
  - A major portion of land within Capitola
  - Look into any opportunities for affordable housing
  - 600 Park Avenue
- Ideal sites
  - Close to jobs
  - Adjacent to existing services
  - Vacant land
  - Underutilized properties
- Accessory Dwelling Units (ADUs)
  - City has recently launched pre-approved ADU prototypes to help streamline the permitting process and reduce cost

## 6. Opportunities / Ideas

- Educate property owners
  - Exchange of free land for higher density affordable housing units
  - More profit opportunities for property owners
- Look for opportunities to incentivize property owners to build housing
- Capitola Mall and 41st Avenue are high interest opportunity sites
  - 41<sup>st</sup> Avenue has opportunity for higher density development
- Santa Cruz County has water system plans and Sanitation District has a master plan that shows sufficient capacity in the future
- The City is currently working on adaptive signals to mitigate traffic impacts
- Educate Capitola residents by appealing to their need
- Increase height limit along 41st avenue to allow for additional housing
- Rezone to allow minimum 20 du/acre and increase upper limit
- Funnel select residential projects to planning approval to streamline the process
- Reduce parking size standards
- Ground lease City-owned properties to non-profit housing organizations

## 7. Strategic Partnerships

- Habitat for Humanity Monterey Bay
  - Completed affordable housing project in Capitola approximately 10 years ago
  - Has interest in further partnership to build affordable housing in the City
- Eden Housing – Non-Profit Affordable Housing Advocate
  - Eden is partnering with market rate developers to allow more units to be built
- School districts
  - Have underutilized land that can be used for housing, but don't have the funds to build
- Religious congregations
- Ow Commercial
  - Land adjacent to King's Plaza
  - Interested in buying properties for housing
- Merlone Geier
  - Capitola Mall

- Community Action Board of Santa Cruz County
  - Strong understanding of housing issues in Capitola and directly works with people struggling to find affordable housing

### List of Interviewees

Andrea Mares-Quiroz - Community Action Board of Santa Cruz County, Inc  
 Benjamin Ow, Ow Commercial  
 Brian Froelich, Senior Planner, City of Capitola  
 Doug Kaplan, Lomak Group  
 Elyssa Sanchez - Community Action Board of Santa Cruz County, Inc  
 Erica Nunez-Zarate - Community Action Board of Santa Cruz County, Inc  
 Jamie Goldstein, City Manager, City of Capitola  
 Jane Barr, Eden  
 Jeff Hodge, Owner of Santa Cruz Toyota and Santa Cruz Subaru  
 Jennifer Cosgrove, Intero  
 Jessica Khan, Director of Public Works, City of Capitola  
 Katie Herlihy, Community Development Director, City of Capitola  
 Kris Munro, Santa Cruz City Schools  
 Lourdes Arellano-Perez - Community Action Board of Santa Cruz County, Inc  
 Michael Lavigne, Compass  
 Owen Lawlor, Lawlor Land Use  
 Satish Rishi, Habitat for Humanity Monterey Bay  
 Scott McPherson, Merlone Geier  
 Scott Turnbull, SUESD

### Planning Commission and City Council Study Sessions

On February 2 and 9, 2023, and June 1 and 8, 2023, public meetings with the Capitola Planning Commission and City Council were held as study sessions focused on the Housing Element Update. Staff and the consulting team made brief presentations to the Planning Commission and City Council that provided an overview of the Housing Element update process, as well as the City’s approach to the Regional Housing Needs Assessment (RHNA). The study sessions were properly noticed, agendized, and advertised on the City’s website and social media platforms. Comments from the City Council centered around the sites inventory analysis, ranging from ideas on specific site locations for housing to broader-level ideas to streamline and meet the RHNA housing allocation for the City.

<ul style="list-style-type: none"> <li>Permit Information and Guidance</li> <li>Vacation Rentals</li> <li>Zoning Maps</li> <li>Zoning Ordinance</li> </ul>	<p><b>3. Attend Planning Commission meeting on June 1, 2023 at 6 pm.</b>          At the Planning Commission meeting, the City’s Housing Consultant Team (RRM Design and VTA, Inc.) will provide an overview of the 6th Cycle Housing Element. The Planning Commission will open a public hearing to receive public comment on the draft document.</p> <p>WHEN: Thursday, June 1, 2023          TIME: 6:00 pm          WHERE: City Council Chambers, Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010          VIRTUAL:</p> <p>Meeting link: <a href="https://us02web.zoom.us/j/84769092900?pwd=anpVWVWlQomFzT3BGUm54QStjWTdwQT09">https://us02web.zoom.us/j/84769092900?pwd=anpVWVWlQomFzT3BGUm54QStjWTdwQT09</a> (link is external)          Dial in by Phone: 1 (669) 900 6833 or 1 (408) 638 0968          Meeting ID: 847 6909 2900          Meeting Passcode: 379704</p> <p><b>4. Attend the City Council meeting on June 8, 2023 at 6 pm.</b>          At the City Council meeting, the City’s housing consultant team (RRM Design and VTA, Inc.) will present an overview of the 6th Cycle Housing Element. The City Council will open a public hearing to receive public comment on the draft document.</p> <p>WHEN: Thursday, June 8, 2023          TIME: 6:00 pm          WHERE: City Council Chambers, Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010          VIRTUAL:</p> <p>Meeting link: <a href="https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAYdz09">https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAYdz09</a> (link is external)          Dial in by Phone: 1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799          Meeting ID: 833 2817 3113          Meeting Passcode: 678550</p>
<p><b>Contact Information</b></p> <p>General Inquiries:  <a href="mailto:planning@ci.capitola.ca.us">planning@ci.capitola.ca.us</a></p> <p>Building Inquiries:  <a href="mailto:building@ci.capitola.ca.us">building@ci.capitola.ca.us</a></p> <p>Building Counter Hours          9 a.m. - 12 p.m. Mon - Fri</p> <p>Planning Counter Hours          1 p.m. - 4 p.m. Mon - Fri</p> <p><a href="#">View Full Contact Details</a></p>	

### Joint Study Session with Planning Commission and City Council

On March 16, 2023, a meeting with the Capitola Planning Commission and City Council was held as a joint study session focused on the sites inventory, analysis, and site selection. Staff and the consulting team made a brief presentation to the Planning Commission and the City Council that provided an overview of the sites inventory, analysis, and site selection for potential allocation for the Housing Element. There were a small number of public comments made during the joint study session, but they were limited to issues relating to existing mobile home developments. The joint study session was properly noticed, agendized, and advertised on the City’s webpage and social media platforms.



### Community Workshops

On February 16, 2023, City staff and consultants hosted the first of two community workshops to solicit public input on the 2024-2031 Housing Element. The workshop was advertised on the City’s website and social media platforms, as well as materials posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview of the housing element update process. A virtual poll was conducted during the presentation to gather feedback from participants to gauge perceived housing needs and preferred locations for potential future housing. The Community Workshop presentation can be furnished by City staff on request. Participants were able to share their ideas and concepts to address the City’s housing needs and trends by participating in a group discussion at the conclusion of the presentation.

**Community Development**

- Building
- Applications and Forms
- Resources and Documents
- Accessory Dwelling Units
- Affordable Housing
- Advance Planning
- Capitola Fee Schedule
- Code Enforcement
- Outdoor Dining
- Permit Information and Guidance
- Vacation Rentals
- Zoning Maps
- Zoning Ordinance

### City of Capitola Housing Element Update - Virtual Public Workshop

Thursday, February 16, 2023 - 6:30pm [Add to your calendar](#)

The City of Capitola is in the process of updating the 2023-2031 Housing Element. The Housing Element is a part of the City's General Plan and includes goals, policies, and programs for adequately housing our future population.

Please join us for a **virtual** community workshop to learn about the Housing Element Update process. We want to hear from you on your ideas!

**Zoom Link:** <https://rnm1design.zoom.us/j/89256605234?pwd=atE0UjVWYVNDh0R0U0VEQ1bVVG1wtdz09>

**Call into the meeting:** +1 669 900 6833

**Meeting ID:** 892 5660 5234  
**Passcode:** 964328

For questions/comments, please contact Katie Herlby, Community Development Director at [kherlby@capitola.ca.gov](mailto:kherlby@capitola.ca.gov)

For more information about the City's Housing Element update, please visit our webpage: <https://www.cityofcapitola.org/communitydevelopment/page/2024-2031-housing-element-update>

**Contact Information**

## 2023-2031 HOUSING ELEMENT UPDATE

VIRTUAL COMMUNITY WORKSHOP

**CAPITOLA**

The City of Capitola is in the process of updating the 2023-2031 Housing Element. The **Housing Element** is part of the City's General Plan and includes goals, policies, and programs for adequately housing our future population.

Join us for a virtual community workshop to learn about the Housing Element Update process. We want to hear from you on your ideas!

**WHEN** Thursday, February 16, 2023  
6:30 - 7:30 p.m.

**WHERE** Zoom (virtual)

**HOW**

**Zoom Link**  
<https://rnm1design.zoom.us/j/89256605234?pwd=atE0UjVWYVNDh0R0U0VEQ1bVVG1wtdz09>

**Call into the meeting:** +1 669 900 6833  
**Meeting ID:** 892 5660 5234  
**Passcode:** 964328

**Questions?**  
For questions or comments, please contact Katie Herlby, Community Development Director at [kherlby@capitola.ca.gov](mailto:kherlby@capitola.ca.gov)

**City Website**  
Visit the City's webpage for more information on the Housing Element:  
<https://www.cityofcapitola.org/communitydevelopment/page/2024-2031-housing-element-update>



On May 16, 2023, City staff and consultants hosted the second of two community meetings regarding the 2024-2031 Housing Element. The workshop was advertised on the City’s website and social media platforms, as well as materials posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview and update of the housing element update process. The Community Meeting presentation can be furnished by City staff on request. Participants were able to share their ideas to address the City’s housing needs and trends by participating in a group discussion at the conclusion of the presentation.

MAY 2023 ISSUE 1

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# Capitola Waves

The City of Capitola BI-Monthly E-Newsletter



## Wharf Resiliency & Public Access Project Approved!

**INSIDE THIS ISSUE:**  
Housing Element  
Wine Walk  
Wharf Plaque Survey  
Tree Stump Art Project  
Latest Council Action

The City is thrilled to announce that during the May 11 Council Meeting the Capitola Wharf Resiliency and Public Access Improvement Project was approved, and staff has been authorized to advertise for construction bids. Staff anticipates opening bids as soon as May 15.

The project includes work to widen and strengthen the Wharf as well as repairs of storm damage from earlier this year. Staff is hopeful that construction will begin sometime this late summer/early fall and that the Wharf project will be complete by summer 2023.

For more information on the status of this exciting project, visit the City’s website.



## We Want Your Feedback on Housing!

The first draft of the **Capitola Housing Element Update** was published on May 10 for public review and comment. The Housing Element is one of the seven State-required “elements” or chapters that comprise the City’s General Plan and includes goals, policies, and programs, to be implemented during the planning period to meet current and future housing needs within the City. The Housing Element provides an analysis of the City’s population, economic, and housing stock characteristics, in addition to a comprehensive evaluation of housing programs and regulations. The following are ways to participate in the discussion:

- Review the Draft Housing element and submit public comment. Review and submit public comment/questions by Friday June 9. Submit via email to [sher@ci.capitola.ca.us](mailto:sher@ci.capitola.ca.us) or mail to City Hall at 430 Capitola Avenue.
- Attend Virtual Community Meeting on May 16, at 6 PM via zoom. At the virtual community meeting, the City’s Housing Consultant Team will provide an overview of the 6th Cycle Housing Element Update. Comments and Q&A to follow. Meeting Link: <https://us07web.zoom.us/j/81450075653>
- Attend the Planning Commission Meeting June 1 at 6PM (virtual or in person)
- Attend the City Council Meeting June 8 at 6PM (virtual or in person)

## Village Sip & Stroll

Enjoy sipping local wines and beers while strolling through the charming shops and boutiques in Capitola Village. This fun event is on Saturday, May 13 beginning at 11AM and is hosted by the Capitola Village and Wharf Business Improvement Area. To buy tickets and learn more, click this [link](#). Pre-registration is \$40 and includes:

- Capitola Village Sip & Stroll commemorative glass
- 12 two-ounce pour tickets to be used as you shop
- A map to locate which Village shops are hosting.

On May 13, Wineries & Brewery will be pouring wine in shops from noon to 5PM for your shopping enjoyment. This event will be held rain or shine.



## Join Our Team

Work with Us!

There are several opportunities to work for the City of Capitola. Click [here](#), to apply today!

**Hourly/Seasonal:**

- Recreation Leader I (part-time)
- Recreation Leader II (part-time)
- Rec Program Assistant Coordinator

**Career/Fulltime:**

- Police Officer - Lateral Recruitment

### Public Review Draft

On May 10, 2023, the Public Review Draft was published online, and printed copies were made available at City facilities, including City Hall, for 30 days. The Public Review Draft was distributed to local and regional stakeholders and organizations listed in the List of Interviewees above. Also, an email notifying over 100 interested parties was sent.

## Community Development

- Building
- Applications and Forms
- + Resources and Documents
- Accessory Dwelling Units
- + Affordable Housing
- Advance Planning
- 2024 - 2031 Housing Element Update

### 2023 - 2031 Housing Element Update

#### Capitola Housing Element Update - Public Review Draft (5/10/2023)

The first draft of the Capitola Housing Element Update was published on May 10, 2023 for public review and comment. The City is seeking feedback on the draft. The following list includes multiple ways to participate in the discussion and help shape the future of housing in Capitola.

**1. Review the Draft Housing element and submit public comment.**

The first draft of the Capitola Housing Element Update was published on the Capitola website and is available in print at City Hall and the Capitola Library. The 30-day public review extends from May 10, 2023 to June 9, 2023. Interested members of the public are encouraged to review the document and submit public comment/questions by Friday June 9, 2023. Public comment may be submitted via email to [kherihy@ci.capitola.ca.us](mailto:kherihy@ci.capitola.ca.us), or mail to City Hall at 420 Capitola Avenue, Capitola, CA 95076.

## Housing Questionnaire

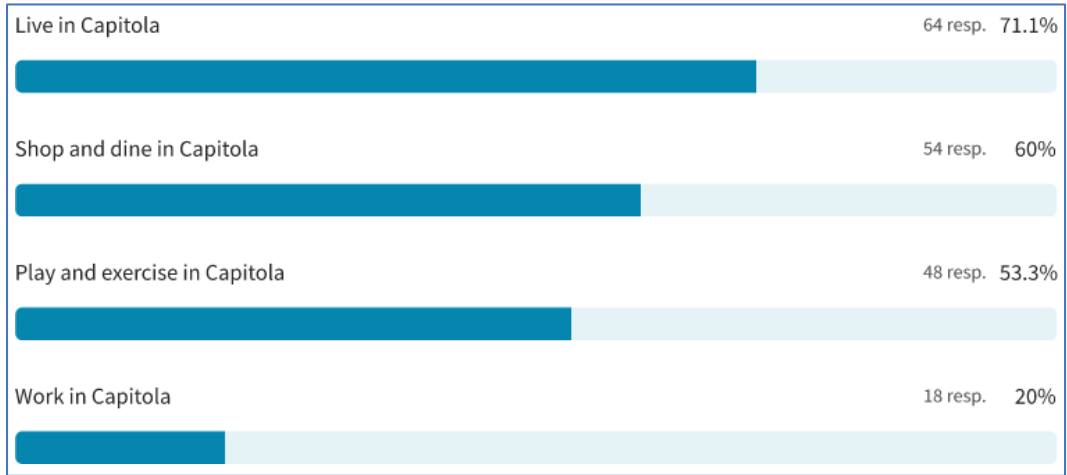
On November 14, 2022, the City launched an online questionnaire on the Housing Element webpage. A printed poster notifying the public of the questionnaire was provided at public facilities, including City Hall. The questionnaire was made available online until March 21, 2023, with a total of 92 responses. Participants were asked to provide feedback on current housing conditions, concerns, and/or preferences for the Housing Element team to consider. Other questions including demographics, age, and connection to the City of Capitola were asked to better understand the range of participants responding. The questionnaire consisted of 22 questions designed to get input on the following:

- Participants Orientation (Questions 1-5)
- Preferred New Housing Locations (6-7)
- Favored Housing-Related Strategies and Programs (8-10)
- Perception of Difficulty Finding Housing (11-14)
- Perceived Condition of Neighborhoods and Properties in Capitola (15-16)
- Level of Support for Various Housing Developments (17-19)
- Perceived Housing Challenges and Issues (20-29)

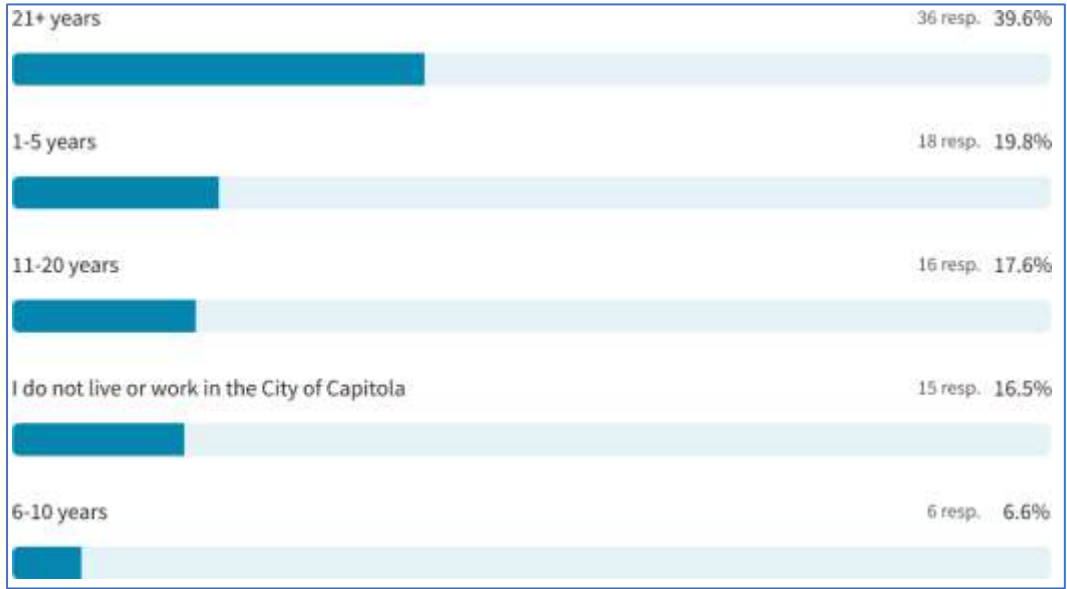
## Participant Orientation

The survey's introductory question was aimed at understanding participants' relationship with the City of Capitola. The majority of respondents, 71%, "*live in Capitola.*" 40% of participants indicated that they have lived in worked in Capitola for over 21 years. The majority of respondents are over the age of 65 (36%) or between the ages of 35 and 54 (30%). When asked if participants rent, own a home, or rent a rental property, the majority (52%) indicated that they "*own a home*" in Capitola.

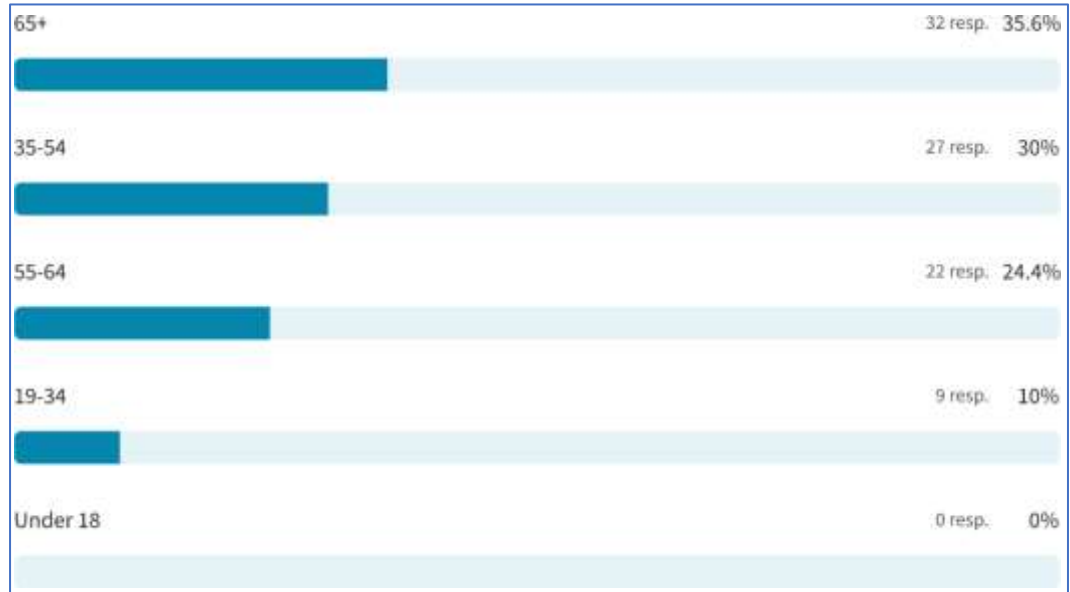
**Question 1:** What is your primary connection to the City of Capitola?  
(select all that apply)



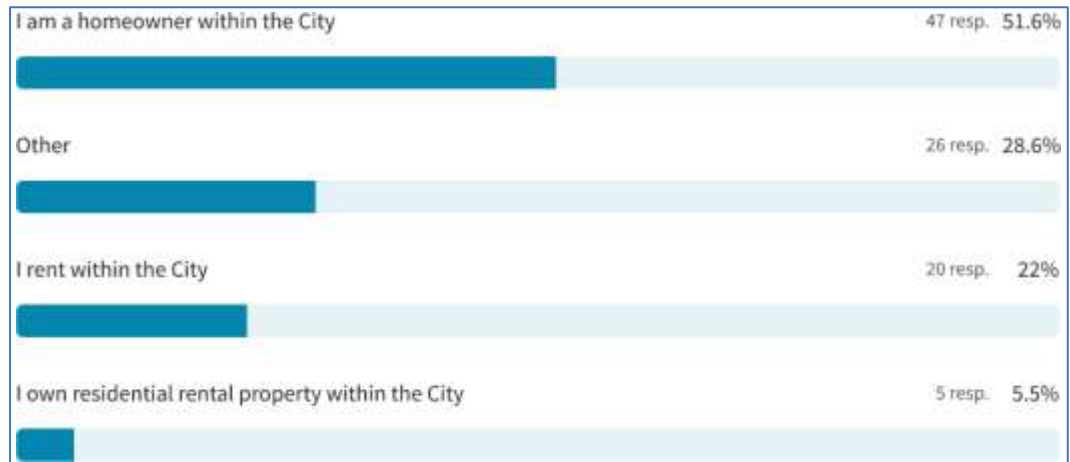
**Question 2:** How long have you lived and/or worked in the City of Capitola?



**Question 3: What is your age?**



**Question 4: Do you rent, own a home, and/or own a residential rental property within the City? (select all that apply)**



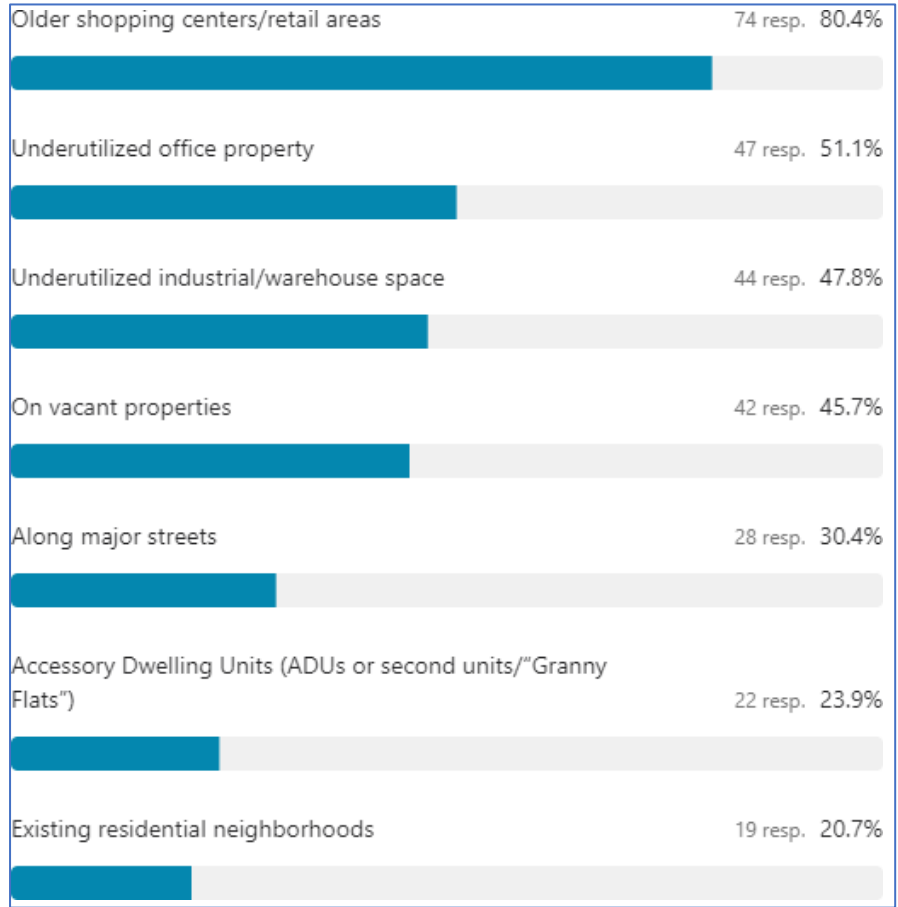
**Question 5:** If you selected other, please write in your response here:

My disabled son lives in Capitola
Own/live on the Capitola-Soquel border.
I live 1.7 miles from Capitola. Drive/bike through daily. Family members live, work and school within Capitola.
I am a Student at UCSC
I own in Live Oak
I do not live or own property in Capitola, but housing is a regional issue. What Capitola does affects adjacent jurisdictions in the region.
I do not live or own property in Capitola
I have a business in Capitola
Student at UCSC who would like to live in Capitola
I rent in unit in SC
I conduct business but do not have a store-front in Capitola
I live outside the city limits in Aptos
I live and work in Santa Cruz County.
I own a home in Pleasure Point.
Live in Live Oak area
I am a homeowner in Live Oak, very close to the Capitola line, so we are sort of functionally part of the community, if not technically.
own a home in Santa Cruz
I shop and play in Capitola
Live in unincorporated Santa Cruz County
I have family members that rent in Capitola
I rent in Aptos
I own home on 32nd Ave
I do not own residential property in Capitola
I live in Santa Cruz County
My disabled son lives in Capitola





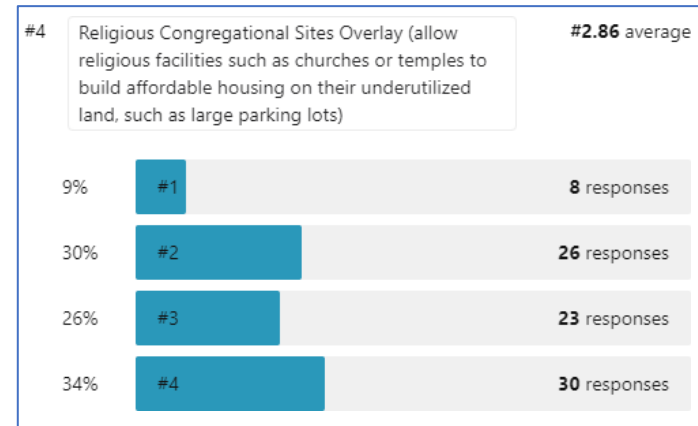
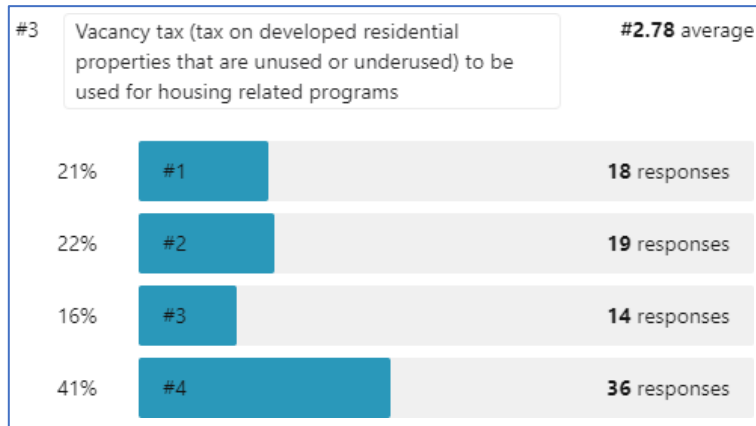
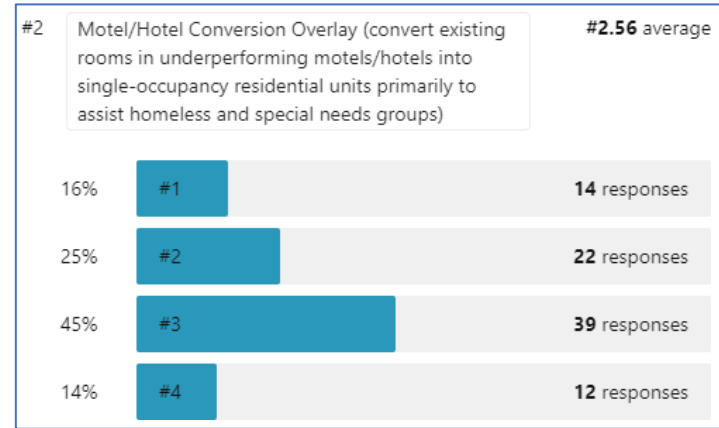
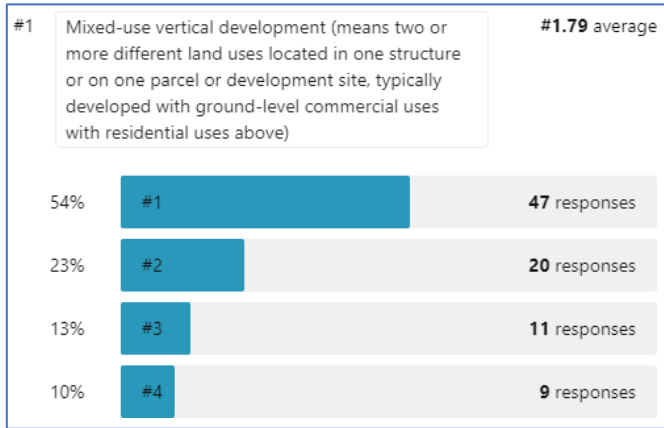
**Question 7:** Please select the top opportunity areas where you would most like to see additional housing opportunities in Capitola. (Select three choices.)



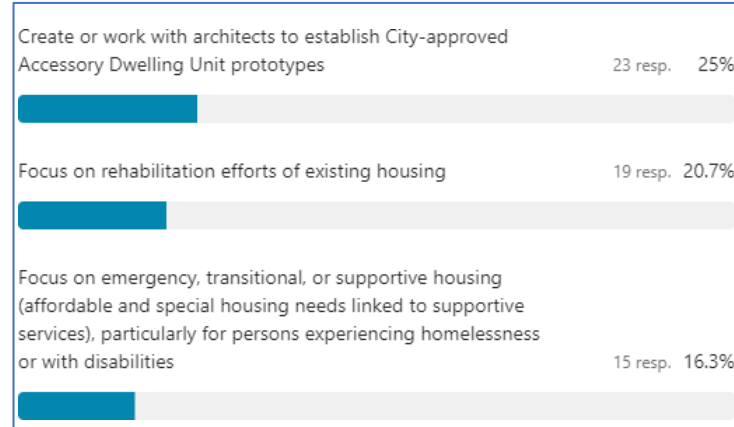
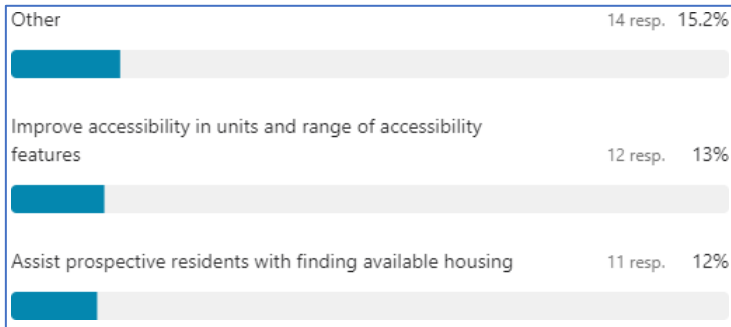
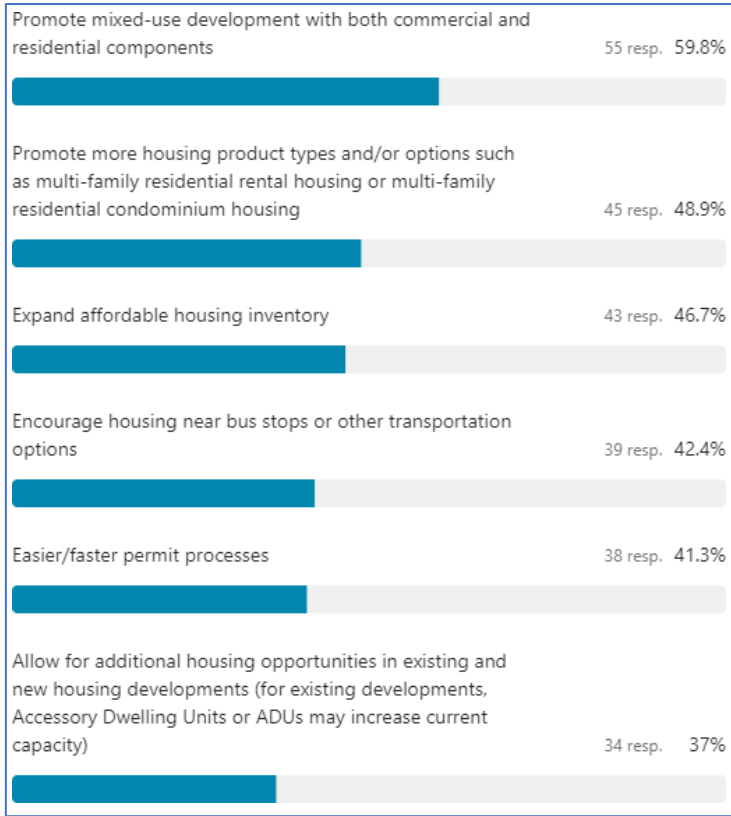
### Favored Housing-Related Strategies and Programs

Questions 8, 9, and 10 asked respondents about their preferred strategies and programs to provide additional housing in Capitola. The majority of participants indicated that they prefer “*mixed-use vertical development*” for providing additional housing in Capitola. The majority of participants are in favor of the City of Capitola promoting “*mixed-use development with both commercial and residential components*” as a primary housing-related program.

**Question 8:** Please rank the following strategies the City should consider implementing to provide additional housing in Capitola.



**Question 9:** What types of housing-related programs and/or activities do you believe the City should concentrate on over the next eight (8) years? (Please select the top five priorities.)



**Question 10:** If you selected Other, please write in your response here:

Protect existing neighborhoods from overdevelopment
Place affordable housing equally in the city. Consider the Jewel Box and Depot Hill which seem exempt from this type of housing save for the very few duplexes, et al. Develop in the Rispin Mansion instead of creating another park at a reprehensible cost to the taxpayers.
Let's not just cram more units in without addressing the needs of the entire community ie, schools, parks, open space, infrastructure maintenance, water, parking.
Assist and support resident owned mobile home parks and reinstate rent control for those residents that are suffering from the loss of it.
Request that fewer additional units be required to be built
Eliminate single family zoning
Consider abolishing zoning. Plans to limit the availability of homes are plans for creating homelessness.
My biggest fear is the loss of the ability to be a homeowner. Big developers creating "affordable housing" is rental property. That will never allow folks to gain generational wealth. We need a mix of rentals AND condo/apartment/single family.
Too many vacation rentals are in the area and displacing people who would otherwise live year round in Capitola.
Universal design features for increase in accessibility housing with all housing
Capitola will lose its uniqueness without a plan that preserves the existing neighborhood concepts. I mean this is a ten year plan. What are we supposed to look like in 100 years?
Leave R1 neighborhoods alone!
convert unused buildings to housing.

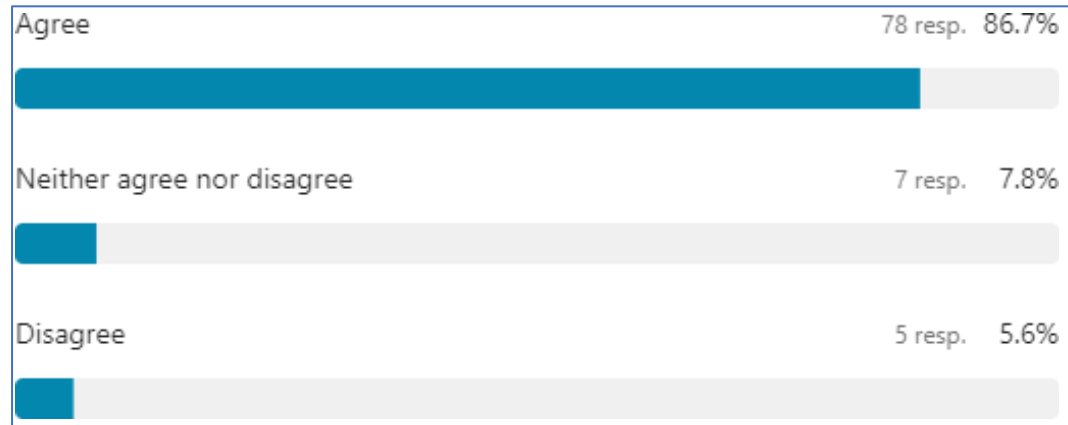
### Perception of Difficulty Finding Housing

Questions 11 through 14 asked participants if they agree, disagree, or neither agree nor disagree with the level of difficulty of finding housing in Capitola. The vast majority of respondents indicated that they agree that it is difficult *‘to find affordable rental housing’* (79%) and *“affordable housing for ownership”* (87%) in Capitola. The majority of respondents indicated that it is difficult *“to find rental available housing”* (68%) and *“available homes for purchase”* in Capitola (67%).

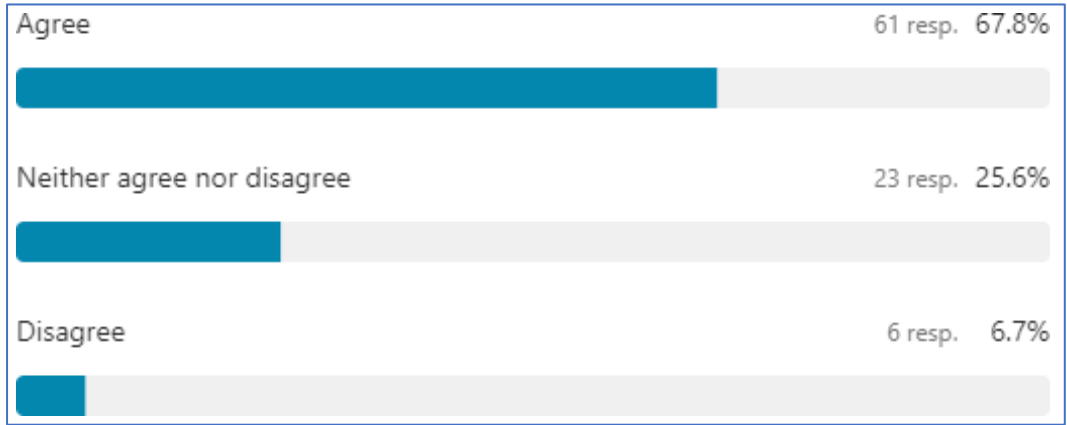
**Question 11:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find affordable rental housing in the City of Capitola.



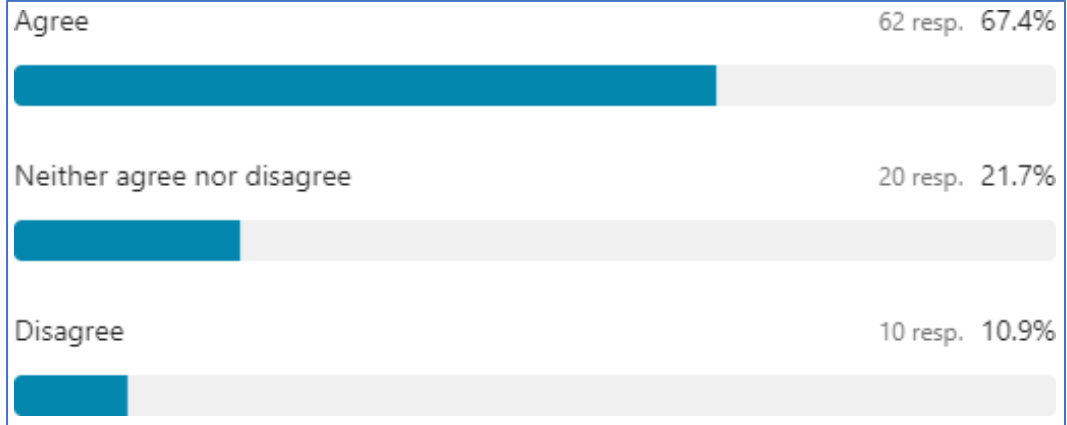
**Question 12:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find affordable housing for ownership in the City of Capitola.



**Question 13:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find available rental housing in the City of Capitola.



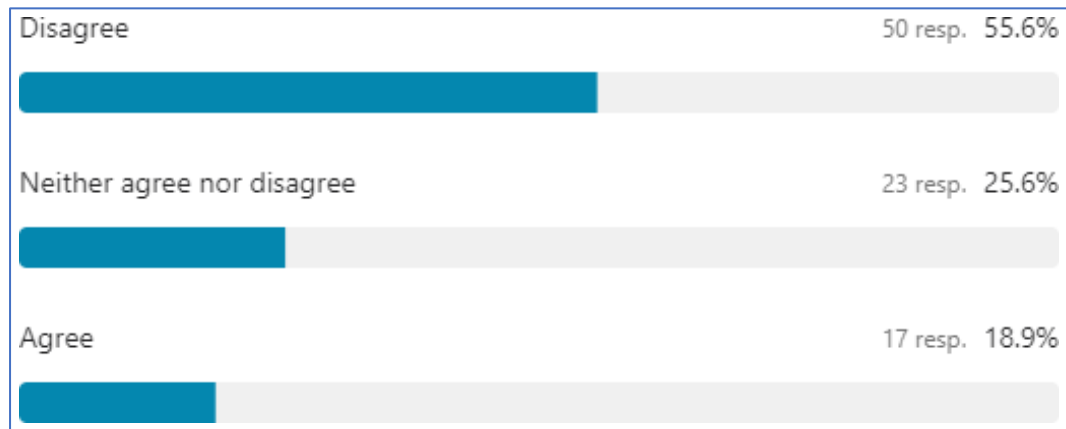
**Question 14:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find available homes for purchase in the City of Capitola.



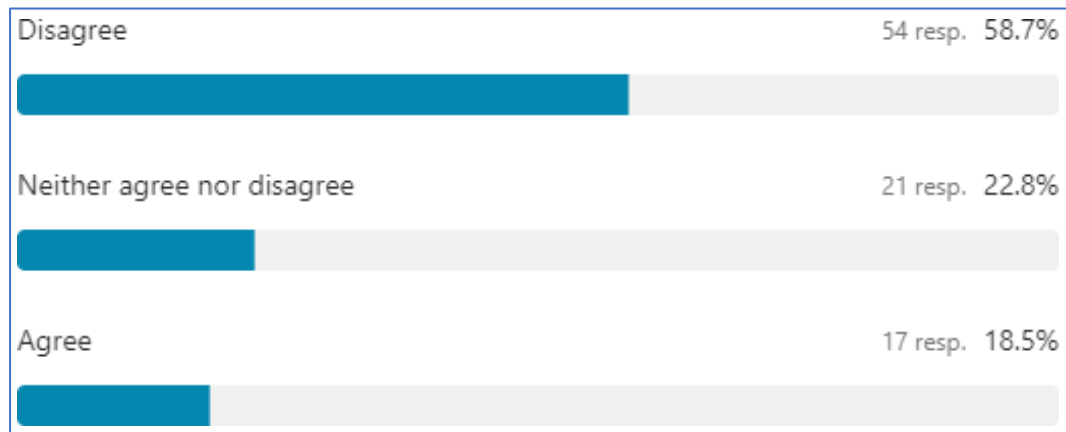
### Perceived Condition of Neighborhoods and Properties in Capitola

Questions 15 and 16 asked participants about their perceived condition of neighborhoods and properties in the City of Capitola. The majority of respondents indicated that they “disagree” that the condition of neighborhoods (streetlights, sidewalks, parks, etc.) is the foremost challenge facing the City of Capitola (56%). When asked if participants perceive the condition of existing housing and property maintenance as the foremost challenge facing the City of Capitola, the majority indicated they “disagree” (59%).

**Question 15:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: The condition of neighborhoods (streetlights, sidewalks, parks, etc.) is the foremost challenge facing the City of Capitola.



**Question 16:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: The condition of existing housing and property maintenance is the foremost challenge facing the City of Capitola.

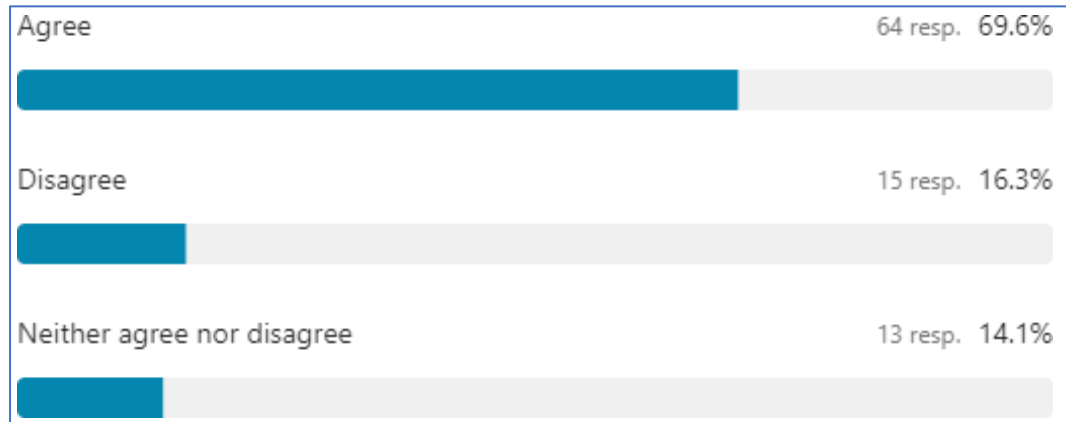




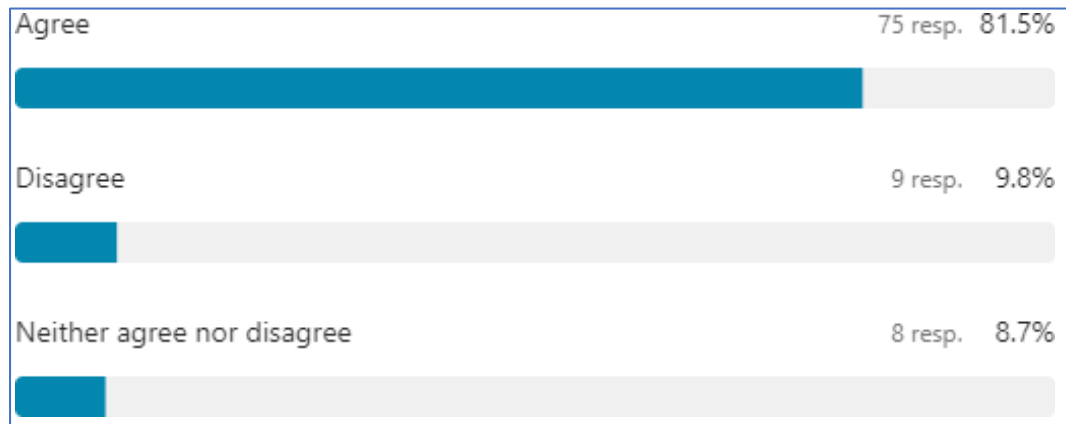
### Level of Support for Various Housing Developments

Questions 17, 18, and 19 asked respondents about their support of housing developments in the City. When asked if participants ‘agree’ with the support of Accessory Dwelling Units in existing residential neighborhoods, the majority of respondents strongly agreed (70%). When asked if respondents ‘agree’ with support of additional mixed-use housing on 41st Avenue Corridor, the majority strongly agreed (82%). When asked if respondents ‘agree’ with development of mixed-use housing at the Capitola mall, the majority of participants strongly agreed (86%).

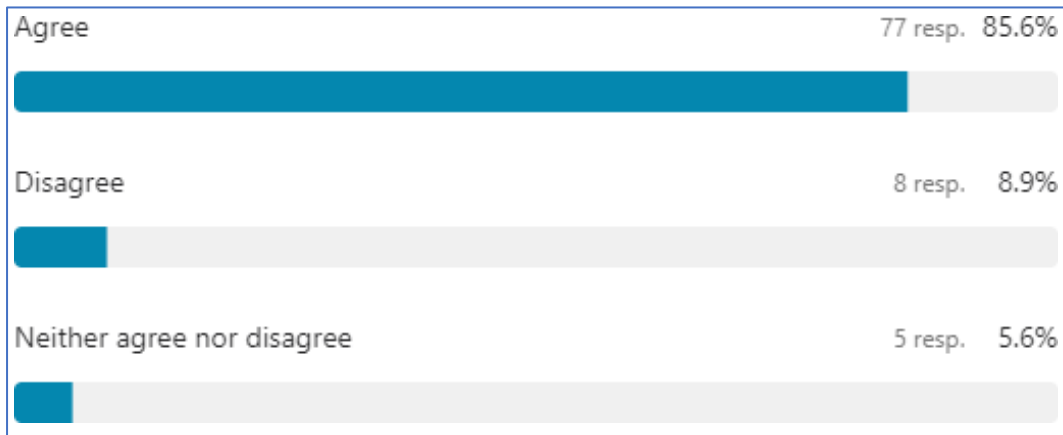
**Question 17:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of Accessory Dwelling Units (Second Units/“Granny Flats”) in existing residential neighborhoods.



**Question 18:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of additional mixed-use housing on 41<sup>st</sup> Avenue Corridor.



**Question 19:** Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of mixed-use housing at the Capitola Mall.

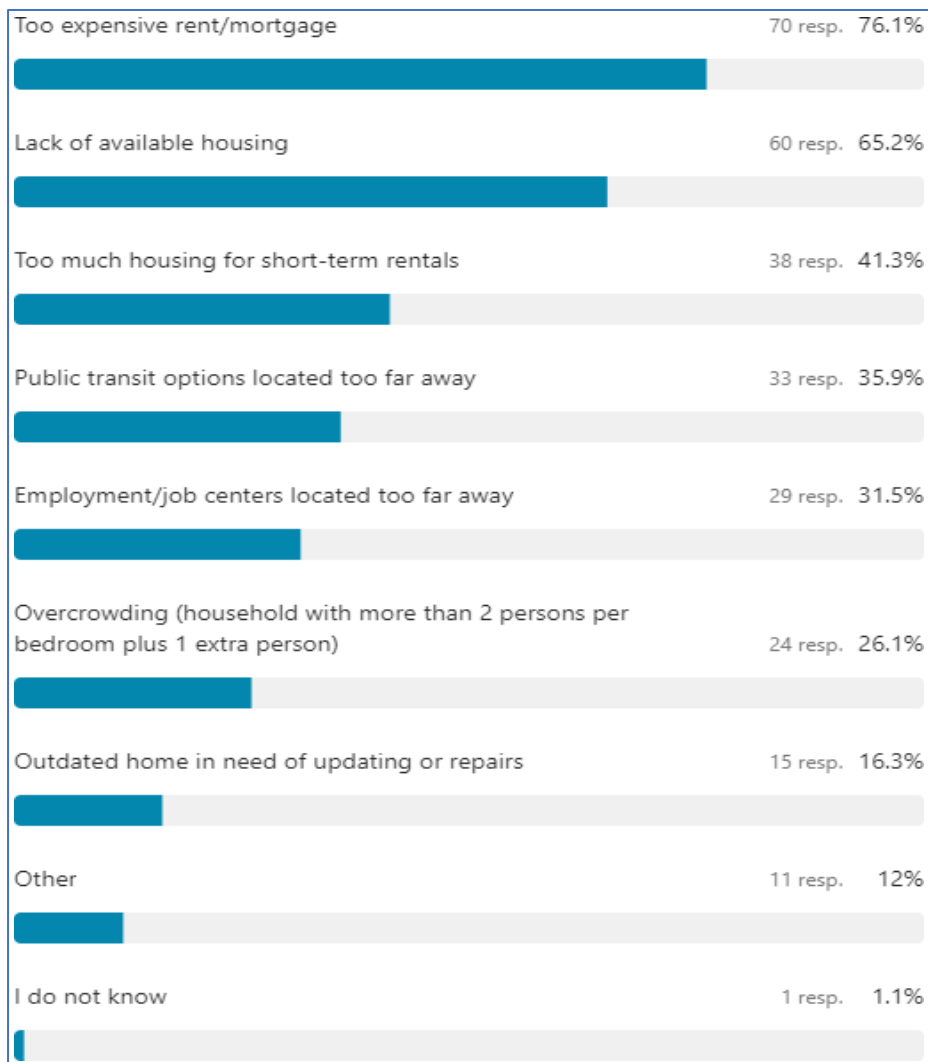


### Perceived Housing Challenges and Issues

Question 20 asked participants about their perceived housing challenges and issues. When asked about the main challenges in the City of Capitola, the most favored responses included *‘Too expensive rent/mortgage’* (76%), *‘Lack of available housing’* (65%), and *‘too much housing for short-term rentals’* (41%). While the majority of participants indicated that they have not experienced any housing issues (44.8%), other respondents indicated they have experienced *‘Insufficient income to afford living in Capitola’*, *‘Other’*, *‘Adult children living at home due to the inability to afford housing’*, and *‘struggle to pay rent or mortgage’*. When asked about factors affecting housing discrimination in the City, participants selected *‘Not Applicable’* (36%) and *‘Source of Income (including using public assistance for housing payments)’* (25%). Respondents indicated that they felt the *‘City of Capitola’* (32%), *‘Department of Housing and Urban Development (HUD)’* (17.9%), and *‘Santa Cruz County Housing Authority’* (17.9%) were the most prevalent factors in housing discrimination in the City. When participants were asked to select the groups with the greatest need for housing and related services, the most popular responses included *‘Single-parent head of household’* (75%), *‘Young adults (19-24 years old)’* (65.2%), *‘Seniors (65+ years old)’*, and *‘Persons experiencing homelessness’* (63%). Other responses included low-income individuals and young professionals.

The final poll question allowed participants to submit free responses related to any ideas that the City should consider for creating more housing opportunities or as part of its Housing Element Update. Ideas included mixed-use development supported by public transit, penalizing illegal short-term rentals, dispersing housing developments throughout the city, and streamlining permit processes, among others.

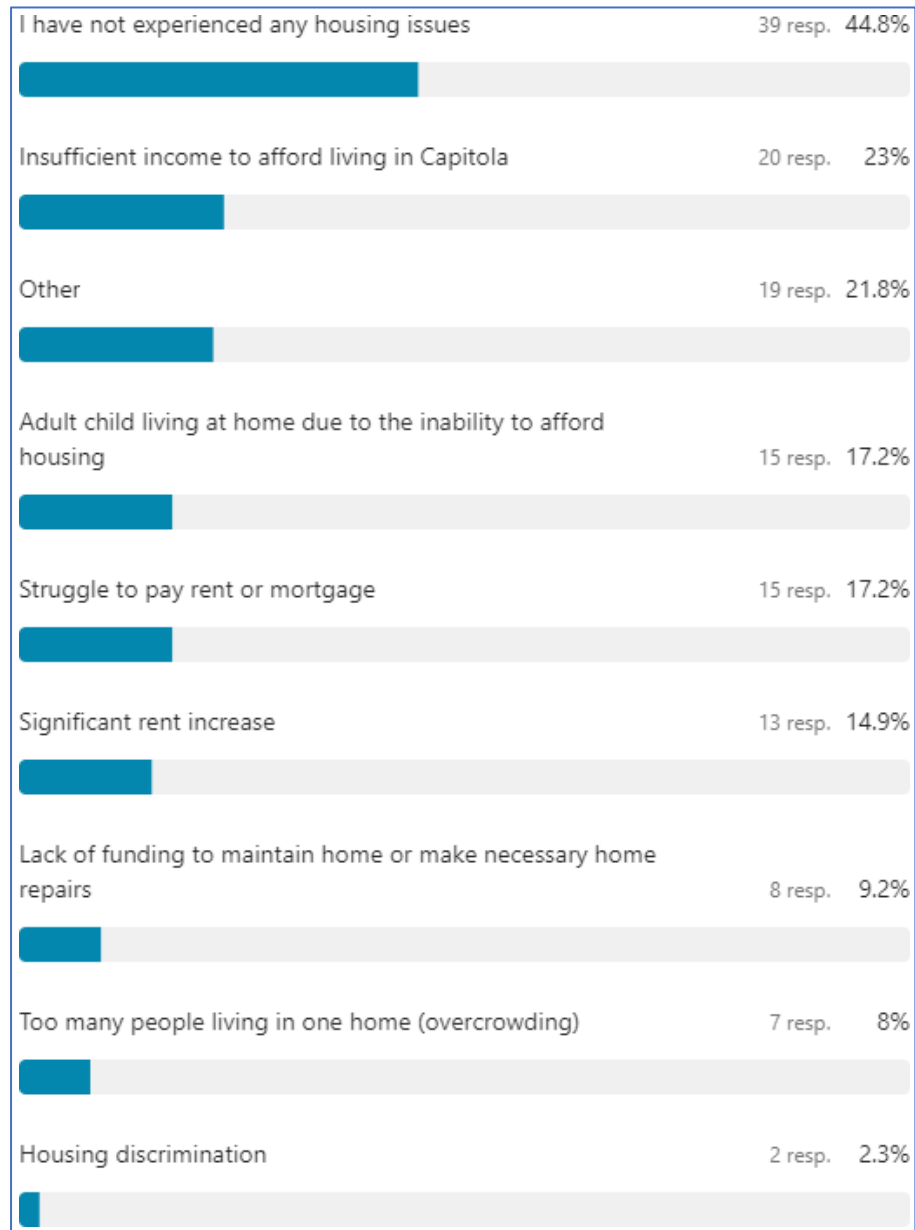
**Question 20:** What are the main housing challenges in the City of Capitola? (choose all that apply)



**Question 21:** If you selected Other, please write in your response here:

Maintain the Capitola charm. Resist over development.
Capitola is crowded. There are multiple granny units; they are often illegal. I live in the Heights and there are 5 homes in a very small space. We can hear each other cough. The Rispin Mansion is a boondoggle of epic status. Where is the water coming from for all these additional people? As it is, we keep buckets in my shower, mellow yellow, etcetera and you tell us you are adding more people! City should focus on re-paving streets and placing utilities underground. 41st Avenue is full of potholes yet it is the entrance to this, supposedly, tourist town.
The loss of rent control for low income residents who depended on it for their housing security
Too many wildly overpriced homes bought up by wealthy out-of-town second and third home-buyers that then sit empty. We need a vacancy tax to discourage this!
Restrictive zoning
No available vacant land
Mixed use Zoning which allows for 15 minute walkable neighborhoods and access to basic needs without driving
Providing relevant service for senior homeowners needing help with home repairs.
NIMBY not in my backyard residents - who oppose everything and anything - 1/3 of the houses in Capitola have people living in them. These people vote - just owning property gives no one any say in laws or implementation
Capitola could improve safety, bike lanes, etc for bikers
No land to build on other than mall site. Need to balance sales tax revenue against cost of services for additional housing,

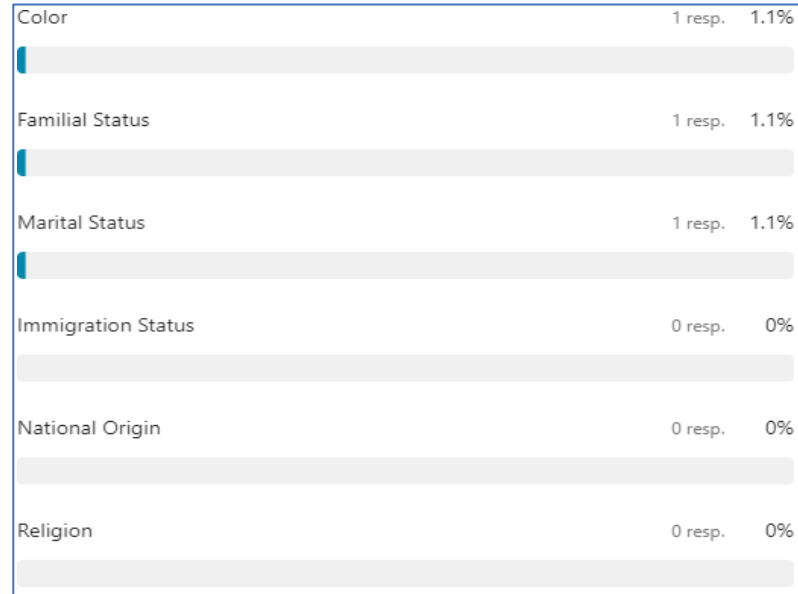
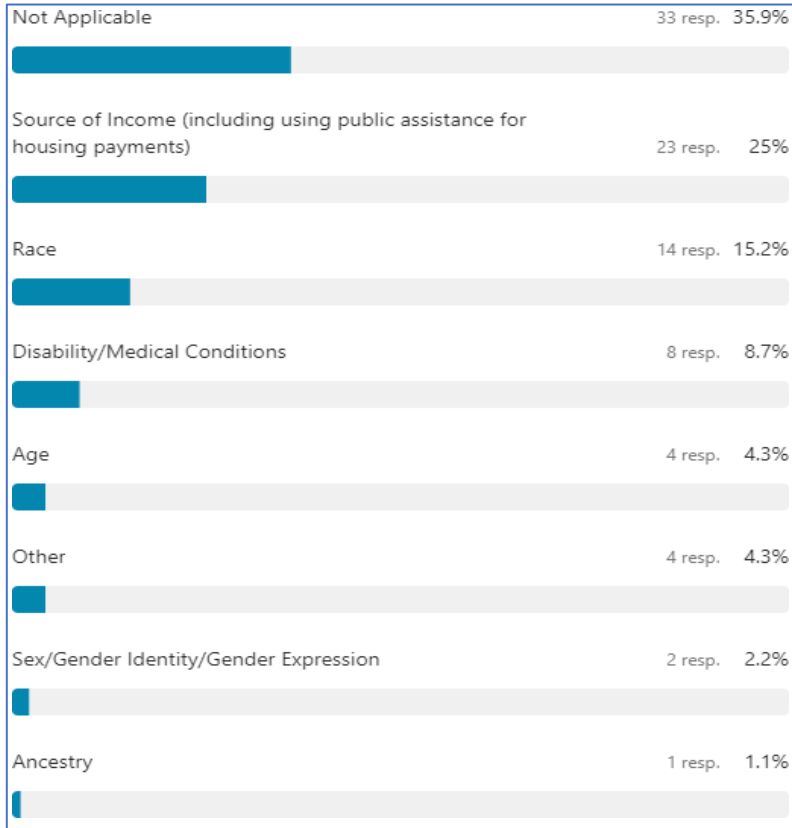
**Question 22:** If you live in the City of Capitola, within the past five (5) years have you experienced any of the following housing issues? (select all that apply)



**Question 23:** If you selected Other, please write in your response here:

My grandson has experienced homelessness. He was born at Sutter Maternity Center to a middle class family.
Live on the outskirts of Capitola, not in the city itself
Albeit of an older generation, we worked 47 years each to be able to afford to live then retire here. It rankles to see the culture change to "give me/give me".
None
My apartment building was purchased 101 Grand Ave. the new owners immediately raised our rent by hundreds of dollars and changed our current lease to not including utilities which added another 200.00 on top of the 300.00 additional rent increase. They then stopped maintaining the building. The intention is to use 101 Grand Ave. as an Airbnb with short term renters instead of long term tenants. One by one we all moved out. It was a complete nightmare because as we moved out they started demolishing the units. It was truly the most stressful situation. I happily lived there for 5 years prior to these new owners. They don't care about human beings. They only care about money. Depot Hill is a charming place to live. Their idea of short term housing in an area that is already lacking in long term housing is bad for the community.
Too many second homes that sit empty nearly year round are destroying the ability to create community and keeping from locals from living in our area.
I have not lived in Capitola
I don't live in Capitola
N/A
I do not live in the City of Capitola, I'm outside the city limits.
Lack of affordable housing in City of Capitola.
neighbors, who overcrowd their house with tenants, construction materials and work, and rodents, but call the police if someone parks in front of their house - city doesn't seem to care
I have not lived in the city of Capitola.
do not live in Capitola
Heating for home is too expensive for me, even with new heat pump units
do not live in the city
I do not live in Capitola, I could not find affordable rental within Capitola.
Limited housing stock for sale
n/a

**Question 24:** State and federal Fair Housing laws prohibit discrimination in the sale, rental, and financing of housing against the protected classes. Of those, which do you think is the most prevalent factor in housing discrimination in the City? (please select one)

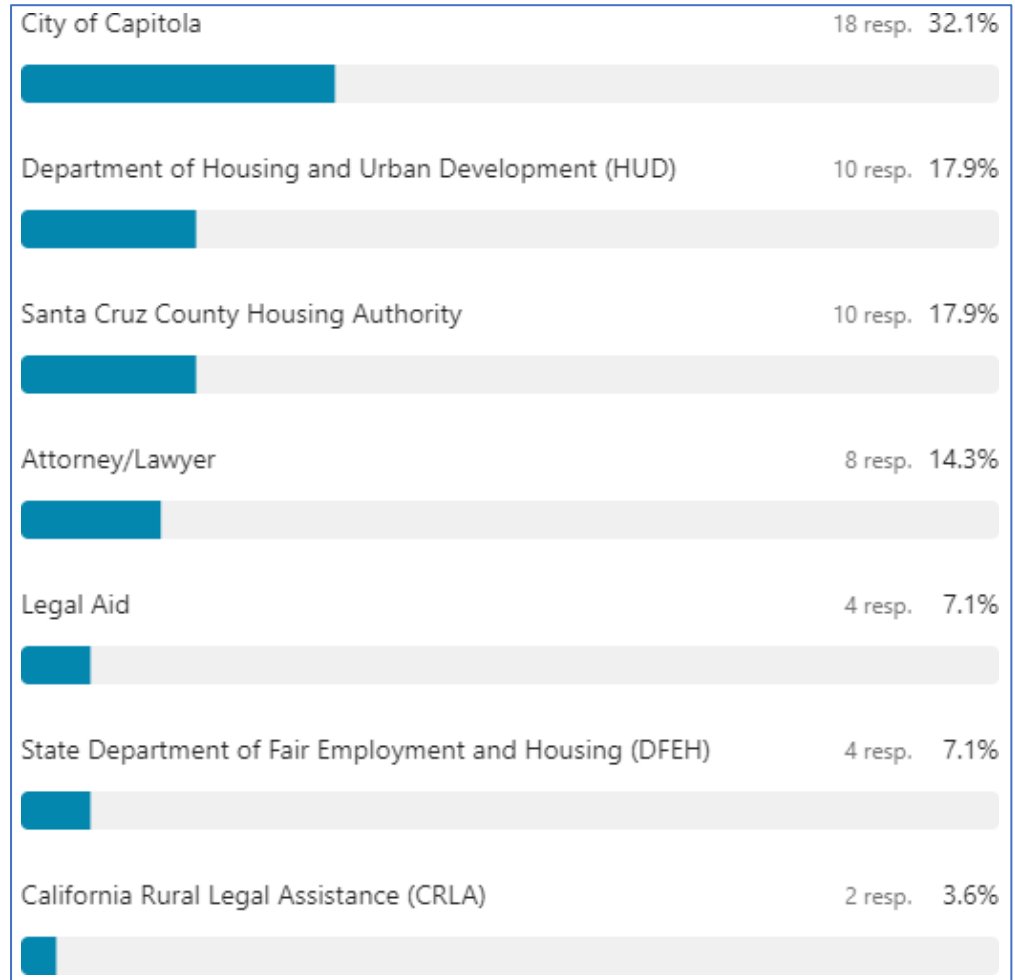




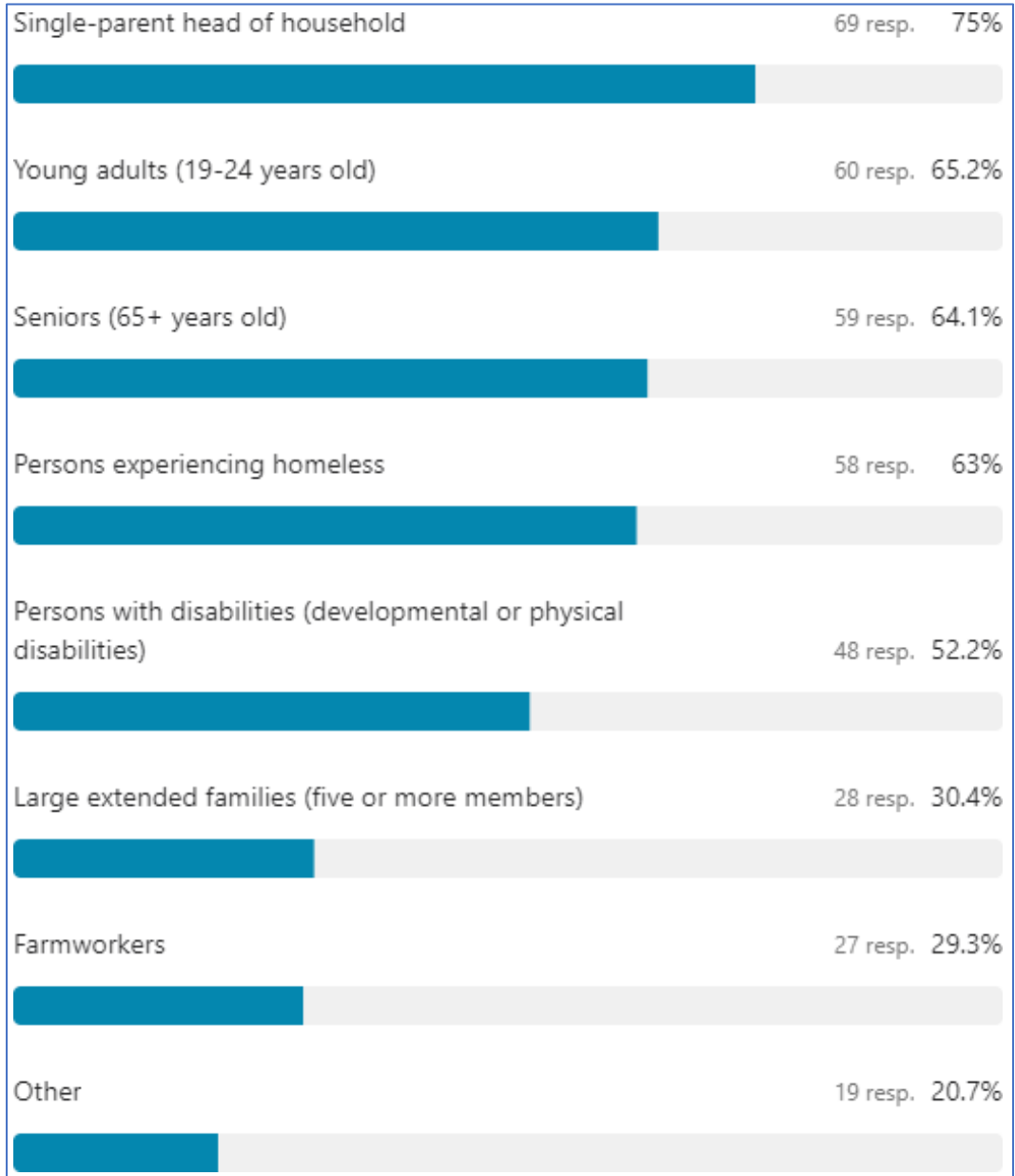
**Question 25:** If you selected Other, please write in your response here:

My street houses people of all races, creeds and income levels.
Income - we are living through the worst income inequality in one hundred years
unknown

**Question 26:** State and federal Fair Housing laws prohibit discrimination in the sale, rental, and financing of housing against the protected classes. Of those, which do you think is the most prevalent factor in housing discrimination in the City? (please select one)



**Question 27:** Please select the groups with the greatest need for housing and related services in the City. (select four choices)



**Question 28:** If you selected Other, please write in your response here:

Young professionals (25-35 years old)
Those employed in Capitola
First time home buyers
City Workers, School employees
Students
Middle class earners, like teachers, can't afford a home even if there are two earners in the household.
Senior homeowners needing financial assistance to stay in their homes.
Those with Section 8 Vouchers from Housing Authority is being denied housing because of having Section 8 Vouchers. Individuals and families are being discriminated and is illegal under the State of California with the Department of Fair Housing and Employment.
young families, who want to surf
Low income groups
Low income
I only had 2 that I wanted to choose. I don't agree with forcing a choice so I selected other.
unknown

**Question 29:** Are there any other ideas you would like to suggest the City consider creating more housing opportunities or as part of its Housing Element Update? (Please write in your response)

Turn the mall and major roads into mixed use development well-supported by public transit
Encourage shared housing
Stiff fines for illegal short term rentals
Rispin, Capitola Mall, other empty spaces.
Develop the Capitola Mall. like Santa Row. Or European Centers with shops and gyms day cares and other services downstairs and 2-3 bedroom apartments upstairs with communal living spaces on the roof .. like Facebook main campus. Hire that architect. Save units for teachers and police and fire fighters to lease/ rent at reasonable rents.
Spread out potential housing sites - do not concentrate all identifies sites in one area
The City's plan should equally distribute the housing options throughout the City and not just where there are already a plethora of affordable housing options. A prime example of unequal distribution is the proposed 44th Ave/Capitola Road project which is an area of considerable affordable housing in place.

As previously stated, my wish is to retain the essence of Capitola’s charm and beauty by not cramming units in without a commitment to support all residents in the infrastructure and integrity of the community where taxes are paid.
Encourage developers to create more housing with reduced fees and, if the city of Capitola owns property, move forward with development. The process takes years and we don’t have time on our side.
Capitola needs to take into consideration all human circumstances and accommodate all without discrimination. Everyone deserves to have shelter and a place to rest. Not having shelter causes so many other issues in a persons life.
More Granny units really to me just means more studios for rent that are super expensive. It really does not help the situation. In fact it makes the housing situation worse because of the expected rental income that teachers cant even afford.
ADU - ease the restrictions
A better survey. Q #22 makes no sense, many other Qs require uneducated guesses.
We all agree that we need affordable housing. The City of Capitola is beautiful place because of all the work City leaders have done in the past years. We cannot over build just for the sake of more housing. The City must make the hard decisions and keep the charm and quality of life. We can meet the numbers of housing that the state is requesting simply by allow existing family homes add ADUs, Granny Flats or split homes into duplexes. The new housing would allow younger folks and families to move in and at the same time benefiting existing property owners.
Rent reduction or reinstate supplemental financial support for households impoverished by the loss of Rent Control especially in my mobile home park because I live on \$100/mo after paying rent, utilities, car insurance and internet.
The City can create housing opportunities without highest density footprints. Development needs to be scaled responsibly and allocated throughout the City; not simply concentrated along the 41st Avenue corridor.
The City of Capitola should streamline permit processes, increase maximum density far above the required 20 du, increase height regulations, and incentivize developers to build affordable housing. Increasing density reduces sprawl
Turn the out-dated, failing Capitola Mall into a large scale 100% affordable housing community featuring mixed-use, including retail and restaurants.
AFFORDABLE HOUSE SHOULD BE WELL DESIGNED, PARKED AND LIVABLE. IT SHOULD NOT BE SUBSTANDARD TO MAKE IT AFFORDABLE.
Consider any & all Options! Do not be deterred! How about Redtree property at bottom of freeway exit?
- Eliminate single family zoning - Add developer incentives for density/height for Transit oriented development, 100% affordable, student housing, and working family housing (2br+) - Adopt a form based zoning code - Create additional commercial/mixed use zones to allow for "15 minute" walkable neighborhoods - Affirmative further fair housing by specifically encouraging low income and multifamily development in opportunity areas / formerly redlined areas - Add tenant protections to prevent displacement - Update laws to allow ministerial approval by city staff of high-quality projects, i.e. under 50 units, or any 100% affordable projects, and pre-approved ADU standards - Remove parking requirements for new housing - Make a realistic Site Inventory - parcels that can actually be developed based on size, and have real redevelopment interest - Plan for a total number of units that goes at least 30% above the required number for capacity buffer
Consider abolishing zoning. If not completely abolishing zoning consider significantly increasing allowable development by setting much higher height limits, nearly eliminating setback requirements, nearly eliminating parking requirements and other items that impede the construction of housing.
Find several locations near jobs or transit that are zoned to allow 5-over-2 mixed use multi family development.

I believe that private landlords and property management companies are the biggest factor in Fair Housing violations. Per Fair Housing the first qualified renter should be offered the opportunity. Santa Cruz Property Management, RE 831, and others collect 50+ applications and fees before offering the units. There should be classes at the library on how to boost credit scores, get rental packets together and how to report fair housing violations!
Affordable homes for first time home buyers and available inventory for long term rentals
Develop the mall property into a mixed use, multiple story, including priced/affordable housing, with wrap-around services
Approve affordable housing projects through an expedited process.
Looser height restrictions, build downtown, incentives to build affordable housing
We are limited on space, and overcrowded as is. Build houses in Merced, Central CA where there is Millions of acres of land! Work with the County to lower Capitola numbers and increase SC / Watsonville that has more land than Capitola. Our infrastructure is taxes, we don't have the space on our Roads, Water, Sewer, Electrical, and School systems. I want to live in Pebble Beach, but i can afford to. Maybe they will subsidize a house i can afford?
Less Commercial, more affordable Residential monitor illegal Short Term Rental
Build multiple story housing.
Join with other cities to fight the state forcing housing mandates on cities.
Housing should be infill, multi-use, easy access to basic needs, safe-walkable, and close to transit. Urban design should include connecting communities, built with street level vibrancy, easy access community commons an easy walk from development, urban forests and community gardens to connect people with each other, nature, source of food, and access to opportunity via public transit which benefits everyone and the local economy. The Capitola Mall is a great location for housing but don't maintain it as a concrete jungle. This is a great opportunity to create a new walkable community with lots of trees and gardens and connecting spaces, as well as dense housing. Let's create affordable housing that ANYONE would want to live in.
Investigate non-profit models of housing, "social housing" as done in other nations. Also, explore "missing middle" types of multifamily development, townhomes and courtyard complexes.
Support passenger rail and metro as well as more housing near public transit
Bay Avenue, around the Nob Hill/CVS area, would be a great place for denser multi-family infill housing as it's in an already-developed zone, offers food and medicine shopping within quick walking distance, and its building heights would be non-disruptive. And: thanks for this survey!
Provide resources for financial assistance to seniors trying to stay in their homes and repairing them.
We need more accessible housing for seniors and people with disabilities. The City has a poor record of letting go like Capitola Gardens and not building any affordable housing. We need mixed of workforce housing, families, seniors, and people with disabilities. Universal designed can increase access to accessible housing significantly. The Capitola mall is a perfect and ideal location.
instead of lying about how long the permit process takes, tell the truth(a year or more)
Pretty much anything to promote density and walkability. Capitola has a weird grid with lots of parking lot surface area, intense arterial "stroads", and a lot of SFDs that are too big and look like they're made of cheap materials. I find it pretty grim, to be honest, and only come out to Capitola because it is convenient to my home in Live Oak (which has all the same problems, FWIW). I think more mixed-use projects and multifamily housing, and more pedestrian friendly streets, would be great for the city and give it a more vibrant character (there are neighborhoods where I am nervous running in broad daylight because all the huge ugly houses are in dumb little cul-de-sacs or whatever, so there are NO eyes on the road, except in the cars that are driving

too fast on all the through streets; it really is pedestrian hell) while at the same time providing badly-needed housing. Making it easier to build ADUs is a great stopgap, and I support that as well as making it easier to build duplexes and triplexes or convert SFDs to duplexes and triplexes, but long-term, Capitola is going to be pretty sad and undesirable if it doesn't densify and do something about its car-centric, hyper-suburban development pattern. Anything you all can come up with to address that, little by little, is great.
Higher FARs near transit possibilities
Some data would be helpful. I don't have a way to assess who is being discriminated against or who the vulnerable populations are
Take advantage of SB 35 to increase development of housing
Does your fee structure incentivize building single-family homes (including second homes) over multi-family homes? Can you shift the incentive so that multiple units make more sense than single family on the expensive lots that are bought and flipped
Paths to home ownership.
Yes. Water, sewer, streets, parking, municipal services, parks, youth activities all should be weighted for the impact on the City and adequacy of city services, police and law enforcement, library, pge, water, and impact on existing schools, roads and traffic, and overall quality of life!
Allow multilabel adu on large property
Send notice to neighbors and allow them to choose if an ADU is appropriate on their street.
Capitola will never be able to provide 1300+ housing units without destroying the city and residential neighborhoods. The city should maintain its current FAR and max bldg height rules. RESTORE LOCAL CONTROL! If you can't afford to live here, go somewhere where you can.
Rezoning of underutilized industrial land for mixed use development
Please increase the infrastructure needed to support more traffic and law enforcement
The city should look to Atherton, which is challenging the state mandate. Even though the intentions are different, Capitola is landlocked and lacks undeveloped spheres. The state's policy is unrealistic.
Increase the housing unit number for the Capitola mall redevelopment plan
None
Focus on multi-story tiny studio apartments in Capitola Mall. Watch y tube video "New Yorkers living large in Small Spaces" for tiny apartment ideas. ideas. Also use vacant businesses for apartments- rezone them for business/ housing uses.
Easier and faster permit process. More permissive zoning with little/no ground floor retail requirements.

## Housing Questionnaire Summary

Participants represented a variety of backgrounds and experiences with the City and had differing opinions on housing needs and implementation strategies. However, several main themes emerged from the questionnaire responses:

- **Who participated?** The vast majority of participants were homeowners from Capitola and have lived and/or worked in the City limits for over twenty-one (21) years.
- **Preferred New Housing Locations.** Participants were strongly in favor of Area A as the preferred area for the City to prioritize new housing in the City. The top three preferred opportunity areas for additional housing opportunities included older shopping centers/retail areas, underutilized office property, underutilized industrial warehouse space, and vacant properties.
- **Favored Housing-Related Strategies and Programs.** Participants were supportive of vertical mixed-use development with both commercial and residential components. Many expressed concern for protecting residential neighborhoods from “overdevelopment”, while others support rental and for-sale affordable housing opportunities throughout the city.
- **Perception of Difficulty Finding Housing.** Participants strongly agreed that it is difficult to find affordable and rental housing and affordable and available housing for ownership in the City of Capitola.
- **Perceived Condition of Neighborhoods.** Participants generally disagreed that the foremost challenges facing the City are the condition of neighborhoods and the condition of existing housing and property maintenance.
- **Level of Support for Various Housing Developments.** The majority of participants support the development of Accessory Dwelling Units in existing residential neighborhoods and the development of additional mixed-use housing on 41<sup>st</sup> Avenue Corridor.
- **Perceived Housing Challenges and Issues.** Participants were mixed on the main housing challenges in the City of Capitola, with some expressing that too expensive rent/mortgage costs were the main challenge, while others attributed challenges to lack of available housing and too much housing for short-term rentals. Many participants generally had not personally experienced any housing issues in the City and were mixed on the most prevalent factor of housing discrimination. Participants were mixed on the City of Capitola, Department of Housing and Urban Development, or Santa Cruz County Housing Authority being the more prevalent factors in housing discrimination in the City. Participants generally agreed that the groups with the greatest need for housing and related services in the City are Single-parent heads of households, young adults, seniors, and persons experiencing homelessness.



## Appendix C: 2015-2023 Housing Element Program Evaluation

### A. Progress Towards Implementing the 2015-2023 Housing Element Programs

The 2015–2023 Housing Element established six primary housing goals. Under each goal, policies were provided that outlined more specifically how these goals could be carried out. Finally, programs were provided that outlined the actual actions that would be taken to facilitate the goals and policies. To review progress made during the 2015-2023 Housing Element, each goal is listed along with implementing programs and a discussion of the actions that have been accomplished.

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<b>Goal 1.0 Housing Production: Diversity in housing type and affordability level to accommodate the needs of Capitola Residents</b>	
<b>Policy 1.1 Provide adequate sites and supporting infrastructure to accommodate present and future housing needs of Capitola residents.</b>	
<b>Program 1.1a Providing Adequate Housing Sites</b> <ul style="list-style-type: none"> <li>Maintain an inventory of available vacant and prospective sites that can accommodate new housing.</li> <li>Maintain Opportunity Sites identified in the Housing Element to meet any outstanding Housing Element RHNA obligation for the 2015-2023 planning period.</li> <li>Continue to require housing production goals for housing opportunity sites remaining in Capitola.</li> </ul>	<b>Effectiveness/Progress in Implementation:</b> The City has worked together with applicants to entitle and/or build residential projects throughout the City, including ADU and inclusionary units: <b>822 Bay Avenue</b> Entitled as a hotel on 7/21/2022 No net loss findings with ADU development, 4401 Capitola Road (36 units pending), and 1098 38 <sup>th</sup> Avenue. <b>1575 38th Avenue</b> Developed with 11 new units. One of the units is an inclusionary unit. <b>Citywide ADUs</b> Expected 6 units 2016–2021: 21 units Most of the housing opportunity sites identified in the 2015-2023 Housing Element to accommodate the City’s RHNA are still available for the 2023-2031 Housing Element cycle. These sites include vacant and underutilized

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>sites, Affordable Housing Overlay sites, ADUs, and commercial zones that allow residential development. All housing sites have zoning in place that will allow residential development at the appropriate densities required by state Housing Element law. The City will continue to maintain an inventory of these housing opportunity sites throughout the 2023-2031 Housing Element planning period, as well as include additional sites to satisfy the current required number of RHNA sites.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>
<p><b>Policy 1.2 Encourage mixed-use developments.</b></p>	
<p><b>Program 1.2a Mixed-Use Developments</b></p> <ul style="list-style-type: none"> <li>• Encourage opportunities for the production of mixed residential-commercial use projects in the CC (Community Commercial), CN (Neighborhood Commercial), CR (Commercial/Residential), and PO (Professional Office) zones.</li> <li>• Utilize appropriate development standards, design and compatibility review and regulatory and financial incentives to encourage mixed-use development.</li> <li>• Continue to explore possibilities for mixed use development with current property owners, such as the owners of the opportunity sites identified in the Housing Element and in the 41st Avenue Economic Development/Mixed Use Revitalization Study.</li> <li>• Continue to monitor and implement the policies in the 41st Avenue/ Capitola Mall Re-Visioning Plan that addresses the distribution of land uses, mixed-use parcels, transportation alternatives, and urban design.</li> <li>• Monitor and include an update in the annual Housing Element Progress Report for all mixed-use development activities to identify unforeseen barriers that should be addressed and to evaluate additional incentives that may be needed.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> A citywide Zoning Code update was passed in 2018 which encourages mixed use in Regional Commercial (CR), Community Commercial (CC), Mixed Use Neighborhood (MU-N), and Mixed Use Village (MU-V) zones. The zones were renamed but the areas remained the same.</p> <p>The City added a new overlay to incentivize development in return for community benefits. Increased height and density are allowed near the Capitola Mall and intersection of 41<sup>st</sup> Avenue and Capitola Road.</p> <p>The City also adopted new objective design standards in 2022 for multifamily and mixed use.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
<p><b>Policy 1.3 Provide opportunities for the development of alternative housing.</b></p>	
<p><b>Program 1.3a Alternative Housing</b></p>	<p><b>Effectiveness/Progress in Implementation:</b> The City updated the Zoning Code in 2018 and the ADU ordinance in 2020 (previously referred to as Secondary Dwelling Unit Ordinance). As a result, an ADU can be built on</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> <li>Review and monitor the effect of the Secondary Dwelling Unit Ordinance on neighborhood vitality; consider possible modifications to the parking, height and setback requirements to encourage increased participation, if necessary.</li> <li>Review existing zoning codes and the City's Condominium Conversion Ordinance to determine if modifications to encourage co-housing programs would be appropriate.</li> <li>Continue to work with the local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability.</li> <li>Encourage and facilitate the exploration and possible development of other alternative housing types including farmworker housing, factory-built housing, live/work units, and Small Ownership Units (SOUs).</li> </ul>	<p>any lot with a residential use. Limiting factors such as the 5,000-square-foot minimum lot size were removed and setbacks and heights were amended. Also, the review process is now streamlined, consistent with state law.</p> <p>The condominium conversion ordinance was not modified during the 5<sup>th</sup> cycle. Due to the rising rents statewide, apartment rental is a profitable investment option for most property owners. Condominium conversion has not been a trend in the last decade or more.</p> <p>In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income eligible Capitola residents. The program allowed residents to invest in home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p> <p>The City zoning code update included new standards for single-room occupancy units and factory built ADUs.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>
<p><b>Policy 1.4 Periodically review development regulations, permit processes, and fees and their effect on development to ensure that such requirements facilitate housing production and rehabilitation.</b></p>	
<p><b>Program 1.4a Review Development Regulations</b></p> <ul style="list-style-type: none"> <li>Review requirements such as the minimum unit size, setbacks, parking requirements, and height restrictions to determine that they are necessary and pertinent and do not pose constraints on the development of affordable housing.</li> <li>Evaluate the feasibility of shared parking for mixed-use developments.</li> <li>Evaluate the feasibility of reduced parking standards for senior and special needs housing.</li> <li>Consider development standard modifications, streamlined processing for applications related to the creation of affordable housing, and fee modifications for projects proposing affordable units that are required to apply for variations to the existing development standards.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b></p> <p>City zoning code and associated development standards amended and certified by Coastal Commission on June 9, 2021.</p> <p>The City adopted new parking allowances for mixed use to decrease required parking if a study is completed.</p> <p><b>Appropriateness:</b> Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p><b>Goal 2.0 Affordable Housing Development: Increased and protected supply of housing affordable to extremely-low, very- low, low and moderate-income households</b></p>	
<p><b>Policy 2.1 Protect the affordability of existing mobile home parks.</b></p>	
<p><b>Program 2.1.a Mobile Home Park Technical Assistance and Feasibility Studies</b></p> <ul style="list-style-type: none"> <li>• Provide feasibility and technical assistance funding and predevelopment funding, acquisition, and rehabilitation assistance for resident-controlled and non-profit acquisition of mobile home parks, requiring long-term affordability where possible.</li> <li>• If conversions of use are contemplated, ensure that resident investment values are preserved and that adequate relocation assistance is provided. To the extent possible, preserve or replace affordable housing units.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income eligible Capitola residents. The program allowed residents to invest in a variety of home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p> <p>The City has not been able to acquire one of the mobile home parks (Cabrillo) as the owner has no interest in selling. The City is coordinating discussions between park tenants and owner for a new lease.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>
<p><b>Program 2.1.b Mobile Home Resident Acquisition Projects</b></p> <ul style="list-style-type: none"> <li>• Encourage park acquisition or conversion, which will depend on resident/owner interest and funding availability.</li> <li>• Evaluate necessary infrastructure improvements as part of the acquisition or conversion process.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> See Program 2.1.a</p> <p><b>Appropriateness:</b> This program is combined with Program 2.1.a in the 2023-2031 Housing Element.</p>
<p><b>Policy 2.2 Encourage continued affordability of affordable rental housing supply in existing mobile home parks, subsidized rental housing, and special needs housing.</b></p>	
<p><b>Program 2.2a Monitor Affordable Housing Units</b></p> <ul style="list-style-type: none"> <li>• Develop and maintain an AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants.</li> <li>• Explore funding sources such as HUD Section 208/811 loans, HOPE I and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Financial Agency single-family and multi-family programs, and other applicable programs to stimulate private developer and non-profit entity</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City created 17 affordable units through its inclusionary housing program.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>efforts to develop and finance housing for extremely-low, low and moderate-income households.</p> <ul style="list-style-type: none"> <li>Proactively monitor opportunity sites that may be no longer available for residential development and identify alternative sites.</li> </ul>	
<p><b>Program 2.2b Preservation of Rental Housing</b></p> <ul style="list-style-type: none"> <li>Investigate new funding and financing opportunities to encourage the development, through acquisition of existing housing and new construction, of affordable housing projects that provide long-term affordability through homeownership, non-profit ownership, and residentially owned cooperatives.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City funds an emergency rental assistance program and a security deposit program for low income renters.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element, and the investigation of new opportunities for affordable housing projects is ongoing.</p>
<p><b>Policy 2.3 Continue participation in State and federally sponsored programs designed to maintain housing affordability, including the HUD Section 8 rental assistance program.</b></p>	
<p><b>Program 2.3a Section 8</b></p> <ul style="list-style-type: none"> <li>Continue to participate in the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance.</li> <li>Continue to refer residents to the County program and provide information at City Hall and the City’s website.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City continues to participate in the Section 8 program. Currently 206 Housing Choice Vouchers (HCVs) are used in the City</p> <p><b>Appropriateness:</b> Program implementation is updated for the 2023-2031 Housing Element.</p>
<p><b>Policy 2.4 Preserve existing unrestricted affordable rental housing during the Housing Element planning period</b></p>	
<p><b>Program 2.4a Condominium Conversion Ordinance</b></p> <ul style="list-style-type: none"> <li>Continue to implement the Condominium Conversion Ordinance</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> There have been no conversion activities in the last decade or more due to the highly profitable rental housing market.</p> <p><b>Appropriateness:</b> The ordinance remains in effect but is removed from the Housing Element as a specific program.</p>
<p><b>Policy 2.5 Promote the development of affordable housing on opportunity sites.</b></p>	
<p><b>Program 2.5a Affordable Housing Development Program</b></p> <ul style="list-style-type: none"> <li>Encourage utilization of the Affordable Housing Overlay Ordinance by non-profit affordable housing developers with an emphasis on the development of new housing opportunities that result in long-term affordable housing. Encourage the production of affordable housing</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City promotes the development of affordable units in new developments through its Inclusionary Housing Ordinance, State Density Bonus program, and by encouraging development on opportunity sites and affordable housing overlay sites.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>units per the City's 2015-2023 RHNA for very low and low-income housing units (57 units).</p> <ul style="list-style-type: none"> <li>Facilitate the development of affordable housing through the provision of regulatory concessions and density increases under the City's Density Bonus Ordinance.</li> <li>Collaborate with non-profit organizations, private developers, employers, special needs groups, state and federal agencies and other interested parties to develop affordable housing.</li> <li>Continue to utilize available financing to assist with the planning and development of new affordable housing for all ages and household types. Community Development staff will regularly monitor the variety of federal and state funding sources that are available for affordable housing projects. The annual Housing Element Progress Report will include an analysis of the funding sources that have been applied for and that will become available during the coming year.</li> </ul>	<p>However, with the comprehensive zoning change to allow mixed use development in many commercial districts, the Affordable Housing Overlay has become obsolete. The 2023-2031 Housing Element includes an action to review and update the Affordable Housing Overlay.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element. The Density Bonus ordinance will be programmed for an update.</p>
<p><b>Policy 2.6 Promote meaningful and informed participation of residents, community groups, and governmental agencies, in local housing and community development activities.</b></p>	
<p><b>Program 2.6a Public Outreach for Housing and Community Development Activities</b></p> <ul style="list-style-type: none"> <li>Maintain communication channels with City residents, community groups, local housing representatives, and other agencies.</li> <li>Periodically update the City website to provide accurate and up-to-date information regarding public hearings, community events, and City projects.</li> <li>Organize community workshops for large development projects.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City proactively encourages participation in community development activities through workshops, community meetings, and public hearings. Zoning code update included over 60 opportunities for the public to participate including workshops, stakeholder groups, surveys, and public meetings.</p> <p><b>Appropriateness:</b> Program is expanded to affirmatively further fair housing during the 2023-2031 Housing Element planning period.</p>
<p><b>Policy 2.7 Maintain the City's Housing Trust Fund.</b></p>	
<p><b>Program 2.7a Housing Trust Fund</b></p> <ul style="list-style-type: none"> <li>Maintain the Housing Trust Fund and utilize the available funds to provide loans and grants through the City's Housing rehabilitation loan and grant program, to assist with affordable housing project feasibility studies and to assist with the permanent financing of acquisition/ rehabilitation projects and new construction affordable housing projects.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City continues to implement the Housing Trust Fund to accrue funds to finance affordable housing activities.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element.</p>



Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>Housing Trust Funds must be used to assist households with incomes at or below 80% of the area median income (low-income).</p> <ul style="list-style-type: none"> <li>Collect in-lieu fees from the City’s Inclusionary Housing Ordinance to fund the Affordable Housing Trust Fund. Augment the Affordable Housing Trust Fund through researching and applying for state or federal funding. Continue to utilize the Housing Trust Fund balance to fund the City’s housing rehabilitation projects and affordable housing development projects.</li> </ul>	
<p><b>Policy 2.8 Encourage the production of affordable ownership housing through the City’s Affordable “Inclusionary” Housing Ordinance.</b></p>	
<p><b>Program 2.8a Inclusionary Housing Ordinance</b></p> <ul style="list-style-type: none"> <li>Continue to implement the Inclusionary Housing Ordinance.</li> <li>Monitor and include an update in the annual Housing Element Progress Report to evaluate any possible impacts on the costs and supply of housing and to evaluate additional incentives that may be needed.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> In 2021, the City updated the Inclusionary Housing Ordinance (IHO) and completed a nexus-based affordable housing fee analysis for for-sale housing and for-rent housing. The City’s IHO was updated to incorporate more options for developers to contribute toward Capitola’s housing stock. Also, the inclusionary housing fee was increased based on the nexus study.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
<p><b>Goal 3.0 Special Housing Needs: Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations.</b></p>	
<p><b>Policy 3.1 Encourage the accessibility and utilization of universal design principles in new housing construction as well as through conversion of existing housing to create environments that can be used by all people.</b></p>	
<p><b>Program 3.1 Barrier-Free Housing</b></p> <ul style="list-style-type: none"> <li>Implement state accessibility standards.</li> <li>Provide technical assistance to encourage barrier-free housing.</li> <li>Provide financial assistance to homeowners and renters through the City’s Housing Rehabilitation Program, to make needed accessibility improvements; assist 12 households during the planning period.</li> <li>Provide information on formal reasonable accommodation procedures at City Hall and on the City’s website.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City follows the state accessibility standards as outlined in the building code.</p> <p>In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income-eligible Capitola residents. The program allowed residents to invest in a variety of home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p>



Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>Information on accommodations is on the website and at City Hall on the meeting agendas.</p> <p><b>Appropriateness:</b> Implementation of building code is not included in the 2023-2031 Housing Element as a separate housing program. The updated Housing Element includes program actions to address special needs housing.</p>
<b>Policy 3.2 Promote Fair Housing</b>	
<p><b>Program 3.2a Fair Housing</b></p> <ul style="list-style-type: none"> <li>• Continue to provide funding to agencies such as California Rural Legal Assistance to assist in resolution of fair housing issues.</li> <li>• Provide referral services and fair housing information to tenants and landlords.</li> <li>• Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale, rental, and management of housing.</li> <li>• Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and the City's website.</li> <li>• Continue to monitor and respond, as appropriate, to complaints of discrimination, and refer tenants to the California Rural Legal Assistance and the Office of Consumer Affairs for proper intake, investigation, and resolution of fair housing complaints.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Ongoing effort. We provide referral services to tenants and landlords when asked.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element. The City recognizes the importance of maintaining fair housing practices and will update this program to reflect changes to state law related to Affirmatively Furthering Fair Housing within the 2023-2031 Housing Element cycle, with the caveat that it will be implemented upon the identification of a funding source that provides the resources needed to properly administer the program to achieve the objectives established herein.</p>
<b>Policy 3.3 Support and facilitate programs that address the housing needs of special needs groups including the elderly population, homeless persons, female-headed households, extremely low-income households, and persons with disabilities, including developmental disabilities.</b>	
<p><b>Program 3.3a Emergency Shelters</b></p> <ul style="list-style-type: none"> <li>• Continue to monitor the inventory of sites appropriate to accommodate emergency shelters.</li> <li>• Work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Ongoing monitoring and provides funding to the County toward regional shelters, as funding permits.</p> <p><b>Appropriateness:</b> Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> <li>• Prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.</li> </ul>	
<p><b>Program 3.3b Transitional and Supportive Housing</b></p> <ul style="list-style-type: none"> <li>• Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing.</li> <li>• Prioritize funding and other available incentives for housing projects that provide services to homeless and extremely low-income residents whenever possible.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> No transitional or supportive housing was developed during the fifth cycle Housing Element.</p> <p><b>Appropriateness:</b> Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>
<p><b>Program 3.3c Housing for Persons with Developmental Disabilities</b></p> <ul style="list-style-type: none"> <li>• Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.</li> <li>• Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities.</li> <li>• Collaborate with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities.</li> <li>• Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City’s website.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Ongoing. The City is currently working with the Dakota Apartment toward rehabilitation and preservation of affordable unit for persons with disabilities.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>
<p><b>Program 3.3d Housing for Extremely Low-Income Households</b></p> <ul style="list-style-type: none"> <li>• Encourage the development of housing for extremely low-income households by outreaching to housing developers, providing financial or in-kind technical assistance, when available, providing expedited processing, identifying grant and funding opportunities, and offering additional incentives beyond density bonus provisions.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City continues to maintain a proactive approach to support and allow for extremely-low income households and households with special needs. However, no new housing units appropriate to these groups were built during the 2015-2023 Housing Element cycle.</p> <p><b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.</p>
<p><b>Policy 3.4 Continue the provision of city-initiated incentives, to encourage affordable units in development projects.</b></p>	
<p><b>Program 3.4a Density Bonus Program</b></p> <ul style="list-style-type: none"> <li>• Provide information on the Density Bonus Program at City Hall and on the City’s website.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Ongoing</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element. In accordance with California Government</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	Code 65915 et seq., the City will continue to monitor State requirements related to Density Bonus provisions and amend the Capitola Municipal Code for compliance with changes in State law as applicable during the 2023-2031 Housing Element cycle.
<b>Policy 3.5 Support the development of accessible and affordable senior rental housing readily accessible to support services; provide assistance for seniors to maintain and improve their homes.</b>	
<b>Policy 3.6 Support the development of accessible and affordable housing that is designed to serve all ages.</b>	
<b>Policy 3.7 Facilitate and encourage the development of rental units appropriate for families with children, including the provision of supportive services such as child care.</b>	
<b>Policy 3.8 Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.</b>	
<b>Policy 3.9 Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.</b>	
<b>Policy 3.10 Investigate and encourage the development of a variety of housing options for seniors including Congregate Housing, Continuing Care Retirement Communities (CCRCs), Assisted Living, Mobile Home Parks, co-housing, secondary dwelling units and Independent Living.</b>	
<b>Policy 3.11 Encourage the establishment of child care centers and family child care homes in all appropriate zoning districts</b>	
<p><b>Program 3.11a Child Care and Day Care Facilities</b></p> <ul style="list-style-type: none"> <li>• Continue to work with child care providers and the County to promote adequate child care facilities within the community.</li> <li>• Provide current zoning regulations applicable to child care and daycare facilities information at City Hall and on the City's website.</li> <li>• Encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing, identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City's recreation department created a new partnership with the local schools to provide after school care with special funds to assist low-income families.</p> <p>The City's zoning ordinance was updated to allow by right small family home daycare and a minor use permit for a large home daycare.</p> <p>The City allocated funds out of the youth and early childhood funds of Measure J to offset the cost associated with large home daycare facilities.</p> <p>The pamphlet is available at City Hall and on the website explaining the standards and available funding.</p> <p><b>Appropriateness:</b> Program is revised to focus on housing-related activities for the 2023-2031 Housing Element update. The City would also consider</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	creating objective standards for daycare centers in Commercial Districts to allow daycare centers with a minor use permit.
<b>Goal 4.0 Housing Assistance: Increased Assistance for extremely low, very low, low and moderate income residents to rent or purchase homes</b>	
<b>Policy 4.1 Maintain the City’s rental and ownership assistance programs.</b>	
<b>Program 4.1a Security Deposit Program</b> <ul style="list-style-type: none"> <li>Assist 7-10 households per year during the planning period.</li> <li>Continue the funding of the City’s Security Deposit Program which offers income-eligible individuals and families assistance to cover the costs of the security deposit for new rental contracts.</li> <li>Seek state and federal funding to expand this program.</li> </ul>	<b>Effectiveness/Progress in Implementation:</b> Current annual funding of \$7,500 covers approximately 4 to 5 families. <b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element, with the goal of increasing funding to assist 7 to 10 households during the planning period.
<b>Program 4.1b Emergency Housing Assistance</b> <ul style="list-style-type: none"> <li>Continue the funding of the City’s Emergency Housing Assistance program that offers eviction and foreclosure prevention in the form of non-reimbursable grants to eligible applicants.</li> <li>Assist 20 households per year during the planning period.</li> </ul>	<b>Effectiveness/Progress in Implementation:</b> Successful ongoing program, given the rent increases and impacts of the pandemic. <b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element.
<b>Program 4.1c Mortgage Assistance Program</b> <ul style="list-style-type: none"> <li>Assist two households during the planning period</li> <li>Continue the funding of the City’s Mortgage Assistance program that offers loans for low and moderate income home buyers to purchase a home in the City.</li> <li>Continue to seek federal and state grants through programs such as the State’s BEGIN program to augment the current City and grant funding for this program</li> </ul>	<b>Effectiveness/Progress in Implementation:</b> Challenging program due to real estate pricing and having to qualify for low and moderate income. One household qualified for this program during the 5 <sup>th</sup> cycle. <b>Appropriateness:</b> Program is updated to reflect the limited funding available and program efforts focus on referral to outside sources of assistance.
<b>Policy 4.2 Explore and pursue City participation in other affordable homeownership assistance programs in the private market.</b>	
<b>Policy 4.3 Support the provision of child care services, employment training, rental assistance, and other supportive services to enable households to be self-sufficient.</b>	

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
Policy 4.4 Seek and support collaborative partnerships of nonprofit organizations and the development community to aid in the provision of affordable housing.	
Policy 4.5 Prohibit discrimination in all aspects affecting the sale, rental or occupancy of housing based on status or other arbitrary classification.	
Goal 5.0 Neighborhood Vitality: Maintain, preserve and improve the character of existing residential neighborhoods	
Policy 5.1 Ensure a compatible relationship between new housing and circulation patterns and encourage pedestrian and bicycle friendly communities in order to minimize traffic impacts on quality of life.	
Policy 5.2 Protect the integrity of existing single family and multiple family neighborhoods by promoting balanced site design and architecture	
<p><b>Program 5.2a Design Review</b></p> <ul style="list-style-type: none"> <li>• Continue to enforce guidelines to control the size, scale and appearance of single-family residential development to be compatible with Capitola’s traditional or “cottage” character of neighborhoods.</li> <li>• Continue to encourage and require sustainable development practices.</li> <li>• Continue to review new and substantially rehabilitated residential construction to ensure compatibility with existing scale and architectural character of residences in the surrounding neighborhood.</li> <li>• Continue to enforce guidelines to control the size, scale, massing and appearance of multi-residential development to minimize the impacts of any transition from existing single-family residential districts.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The City has incorporated new objective design standards into the zoning code for ADUs and Multifamily. The City has also adopted an SB 9 ordinance with objective standards.</p> <p><b>Appropriateness:</b> Ongoing implementation of adopted codes is not included in the 2023-2031 Housing Element as a separate housing program.</p>
Policy 5.3 Assist individual neighborhoods in establishing their own identify through the development of neighborhood amenities (pocket parks, lighting, signs, etc.), mixed use neighborhood nodes, and pedestrian and sustainability improvements.	
Policy 5.4 Promote the repair, improvement and rehabilitation of housing and encourage replacement of substandard housing to enhance quality of life in neighborhoods.	
<p><b>Program 5.4a Housing Rehabilitation Program</b></p> <ul style="list-style-type: none"> <li>• Continue to seek federal and state grants through programs such as the State’s BEGIN program to augment the current City and grant funding for this program.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The program was not effective due to the administrative burden of a loan program and limited funding.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> <li>Assist 12 low-income households during the planning period through the Housing Rehabilitation program.</li> <li>Promote sustainable energy practices and encourage more residents and businesses to utilize sustainable energy technologies such as, rooftop solar photovoltaic systems, solar water heaters, and electric vehicle charging stations.</li> </ul>	<p><b>Appropriateness:</b> The 2023-2031 Housing Element revises the program to pursue funding for a repair grant program for seniors and lower income households.</p>
<p><b>Policy 5.5 Improve the quality of housing and neighborhoods by educating landlords, tenants and property owners about code compliance issues and enforcing compliance with building and property maintenance standards.</b></p>	
<p><b>Program 5.5a Code Enforcement</b></p> <ul style="list-style-type: none"> <li>Continue to implement a proactive code enforcement program for health and safety violations through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City’s website.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> To prevent the deterioration of the existing housing stock, the City staff has continued to bring sub-standard properties into compliance with the enforcement and implementation of existing development code standards relative to property maintenance. The City’s greatest success was at the Dakota Apartments in which the property management, HUD and the City worked together for the residents to resolve water related issues with the building.</p> <p><b>Appropriateness:</b> Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
<p><b>Goal 6.0 Resource Conservation Fulfill the City’s housing needs while promoting an environmentally sensitive, compact community that is a pedestrian oriented, neighborhood-centered community, using resources in a sustainable manner</b></p>	
<p><b>Policy 6.1 Encourage the use of alternative modes of transportation</b></p>	
<p><b>Program 6.1a Alternative Transportation Planning</b></p> <ul style="list-style-type: none"> <li>Direct higher density housing close to transportation corridors, including bus routes and arterial roadways</li> <li>Coordinate with transit service providers to expand service to Capitola’s residential and mixed-use districts.</li> <li>Promote design of new residential development for people rather than for automobiles.</li> <li>Direct City staff, Planning Commission and City Council to consider amending the zoning code to allow for increased height limits in commercial areas to support mixed-use developments.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Various elements of the City’s General Plan provide the goals, policies, and programs that address transit-oriented development and alternative transportation modes. Policies includes encouraging development and land uses that enhance a pedestrian-oriented environment; requiring new development to provide for pedestrian and bicycle connections between residential and commercial areas; and supporting projects, programs, policies, and regulations to maintain a balanced multi-modal transportation network.</p> <p>During the 5<sup>th</sup> Cycle, the City was supportive of a conceptual redevelopment project at the Capitola Mall which would have implemented Policy 6.1.</p>



Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>Capitola’s zoning code update in 2018 directs higher density housing to be constructed close to transportation corridors.</p> <p><b>Appropriateness:</b> This is not included in the 2023-2031 Housing Element as a housing program.</p>
<b>Policy 6.2 Strive to maintain a jobs/housing balance</b>	
<p><b>Program 6.2a City Jobs/Housing Balance</b></p> <ul style="list-style-type: none"> <li>• Encourage housing in close proximity to employment through encouraging residential-commercial mixed-use development.</li> <li>• Encourage the development of housing that will be affordable to the individuals who are employed in locally-centered jobs.</li> <li>• Continue the policy to inform and market new affordable housing constructed pursuant to Capitola’s housing programs to households that currently live or work in Capitola.</li> <li>• Periodically conduct a jobs/housing balance study to evaluate the current balance and determine which economic and housing strategies are appropriate.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> The Land Use Element of the General Plan provides the goals, policies, and programs that address City Jobs/Housing Balance. Policies include ensuring that land use decisions balance the needs, interests, and concerns of Capitola’s residents, visitors, and workers, and maintain and protect a healthy balance of commercial and residential uses in the Village. Additionally, the City informed residents of new affordable housing through its website.</p> <p><b>Appropriateness:</b> Capitola’s zoning code update in 2018 directs higher density housing to be constructed close to employment centers, specifically 41<sup>st</sup> Avenue. This is not included in the 2023-2031 Housing Element as a housing program.</p>
<b>Policy 6.3 Promote Green Building techniques, development and construction standards that provide for resource conservation</b>	
<p><b>Program 6.3a City of Capitola Green Building Program</b></p> <ul style="list-style-type: none"> <li>• Encourage and require sustainable development practices.</li> <li>• Continue to implement the mandatory Green Building Program for all major remodels and new construction.</li> <li>• Update the Program periodically to reflect and utilize new developments in ecological/sustainable technologies.</li> </ul>	<p><b>Effectiveness/Progress in Implementation:</b> Capitola’s Green Building Program is rarely used. state regulations are outpacing the local ordinance.</p> <p><b>Appropriateness:</b> Implementation of state building code is not included in the 2023-2031 Housing Element as a separate housing program.</p>
<p><b>Policy 6.4 Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.</b></p> <p><b>Policy 6.5 Ensure that adequate water supplies and sewer services continue to be available for residents and businesses.</b></p>	
<p><b>Program 6.5a Adequate Water Supplies and Sewer Services</b></p>	<p><b>Effectiveness/Progress in Implementation:</b> The City depends on private water and county sewer.</p>



Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> <li>Continue to ensure that water and sewer providers meet their obligation to provide priority to affordable housing projects pursuant to state law.</li> </ul>	<b>Appropriateness:</b> Program is updated for the 2023-2031 Housing Element.

**Table C-1: Progress toward Meeting the 2015-2023 Housing Element RHNA Goals**

Income Category	RHNA Goals	Total Units Built
Very Low	34	2
Low	23	0
Moderate	26	2
Above Moderate	60	45
Total	143	49

## B. Cumulative Impact of the Effectiveness of Addressing Special Housing Needs

As a small city, Capitola has limited funding for affordable housing. However, the City was able to provide some assistance to special needs households during the 2015-2023 planning period. Specifically, the City was able to provide rehabilitation assistance, focusing on energy and water efficiency, to seniors, disabled, and lower income households using CDBG funds. The City also funds an emergency rental assistance program and a security deposit program for lower income households. The Housing Choice Voucher (HCV) program, which prioritizes assistance to extremely low income households, seniors, disabled, and persons at risk of homelessness, provides assistance to 206 households in Capitola.

**APPENDIX D: SITES MAP AND INVENTORY**

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# HOUSING ELEMENT UPDATE: 6TH CYCLE SITES INVENTORY ANALYSIS

## RHNA SITES

### MAP FEATURES

- City Limit
- Selected Sites for Analysis
- Coastal Zone Boundary

### ZONING DESIGNATIONS

- Residential Zoning Districts**
- R-1 - Single Family Residential
  - RM-L - Multi-Family Residential, Low Density
  - RM-M - Multi-Family Residential, Medium Density
  - RM-H - Multi-Family Residential, High Density
  - MH - Mobile Home Park
- Mixed-Use Zoning Districts**
- MU-V - Mixed Use Village
  - MU-N - Mixed Use Neighborhood
- Commercial and Industrial Zoning Districts**
- C-R - Regional Commercial
  - C-C - Community Commercial
  - I - Industrial
- Other Zoning Districts**
- P/OS - Parks and Open Space
  - CF - Community Facility
  - PD - Planned Development
  - VS - Visitor Serving

### NOTES

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The City of Capitola makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



Base map and data from City of Capitola and Santa Cruz County GIS data. Direct all inquiries to the City of Capitola Planning Division at (831) 475-7300 or at [planning@ci.capitola.ca.us](mailto:planning@ci.capitola.ca.us).

Drawn by: RRM Design Group; Created on: February 29, 2024.  
ArcMap GIS, Version 10.8.1, Redlands, CA; Esl

FEBRUARY 29, 2024

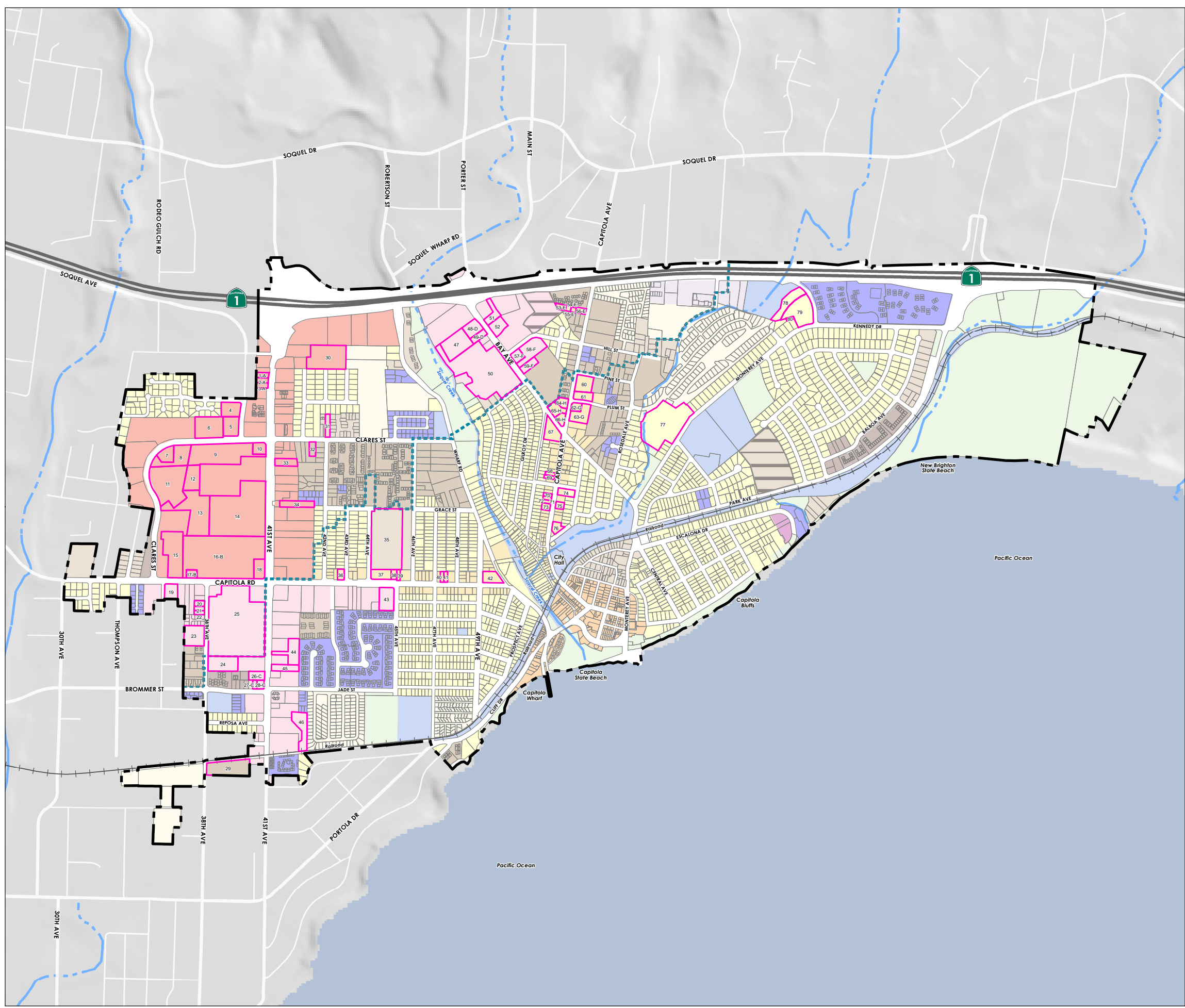
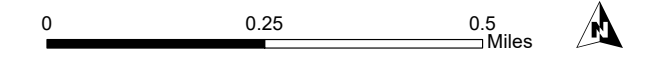


Table D-1: Housing Element Sites Inventory

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ Non-Vacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations
2175 41ST AVE	1	034-192-07	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.21	Mixed	2	1	1	4	No	Non-Vacant	0.38	25.5%	1969	2.74	No	121-MULTI STORES/1 BLDG	
2165 41ST AVE	2	034-192-08	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.20	Mixed	2	1	1	4	No	Non-Vacant	0.24	15.8%	1969	1.46	No	120-SINGLE STORE	
2155 41ST AVE	3	034-192-09	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.20	Mixed	2	1	1	4	No	Non-Vacant	0.33	22.1%	1969	2.22	No	120-SINGLE STORE	
2045 A 40TH AVE	4	034-512-01				C-R	C-R	0	Unlimited	21	0.87	Mixed	9	3	6	18	No	Non-Vacant	0.41	27.1%	1989	0.48	Yes	171-MULTI OFFICES/1 BLDG; office use	
2001 40TH AVE	5	034-512-02				C-R	C-R	0	Unlimited	21	0.95	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.40	26.4%	1989	1.05	No	121-MULTI STORES/1 BLDG	
3825 CLARES ST	6	034-261-47				C-R	C-R	0	Unlimited	21	1.89	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.32	21.4%	1992	0.96	Yes	160-MAJOR SHOPPING CENTER; discontinued use	Old Pier 1 site; East half available
3400 CLARES ST	7	034-261-35				C-R	C-R	0	Unlimited	48	0.66	Mixed	5	2	25	32	No	Non-Vacant	0.29	19.6%	2019	1.89	No	200-RESTAURANT Capitola Mall	Capitola Mall
3700 CLARES ST	8	034-261-36				C-R	C-R	0	Unlimited	48	1.45	Mixed	10	3	56	69	No	Non-Vacant	0.00	0.0%	n/a	0.00	No	192-COMMERCIAL PARKING Capitola Mall	Capitola Mall
1955 41ST AVE B8	9	034-261-53				C-R	C-R	0	Unlimited	48	3.94	Mixed	28	9	151	188	No	Non-Vacant	0.33	21.9%	1979	4.71	No	161-MINOR SHOPPING CENTER Capitola Mall	Capitola Mall
1995 41ST AVE	10	034-261-54				C-R	C-R	0	Unlimited	48	0.48	Mixed	3	1	18	22	No	Non-Vacant	0.28	18.6%	1977	0.41	No	211-SAVINGS & LOAN Capitola Mall	Capitola Mall
1865 41st AVE	11	034-261-34				C-R	C-R	0	Unlimited	29 48	4.92 3.84	Mixed	28 28	8 9	49 147	55 184	No	Non-Vacant	0.28	18.4%	1988	1.55	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall Utilizing 50%-of-site
1855 41ST AVE	12	034-261-15				C-R	C-R	0	Unlimited	29 48	1.16	Mixed	17 8	5 3	12 45	34 56	Yes	Non-Vacant	0.00	0.1%	n/a	0.95	No	192-COMMERCIAL PARKING; Capitola Mall	Capitola Mall
1855 41ST AVE	13	034-261-38				C-R	C-R	0	Unlimited	29 48	3.57	Mixed	52 26	15 9	37 137	104 172	Yes	Non-Vacant	0.59	39.3%	1988	2.15	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
1855 41ST AVE	14	034-261-37				C-R	C-R	0	Unlimited	29 48	8.36	Mixed	124 60	36 20	85 321	242 401	Yes	Non-Vacant	0.42	28.3%	1978	0.98	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
1855 41ST AVE	15	034-261-51				C-R	C-R	0	Unlimited	48	2.59	Mixed	19	6	99	124	No	Non-Vacant	0.80	53.3%	1990	3.24	No	160-MAJOR SHOPPING CENTER Capitola Mall	Capitola Mall
4015 CAPITOLA RD	16	034-261-40	B	Yes	Yes	C-R	C-R	0	Unlimited	29 48	10.05	Mixed	446 72	44 24	404 386	294 482	Yes	Non-Vacant	0.24	16.2%	1971	0.09	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
3775 CAPITOLA RD	17	034-261-39	B	Yes	Yes	C-R	C-R	0	Unlimited	29 48	0.28	Mixed	4 2	4 1	3 11	8 14	Yes	Non-Vacant	0.69	45.7%	1992	0.36	Yes	200-RESTAURANT; Capitola Mall; discontinued use	Capitola Mall
4055 CAPITOLA RD	18	034-261-14				C-R	C-R	0	Unlimited	48	0.68	Mixed	5	2	26	33	No	Non-Vacant	0.33	21.8%	1968	0.60	No	210-BANK Capitola Mall	Capitola Mall
3720 CAPITOLA RD	19	034-181-14				C-C	C-C	0	Unlimited	17	0.62	Mixed	5	2	4	11	Yes	Non-Vacant	0.24	23.7%	1961	0.18	Yes	023-NON-CONFORMING RES; non-conforming use	
1625 38TH AVE	20	034-181-03				C-C	C-C	0	Unlimited	17	0.18	Mixed	0	1	2	3	No	Non-Vacant	0.25	25.2%	1941	0.39	Yes	171-MULTI OFFICES/1 BLDG; non-conforming use	
1605 38TH AVE	21	034-181-04				C-C	C-C	0	Unlimited	17	0.14	Mixed	0	1	1	2	No	Non-Vacant	0.51	51.0%	1962	0.32	Yes	023-NON-CONFORMING RES; non-conforming use	
1595 38TH AVE	22	034-181-05				C-C	C-C	0	Unlimited	17	0.13	Mixed	0	1	1	2	No	Non-Vacant	0.31	30.5%	1962	0.43	No	023-NON-CONFORMING RES	
1465 38TH AVE	23	034-181-18				C-C	C-C	0	Unlimited	17	1.29	Mixed	11	3	8	22	No	Non-Vacant	0.56	56.3%	1988	0.67	No	322-MINI STORAGE	
1404 38TH AVE	24	034-164-41				C-C	C-C	0	Unlimited	25	1.40	Mixed	18	5	12	35	Yes	Non-Vacant	0.10	10.2%	1990	0.98	No	615-OTHER SPORTS CENTER	Agility Boulders Gym; Assuming 25 du/ac
1475 41ST AVE	25	034-151-20				C-C	C-C	0	Unlimited	17	3.00	Mixed	26	8	17	51	Yes	Non-Vacant	0.34	33.9%	1974	1.41	No	160-MAJOR SHOPPING CENTER	Exception - Only utilizing 3.0 ac of site (parking lot)
1395 41ST AVE	26	034-164-12	C	No	Potential	C-C	C-C	0	Unlimited	17	0.44	Mixed	4	1	3	8	No	Non-Vacant	0.27	26.7%	1985	0.89	No	131-MULTI STORES/OFFICES	
4055 BROMMER ST A	27	034-164-09	C	No	Potential	C-C	C-C	0	Unlimited	17	0.12	Mixed	1	0	1	2	No	Non-Vacant	0.46	46.1%	1962	0.24	Yes	030-SINGLE DUPLEX; non-conforming use	
1355 41ST AVE	28	034-164-13	C	No	Potential	C-C	C-C	0	Unlimited	17	0.20	Mixed	2	0	1	3	No	Non-Vacant	0.21	20.7%	1954	0.52	Yes	028-SFR + SECOND UNIT; non-conforming use	
1098 38TH AVE	29	034-172-01				R-M	RM-M	0	15.0	15	1.98	Low	52	0	0	52	Yes	Non-Vacant	0.36		n/a	n/a	Yes	742-CONVALESCENT HOSPITAL; discontinued use	Rehab - No existing units; 52-unit project
4180 GROSS RD	30	034-141-23				C-R	C-R	0	Unlimited	21	2.82	Mixed	30 59	9 0	29 0	59	No	Non-Vacant	0.41	27.6%	1977	1.53	Yes	322-MINI STORAGE; non-conforming use	
4205 CLARES ST	31	034-222-06				R-M	RM-L	0	9.9	10	0.34	Mixed	0	1	1	2	No	Non-Vacant	0.18		1978	3.69	No	033-TRIPLEX	
4180 CLARES ST	32	034-201-42				R-M	RM-M	0	15.0	15	0.29	Mixed	0	1	2	3	No	Non-Vacant	0.31		1949	4.18	No	020-SINGLE RESIDENCE	
1970 41ST AVE	33	034-201-11				C-R	C-R	0	Unlimited	21	0.53	Mixed	6	2	3	11	No	Non-Vacant	0.02	1.1%	n/a	0.07	No	192-COMMERCIAL PARKING	
1840 41ST AVE	34	034-131-15				C-R	C-R	0	Unlimited	21	0.69	Mixed	7	2	5	14	Yes	Non-Vacant	0.29	19.0%	1984	1.18	No	131-MULTI STORES/OFFICES	
1710 44TH AVE A	35	034-124-21				R-M	RM-L	0	9.9	15	5.91	Mixed	8	3	5	16	No	Non-Vacant	0.20		1979	3.09	No	044-41 - 60 UNITS	Capitola Gardens; 0.8 ac available; Assign AHO
4243 CAPITOLA RD	36	034-121-18				MU-N	MU-N	0	Unlimited	17	0.23	Mixed	0	1	3	4	Yes	Non-Vacant	0.35	35.3%	1978	1.29	No	171-MULTI OFFICES/1 BLDG	
4401 CAPITOLA RD	37	034-123-05				MU-N	MU-N	0	Unlimited	17	0.63	Low	36	0	0	36	Yes	Non-Vacant	0.14	13.5%	1985	1.01	No	171-MULTI OFFICES/1 BLDG	The Bluffs; No existing units; 36-unit project
4401 CAPITOLA RD	38	034-124-18				MU-N	MU-N	0	Unlimited	17	0.18	Mixed	0	1	2	3	Yes	Non-Vacant	0.30	29.9%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ Non-Vacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations
4525 CAPITOLA RD	39	034-124-06				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Non-Vacant	0.33	33.3%	1949	0.33	No	020-SINGLE RESIDENCE	Congregational; Assigned 2 units
4625 CAPITOLA RD	40	034-022-19				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Vacant	0.03	3.1%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
4655 CAPITOLA RD	41	034-022-18				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
1750 WHARF RD	42	034-024-10				MU-N	MU-N	0	Unlimited	17	0.61	Mixed	5	2	3	10	No	Non-Vacant	0.00	0.0%	n/a	0.06	No	192-COMMERCIAL PARKING	
4450 CAPITOLA RD	43	034-111-47				C-C	C-C	0	Unlimited	17	1.07	Mixed	9	3	6	18	Yes	Non-Vacant	0.33	32.9%	1986	1.33	No	171-MULTI OFFICES/1 BLDG	
1430 41ST AVE	44	034-111-52				C-C	C-C	0	Unlimited	17	1.10	Mixed	9	3	7	19	Yes	Non-Vacant	0.34	34.3%	1987	1.03	Yes	160-MAJOR SHOPPING CENTER; discontinued use	
1408 1/2 41ST AVE	45	034-111-36				C-C	C-C	0	Unlimited	17	0.57	Mixed	5	2	3	10	No	Non-Vacant	0.27	27.0%	1961	0.49	No	122-STORE W/ LIVING UNIT	
1210 41ST AVE	46	034-101-36				C-C	C-C	0	Unlimited	17	1.17	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.34	33.9%	n/a	7.70	Yes	20-SINGLE STORE; discontinued use	Existing use is discontinued
829 BAY AVE	47	035-381-02				C-C	C-C	0	Unlimited	17	1.82	Mixed	7	2	5	14	No	Non-Vacant	0.12	11.7%	1970s	1.94	No	620-CLUB/LODGE HALL	While exact age is unknown, a Google Earth review indicates the building is consistent in age/style with surrounding structures. Available open space area - 0.8 ac
831 BAY AVE	48	035-381-03	D	No	Yes	C-C	C-C	0	Unlimited	17	0.67	Mixed	6	2	4	12	No	Non-Vacant	0.29	28.6%	1978	1.00	No	171-MULTI OFFICES/1 BLDG	
827 BAY AVE	49	035-381-04	D	No	Yes	C-C	C-C	0	Unlimited	17	0.35	Mixed	3	1	2	6	No	Non-Vacant	0.23	22.7%	1970s	1.19	No	122-STORE W/ LIVING UNIT	While exact age is unknown, a Google Earth review indicates the building is consistent in age/style with surrounding structures.
809 BAY AVE	50	035-021-43				C-C	C-C	0	Unlimited	17	1.70	Mixed	14	0	15	29	No	Non-Vacant	1.52	152.2%	1965	10.72	No	160-MAJOR SHOPPING CENTER	Exception - Only utilizing 1.7 ac of site (parking lot)
830 BAY AVE	51	036-011-22				C-C	C-C	0	Unlimited	17	0.57	Mixed	5	2	3	10	No	Non-Vacant	0.24	24.2%	1973	3.38	No	171-MULTI OFFICES/1 BLDG	
828 BAY AVE	52	036-011-31				C-C	C-C	0	Unlimited	17	0.88	Mixed	6	2	3	11	No	Non-Vacant	0.18	17.7%	1986	0.62	No	120-SINGLE STORE	
911 CAPITOLA AVE	53	036-011-13	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.16	Mixed	1	1	1	3	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND; discontinued use	Vacant
911 CAPITOLA AVE	54	036-011-14	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.10	Mixed	1	0	1	2	No	Non-Vacant	0.25	25.0%	n/a	0.00	No	192-COMMERCIAL PARKING; discontinued use	
911 CAPITOLA AVE	55	036-011-12	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.08	Low	1	0	0	1	No	Non-Vacant	0.94	94.4%	1967	0.53	No	191-OTHER COMMERCIAL USE; discontinued use	
911 CAPITOLA AVE A	56	036-011-11	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.18	Mixed	2	0	1	3	No	Non-Vacant	0.22	22.3%	1934	1.03	No	122-STORE W/ LIVING UNIT; discontinued use	
816 BAY AVE	57	036-051-26	F	Yes	Potential	C-C	C-C	0	Unlimited	17	0.38	Mixed	3	1	2	6	No	Non-Vacant	0.16	15.9%	1967	0.32	No	201-FAST FOOD RESTAURANT	
816 BAY AVE A	58	036-051-29	F	Yes	Potential	C-C	C-C	0	Unlimited	17	1.36	Mixed	42 23	4 0	7 0	23	No	Non-Vacant	0.22	22.3%	1971	3.20	No	161-MINOR SHOPPING CENTER	
800 BAY AVE	59	036-051-30	F	Yes	Potential	C-C	C-C	0	Unlimited	17	0.44	Mixed	4	1	2	7	No	Non-Vacant	0.16	16.1%	1936	0.34	Yes	023-NON-CONFORMING RES; non-conforming use	
718 CAPITOLA AVE	60	036-062-11				MU-N	MU-N	0	Unlimited	17	0.86	Mixed	7	2	6	15	No	Non-Vacant	0.24	24.1%	1946	0.86	No	190-MISC MULTI USE	
716 CAPITOLA AVE	61	036-062-12				MU-N	MU-N	0	Unlimited	17	0.50	Mixed	4	1	3	8	No	Non-Vacant	0.43	42.9%	1966	1.45	No	131-MULTI STORES/OFFICES	
712 CAPITOLA AVE	62	036-062-14	G	No	Potential	MU-N	MU-N	0	Unlimited	17	0.27	Mixed	2	1	2	5	No	Non-Vacant	0.23	23.2%	1965	1.43	No	122-STORE W/ LIVING UNIT	
706 CAPITOLA AVE	63	036-062-15	G	No	Potential	MU-N	MU-N	0	Unlimited	17	0.88	Mixed	7	2	6	15	No	Non-Vacant	0.24	24.1%	1965	1.45	No	131-MULTI STORES/OFFICES	
715 CAPITOLA AVE	64	036-051-34	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.33	Mixed	3	1	2	6	No	Non-Vacant	0.32	32.0%	1980	4.00	No	131-MULTI STORES/OFFICES	
700 BAY AVE	65	036-051-35	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.50	Mixed	4	1	4	9	No	Non-Vacant	0.35	35.1%	1948	0.57	No	122-STORE W/ LIVING UNIT	
600 BAY AVE	66	036-051-12	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.29	Mixed	2	1	2	5	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
601 BAY AVE	67	035-301-01				MU-N	MU-N	0	Unlimited	17	0.86	Mixed	7	2	6	15	No	Non-Vacant	0.16	16.2%	1974	0.57	No	210-BANK	
605 CAPITOLA AVE	68	035-301-16				MU-N	MU-N	0	Unlimited	17	0.10	Mixed	0	1	1	2	No	Non-Vacant	0.31	30.9%	1925	0.28	No	020-SINGLE RESIDENCE	
603 CAPITOLA AVE	69	035-301-18				MU-N	MU-N	0	Unlimited	17	0.11	Mixed	0	1	1	2	No	Non-Vacant	0.32	32.2%	1910	1.08	No	023-NON-CONFORMING RES	
525 CAPITOLA AVE 1	70	035-093-03				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.50	50.1%	1977	0.66	No	180-MEDICAL OFFICE	
523 CAPITOLA AVE	71	035-093-04				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.33	33.4%	1966	0.62	No	181-DENTAL OFFICE	
521 CAPITOLA AVE	72	035-093-05				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.45	45.4%	1964	0.47	No	180-MEDICAL OFFICE	
519 CAPITOLA AVE	73	035-093-06				MU-N	MU-N	0	Unlimited	17	0.19	Mixed	0	1	2	3	No	Non-Vacant	0.29	29.1%	n/a	2.51	No	171-MULTI OFFICES/1 BLDG	
528 CAPITOLA AVE	74	035-094-29				MU-N	MU-N	0	Unlimited	17	0.38	Mixed	0	2	4	6	No	Non-Vacant	0.36	36.1%	1961	2.71	No	180-MEDICAL OFFICE	
522 CAPITOLA AVE	75	035-094-37				MU-N	MU-N	0	Unlimited	17	0.18	Mixed	0	1	2	3	No	Non-Vacant	0.36	36.2%	1976	0.78	No	171-MULTI OFFICES/1 BLDG	
506 CAPITOLA AVE 1	76	035-094-14				MU-N	MU-N	0	Unlimited	17	0.31	Mixed	0	2	3	5	No	Non-Vacant	0.17	16.7%	1947	1.96	No	041-5 - 10 UNITS	
435 MONTEREY AVE	77	036-072-48				R-1	R-1	0	8.7	40 8.7	5.02	Mixed	5 0	0 3	0 2	5	No	Non-Vacant	0.10	21.7%	n/a	5.10	No	710-CHURCH	Congregational; Assigned 5 units
875 MONTEREY AVE	78	036-041-28	I	Yes	Yes	R-1	R-1	0	8.7	0	1.08	Above	4 0	0	0 1	1	No	Non-Vacant	0.16	32.6%	n/a	0.00	No	711-OTHER CHURCH PROPERTY	Congregational

Item 8 A.

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ NonVacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations
875 MONTEREY AVE	79	036-041-26	J	Yes	Yes	R-1	R-1	0	8.7	<del>10</del> 8.7	1.99	Mixed	3 0	0 2	0 1	3	No	Non-Vacant	0.30	61.6%	1972	15.15	No	710-CHURCH	Congregational; Assigned 5 units
837 MONTEREY AVE	80	036-195-02	J	Yes	Yes	R-1	R-1	0	8.7	0	0.07	Above	4 0	0	0 1	1	No	Non-Vacant	0.12	21.1%	n/a	n/a	No	801-UTILITY WATER COMPANY	Congregational
													716	180	1,615	2,511									

## APPENDIX E: AFFIRMATIVELY FURTHERING FAIR HOUSING

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## Appendix E: Affirmatively Furthering Fair Housing (AFFH)

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### A. Introduction and Overview of AB 686

Assembly Bill 686 requires the inclusion in the Housing Element of an analysis of barriers that restrict access to opportunity<sup>1</sup> and a commitment to specific meaningful actions to affirmatively further fair housing.<sup>2</sup> AB 686 mandates that local governments identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected classes.<sup>3</sup> In addition, AB 686:

- Requires the state, cities, counties, and public housing authorities to administer their programs and activities related to housing and community development in a way that affirmatively furthers fair housing;
- Prohibits the state, cities, counties, and public housing authorities from taking actions materially inconsistent with their AFFH obligation;
- Requires that the AFFH obligation be interpreted consistent with HUD’s 2015 regulation, regardless of federal action regarding the regulation;
- Requires an AFFH analysis in the Housing Element (an existing planning process that California cities and counties must complete); and
- Includes in the Housing Element’s AFFH analysis a required examination of issues such as segregation and resident displacement, as well as the required identification of fair housing goals.
- Requires an assessment of fair housing to the Housing Element that includes the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity;

---

1 While California’s Department of Housing and Community Development (HCD) does not provide a definition of opportunity, opportunity is usually related to access to resources and improvement of quality of life. HCD and the California Tax Credit Allocation Committee (TCAC) have created Opportunity Maps to visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.

2 “Affirmatively furthering fair housing” is defined to mean taking meaningful actions that “overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for communities of color, persons with disabilities, and others protected by California law.

3 A protected class is a group of people sharing a common trait who are legally protected from being discriminated against on the basis of that trait.

an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

## 1. Analysis Requirements

An assessment of fair housing must consider the elements and factors that cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and disproportionate housing needs.<sup>4</sup> The analysis must address patterns at a regional and local level and trends in patterns over time. This analysis should compare the locality at a county level or even broader regional level such as a Council of Governments, where appropriate, for the purposes of promoting more inclusive communities.

For the purposes of this AFFH, “Regional Trends” describes trends in Santa Cruz County. “Local Trends” describes trends specific to the City of Capitola.

## 2. Sources of Information

The City uses a variety of data sources for the assessment of fair housing at the regional and local level. Sources include:

- California Department of Housing and Community Development (HCD) AFFH Data Viewer 2.0.
- U.S. Census Bureau’s Decennial Census (referred to as “Census”) and American Community Survey (ACS).
- U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordable Strategy (CHAS) reports (based on the 2015-2019 ACS).

Some of these sources provide data on the same topic, but because of different methodologies, the resulting data differ. For example, the decennial census and ACS report slightly different estimates for the total population, number of households, number of housing units, and household size. This is in part because ACS provides estimates based on a small survey of the population taken over the course of the whole year.<sup>5</sup> Because of the survey size and seasonal

4 Gov. Code, §§65583, subds. (c)(10)(A), (c)(10)(B), 8899.50, subds. (a), (b), (c); see also AFFH Final Rule and Commentary (AFFH Rule), 80 Fed. Reg. 42271, 42274, 42282-42283, 42322, 42323, 42336, 42339, 42353-42360, esp. 42355-42356 (July 16, 2015). See also 24 C.F.R. §§ 5.150, 5.154(b)(2) (2016).

5 The American Community Survey is sent to approximately 250,000 addresses in the United States monthly (or 3 million per year). It regularly gathers information previously contained only in the long form of the decennial census. This information is then averaged to create an estimate reflecting a 1- or 5-year reporting period (referred to as a “5-year estimate”). 5-year estimates have a smaller margin of error due to the longer reporting period and are used throughout this AFFH analysis.

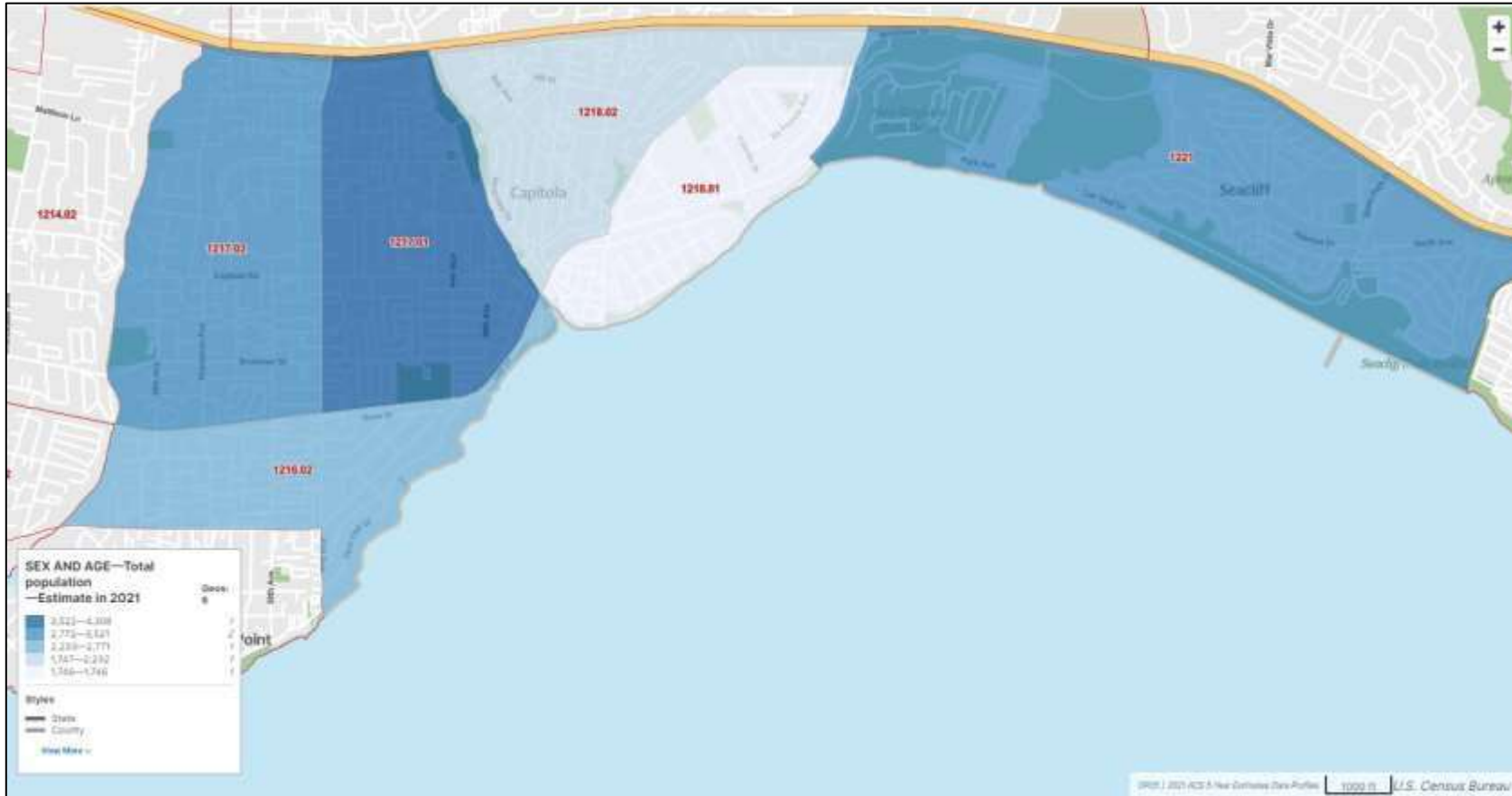


population shifts, some information provided by the ACS is less reliable. For this reason, the readers should keep in mind the potential for data errors when drawing conclusions based on the ACS data used in this chapter. The information is included as it provides an indication of possible trends.

In addition, HCD has developed a statewide AFFH Data Viewer. The AFFH Data Viewer consists of map data layers from various data sources and provides options for addressing each of the components within the full scope of the assessment of fair housing.

Figure E-1 shows the Census tracts in Capitola that will be referred to throughout this Assessment of Fair Housing Issues.

Figure E-1: Capitola Census Tracts and Populations (2021)



Source: 2017-2021 ACS (5-Year Estimates).

## B. Assessment of Fair Housing Issues

### 1. Fair Housing Enforcement and Outreach

#### Regional Trends

Federal fair housing laws prohibit discrimination based on race, color, religion, national origin, sex/gender, handicap/disability, and familial status. Specific federal legislation and court rulings include:

- **The Civil Rights Act of 1866** – covers only race and was the first legislation of its kind
- **The Federal Fair Housing Act 1968** – covers refusal to rent, sell, or finance to protected classes
- **The Fair Housing Amendment Act of 1988** – added the protected classes of handicap and familial status
- **The Americans with Disabilities Act (ADA)** – covers public accommodations in both businesses and in multifamily housing developments
- **Rehabilitation Act of 1973** – expanded federal programs and services for persons with disabilities
- **Shelly v. Kramer 1948** – made it unconstitutional to use deed restrictions to exclude individuals from housing based on race
- **Jones v. Mayer 1968** – made restrictive covenants based on race illegal and unenforceable

California state fair housing laws protect the same classes as the federal laws with the addition of marital status, ancestry, source of income, sexual orientation, and arbitrary discrimination. Specific state legislation and regulations include:

- **Unruh Civil Rights Act** – extends to businesses and covers age and arbitrary discrimination
- **California Fair Employment and Housing Act (Rumford Act)** – covers the area of employment and housing, with the exception of single-family houses with no more than one roomer/boarder
- **California Civil Code Section 53** – takes measures against discriminatory restrictive covenants
- **Department of Real Estate Commissioner's Regulations 2780-2782** – defines disciplinary actions for discrimination, prohibits panic selling and affirms the broker's duty to supervise
- **Business and Professions Code** – covers people who hold licenses, including real estate agents, brokers, and loan officers
- **Government Code Section 65008** - prohibits a local government from using public or private land practices, decisions or authorizations to discriminate against low or moderate-income families or individuals.

- **Government Code Section 8899.50** - defines and requires public agencies to affirmatively further fair housing.
- **Government Code Section 11135** – no person shall be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted by the state or funded/receives financial assistance from the state.

The City complies with applicable federal and state fair housing laws to ensure that housing is available to all persons without regard to race, color, religion, national origin, disability, familial status, or sex.

Fair housing enforcement and outreach capacity relates to the ability of a locality and fair housing entities to disseminate information related to fair housing and provide outreach and education to assure community members are aware of fair housing laws and rights. In addition, enforcement and outreach capacity includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing. The following organizations provide legal assistance and mediation services to Santa Cruz County residents:

- **California Rural Legal Assistance (CRLA)** – Nonprofit law firm that provides a full range of legal services to low-income residents of Santa Cruz and San Benito County who are under the age of 62. Services include legal information, representation, and advocacy.
- **Senior Citizens' Legal Services** – Nonprofit law firm that provides a full range of legal services to low-income residents in Santa Cruz County aged 62 and older. Services include legal information, representation, and advocacy.
- **Conflict Resolution Center of Santa Cruz County** – Nonprofit organization that provides affordable tools, training, and guided mediation processes for people in conflict. Services include housing mediation, counseling, conflict consultation, and mediation training.
- **Tenant Sanctuary** – Nonprofit organization in the City of Santa Cruz that offers information, education, housing counseling, and advocacy to help renters understand and assert their rights.
- **Watsonville Law Center** – Nonprofit organization that provides free legal services to low-income individuals on the Central Coast.
- **Lawyer Referral Service of Santa Cruz County** – A low-cost attorney referral agency.
- **Self-Help Center of the Superior Court of California, Santa Cruz** – Free assistance to self-represented customers for basic legal issues.

- **Santa Cruz Law Library** – Free access to legal information and free assistance with finding the best resources for legal research.
- **Tenant Power Toolkit** – Collaborative organization that assists with tenant-landlord law issues.

HUD’s Office of Fair Housing and Equal Opportunity implements federal fair housing laws and investigates fair housing complaints. **Figure E-2** shows FHEO cases by city in the region in 2022. In most jurisdictions, including Capitola, the FHEO opened less than one case per 1,000 people per year. Aptos and Moss Landing have higher FHEO case rates of 1.26 and 90.9 per 1,000 people, respectively. However, Moss Landing has a population of only 11.

of race, 11 were filed with a Black or African American race basis.

**Figure E-2: Regional FHEO Cases by City (2022)**



According to the HCD AFFH Data Viewer 2.0, 155 total cases were filed through FHEO between 2006 and 2020. This amounts to approximately 0.58 cases per 1,000 people, a higher rate compared to Santa Clara County (0.40), San Mateo County (0.43), and Monterey County (0.36). While there were 155 cases filed, a single case may be filed with multiple bases for discrimination. A total of 170 bases of discrimination were filed during this period. A majority of cases were filed based on disability status (115 cases), representing 67.6% of all cases filed. An additional 28 (16.5%) were filed on the basis of retaliation, 15 on familial status (8.8%), 13 on race (7.6%), 12 on national origin (7.1%), 12 on sex (7.1%), two on religion (1.2%), and one on color (0.6%). Of the cases filed on the basis

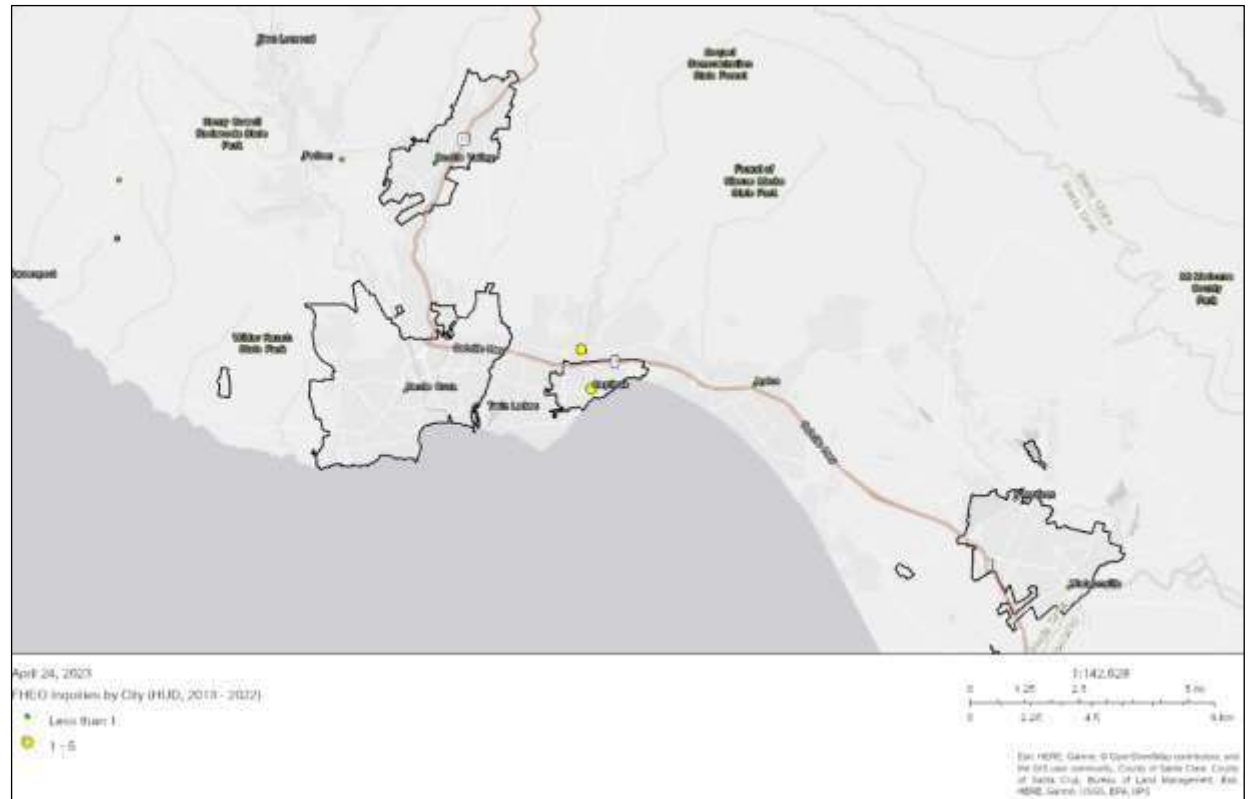
Source: HCD AFFH Data Viewer (2013-2022 HUD), 2023

### Local Trends

The HCD Data Viewer 2.0 provides both FHEO inquiries and cases at the City level (Figure E-3). While FHEO inquiries are not official cases, there is still value to identify concerns that residents have about possible discrimination. These inquiries may not have been pursued by the resident for any number of reasons. Inquiries may have multiples bases of discrimination.

Between 2013 and 2022, the FHEO recorded 11 total inquiries from Capitola residents. Of the 11 inquiries, 5 had no given basis, 5 were on the basis of disability, and 1 was on the basis of familial status. The 11 inquiries represent 1.1 inquiries per 1,000 people in

Figure E-3: FHEO Inquiries by City (2022)



Source: HCD AFFH Data Viewer (2013-2022 HUD), 2023.

the City. The rate of inquiries in Capitola is comparable to Soquel, but higher than the City of Santa Cruz, Scotts Valley, Watsonville, and most other adjacent jurisdictions.

Only two discrimination cases were officially filed through FHEO by Capitola residents between 2013 and 2022. One case was filed on the basis of sex and the other was filed with no specific basis. The two cases account for 0.2 cases per 1,000 people in Capitola. The rate of FHEO cases in the City is comparable to most neighboring jurisdictions.

## 2. Integration and Segregation

### a. Race/Ethnicity

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences, and mobility. For example, prior studies have identified socioeconomic status, generational care needs, and cultural preferences as factors associated with “doubling up”- households with extended family members and non-kin. These factors have also been associated with ethnicity and race. Other studies have also found minorities tend to congregate in metropolitan areas though their mobility trend predictions are complicated by economic status (minorities moving to the suburbs when they achieve middle class) or immigration status (recent immigrants tends to stay in metro areas/ports of entry).

In addition to an analysis of regional, local, and geographical racial/ethnic population trends over time, HUD provided dissimilarity indices to analyze segregation patterns. Dissimilarity indices are used to measure the evenness with which two groups (frequently defined on racial or ethnic characteristics) are distributed across the geographic units, such as tracts within a community. The index ranges from 0 to 1, with 0 denoting no segregation and 1 indicating complete segregation between the two groups. The index score can be understood as the percentage of one of the two groups that would need to move to produce an even distribution of racial/ethnic groups within the specified area. For example, an index score above 0.60 indicates 60% of people in the specified area would need to move to eliminate segregation. The following shows how HUD views various levels of the index:

- <0.40: Low Segregation
- 0.40-0.54: Moderate Segregation
- >0.55: High Segregation



### Regional Trends

Table E-1 shows racial/ethnic populations in Santa Cruz County, Capitola, and neighboring cities. Countywide, 56.1% of the population is White and 34% of the population is Hispanic or Latino. All selected jurisdictions except Watsonville have White populations exceeding the countywide average of 56.1%. Scotts Valley has the largest population of 78%. In comparison, Watsonville has a White population of only 12% and a Hispanic/Latino population of 84%. Los Gatos and the City of Santa Cruz have the largest Asian populations of 16.6% and 10.6%, respectively. As presented in Figure E-4, block groups with larger racial/ethnic minority populations, or non-White populations, are more concentrated in southern Santa Cruz County and Monterey County, as well as the area in and around San Jose City area north of Capitola. The central Santa Cruz County areas, including unincorporated block groups and the cities of Santa Cruz and Capitola, tend to be comprised of block groups with racial/ethnic minority populations.

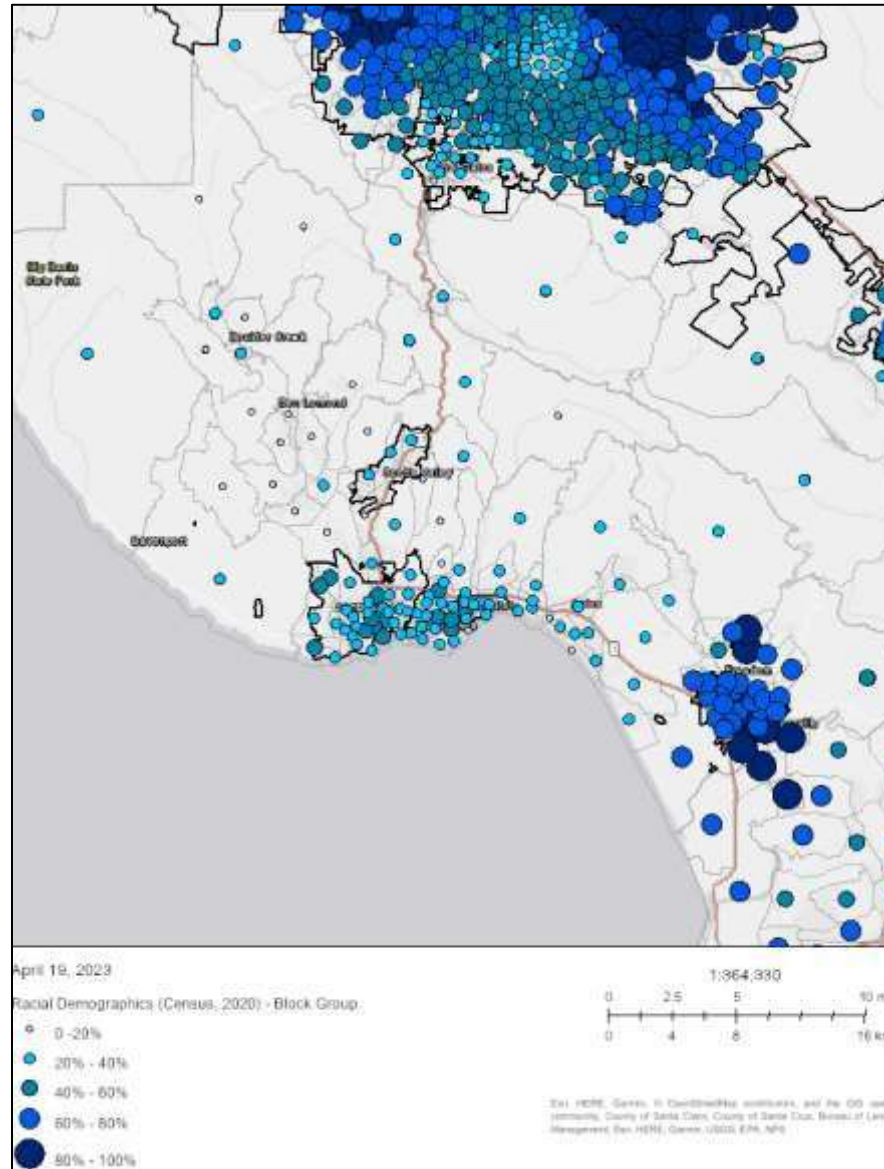
As presented in Figure E-5, most tracts in the central Santa Cruz County areas have low-medium segregation or high White segregation. Tracts in the San Jose City area and in parts of southern Santa Cruz County have high person-of-color (POC) segregation, consistent with the overall demographics shown in Figure E-5.

**Table E-1: Racial/Ethnic Composition of Santa Cruz County and Neighboring Cities**

	Santa Cruz County	Capitola	Los Gatos	Santa Cruz (City)	Scotts Valley	Watsonville
White alone	56.1%	66.0%	70.1%	60.8%	77.7%	11.9%
Black or African American alone	0.8%	0.2%	0.8%	1.8%	0.4%	0.5%
American Indian and Alaska Native alone	0.1%	0.4%	0.0%	0.1%	0.0%	0.0%
Asian alone	4.7%	6.3%	16.6%	10.6%	5.8%	2.5%
Native Hawaiian and Other Pacific Islander alone	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Some other race alone	0.4%	0.0%	0.4%	0.5%	0.4%	0.3%
Two or more races	3.6%	3.8%	3.9%	5.1%	3.5%	0.5%
Hispanic or Latino	34.0%	23.3%	8.3%	21.1%	12.1%	84.3%
<b>Total</b>	<b>272,138</b>	<b>10,041</b>	<b>33,309</b>	<b>62,714</b>	<b>12,317</b>	<b>52,966</b>

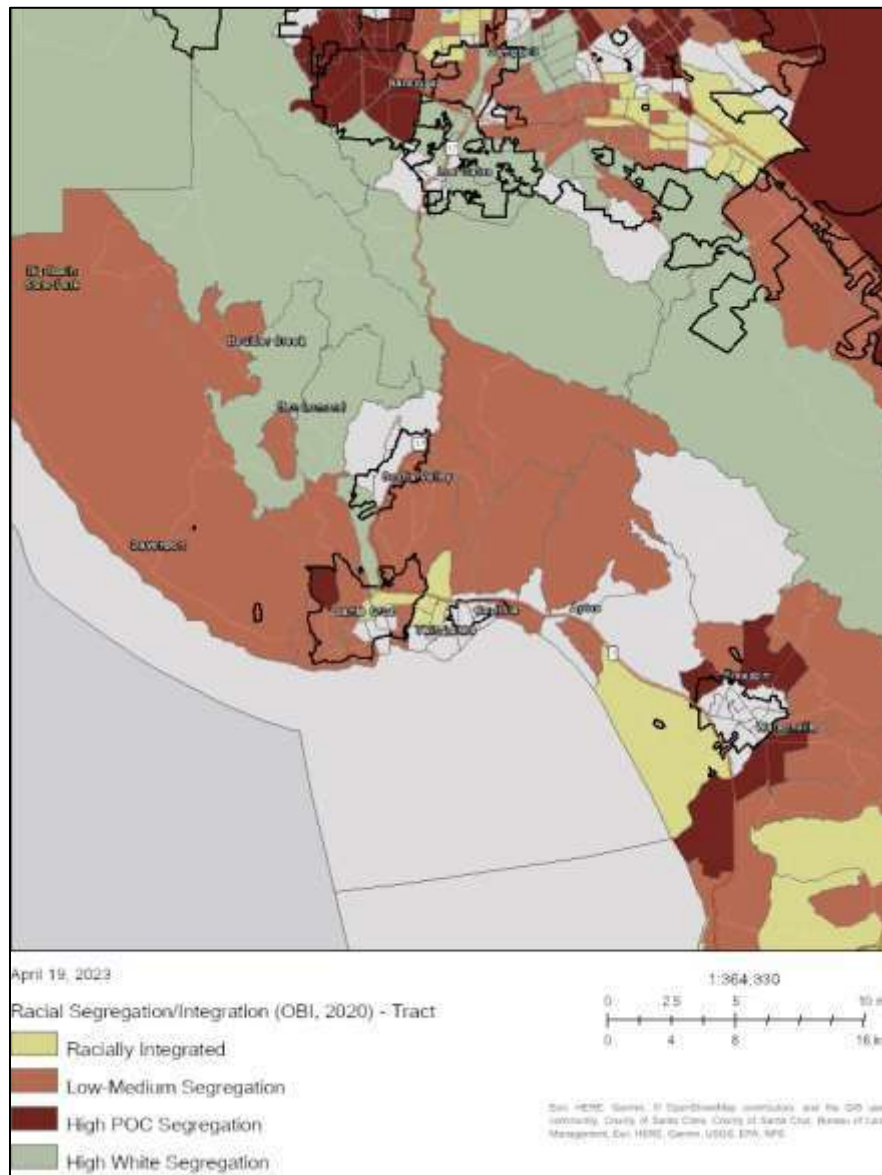
Source: 2017-2021 ACS (5-Year Estimates).

Figure E-4: Regional Racial/Ethnic Minority Population by Block Group (2020)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.

Figure E-5: Regional Racial Segregation by Tract (2020)



Source: HCD AFFH Data Viewer 2.0 (OBI, 2020), 2023.

Dissimilarity indices for Santa Cruz County are shown in Table E-2. According to HUD’s definition of the index, non-White and White populations countywide are moderately segregated. Segregation between Black and White populations and Asian/Pacific Islander and White populations is considered low, while Hispanic and White populations are highly segregated. Since 1990 dissimilarity indices for the non-White and White populations have increased indicating that segregation has increased countywide.

**Table E-2: Dissimilarity Indices – Santa Cruz County (1990-2020)**

	1990	2000	2010	Current
Non-White/White	47.26	47.95	47.66	53.07
Black/White	28.09	25.72	24.17	33.62
Hispanic/White	54.15	56.53	55.36	58.29
Asian and Pacific Islander/White	26.87	24.76	27.39	35.21

HUD dissimilarity indices are available for entitlement jurisdictions only. HUD dissimilarity indices are not available for Capitola alone.  
 Source: HUD AFFH-T Data – Dissimilarity Indices, 2020.

**Local Trends**

Table E-3 shows the racial and ethnic makeup of Capitola’s population. The White population makes up the largest share of the population citywide, representing 66%. Since the 2006-2010 ACS, the White population has decreased 10.6%. The Black/African American population, Native Hawaiian and other Pacific Islander population, and population of some other race have also decreased. The Asian and American Indian and Alaska Native populations have seen the largest increases of 112% and 80%, respectively. The Hispanic/Latino population has also grown, representing 16.5% of the population during the 2006-2010 ACS and 23.3% of the population during the 2017-2021 ACS.

Consistent with the citywide demographics, all Capitola tracts have White majority populations. As shown in Figure E-6, there are two block groups in Capitola where more than 40% of the population is non-White. The first is bound by Soquel Wharf Road and 41<sup>st</sup> Avenue and the second is bound by 30<sup>th</sup> Avenue and 41<sup>st</sup> Avenue. It is relevant to note that the second block group mentioned encompasses part of Capitola and part of the unincorporated County area west of the City. Both block groups are on the western side of the City. Since the 2010 Census, shown in Figure E-7, all block groups have seen an increase in non-White populations, consistent with the decrease in the White population citywide.

Like the 2020 Census data in Figure E-6, block group data using the 2010 Census shows the western block groups mentioned previously have larger non-White populations compared to all other block groups.

**Table E-3: Change in Racial/Ethnic Minority Population (2006-2021)**

Race/Ethnicity	2006-2010		2017-2021	
	Persons	Percent	Persons	Percent
White alone	7,410	75.6%	6,624	66.0%
Black or African American alone	109	1.1%	24	0.2%
American Indian and Alaska Native alone	20	0.2%	36	0.4%
Asian alone	299	3.1%	634	6.3%
Native Hawaiian and Other Pacific Islander alone	88	0.9%	0	0.0%
Some other race alone	41	0.4%	0	0.0%
Two or more races	212	2.2%	381	3.8%
Hispanic or Latino	1,622	16.5%	2,342	23.3%
<b>Total</b>	<b>9,801</b>	<b>100.0%</b>	<b>10,041</b>	<b>100.0%</b>

Source: 2006-2010 and 2017-2021 ACS (5-Year Estimates).

Figure E-6: Racial/Ethnic Minority Population by Block Group (2020)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.



Figure E-7: Racial/Ethnic Minority Population by Block Group (2010)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.



## b. Persons with Disabilities

Persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limits their housing options. Persons with disabilities also tend to be more susceptible to housing discrimination due to their disability status and required accommodations associated with their disability.

### **Regional Trends**

According to the 2017-2021 American Community Survey (ACS) 5-year estimates, 11.3% of the Santa Cruz County population reported having one of six disability types listed in the ACS (hearing, vision, cognitive, ambulatory, self-care difficulties, and independent living difficulties). The percentage of residents detailed by disability are listed in Table E-4 below. The Native Hawaiian and other Pacific Islander population has the highest disability rate of 24.5%, followed by the American Indian and Alaska Native population (18.3%), Black/African American population (12.3%), and non-Hispanic White population (12.2%). All other racial/ethnic groups have disability rates below the County average of 11.3%.

Elderly populations are significantly more likely to experience disability. Approximately 45% of the population aged 75 and older experiences a disability compared to 18.2% of the population aged 65 to 74 and 10.1% of the population aged 35 to 64. Cognitive difficulties and independent living difficulties are the most common disability types in the County, where 5.1% and 5% of the population experiences each, respectively.

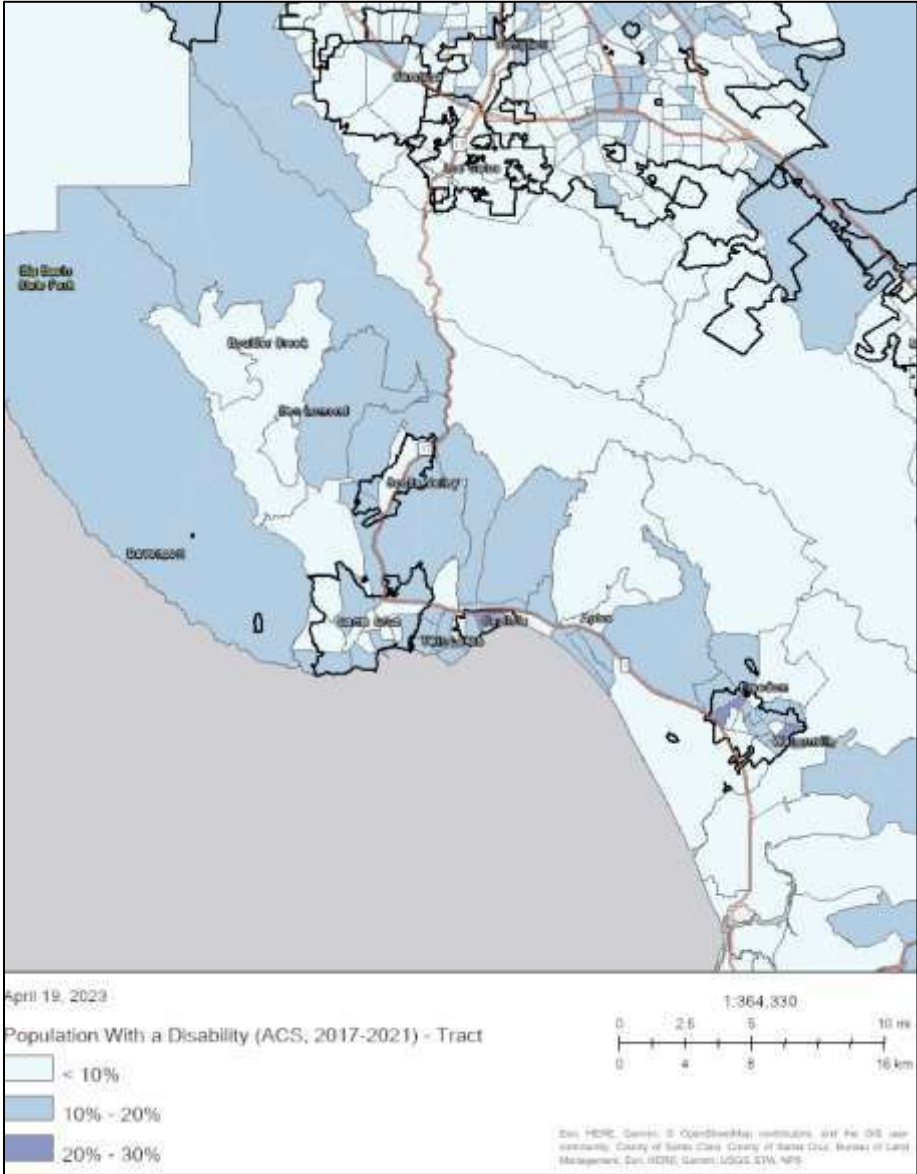
**Table E-4: Populations of Persons with Disabilities – Santa Cruz County (2021)**

	Total Population	Percent with Disability
Total civilian noninstitutionalized population	270,860	11.3%
<b>Race/Ethnicity</b>		
White alone	185,587	11.9%
Black or African American alone	2,983	12.3%
American Indian and Alaska Native alone	1,819	18.3%
Asian alone	13,419	9.9%
Native Hawaiian and Other Pacific Islander alone	564	24.5%
Some other race alone	40,432	9.7%
Two or more races	26,056	9.2%
White alone, not Hispanic or Latino	152,065	12.2%
Hispanic or Latino (of any race)	92,252	10.1%
<b>Age</b>		
Under 5 years	13,075	2.3%
5 to 17 years	38,861	6.4%
18 to 34 years	72,797	7.2%
35 to 64 years	100,788	10.1%
65 to 74 years	29,515	18.2%
75 years and over	15,824	44.9%
<b>Type</b>		
With a hearing difficulty	–	3.5%
With a vision difficulty	–	2.2%
With a cognitive difficulty	–	5.1%
With an ambulatory difficulty	–	4.8%
With a self-care difficulty	–	2.3%
With an independent living difficulty	–	5.0%

Source: 2017-2021 ACS (5-Year Estimates).

Populations of persons with disabilities at the tract-level are presented in Figure E-8. In nearly all tracts in the region surrounding Capitola, less than 20% of the population experiences a disability. There are two tracts in Watsonville and one tract in Capitola where more than 20% of the population has a disability. Beyond these tracts, persons with disabilities are generally not concentrated in a single area of the region.

Figure E-8: Regional Populations of Persons with Disabilities by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

**Local Trends**

As presented in Table E-5, Capitola has a larger population of persons with disabilities compared to the County (15% vs. 11.3%). In Capitola, the American Indian and Alaska Native population has the highest disability rate of 39%, followed by the non-Hispanic White population (18.6%). The disability rate amongst the population aged 75 and older in Capitola, 53.5%, is significantly higher than the rate for this age group countywide (44.9%). Like the countywide trend, cognitive difficulties and independent living difficulties are the most common disability types in the City.

The population of persons with disabilities in Capitola in excess of the countywide trend is likely, in part, due to the population of elderly adults residing in the City. According to the 2017-2021 ACS, the population aged 65 and older in Santa Cruz County represents 16.8% of the countywide population compared to 22.3% in Capitola. Further, the population aged 75 and older represents 8.6% of the population in Capitola compared to 5.9% countywide.

**Table E-5: Populations of Persons with Disabilities – Capitola (2021)**

	Total Population	Percent with Disability
Total civilian noninstitutionalized population	9,938	15.0%
<b>Race/Ethnicity</b>		
White alone	8,060	16.3%
Black or African American alone	24	0.0%
American Indian and Alaska Native alone	59	39.0%
Asian alone	632	10.0%
Native Hawaiian and Other Pacific Islander alone	26	0.0%
Some other race alone	498	9.8%
Two or more races	639	5.6%
White alone, not Hispanic or Latino	6,540	18.6%
Hispanic or Latino (of any race)	2,328	8.1%
<b>Age</b>		
Under 5 years	213	0.0%
5 to 17 years	1,271	9.1%
18 to 34 years	1,989	4.7%
35 to 64 years	4,318	15.5%
65 to 74 years	1,371	13.9%
75 years and over	776	53.5%

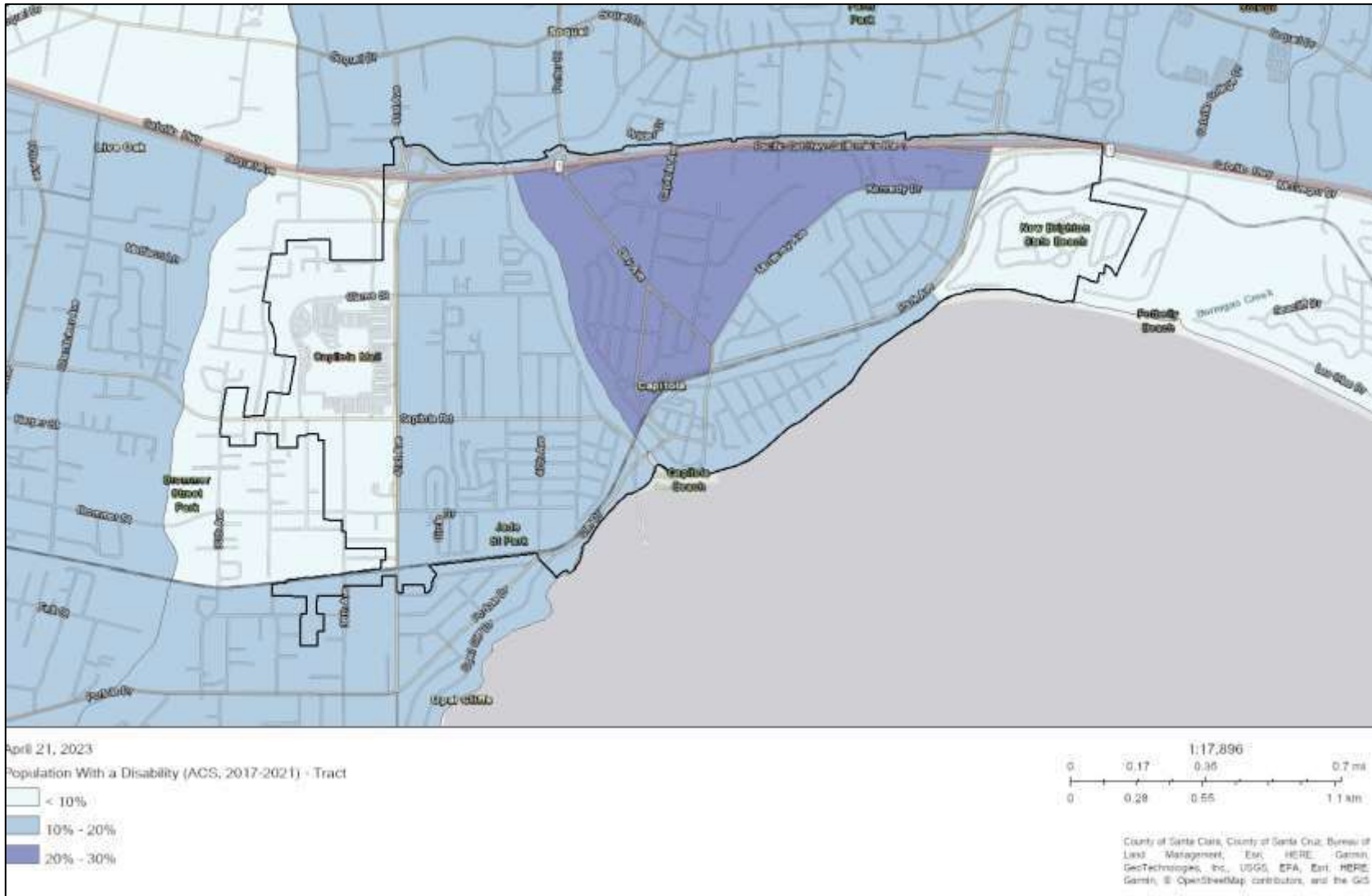
Type	Total Population	Percent with Disability
With a hearing difficulty	--	4.8%
With a vision difficulty	--	3.1%
With a cognitive difficulty	--	8.6%
With an ambulatory difficulty	--	6.6%
With a self-care difficulty	--	4.5%
With an independent living difficulty	--	8.2%

Source: 2017-2021 ACS (5-Year Estimates).

There is one tract in Capitola where more than 20% of the population experiences a disability (Figure E-9). This tract is located in the center of the City, bound by the Pacific Coast Highway (PCH), Monterey Avenue, and Soquel Wharf Drive. The tracts adjacent to the central tract to the east and west have populations of persons with disabilities between 10% and 20%, while the far eastern and western tracts have populations of persons with disabilities below 10%. It is relevant to note that the far eastern and western tracts also include unincorporated County areas outside the City boundaries.

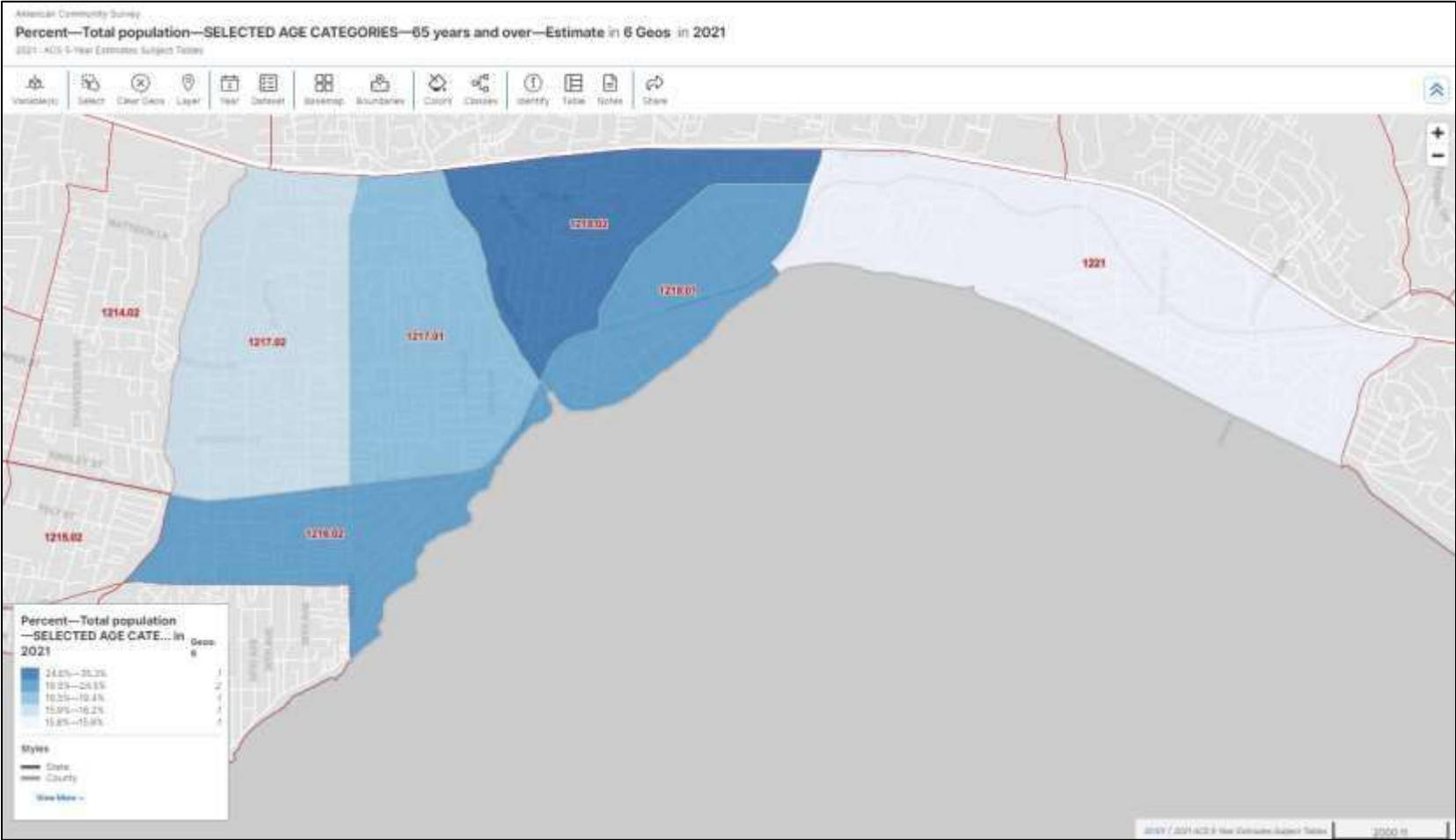
Populations of persons aged 65 and older by tract using the 2017-2021 ACS are shown in Figure E-10. Consistent with the populations of persons with disabilities, the central tract, tract 1218.02, has the largest population aged 65 and older. Tract 1218.02 is generally bound by the PCH, Soquel Wharf Road, and Monterey Avenue. Tracts 1218.01 (bound by Monterey Avenue to the north, Park Avenue to the east, and Soquel Wharf Road to the west), 1217.01 (bound by 41<sup>st</sup> Avenue and Soquel Wharf Road), and 1216.02 (south of Cliff Drive and the Union Pacific railroad), where between 10% and 20% of the population experiences a disability, also have larger elderly populations compared to tracts 1217.02 and 1221, where less than 10% of the population has a disability.

Figure E-9: Populations of Persons with Disabilities by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-10: Population Aged 65 and Older by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).



### c. Familial Status

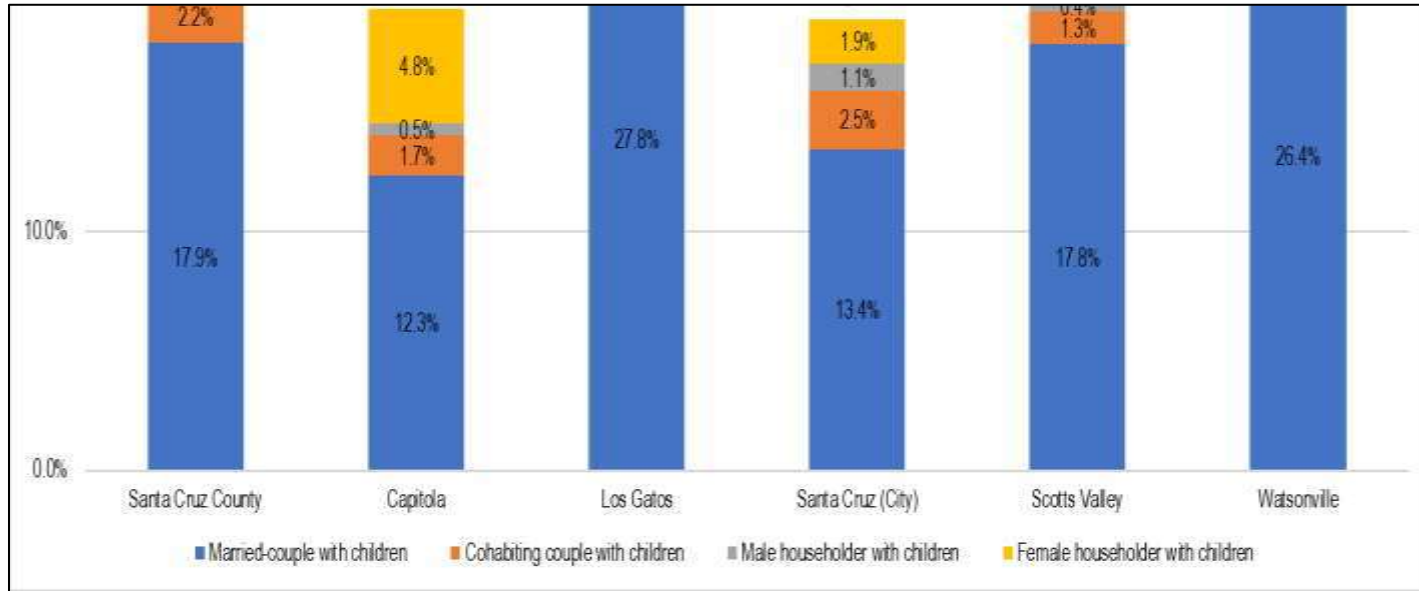
Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households are also protected by fair housing law. Of particular consideration are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.

### Regional Trends

According to the 2017-2021 ACS, approximately 24.5% of households in Santa Cruz County are households with children. Of the selected jurisdictions shown in Figure E-11, Watsonville has the largest proportion of households with children, representing 38.7% of households citywide. Los Gatos also has a higher share of households with children compared to the County. Only 19.3% of households in Capitola are households with children. In Santa Cruz County, 17.9% of households are married couples with children, 3.4% are single-parent female-headed households, 2.2% are cohabiting couple households with children, and 1% are single-parent male-headed households. Watsonville has the largest share of single-parent female headed households of the selected jurisdictions (7.5%). Capitola and Scotts Valley also have larger shares of single-parent female-headed households compared to the County, Los Gatos, and the City of Santa Cruz.

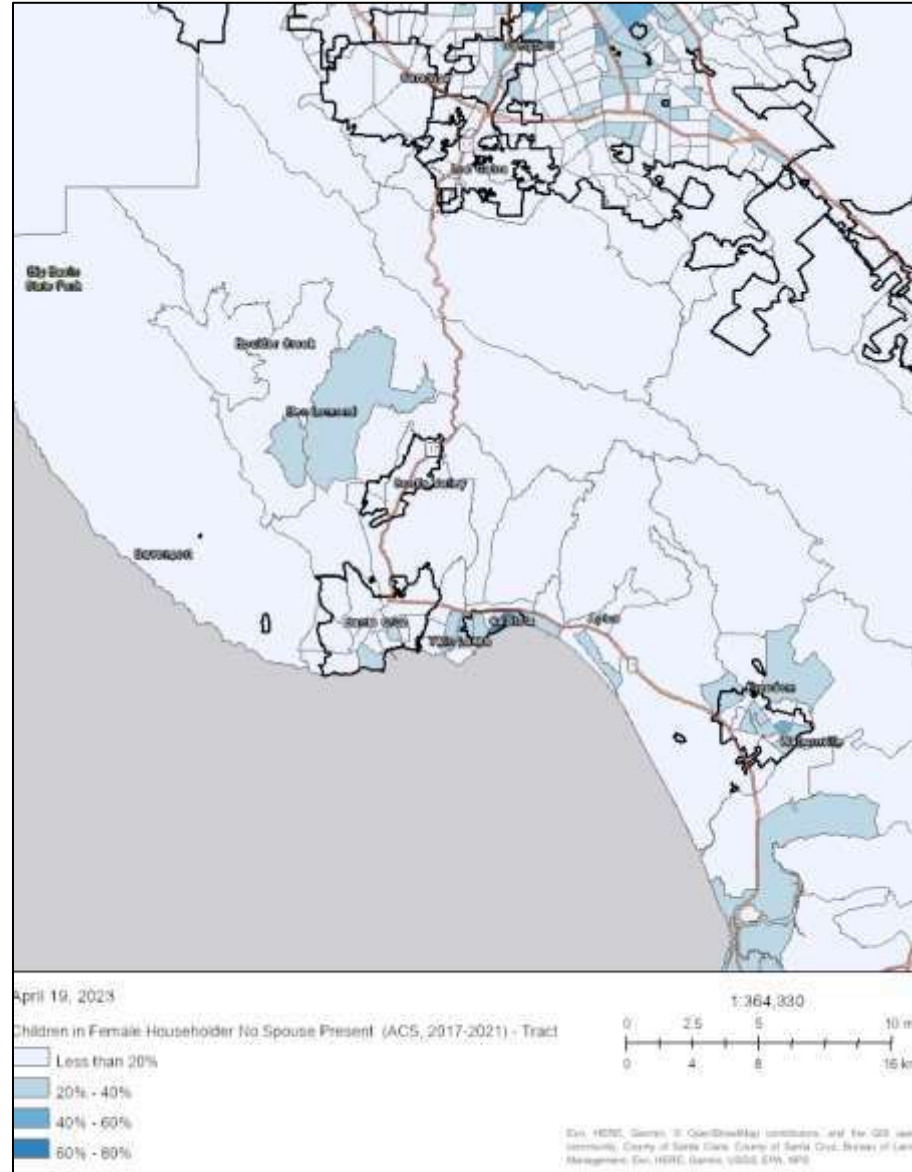
Figure E-11: Households with Children in Santa Cruz County and Neighboring Cities (2021)



Source: 2017-2021 ACS (5-Year Estimates).

Populations of children residing in single-parent female-headed households by tract are presented in Figure E-12. In most tracts in the region, fewer than 40% of children reside in female-headed households. There are a handful of tracts where more than 40% of children are in female-headed households in Capitola, Watsonville, and in the San Jose area. Tracts where more than 40% of children reside in female-headed households are generally more concentrated in and around incorporated cities rather than unincorporated County areas.

Figure E-12: Regional Children in Female-Headed Households by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

### Local Trends

Capitola has seen a slight decrease in the proportion of households with children in recent years (Table E-6). During the 2006-2010 ACS, there were 918 households with children representing 19.6% of all City households. The most recent 2017-2021 ACS estimates show there are now 898 households with children in Capitola representing only 19.3% of households citywide. All household types with children have decreased since the 2006-2010 ACS except for single-parent female-headed households, which grew 2.8% during this period. As discussed previously, Capitola has a smaller share of households with children compared to the County but a larger share of single-parent female-headed households. Capitola also has a larger elderly population compared to the County, as outlined in Subsection B, Persons with Disabilities, above.

**Table E-6: Change in Households with Children (2006-2021)**

Household Type	2006-2010		2017-2021	
	Households	Percent	Households	Percent
Married-couple family with children	621	13.3%	575	12.3%
Cohabiting couple with children	--	--	78	1.7%
Single-parent, male-headed	81	1.7%	23	0.5%
Single-parent, female-headed	216	4.6%	222	4.8%
Total Households with Children	918	19.6%	898	19.3%
Total Households	4,684	100.0%	4,656	100.0%

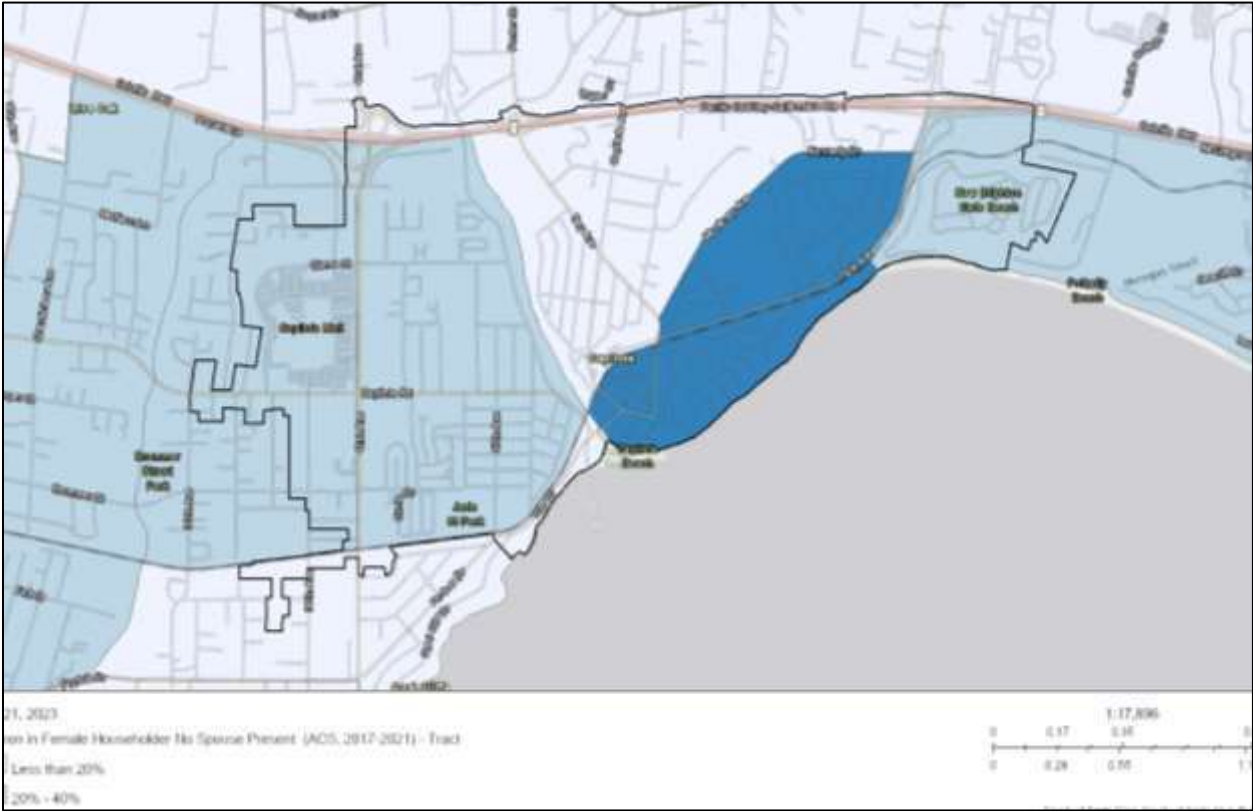
Source: 2006-2010 and 2017-2021 ACS (5-Year Estimates).

Figure E-13 shows that tract 1218.01, generally bound by Monterey Avenue and Kennedy Drive to the north, has the largest share of children residing in single-parent female-headed households. According to the HCD AFFH Data Viewer 2.0, 61.8% of children residing in this tract live in female-headed households. Less than 40% of children live in female-headed households in all other tracts. Conversely, Figure E-14 shows that fewer than 20% of children in this tract live in married couple households. Tract 1218.01 also has the largest population of persons living alone compared to all other Capitola tracts. Approximately 40% of the population 18 years and over are in households living alone in tract 1218.01.

Figure E-16 shows that there are very few children under the age of 18 residing in tract 1218.01. Only 7.5% of the population residing in this tract are children, compared to 13% to 20% of the population in all other tracts. As shown in

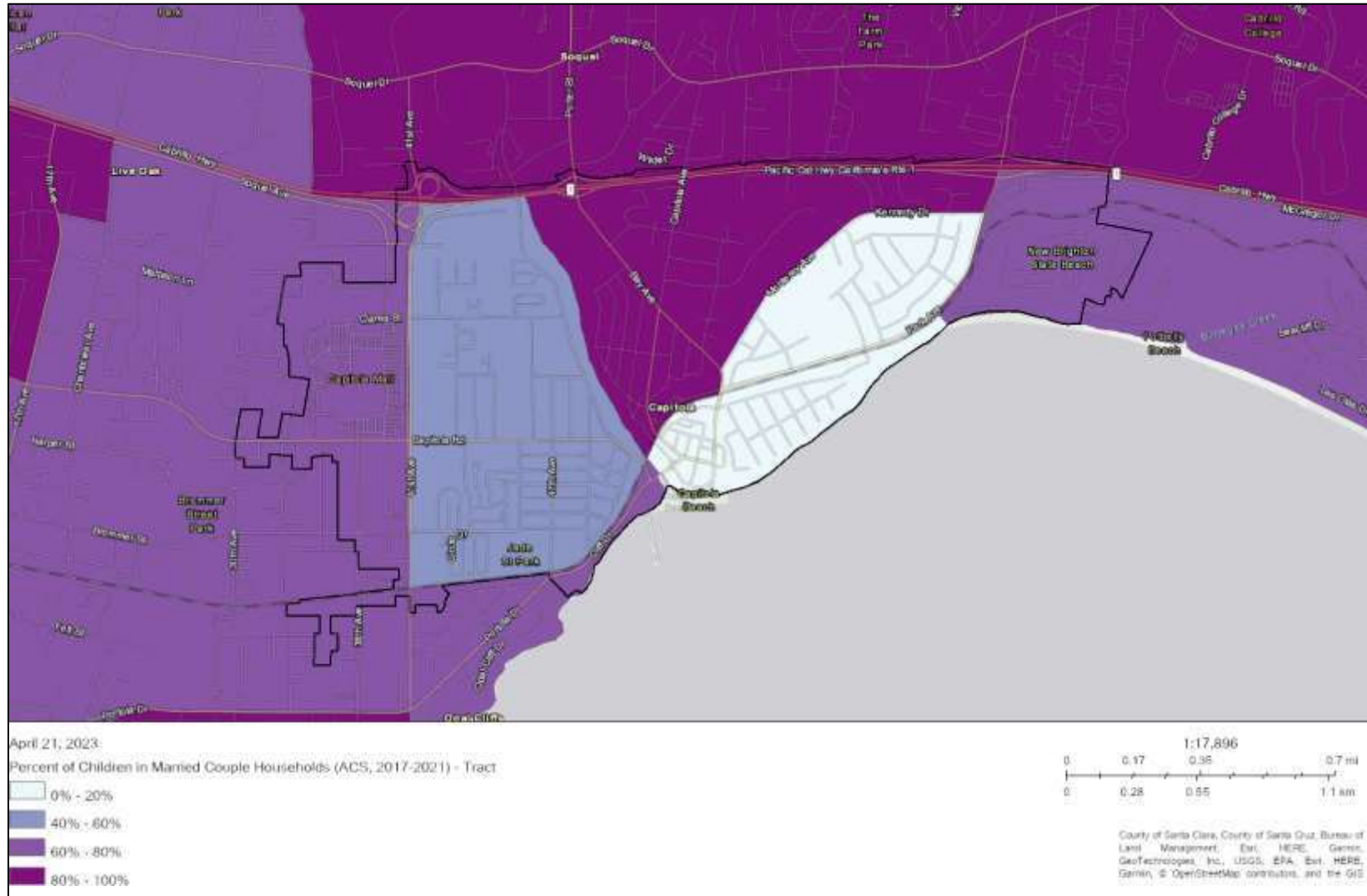
Figure E-10 above, 24.3% of the population in this tract are aged 65 and older compared to 22.3% citywide. Tract 1218.01 also has the second highest median population age of 49.8 years compared to other Capitola tracts. Tract 1218.02 has the highest median age of 52.4. Tract 1218.02 also has a larger population of adults living alone compared to most other areas in Capitola (Figure E-15). Overall, there are very few children residing in tract 1218.01. This section of the City is characterized by an older population, many of which live alone. Cliffwood Heights and Depot Hill, two of Capitola’s more expensive neighborhoods, are located in tract 1218.01.

**Figure E-13: Children in Female-Headed Households by Tract (2021)**



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

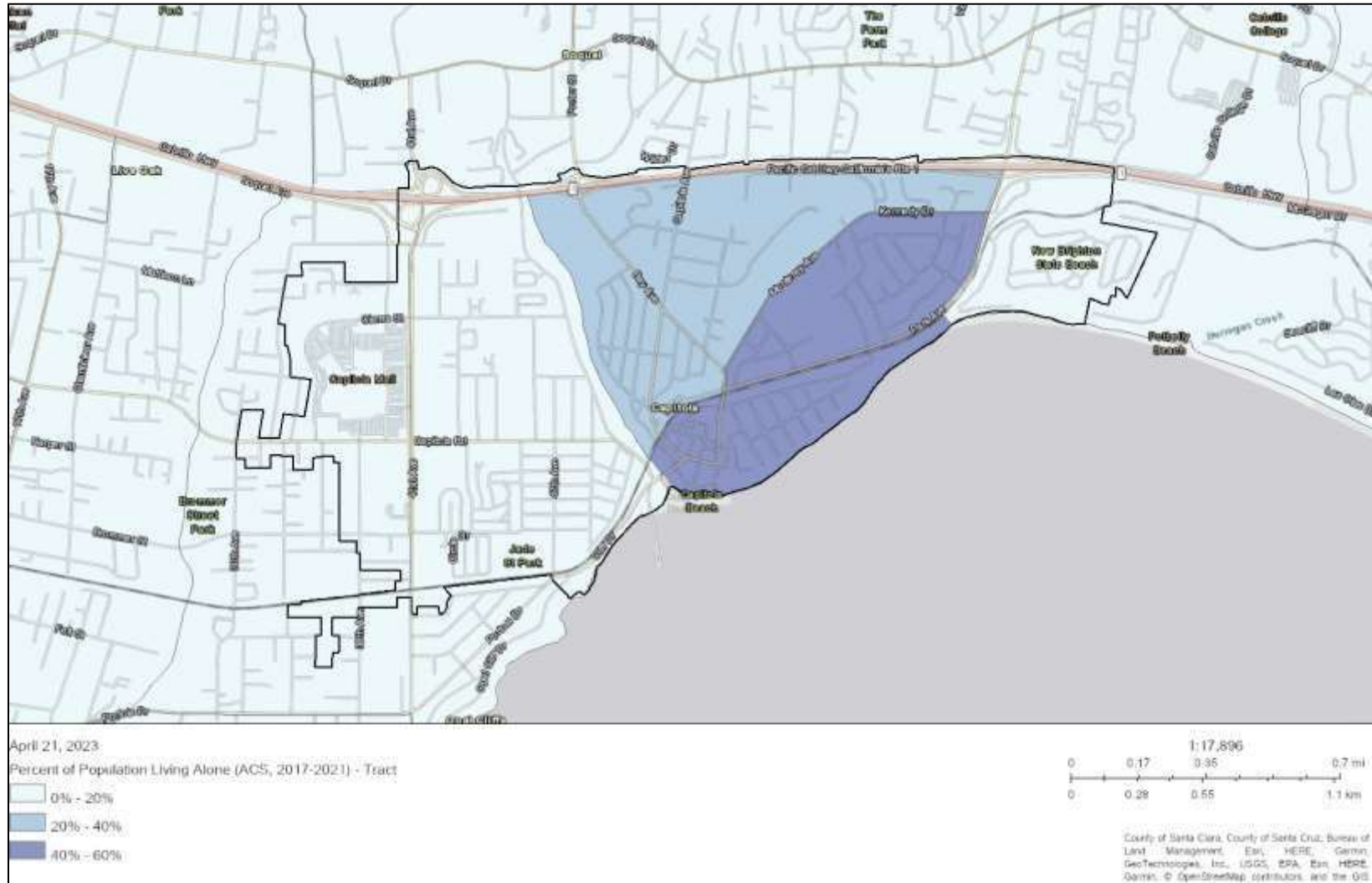
Figure E-14: Children in Married Couple Households by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



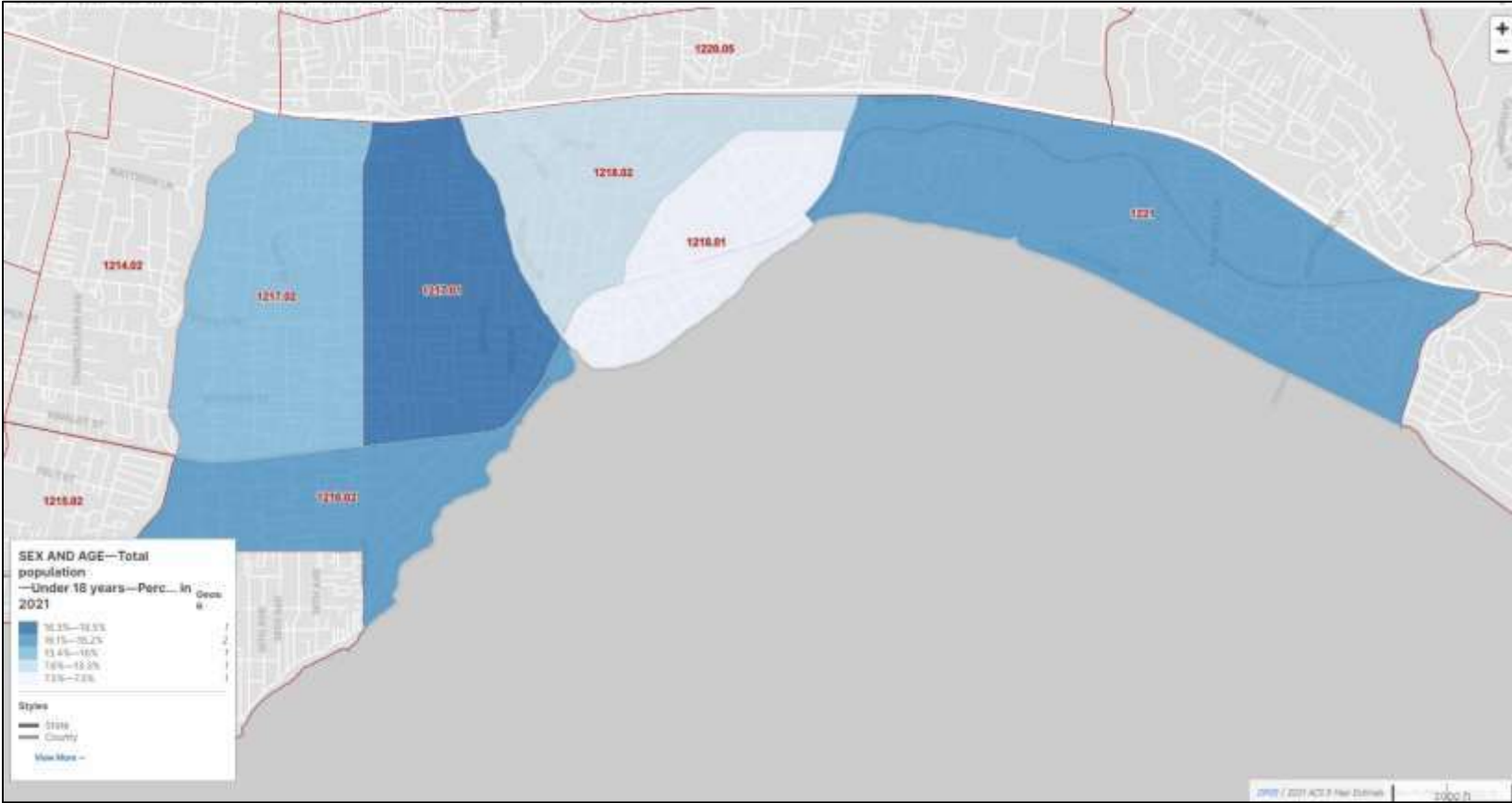
Figure E-15: Population Living Alone by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



Figure E-16: Populations of Children Under Age 18 by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).

d. Income Level

Identifying low or moderate income (LMI) geographies and individuals is important to overcome patterns of segregation. HUD defines a LMI area as a Census tract or block group where over 51% of the population is LMI (based on HUD income definition of up to 80% of the Area Median Income).

**Regional Trends**

According to Comprehensive Housing Affordability Strategy (CHAS) data based on the 2015-2019 ACS, 40.9% of Santa Cruz County households earn more than 100% of the AMI (Table E-7). Approximately 49% of households countywide earn 80% or less than the AMI and are considered low or moderate income. A significantly larger proportion of renters, 69%, are LMI households compared to owners (35.1%).

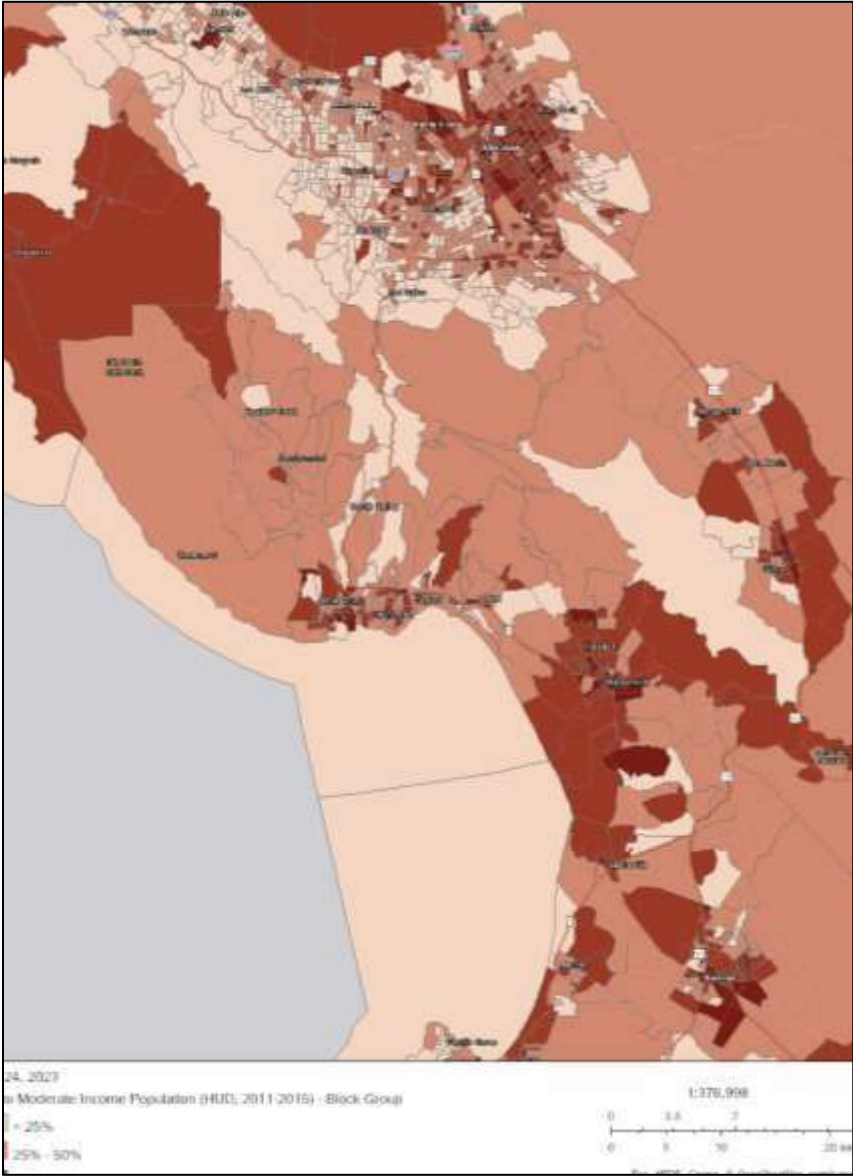
As shown in Figure E-17, block groups with larger populations of LMI households are more concentrated in southern Santa Cruz County around Watsonville. Block groups with larger LMI household populations are generally more prevalent around incorporated cities rather than unincorporated County areas. Block groups that are considered LMI areas, where more than half of households are low or moderate income, are also scattered throughout Capitola, the City of Santa Cruz, Gilroy, and the San Jose area.

**Table E-7: Households by Income and Tenure – Santa Cruz County (2022)**

Income Category	Owner	Renter	Total
0%-30% of AMI	9.9%	31.4%	18.5%
31%-50% of AMI	9.7%	18.3%	13.1%
51%-80% of AMI	15.5%	19.3%	17.0%
81%-100% of AMI	11.1%	9.5%	10.5%
Greater than 100% of AMI	53.8%	21.5%	40.9%
<b>Total</b>	<b>57,560</b>	<b>38,255</b>	<b>95,820</b>

Source: 2022 HUD CHAS Data (based on 2015-2019 ACS).

Figure E-17: Regional LMI Households by Block Group (2015)



Source: HCD AFFH Data Viewer 2.0 (HUD 2011-2015), 2023.

### Local Trends

Capitola has slightly more renter households than owner households. Approximately 53% of households in the City are renter-occupied. As presented in Table E-8, nearly 54% of households in Capitola are LMI households, a larger proportion compared to the County. Unlike the County, a larger proportion of owners in Capitola are low or moderate income. Approximately 54.5% of owner-occupied households are LMI compared to 53.4% of renters. However, a larger proportion of owner households also earn more than 100% of the AMI compared to renters.

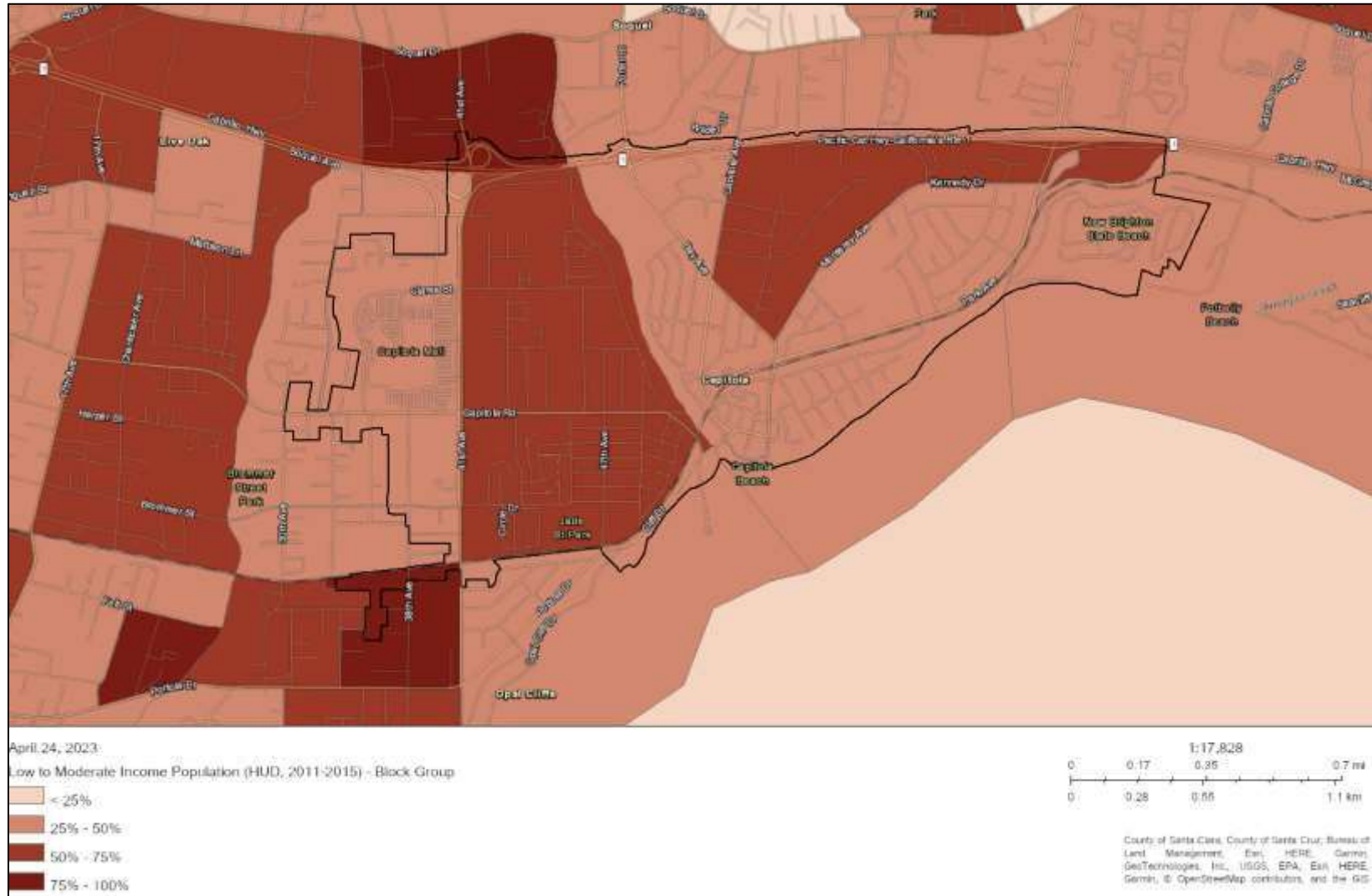
Figure E-18 shows the population of LMI households by block group in Capitola. There are three block groups where 50% to 75% of households are LMI and one block group, encompassing the southwestern corner of the City, where 91% of households are LMI. It is important to note that the block group with an LMI population of 91% encompasses part of Capitola but also extends south of the City to Portola Drive into the unincorporated County area. As mentioned previously, there are two block groups on the western side of the City with larger non-White populations compared to the remainder of Capitola (see Figure E-6). While these block groups are also LMI areas, LMI block groups are not exclusive to areas with larger racial/ethnic minority populations.

**Table E-8: Households by Income and Tenure – Capitola (2022)**

Income Category	Owner	Renter	Total
0%-30% of AMI	20.0%	18.9%	19.4%
31%-50% of AMI	15.0%	13.1%	14.0%
51%-80% of AMI	19.5%	21.4%	20.5%
81%-100% of AMI	8.6%	14.0%	11.4%
Greater than 100% of AMI	36.9%	32.6%	34.6%
<b>Total</b>	<b>2,100</b>	<b>2,360</b>	<b>4,460</b>

Source: 2022 HUD CHAS Data (based on 2015-2019 ACS).

Figure E-18: LMI Households by Block Group (2015)



### e. Housing Choice Vouchers

An analysis of the trends in Housing Choice Voucher (HCV) concentration can be useful in examining the success of the program in improving the living conditions and quality of life of its holders. The HCV program aims to encourage participants to avoid high-poverty neighborhoods and promote the recruitment of landlords with rental properties in low poverty neighborhoods. HCV programs are managed by Public Housing Agencies (PHAs), and the programs assessment structure (SEMAPS) includes an “expanding housing opportunities” indicator that shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration.

A study prepared by HUD’s Development Office of Policy Development and Research found a positive association between the HCV share of occupied housing and neighborhood poverty concentration and a negative association between rent and neighborhood poverty<sup>6</sup>. This means that HCV use was concentrated in areas of high poverty where rents tend to be lower. In areas where these patterns occur, the program has not succeeded in moving holders out of areas of poverty.

### Regional Trends

Like racial/ethnic minority and LMI household populations, tracts with larger populations of renters receiving HCVs are more prevalent in and around incorporated cities compared to unincorporated County areas. As presented in Figure E-19, tracts in Watsonville, Gilroy, and the San Jose area tend to have larger HCV recipient populations. In the area closest to Capitola, including Capitola, the City of Santa Cruz, and Scotts Valley, most tracts have HCV recipient populations of up to 15%.

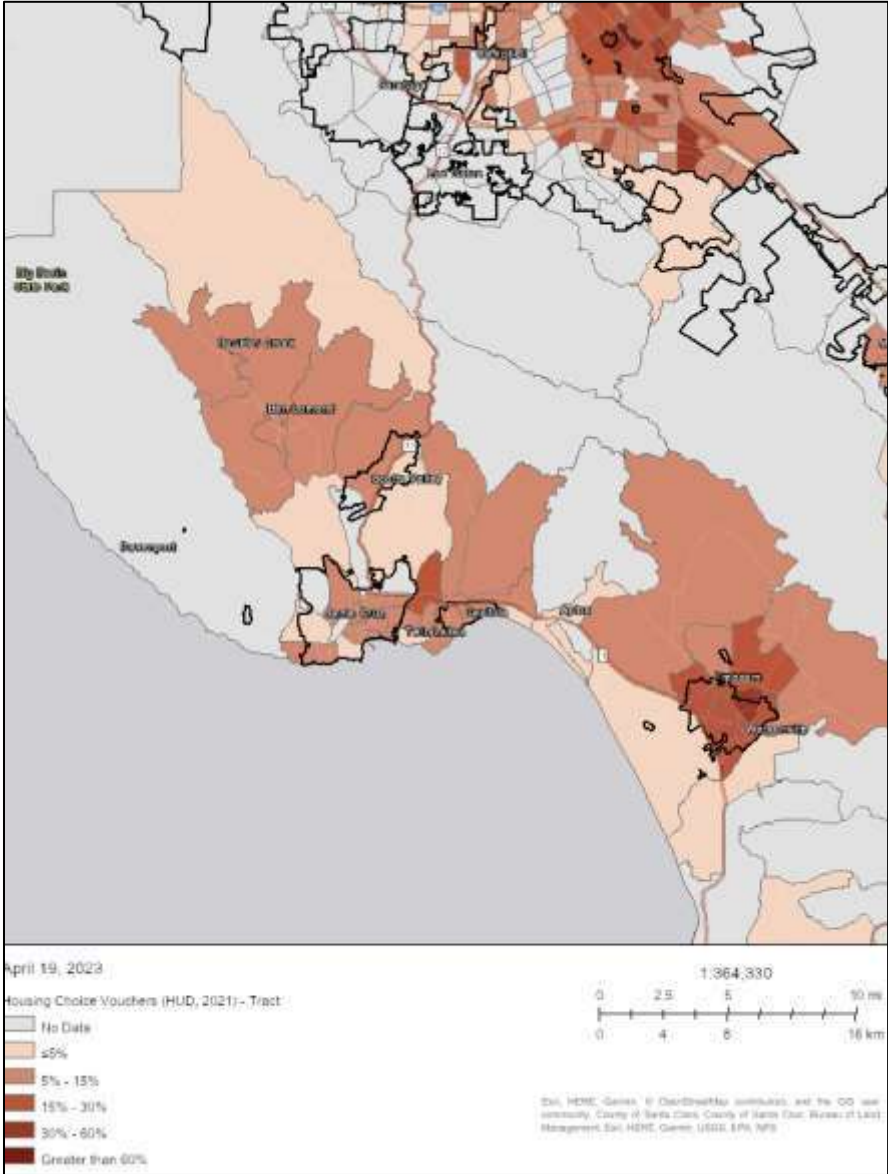
HCV recipient populations are generally consistent with concentrations of racial/ethnic minority populations, LMI household populations, and populations of children residing in single-parent female-headed households (see Figure E-4, Figure E-12, and Figure E-17). These areas also have larger renter populations (Figure E-20).

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6 Devine, D.J., Gray, R.W., Rubin, L., & Taghavi, L.B. (2003). *Housing choice voucher location patterns: Implications for participant and neighborhood welfare*. Prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, Division of Program Monitoring and Research.



Figure E-19: Regional HCV Recipients by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (HUD 2021), 2023.

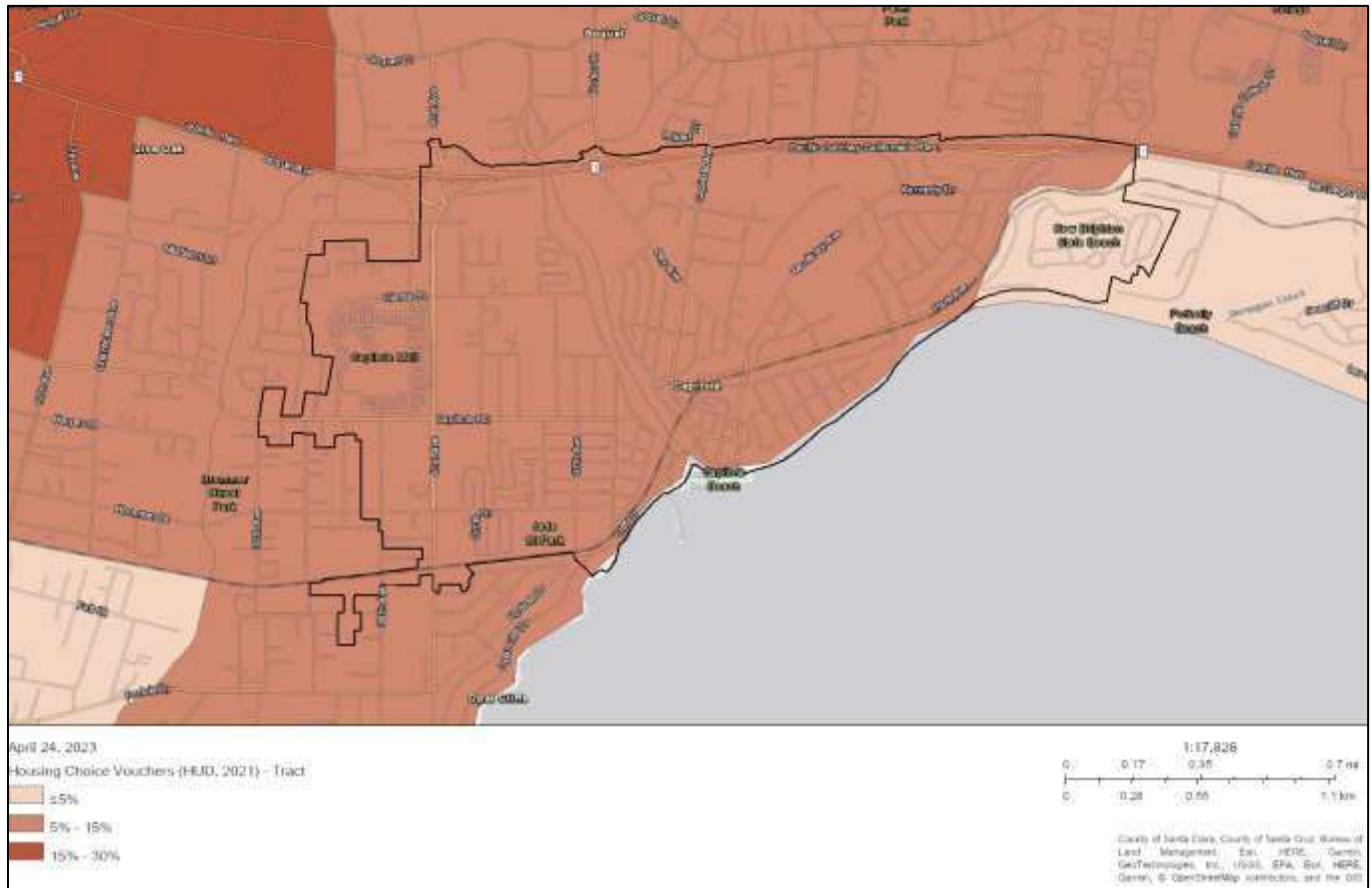




### Local Trends

As of April 2023, 206 Capitola households received HCV assistance from the Housing Authority of the County of Santa Cruz. The map in Figure E-21 shows that in Capitola, between 5% and 15% of renters in most tracts receive HCVs. Only 4.5% of renters in tract 1221 on the eastern side of the City receive HCVs. As mentioned above, this tract encompasses the unincorporated County area east of the City and does not reflect Capitola residents alone.

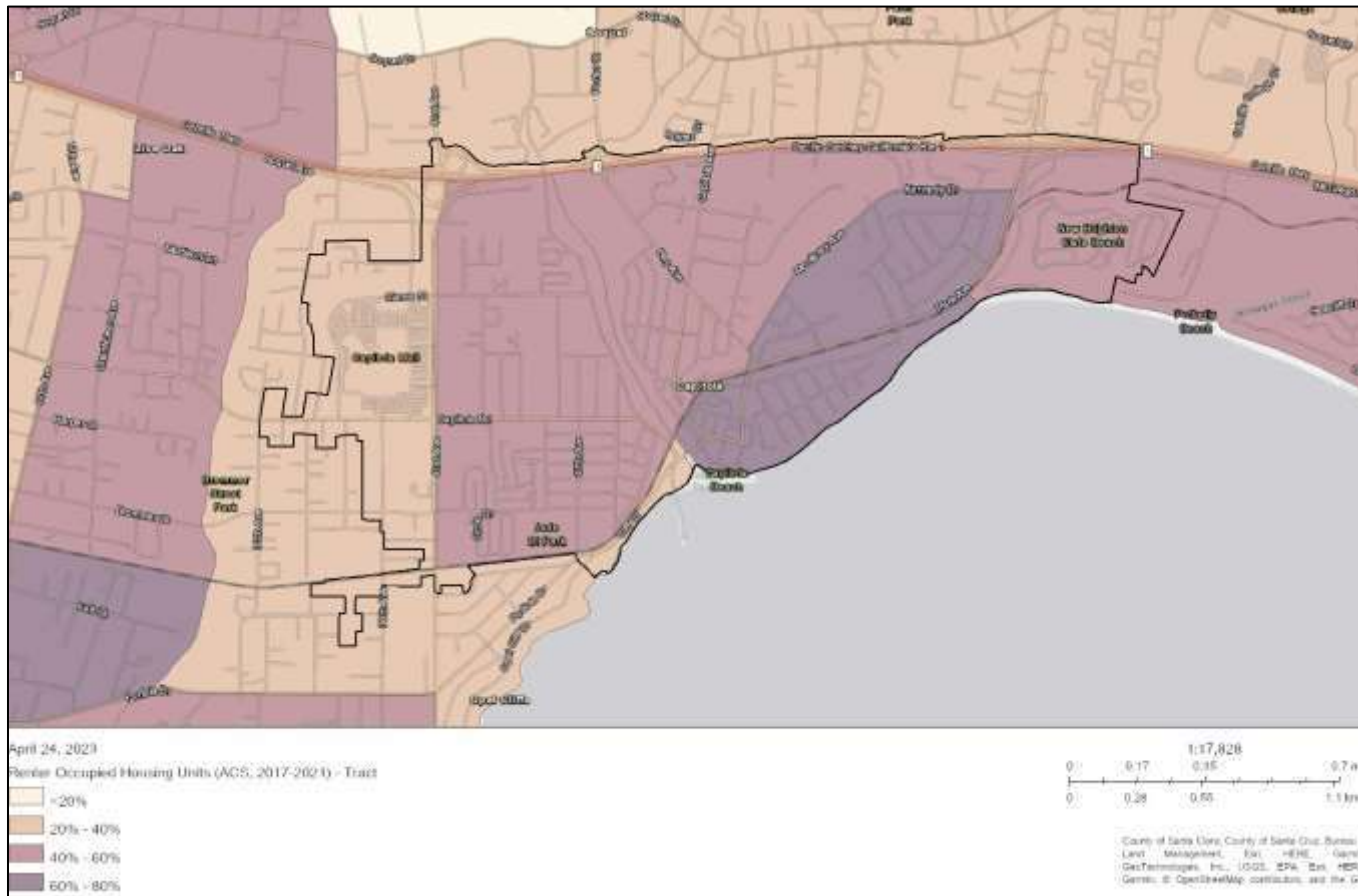
Figure E-21: HCV Recipients by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (HUD 2021), 2023.

Between 40% and 60% of households are renters in a majority of Capitola (Figure E-22). The western tract, tract 1217.02, has the smallest renter population compared to other tracts in the City. Tract 1216.02, which includes the small section of Capitola south of Cliff Drive, also has a smaller renter population. Like tract 1221, tract 1216.02 encompasses the unincorporated County area south of the City and is not representative of Capitola residents alone. Tract 1218.01 has the largest renter population. Regardless of renter-occupied household populations, HCVs are generally distributed evenly throughout the City.

Figure E-22: Renter-Occupied Households by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

### 3. Racially and Ethnically Concentrated Areas

#### a. Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

In an effort to identify racially/ethnically concentrated areas of poverty, HCD has identified areas of high segregation and poverty. Census tracts that are considered areas of high segregation and poverty are based on a two-stage approach. HCD's methodology for identifying areas of high segregation and poverty is as follows:

**Concentrated Poverty:** First, the filter identifies tracts and rural block groups where at least 30% of the population is living below the poverty line. Research has found that the impact of area poverty rates in producing negative outcomes for individuals—including crime, school leaving, and duration of poverty spells—begin to appear after an area exceeds approximately 20% poverty, whereupon the externality effects grow rapidly until the neighborhood reaches approximately 40% poverty.

To prevent college towns from distorting the filter's concentrated poverty measure, college and graduate students are removed from the poverty calculation in the filter in tracts where they comprise at least 25% of the population. An internal analysis found that without this adjustment, some tracts with high proportions of college students—many of which have high domain scores—are shown as having poverty rates exceeding 30%, likely due to the Census classifying many unemployed and partially employed students living off-campus up as poor.

The total population living in areas of extreme poverty declined in the 1990s, following government action designed to affirmatively counteract intentionally segregationist public policy. Following national trends, however, concentrated poverty has risen dramatically in California since 2000.

**Racial Segregation:** Second, the filter relies on a measure of racial segregation to capture which tracts and rural block groups have a disproportionate share of households of color. Setting an absolute threshold (as the federal RECAP metric does) does not account for substantial variation in the racial and ethnic population across California's counties. To properly account for the features of inequality operating on individuals at the neighborhood level, a relative segregation measure is more appropriate to reflect the experience of residents. The filter thus relies on the location quotient of residential racial segregation (LQ), which is increasingly being used in studies that seek to assess the impact of racial segregation on individual and community outcomes. The LQ is a small-area measure of relative segregation calculated at the residential census tract level that represents how much more segregated

an area (e.g., a census tract or block group) is relative to the larger area (in this case, the county). Tracts that have a LQ higher than 1.25 for Black, Hispanic, Asian, or all people of color are flagged as being racially segregated in comparison to the county. Census tracts and rural block groups that have both a poverty rate of over 30% and that are designated as being racially segregated are filtered into the “High Segregation & Poverty” category. Due to data unreliability at the block group level in the poverty indicator, the “High Poverty and Segregation” category is designated at the tract level in rural areas.

### **Regional Trends**

No areas of high segregation and poverty have been identified in the region surrounding Capitola. The closest areas of high segregation and poverty are in the cities of San Jose and Salinas. Additional areas of high segregation and poverty are located in Stanislaus County, Fresno County, San Francisco, and Alameda County.

Poverty status by tract for the region is presented in Figure E-24. While these tracts have not been identified as areas of high segregation and poverty, likely due to the small non-White populations, the City of Santa Cruz and Watsonville contain tracts where more than 30% of the population is below the poverty level. There are no other tracts with populations of persons below the poverty line exceeding 30% elsewhere in the region, including in Capitola.

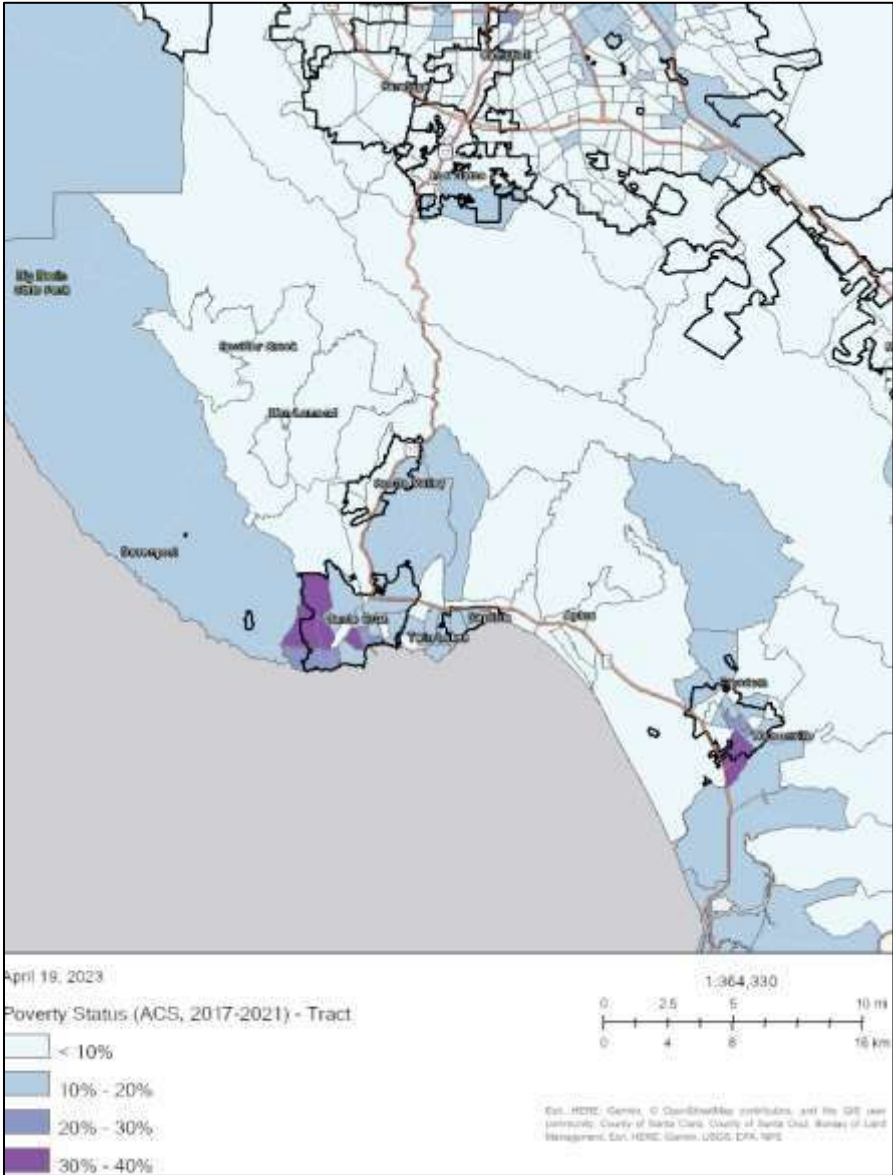
Figure E-23: Regional Areas of High Segregation and Poverty (2023)



Source: HCD AFFH Data Viewer 2.0, 2023.



Figure E-24: Regional Poverty Status by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



### Local Trends

There are no tracts in Capitola that have been identified as areas of high segregation and poverty. Most tracts in the City have populations of people below the poverty level between 10% and 20% (Figure E-25). Tract 1221, encompassing the eastern corner of Capitola and the unincorporated County area east of the City, has a smaller population of persons below the poverty level compared to all other areas of the City. As discussed above, this tract also has a smaller population of renters receiving HCVs (see Figure E-21).

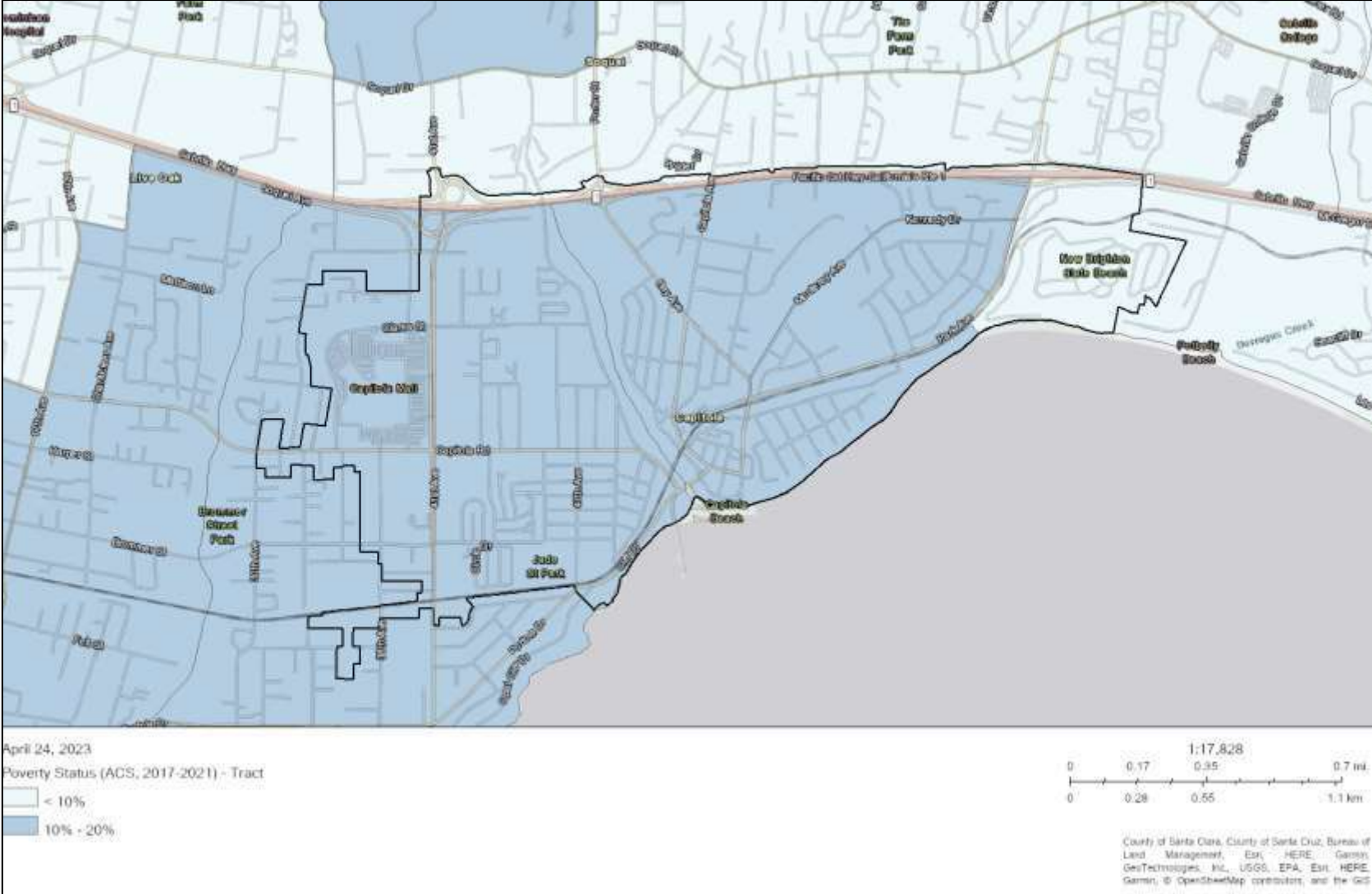
Poverty status by race and ethnicity for Capitola and Santa Cruz County is shown in Table E-9. A larger proportion of Capitola residents are below the poverty line (14.4%) compared to residents countywide (10.9%). In the County, the Asian population has the highest poverty rate of 17.6%, followed by the American Indian and Alaska Native population (17.2%), population of some other race (15.7%), and Native Hawaiian and other Pacific Islander population (15%). In Capitola, the population of some other race has the highest poverty rate of 33.5%. The Black/African American population, population of two or more races, and Hispanic/Latino population also have poverty rates exceeding the citywide average of 14.4%. There are no American Indian/Alaska Native, Asian, and Native Hawaiian/other Pacific Islander residents below the poverty level in Capitola.

**Table E-9: Poverty Status by Race/Ethnicity (2021)**

Race/Ethnicity	Capitola		Santa Cruz County	
	Total Population	Percent Below Poverty Level	Total Population	Percent Below Poverty Level
Black or African American alone	24	25.0%	2,555	10.9%
American Indian and Alaska Native alone	59	0.0%	1,749	17.2%
Asian alone	632	0.0%	10,828	17.6%
Native Hawaiian and Other Pacific Islander alone	26	0.0%	545	15.0%
Some other race alone	498	33.5%	39,068	15.7%
Two or more races	639	25.7%	24,599	10.2%
Hispanic or Latino origin (of any race)	2,328	27.9%	88,738	13.7%
White alone, not Hispanic or Latino	6,540	10.7%	148,644	8.8%
Population for whom poverty status is determined	<b>9,938</b>	<b>14.4%</b>	<b>260,154</b>	<b>10.9%</b>

Source: 2017-2021 ACS (5-Year Estimates).

Figure E-25: Poverty Status by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

b. Racially Concentrated Areas of Affluence (RCAAs)

While racially concentrated areas of poverty and segregation (R/ECAPs) have long been the focus of fair housing policies, racially concentrated areas of affluence (RCAAs) must also be analyzed to ensure housing is integrated, a key to fair housing choice. According to a policy paper published by HUD, RCAAs are defined as communities with a large proportion of affluent and non-Hispanic White residents. According to HUD's policy paper, non-Hispanic Whites are the most racially segregated group in the United States. In the same way neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color, conversely, distinct advantages are associated with residence in affluent, White communities. HCD's methodology for identifying RCAAs is as follows:

HCD has created a new version of the RCAA metric to better reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis of racially concentrated areas of poverty and affluence pursuant to AB 686 and AB 1304.

To develop the RCAA layer, staff first calculated a Location Quotient (LQ) for each California census tract using data from the 2015-2019 ACS. This LQ represents the percentage of total white population (White Alone, Not Hispanic or Latino) for each census tract compared to the average percentage of total white population for all census tracts in a given COG region. For example, a census tract with a LQ of 1.5 has a percentage of total white population that is 1.5 times higher than the average percentage of total white population in the given COG region.

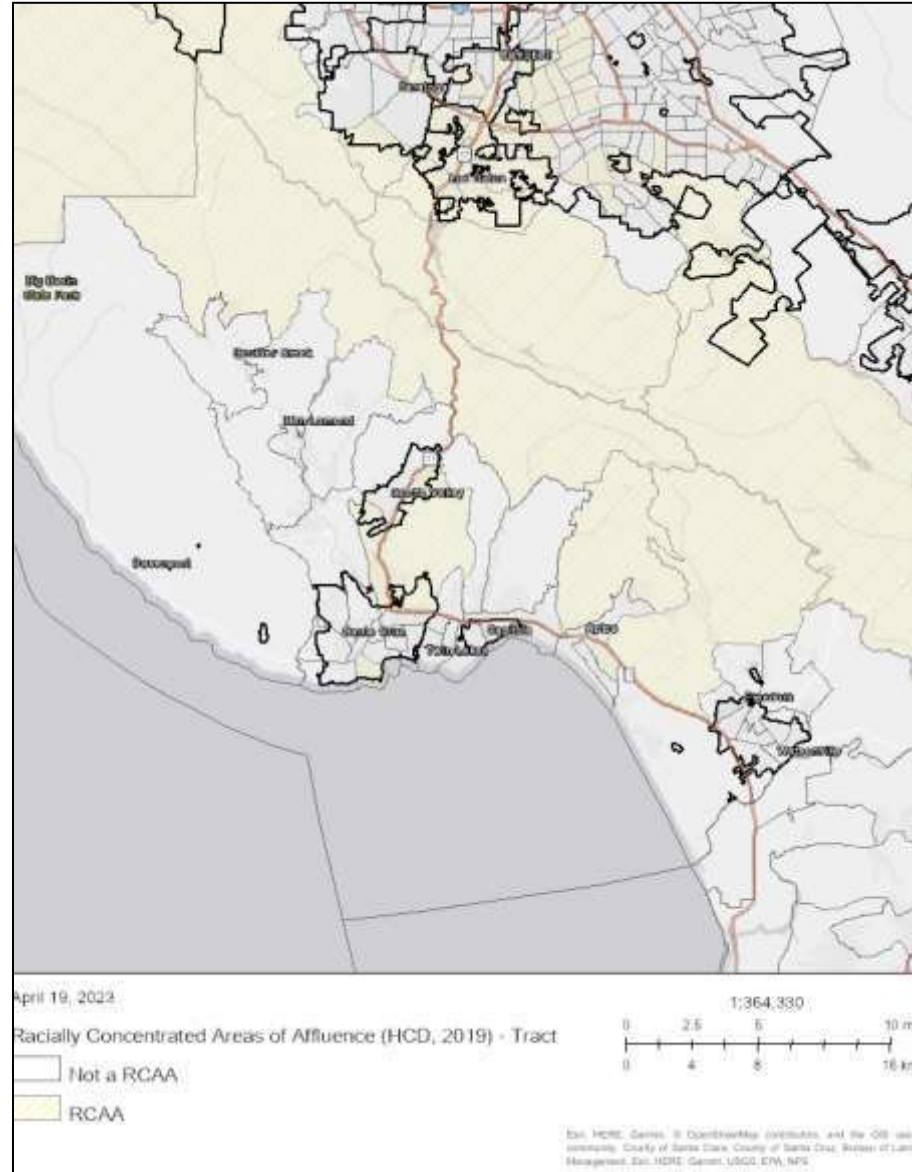
To determine the RCAAs, census tracts with a LQ of more than 1.25 and a median income 1.5 times higher than the COG AMI (or 1.5x the state AMI, whichever is lower) were assigned a numeric score of 1 (Is a RCAA). Census tracts that did not meet this criterion were assigned a score of 0 (Not a RCAA).

## Regional Trends

While there are very few areas of high segregation and poverty in the region, RCAAs are prevalent. As shown in Figure E-26, much of the unincorporated Santa Cruz County areas are considered RCAAs. RCAAs have also been identified in the City of Santa Cruz, Scotts Valley, Los Gatos, and throughout the San Jose area. As described above, many of these areas, specifically the unincorporated Santa Cruz County areas, have smaller racial/ethnic minority populations and populations of persons below the poverty line (see Figure E-4 and Figure E-24).

The median income is also highest for tracts in the unincorporated Santa Clara County area along the Santa Cruz County boundary. Tracts with lower median incomes are more prevalent in incorporated cities such as Watsonville, San Jose, and parts of the City of Santa Cruz and Capitola. Lower median incomes are generally consistent with LMI household populations shown in Figure E-17 above.

Figure E-26: Regional RCAA Tracts (2019)



Source: HCD AFFH Data Viewer 2.0 (2019 HCD), 2023.

Figure E-27: Regional Median Income by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

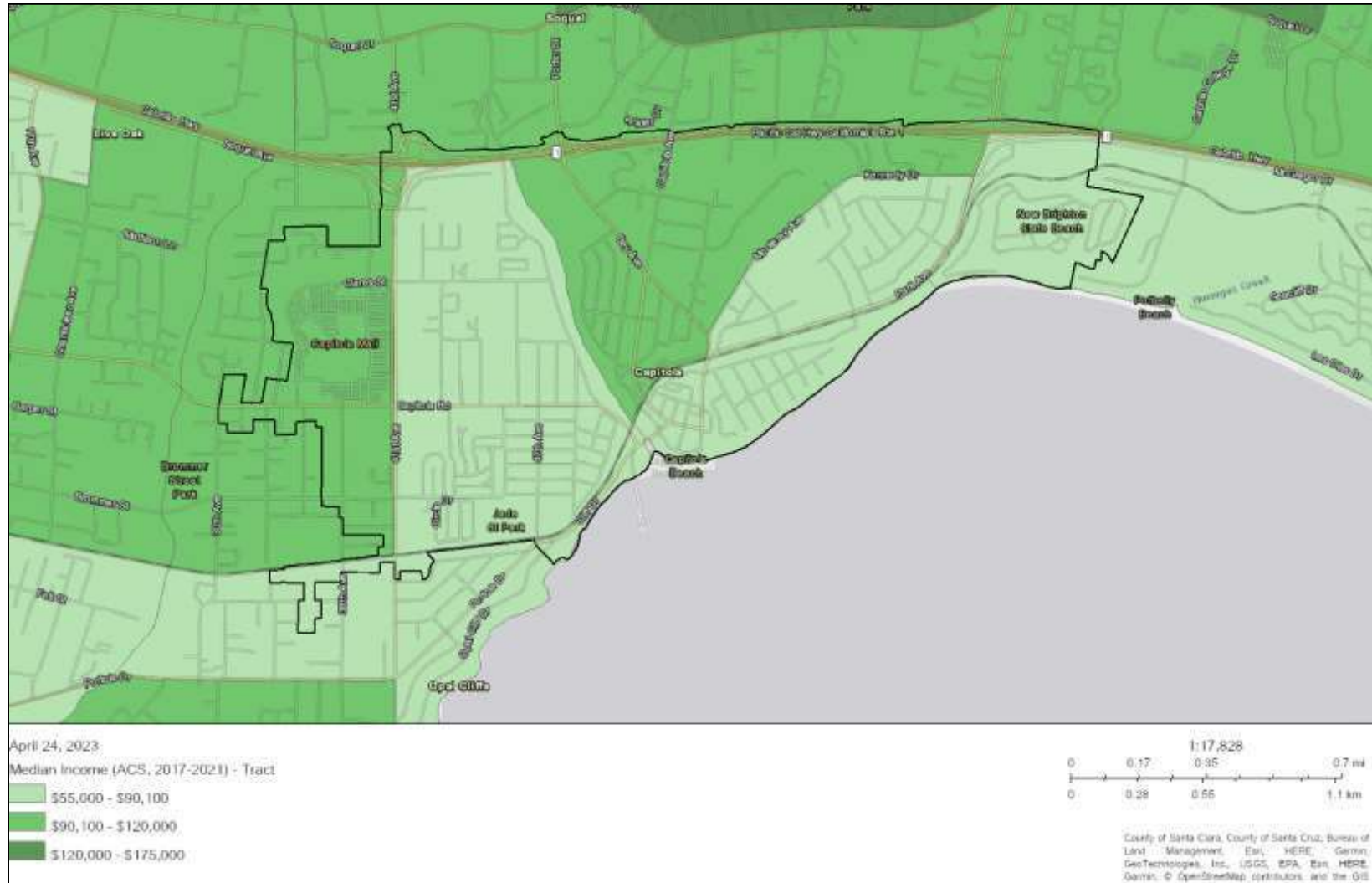
## Local Trends

There are no RCAAs in Capitola. Capitola tracts have median incomes ranging from \$55,000 to \$120,000 (Figure E-28). Tract 1218.02, bound by the PCH, Monterey Avenue, and Soquel Wharf Road, and tract 1217.02 on the western side of the City have higher median incomes compared to all other tracts in Capitola. As discussed previously, tract 1218.02 has a larger population of elderly adults and persons with disabilities compared to other areas of Capitola (see Figure E-9 and Figure E-10). Tract 1217.02 on the western side of Capitola has a larger owner-occupied household population (see Figure E-22). As discussed previously, tract 1218.01 has a large population of older adults living alone (see Figure E-15 and Figure E-16). The median family income at the tract-level is presented in Figure E-29. The median family income is significantly higher for block group 1218.01, containing Cliffwood Heights and Depot Hill, compared to the median household income. A family group is any two or more people (not necessarily including a householder) residing together, and related by birth, marriage, or adoption. A household may be composed of one such group, more than one, or none at all. The household income for this tract is likely lower because elderly adults, who make up a large proportion of this tract population, are more likely to be retired and have fixed or limited incomes. The median family income of \$118,625 in tract 1218.01 is a better indicator of income status in this tract. Income alone, specifically for the elderly and retired population residing in this tract, does not accurately reflect this populations' assets.

While HCD has not identified any RCAAs in Capitola, the Association of Monterey Bay Area Governments (AMBAG) identified the City as an RCAA in its 2023-2031 Regional Housing Needs Allocation Plan. Jurisdictions identified as RCAAs by AMBAG received a higher share of their RHNA in the lower income categories. AMBAG defines RCAAs as "jurisdictions that are both high income (higher than the regional average for percentage above 200% of the poverty level) and racially-concentrated (above the regional average for percent white non-Hispanic)." The AMBAG RCAA analysis does not target specific tracts like HCD.

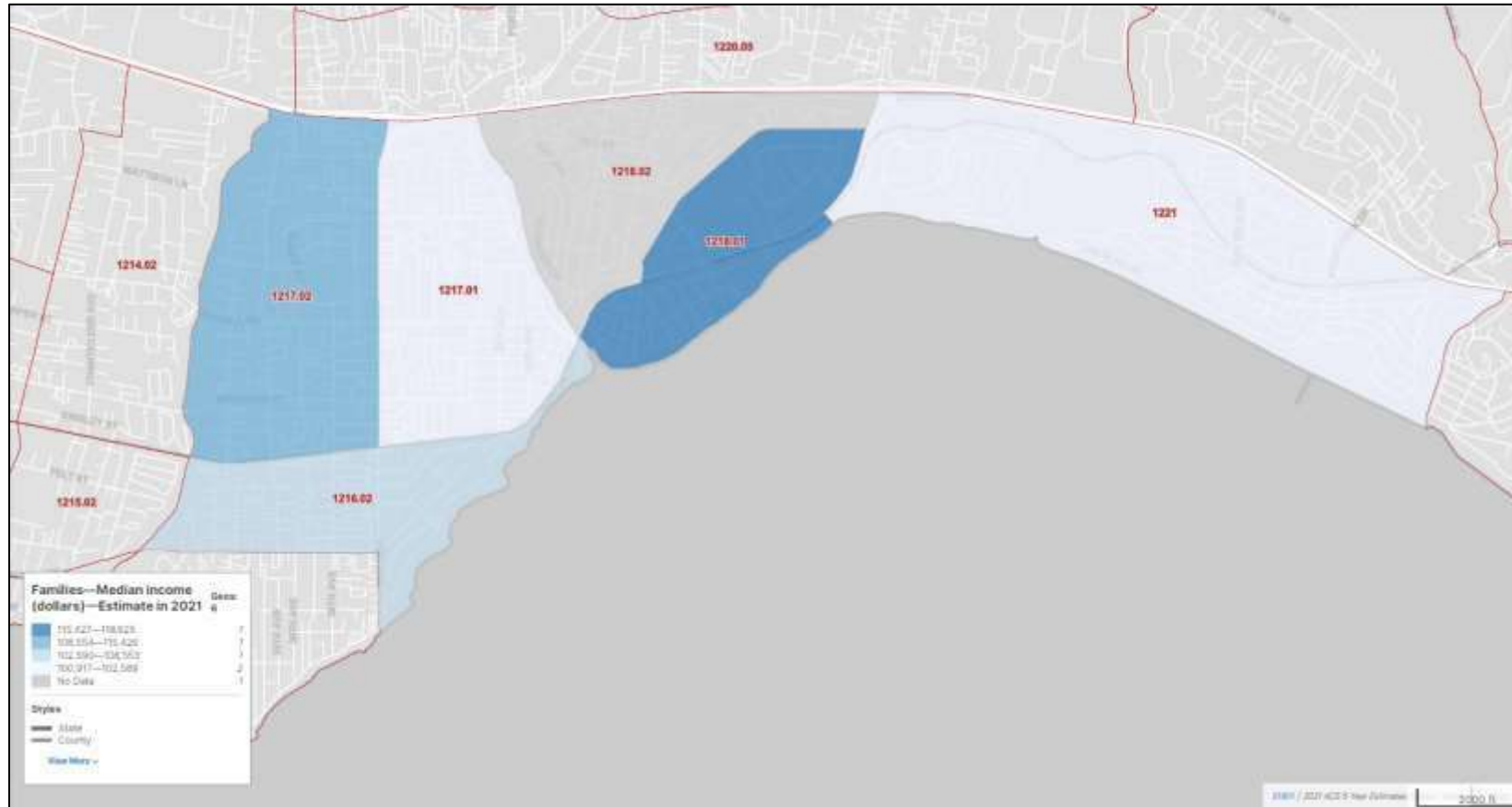


Figure E-28: Median Income by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-29: Median Family Income by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).

Table E-10 shows median household income by race/ethnicity for Capitola and Santa Cruz County. Santa Cruz County has a higher median income, \$96,093, compared to Capitola, \$83,726. As mentioned above, Capitola also has a higher poverty rate compared to the County as a whole (see Table E-9). Countywide, the population of two or more races and non-Hispanic White population have the highest median household income, while the Asian population has the highest median household income in Capitola. All other racial/ethnic groups in Capitola have lower median household incomes compared to the citywide average of \$83,726.

**Table E-10: Median Household Income by Race/Ethnicity (2021)**

Race/Ethnicity	Capitola		Santa Cruz County	
	Percent Distribution	Median HH Income	Percent Distribution	Median HH Income
Black or African American alone	0.0%	-	0.8%	\$83,642
American Indian and Alaska Native alone	0.0%	-	0.7%	\$79,000
Asian alone	5.7%	\$118,275	4.6%	\$78,482
Native Hawaiian and Other Pacific Islander alone	0.6%	-	0.2%	-
Some other race alone	4.0%	\$55,963	10.2%	\$68,177
Two or more races	4.7%	\$76,136	6.5%	\$105,864
Hispanic or Latino origin (of any race)	16.1%	-	23.8%	\$78,502
White alone, not Hispanic or Latino	75.0%	\$83,679	68.1%	\$107,361
<b>Total Households</b>	<b>4,656</b>	<b>\$83,726</b>	<b>96,476</b>	<b>\$96,093</b>

Source: 2017-2021 ACS (5-Year Estimates).

#### 4. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents’ mobility and access to ‘high resource’ neighborhoods.

The Department of Housing and Community Development (HCD) and California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task force to “provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/ departments to

further the fair housing goals (as defined by HCD).” The Task Force has created Opportunity Maps to identify resources levels across the state “to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with nine percent Low Income Housing Tax Credits (LIHTCs)”. These opportunity maps are made from composite scores of three different domains made up of a set of indicators. Table E-11 shows the full list of indicators. The opportunity maps include a measure or “filter” to identify areas with poverty and racial segregation. To identify these areas, census tracts were first filtered by poverty and then by a measure of racial segregation. The criteria for these filters are:

- Poverty: Tracts with at least 30% of population under federal poverty line;
- Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County.

**Table E-11: Domains and List of Indicators for Opportunity Maps**

Domain	Indicator
Economic	Poverty Adult education Employment Job proximity Median home value
Environmental	CalEnviroScreen 4.0 pollution Indicators and values
Education	Math proficiency Reading proficiency High School graduation rates Student poverty rates
Poverty and Racial Segregation	Poverty: tracts with at least 30% of population under federal poverty line Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County

Source: California Fair Housing Task Force, Methodology for TCAC/HCD Opportunity Maps, December 2020.

TCAC/HCD assigns “scores” for each of the domains in Table E-11 by census tract and computes “composite” scores that are a combination of the three domains. Scores from each individual domain range from 0-1, where higher scores indicate higher “access” to the domain or higher “outcomes.” Composite scores do not have a numerical value but rather rank census tracts by the level of resources (low, moderate, high, highest, and high poverty and segregation).

The TCAC/HCD Opportunity Maps offer a tool to show areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource, and high segregation and poverty and can help to identify areas within the community that provide good access to opportunity for residents or, conversely, provide low access to opportunity. They can also help to highlight areas where there are high levels of segregation and poverty.

The information from the opportunity mapping can help to highlight the need for housing element policies and programs that would help to remediate conditions in low resource areas and areas of high segregation and poverty and to encourage better access for low and moderate income and black, indigenous, and people of color (BIPOC) households to housing in high resource areas.

### **Regional Trends**

Tract-level TCAC Opportunity score categories for the region are shown in Figure E-30. This visual representation of TCAC Opportunity Areas in Santa Cruz County is based on a composite score, where each tract is categorized based on percentile rankings of the level of resources within the region. Most of the tracts in the county are high and highest resource areas. Moderate resource tracts are found near Boulder Creek, Twin Lakes and the in the City of Santa Cruz. Low resource tracts are located in and around the community of Freedom and the City of Watsonville.



### Local Trends

TCAC Opportunity Area scores for Capitola have been compiled by tract (Table E-12) and are presented geographically in Figure E-31. The tracts west of Wharf Road (tracts 1216.00 and 1217.00) are high resource areas while the tract between Wharf Road and Park Avenue (1218.00) has a highest resource designation. It should be noted that most of tract 1216.00 is in the unincorporated County. The portion within Capitola is south of the rail line and just on either side of Cliff Drive. Also, the only portion of the tract east of Park Avenue within city limits is New Brighton State Beach; therefore, this tract was not included in the table.

**Table E-12: TCAC Opportunity Area Scores By Tract in Capitola**

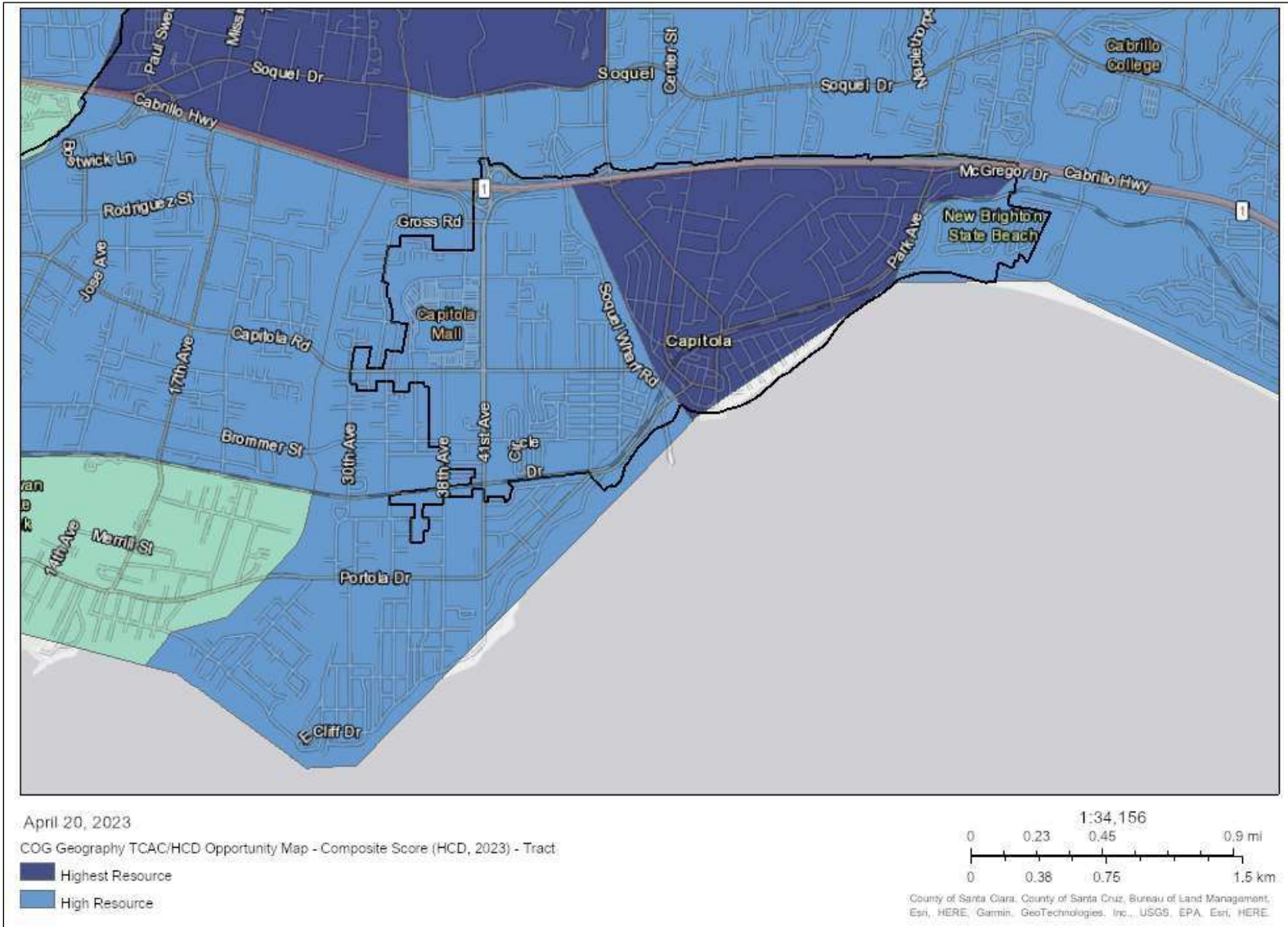
Tract	Economic Score	Environmental Score	Education Score	Composite Score	Final Category
1216.00	0.64	0.61	0.67	4.00	High Resource
1217.00	0.65	0.24	0.64	4.00	High Resource
1218.00	0.86	0.26	0.81	5.00	Highest Resource
Total Households	58,094	38,181	96,275		

Source: Source: HCD AFFH Data Viewer 2.0, 2023; UC Berkeley – TCAC Opportunity Area Scores by Tract.

Note: Most of tract 1216.00 is in the unincorporated County. The portion within Capitola is south of the rail line and just on either side of Cliff Drive.



Figure E-31: Capitola TCAC Opportunity Area Composite Score By Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

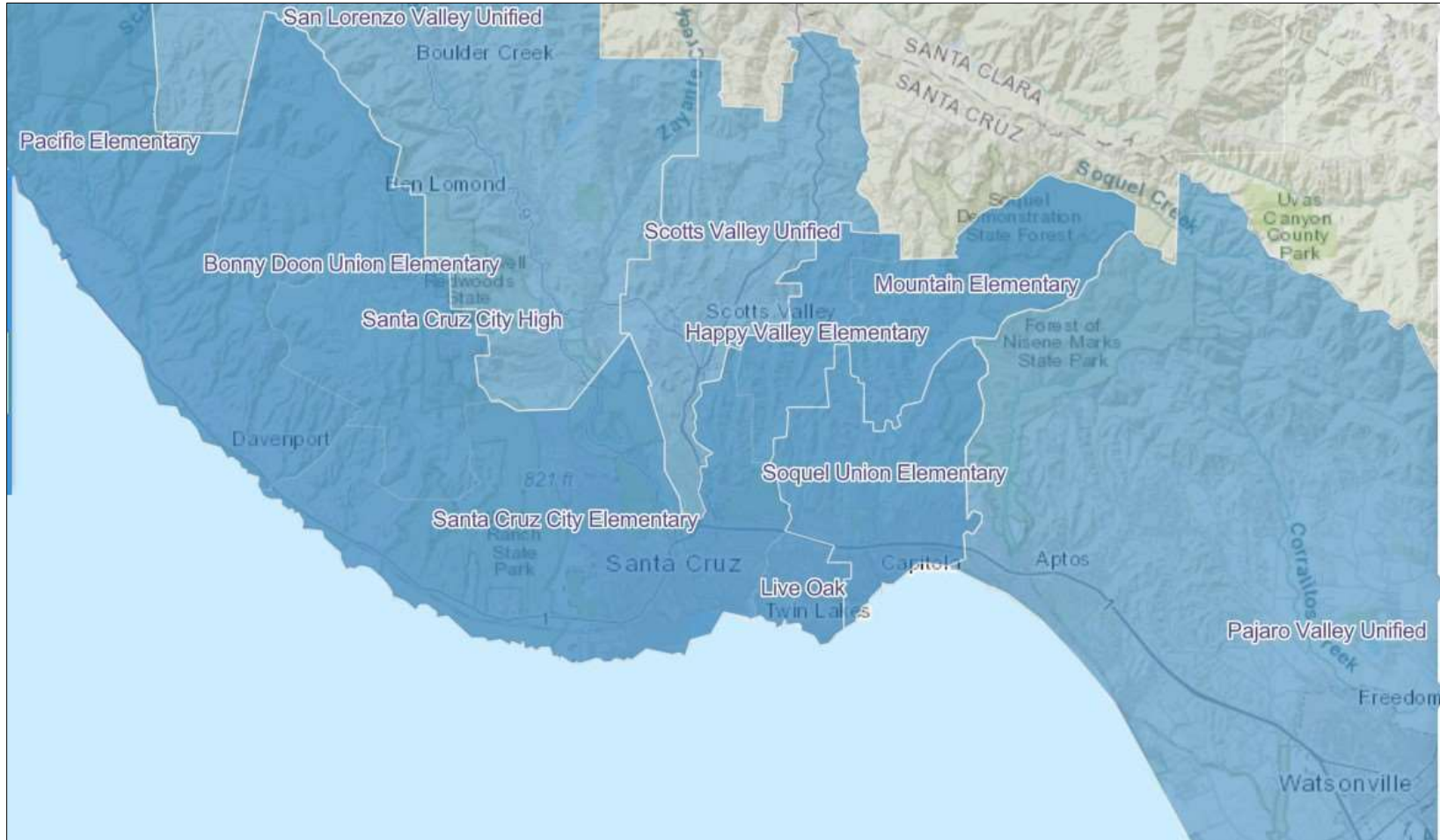
### a. Educational

Housing and school policies are mutually reinforcing, which is why it is important to analyze access to educational opportunities when assessing fair housing. At the most general level, school districts with the greatest amount of affordable housing tend to attract larger numbers of LMI families (largely composed of minorities). As test scores are a reflection of student demographics, where Black/Hispanic/Latino students routinely score lower than their White peers, less diverse schools with higher test scores tend to attract higher income families to the school district. This is a fair housing issue because as higher income families move to the area, the overall cost of housing rises and an exclusionary feedback loop is created, leading to increased racial and economic segregation across districts as well as decreased access to high-performing schools for non-White students.

### **Regional Trends**

Santa Cruz County has 10 school districts serving about 40,000 students. The boundaries of these districts are shown on Figure E-32 (Santa Cruz Elementary and Santa Cruz High are under the same District office). In terms of public schools, the County has 40 elementary, 12 middle and eight high schools. In addition, the County has charter schools, alternative high schools and alternative schools of choice.

Figure E-32: School District Boundaries in Santa Cruz County



Source: California State Geoportal; gis.data.ca.gov

Table E-13 looks at high school graduation rates in the County by race and ethnicity. In the 2021-2022 school year, the graduation rate in the County overall was 86.9%, which was comparable to the state (97.0%). Asian and African American students had the highest rates at 96% while Hispanic students had the lowest graduation rate at 84%. The graduation rates of all groups of students increased between the 2016-2017 and 2021-2022 school years.

**Table E-13: High School Graduation Rates By Race/Ethnicity in Santa Cruz County**

	2016-2017		2021-2022	
	Students	Graduation Rate	Students	Graduation Rate
African American	30	80.0%	25	96.0%
American Indian and Alaska Native	11	72.7%	12	91.7%
Asian	50	94.0%	81	96.3%
Filipino	28	92.9%	19	94.7%
Hispanic or Latino	1,577	82.4%	1,915	84.2%
Pacific Islander	---	---	---	---
White	1,269	88.7%	1,258	90.4%
Two or more races	79	84.8%	126	89.7%
Not Reported	---	---	---	---
Santa Cruz County	2,610	85.0%	3,476	86.9%
California	493,795	82.7%	497,884	87.0%

Source: California Department of Education, Data Reporting Office. Cohort Outcome Data for the Class of 2016-17 and 2021-22.

**Local Trends**

As shown in Figure E-33, the majority of Capitola is within the Soquel Union Elementary School District. A small western portion of the City is in the Live Oak District boundaries. High school aged students in the Soquel Union Elementary School District attend Soquel High School located north of Highway 1. This high school is in the Santa Cruz City School District. Those in the Live Oak Elementary District are served by the Cypress Charter High School.

Figure E-33: School District Boundaries In and Around Capitola



Source: California State Geoportal; gis.data.ca.gov



Greatschools.org is a nonprofit organization that rates schools across the states. The Great Schools Summary Rating calculation is based on four ratings: the Student Progress Rating or Academic Progress Rating, College Readiness Rating, Equity Rating, and Test Score Rating. Ratings at the lower end of the scale (1-4) signal that the school is “below average,” 5-6 “average.” and 7-10 “above average.”

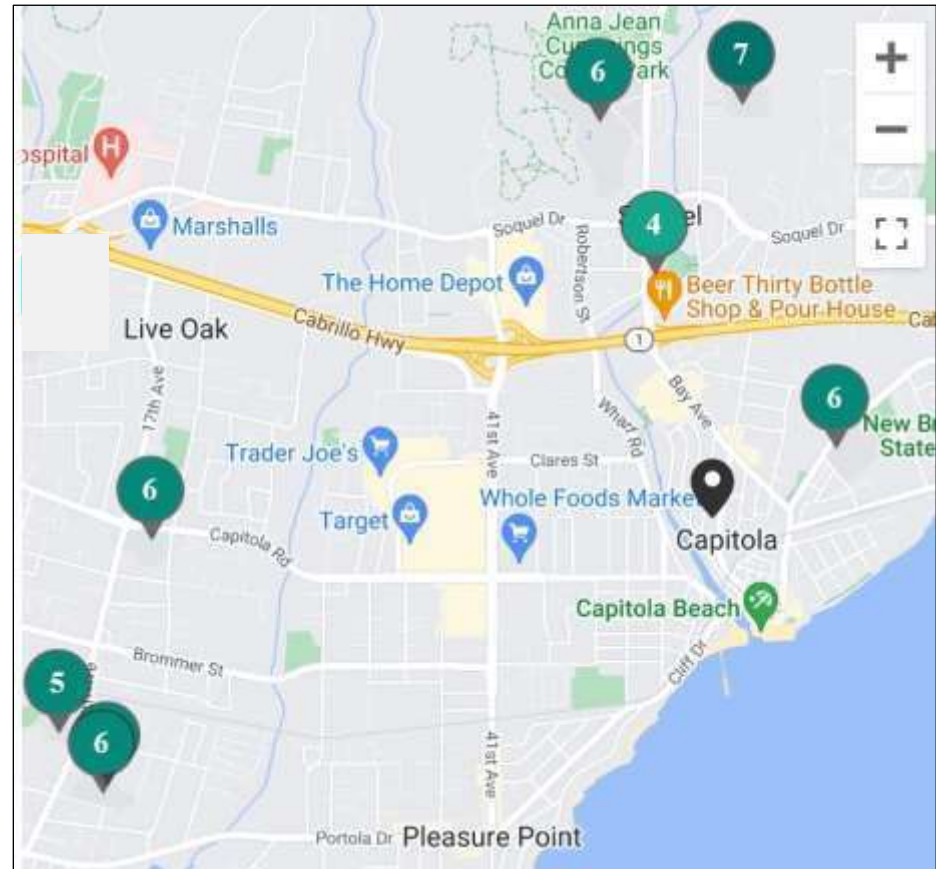
The schools serving Capitola residents in the Soquel Union Elementary School District have the following Great School Summary Ratings:

- Soquel Elementary: 4
- Main Street Elementary: 7
- New Brighton Middle School: 6
- Soquel High School: 6

The schools in the Live Oak District serving Capitola residents have the following ratings:

- Live Oak Elementary: 6
- Shoreline Middle School: 5
- Cypress Charter High School: 6

Figure E-34: Great School Ratings



Source: Greatschools.org

Looking at high school graduation rates in 2021-2022, Soquel High School reported on two race/ethnic groups: White students had a 98.6% graduation rate and Hispanic students had a 97.3% graduation rate. The Cypress Charter High School reported a 100% graduation rate for White students.<sup>7</sup>

7 California Department of Education, Data Reporting Office. Cohort Outcome Data for the Class of 2021-22. 2023-2031 HOUSING ELEMENT CAPITOLA GENERAL PLAN

## b. Transportation

Access to public transit is of paramount importance to households affected by low incomes and rising housing prices, especially because lower income households are often transit dependent. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

### **Regional Trends**

The Santa Cruz County Regional Transportation Commission (RTC), along with its partners, obtains and distributes funding to maintain the existing transportation network as well as prepare for future transportation needs. The RTC's 2045 Regional Transportation Plan (RTP), approved in June 2022, looks at future projects throughout the County.

### **Regional Transportation Plan (RTP)<sup>8</sup>**

The following information about the County's transportation system is from the 2045 RTP:

Santa Cruz County's transportation network includes facilities for private automobiles, public transit, bicycles, pedestrians, specialized transportation for seniors and people with physical or mental disabilities, transport of goods and services, and emergency vehicles. Santa Cruz County's main transportation corridors and facilities are limited by the area's physical barriers of mountains and the sea (Figure E-35). Population settlement patterns are primarily centered along highways, major arterials, and the Santa Cruz Branch Rail Line (SCBRL).

Santa Cruz Metropolitan Transit District (METRO) buses serve approximately 400 miles of roads throughout the county and cover the majority of roads designated as arterial and collector routes. There are 218 miles of bicycle lanes and bicycle paths which generally follow primary transportation corridors. Sidewalks and other pedestrian facilities are also an important part of the transportation network.

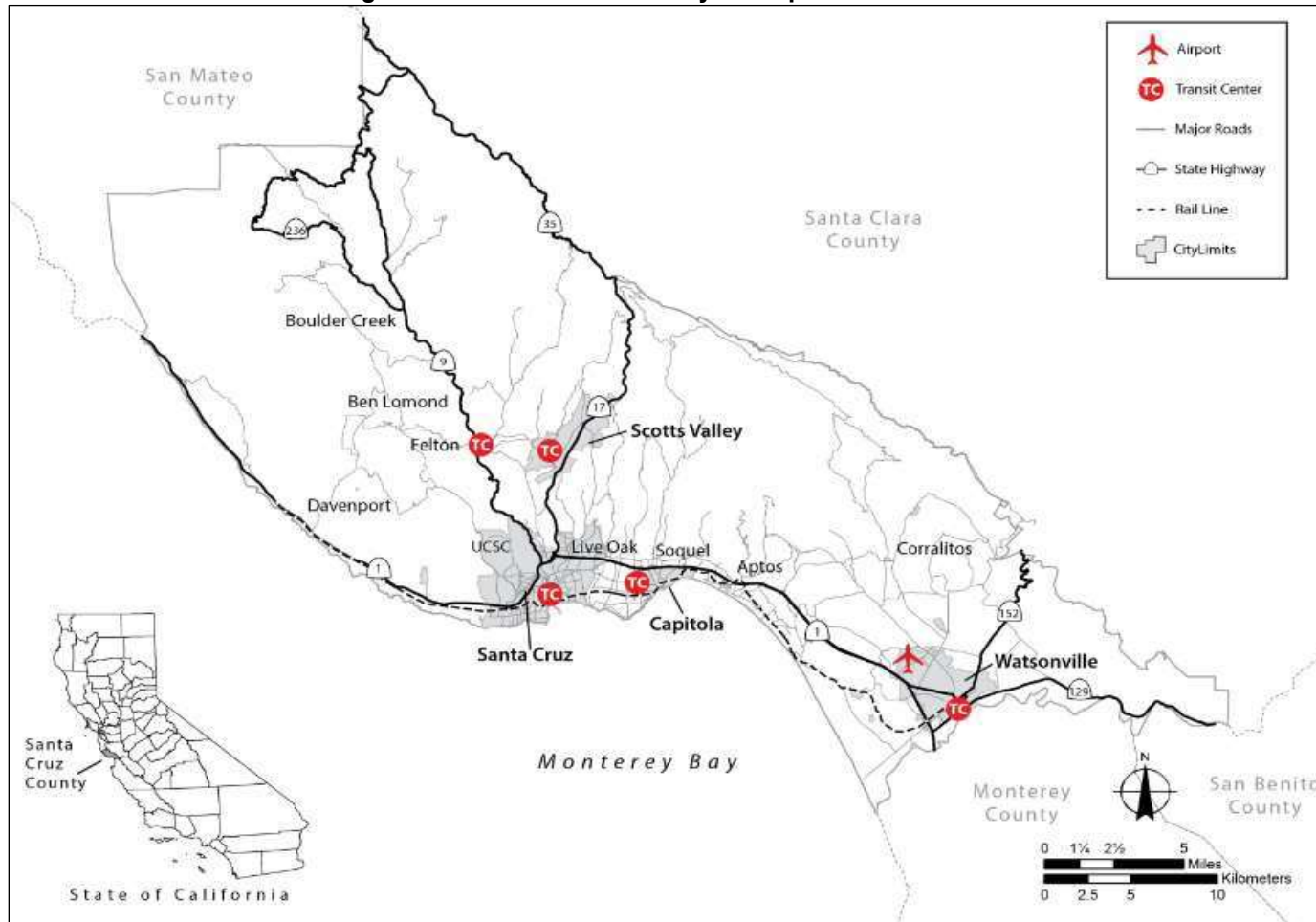
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<sup>8</sup> Santa Cruz County Regional Transportation Commission, *2045 Regional Transportation Plan for Santa Cruz County*, June 2022.



There are seven state highways, or State Routes (SR), in Santa Cruz County – SR 1, 9, 17, 35, 129, 152 and 236 (Figure E-35).

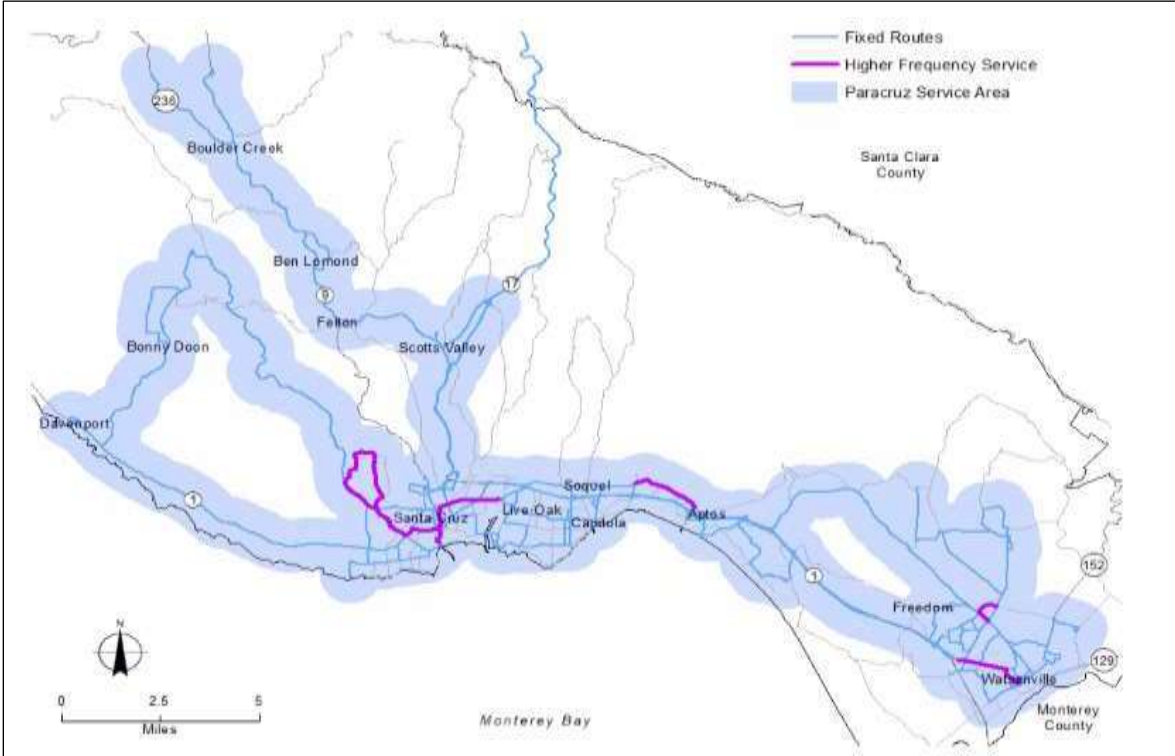
Figure E-35: Santa Cruz County Transportation Network



Source: 2045 Regional Transportation Plan for Santa Cruz County (Figure 2.1)

Public transit is operated locally by the Santa Cruz Metropolitan Transit District (METRO). METRO provides four types of services: local fixed-route bus service, Highway 17 Express Bus service, ParaCruz ADA-mandated paratransit, and Cruz On-Demand microservices (Figure E-36). METRO operates over 90 buses (including four all electric buses) on 24 fixed routes on approximately 400 miles of roads and four transit centers in Santa Cruz County: Cavallaro Transit Center in Scotts Valley, Santa Cruz METRO Center in Downtown Santa Cruz, Capitola Mall Transit Center, and Watsonville Transit Center in Downtown Watsonville (Figure E-35). In 2023, Metro was awarded \$38.6 million from the California State Transportation Agency’s Transit and Intercity Rail Capital Program (TIRCP) to support 24 zero-emission hydrogen-powered buses and associated fueling infrastructure on a regional level. This will increase service frequency while providing clean energy.

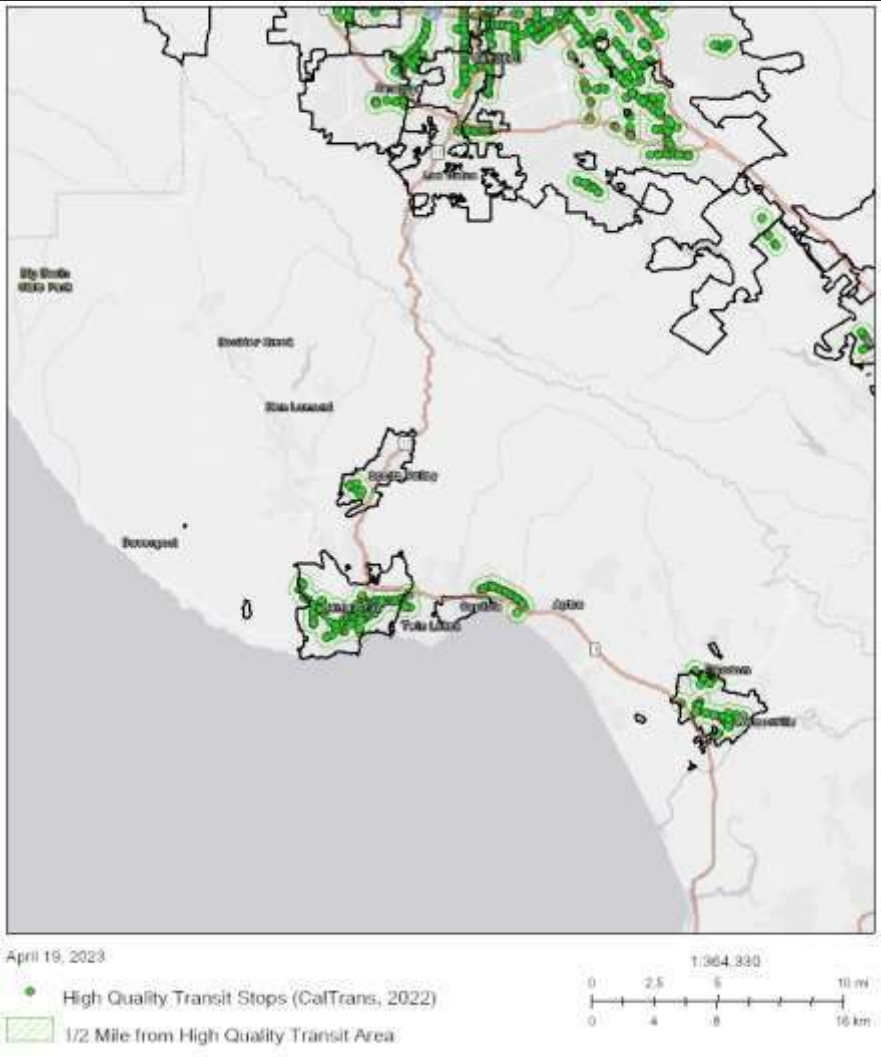
**Figure E-36: Transit Provided by Santa Cruz Metropolitan Transit District (METRO)**



Source: 2045 Regional Transportation Plan for Santa Cruz County (Figure 2.3)

Figure E-37 shows the locations of high quality transit stops and areas in the County. These areas are located within the boundaries of the County's four incorporated cities.

**Figure E-37: High Quality Transit Stops and Areas in Santa Cruz County**

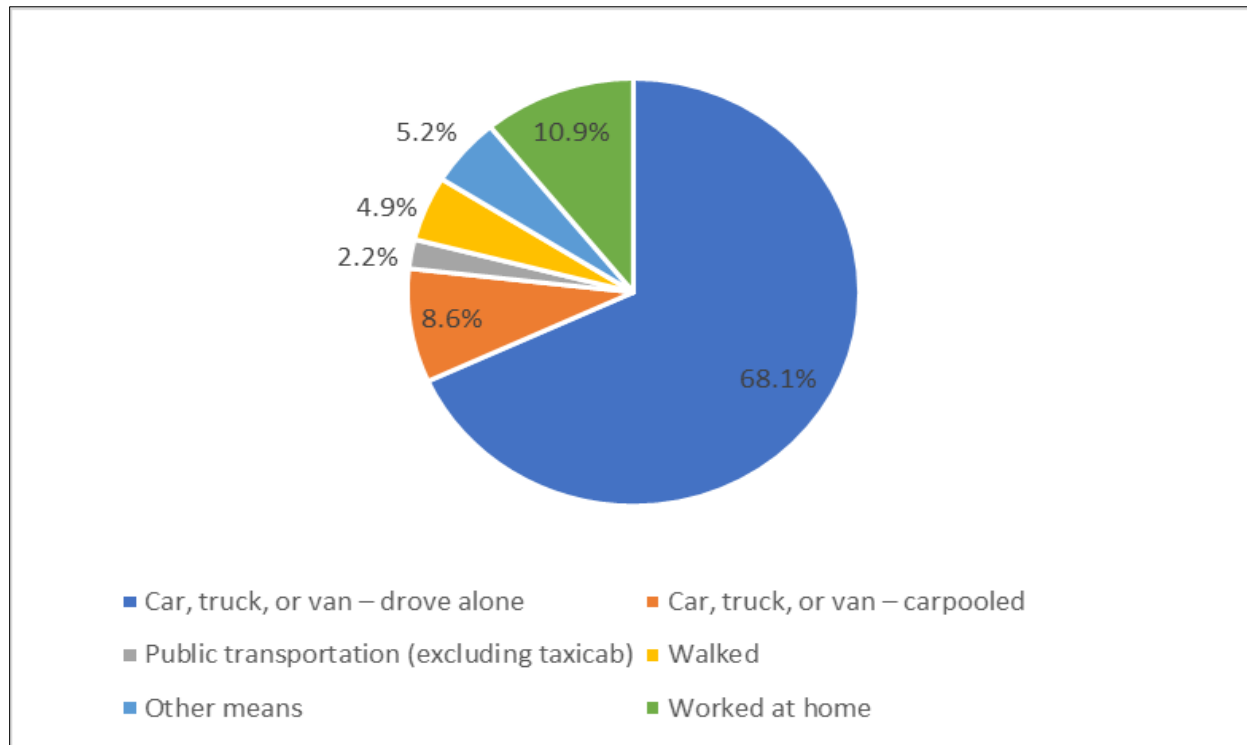


Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

### Commuting Patterns in Santa Cruz County

Additional information about transit usage in Santa Cruz County is available by looking at commuting patterns. Figure E-38 shows how people in the County travel to and from their jobs. Approximately 76% of county residents travel by automobile to their job. Of those who drove, 8.6% carpooled. About 11% of workers in the county worked from home. Public transit was used by 2% of residents for work travel. Five percent of workers walked to their jobs and another 5% used other modes of travel, such as biking.

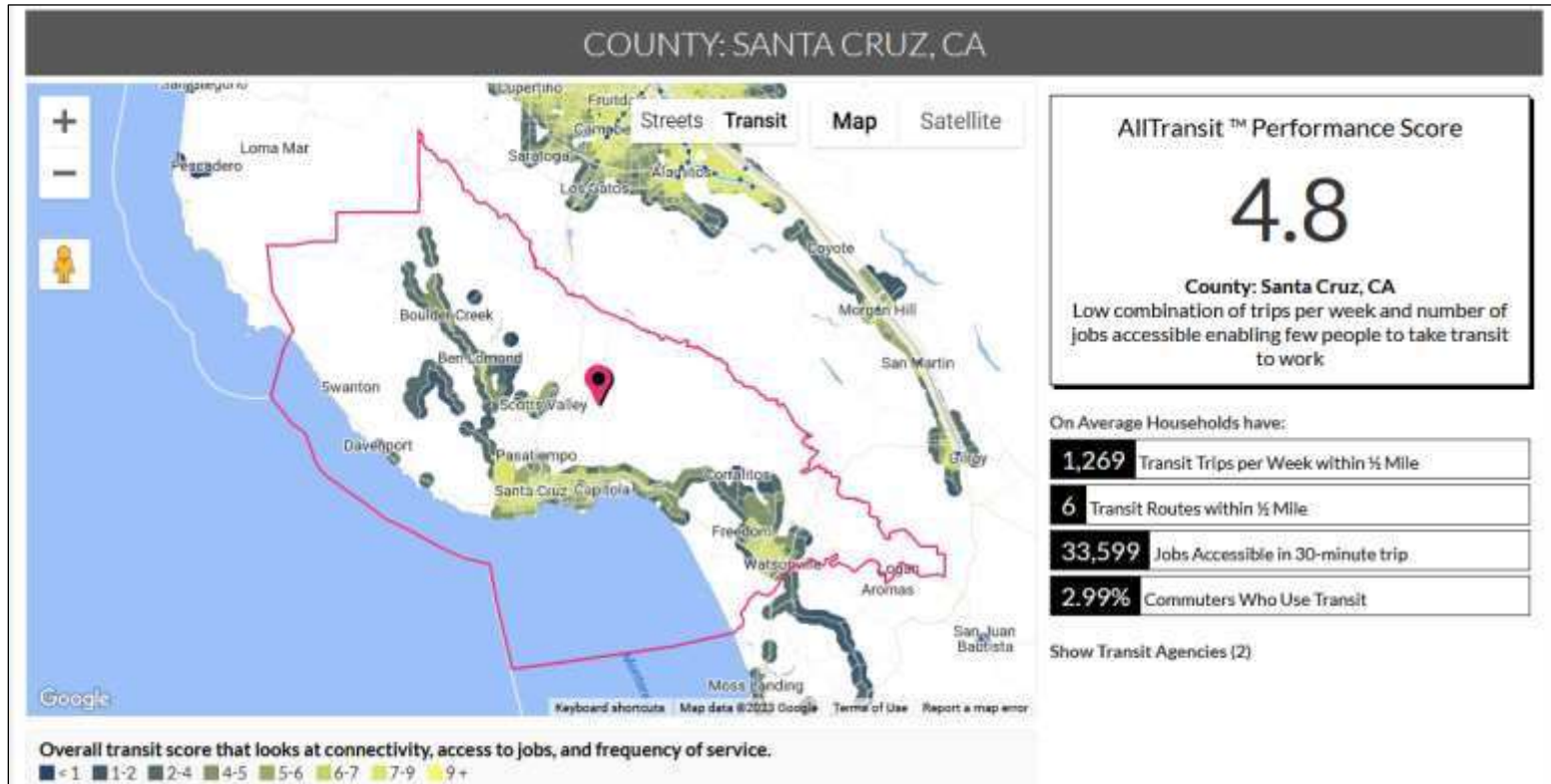
Figure E-38: Means of Transportation to Work in Santa Cruz County



Source: 2016-2020 American Community Survey 5-year Estimates

All Transit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the most recent data posted (2019), Santa Cruz County has an AllTransit Performance Score of 4.8 (out of 10). The map in Figure E-39 shows that the cities in the county as well as the communities in the central corridor of the county have a higher transit usage.

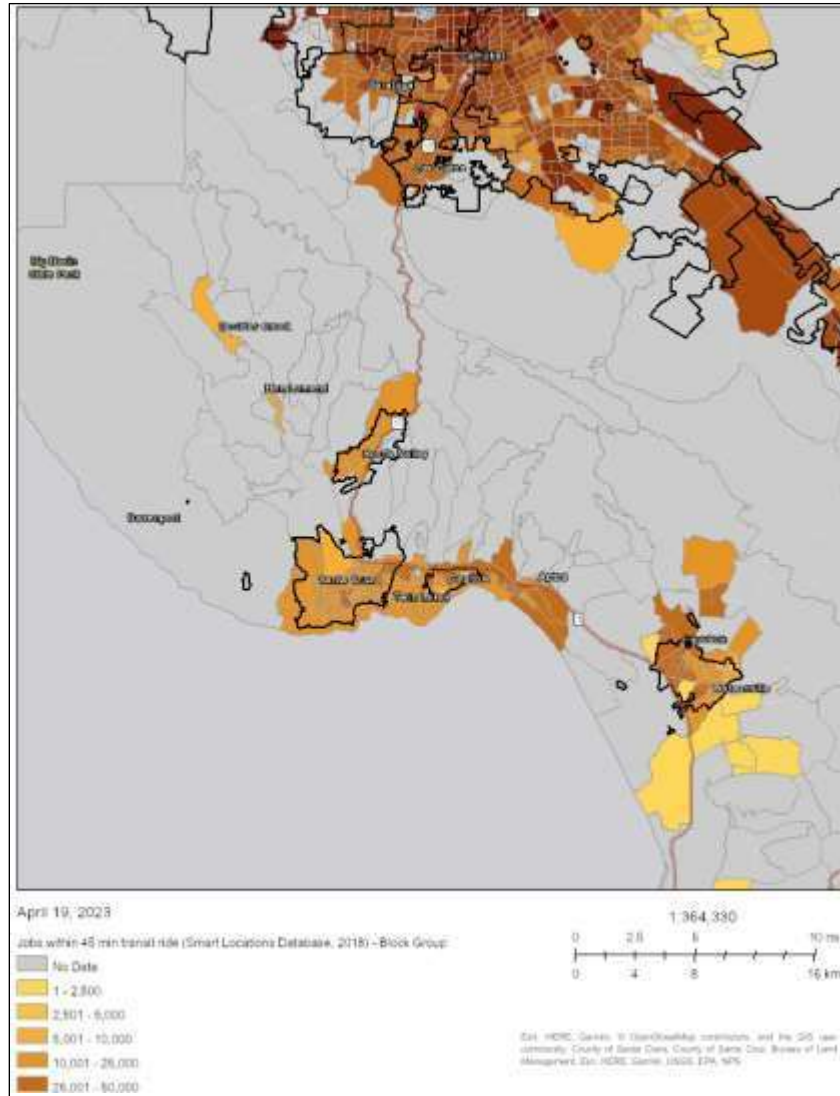
Figure E-39: Santa Cruz County All Transit Performance Score and Map (2019)



Source: AllTransit, <https://alltransit.cnt.org/rankings>

Figure E-40 shows the areas with jobs located within a 45-minute transit ride.

**Figure E-40: Jobs Within A 45-Minute Transit Ride in Santa Cruz County**



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



### Local Trends

Highway 1 is the major road that goes through Capitola (Figure E-41). In addition to the regional traffic congestion along Highway 1, within the City of Capitola, traffic congestion along the 41st Avenue corridor remains problematic. The County of Santa Cruz completed improvements to the 41st Avenue overcrossing at Highway 1, which include the restriping of the bridge deck to add an additional southbound lane. An adaptive signal and bicycle lane mileage for 41st Avenue have also been added.

Figure E-41: Capitola Roadway Network



Source: City of Capitola and RBF Consulting, 2011.  
Source: City of Capitola General Plan



In February 2011, Capitola adopted an updated Bicycle Transportation Plan (BTP).<sup>9</sup> The BTP identifies a number of existing and proposed bikeways for Capitola, as shown in Figure E-42. In addition, a multi-use trail for bicycles and pedestrians is planned along the Santa Cruz Branch rail line corridor. The long-term plan is for the multi-use trail to cross Soquel Creek along the trestle. In the short term, the rail trail will cross Soquel Creek over Stockton Bridge in the Village until sufficient funds are available to retrofit the trestle to accommodate bicycles and pedestrians.

Figure E-42: Capitola Bikeway Network

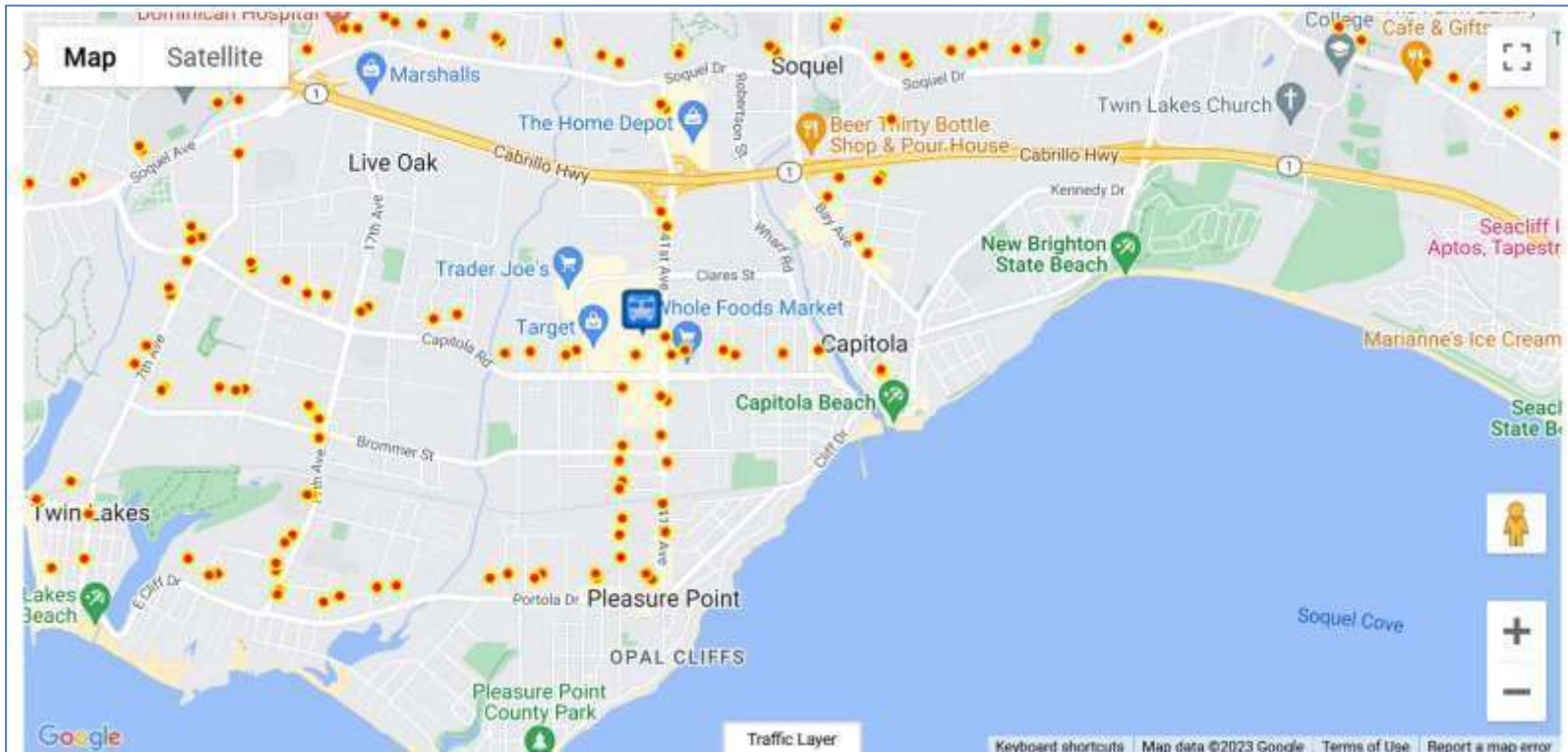


\*A sharrow, or shared-lane marking, is a street markings placed in the center of a travel lane to indicate that a bicyclist may use the full lane.  
Source: City of Capitola and RBF Consulting, 2011.

9 City of Capitola, Capitola General Plan. Adopted June 26, 2014.

The Capitola Mall Transit Center has a ticket vending machine and has four routes that provide bus service in and around Capitola (Figure E-43). Service begins around 10:30 in the morning until 10:30 at night.

Figure E-43: Bus Service In and Around Capitola



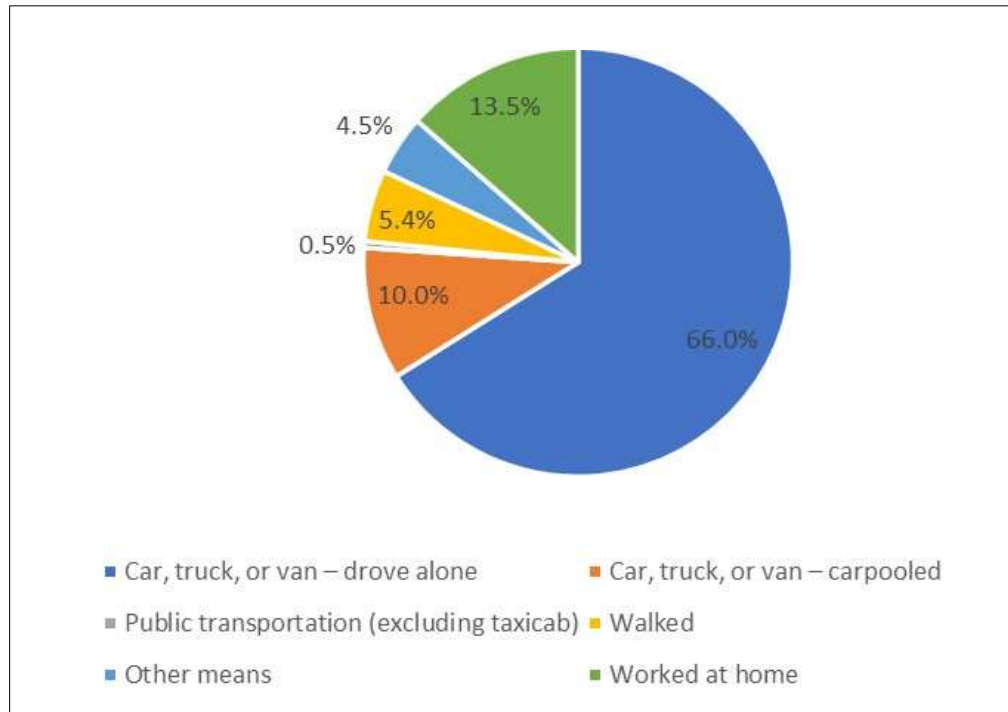
Source: Santa Cruz METRO website, 2023.

In addition to information on bus routes, the City’s website provides information on park and ride locations, ride sharing, bike routes and other means of alternative transportation.

### Commuting Patterns in Capitola

Figure E-44 shows the commuting patterns for Capitola residents. The percentage of residents who drive alone (66%) is slightly less than the County (68%). Fewer Capitola workers use public transit (<1%) than the County, but more carpool (10%) and work from home (14%).

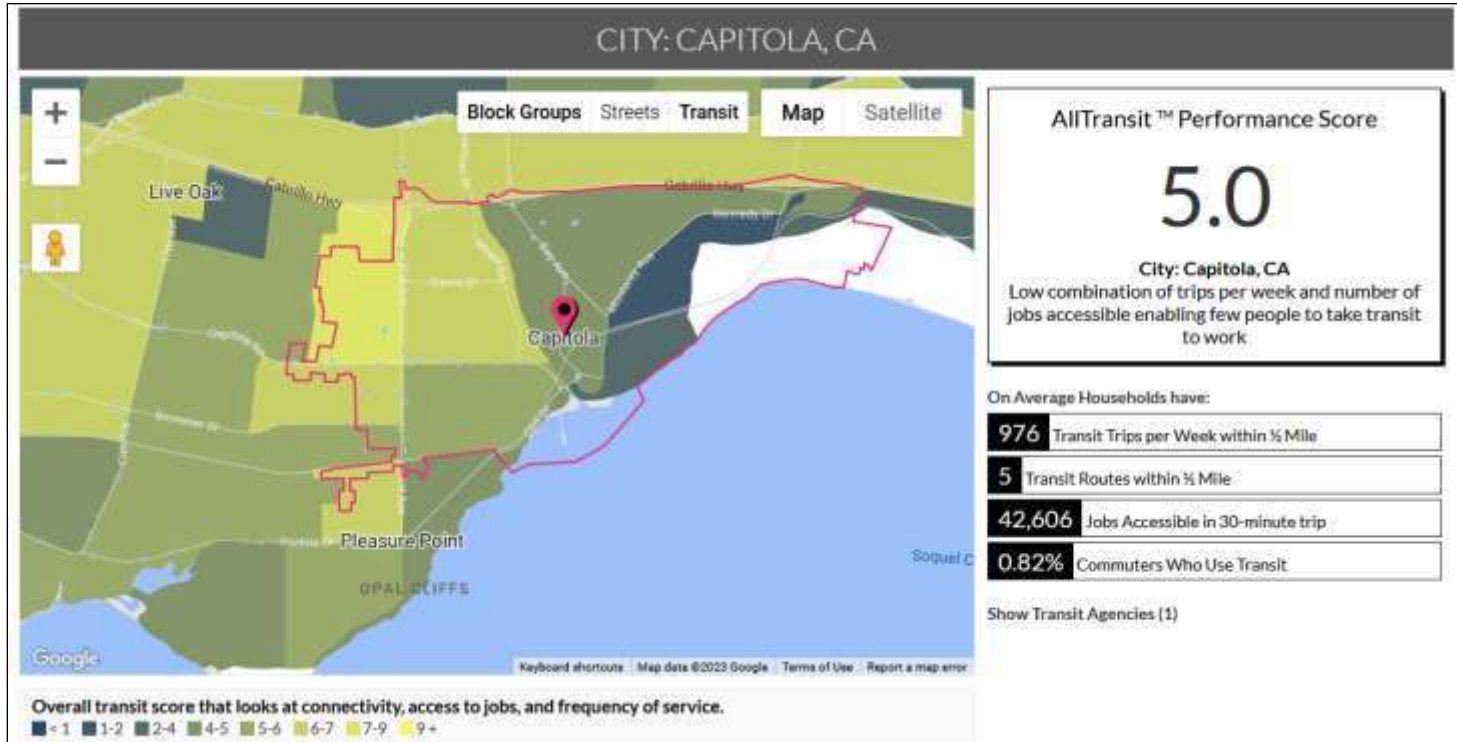
Figure E-44: Means of Transportation to Work in Capitola



Source: 2016-2020 American Community Survey 5-year Estimates

The All Transit score for Capitola is 5.0, which is slightly higher than the 4.8 for the county (Figure E-45).

Figure E-45: Capitola All Transit Performance Score and Map (2019)



c. Economic

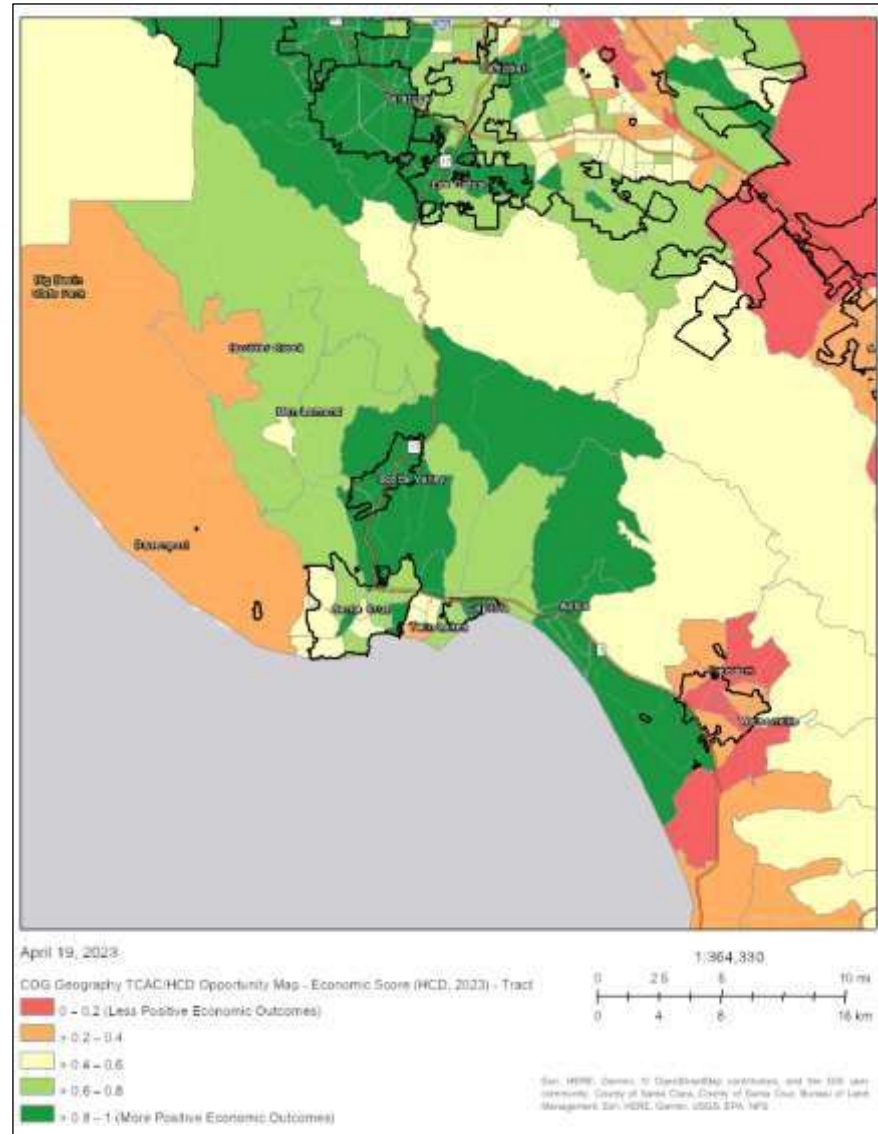
**Regional Trends**

TCAC economic scores are determined using the following variables: poverty, adult education, employment, job proximity, and median home value. A complete list of TCAC Opportunity Map domains and indicators are included in Table E-11. TCAC economic scores by tract in the County are presented in Figure E-46. The portions of the County with lower economic scores (0.4 or less) are in the northwest, including the community of Davenport, part of the Twin Lakes community, the southwest and in and near the City of Watsonville.

### Local Trends

As shown on Figure E-46, Capitola has favorable economic opportunity scores. The eastern area of the City (east of Wharf Road) has the highest score possible (>0.8-1.0). While the economic scores are high in Capitola, one concern is the economic base being dependent of tourism and how that impacts the types of job opportunities for residents. This issue is discussed further in the *Other Relevant Factors* section of this AFFH.

Figure E-46: Santa Cruz County TCAC Opportunity Areas – Economic Score By Tract



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



#### d. Environmental

TCAC environmental score are based on the CalEnviroScreen 4.0 scores that was developed by the California Environmental Protection Agency (CalEPA) to evaluate pollution sources in a community while accounting for a community's vulnerability to the adverse effects of pollution. Measures of pollution burden and population characteristics are combined into a single composite score that is mapped and analyzed. Higher values on the index indicate higher cumulative environmental impacts on individuals arising from these burdens and population factors.

The California Office of Environmental Health Hazard Assessment (OEHHA) compiles these scores to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also considers socioeconomic factors such as educational attainment, linguistic isolation, poverty, and unemployment.

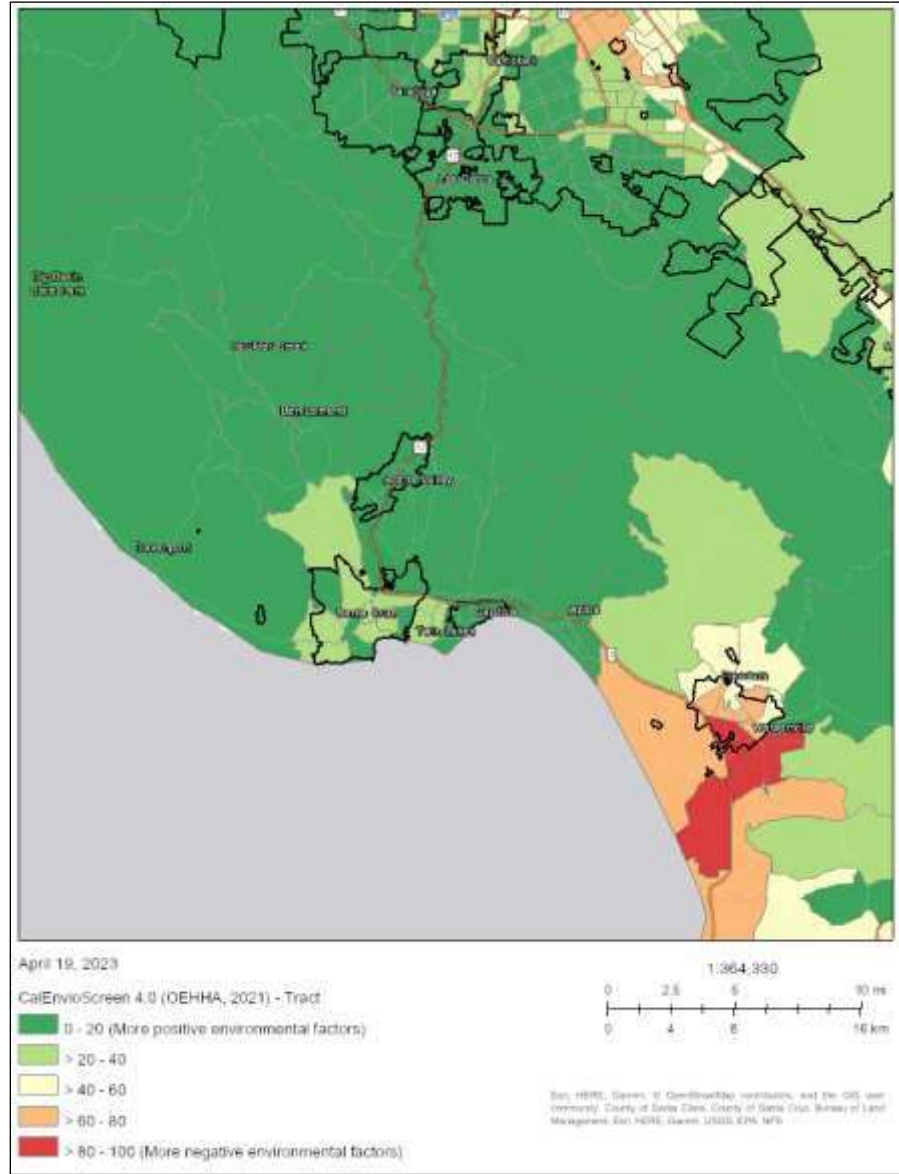
#### **Regional Trends**

Figure E-47 shows scores for CalEnviroScreen 4.0 released by the California Office of Environmental Health Hazard Assessment. Most of the County has more positive environmental scores, with the exception of the southwest portion south of Aptos. The southwest corner of the City of Watsonville has the most negative environmental factors.

#### **Local Trends**

As shown in Figure E-47, Capitola has the most positive environmental scores. The City has a variety of open space and recreational resources, including Capitola Beach and the New Brighton State Beach park. Figure E-48 shows the locations of the local parks in Capitola.

Figure E-47: CalEnviroScreen Scores for Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.



Figure E-48: Local Parks in Capitola



Source: Santa Cruz County and RBF Consulting, 2011.

Source: Santa Cruz County and RBF Consulting 2011

## 5. Disproportionate Housing Needs

Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Santa Cruz County and Capitola. Housing problems considered by CHAS include:

- Housing cost burden, including utilities, exceeding 30% of gross income;
- Severe housing cost burden, including utilities, exceeding 50% of gross income;
- Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom)

### Housing Problems.

In Santa Cruz County, 44% of households experience housing problems (Table E-14). These problems can be: 1) housing units lacking complete kitchen facilities, 2) housing units lacking complete plumbing facilities, 3) household is overcrowded, and 4) household is cost burdened. Renter households in the County face a greater percentage of problems compared to owner households (60% versus 33%). Black residents face the highest amount of housing problems overall (51.2%). When looking at tenure, 80% of American Indian renter households and 43% of Hispanic owner households experience housing problems. The following section provides an overview of housing problems including cost burden, overcrowding, substandard housing conditions, displacement risk and persons experiencing homelessness.

#### a. Cost Burden

Housing cost burden, or overpayment, is defined as households paying 30% or more of their gross income on housing expenses, including rent or mortgage payments and utilities. Renters are more likely to overpay for housing costs than homeowners. Housing cost burden is considered a housing need because households that overpay for housing costs may have difficulty affording other necessary expenses, such as childcare, transportation, and medical costs.

### Regional Trends

In Santa Cruz County, 44% of households experience housing problems (Table E-14). These problems can be: 1) housing units lacking complete kitchen facilities, 2) housing units lacking complete plumbing facilities, 3) household is overcrowded, and 4) household is cost burdened. Renter households in the County face a greater percentage of problems compared to owner households (60% versus 33%). Black residents face the highest amount of housing problems overall (51.2%). When looking at tenure, 80% of American Indian renter households and 43% of Hispanic owner households experience housing problems.

Cost burden impacts 40% of households in the County. Similar to housing problems overall, renter households experience a higher rate of cost burden than owner households (54% versus 30%). When looking at race and ethnicity, American Indian households have the lowest percentage (25%) while half of Hispanic households in the County are paying more than 30% of their income on housing.

**Table E-14: Housing Problems and Cost Burden By Race/Ethnicity – Santa Cruz County (2019)**

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
<b>With Housing Problem</b>							
Owner-Occupied	31.0%	34.5%	41.7%	29.4%	0.0%	42.8%	33.1%
Renter-Occupied	53.3%	64.8%	57.8%	80.0%	0.0%	72.8%	60.4%
All Households	38.2%	51.2%	48.4%	37.0%	0.0%	61.3%	44.0%
<b>With Cost Burden</b>							
Owner-Occupied	29.5%	34.5%	41.2%	26.5%	0.0%	33.2%	30.4%
Renter-Occupied	49.6%	59.2%	51.3%	13.3%	0.0%	61.7%	53.9%
All Households	36.0%	48.1%	45.4%	24.5%	0.0%	50.7%	39.8%

Source: HUD CHAS Data (2015-2019)

Housing problems and cost burdens can also affect special needs populations disproportionately. Table E-15 shows that renter elderly and large family households experience housing problems and cost burdens at higher rates than all renters, all households, and their owner counterparts.

**Table E-15: Housing Problems, Elderly and Large Households – Santa Cruz County (2019)**

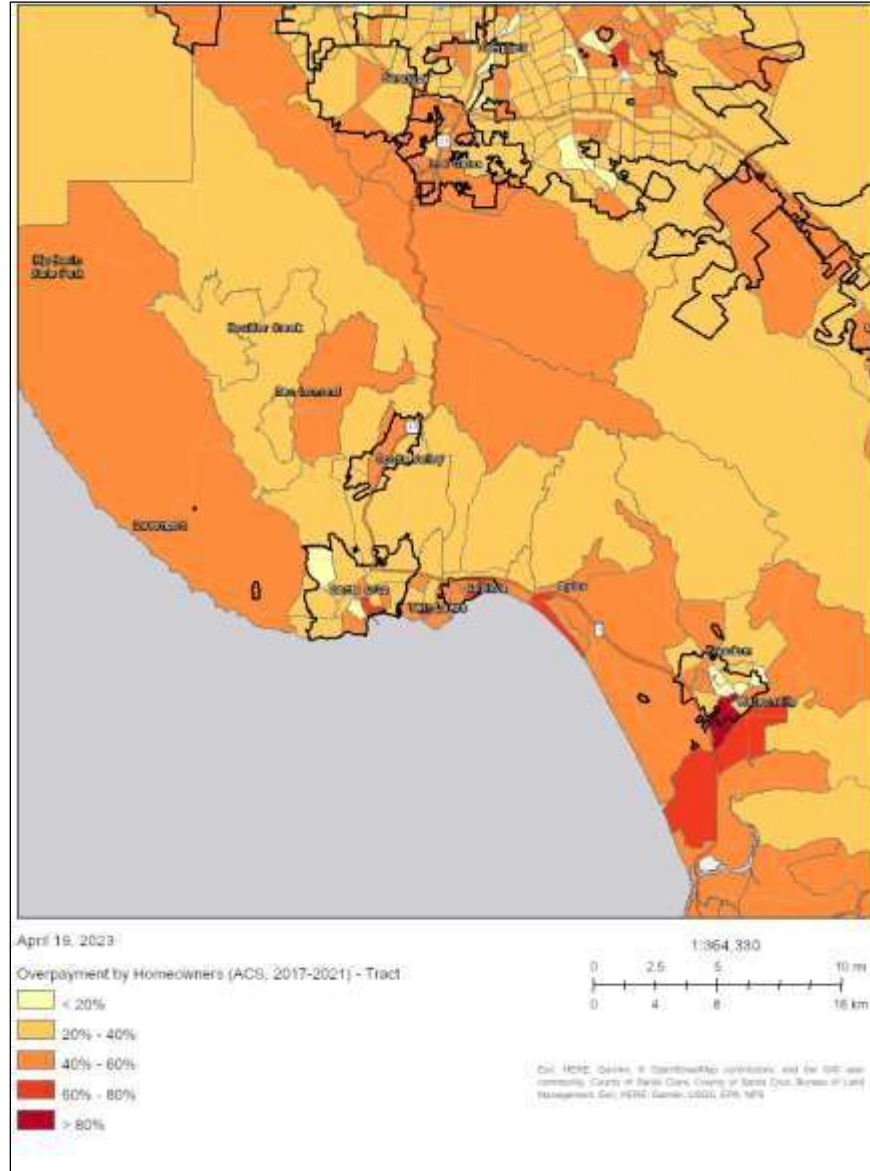
	Owner-Occupied			Renter-Occupied			All Households
	Elderly	Large Households	All Owner	Elderly	Large Households	All Renters	
Any Housing Problem	33.5%	51.1%	33.1%	70.5%	87.9%	60.4%	44.0%
Cost Burden > 30%	32.2%	24.7%	30.4%	66.8%	63.0%	53.9%	39.8%

Source: HUD CHAS Data (2015-2019)

As shown in Figure E-49, the majority of homeowner overpayment in Santa Cruz County is between 20% and 60%. Pockets of higher cost burden are found in the cities of Santa Cruz, Capitola and Watsonville as well as along the coastline west of Aptos. The northern portion of Monterey County also has a high percentage (60% and higher) of cost burdened owner households.

Figure E-50 shows cost burden by renter households in the County. Cost burden for renters is less than owners along the northern coastline, north and west of Boulder Creek, and around the community of Aptos. However, for the remainder of the County, renter household face equal or greater cost burden compared to owners. Concentrations of households with 60% or higher overpayment are found in and around Scott’s Valley, Ben Lomond, Santa Cruz, Capitola, Watsonville and along the coastline south of Capitola.

Figure E-49: Percentage of Overpayment by Homeowners in Santa Cruz County (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.





**Local Trends**

Housing problems and cost burden, for Capitola is shown in Table E-16. Overall housing problems and cost burden is higher in Capitola than the County (46% versus 44% and 45% versus 40%, respectively). Over 60% of Asian and Hispanic households face housing problems and cost burden in the city versus around 40% of White households. Hispanic renter households face the highest percentage in Capitola.

**Table E-16: Housing Problems and Cost Burden By Race/Ethnicity – Capitola (2019)**

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
<b>With Housing Problem</b>							
Owner-Occupied	40.1%	---	100.0%	---	---	47.2%	42.9%
Renter-Occupied	43.8%	---	33.3%	0.0%	---	69.1%	48.7%
All Households	41.9%	---	64.3%	0.0%	---	62.0%	46.0%
<b>With Cost Burden</b>							
Owner-Occupied	40.4%	---	100.0%	---	---	49.1%	43.1%
Renter-Occupied	39.9%	---	33.3%	0.0%	---	66.4%	45.7%
All Households	40.1%	---	64.3%	0.0	---	60.7%	44.5%

Source: HUD CHAS Data (2015-2019)

Table E-17 shows that elderly renter households face housing problems (90%) and cost burden (76%) at a much greater rate than large households and renter households overall in Capitola. These higher percentages indicate that elderly renters face challenges with rental prices and maintenance issues in the City.

**Table E-17: Housing Problems, Elderly and Large Households – Capitola (2019)**

	Owner-Occupied			Renter-Occupied			All Households
	Elderly	Large Households	All Owner	Elderly	Large Households	All Renters	
Any Housing Problem	39.8%	31.3%	43.1%	90.3%	58.4%	48.7%	46.0%
Cost Burden > 30%	39.4%	25.6%	42.9%	76.4%	38.2%	45.7%	44.5%

Source: HUD CHAS Data (2015-2019)



Figure E-51 and Figure E-52 shows homeowner cost burden in Capitola between 2014 and 2021. Over the six-year period, 40% to 60% of homeowners faced overpayment. However, tract 1218.01 (located on either side of Monterey Avenue) saw an increase in owner cost burdened households to 60% to 80% since 2014.

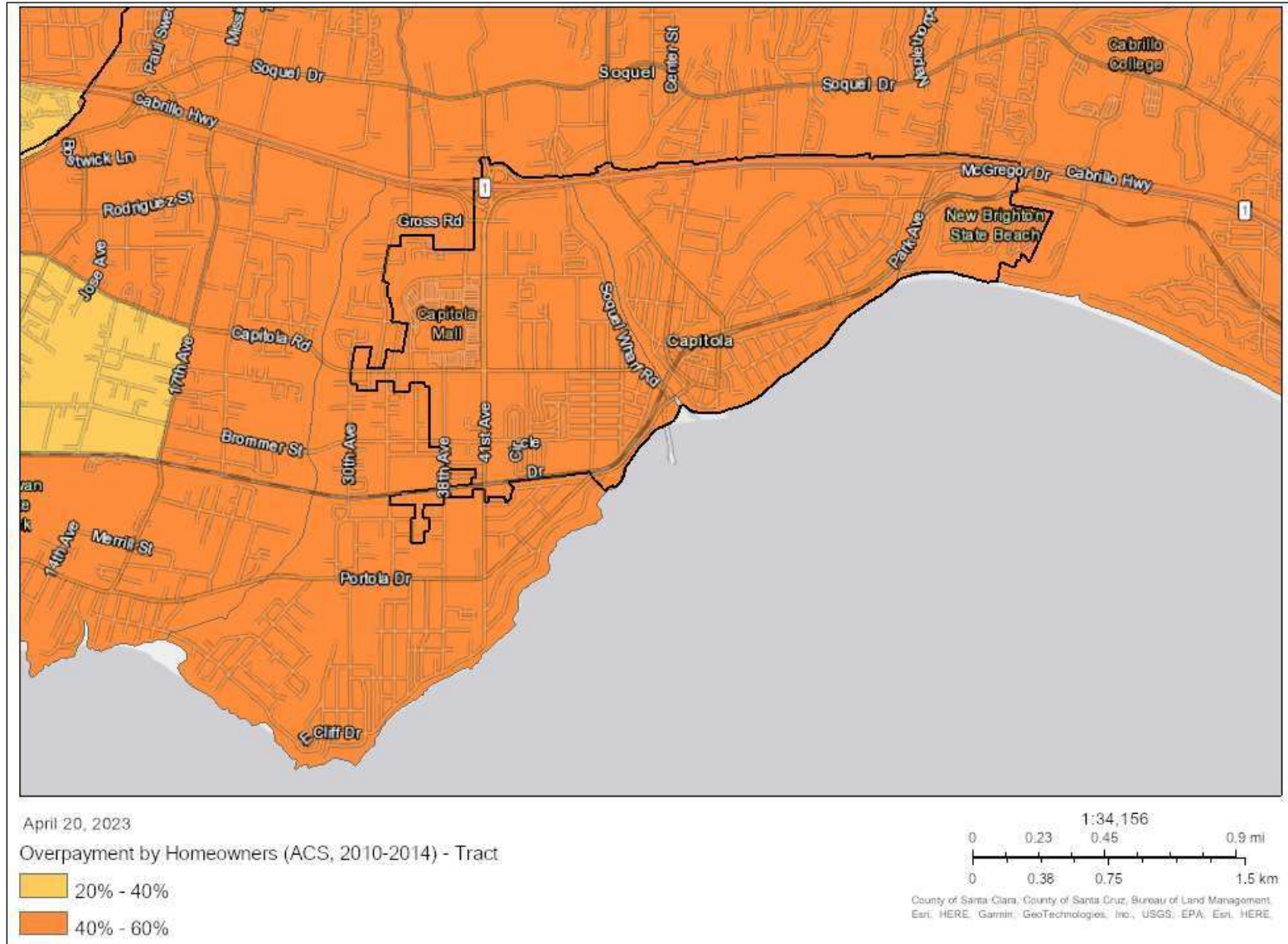
Renter cost burden in Capitola is shown in Figure E-53 and Figure E-54. In 2014, 40% to 60% of renter households in the city faced overpayment. In 2021, that percentage dropped to 20% to 40% of renter households in tract 1217.02 (west of 41<sup>st</sup> Street), 1218.01 (south of Monterey Avenue) and 1218.02 (north of Monterey Avenue).

As mentioned previously, tract 1218.01, where the Cliff Heights and Depot Hill neighborhoods are located, has a large population of older adults living alone. Elderly adults, who make up a large proportion of this tract population, are more likely to be retired and have fixed or limited incomes and therefore are more likely to experience cost burden. According to the 2016-2020 ACS, 57% of households residing in tract 1218.01 are non-family households. Specifically, in tract 1218.01 57.1% of households are single-person households including 22.6% that are senior single-person households (65 or older). In comparison, only 35.7% of households citywide are one person including 14.5% with an elderly person living alone.

Additionally, only 62% of the population aged 16 and older with earnings residing in tract 1218.01 have full-time year-round earnings, consistent with the large population of elderly adults in this tract. However, the median annual earnings for the 62% of persons in tract 1218.01 with full-time year-round work is \$53,542, significantly higher than the median of \$45,982 citywide. The median income for non-families residing in tract 1218.01 is \$80,541 compared to only \$61,814 for non-family households citywide.

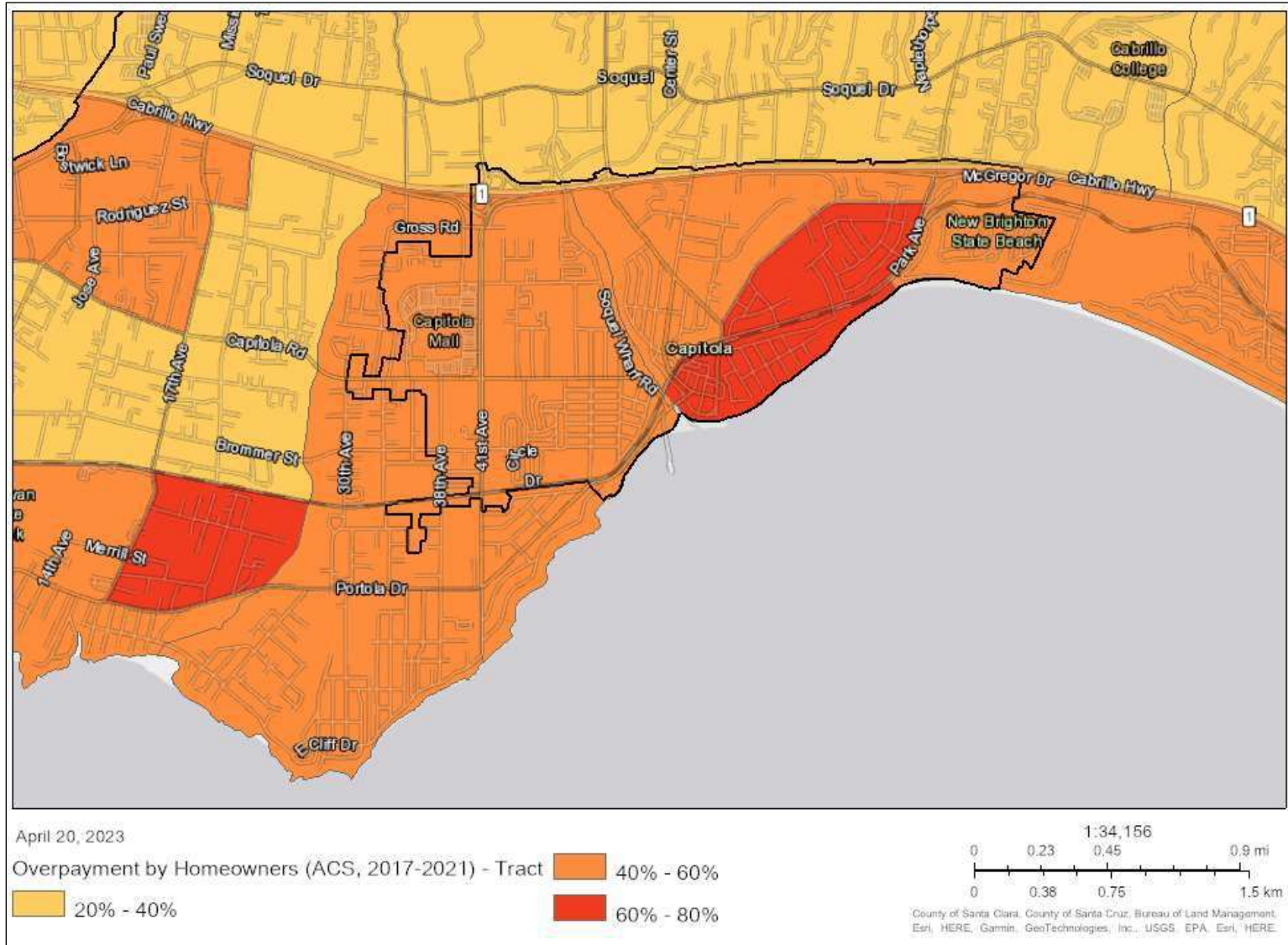
This is likely due to other sources of income including Social Security payments, pensions, child support, public assistance, annuities, money derived from rental properties, interest, and dividends. While owners appear cost burdened at a higher rate in tract 1218.01, this may not reflect the overall character of the population. The map in Figure E-51 below shows housing costs as a percentage of household income based on earnings in the past 12 months of survey. Because a large proportion of the population in tract 1218.01 does not earn salaries or wages due to retirement, cost burden in this area appears worse than it may be in reality. As discussed above, the median income, which includes salaries and other income sources, for non-family households in this tract, including elderly adults living alone, is significantly higher in tract 1218.01 compared to the City as a whole.

Figure E-51: Percentage of Overpayment by Homeowners in Capitola (2014)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

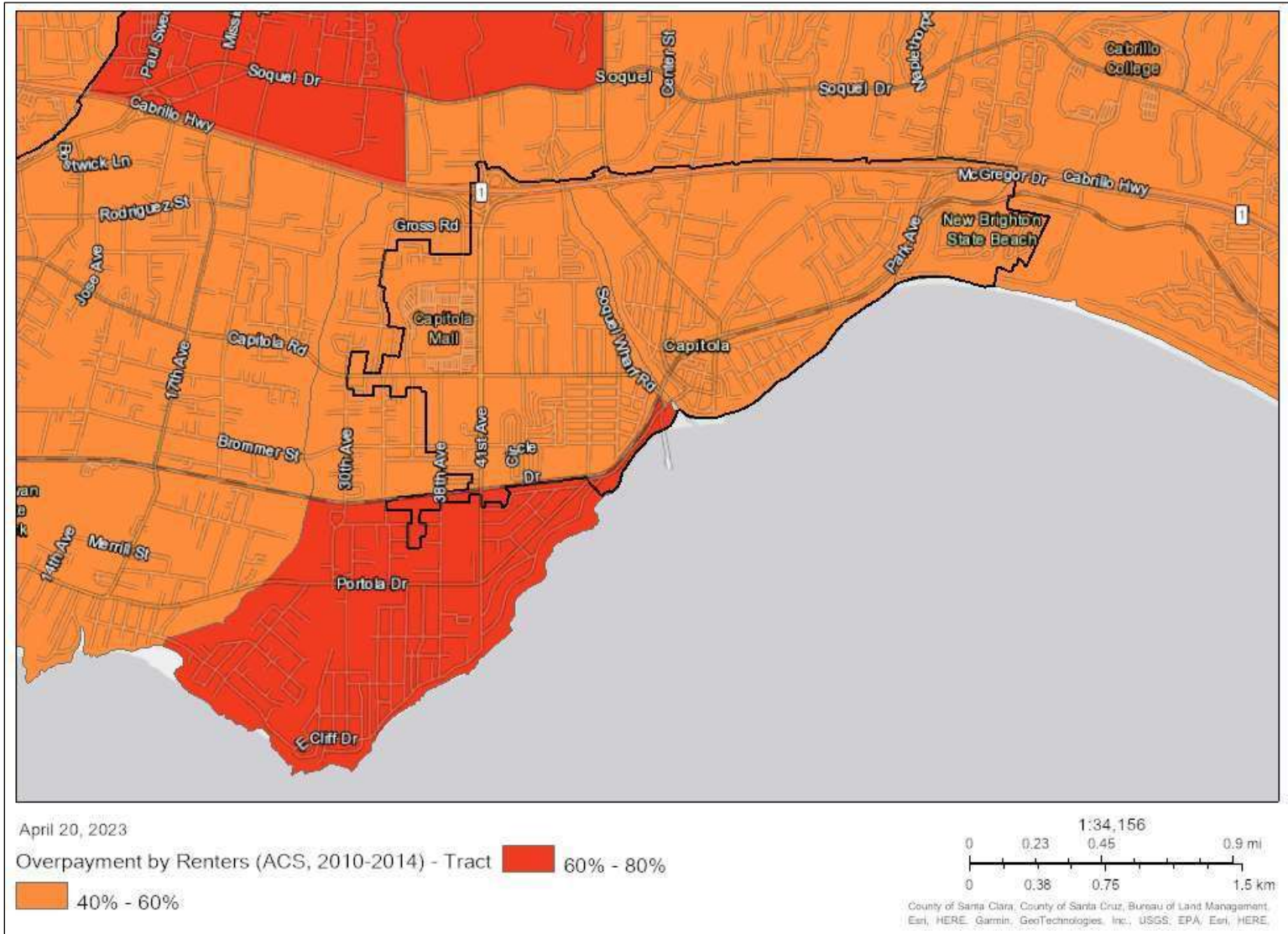
Figure E-52: Percentage of Overpayment by Homeowners in Capitola (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

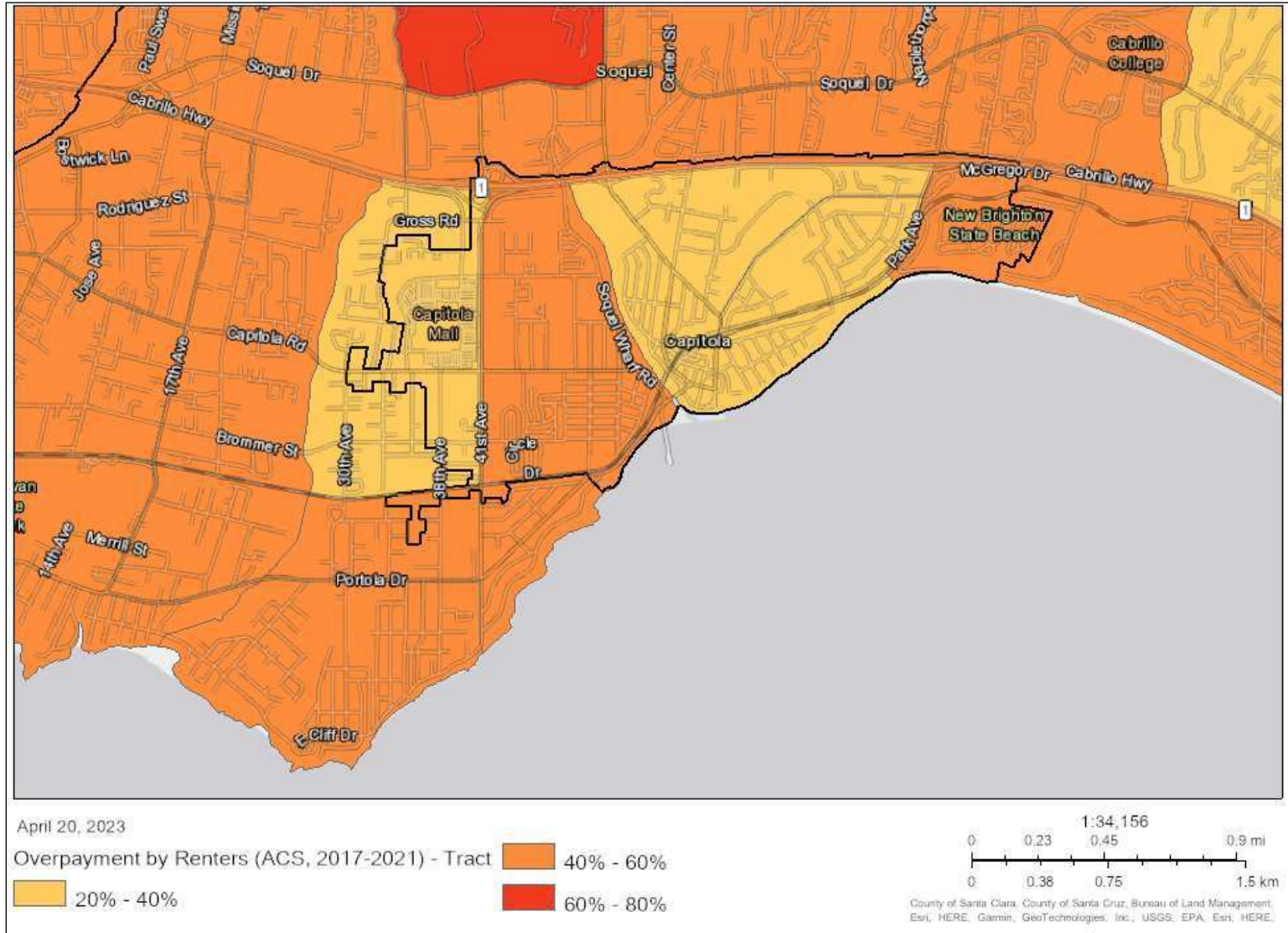


Figure E-53: Percentage of Overpayment by Renters in Capitola (2014)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-54: Percentage of Overpayment by Renters in Capitola (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

b. Overcrowding

Overcrowding is typically defined as a housing unit occupied by more than one person per room. A housing unit occupied by more than 1.5 persons per room is considered to be severely overcrowded. Overcrowding typically occurs when there are not enough adequately sized units within a community, when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate, or when families reside in smaller units than they need to devote income to other necessities, such as food and health care. Overcrowding tends to accelerate the deterioration of housing. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing quality of life.

The 2016-2020 ACS indicates overcrowding affected 7% of all housing units countywide, including 3.5% of owner units and 11.9% of renter units. Figure E-55 shows the geographic distribution of overcrowded households. A majority of the tracts in the County have less than 5% overcrowded households. Tracts with 10% or more overcrowded households are located in the communities of Twin Lakes, Aptos, and Freedom and in and around the City of Watsonville.

**Regional Trends**

**Table E-18: Overcrowded Households in Santa Cruz County**

Persons per Room	Owner		Renter		Total Overcrowded	
	# of Households*	% of Total	# of Households*	% of Total	# of Households*	% of Total
1.0 or less	56,066	96.5%	33,618	88.0%	89,684	93.2%
Overcrowded (1.01 to 1.5)	1,631	2.8%	2,385	6.2%	4,016	4.2%
Severely Overcrowded (1.51 or more)	397	0.7%	2,178	5.7%	2,575	2.7%
Total	58,094	100%	38,181	100%	96,275	100%

Source: 2016-2020 American Community Survey 5-Year Estimates

\*Based on the estimate of occupied housing units





**Local Trends**

Approximately 4% of housing units in Capitola are overcrowded. No units in the city are considered to be severely overcrowded. Renter households have a higher percentage of overcrowding (6%) than owner households (1%). Capitola’s overcrowding is less than the county overall.

**Table E-19: Overcrowded Households in Capitola**

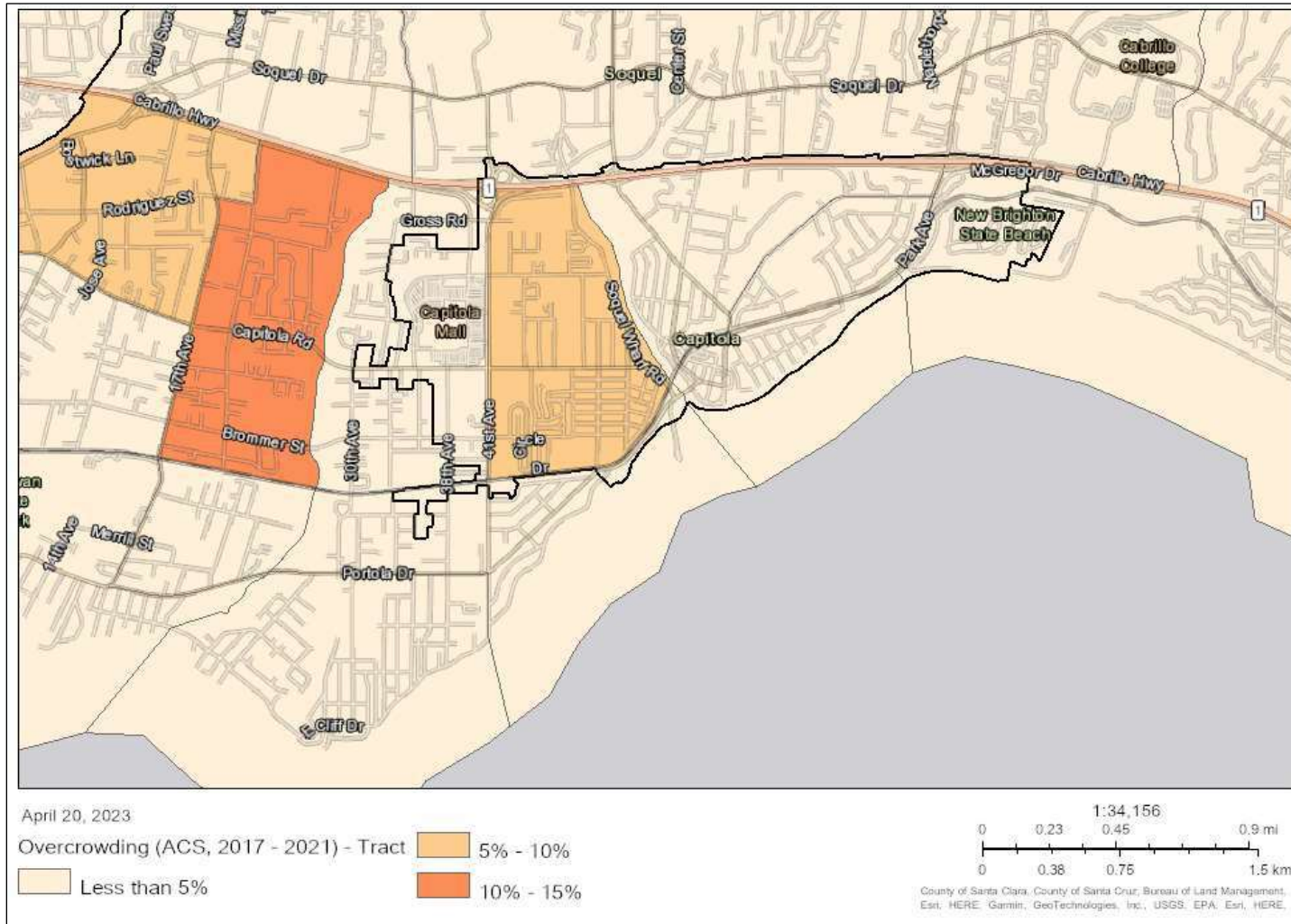
Persons per room	Owner		Renter		Total Overcrowded	
	# of Households*	% of Total	# of Households*	% of Total	# of Household <sup>s</sup> *	% of Total
1.0 or less	2,198	98.9%	2,289	94.0%	4,487	96.3%
Overcrowded (1.01 to 1.5)	24	1.1%	147	6.0%	171	3.7%
Severely Overcrowded (1.51 or more)	0	0.0%	0	0.0%	0	0.0%
Total	2,222	100%	2,436	100%	4,658	100%

Source: 2016-2020 American Community Survey 5-Year Estimates

\*Based on the estimate of occupied housing units

Figure E-56 shows that one tract in the City has between 5% and 10% of overcrowded households. This tract (1217.01) is located between 41 Avenue and Wharf Road.

Figure E-56: Percentage of Overcrowded Households in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

c. Substandard Housing Conditions

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. In general, residential structures over 30 years of age require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs.

**Regional Trends**

According to 2016-2020 ACS estimates, shown in Table E-20, 1% of households in Santa Cruz County lack complete kitchen facilities and 0.4% of households lack complete plumbing facilities. Renter households are more likely to lack complete facilities compared to owner households.

**Table E-20: Substandard Housing Conditions by Tenure in Santa Cruz County**

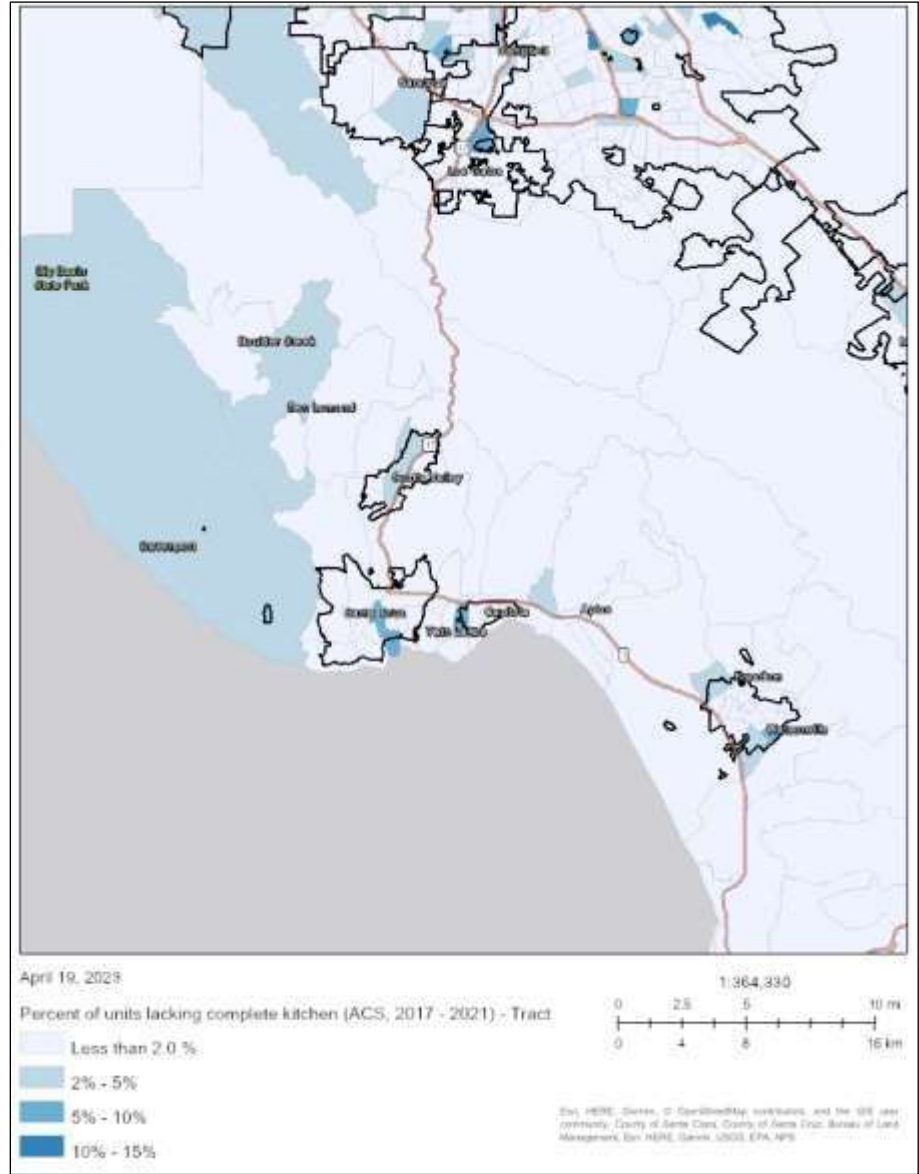
Facility Type	Owner Occupied	Renter Occupied	Total Households
Lacking Complete Kitchen Facilities	0.3%	2.2%	1.0%
Lacking Complete Plumbing Facilities	0.2%	0.6%	0.4%
Total Households	58,094	38,181	96,275

Source: 2016-2020 American Community Survey 5-Year Estimates

Figure E-57 shows the percentage of households lacking complete kitchen facilities in the County, while Figure E-58 shows households lacking complete plumbing facilities. The northwestern portion of the County (including Davenport), a tract just east of Capitola and two tracts in the southern part of Watsonville lack facilities at a greater percentage than the rest of the County. Ten to 20% of households in the northwest corner of the City of Santa Cruz lack complete plumbing facilities.

As stated above, structures over 30 years of age typically require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation. Figure E-59 shows that a majority of the housing stock in the County is at least 30 years old (built prior to 1990). A significant number of Census tracts in Santa Cruz County have 80% to 100% of units built prior to 1990. A tract along Highway 1 in the western part of Watsonville is the only area that has more than half of its housing units built since 1990.

Figure E-57: Percentage of Housing Units Lacking Complete Kitchen Facilities in Santa Cruz County

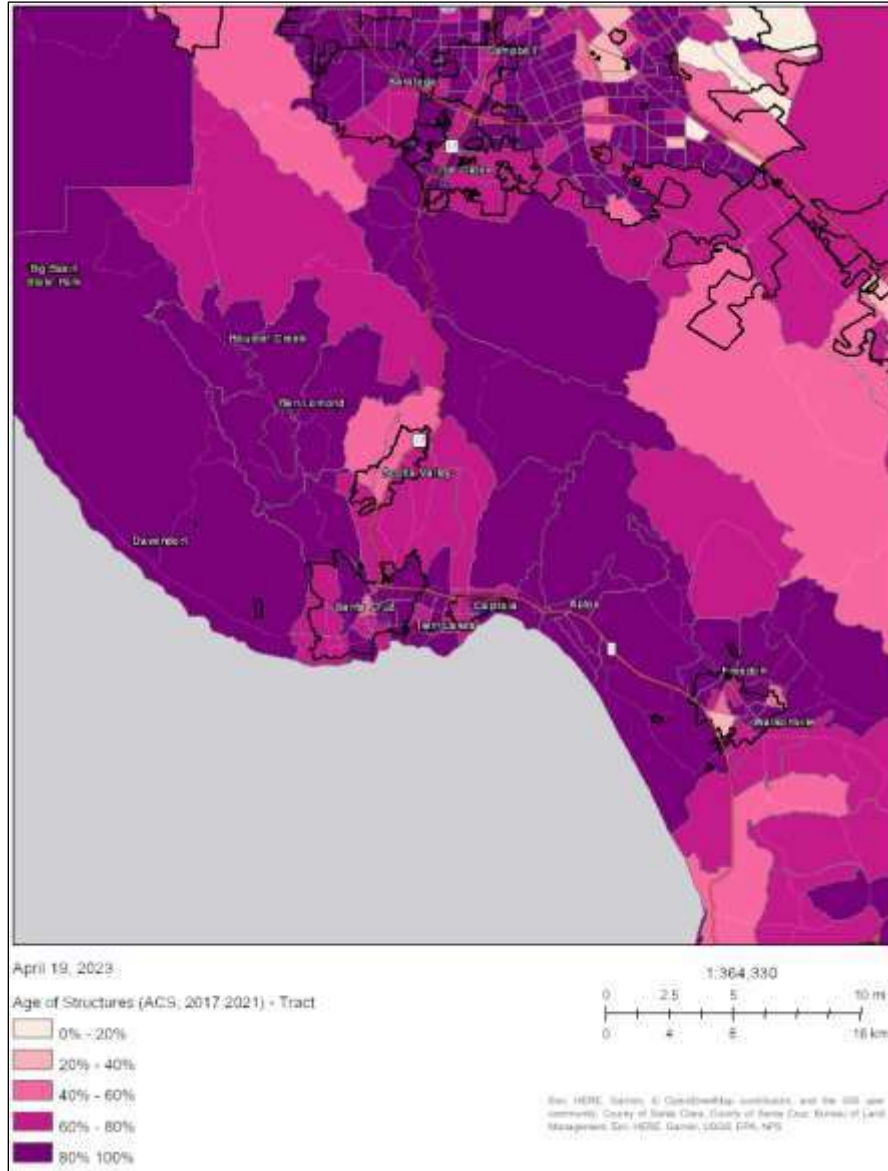


Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.





Figure E-59: Percentage of Housing Units Built Before 1990 in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

### Local Trends

All housing units in Capitola have complete plumbing facilities. Approximately 1% of renter households lack complete kitchen facilities (Table E-21). These units are located in tract 1317.02, west of 41<sup>st</sup> Avenue.

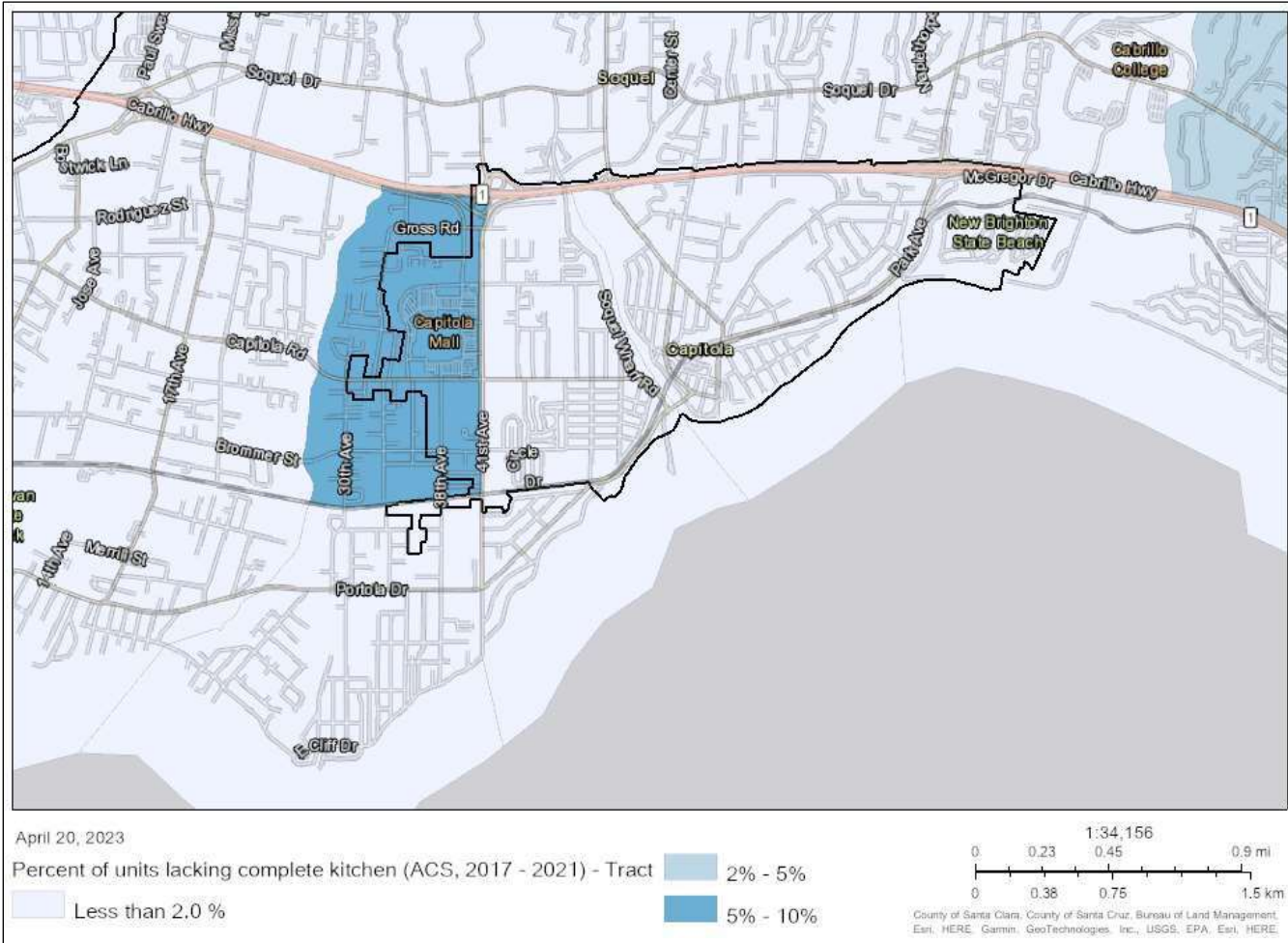
**Table E-21: Substandard Housing Conditions by Tenure in Capitola**

Facility Type	Owner Occupied	Renter Occupied	Total Households
Lacking Complete Kitchen Facilities	0%	1.0%	0.5%
Lacking Complete Plumbing Facilities	0%	0%	0%
Total Households	2,222	2,436	4,658

Source: 2016-2020 American Community Survey 5-Year Estimates



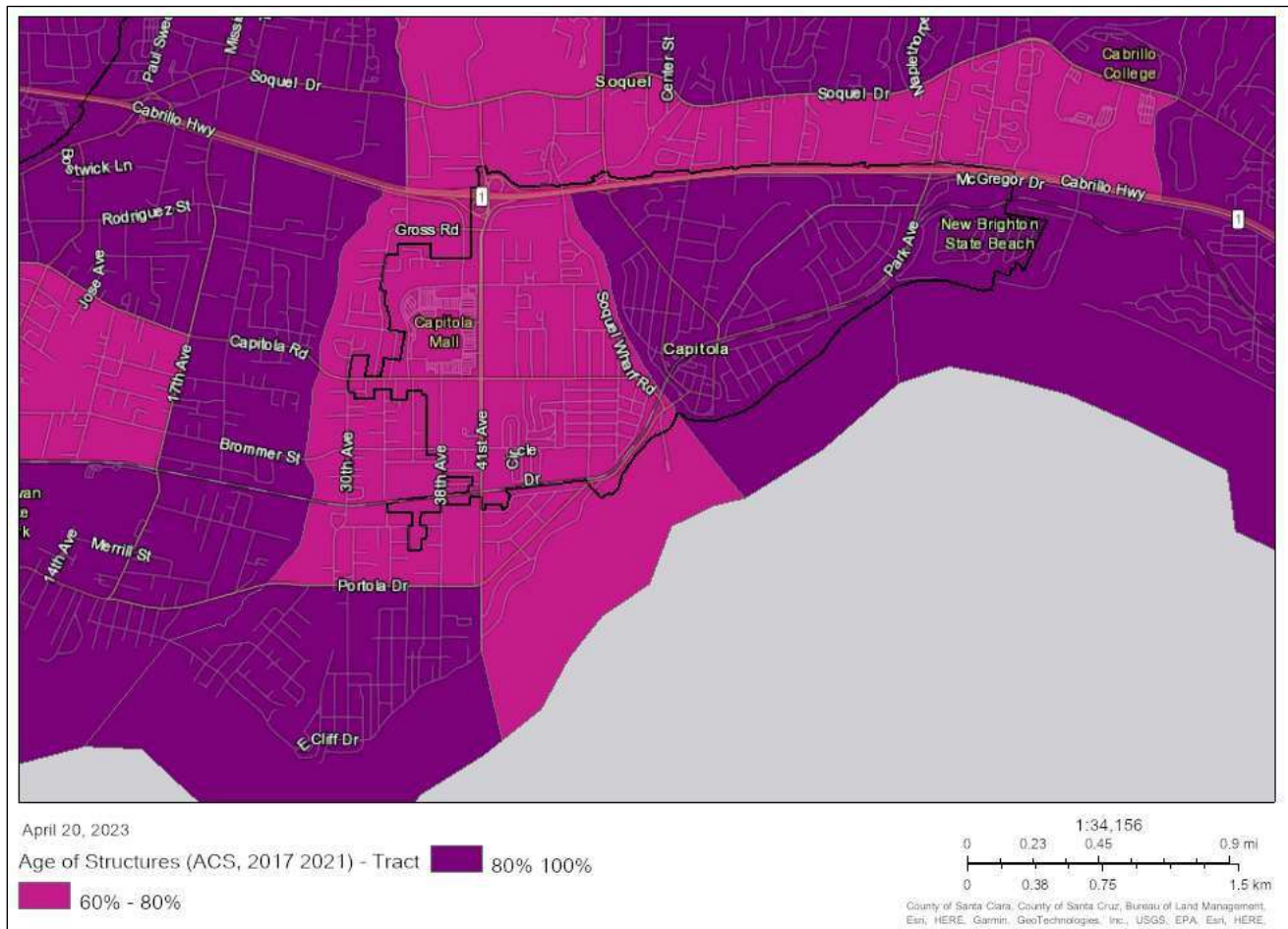
Figure E-60: Percentage of Housing Units Lacking Complete Kitchen Facilities in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

According to the 2016-2020 American Community Survey approximately 78% of Capitola's housing stock is over 30 years old (built prior to 1990). Figure E-61 shows that 80% to 100% of housing units east of Wharf Road are at least 30 years old, while 60% to 80% of units west of Wharf Road are 30 years old or more.

Figure E-61: Percentage of Housing Units Built Before 1990 in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

#### d. Displacement Risk

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. As in most areas of the State, rent prices continue to increase in Capitola. The U.S. Census provides information on median contract rents. Between 2010 and 2020, the contract rents increased by 43% (\$566) in Capitola and 47% (\$552) in Santa Cruz County. Displacement in Capitola has been an issue due to new residents with high paying jobs in Silicon Valley that have the ability to work remotely. Since the pandemic and the increased flexibility in remote work, many renters are displaced during rent increases due to increased competition from higher-paid individuals.

UC Berkeley's Urban Displacement Project's (UDP) Estimated Displacement Risk (EDR) model for California identifies varying levels of displacement risk for low-income renter households in all census tracts in the state from 2015 to 2019.<sup>10</sup> The model uses machine learning to determine which variables are most strongly related to displacement at the household level and to predict tract-level displacement risk statewide while controlling for the region. The two income groups used for the model are households earning 0-50% AMI and 50-80% AMI. Tracts are assigned to one of the following categories, with darker red colors representing higher displacement risk and lighter orange colors representing less risk:

- **Low Data Quality:** the tract has less than 500 total households and/or the census margins of error were greater than 15% of the estimate (shaded gray).
- **Lower Displacement Risk:** the model estimates that the loss of low-income households is less than the gain in low-income households. However, some of these areas may have small pockets of displacement within their boundaries.
- **At Risk of Displacement:** the model estimates there is potential displacement or risk of displacement of the given population in these tracts.
- **Elevated Displacement:** the model estimates there is a small amount of displacement (e.g., 10%) of the given population.

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<sup>10</sup> California Urban Displacement Project 2022, PlaceWorks 2022, HCD 2022

- High Displacement: the model estimates there is a relatively high amount of displacement (e.g., 20%) of the given population.
- Extreme Displacement: the model estimates there is an extreme level of displacement (e.g., greater than 20%) of the given population.

### **Regional Trends**

Using the UDP EDR model, areas in the County identified at risk of displacement are located in the cities of Santa Cruz and Watsonville (Figure E-62).

### **Local Trends**

As shown on Figure E-62, the City of Capitola is considered at lower risk for displacement and there are no concentrations of displacement. However, increasing rents make displacement a continued risk for Capitola. As described in the Needs Assessment chapter of this Element, according to the ACS rents increased by 40 percent between 2010 and 2020. Online rental surveys conducted in 2023 found that rents in Capitola are out of reach for lower income households.





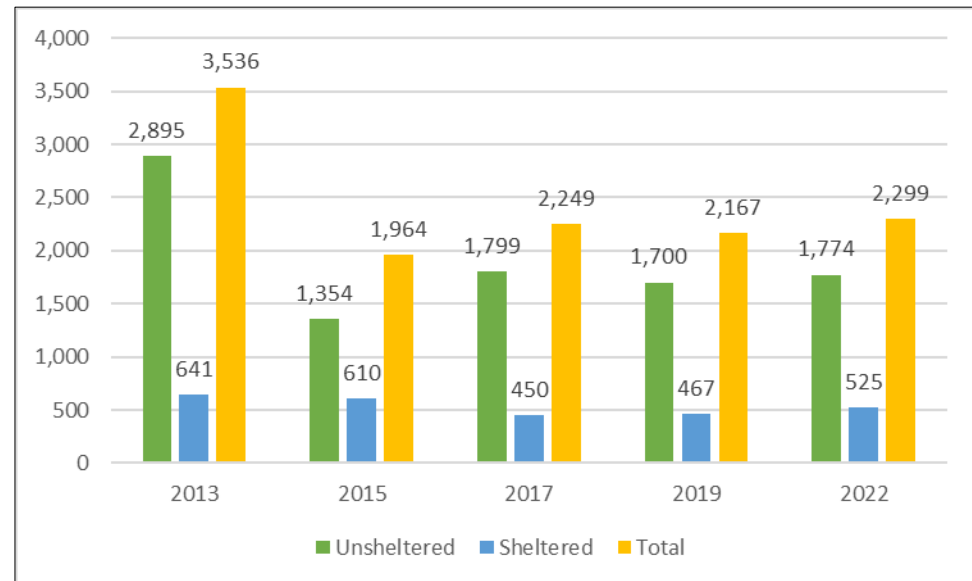
### e. Persons Experiencing Homelessness

Homelessness has become an increasingly reported problem throughout the State. Factors contributing to the rise in homelessness included the general lack of housing affordable to low-, very low-, and extremely low-income persons, an increased number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of people with mental illness without adequate support services necessary for independent living.

#### Regional Trends

The 2022 Santa Cruz County Homeless Point-in-Time (PIT) Count and Survey Report completed by Applied Survey Research on the morning of February 28, 2022, found that there were approximately 2,299 persons experiencing homelessness in Santa Cruz County. This was an increase of 6% from the 2,167 persons included in the 2019 PIT Count and Survey. Figure E-63 shows the Santa Cruz County PIT counts from 2013 until 2022. The year 2013 saw the highest number of persons experiencing homelessness (3,536) while 2015 saw the lowest number (1,964).

**Figure E-63: Persons Experiencing Homelessness in Santa Cruz County (2013-2022)**



Source: Applied Survey Research, Santa Cruz County Homeless Census

Table E-22 shows the demographics of people included in the 2017, 2019 and 2022 PIT Count. The number of unaccompanied minors has decreased from 165 to zero over the last 5 years. Transitional aged youth and families have also decreased. Veterans and people experiencing chronic homelessness have increased during the same time period.

**Table E-22: Demographics of Individuals Experiencing Homelessness in Santa Cruz County**

	2017	2019	2022
Total	2,249	2,167	2,299
Unaccompanied Minors (under 18)	165	51	0
Transitional Aged Youth (18-24)	423	569	222
Families	129	122	50
Veterans	236	151	332
People Experiencing Chronic Homelessness	600	403	921
<b>Race/Ethnicity</b>			
White	51%	67%	74%
Black	7%	8%	12%
Multiple Races	10%	14%	9%
American Indian/Alaskan Native	---	10%	3%
Hispanic/Latinx	29%	33%	39%
<b>Gender</b>			
Male	74%	67%	66%
Female	26%	33%	32%
Transgender	<1%	<1%	1%
<b>Health and Disability</b>			
Substance Use Disorder	38%	30%	67%
HIV/AIDS	2%	3%	12%
Psychiatric or Emotional Conditions	39%	32%	39%
Physical Disability	38%	26%	57%
Chronic Health Condition	31%	21%	49%
PTSD	32%	30%	35%
Traumatic Brain Injury	18%	12%	10%
Domestic/Intimate Partner Violence	6%	5%	4%

Source: Applied Survey Research, Santa Cruz County Homeless Census



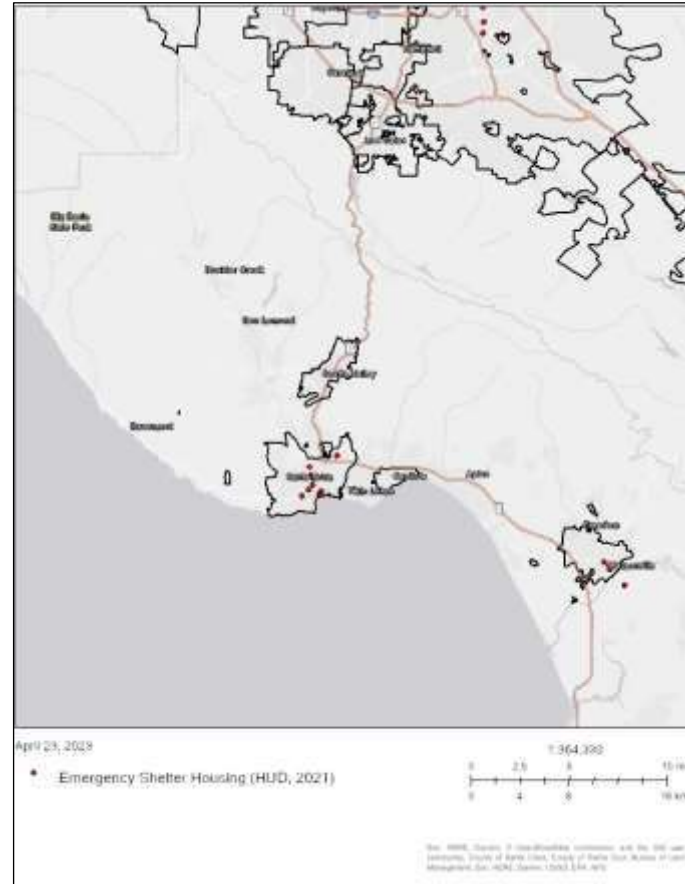
Of those individuals experiencing homelessness, Whites make up almost three-quarters of the population. This is an increase from 50% in 2017. The percentage of Black and Hispanic individuals has also increased. When comparing these percentages to the racial makeup of the County overall, Whites comprise 56% of the population, Hispanic and Latinos represent 34% and Black residents make up less than 1%. Black residents in particular face a disproportionate percentage of homelessness in Santa Cruz County. The percentage of males experiencing homelessness has dropped, with a coinciding increase of female homeless persons. The number of persons with psychiatric or emotional conditions was the same in 2022 as 2017, but persons with substance abuse issues, physical disabilities, HIV/AIDS, PTSD and chronic health conditions have all increased. Overall in the County, the percentage of residents with a disability increased from 9.3% in 2010 to 11.3% in 2021. Those persons experiencing domestic violence slightly decreased between 2017 and 2022.

While there are many causes that can lead to homelessness, fair housing issues can sometimes play a part. The 2022 PIT Count included asking the primary condition that led to homelessness: 37% of respondents said it was due to eviction

and six percent said it was due to landlords raising the rent. When asked about ways to prevent losing housing, 50% said rent or mortgage assistance, 45% said landlord mediation and 40% stated legal assistance.

**Figure E-64 shows the location of emergency shelter housing in the County. The majority of facilities are located in the City of Santa Cruz with**

other locations in Twin Lakes and the City of Watsonville. Figure E-64: Emergency Shelter Housing in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

### Housing for a Healthy Santa Cruz

A 3-year strategic framework was adopted in 2021 to address homelessness in Santa Cruz County. The 2021 to 2024 Housing for a Healthy Santa Cruz Framework (Framework) was published by the County’s Housing for Health

Division.<sup>11,12</sup> The County’s new Housing for Health Partnership (H4HP) will serve as the Continuum of Care (CoC) for the County and County staff will provide leadership and the backbone administrative support to implement the Framework.

The Framework outlined the following causes of homelessness in the County:

- Housing Affordability Gap
- Health Issues Impacting Living Situations
- Lack of Supportive Connections
- Loss of Hope and Sense of Purpose

To address these causes, the Framework includes the following goals and strategies to meet the following: 1) Reduce the number of households experiencing unsheltered homelessness by 50% and 2) Reduce the number of households experiencing homelessness by 25%:

- Goal #1: Improve the effectiveness of all programs in helping people secure housing.
- Goal #2: Expand capacity within the homelessness response system
- Strategy #1: Build a Coalition – develop a strong and informed action-oriented partnership with leaders and stakeholders within the community.
- Strategy #2: Prevent Homelessness – use targeted prevention and early intervention housing problem solving to help people and families keep or return to housing as quickly as possible.
- Strategy #3: Increase Connections – Expand and improve “Front Door” programs and services including outreach, temporary housing, and supportive services.
- Strategy #4: Expand Permanent Housing – Increase permanent housing and income growth resources and opportunities to become housed.

One effort currently underway by the H4HP to implement the Framework is a redesign of the coordinated entry system for housing services. The changes are necessary since there is insufficient permanent housing to meet the needs of

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11 The Housing for Health Division was created in November 2020 within the County of Santa Cruz Human Services Department to support implementation of the Framework and includes a coalition of resources and partners.

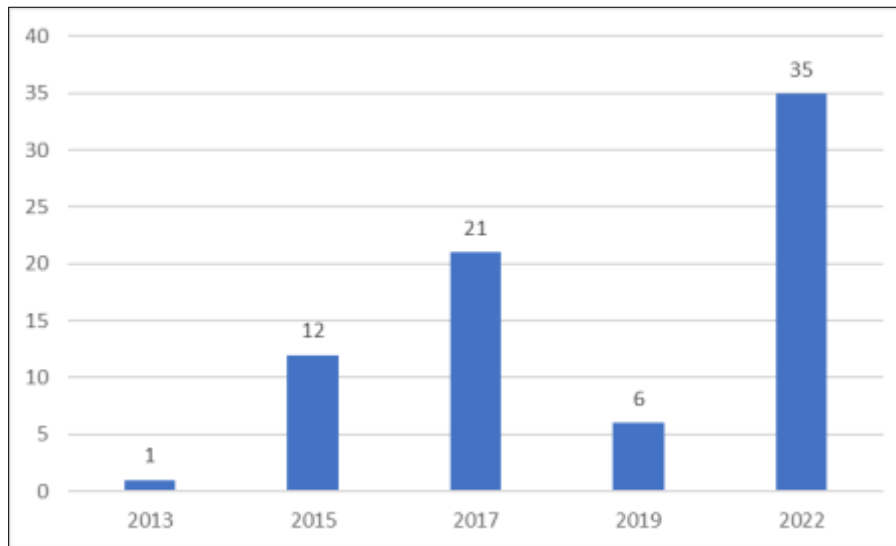
12 County of Santa Cruz, *Housing for a Healthy Santa Cruz: A Strategic Framework for Addressing Homelessness in Santa Cruz County*, January 2021 to January 2024.

people experiencing homelessness in the County. Only 133 referrals to housing were made in 2022 while over 1,774 persons counted in the 2022 PIT count were living without shelter.<sup>13</sup>

### Local Trends

The number of persons experiencing homelessness in Capitola has increased from one person in 2017 to 35 people in 2022 (Figure E-65). All of these persons were unsheltered.

**Figure E-65: Persons Experiencing Homelessness in Capitola (2013-2022)\***



Source: Applied Survey Research, Santa Cruz County Homeless Census  
\*All unsheltered persons

### Capitola Actions to Assist People Who are Homeless

Capitola recognizes the diversity of needs of homeless people. Therefore, the City participates in inter-jurisdictional efforts to comprehensively address the needs of people who are homeless. Capitola is a participating jurisdiction in and contributes a regional share of funding to the Santa Cruz County’s newly created H4HP described above.

13 <https://www.homelessactionpartnership.org/GetHelp/CoordinatedEntry.aspx>

The cities and county, along with other interested parties, are part of the H4HP to coordinate a regional system for helping people who are experiencing homelessness or at imminent risk of experiencing homelessness. Although there are no homeless shelters or transitional housing projects currently located in Capitola, the City does provide direct financial support to a number of agencies that provide social services to people and families who are homeless. The City provides community service grants on a 3-year cycle to a number of nonprofit organizations who provide services to homeless individuals. Grant amounts vary by organization and City general fund availability. The majority of grants provided are between \$7,500 to \$15,000. The City has three categories for prioritizing grants. Stable and affordable housing and shelter is the top priority when evaluating grant applications, followed by health and wellness, and the third category of healthy environment.

6. Other Relevant Factors and Local Knowledge

a. Home Loans

Home loan activity in Capitola during 2021 is available through the Consumer Financial Protection Bureau’s (CFPB) Home Mortgage Disclosure Act (HMDA). Table E-23 shows the total number of applications by loan type as well as the approval and denial rates. Out of the 707 loan applications in 2021, 477 (67%) were for refinance loans, 182 (26%) were for conventional purchase loans, 45 (6%) were for home improvement loans and three (<1%) were for government-backed purchase loans. Overall approval rates in the City was 71%. The three government-backed purchase loans had a 100% approval rate, followed by refinance loans (72%), conventional purchase loans (70%) and home improvement loans (60%). Home improvement loans had the highest denial rate, at 22% while 19% of refinance loans were either withdrawn by the applicant or closed for incompleteness.

**Table E-23: Disposition of Home Loan Applications in Capitola (2021)**

Loan Type	Total Applications	Approved	Denied	Other
Conventional Purchase	182	69.8%	13.7%	16.5%
Government-Backed Purchase	3	100.0%	0.0%	0.0%
Refinance	477	71.9%	9.4%	18.7%
Home Improvement	45	60.0%	22.2%	17.8%
Total	707	70.7%	11.3%	18.0%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfbp.gov>

Note: "Approved" loans include loans originated and applications approved but not accepted. "Other" includes loans withdrawn by the applicant or closed for incompleteness.

When looking at the 182 applications for conventional home loans by race and ethnicity, the vast majority (63%) are White, followed by race/ethnicity unknown (20%), Hispanic or Latinx (10%), Asian (3%) and Black or African American (<1%). Loan applicants that identified as more than one race had a 100% approval rate while Asian and Hispanic or Latinx applicants had the lowest (33% and 26%, respectively). While the table shows 100% approval rating for Black or African Americans, it should be noted that only one application was received. Asian applicants in Capitola had the highest denial rate at 50%, while Hispanic or Latinx applicants had the highest percentage of applications withdrawn or closed for incompleteness (32%).

**Table E-24: Home Purchase Applications by Race and Ethnicity (2021)**

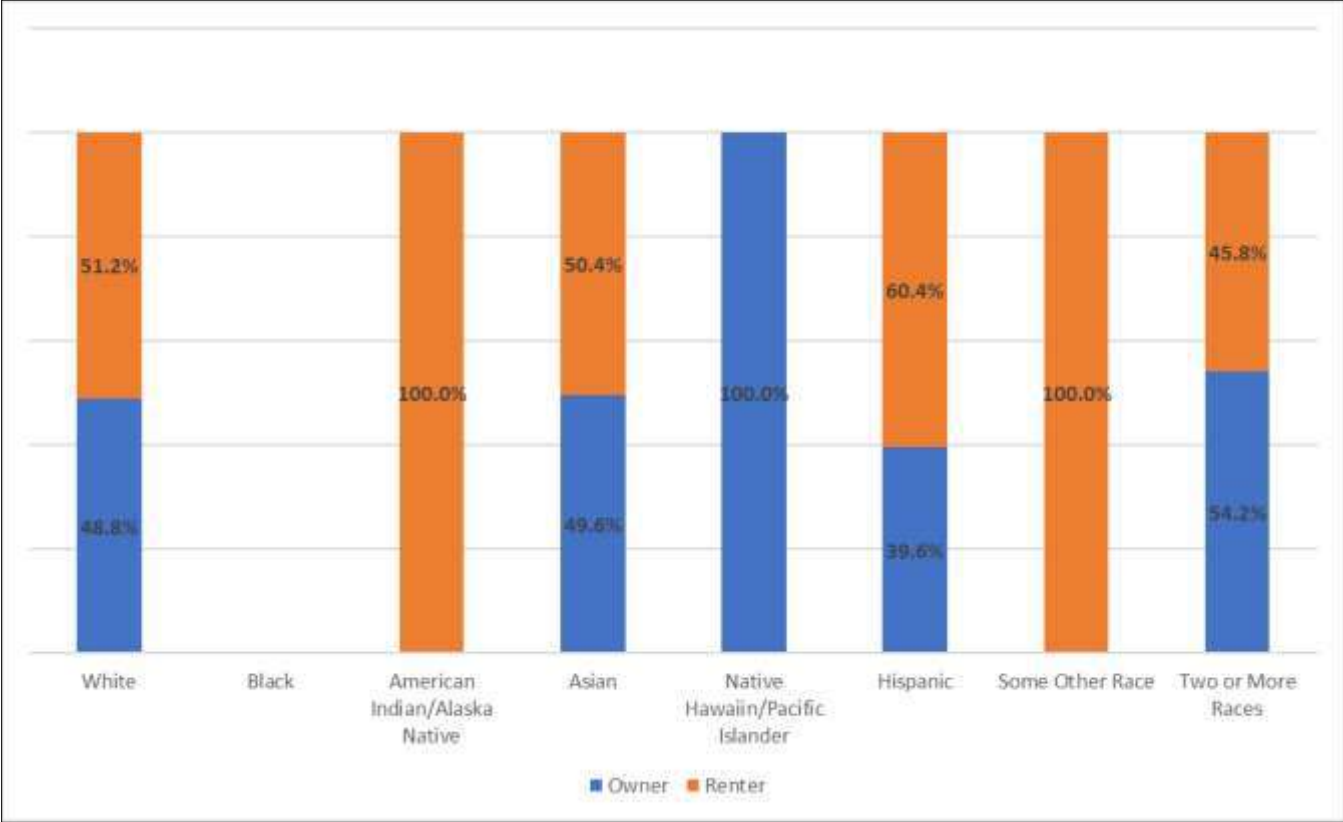
Race/Ethnicity	Total Applications	Approved	Denied	Other
Asian	6	33.3%	50.0%	16.7%
Black or African American	1	100.0%	0.0%	0.0%
Hispanic or Latinx	19	26.3%	42.1%	31.6%
White	114	75.5%	9.6%	14.9%
More than One Race (Joint)	5	100.0%	0.0%	0.0%
Unknown	37	75.7%	8.1%	16.2%
All applicants	182	69.8%	13.7%	16.5%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfbp.gov>

Note: "Approved" loans include loans originated and applications approved but not accepted. "Other" includes loans withdrawn by the applicant or closed for incompleteness.

Figure E-66 shows housing tenure by race and ethnicity in Capitola. American Indian/Alaska Native and Some Other Race households are solely renters. Compared to other races and ethnicities, Hispanic households have the lowest percentage of ownership in the city. Given the high denial rate for mortgage applications shown above, Hispanic households may face challenges in ownership opportunities in Capitola.

Figure E-66: Housing Tenure by Race and Ethnicity

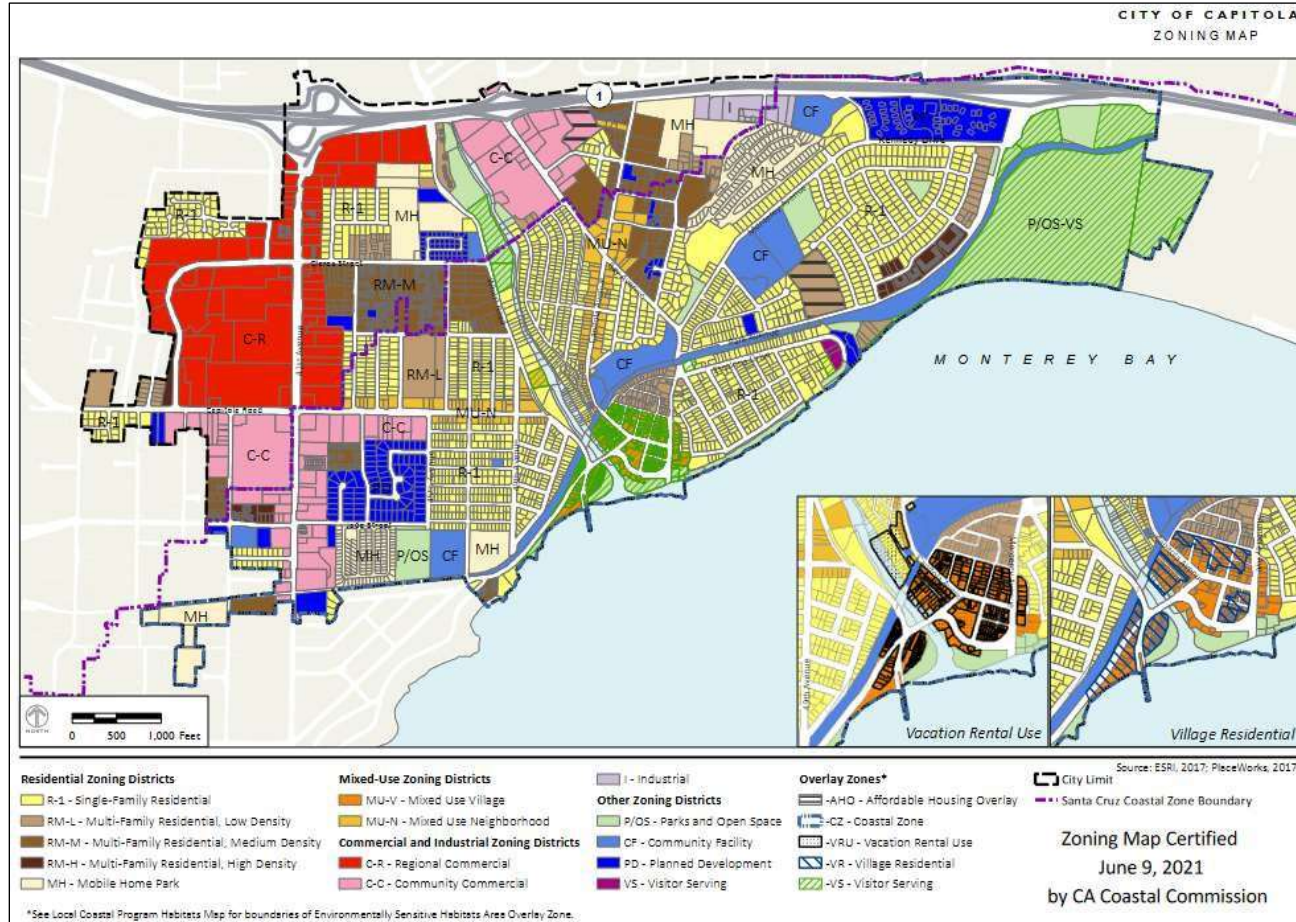




## b. Zoning Code

From 2014 to 2020, the City completed a comprehensive Zoning Code update and city-wide rezoning to permit residential and mixed-use development in the commercial and mixed-use zones with no density limits and removed previous barriers to housing. The update included 66 public meetings from August 2014 through July 2019 and an additional 9 hearings in 2019 and 2020 for certification by the California Coastal Commission. Subsequently, the City also amended the Accessory Dwelling Unit (ADU) ordinance and Inclusionary Housing ordinance and added an SB9 ordinance and Objective Standards for Multifamily Development ordinance. Figure E-67 shows the updated Zoning Map, which was approved by the California Coastal Commission. Capitola has a variety of special zones, including the Coastal Zone Overlay and Vacation Rental Overlay. Map, which was approved by the California Coastal Commission. Capitola has a variety of special zones, including the Coastal Zone Overlay and Vacation Rental Overlay.

Figure E-67: Capitola Zoning Map



Source: City of Capitola

### Coastal Zone

The City of Capitola’s Local Coastal Program has been certified by the California Coastal Commission, and coastal permits are issued by the City. Within the City of Capitola, the location of a project in the coastal zone generally does not result in a more complex or time consuming development review process. Because the City requires Development

and Design Review (design permit) for nearly all development, the fact that a coastal permit may also be required does not generally result in a substantively different application review process or timing.

### **Vacation Rental Overlay**

The Vacation Rental Overlay (-VRU) zone permits transient rental use in the Mixed-Use Village (MU-V) District and a small portion of Riverview Avenue (within the R-1 zone), subject to a vacation rental permit. Short-term vacation rentals are prohibited outside the -VRU zone. Limiting vacation rentals to the -VRU zone preserves housing in other areas for permanent residents.

#### **c. Land Development History and Patterns**

Capitola is a highly desired lifestyle community due to the proximity on the coast, access to good schools and public programs and quality of public infrastructure (parks, walkability, etc). Capitola incorporated in January 1949. As early as the 1850s, Capitola was seen as an escape from inland residents to escape the heat and enjoy the ocean. This identity as a tourist destination has continued and has been a key component for the City. The famous Capitola Mall opened in 1977.

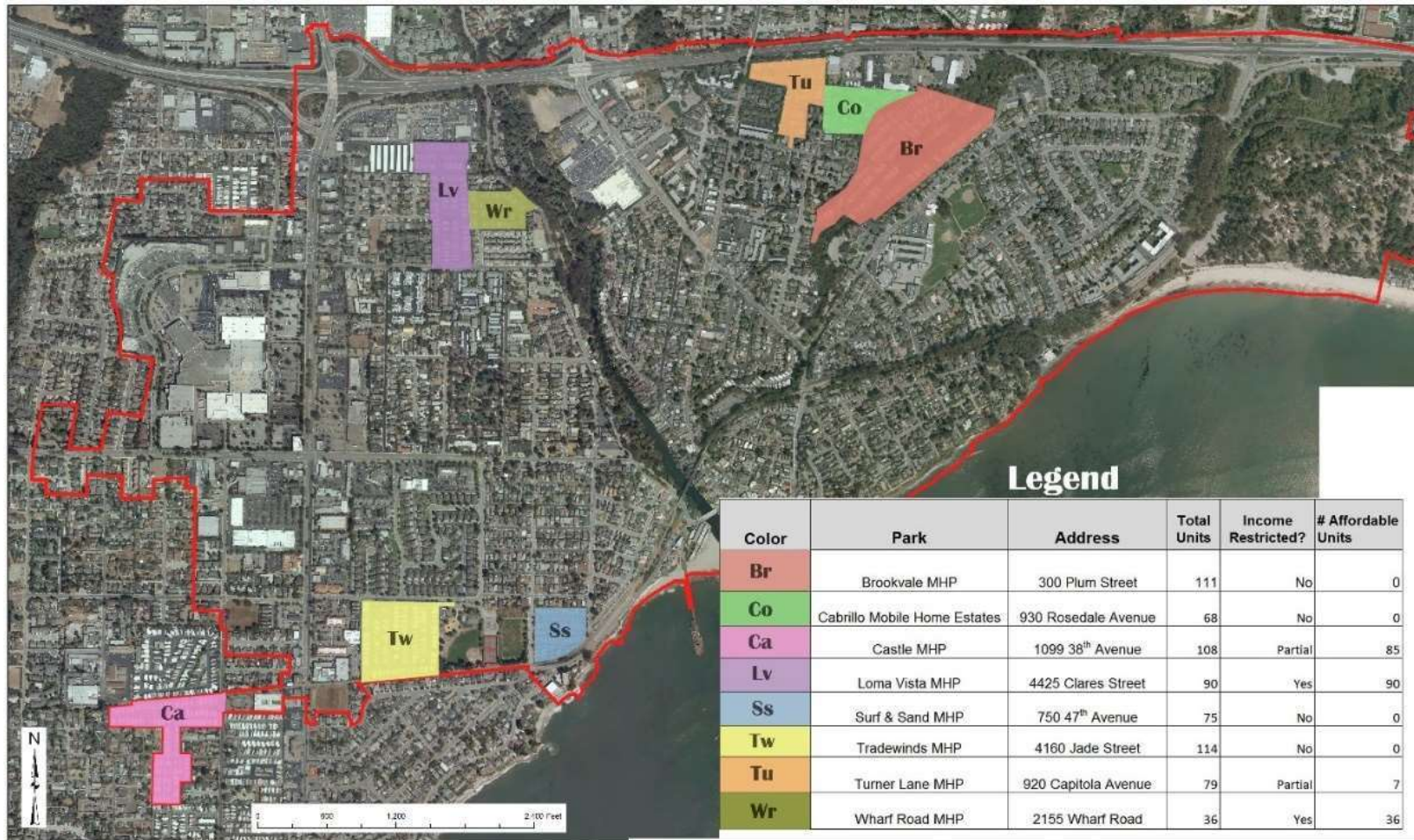
### **Mobile Home Parks**

The City of Capitola also contains a total of eight existing mobile home parks serving a total of 681 households (Figure E-68). While the development of new parks is not being pursued, the preservation of these existing parks is seen as an important part of maintaining existing homes that are modest in size and higher than average in density. Seven of the eight mobile parks have been subdivided and converted into resident cooperatives or have long-term affordability agreements with tenants. Brookvale Terrace and Tradewinds Mobilehome Park are cooperatives with no ongoing affordability agreements with the City. Loma Vista Estates and Wharf Road Manor have affordable housing income restriction that all new buyers must comply with. Turner Lane Mobile home Park also has an income restriction but it is only applicable to seven of the 79 spaces. Castle Mobile Home Estates is owned by a nonprofit and has long term affordability agreements and income restrictions in place. Cabrillo Mobile home Estates had a 12-year affordability agreement in place for rent which expires in June of 2023. As described in the Constraints chapter of this Housing Element, the residents and City staff are currently working together to identify ways to ensure residents are not displaced due to a hike in space rent. As the older manufactured homes and mobile homes in the City's existing parks



age, the City works to provide financial assistance to park residents who are interested in upgrading with new manufactured homes.

Figure E-68: Mobile Home Parks in Capitola



## **Affordable Housing**

There are currently two federally assisted multifamily rental complexes in Capitola. One is the Capitola Supportive Housing Development (formerly Dakota Apartments), which has 24 units for very low-income households with one or more persons affected by mobility impairment/traumatic brain injury. The project used funding from the Capitola Redevelopment Agency's Housing Fund, HOME Program Income Re-Use Funds, and the HUD 811 program. The development is owned by the National Handicapped Housing Institute, a nonprofit agency, and restrictions ensure that the units will remain affordable in perpetuity. The second complex, Bay Area Senior Apartments, has 109 units and has a 55-year affordability requirement which will expire in 2065. Fifty of the units are restricted to extremely low-income senior households, 30 units have been restricted to very low-income senior households, 28 units have been restricted to low-income senior households and one, 2-bedroom unit serves as the manager's unit and is not restricted. Thirty-nine units in the development have been set aside to serve seniors who need assistance with certain activities of daily living and qualify under the State's definition of Chronically III. First Community Housing worked in participation with the County of Santa Cruz to provide assistance through the Mental Health Services Act (MHSA) program to set aside five units to serve extremely low-income seniors with mental illness who are homeless or at risk of homelessness.

## **Capital Improvements**

The City has undertaken several recent capital improvement projects: the new Capitola Library was completed in 2023, the Complete Streets program has been a City focus and has included improvements to Clares Street in 2022/2023 and Kennedy Drive in 2023). The rebuild of the Capitola Jetty was completed in 2021.

Future capital improvement plans include renovating the Jade Street Community Center, updating the Jade Street Park with a fully accessible park, rebuilding the Capitola Wharf (2023/2024), Cliff Drive improvements for coastal resiliency and bike/pedestrian circulation, and Stockton Bridge repairs.

## **Economic Base**

As mentioned earlier in this Element, Capitola is known as the first resort community on the California coast. The City still relies heavily on tourism and retail. As a result, Capitola's local employment base is comprised of relatively low-wage jobs in the service, retail, and tourism sectors. This combination of low-paying jobs and high cost housing makes it difficult for lower and moderate income households to find housing they can afford within Capitola.

## 7. Sites Inventory

AB 686 requires a jurisdiction’s site inventory “...be used to identify sites throughout the community, consistent with...” its duty to affirmatively further fair housing. The number of units, location, and assumed affordability of identified sites throughout the community (i.e., lower, moderate, and above moderate income RHNA) relative to all components of the assessment of fair housing is outlined in the following subsections.

### **RHNA Strategy for Capitola – Providing New Housing and Mobility Options for Residents**

Given the scarcity of developable residential land in the City and the continuing demand for housing, recycling of underutilized land has been the prevalent trend of development in Capitola. Many of the City’s commercial-zoned corridors allow residential development with no maximum density. These include the Regional Commercial (CR), Community Commercial (C-C) and Mixed Use Neighborhood (MU-N) zones. Given that Capitola is an almost completely built-out community, with only two vacant lots, the vast majority of the sites inventory include sites within these three zoning areas. There is great potential for including residential units within the commercially zoned areas and roadway corridors given the recent statewide trend of mixed-use projects within commercial areas and declining commercial-only brick and mortar developments. The commercially zoned corridors that are projected to accommodate future housing include Capitola Road, Bay Avenue, and 41st Avenue, which includes the Capitola Mall site (see the Capitola Mall discussion later in this section). The Mixed Use Neighborhood sites are projected to include 173 units and are located along the main roadway corridors of Capitola Road and Capitola Avenue. The projected units for these three commercial and mixed-use zones are distributed across most of the City, and their proximity to main transportation corridors provides opportunities for public transit and potential future light rail travel along the rail corridor.

A developer can request density increase allowances on sites under these mixed-use zones subject to the required provision of 20% of the units set aside to lower income households or a lesser percentage of the units set aside for extremely low- and very low-income households. An option for payment of in-lieu fees may be provided if development of affordable units as part of an eligible project is not feasible. In-lieu fees collected by the City are anticipated to be used exclusively to facilitate the development of affordable housing throughout the community.

The City’s housing strategy as part of the RHNA inventory will increase housing options for all income levels in Capitola as well as new mobility opportunities. This is due to the recent trends of development in Capitola, combined

with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

a. Integration and Segregation

**Race/Ethnicity**

The distribution of RHNA sites by non-White populations in Capitola are presented in



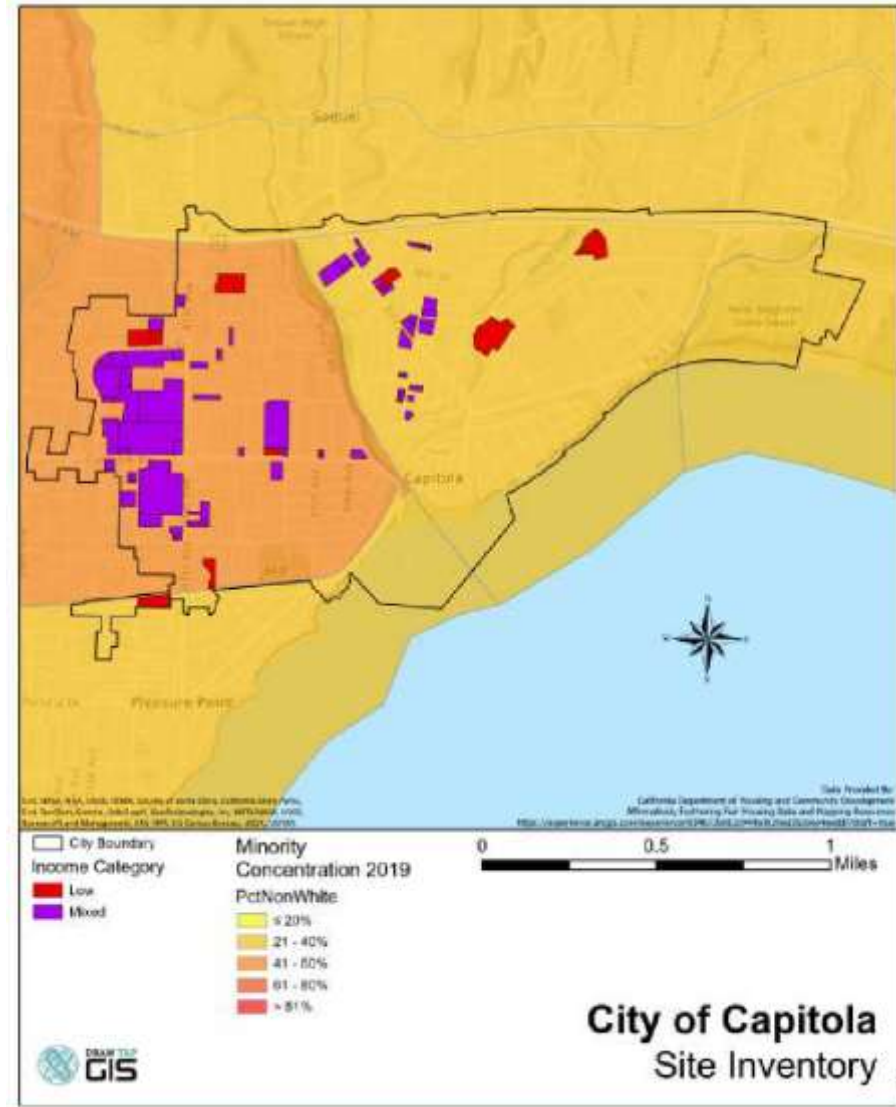
Figure E-69 [E-69](#) and Table E-25. As discussed previously, the western side of the City tends to have larger racial/ethnic minority populations compared to the eastern side. Most RHNA units (**88,379.9%**) are located on the western side of the City in areas where the non-White population comprises 41% to 60% of the population. The remaining **11,720.1%** of RHNA units are in block groups where 21% to 40% of the population belongs to a racial or ethnic minority group.

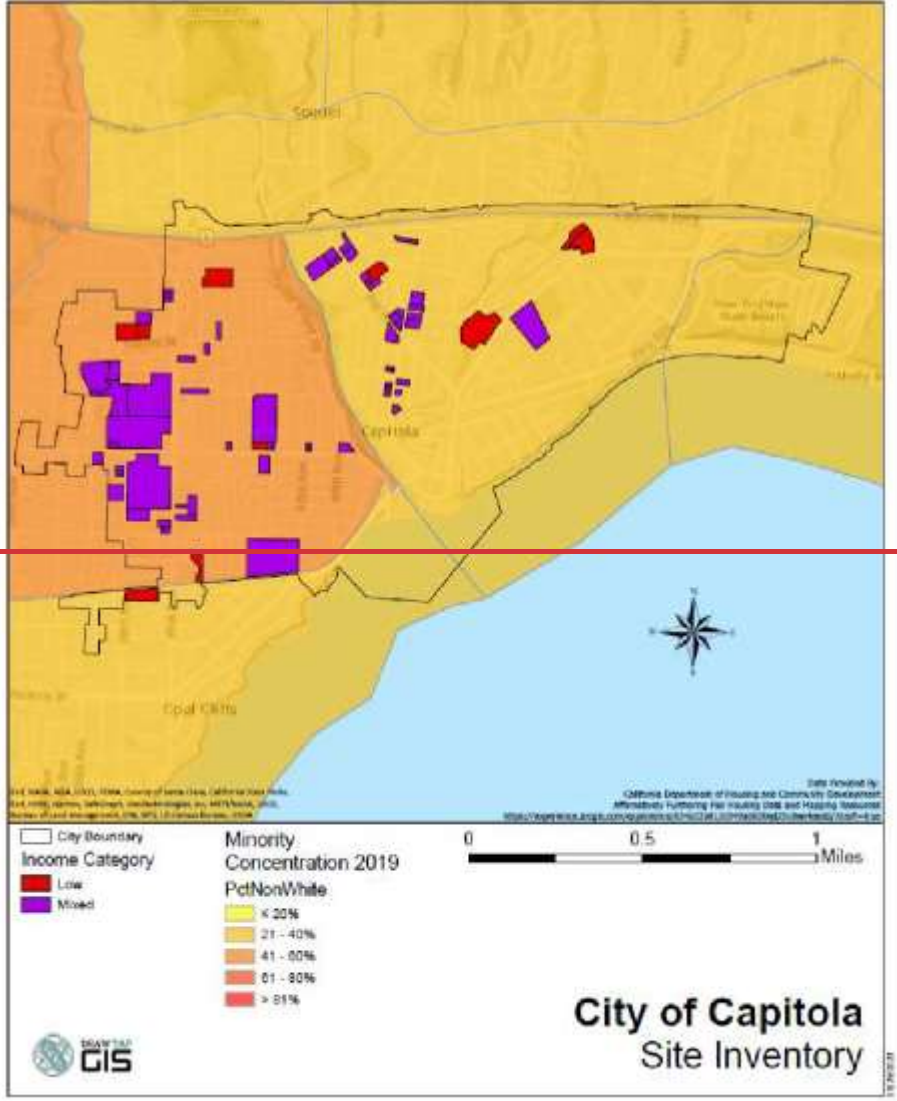
While there are more RHNA units in block groups with non-White populations comprising between 41% and 60% of the population, sites are generally distributed throughout all areas of the City. Further, the City’s RHNA strategy does not disproportionately place lower income RHNA units in block groups with larger racial/ethnic minority populations. Approximately **77.79%** of units allocated towards the lower income RHNA are in block groups with non-White populations exceeding 41%, compared to **78.82%** of moderate income units and **8.84%** of above moderate income units.

**Table E-25: Distribution of RHNA by Non-White Population**

Non-White Population (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21-40%	<b>164174</b>	<b>22.910%</b>	<b>3936</b>	<b>21.717.9%</b>	<b>9188</b>	<b>5.619.5%</b>	<b>294298</b>	<b>11.720.1%</b>
41-60%	<b>552654</b>	<b>77.179.0%</b>	<b>141165</b>	<b>78.382.1%</b>	<b>1,524363</b>	<b>94.480.5%</b>	<b>2,2171,482</b>	<b>88.379.9%</b>
61-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	<b>716828</b>	<b>100.0%</b>	<b>180204</b>	<b>100.0%</b>	<b>1,615454</b>	<b>100.0%</b>	<b>2,5114,480</b>	<b>100.0%</b>

Figure E-69: Non-White Population by Block Group and Sites Inventory





Note: Sites inventory maps throughout this section include the entire mall site but sites inventory calculations exclude the Kohl's site.

### **Persons with Disabilities**

The central areas of Capitola tend to have larger populations of persons with disabilities compared to the far eastern and western tracts (

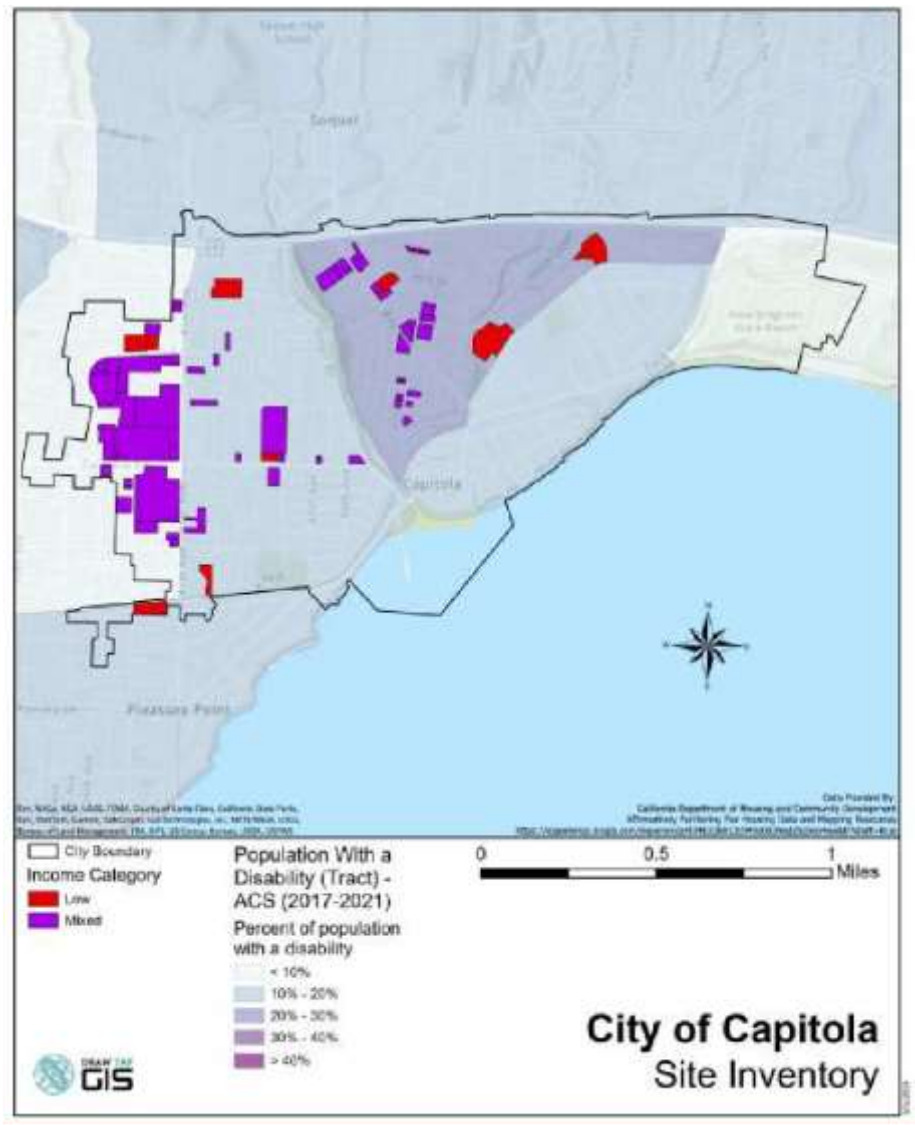
Figure E-70). As presented in Table E-26, 79.64% of RHNA units are in tracts where fewer than 10% of the population experiences a disability, including 54.59% of lower income units, 65.68% of moderate income units, and 70.64% of above moderate income units. However, a larger proportion of moderate and above moderate income units are in the tract where more than 20% of the population experiences a disability compared to lower income units.

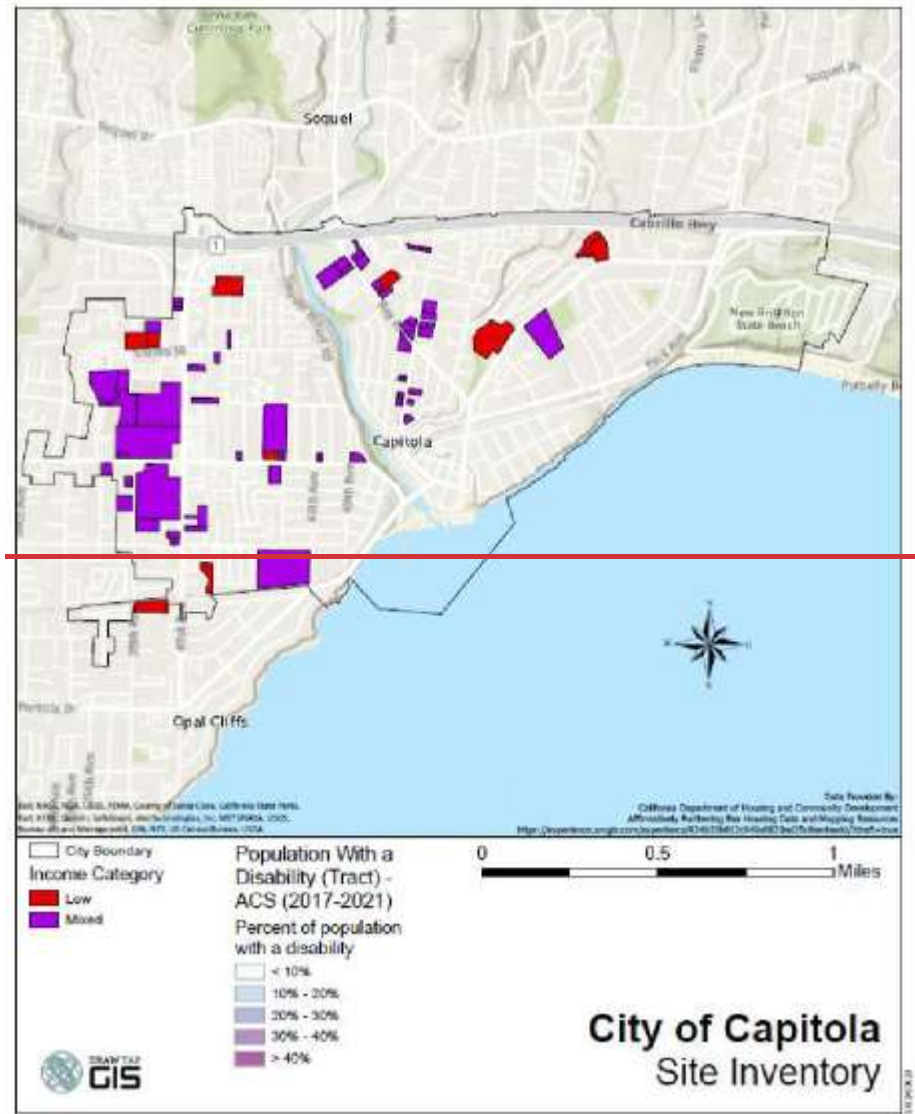
The City’s RHNA strategy distributes sites throughout the City and does not disproportionately place RHNA units of any income level in tracts with larger populations of persons with disabilities.

**Table E-26: Distribution of RHNA by Population of Persons with Disabilities**

Disabled Population (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<10%	388490	54.259.2%	117437	65.068.2%	1,481346	91.770.1%	1,986943	79.163.7%
10-20%	216	30.226.1%	2430	13.314.9%	4349	2.740.9%	283295	11.349.9%
20-30%	112422	15.644.7%	3934	21.746.9%	9186	5.649.4%	242	9.646.4%
30-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5114,480	100.0%

Figure E-70: Population of Persons with Disabilities by Tract and Sites Inventory







**Familial Status**

Capitola tracts have variable levels of populations of children residing in married couple households (

Figure E-71 and Table E-27). As discussed previously, there are very few children in tract 1218.01, where only 17.6% of children reside in married couple households and 61.8% reside in single-parent female-headed households. According to the 2017-2021 ACS, there are only 131 children under the age of 18 residing in tract 1218.01, representing only 7.5% of the tract-wide population. The population of children in female-headed households in this tract is the result of the small sample size and does not appear to reflect the local knowledge of the neighborhoods in the area, such as Cliffwood Heights and Depot Hill.

The largest proportion of RHNA units are in tracts where 60% to 80% of children reside in married couple households. An additional 9.246.4% of units are in tracts where 40% to 60% of children reside in married couple households and 16.49.6% are in tracts where more than 80% of children reside in married couple households.

As shown in Table E-28 and Figure E-72, 88.379.9% of RHNA units are in tracts where 21% to 40% of children reside in single-parent female-headed households. ~~The A slightly larger populations percentage~~ of lower income units (231%) ~~that~~ are in tracts where less than 20% of children reside in female-headed households ~~is similar to compared to~~ moderate income units (21.747%). ~~and above moderate income units (19%).~~

Capitola is made up of tracts with diverse populations of children in married couple and female-headed households. RHNA units of all income levels are distributed throughout the City regardless of familial status to the greatest extent possible. The RHNA strategy does not disproportionately place lower income units in areas with more single-parent female-headed households. The spread of the sites selected ensures existing populations are served while promoting housing mobility and opportunities throughout Capitola.

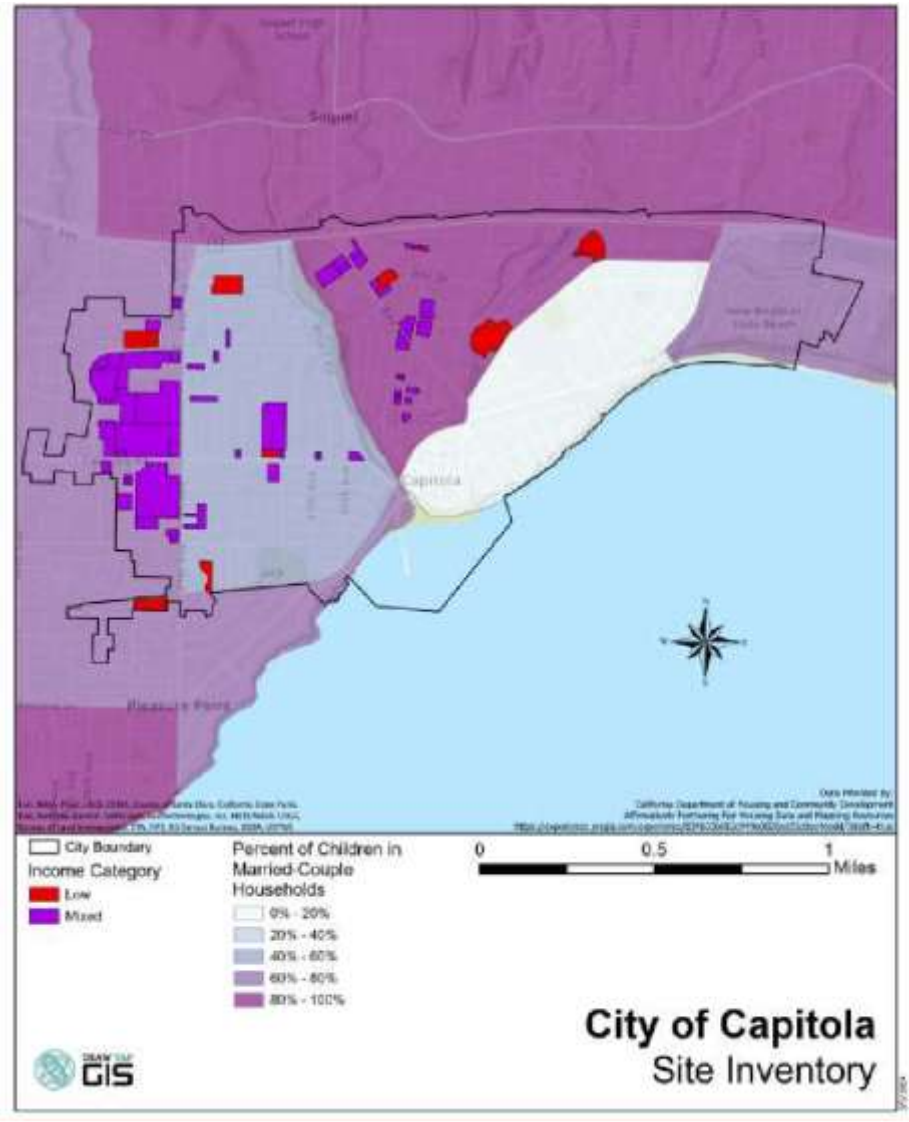
**Table E-27: Distribution of RHNA by Children in Married Couple Households**

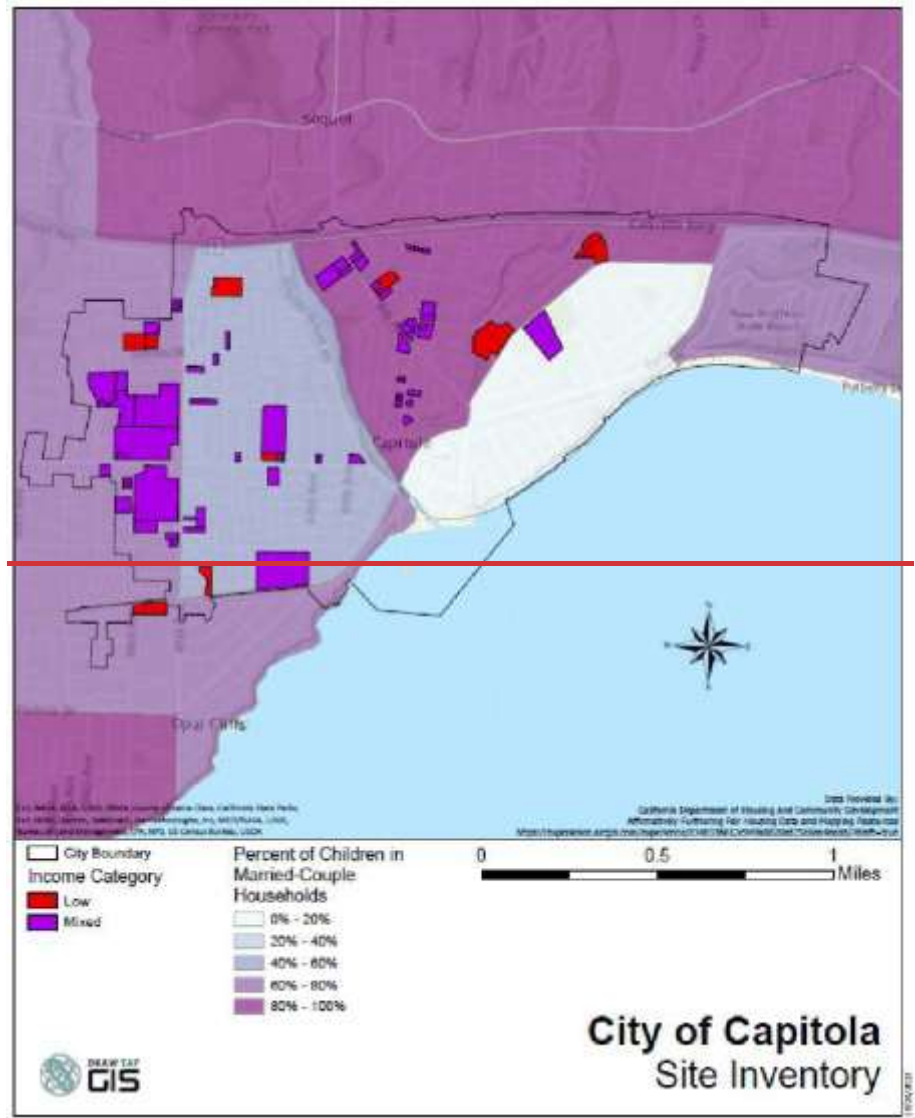
Children in Married Couple Households (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	02	40.0%	02	0.04%	04	0.03%
20-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40-60%	164	22.949.8%	2428	13.343.9%	4347	9.640.4%	231239	9.246.4%
60-80%	440542	61.565.5%	117437	65.068.2%	1,481346	70.24%	9952,038	81.267.2%
>80%	112422	15.644.7%	3934	21.746.9%	9186	20.249.4%	242	9.646.4%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5114,480	100.0%

**Table E-28: Distribution of RHNA by Children in Female-Headed Households**

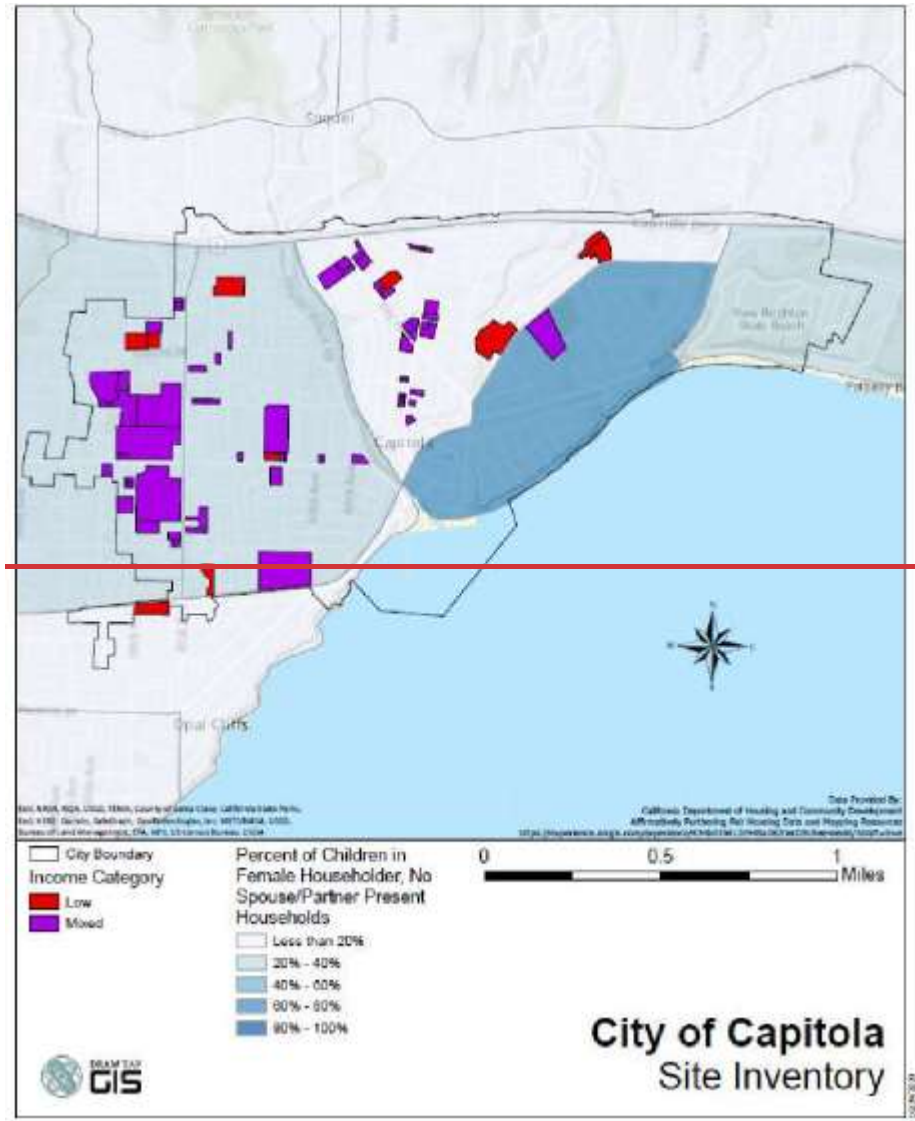
Children in Female-Headed Households (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	164174	22.924.0%	3934	21.746.9%	9186	5.649.1%	294	11.749.9%
20-40%	552654	77.179.0%	141165	78.382.1%	1,524363	94.480.5%	2,2174,182	88.379.9%
40-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
60-80%	0	0.0 %	02	04.0%	02	0.04%	04	0.03%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>716828</b>	<b>100.0%</b>	<b>180204</b>	<b>100.0%</b>	<b>1,615454</b>	<b>100.0%</b>	<b>2,5114,480</b>	<b>100.0%</b>

Figure E-71: Children in Married Couple Households by Tract and Sites Inventory











**Income Level**

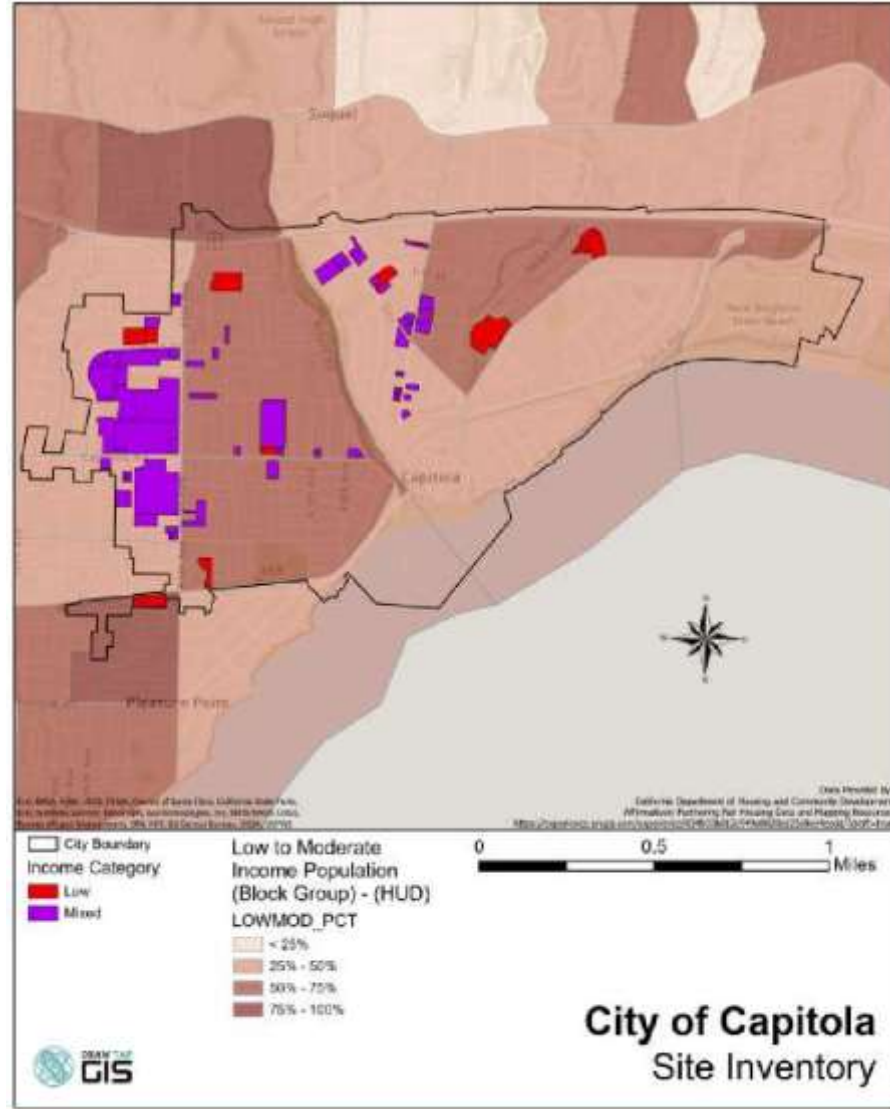
Figure E-73 and Table E-29 show the distribution of RHNA sites and units by Low to Median Income (LMI) household population at the block group level. As discussed previously, approximately half of the City is considered an LMI area where more than 50% of households earn low or moderate incomes. **Approximately Over 7687%** of RHNA units are in block groups that are not considered LMI areas, where only 25% to 50% of households are low or moderate income. A larger proportion of units allocated towards the lower income RHNA are in LMI areas (**3329.7%**) compared to moderate income units (**19.416.9%**) and above moderate income units (**4.014.2%**).

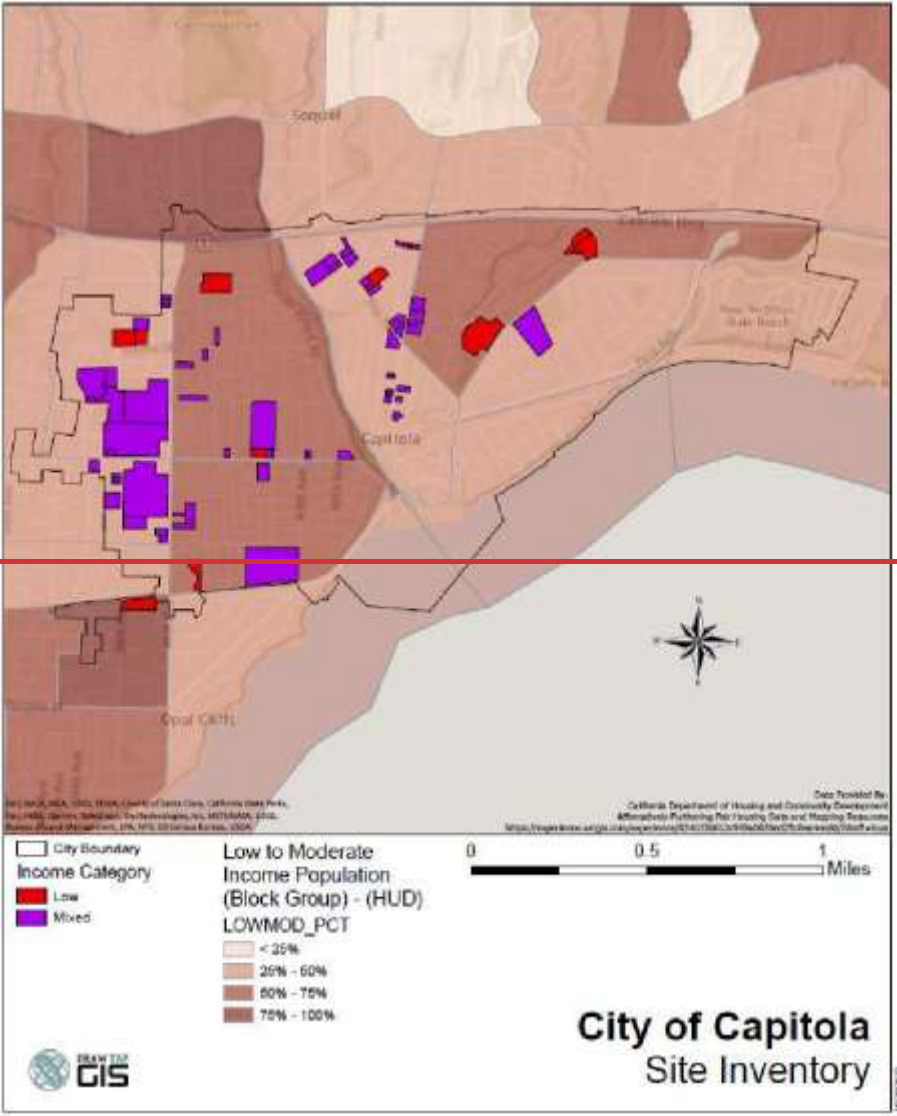
While more lower income RHNA units are allocated in LMI areas, sites accommodating the lower income RHNA are not concentrated in a single area of the City. Further, a majority of lower income units are not located in LMI areas. The City’s RHNA strategy aims to serve existing LMI households while providing additional housing opportunities citywide. Additionally, actions outlined in this Housing Element intend to increase opportunities and address disproportionate housing needs in areas with larger LMI household populations.

**Table E-29: Distribution of RHNA by LMI Household Population**

LMI Households (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<25%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25-50%	<b>480582</b>	<b>67.070.3%</b>	<b>145167</b>	<b>80.683.1%</b>	<b>1,550387</b>	<b>96.085.8%</b>	<b>2,1751,136</b>	<b>86.676.8%</b>
50-75%	<b>184194</b>	<b>25.723.4%</b>	<b>3534</b>	<b>19.416.9%</b>	<b>6564</b>	<b>4.014.2%</b>	<b>284292</b>	<b>11.319.7%</b>
75-100%	52	<b>7.36.3%</b>	0	0.0%	0	0.0%	52	<b>2.13.5%</b>
Total	<b>716828</b>	<b>100.0%</b>	<b>180201</b>	<b>100.0%</b>	<b>1,615451</b>	<b>100.0%</b>	<b>2,5111,480</b>	<b>100.0%</b>

Figure E-73: LMI Households by Block Group and Sites Inventory





b. Racially and Ethnically Concentrated Areas and Access to Opportunities

**TCAC Opportunity Area**

All Capitola tracts are highest and high resource areas (Table E-30 and [Figure E-74](#))

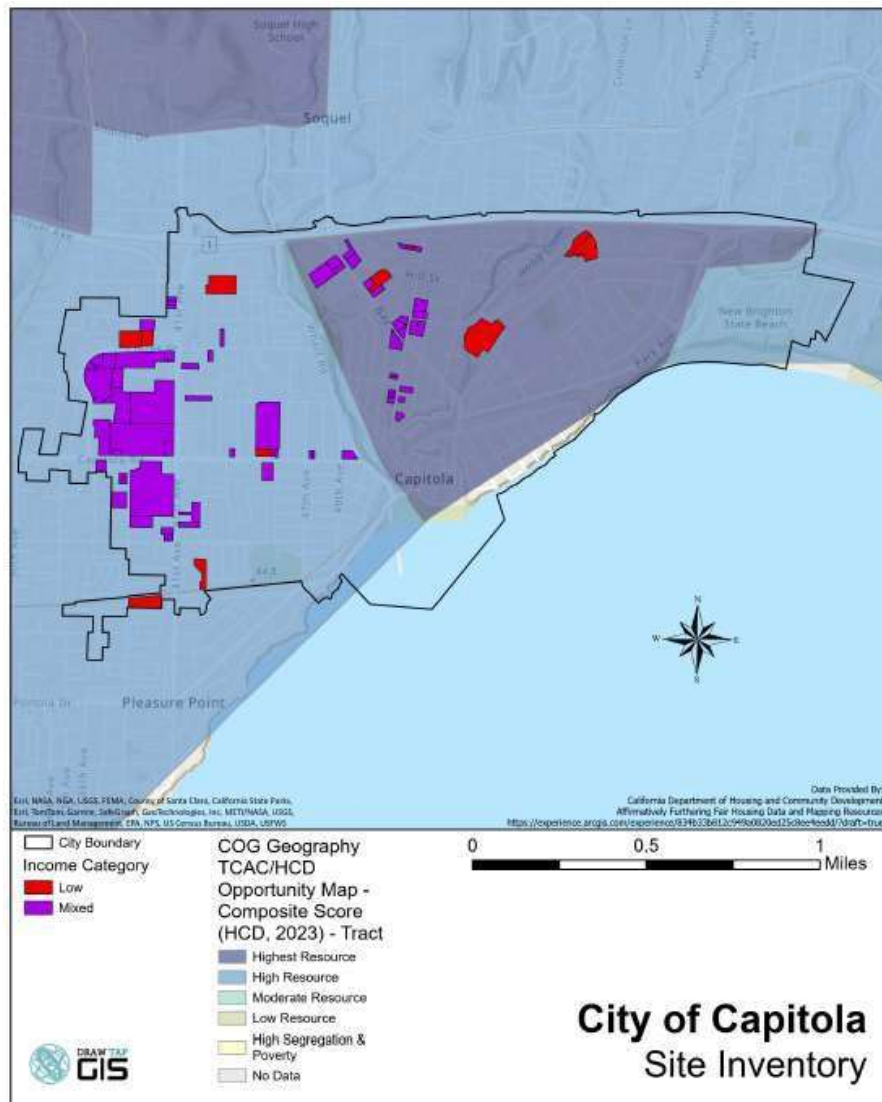
Figure E-74). The central tract, tract 1218, is a highest resource area, while the eastern and western tracts comprising a majority of the remainder of Capitola, tracts 1217 and 1221, are high resource areas. Consistent with the citywide trend, 90.83% of RHNA units are in high resource tracts and 10.17% are in highest resource tracts.

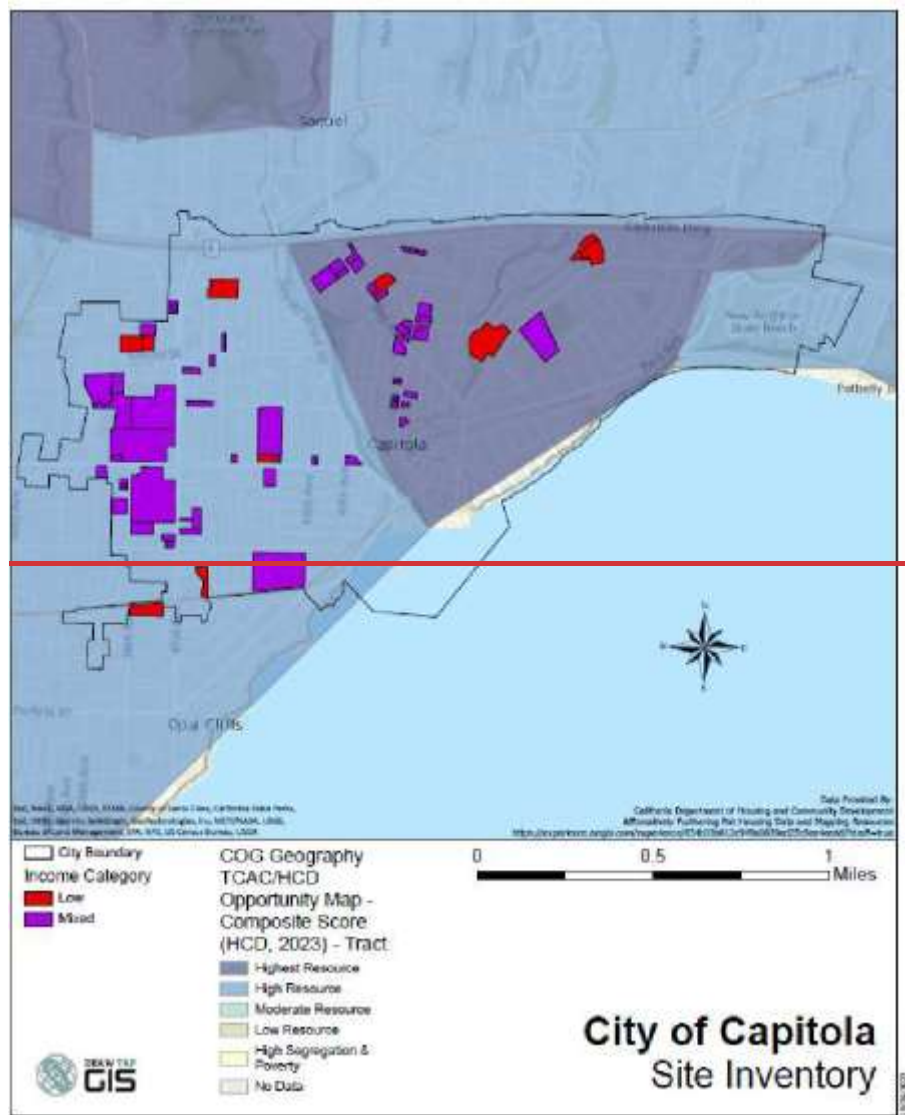
Sites accommodating the City’s RHNA will all be located in areas with highly accessible economic, educational, and environmental opportunities based on the HCD/TCAC opportunity scores.

**Table E-30: Distribution of RHNA by TCAC Opportunity Area Score**

TCAC Opportunity Area Category (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Highest Resource	112,422	15.6147%	3,936	21.7179%	9,188	5.6195%	242,246	9.6166%
High Resource	604,706	84.4853%	141,165	78.3821%	1,524,363	94.4805%	2,269,123	90.4834%
Moderate Resource	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low Resource	0	0.0%	0	0.0%	0	0.0%	0	0.0%
High Segregation and Poverty	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>716,828</b>	<b>100.0%</b>	<b>180,201</b>	<b>100.0%</b>	<b>1,615,451</b>	<b>100.0%</b>	<b>2,511,480</b>	<b>100.0%</b>

Figure E-74: TCAC Opportunity Areas by Tract and Sites Inventory







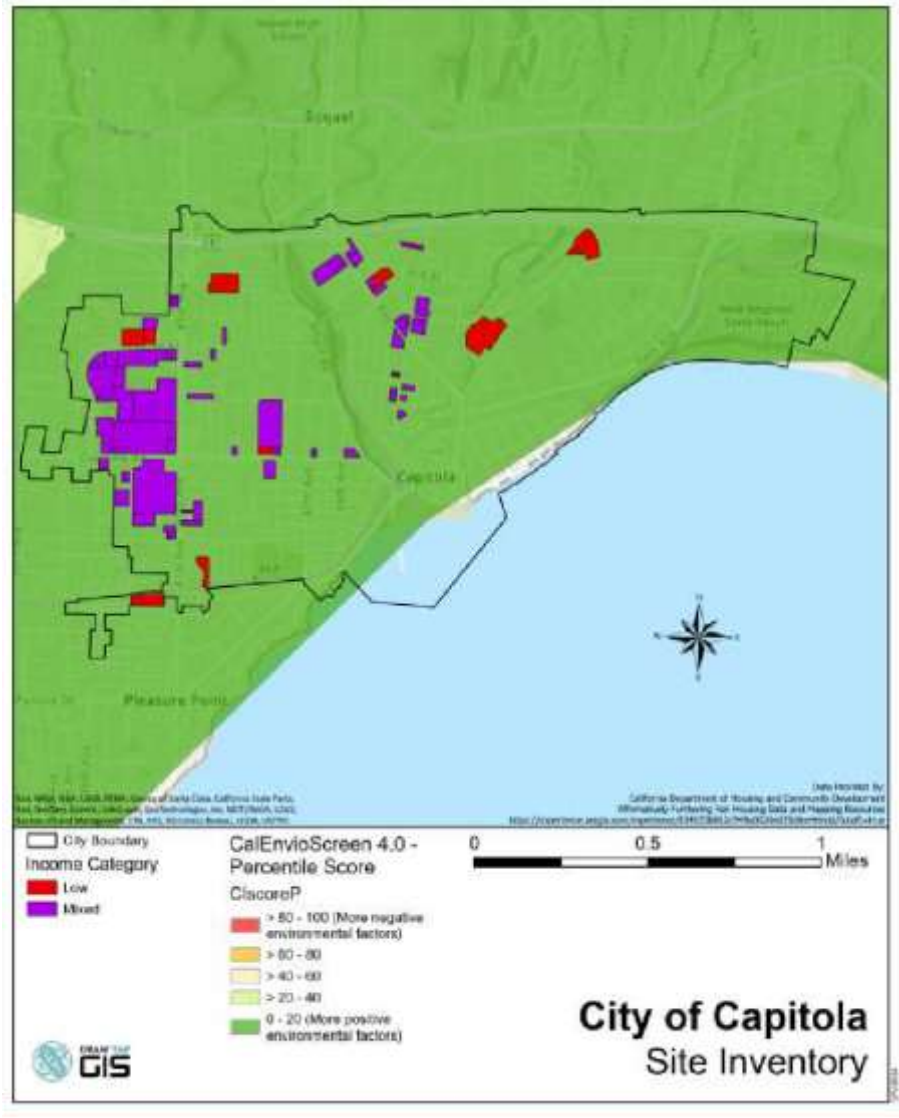
**Environmental**

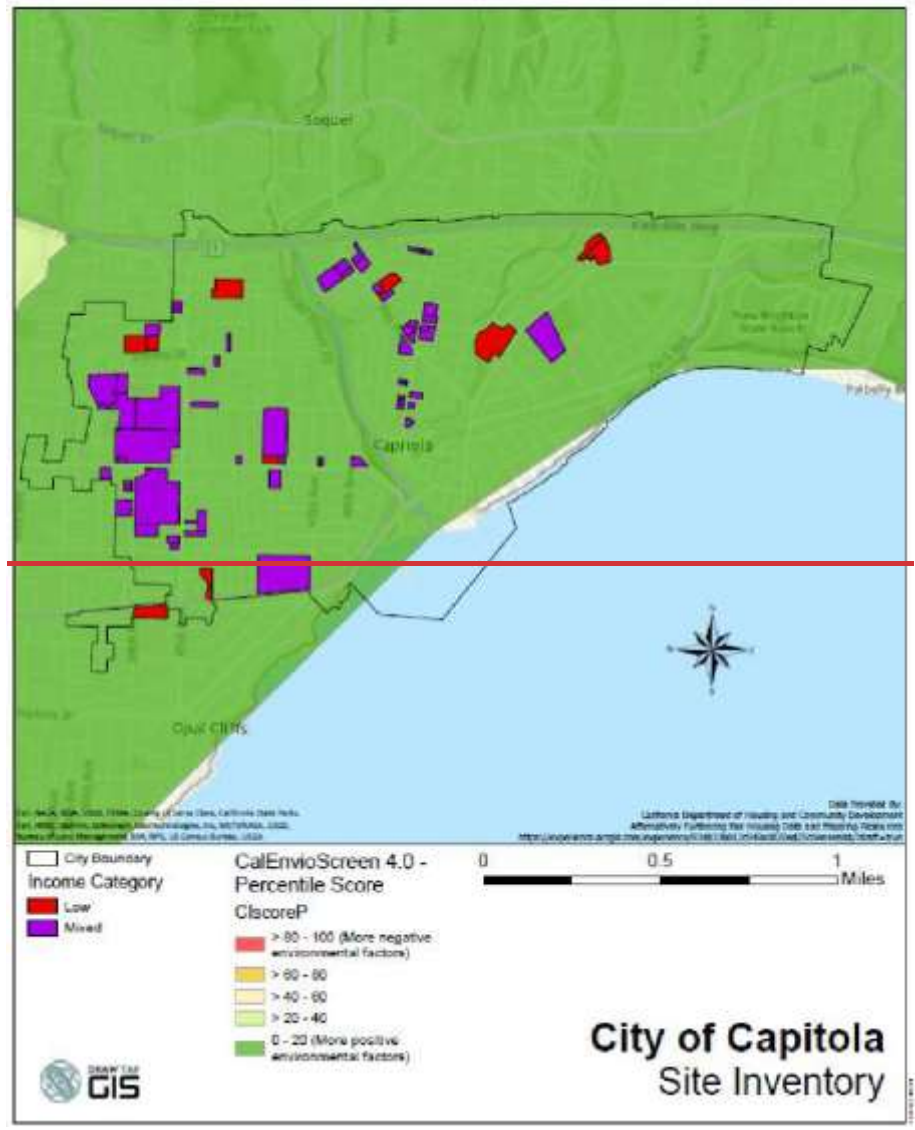
As discussed above and shown in ~~Figure E-75~~ **Figure E-75**, all Capitola tracts have low (positive) CalEnviroScreen 4.0 percentile rankings. All RHNA units are in tracts scoring within the 20<sup>th</sup> percentile. The City’s RHNA strategy distributes sites throughout the City to the greatest extent possible. New housing units will be located in areas with access to Capitola’s open space and recreational resources, including Capitola Beach and the New Brighton State Beach park.

**Table E-31: Distribution of RHNA by CalEnviroScreen 4.0 Score**

CalEnviroScreen 4.0 Percentile Score (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
1-10%	52	7.36.3 %	0	0.0%	0	0.0%	52	2.13.5 %
11-20%	664776	92.793.7%	180204	100.0%	1,615454	100.0%	2,4591,428	97.996.5 %
21-30%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
31-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
41-50%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
51-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61-70%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
71-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
81-90%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
91-100%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>716828</b>	<b>100.0%</b>	<b>180204</b>	<b>100.0%</b>	<b>1,615454</b>	<b>100.0%</b>	<b>2,5114,480</b>	<b>100.0%</b>

Figure E-75: CalEnviroScreen 4.0 Scores by Tract and Sites Inventory





c. Disproportionate Housing Needs

**Cost Burden**

Most areas of the City have populations of cost burdened owners between 40% and 60% (Figure E-76). There is one tract where more than 60% of owners are cost burdened. Two moderate-income units and two above moderate-income units are located in this tract. All other RHNA units are located in these tracts where 40% to 60% of owners experience cost burden.

As shown in Figure E-77, Capitola tracts have populations of cost burdened renters ranging from 20% to 60%. Table E-33 shows that 893% of units are in tracts where less than 40% of renters are cost burdened. A larger proportion of lower income units (30.226.1%) are in tracts where more than 40% of renters are cost burdened compared to moderate income units (13.343.9%) and above moderate income units (2.740.4%).

The western side of the City where more renters overpay for housing is consistent with the tract with a larger proportion of LMI households (see Figure E-73). While the RHNA strategy allocates a larger proportion of lower income units in tracts with 20 to 40 percent of cost burdened renter populations larger cost burdened renter populations, however, sites accommodating lower income units are not concentrated in a single area of the City. As mentioned above, the City’s RHNA strategy aims to serve existing LMI households while providing additional housing opportunities citywide.

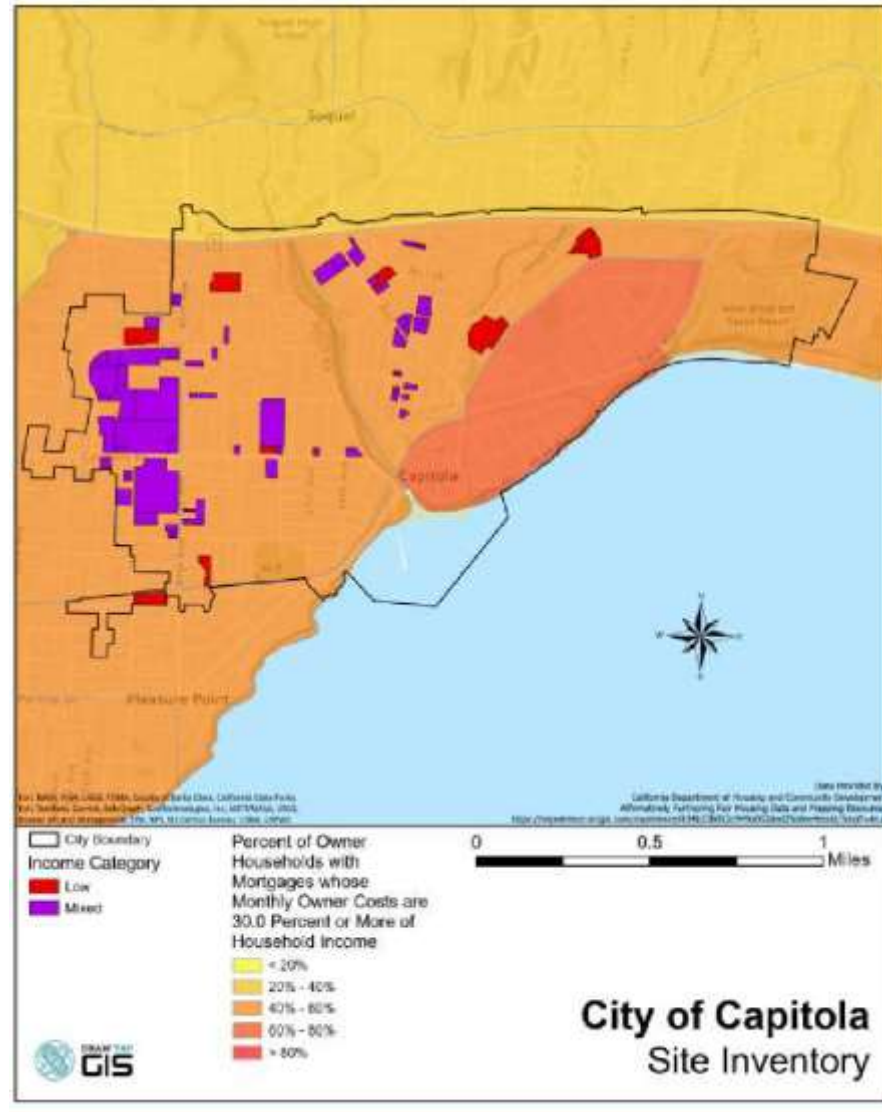
**Table E-32: Distribution of RHNA by Cost Burdened Owners**

Cost Burdened Owners (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40-60%	716828	100%	180499	100.099.0%	1,615449	100.099.6%	2,5111,476	100.099.7%
60-80%	0	0.5%	02	10.0%	02	0.00.4%	04	0.00.3%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5111,480	100.0%

**Table E-33: Distribution of RHNA by Cost Burdened Renters**

Cost Burdened Renters (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20-40%	500612	69.873.9%	156173	86.786.1%	1,572404	97.389.6%	2,2281,189	88.780.3%
40-60%	216	30.226.1%	2428	13.313.9%	4347	2.710.4%	283294	11.319.7%
60-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>716828</b>	<b>100.0%</b>	<b>180204</b>	<b>100.0%</b>	<b>1,615454</b>	<b>100.0%</b>	<b>2,511480</b>	<b>100.0%</b>

Figure E-76: Cost Burdened Owner Households by Tract and Sites Inventory



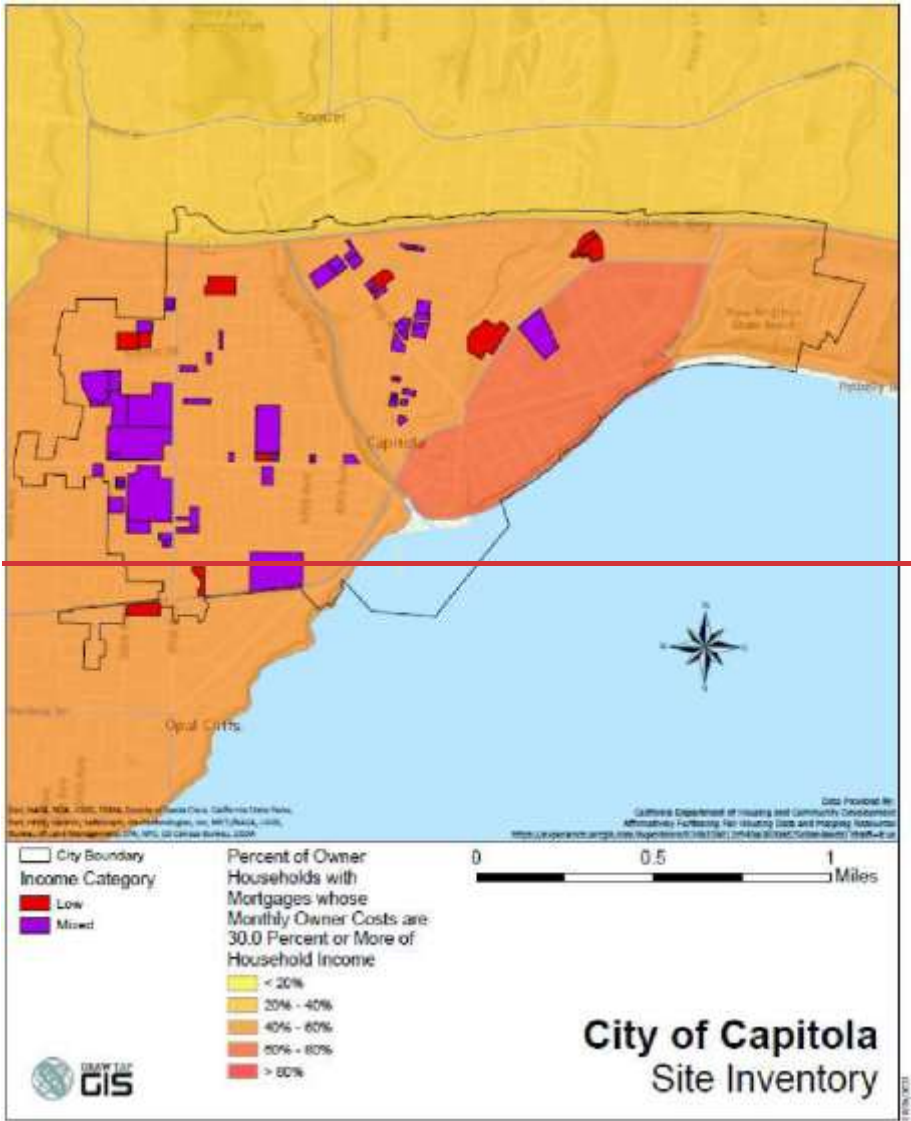
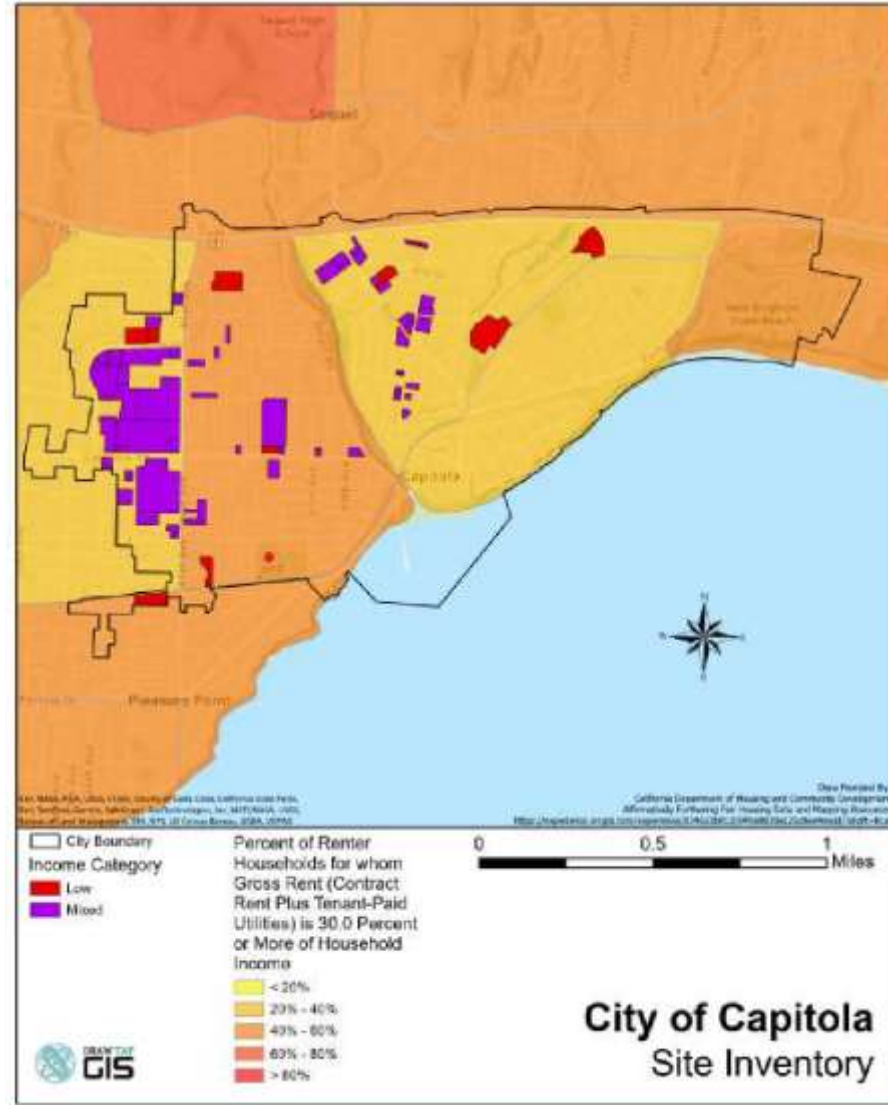
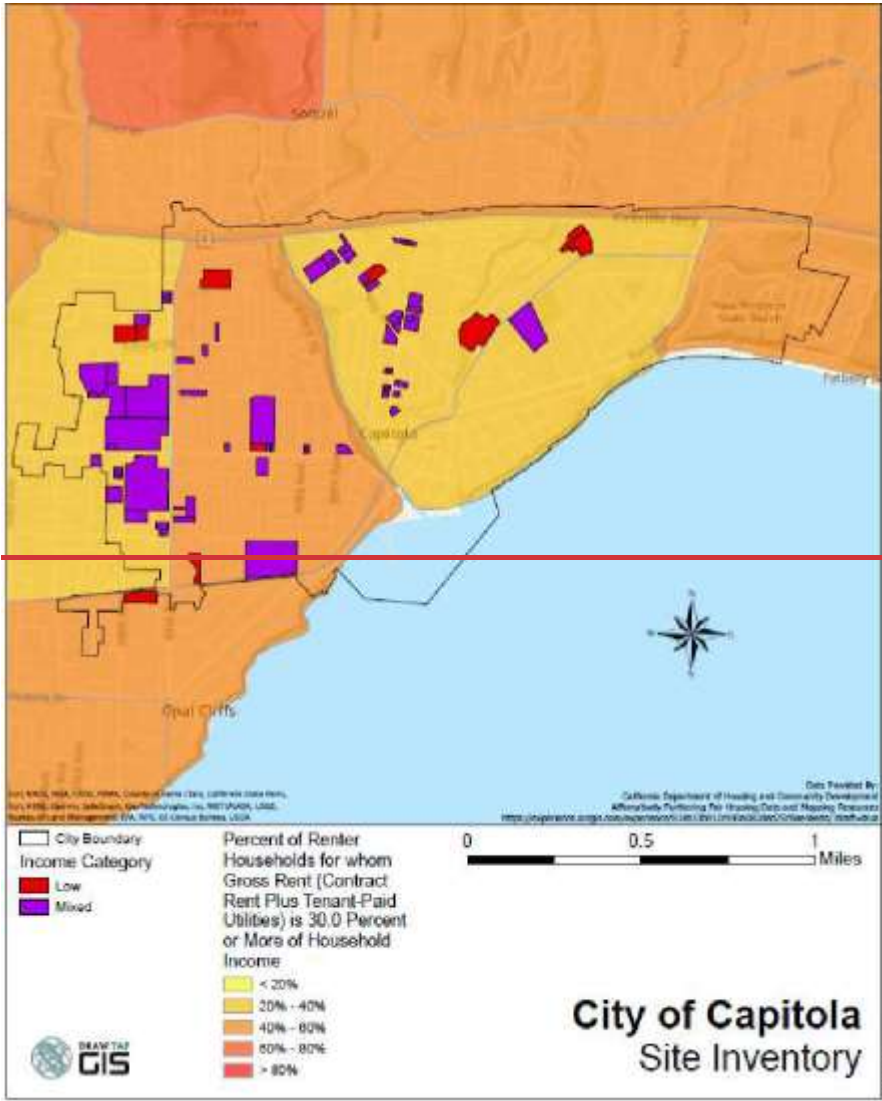




Figure E-77: Cost Burdened Renter Households by Tract and Sites Inventory





### Overcrowding

There is only one tract in Capitola where more than 5% of households are overcrowded ~~Figure E-78~~ Figure E-78. This tract also has a larger LMI household population and population of cost burdened renters (see ~~Figure E-73~~ Figure E-73 and Figure E-77). As shown in Table E-34, 9.246.4% of RHNA units are in this tract. The proportion of lower income units allocated in this tract is slightly higher (22.949.8%) compared to the proportion of moderate (13.313.9%) and above moderate (2.740.4%) income units.

While there are more lower income units in the tract where more than 5% of households are overcrowded, sites accommodating the lower income RHNA are not concentrated in a single area of the City. Out of the 828 units in the sites inventory, 116 units are part of the inventory buffer, as the City's RHNA allocation for lower income units is 712. Further, targeted actions outlined in this Housing Element aim to serve existing and future households and reduce housing needs in this area of the City.

**Table E-34: Distribution of RHNA by Overcrowded Households**

Cost Burdened Owners (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<5%	<u>552664</u>	<u>77.180.2%</u>	<u>156173</u>	<u>86.786.4%</u>	<u>1,572404</u>	<u>97.389.6%</u>	<u>2,2801,244</u>	<u>90.883.9%</u>
5-10%	164	<u>22.949.8%</u>	<u>2428</u>	<u>13.313.9%</u>	<u>4347</u>	<u>2.740.4%</u>	<u>231239</u>	<u>9.246.4%</u>
10-15%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
15-20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	<u>716828</u>	<u>100.0%</u>	<u>180204</u>	<u>100.0%</u>	<u>1,615454</u>	<u>100.0%</u>	<u>2,5111,480</u>	<u>100.0%</u>



#### d. Summary

Table E-35 shows the sites inventory by tract and AFFH variable. The sites inventory is also included as Figure E-79. RHNA sites are distributed throughout the Capitola over six tracts. This analysis breaks up the tracts into eastern and western Capitola. Eastern Capitola is made up of tracts 1218.01, 1218.02, and 1221, while tracts 1216.02, 1217.01, and 1217.02 are considered Western Capitola. As described earlier, The City's housing strategy as part of the RHNA inventory will increase new housing options for all income levels in Capitola as well as options for mobility throughout the City. This is due to the recent trends of development in Capitola, combined with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

#### Eastern Capitola

Eastern Capitola is made up of the tracts east of Soquel Wharf Road. Eastern Capitola tends to have smaller non-White populations and cost burdened renter populations. Two of the three tracts are also considered highest resource areas. The third, tract 1221, is a high resource area. Most of Eastern Capitola is zoned for Single-Family Residential (R-1) uses. Additional residential zoning designations on this side of the City include Mobile Home Park (MH), Multi-Family Residential, Low Density (RM-L), Multi-Family Residential, Medium Density (RM-M), Multi-Family Residential, High Density (RM-H), and Mixed Use Neighborhood (MU-N). Approximately 15% of Eastern Capitola is designated open space for New Brighton State Park.

A total of 242246 RHNA units are allocated on this side of the City, including 112422 lower income units, 3936 moderate income units, and 9188 above moderate income units. Eastern Capitola has a non-White population of 27.8%, LMI household populations ranging from 29% to 68%, and populations of overcrowded households ranging from 3% to 4%. In general, the eastern side of the City has few fair housing issues and small to moderate non-White and LMI household populations. The City's RHNA strategy ensures that RHNA units of all income levels are allocated throughout the eastern side of the City. The City's RHNA strategy in Eastern Capitola does not exacerbate conditions related to fair housing.

## Western Capitola

This analysis considers Western Capitola to be the area west of Soquel Wharf Road. The western side of the City is comprised of a mix of residential zoning designations including Mobile Home Park (MH), Single-Family Residential (R-1), Multi-Family Residential, Low Density (RM-L), Multi-Family Residential, Medium Density (RM-M), Multi-Family Residential, High Density (RM-H), and Mixed Use Neighborhood (MU-N). The western side of the City has larger areas zoned for Regional Commercial (C-R) and Community Commercial (C-C) uses compared to the eastern side. The west side also has larger lot sizes and can better accommodate large scale redevelopment projects.

All three tracts on the western side of Capitola are high resource areas. There are more RHNA units allocated on this side of the City compared to the eastern side. The City's RHNA strategy allocated 2,2691,234 units in Western Capitola, including 604706 lower income units, 141165 moderate income units, and 1,524363 above moderate income units. As discussed in Chapter 4, Housing Need and Opportunities, of this Housing Element, the City's strategy is to locate higher density housing and mixed-use developments along transit corridors. All of the key housing opportunity sites identified are located directly on existing bus routes, and the majority of them are also in close proximity to the regional transit center and Capitola Mall. The Capitola Mall is located on the western side of the City in tract 1217.02. The non-White populations in Western Capitola block groups are generally higher than block groups on the eastern side. RHNA units are located in LMI block groups within tracts 1216.02 and 1217.01. However, a majority of units are in tract 1217.02 that is not considered an LMI area. Tract 1217.01 also has a larger proportion of cost burdened renters and overcrowded households. While housing problems are slightly more prevalent in this tract, RHNA units, specifically lower income units, are allocated throughout the City and are not concentrated in this section of Capitola alone. Also, it should be noted that the City's RHNA strategy includes a 16% buffer for lower income units (116 units).

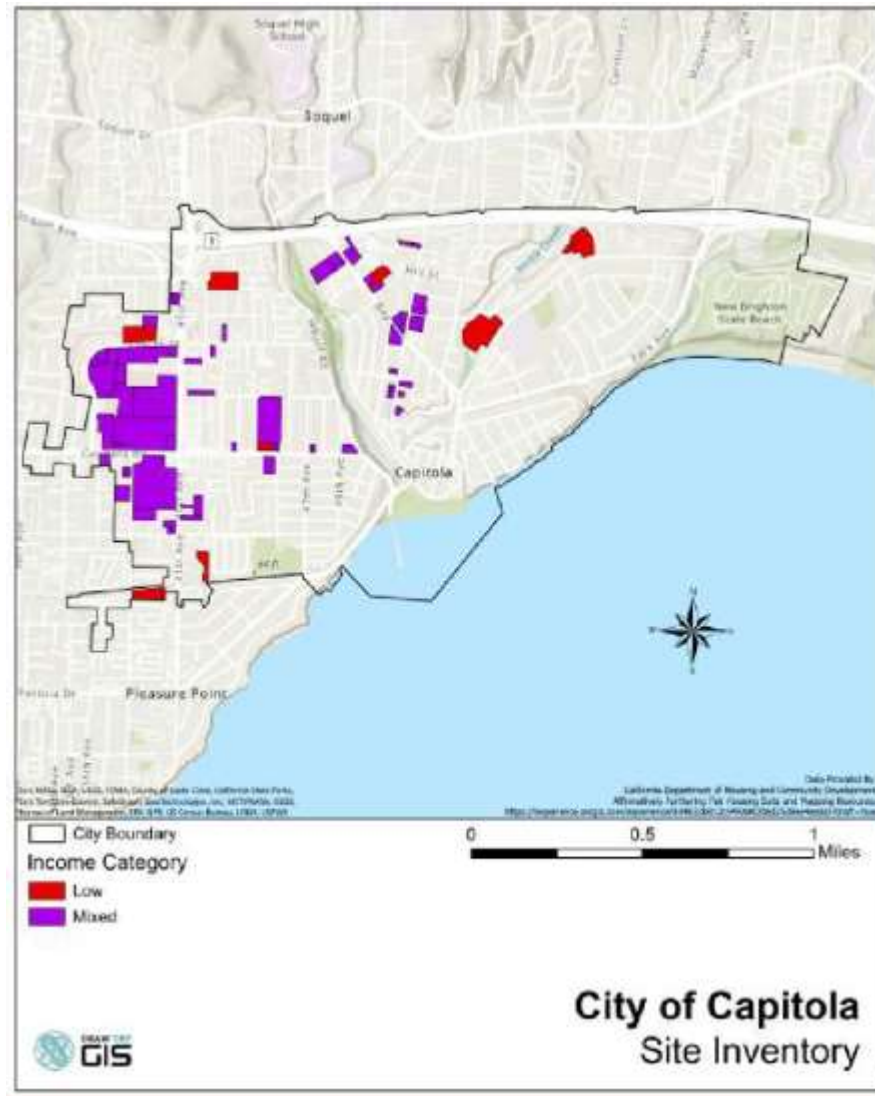
The City's RHNA strategy ensures sites are distributed throughout the City. There are no units of any income level that are concentrated in a single area of the Capitola. The City's RHNA strategy, in conjunction with the actions outlined in this Housing Element, promote housing mobility while serving the needs of existing populations. RHNA sites on the western side of the City are located directly on existing bus routes and most are in proximity of the regional transit center and Capitola Mall, ensuring transportation opportunities and resources are highly accessible. The RHNA strategy does not exacerbate fair housing conditions citywide.

**Table E-35: Distribution of RHNA Units by Tract and AFFH Variables**

Tract	# of Households in Tract	Total Capacity (Units)	Income Distribution			Non-White Population	LMI Households	TCAC Opp. Cat.	Overpay Renters	Over-crowded Households
			Lower	Moderate	Above Moderate					
1216.02	1,212	52	52	0	0	29.7%	91.0%	High	49.2%	2.5%
1217.01	1,795	231239	164	2428	4347	41.0%	56.0 – 62.0%	High	54.2%	5.6%
1217.02	1,284	1,986943	388490	117437	1,481316	41.0%	26.0 – 43.0%	High	27.1%	0.2%
<del>1218.01</del>	<del>1,048</del>	4	0	2	2	<del>27.8%</del>	<del>29.0%</del>	<del>Highest</del>	<del>39.7%</del>	<del>3.4%</del>
1218.02	1,136	242	112422	3934	9186	27.8%	48.0 – 68.0%	Highest	38.4%	3.8%



Figure E-79: Capitola Sites Inventory





## C. Contributing Factors

### 1. Lack of Fair Housing Testing, Education, and Outreach (**High Priority**)

The City lacks information on fair housing law and discrimination complaint filing procedures on the City website. Current outreach practices may not provide sufficient information related to fair housing, including federal and state fair housing law, and affordable housing opportunities. Cost burdened renters throughout the City and cost burdened owners concentrated in tract 1218.01 may be unaware of affordable housing opportunities. Between 2013 and 2022, the FHEO recorded 11 inquiries from Capitola residents, 5 of which were related to disability status. The City may lack sufficient education and outreach related to reasonable accommodation and ADA laws based on the proportion of complaints related to disability status. The County is also not required to complete an Analysis of Impediments to Fair Housing Choice and does not contract with a specific fair housing provider. Additional action may be needed to ensure residents are aware of fair housing laws and protections. In the 2022 PIT Count, when asked about ways to prevent losing housing, 50% said rent or mortgage assistance, 45% said landlord mediation and 40% stated legal assistance.

#### **Contributing Factors**

- Lack of fair housing testing
- Lack of monitoring
- Lack of targeted outreach and accessible fair housing information

### 2. Substandard Housing Conditions (**Medium Priority**)

While the City does not have a large proportion of households lacking complete kitchen or plumbing facilities, approximately 78% of housing units are aged 30 years or older and may require minor or major rehabilitation. Aging housing units are most concentrated in the central and eastern areas of Capitola, east of Wharf Road. Additionally, 5.1% of units in tract 1217.02 on the western side of the City lack complete kitchen facilities. Less than 1% of units in all other Capitola tracts lack complete kitchen facilities.

#### **Contributing Factors**

- Age of housing stock
- Cost of repairs or rehabilitation

### 3. Affordable Housing Opportunities in High Resource Areas (Citywide) (High Priority)

All of Capitola has been identified as high or highest resource areas. Capitola is generally an affluent City with good quality schools, above average environmental conditions, and accessible economic opportunities. However, existing affordable housing options in Capitola are limited. There are only two assisted multifamily rental complexes in the City, Capitola Supportive Housing Development (Dakota Apartments) (24 affordable units) and Bay Area Senior Apartments (108 affordable units). Additional housing opportunities in Capitola, a high resource area, may be especially important due to the County's overall character. Southern and inland Santa Cruz County has significantly reduced access to opportunities compared to the Capitola/City of Santa Cruz area and northern County. The southern County is comprised of mainly TCAC low and moderate resource tracts, while tracts in and north of Capitola are predominantly high and highest resource areas. Additional housing in Capitola may promote mobility for low income households currently residing in the County.

As described earlier, the City's housing strategy as part of the RHNA inventory will increase new housing options for all income levels in Capitola as well as options for mobility throughout the City. This is due to the recent trends of development in Capitola, combined with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

#### **Contributing Factors**

- Lack of affordable housing options
- Location and type of affordable housing

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# **Addendum to the Capitola General Plan Update Environmental Impact Report for the 2023-2031 Housing Element**

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## **LEAD AGENCY:**



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Capitola, CA 95010

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## **PREPARED BY:**

Morse Planning Group

Final  
Adopted November 9, 2023

This document has been produced for double-sided printing to conserve natural resources.



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## 1.0 INTRODUCTION

The Capitola General Plan 2023-2031 Housing Element (herein referenced as the “project,” “proposed project,” or “2023-2031 Housing Element”) involves adoption and implementation of these General Plan components. Following a preliminary review of the proposed project, the City of Capitola has determined that the proposed project is subject to the guidelines and regulations of the *California Environmental Quality Act (CEQA)*.

## 1.1 STATUTORY AUTHORITY AND REQUIREMENTS

This environmental document has been prepared in conformance with *CEQA (California Public Resources Code [PRC] Section 21000 et seq.)*; *CEQA Guidelines (California Code of Regulations [CCR], Title 14, Section 15000 et seq.)*; and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City of Capitola.

In accordance with *CEQA Guidelines* Sections 15051 and 15367, the City of Capitola (City) is identified as the Lead Agency for the proposed project. This document has been prepared in accordance with CEQA Guidelines Sections 15164 (Addendum to an EIR on Negative Declaration) and 15168 (Program EIR) to explain the rationale for determining that the proposed Capitola 2023-2031 Housing Element would not create any new or substantially more severe significant effects on the environmental that were not analyzed in the Capitola General Plan Update Environmental Impact Report (EIR).

In determining whether an Addendum is the appropriate document to analyze modifications to the General Plan EIR, CEQA Guidelines Section 15164 states:

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
- (d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency’s required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

Since the Capitola General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162, there are new significant effects or other grounds that require preparation of a subsequent EIR in support of further agency action on the project. Under these guidelines, a subsequent shall be prepared if any of the following criteria are met:



- (a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
- 1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  - 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
  - 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
    - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
    - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
    - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

As demonstrated in the environmental analysis contained herein in the Addendum, none of the conditions that had been analyzed in the Capitola General Plan EIR would change with adoption of the proposed 2023-2031 Housing Element. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified in the environmental analysis.

The environmental documentation, which is ultimately selected by the City in accordance with CEQA, is intended as an informational document undertaken to provide an environmental basis for subsequent discretionary actions relevant to the project. The resulting documentation is not, however, a policy document and its approval and/or certification neither presupposes nor mandates any actions on the part of those agencies from whom permits and other discretionary approvals would be required.



## 1.2 PURPOSE OF AN INITIAL STUDY

The purposes of an Initial Study are to:

1. Identify environmental impacts;
2. Provide the lead agency with information to use as the basis for deciding whether to prepare an EIR or a negative declaration;
3. Enable an applicant or lead agency to modify a project, mitigating adverse impacts before an EIR is required to be prepared;
4. Facilitate environmental assessment early in the design of the project;
5. Document the factual basis of the finding in a negative declaration that a project would not have a significant environmental effect;
6. Eliminate needless EIRs;
7. Determine whether a previously prepared EIR could be used for the project; and
8. Assist in the preparation of an EIR, if required, by focusing the EIR on the effects determined to be significant, identifying the effects determined not to be significant, and explaining the reasons for determining that potentially significant effects would not be significant.

CEQA Guidelines Section 15063 identifies specific disclosure requirements for inclusion in an Initial Study. Pursuant to those requirements, an Initial Study shall include:

- A description of the project, including the location of the project
  - Identification of the environmental setting
  - Identification of environmental effects by use of a checklist, matrix, or other method, provided that entries on a checklist or other form are briefly explained to indicate that there is some evidence to support the entries
  - Discussion of ways to mitigate significant effects identified, if any
  - Examination of whether the project is compatible with existing zoning, plans, and other applicable land use controls
  - The name(s) of the person(s) who prepared or participated in the preparation of the Initial Study
9. With regards to the context of an Addendum, the Initial Study serves as the basis for substantial evidence that none of the elements of CEQA Guidelines Section 15162 requiring a subsequent EIR are triggered.

## 1.3 RESPONSIBLE AND TRUSTEE AGENCIES

Certain projects or actions undertaken by a Lead Agency require subsequent oversight, approvals, or permits from other public agencies in order to be implemented. Such other agencies are referred to as Responsible Agencies and Trustee Agencies. Pursuant to *CEQA Guidelines* Sections 15381 and 15386, as amended, Responsible Agencies and Trustee Agencies are respectively defined as follows:



## Addendum to the Capitola General Plan Update For the 2023-2031 Housing Element

“Responsible Agency” means a public agency, which proposes to carry out or approve a project, for which [a] Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of *CEQA*, the term “responsible agency” includes all public agencies other than the Lead Agency, which have discretionary approval power over the project. (Section 15381)

“Trustee Agency” means a state agency having jurisdiction by law over natural resources affected by a project, which are held in trust for the people of the State of California. Trustee Agencies include; The California Department of Fish and Wildlife, The State Lands Commission; The State Department of Parks and Recreation and The University of California with regard to sites within the Natural Land and Water Reserves System. (Section 15386)

For this project, the City of Capitola is the Lead Agency and has the sole responsibility of processing and approving the project. There are no Responsible or Trustee Agencies that have oversight, approval, or permit responsibility associated with the project, or require consultation with the City of Capitola. In addition, no other agency is required to approve the 2023-2031 Housing Element, but the 2023-2031 Housing Element will be reviewed by the California Department of Housing and Community Development for the purpose of determining whether it complies with the requirements of State Housing Element law.

### 1.4 INCORPORATION BY REFERENCE

Pertinent documents relating to this Initial Study have been cited in accordance with *CEQA Guidelines* Section 15150, which encourages incorporation by reference as a means of reducing redundancy and length of environmental reports. The following documents are hereby incorporated by reference into this EIR. Information contained within these documents has been utilized for this Initial Study. These documents are available for review at the City of Capitola Community Development Department located at 420 Capitola Avenue, Capitola, California 95010, and online, if available, with the links provided below.

**The Capitola General Plan.** The Capitola General Plan (General Plan) is the City's "blueprint" for all future development and conservation within the community. The General Plan has seven State-mandated elements: Land Use; Housing; Open Space; Conservation; Safety; Noise; and Mobility, and includes an optional, Economic Development Element.

On June 26, 2014, the Capitola City Council adopted the General Plan Update to replace the City's previous 1989 General Plan. The General Plan Update provides new goals and policies to promote sustainability, improve protections of residential neighborhoods and historic resources, and enhance economic vitality. The 2015-2023 Housing Element was adopted by the Capitola City Council on November 25, 2015 and certified by the California Department of Housing and Community Development (HCD) on February 4, 2016. The Land Use Element of the General Plan was updated on March 13, 2019.

[Capitola General Plan | City of Capitola California](#)

**The Capitola General Plan Update Environmental Impact Report.** The Environmental Impact Report (EIR) for the City of Capitola General Plan Update (State Clearinghouse Number [SCH No.] 2013072002) evaluates the environmental effects associated with the adoption and implementation of the General Plan Update initiated by the City of Capitola.



General Plan Update EIR Conclusions. The General Plan Update (GPU) EIR reviewed the following topics: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology, Soils and Seismicity, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services (Fire Protection and Emergency Medical Services, Police Protection, School Services, Library Services), Parks and Recreation, Transportation and Traffic, and Utilities and Service Systems, and Greenhouse Gas Emissions.

The GPU EIR concluded the following significant unavoidable impacts:

- Air Quality – Impacts AIR-2 and AIR-6
- Hydrology and Water Quality – Impacts HYDRO -2 and HYDRO -9
- Transportation and Traffic – Impacts TRANS-1 and TRANS-6
- Utilities and Service Systems – Impacts UTIL-1, UTIL-2, and UTIL-3
- Greenhouse Gas Emissions – Impacts GHG-1 and GHG-3

The GPU EIR concluded all other impacts were less than significant.

The City Council certified the GPU EIR on June 26, 2014, as well as adopted a Statement of Overriding Considerations for significant, unavoidable impacts, and adopted a Mitigation Monitoring and Reporting Program.

The GPU EIR can be found on the City’s website using the following link under the Supporting Documents heading.

[Capitola General Plan | City of Capitola California](#)

**Capitola Municipal Code.** The Capitola Municipal Code (Municipal Code), codified through Ordinance 1060, passed June 8, 2023, consists of codes and ordinances adopted by the City. These include standards intended to regulate land use, development, health and sanitation, water quality, public facilities, and public safety.

Title 15 of the Municipal Code, Buildings and Construction (revised March 2023), specifies rules and regulations for construction, alteration, and building for uses of human habitation and occupation. Title 16 of the Municipal Code, Subdivisions (revised April 2023), regulates and controls the division of land within the city. Title 17 of the Municipal Code, Zoning (revised April 2023), identifies land uses permitted and prohibited according to the zoning category of particular parcels and establishes the development standards and regulations for each zone.

[Capitola Municipal Code \(codepublishing.com\)](#)



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## **2.0 PROJECT DESCRIPTION**

### **2.1 PROJECT LOCATION**

Capitola is a coastal community located along the Monterey Bay. The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz; Refer to [Exhibit 2-1, Regional Location Map](#). With a land area of 1.7 square miles, Capitola is home to a population of approximately 10,000 residents. Highway 1 runs east-west along the northern border of the City. Highway 17 is located northwest of Capitola and connects the coastal communities to Silicon Valley and San Francisco Bay Area to the north.

### **2.2 ENVIRONMENTAL SETTING**

#### **2.2.1 EXISTING LAND USES**

Capitola is a unique coastal community with its own special sense of place. Capitola is a popular visitor destination due to its beaches, historic charm, visitor amenities, and scenic location. The heart of Capitola is the Village, which features an assortment of shops, restaurants, vacation rentals, and recreational amenities. An assortment of residential neighborhoods contributes to the unique identity and family-friendly character of the community. Capitola is also home to the Capitola Mall, King’s Plaza, and other region-serving retail establishments along 41<sup>st</sup> Avenue.

Capitola has been fully urbanized for many years, and development includes a mix of housing types, employment districts with commercial and industrial uses, park and recreational amenities, and convenient transportation choices.

### **2.3 GENERAL PLAN AND ZONING DESIGNATIONS**

Not Applicable (Citywide).

### **2.4 PROJECT DESCRIPTION**

The project is the adoption and implementation of the 2023-2031 Housing Element. The 2023-2031 Housing Element represents an update of the City’s 2015-2023 Housing Element. The Housing Element is an integral component of the City’s General Plan, as it addresses existing and future housing needs of all types for persons of all economic segment groups in the City. The Housing Element serves as a tool for decision-makers and the public in understanding and meeting housing needs in Capitola. While the law does not require local governments to actually construct housing to meet identified needs, it does require that the community address housing needs in its discretionary planning actions.



### Exhibit 2-1 Regional Location Map



Source: City of Capitola General Plan Update EIR (December 2013)



## PURPOSE AND ORGANIZATION OF THE HOUSING ELEMENT

The Housing Element is one of the seven mandatory elements of a General Plan. Through policies, procedures, and incentives, it provides an action-plan for maintaining and expanding the housing supply in the City of Capitola.

The Housing Element is organized into the following sections and appendices.

Sections	Appendices
Executive Summary Chapter 1: Introduction Chapter 2: Housing Needs Assessment Chapter 3: Constraints on Housing Production Chapter 4: Housing Need and Opportunities Chapter 5: Housing Plan	Appendix A: Glossary of Terms Appendix B: Community Outreach Summary Appendix C: 2015-2023 Housing Element Program Evaluation Appendix D: Sites Inventory Appendix E: Affirmatively Furthering Fair Housing (AFFH)

Capitola’s Housing Element for the 6<sup>th</sup> cycle planning period of June 30, 2023 to December 15, 2031 describes policies and programs that include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- Identification of adequate sites for housing; and
- Adequate provision for existing and projected needs of all economic segments of the community.

### Element

Pursuant to *Government Code* Section 65583, the housing element contains four basic parts:

1. Analysis of demographic, social, and housing characteristics, current and future housing needs due to population growth and change, and other factors affecting housing need;
2. Analysis of governmental and nongovernmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities;
3. Inventory of resources available to address the City’s housing needs, including available land for housing, as well as the financial resources and administrative capacity to manage housing programs; and
4. Specific actions or programs to address the development, improvement, and conservation of housing to meet current and future needs. This includes goals, policies, and specific housing programs.



## **HOUSING GOALS AND POLICIES**

The 2023-2031 Housing Element goals and policies are listed below. Refer to the 2023-2031 Housing Element (separate document) for a full description of the programs associated with each goal.

### **GOAL 1.0 HOUSING PRODUCTION**

***Diversity in housing types and affordability levels to accommodate the needs of Capitola residents.***

#### **Housing Production Policies**

- Policy 1.1 Provide adequate sites and supporting infrastructure to accommodate present and future housing needs of Capitola residents.
- Policy 1.2 Encourage mixed-use developments.
- Policy 1.3 Provide opportunities for the development of alternative housing options, such as Accessory Dwelling Units.
- Policy 1.4 Periodically review development regulations, permit processes, and fees and their effect on development to ensure that such requirements facilitate housing production and rehabilitation.

### **GOAL 2.0 AFFORDABLE HOUSING DEVELOPMENT**

***Increased and protected supply of housing affordable to extremely-low, very-low, low, and moderate-income households.***

#### **Affordable Housing Policies**

- Policy 2.1 Encourage continued affordability of affordable rental housing supply in existing mobile home parks, subsidized rental housing, and special needs housing.
- Policy 2.2 Continue participation in state and federally sponsored programs designed to maintain housing affordability, including the HUD Housing Choice Voucher (HCV) Program.
- Policy 2.3 Preserve existing unrestricted affordable rental housing during the Housing Element planning period.
- Policy 2.4 Promote the development of affordable housing.
- Policy 2.5 Maintain the City’s Housing Trust Fund.
- Policy 2.6 Encourage the production of affordable ownership and rental housing through the City’s Affordable “Inclusionary” Housing Ordinance.

### **GOAL 3.0: HOUSING FOR PERSONS WITH SPECIAL NEEDS**

***Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations.***

#### **Special Housing Needs Policies**

- Policy 3.1 Support and facilitate programs that address the housing needs of special needs groups, including the elderly population, homeless persons, single-parent headed households, large households,



extremely low-income households, and persons with disabilities, including developmental disabilities.

- Policy 3.2 Continue the provision of city-initiated incentives to encourage affordable units in development projects.
- Policy 3.3 Support the development of accessible and affordable housing that is designed to serve all ages and is readily accessible to support services.
- Policy 3.4 Provide assistance for seniors and disabled to maintain and improve their homes.
- Policy 3.5 Facilitate and encourage the development of rental units appropriate for families with children, including the provision of supportive services such as childcare.
- Policy 3.6 Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.
- Policy 3.7 Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.
- Policy 3.8 Investigate and encourage the development of a variety of housing options for seniors including Congregate Housing, Continuing Care Retirement Communities (CCRCs), Assisted Living, Mobile Home Parks, co-housing, accessory dwelling units, and Independent Living.
- Policy 3.9 Encourage the establishment of childcare centers and family childcare homes in all appropriate zoning districts.

**GOAL 4.0: HOUSING ASSISTANCE**

*Increased assistance for extremely low, very low, low, and moderate income residents to rent or purchase homes.*

**Housing Assistance Policies**

- Policy 4.1 Maintain the City’s rental and ownership assistance programs.
- Policy 4.2 Explore and pursue City participation in other affordable homeownership assistance programs in the private market.
- Policy 4.3 Support the provision of childcare services, employment training, rental assistance, and other supportive services to enable households to be self-sufficient.
- Policy 4.4 Seek and support collaborative partnerships of nonprofit organizations and the development community to aid in the provision of affordable housing.

**GOAL 5.0: NEIGHBORHOOD VITALITY**

*Maintain, preserve, and improve the character of existing residential neighborhoods.*

**Neighborhood Vitality Policies**

- Policy 5.1 Ensure a compatible relationship between new housing and circulation patterns and encourage pedestrian and bicycle-friendly communities to minimize traffic impacts on quality of life.



- Policy 5.2 Protect the integrity of existing single-family and multifamily neighborhoods by promoting balanced site design and architecture.
- Policy 5.3 Assist individual neighborhoods in establishing their own identity through the development of neighborhood amenities (e.g., pocket parks, lighting, signs), mixed-use neighborhood nodes, and pedestrian and sustainability improvements.
- Policy 5.4 Promote the repair, improvement, and rehabilitation of housing and encourage replacement of substandard housing to enhance quality of life in neighborhoods.
- Policy 5.5 Improve the quality of housing and neighborhoods by educating landlords, tenants, and property owners about code compliance issues and enforcing compliance with building and property maintenance standards.

**GOAL 6.0: RESOURCE CONSERVATION**

*Fulfill the City’s housing needs while promoting an environ-mentally sensitive, compact community that is pedestrian-oriented and neighborhood-centered, using resources in a sustainable manner.*

**Resource Conservation Policies**

- Policy 6.1 Encourage the use of alternative modes of transportation.
- Policy 6.2 Strive to maintain a jobs/housing balance.
- Policy 6.3 Promote Green Building techniques, development, and construction standards that provide for resource conservation.
- Policy 6.4 Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.
- Policy 6.5 Ensure that adequate water supplies and sewer services continue to be available for residents and businesses.

**GOAL 7.0: AFFIRMATIVELY FURTHERING FAIR HOUSING**

*Equal access to housing opportunities regardless of one’s unique characteristics as protected by local, state and federal fair housing laws.*

**Fair Housing Policies**

- Policy 7.1 Promote meaningful and informed participation of residents, community groups, and governmental agencies in all local housing and community development activities.
- Policy 7.2 Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.
- Policy 7.3 Promote housing mobility by expanding housing choices and increasing housing opportunities in higher resource areas.
- Policy 7.4 Protect tenants from discriminatory housing practices and displacement.





- Policy 7.5 Promote the integration of affordable and special needs housing projects in existing neighborhoods.
- Policy 7.6 Collaborate with and support efforts of organizations dedicated to eliminating housing discrimination.

## **REGIONAL HOUSING NEEDS ASSESSMENT**

California *Government Code* Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in suitable living environments for all communities to meet statewide goals. The 2023-2031 Housing Element is a statement by the City of Capitola of its current and future housing needs identified in a policy document that sets forth the City’s goals, policies, and programs to address those identified needs.

Specifically, *Government Code* Section 65580 states the housing element shall consist of “...an identification and analysis of existing and projected housing needs and a statement of goals, polices, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing.” The housing element must also contain a housing plan with quantified objectives for the implementation of the goals and objectives described in the housing element. State law requires the housing element be updated every eight years or as otherwise required by State law.

*Government Code* Article 10.6, Section 65589 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in all communities to meet statewide goals. This Initial Study evaluates the environmental effects of the adoption and implementation of the Capitola 2023-2031 Housing Element. The planning period is from June 30, 2023 through December 15, 2031.

*Government Code* Section 65583 requires that housing elements include the following components:

- A review of the previous element’s goals, policies, programs, and objectives to ascertain the effectiveness of each of these components, as well as the overall effectiveness of the Housing Element;
- An assessment of housing needs and an inventory of resources and constraints related to the meeting of these needs;
- An analysis and program for preserving assisted housing developments;
- A Statement of community goals, quantified objectives, and policies relative to the preservation, improvement and development of housing;.
- A program which sets forth an eight-year schedule of actions that the City is undertaking or intends to undertake, in implementing the policies set forth in the Housing Element.

Several factors influence the demand for housing in the City of Capitola. Four major “needs” categories considered in the Housing Element include:

- 1) housing needs resulting from overcrowding;
- 2) housing needs that result when households are paying more than they can afford for housing;





- 3) housing needs of "special needs groups" such as the elderly, large families, female heads of households, households with persons with disabilities (including persons with developmental disabilities), and the homeless;
- 4) housing needs resulting from population growth in the City and surrounding region

California housing element law requires that each city and county develop local housing programs designed to meet their "fair share" of housing needs for all income groups. The California Department of Housing and Community Development (HCD), Housing Policy Division develops the Regional Housing Needs Assessments (RHNA) for each region of the State, represented by councils of governments. The Association of Monterey Bay Area Governments (AMBAG) determines the housing allocation for each city and county within its three-county jurisdiction, which includes Santa Cruz County. AMBAG assigned Capitola a housing allocation of 1,336 units, as shown in *Table 2-1, Regional Housing Needs Allocation 2023-2031*. The RHNA covers the period of June 30, 2023 through December 15, 2031.

**TABLE 2-1  
REGIONAL HOUSING NEEDS ALLOCATION 2023-2031**

Income Category	Number of Units
Extremely Low Income	215
Very Low Income	215 <sup>1</sup>
Low Income	282
Moderate Income	169
Above Moderate Income	455
<b>Total Units</b>	<b>1,336</b>
Source: City of Capitola, 2023-2031 Housing Element (July 2023)	
Notes: 1. The City has a RHNA allocation of 430 very low income units (inclusive of extremely low income units). While the RHNA did not separately define housing needs for extremely low income households, the very low income allocation can be split evenly between very low- and extremely low income households.	

### Residential Sites Inventory

The inventory is detailed in 2023-2031 Housing Element Chapter 4: Housing Need and Opportunities.

### Comparison of Sites Inventory and RHNA

Properties identified in the sites inventory have the combined capacity to accommodate approximately 1,453 additional housing units on underutilized sites. These sites, and the associated existing land use regulations, can facilitate the production of 448 extremely low-/very low-income units, 298 low-income units, 239 moderate-income units, and 468 above-moderate-income units during the planning period. Refer to *Table 2-2*.



**TABLE 2-2  
COMPARISON OF SITES INVENTORY AND RHNA**

	LOWER	MODERATE	ABOVE MODERATE	TOTAL
RHNA	712	169	455	1,336
Site Inventory				
Recyclable Land*	840	195	455	1,480
Rezone/Overlay Sites*	0	0	0	0
Accessory Dwelling Units (ADUs)	10	30	10	50
<b>TOTAL</b>	<b>850</b>	<b>225</b>	<b>455</b>	<b>1,530</b>
Surplus/Deficit	+138	+56	--	+194
Source: City of Capitola, 2023-2031 Housing Element Table 4-7 (October 2023)				
Notes: *Includes vacant sites, underutilized land, and pending projects				

An inventory of land suitable for residential development is shown in [Table 2-3](#).

**TABLE 2-3  
INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT SUMMARY**

	EXTREMELY LOW / VERY LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MODERATE INCOME	TOTAL RESIDENTIAL CAPACITY
<b>6<sup>th</sup> Cycle RHNA</b>	<b>430</b>	<b>282</b>	<b>169</b>	<b>455</b>	<b>1,336</b>
R-1 (Churches)	6	4	---	---	10
RM-L	5	3	4	6	18
RM-M	31	21	1	2	55
MU-N	49	33	30	61	173
C-R	297	198	119	274	888
C-C	105	76	41	102	324
CF	7	5	---	---	12
ADUs	6	4	30	10	50
<b>TOTAL</b>	<b>506</b>	<b>344</b>	<b>225</b>	<b>455</b>	<b>1,530</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-8 (October 2023)					
Notes: *Includes vacant sites, underutilized land, and pending projects					



**Summary of Residential Capacity on Vacant, Recyclable, and ADU Sites**

The analysis indicates that the City’s inventory of underutilized/recyclable sites, along with entitled units under plan review and potential Accessory Dwelling Unit (ADU) production has the potential for the development of 1,453 residential units on existing residential properties and within existing zoning categories. A detailed sites inventory table is also presented in 2023-2031 Housing Element Appendix D.

*Table 2-4* shows the distribution of the City’s RHNA allocation and low and very-low income units. While the projects focus on areas rich in transit and other amenities, the projections are spread throughout the City in various districts and neighborhoods. This includes infill single-family, ADUs and multiple-family, high density corridors, urban density corridors, and transit-oriented development.

**TABLE 2-4**  
**SUMMARY OF HOUSING UNITS**

SUB-AREA	LOW AND VERY LOW INCOME UNITS	TOTAL UNITS	PERCENT OF RHNA
Residential Recycling			
Single Family Zone (Religious Sites Only)	10	10	0.7%
Multi-Family Residential Zones	60	73	5.4%
Commercial Zones That Permit Residential Projects	676	1,212	90.8%
Mixed Use Neighborhood Zone	82	173	12.9%
Community Facility Zone (Schools Only)	12	12	0.9%
Accessory Dwelling Units (ADUs)	10	50	3.7%
<b>TOTAL*</b>	<b>850</b>	<b>1,530</b>	<b>114.5%</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-9 (October 2023)			
Notes: *Total RHNA for lower and very low: 712; total RHNA is 1,336			

The 2023-2031 Housing Element identifies sites evaluated previously for potential environmental impacts in the *General Plan Update EIR*. The 2023-2031 Housing Element Update identifies a range of tentatively reserved sites that could be developed to meet the City’s 6<sup>th</sup> cycle RHNA throughout Capitola. Some of these sites may differ from those identified in the *City of Capitola General Plan* and could require land use changes in the future that would allow for increased density or other provisions.

*Government Code* Section 65583 (c)(1)(A) states that cities have up to three years from the time a Housing Element is adopted to rezone sites, including adoption of minimum density and development standards. The sites inventory (provided in 2023-2031 Housing Element Appendix D) yields housing units that provide more than 100 percent of the RHNA requirements. Furthermore, each future development proposal associated with implementation of the Housing Element would be subject to environmental analysis, as applicable, pursuant to *CEQA Guidelines* Section 15168(c) and as required by State law, to evaluate potential impacts specific to that proposal.



## Housing Element Assumptions

This document is based on the following assumptions:

1. **General Plan Consistency.** The 2023-2031 Housing Element is consistent with the adopted *City of Capitola General Plan*. As the General Plan is updated in the future, the City will ensure that the updated General Plan is consistent with the policies contained in the Housing Element.
2. **Purpose of Housing Element Environmental Review.** This Initial Study is not intended to and does not address the particular impacts of future housing projects on any site identified in the 2023-2031 Housing Element. The Initial Study is limited to the review of potential environmental impacts resulting from the adoption and implementation of the 2023-2031 Housing Element and is not intended to analyze impacts of current or future specific development activities.
3. **Project-Specific Environmental Review.** In the City of Capitola, all housing development proposals are subject to a CEQA review process.

## 2.5 PERMITS AND APPROVALS

The City of Capitola is the Applicant. The project requires the following City of Capitola legislative/discretionary approvals:

- General Plan Amendment



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### 3.0 SUPPLEMENTAL ENVIRONMENTAL CHECKLIST FORM

FOR USE WHEN THE CITY IS REVIEWING SUBSEQUENT DISCRETIONARY ACTIONS PURSUANT TO A PREVIOUSLY APPROVED OR CERTIFIED ENVIRONMENTAL DOCUMENT.

<b>1.</b>	<b>Project Title:</b> 2023-2031 Housing Element
<b>2.</b>	<b>Lead Agency Name and Address:</b> City of Capitola 11333 Valley Boulevard Capitola, CA 91731
<b>3.</b>	<b>Contact Person and Phone Number:</b> Ms. Katie Herlihy, AICP, Community Development P: 831.475.7300 ext 216 E: <a href="mailto:kherlihy@ci.capitola.ca.us">kherlihy@ci.capitola.ca.us</a>
<b>4.</b>	<b>Project Location:</b> The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz with a land area of 1.7 square miles; Refer to <i>Exhibit 2-1, Regional Location Map</i> . The project applies to all properties within the municipal boundaries of the City of Capitola.
<b>5.</b>	<b>Project Sponsor's Name and Address:</b> City of Capitola 420 Capitola Avenue, Capitola, CA 95010
<b>6.</b>	<b>General Plan Designation:</b> Not Applicable (Citywide)
<b>7.</b>	<b>Zoning:</b> Not Applicable (Citywide)
<b>8.</b>	<p><b>Previous Environmental Document: Please describe the previously adopted ND or MND or the previously certified EIR (include the date the document was adopted or certified, the date the project was approved by the City, the date the NOD was filed with the County, and a summary of potentially significant effects identified in the CEQA document).</b></p> <p>The <i>Capitola General Plan Update Environmental Impact Report</i> concluded the following significant unavoidable impacts:</p> <ul style="list-style-type: none"><li>▪ Air Quality – Impacts AIR-2 and AIR-6</li><li>▪ Hydrology and Water Quality – Impacts HYDRO -2 and HYDRO -9</li><li>▪ Transportation and Traffic – Impacts TRANS-1 and TRANS-6</li><li>▪ Utilities and Service Systems – Impacts UTIL-1, UTIL-2, and UTIL-3</li><li>▪ Greenhouse Gas Emissions – Impacts GHG-1 and GHG-3</li></ul> <p>The <i>GPU EIR</i> concluded all other impacts were less than significant.</p> <p>The City Council certified the <i>GPU EIR</i> on June 26, 2014, as well as adopted a Statement of Overriding Considerations for significant unavoidable impacts, and adopted a Mitigation Monitoring and Reporting Program.</p>



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<b>9.</b>	<b>Description of the Project:</b> Refer to <u>Section 2.4, Project Description.</u>
<b>10.</b>	<b>Surrounding Land Uses and Setting:</b> Capitola is a coastal community located along the Monterey Bay. The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz. Highway 1 runs east-west along the northern border of the City. Highway 17 is located northwest of Capitola and connects the coastal communities to Silicon Valley and San Francisco Bay Area to the north.
<b>11.</b>	<b>Other public agencies whose approval is required (e.g., permits, financing approval or participation agreement).</b> Refer to <u>Section 2.5, Permits and Approvals.</u>
<b>12.</b>	<b>Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code Section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality</b> While not required, the City complied with Tribal Cultural Resources consultation requirements and formal notification was sent to eight tribes. The City received no requests for consultation.





## 4.0 ENVIRONMENTAL ANALYSIS

### EVALUATION OF ENVIRONMENTAL IMPACTS

In accordance with CEQA, Public Resources Code Sections 21000-21178.1, this Modified Initial Study has been prepared to analyze whether any new or more significant environmental impacts could occur from implementation of the proposed project. The purpose of this Initial Study is to inform the decision makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the proposed project. This section analyzes the potential environmental impacts associated with the proposed project. The issue areas evaluated in this Initial Study include those cited in [Section 3.0](#).

As the General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163, there are new significant effects or other grounds that require preparation of a subsequent EIR or supplemental EIR in support of further agency action on the project. Under these guidelines, a subsequent or supplemental EIR shall be prepared if any of the following criteria are met:

- (a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
  - 1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  - 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
  - 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
    - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
    - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
    - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.



As demonstrated in Environmental Analysis Sections 4.1 through 4.19, none of the conditions that had been analyzed in the General Plan EIR would change with adoption of the 2023-2031 Housing Element. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified.

A Housing Element does not propose or require development of any residential use, rather, it establishes local goals, policies, and actions the City would implement and/or facilitate to address identified housing issues. In accordance with State law, Housing Elements must be updated every eight years to establish current housing and land use strategies reflective of changing needs, resources, and conditions.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes.

- 1) A finding of “No New Impact/No Impact” means that the potential impact was fully analyzed and/or mitigated in the prior CEQA document and no new or different impacts will result from the proposed activity. A brief explanation is required for all answers except “No New Impact/No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No New Impact/No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No New Impact/No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) A finding of “New Mitigation is Required” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document and that new mitigation is required to address the impact.
- 3) A finding of “New Potentially Significant Impact” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document that cannot be mitigated to below a level of significance or be avoided.
- 4) A finding of “Reduced Impact” means that a previously infeasible mitigation measure is now available, or a previously infeasible alternative is now available that will reduce a significant impact identified in the previously prepared environmental document.
- 5) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 6) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analyses Used. Identify and state where they are available for review.



- b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis. Describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the proposed action.
  - c) Infeasible Mitigation Measures. Since the previous EIR was certified or previous ND or MND was adopted, discuss any mitigation measures or alternatives previously found not to be feasible that would in fact be feasible or that are considerably different from those previously analyzed and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives.
  - d) Changes in Circumstances. Since the previous EIR was certified or previous ND or MND was adopted, discuss any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause a change in conclusion regarding one or more effects discussed in the original document.
- 7) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 8) Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 9) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 10) The explanation of each issue should identify:
- a) the significance criteria or threshold, if any, used to evaluate each question;
  - b) differences between the proposed activity and the previously approved project described in the approved ND or MND or certified EIR; and
  - c) the previously approved mitigation measure identified, if any, to reduce the impact to less than significance.



## **NEW SIGNIFICANT ENVIRONMENTAL EFFECTS OR SUBSTANTIALLY MORE SEVERE SIGNIFICANT ENVIRONMENTAL EFFECTS COMPARED TO THOSE IDENTIFIED IN THE PREVIOUS CEQA DOCUMENT**

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances or new information of substantial importance, as indicated by the checklist and discussion in [Section 4.1](#) through [Section 4.19](#).

	Aesthetics		Land Use and Planning
	Agriculture and Forestry Resources		Mineral Resources
	Air Quality		Noise
	Biological Resources		Population and Housing
	Cultural and Tribal Cultural Resources		Public Services
	Energy		Recreation
	Geology and Soils		Transportation
	Greenhouse Gas Emissions		Utilities and Service Systems
	Hazards and Hazardous Materials		Wildfire
	Hydrology and Water Quality		



## LEAD AGENCY DETERMINATION

On the basis of this evaluation:

- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND or MND or previously certified EIR adequately discusses the potential impacts of the project without modification.
- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND, MND or previously certified EIR adequately discusses the potential impacts of the project; however, minor changes require the preparation of an ADDENDUM.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND, MND or EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, all new potentially significant environmental effects or substantial increases in the severity of previously identified significant effects are clearly reduced to below a level of significance through the incorporation of mitigation measures agreed to by the project applicant. Therefore, a SUBSEQUENT MND is required.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, only minor changes or additions or changes would be necessary to make the previous EIR adequate for the project in the changed situation. Therefore, a SUPPLEMENTAL EIR is required.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, a SUBSEQUENT EIR is required.



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**4.1 AESTHETICS**

Would the project, except as provided in Public Resources Code Section 21099:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Have a substantial adverse effect on a scenic vista?			✓	
B. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?			✓	
C. In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). In an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?			✓	
D. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?			✓	

Note: Certain projects within a transit priority area need not evaluate aesthetics (*Public Resources Code Section 21099*).

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the aesthetics impacts and mitigation measures, if applicable.

AESTHETICS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
AES-1: The proposed Plan would not have a substantial adverse effect on a scenic vista.	Less Than Significant Impact	Not Applicable	
AES-2: The proposed Plan would not substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings, within a State scenic highway.	No Impact	Not Applicable	
AES-3: The proposed Plan would not result in substantial degradation of the existing visual character or quality of Capitola or its surroundings.	Less Than Significant Impact	Not Applicable	
AES-4: The proposed Plan would not create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.	Less Than Significant Impact	Not Applicable	
AES-5: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to aesthetics.	Less Than Significant Impact	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures





## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON A SCENIC VISTA?**

The *GPU EIR* identified that one of the guiding principles of the *General Plan* includes the protection and enhancement of natural resources including the beaches, creek, ocean, and lagoon which contribute to Capitola’s scenic beauty. Future development under the *General Plan* would be subject to existing laws and regulations that serve to protect scenic vistas in the Plan Area. The City’s zoning ordinance includes provisions that regulate building height, building placement, and establish standards for lot coverage and usable open space.

The *General Plan* includes policies and actions relevant to the protection of scenic vistas: Policy LU-4.7 Planning Projects, Action LU-5.1 Design Review, Policy LU-6.9 Capitola Wharf, Policy LU-7.3 Scenic Resources, Action LU-7.1 Village Design Guidelines, and Policy LU-10.1 New Development. The *GPU EIR* concluded less than significant impacts to a scenic vista with implementation of the aforementioned *General Plan* policies and actions, and regulatory requirements.

The City of Capitola is a largely built out community with a mix of residential, commercial/industrial, and parks/open space uses. One of the *General Plan* guiding principles includes the protection and enhancement of natural resources including the beaches, creek, ocean, and lagoon which contribute to Capitola’s scenic beauty. There are no officially designated scenic vistas or view corridors in Capitola. However, there are many places in the City that allow for expansive views of the community, ocean to the southwest and foothills to the north.

### **B. WOULD THE PROJECT PROPOSED PLAN HAVE A SUBSTANTIAL ADVERSE EFFECT ON A SCENIC VISTA.**

The *General Plan* includes policies and actions relevant to scenic vistas: Policy LU-4.7 Planning Projects, Action LU-5.1 Design Review, Policy LU-6.9 Capitola Wharf, Policy LU-7.3 Scenic Resources, Action LU-7.1 Village Design Guidelines, and Policy LU-10.1 New Development. The *GPU EIR* concluded less than impacts to scenic vistas with implementation of the aforementioned *General Plan* policies and actions, and regulatory requirements.



The proposed project does not involve construction on any particular site in the City. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project.

Adoption and implementation of the proposed project would not substantially alter the visual character of the City, nor would it have adverse impacts relative to the scenic vistas. Thus, impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT SUBSTANTIALLY DAMAGE SCENIC RESOURCES, INCLUDING, BUT NOT LIMITED TO, TREES, ROCK OUTCROPPINGS, AND HISTORIC BUILDINGS WITHIN A STATE SCENIC HIGHWAY?**

The *General Plan* includes policies relevant to scenic resources: Policy LU-10.4 Highway 1 Interchange and Policy LU-12.6 McGregor Property. The *GPU EIR* concluded no impacts to scenic resources within a State scenic highway with implementation of the aforementioned *General Plan* policies and regulatory requirements.

There are no officially designated scenic highways within the City limits of Capitola. However, Highway 1 which passes through Capitola is eligible to become officially designated. No scenic vistas, trees, rock outcroppings, or state scenic highways occur within the City of Capitola. The proposed project applies to the entire City, and the 2023-2031 Housing Element only identifies sites where new housing may be developed consistent with adopted land use policy. The proposed project does not involve construction at any particular site in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. IN NONURBANIZED AREAS, WOULD THE PROJECT SUBSTANTIALLY DEGRADE THE EXISTING VISUAL CHARACTER OR QUALITY OF PUBLIC VIEWS OF THE SITE AND ITS SURROUNDINGS? (PUBLIC VIEWS ARE THOSE THAT ARE EXPERIENCED FROM PUBLICLY ACCESSIBLE VANTAGE POINT). IN AN URBANIZED AREA, WOULD THE PROJECT CONFLICT WITH APPLICABLE ZONING AND OTHER REGULATIONS GOVERNING SCENIC QUALITY?**

The *General Plan* includes goals, policies, and actions relevant to the protection of scenic vistas and the preservation of the character of existing distinct neighborhoods: Policy LU-1.1 Community Character, Policy LU-1.2 Design Quality, Action LU-1.1 Design Guidelines, Goal LU-2, Policy LU-2.1 Historic Structures, Policy LU-2.2 Modification Standards, Policy LU-2.3 Preservation Incentives, Policy LU-2.4 Public Awareness, Policy LU-3.1 Historic Structures, Policy LU-3.3 Infill Development, Goal LU-4, Policy LU-4.2 Neighborhood Diversity, Policy LU-4.3 Existing Housing, Policy LU-4.5 Neighborhood Amenities, Policy LU-4.6 Natural Features, Goal LU-5, Policy LU-5.1 Neighborhood Characteristics, Policy LU-5.2 Development Impacts, Policy LU-5.3 Mass and Scale, Policy LU-5.5 Architectural Character, Action LU-5.1 Design Review, Policy LU-7.1 New Development Design. The *GPU EIR*



concluded less than significant visual character impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.

The City of Capitola is considered an urbanized area. The proposed project involves a policy-level document, and as such, does not include any site-specific development designs or proposals. Therefore, it is not possible at this time to conduct an assessment of potential site-specific visual impacts relative to future development proposals associated with implementation of the proposed project.

However, future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. Thus, adoption and implementation of the proposed project ensures visual character and scenic quality impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT CREATE A NEW SOURCE OF SUBSTANTIAL LIGHT OR GLARE WHICH WOULD ADVERSELY AFFECT DAY OR NIGHTTIME VIEWS IN THE AREA?**

The City of Capitola is located within a moderately urbanized context. Future development under the *General Plan* would create new sources of light and glare. However, regulations in the *Municipal Code* and policies in the *General Plan* would substantially minimize adverse impacts. The *General Plan* includes a policy relevant to light and glare: Policy LU-5.2 Development Impacts. The *GPU EIR* concluded less than significant light and glare impacts with implementation of the aforementioned *General Plan* policy.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals, nor does it address new lighting sources. As such, it is not possible at this time to conduct an assessment of potential site-specific light and glare impacts relative to future development proposals associated with implementation of the proposed project. Generally, potential glare and lighting glare impacts can be mitigated through use of non-reflective building materials and lighting that is shielded downward.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. The case-by-case review of future development proposals associated with implementation of the proposed project ensures that light and glare impacts are addressed through minimization and/or mitigation. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.2 AGRICULTURE AND FORESTRY RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?			✓	
B. Conflict with existing zoning for agricultural use, or a Williamson Act contract?			✓	
C. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?			✓	
D. Result in the loss of forest land or conversion of forest land to non-forest use?			✓	
E. Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

CEQA Guidelines Section 15128 allows environmental issues for which there is no likelihood of significant impact to be “scoped out” and not analyzed further in an EIR. It was determined that the proposed Plan (*General Plan*) would not result in significant impacts with respect to Agriculture and Forestry Resources, and as such were not analyzed in the *GPU EIR*.



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT CONVERT PRIME FARMLAND, UNIQUE FARMLAND, OR FARMLAND OF STATEWIDE IMPORTANCE (FARMLAND), AS SHOWN ON THE MAPS PREPARED PURSUANT TO THE FARMLAND MAPPING AND MONITORING PROGRAM OF THE CALIFORNIA RESOURCES AGENCY, TO NON-AGRICULTURAL USE?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. No properties in Capitola are designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland). Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CONFLICT WITH EXISTING ZONING FOR AGRICULTURAL USE, OR A WILLIAMSON ACT CONTRACT?**

The City and surrounding area are developed and urbanized. No agricultural land exists or is zoned for agricultural use within the City, and no property within the City is under a Williamson contract. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not affect any land zoned for agricultural uses and would not conflict with a Williamson Act Contract. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**C. WOULD THE PROJECT CONFLICT WITH EXISTING ZONING FOR, OR CAUSE REZONING OF, FOREST LAND (AS DEFINED IN PUBLIC RESOURCES CODE SECTION 12220(G)), TIMBERLAND (AS DEFINED BY PUBLIC RESOURCES CODE SECTION 4526), OR TIMBERLAND ZONED TIMBERLAND PRODUCTION (AS DEFINED BY GOVERNMENT CODE SECTION 51104(G))?**

There is no zoning designation for forest land in the City of Capitola, and no areas within the City are classified as forest or timberland as defined by *Public Resources Code* Section 4526. Forestry operations do not occur within the City. Also, no property within the City supports trees capable of 10 percent native tree cover of any species, including hardwoods, under natural conditions, or that allows for management of one or more forest resources, including timber, aesthetics, fish and wildlife, biodiversity, water quality, recreation, and other public benefits. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not result in the rezoning of forest land, timberland, or timberland zoned Timberland Production. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN THE LOSS OF FOREST LAND OR CONVERSION OF FOREST LAND TO NON-FOREST USE?**

Refer to Response 4.2.C.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT INVOLVE OTHER CHANGES IN THE EXISTING ENVIRONMENT, WHICH, DUE TO THEIR LOCATION OR NATURE, COULD RESULT IN CONVERSION OF FARMLAND, TO NON-AGRICULTURAL USE OR CONVERSION OF FOREST LAND TO NON-FOREST USE?**

The City contains no forest land, nor is any property within the City zoned for agriculture. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not result in changes to the environment that lead to the conversion of farmland to a non-agricultural use or forest land to a non-forest use. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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### 4.3 AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Conflict with or obstruct implementation of the applicable air quality plan?			✓	
B. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?			✓	
C. Expose sensitive receptors to substantial pollutant concentrations?			✓	
D. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the air quality impacts and mitigation measures, if applicable.

AIR QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
AIR-1: Citywide construction activities under the proposed Plan would result in a considerable increase of criteria pollutants, and thus, could violate air quality standards.	Significant	AIR-1a AIR-1b	Less Than Significant
AIR-2: Implementation of the proposed Plan could result in an overall increase in mobile and stationary source emissions within the City, which could exceed Monterey Bay Unified Air Pollution Control District air quality standards.	Significant	AIR-2: No Mitigation Available	Significant Unavoidable
AIR-3: Implementation of the proposed Plan could result in an overall increase in odors within the City.	Less Than Significant	Not Applicable	Less Than Significant
AIR-4: Implementation of the Capitola General Plan could result in an overall increase in localized and carbon monoxide hotspot emissions within the city, which could exceed Monterey Bay Unified Air Pollution Control District air quality standards.	Less Than Significant	Not Applicable	Less Than Significant
AIR-5: The proposed Plan may conflict with or hinder implementation of the Association of Monterey Bay Area Government’s regional comprehensive plan guidelines and the Monterey Bay Unified Air Pollution Control District Air Quality Management Plan.	Less Than Significant	Not Applicable	Less Than Significant
AIR-6: Regional air quality emissions resulting from operational buildout of the Capitola General Plan could impact regional air quality levels on a cumulatively considerable basis.	Significant	AIR-6	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT IMPLEMENTATION OF THE APPLICABLE AIR QUALITY PLAN?**
  
- B. WOULD THE PROJECT RESULT IN A CUMULATIVELY CONSIDERABLE NET INCREASE OF ANY CRITERIA POLLUTANT FOR WHICH THE PROJECT REGION IS NON-ATTAINMENT UNDER AN APPLICABLE FEDERAL OR STATE AMBIENT AIR QUALITY STANDARD?**

The *General Plan* includes the following relevant goals, policies, and actions: Goal OSC-3, Policy OSC-3.1 Air Quality Management Plans, Policy OSC-3.2 Development Design, Policy OSC-3.3 Best Management Practices, Policy OSC-3.6 Sensitive Receptors. Policy OSC-3.7 Roadway Materials, Policy SN-4.4 Green Building, Goal OSC-4, Policy OSC-4.1 On-Site Energy Generation, Policy OSC-4.2 Grid-Neutral Development, Policy OSC-4.3 Photovoltaic Panels, Policy OSC-4.4 Solar Heaters, Policy OSC-4.5 Solar Access, Policy OSC-4.6 Passive Solar Design, Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Action OSC-11.1, Action OSC-11.3 Recycled Asphalt Pavement, Goal LU-3, Policy LU-3.1 Land Use Diversity, Policy LU-3.2 Walkability, Policy LU-3.4 Transit and Pedestrian Access, Policy LU-3.5 Pedestrian and Bicycle Connections, Policy LU-3.7 Regional Outlook, Goal MO-1, Policy MO-1.1 Responsive Transportation Services, Policy MO-1.2 Reduced Vehicle Trips, Policy MO-1.3 Regional Collaboration, Policy MO-1.4 Highway 1 Capacity, Action MO-1.2 Regional Plan Implementation, Action MO-1.3 Highway 1 Crossings, Goal MO-2, Policy MO-2.1 Complete Streets, Policy MO-2.3 Community Context, Policy MO-2.4 Maintenance, Policy MO-2.5 Existing Rights-of-Way, Policy MO-2.6 Non-Motorized Connectivity, Action MO-2.1 Complete Street Standards, Action MO-2.2 Capital Improvement Program, Action MO-2.3 Dedications, Action MO-3.2 Signal Timing, Policy MO-6.5 Transportation Alternatives, Policy MO-7.1 Regional Cooperation, Policy MO-7.2 Transit-Friendly Development, Policy MO-7.6 Rail Service, Action MO-7.1 Improved Transit Coverage, Policy MO-8.1 Bicycle Transportation Plan, Policy MO-8.2 Regional System, Action MO-8.3 Bicycle Connections, and Action MO-8.5 Highway 1 Interchanges.

The *GPU EIR* concluded that buildout of the *General Plan* would have significant unavoidable impacts relative to conflicting with an applicable plan and net increase of criteria pollutants under Federal or state air quality



standards with implementation of the aforementioned *General Plan* goals, policies, and actions, regulatory requirements, and mitigation measures AQ-1 and AQ-2.

The Monterey Bay Unified Air Pollution Control District (MBUAPCD) is one of 35 air quality management districts established to protect air quality in California. It is responsible for regulating stationary, indirect, and area sources of pollution within the North Central Coast Air Basin (NCCAB). The MBUAPCD's jurisdiction includes Monterey, Santa Cruz, and San Benito Counties. The City of Capitola is located in the NCCAB.

Construction-Related Impacts. The *GPU EIR* concluded that with the implementation of GPU EIR Mitigation Measures AIR-1a and AIR-1b, impacts would be less than significant.

Operational-Related Impacts. The *GPU EIR* concluded that no mitigation was available to reduce operational-related emissions, thus, impacts associated with the GPU would remain significant and unavoidable.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. And while adoption and implementation of the 2023-2031 Housing Element would not directly result in the construction of new housing or pollutant emissions, it could facilitate housing construction consistent with adopted land use policy, which could then create potential pollutant emissions. A case-by-case review of future development proposals associated with implementation of the proposed project would be necessary to ensure that potential pollutant emissions do not conflict with or obstruct implementation of the applicable air quality plan, result in a cumulatively considerable net increase of any criteria pollutant, or be inconsistent with Federal, State, and local air quality standards; the applicable Air Quality Management Plan; and the *General Plan* goals, policies, and standards relative to air quality.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws, regulations, and air quality standards; applicable Air Quality Management Plan; MBUAPCD rules and programs; *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, relative to air quality.

The previously noted goals, policies, actions, laws, regulations, standards, rules, and programs along with *GPU EIR* Mitigation Measures AIR-1a and AIR-1b ensure proposed project impacts are reduced to the maximum extent feasible, and that ambient air quality standard impacts remain as less than significant, while the air quality plan remains as significant and unavoidable as there are no applicable mitigation measures.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT EXPOSE SENSITIVE RECEPTORS TO SUBSTANTIAL POLLUTANT CONCENTRATIONS?**

Land uses that are considered more sensitive to changes in air quality than others are referred to as sensitive receptors. Land uses such as primary and secondary schools, hospitals, and convalescent homes are considered to be sensitive to poor air quality because the very young, the old, and the infirm are more susceptible to respiratory infections and other air quality-related health problems than the general public. Residential uses are



considered sensitive because people in residential areas are often at home for extended periods of time, so they could be exposed to pollutants for extended periods. Per the *GPU EIR*, sensitive receptors within the City of Capitola include residential uses, schools, and libraries.

The *GPU EIR* determined that implementation of the *General Plan* would not directly result in increased population or new development. However, future development could result in mobile sources of emissions associated with vehicle trips, as well as project-level construction related emissions. Sensitive receptors could be potentially subject to stationary and/or vehicular emissions and pollutants such as toxic air contaminants from stationary sources, carbon monoxide (CO) emissions from vehicular traffic, and/or diesel emissions from construction-related emissions.

The *GPU EIR* concluded that implementation of the *General Plan* could result in increased exposure of sensitive land uses to localized concentrations of TACs that would exceed Monterey Bay Unified Air Pollution Control District's (MBUAPCD) recommended significance thresholds. However, future development within Capitola would be required to comply with MBUAPCD rules and regulations, including Rule 1000: Permit Guidelines and Requirements for Sources Emitting Toxic Air Contaminants. Additionally, any potential source of stationary emissions would be subject to MBUAPCD review and approval to ensure emissions do not create or substantially contribute to air quality violations. Stationary sources with potential toxic air contaminants would also be subject to MBUAPCD review and approval to ensure that there are no significant impacts to adjacent residents, sensitive receptors and/or other land uses. The *GPU EIR* concluded less than significant impacts relative to localized emissions and carbon monoxide impacts to sensitive receptors.

The *GPU EIR* concluded that buildout of the *General Plan* would result in less than significant impacts relative to exposing sensitive receptors to substantial pollutant concentrations.

The *General Plan* includes goals, policies, and actions relevant to substantial pollutant concentrations: Goal OSC-3, Policy OSC-3.5 Health Risk Assessments, Policy MO-3.1 Arterial Streets, Policy MO-3.2 Street Widening, Policy MO-3.3 Level of Service Standard, Action MO-3.1 Neighborhood Traffic, Action MO-3.2 Signal Timing, and Action MO-3.3 Traffic Monitoring. The *GPU EIR* concluded less than significant pollutant concentration impacts with implementation of the aforementioned *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The 2023-2031 Housing Element is a policy document that establishes City direction for facilitating housing development pursuant to adopted land use plans. Future development proposals associated with implementation of the proposed project would be required to comply with the density and intensity standards set forth in the *General Plan* and current Zoning Ordinance.

In addition, future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal, State, and local laws, regulations, and air quality standards; MBUAPCD rules; *Building Code* requirements; *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs; and *GPU EIR* Mitigation Measures AIR-1a and AIR-1b. The *GPU EIR* identified Mitigation Measure Mitigation Measures AIR-1a and AIR-1b would reduce impacts to less than significant for residential and other sensitive land uses. Thus, adoption and implementation of the proposed project would not directly result in the exposure of persons to substantial pollutant concentrations.



The previously noted goals, policies, actions, laws, regulations, standards, rules, programs, and mitigation measure ensure proposed project impacts are reduced to the maximum extent feasible, and that air quality impacts to sensitive receptors remain as less than significant.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN OTHER EMISSIONS (SUCH AS THOSE LEADING TO ODORS) ADVERSELY AFFECTING A SUBSTANTIAL NUMBER OF PEOPLE?**

Potential operational airborne odors could be created by cooking activities associated with the residential and commercial (i.e., food service) uses within the City. These odors would be similar to existing residential and food service uses throughout the city and would be confined to the immediate vicinity of the new buildings. Restaurants are also typically required to provide ventilation systems that avoid substantial adverse odor impacts.

The *General Plan* accommodates the development of residential, commercial, industrial, public/religious, and open space/parks/recreation uses. These uses are not identified by the MBUAPCD as significant odor generators. Additionally, the policies included in the *General Plan* would reduce mobile and stationary source emissions and odors associated with diesel fuel by focusing on land use patterns that improve air quality, reduce air pollution from stationary sources, and encourage/enable more sustainable transit behavior. Consequently, implementation of the *General Plan* would not create operational-related objectionable odors affecting a substantial number of people within the City. The *GP EIR* concluded odor impacts to be less than significant.

The *General Plan* includes a policy relevant to odors: Policy SN-4.3 Sensitive Receptors. The *GPU EIR* concluded less than significant odor impacts with implementation of the aforementioned *General Plan* policy.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The 2023-2031 Housing Element is a policy document that establishes City direction for facilitating housing development pursuant to adopted land use plans. Future development proposals associated with implementation of the proposed project would be required to comply with the density and intensity standards set forth in the *Capitola General Plan* and current Zoning Ordinance.

Adoption and implementation of the proposed project would not directly result in the exposure of persons to other emissions or odors. However, future development proposals associated with implantation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws, regulations, and air quality standards; applicable Air Quality Management Plan; MBUAPCD rules and programs; *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, relative to air quality. The previously noted goals, policies, actions, laws, regulations, standards, rules, and programs along with *GPU EIR* Mitigation Measures AIR-1a and AIR-1b ensure proposed project impacts are reduced to the maximum extent feasible, and that other emissions or odor impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

**4.4 BIOLOGICAL RESOURCES**

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?			✓	
B. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?			✓	
C. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?			✓	
D. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?			✓	
E. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?			✓	
F. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?			✓	

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the biological resources impacts and mitigation measures, if applicable.

BIOLOGICAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
BIO-1: The proposed Plan would not result in significant impacts to special-status plant and animal species in the Plan Area.	Less Than Significant	Not Applicable	
BIO-2: The proposed Plan would not result in significant impacts to riparian habitat or other sensitive natural community.	Less Than Significant	Not Applicable	
BIO-3: The proposed Plan would not result in significant impacts to federally protected wetlands.	Less Than Significant	Not Applicable	
BIO-4: The proposed Plan would not interfere substantially with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.	Less Than Significant	Not Applicable	





BIOLOGICAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
BIO-5: The proposed Plan would not conflict with Capitola’s Community Tree and Forest Management Ordinance.	Less Than Significant	Not Applicable	
BIO-6: The proposed Plan would not conflict with the Monterey Bay National Marine Sanctuary Management Plan.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT, EITHER DIRECTLY OR THROUGH HABITAT MODIFICATIONS, ON ANY SPECIES IDENTIFIED AS A CANDIDATE, SENSITIVE, OR SPECIAL STATUS SPECIES IN LOCAL OR REGIONAL PLANS, POLICIES, OR REGULATIONS, OR BY THE CALIFORNIA DEPARTMENT OF FISH AND GAME OR U.S. FISH AND WILDLIFE SERVICE?**

Subsequent projects under the *General Plan* that would involve development in areas where special status plant and animal species may occur would be subject to separate project-level environmental review pursuant to CEQA in order to identify and mitigate impacts to special-status species. Applicable federal, State, and local regulations, along with the proposed Plan goals, policies, and actions, would reduce potential impacts to special-status plant and animal species.

The *General Plan* includes goals, policies, and actions relative to special-status plant and animal species: Goal OSC-6, Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Goal OSC-7, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.



Various special status plant and animal species are known to occur or could potentially occur within the City. Although development within natural resource areas or areas potentially containing special-status plant and animal species is not anticipated, there is the potential for future development associated with implementation of the proposed project to significantly impact, either directly, or through habitat modifications, special status plant and wildlife species.

The proposed project would not result in a substantial adverse effect, either directly or through habitat modifications, on any sensitive species. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON ANY RIPARIAN HABITAT OR OTHER SENSITIVE NATURAL COMMUNITY IDENTIFIED IN LOCAL OR REGIONAL PLANS, POLICIES, REGULATIONS OR BY THE CALIFORNIA DEPARTMENT OF FISH AND GAME OR U.S. FISH AND WILDLIFE SERVICE?**

The *General Plan* includes goals, policies, and actions relative to riparian habitats: Policy OSC-6.1 Natural Diversity, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.

Riparian corridors in the City include the woodland along the west side of Soquel Creek from the Stockton Avenue Bridge to the Highway One overpass (Soquel Creek Riparian corridor), the Noble Gulch Riparian corridor, and the Tannery Gulch Riparian corridor. These corridors provide important natural resources, visual relief, and support for numerous wildlife and native vegetation.

The proposed project would not result in a substantial adverse effect on any riparian habitat or other sensitive natural community. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON FEDERALLY PROTECTED WETLANDS AS DEFINED BY SECTION 404 OF THE CLEAN WATER ACT (INCLUDING, BUT NOT LIMITED TO, MARSH, VERNAL POOL, COASTAL, ETC.) THROUGH DIRECT REMOVAL, FILLING, HYDROLOGICAL INTERRUPTION, OR OTHER MEANS?**

The *General Plan* includes policies relative to wetlands: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy



OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

Future development activities within the City could potentially result in significant impacts to federally protected wetlands. Existing regulations would help to ensure that development associated with the proposed project would not cause a significant impact to federally protected wetlands. Compliance with the *Local Coastal Plan*, *General Plan*, and *Municipal Code*, would minimize potential impacts to wetlands. Future development associated with implementation of the proposed project could involve development in areas of potential wetlands, and would be subject to separate project-level environmental review pursuant to CEQA in order to identify and mitigate impacts.

The proposed project would not result in a substantial adverse effect on federally protected wetlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT INTERFERE SUBSTANTIALLY WITH THE MOVEMENT OF ANY NATIVE RESIDENT OR MIGRATORY FISH OR WILDLIFE SPECIES OR WITH ESTABLISHED NATIVE RESIDENT OR MIGRATORY WILDLIFE CORRIDORS, OR IMPEDE THE USE OF NATIVE WILDLIFE NURSERY SITES?**

The *General Plan* includes policies relative to native residents, migratory wildlife corridors, or native wildlife nursery sites: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects., Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

Given the urbanized context of the City and the extent of existing development, opportunities for wildlife movement in the urbanized portion of the City are limited. Existing development, including buildings, major roadways, or other similar improvements, represent substantial barriers to wildlife movement. However, Soquel Creek runs through the middle of the City into the Monterey Bay. The creek is a year-round water source for the wildlife in the adjoining riparian corridor as well as an important wetland habitat. The lagoon area of the creek is the only significant habitat for migratory non-marine waterbirds within Capitola. In addition, the Creek and Lagoon supports steelhead with resident trout and non-sport species and southwestern pond turtles.

Monarch butterfly habitats are located along Soquel Creek and in the Escalona Gulch area. These areas provide overwintering sites for the migrating Monarch butterfly and are considered environmentally sensitive habitat areas (ESHA). The orientation of the groves to wind and sun, the size and density of the trees, and the quiet, undisturbed setting are among the factors that make these sites among the few in Santa Cruz County suitable for the butterflies. Both Escalona Gulch and Soquel Creek Monarch butterfly groves lie within areas designated for preservation as open space. Just outside the city limits between New Brighton Road and New Brighton State Park



campground is another overwintering site for Monarch butterflies. This grove is partly on State Park property and partly on private residential parcels.

The proposed project does not propose any changes to Soquel Creek or changes in land uses to areas containing Monarch butterfly habitats. Wildlife would continue to move within these areas.

Compliance with the *Local Coastal Plan*, *General Plan*, and *Municipal Code*, would minimize potential impacts to wildlife movement. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT CONFLICT WITH ANY LOCAL POLICIES OR ORDINANCES PROTECTING BIOLOGICAL RESOURCES, SUCH AS A TREE PRESERVATION POLICY OR ORDINANCE?**

The *General Plan* includes several policies relative to tree management and tree removal: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, and Policy OSC-6.4 Regulatory Compliance. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

*Municipal Code* Chapter 12.12, Community Tree and Forest Management, establishes regulations relating to the protection, planting, maintenance, removal, and replacement of trees, and sets forth the process for development of a comprehensive plan for the planting and maintenance of a sustained community forest within the City.

The proposed project would not directly involve removal of trees; however, future development associated with implementation of the proposed project could potentially involve the removal of trees within the City. The Community Tree and Forest Management Ordinance requires a tree permit prior to the removal of any non-fruit bearing trees within the City. Permits for heritage tree removal are discretionary and are approved by the planning commission only in accordance with CEQA and if specific findings can be made. Permits for non-heritage tree removal are ministerial and are approved by the community development director or designee if specific findings can be made.

The proposed project would not conflict with any policies or ordinances protecting biological resources or trees. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**F. WOULD THE PROJECT CONFLICT WITH THE PROVISIONS OF AN ADOPTED HABITAT CONSERVATION PLAN, NATURAL COMMUNITY CONSERVATION PLAN, OR OTHER APPROVED LOCAL, REGIONAL, OR STATE HABITAT CONSERVATION PLAN?**

The *General Plan* includes policies relative to an adopted plan: Policy LU-3.7 Regional Outlook, Policy LU-13.4 New Brighton State Beach, Policy LU-13.6 Beach Management, Policy LU-13.7 Beach Structures, Action LU-14.3 Coastal Recreation, Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, and Policy OSC-6.8 Eco-Tourism. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

The Monterey Bay National Marine Sanctuary Management Plan is the only conservation related plan that is applicable to Capitola.

The proposed project would not conflict with the Monterey Bay National Marine Sanctuary Management Plan. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.5 CULTURAL AND TRIBAL CULTURAL RESOURCES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Cause a substantial adverse change in the significance of a historical resource as defined in CEQA Guidelines Section 15064.5?			✓	
B. Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines Section 15064.5?			✓	
C. Disturb any human remains, including those interred outside of formal cemeteries?			✓	
D. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
1) Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code Section 5020.1(k)?			✓	
2) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the cultural resources impacts and mitigation measures, if applicable.

CULTURAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
CULT-1: The Plan would not cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5.	Less Than Significant		
CULT-2: Construction activities associated with implementation of the proposed Plan could cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5.	Significant	CULT-2	Less Than Significant
CULT-3: Construction activities associated with implementation of the proposed Plan could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.	Significant	CULT-3: Refer to Mitigation Measure CULT-2	Less Than Significant
CULT-4: Construction activities associated with implementation of the proposed Plan could disturb human	Significant	CULT-4: Refer to Mitigation Measure CULT-2	Less Than Significant



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CULTURAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
remains, including those interred outside of formal cemeteries.			
CULT-5: The Plan, in combination with past, present, and reasonably foreseeable projects, would result in less-than significant cumulative impacts with respect to cultural resources.	Less Than Significant		

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**Tribal Cultural Resources**

Assembly Bill 52 (AB 52) was signed into law in 2014 and added tribal cultural resources thresholds to *CEQA Guidelines* Appendix G.

The *GPU EIR* was certified in June 2014 and was not subject to AB 52. However, the *GPU EIR* included an extensive analysis of potential impacts to cultural resources. The *GPU EIR* found there is the potential for discovering such resources during construction of future development proposals in Capitola.

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A HISTORICAL RESOURCE AS DEFINED IN CEQA GUIDELINES SECTION 15064.5?**

The *General Plan* includes goals, policies, and actions relative to historic resources: Goal LU-2, Policy LU-2.1 Historic Structures, Policy LU-2.2 Modification Standards, Policy LU-2.3 Preservation Incentives, Policy LU-2.4 Public Awareness, Action LU-2.1 Historic Structures List, Action LU-2.2 Public Outreach, Action LU-2.3 Historic Preservation Guidelines, Action LU-2.4, Goal LU-7, Policy LU-7.1 New Development Design, and Policy LU-7.3 Scenic Resources. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions, and regulatory requirements.





There are 65 designated historic structures that are listed or are eligible for listing on the National Register of Historic Places, the California Historic Resources Inventory, or the Capitola Register of Historic Features within the city. In addition to designated historic structures, there are also several potential historic structures that have been identified by the City. Additionally, four areas of the City are identified as National Register Historic Districts. The *GPU EIR* noted that future development and/or redevelopment activities within or adjacent to these sites or districts could potentially cause a substantial adverse change in the significance of a historical resource and concluded impacts to be less than significant.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific historical resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, a case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to ensure that historically significant buildings and resources are preserved, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to historic resources. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF AN ARCHAEOLOGICAL RESOURCE PURSUANT TO CEQA GUIDELINES SECTION 15064.5?**

The *General Plan* includes goals, policies, and actions relative to archaeological resources: Goal LU-2, Policy LU-2.4 Public Awareness, and Action LU-2.2 Public Outreach. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions, regulatory requirements, and mitigation measure CULT-2.

The City of Capitola contains areas identified by the *Local Coastal Program* as having a likelihood of prehistoric cultural resources, including archaeological resources. Future development and/or redevelopment activities within these areas could potentially cause a substantial adverse change in the significance of a known or unknown archaeological resource.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific archaeological resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of archaeological resources, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to archaeological resources, as well as *GPU EIR* Mitigation Measure CULT-2. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



### C. WOULD THE PROJECT DISTURB ANY HUMAN REMAINS, INCLUDING THOSE INTERRED OUTSIDE OF FORMAL CEMETERIES?

The *GPU EIR* concluded less than significant with mitigation impacts with implementation of regulatory requirements and mitigation measure CULT-4.

The *GPU EIR* identified that future development could have a significant environmental impact if it would disturb human remains, including those interred outside of formal cemeteries. The City of Capitola is built on the location of an Indian village that existed for more than a 1,000 years and contains areas identified within the *Local Coastal Program* Map I-1 as having a likelihood of prehistoric cultural resources. There are no other formal cemeteries within the City of Capitola.

Human remains are defined as any physical remains of a human being. The term "human remains" encompasses more than human bones. In ancient as well as historic times, Tribal Traditions included, but were not limited to, the burial of associated cultural resources (funerary objects) with the deceased, and the ceremonial burning of human remains. These remains are to be treated in the same manner as bone fragments that remain intact. Associated funerary objects are objects that, as part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later; other items made exclusively for burial purposes or to contain human remains can also be considered as associated funerary objects.

The Native American Graves Protection and Repatriation Act (NAGPRA) provides guidance that agencies shall consult with organizations on whose aboriginal lands the remains and cultural items might be discovered, who are reasonably known to have a cultural relationship to the human remains and other cultural items.

In the event human remains are encountered during earth removal or disturbance activities associated with future development proposals associated with implementation of the proposed project, all activities would cease immediately and a qualified archaeologist and Native American monitor would be immediately contacted. California *Health and Safety Code* Section 7050.5 states that no further disturbance shall occur until the County Coroner has made a determination of origin and disposition pursuant to *Public Resources Code* Section 5097.98. The County Coroner must be notified of the find immediately. If the remains are determined to be prehistoric, the Coroner would notify the Native American Heritage Commission (NAHC), which will determine and notify a Most Likely Descendant (MLD). With the permission of the landowner or his/her authorized representative, the MLD may inspect the site of the discovery. The MLD shall complete the inspection within 48 hours of notification by the NAHC. The MLD may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific historical resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of human remains, and that the future development proposals comply with *Health and Safety Code* and *Public Resources Code* protocols. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



- D. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A TRIBAL CULTURAL RESOURCE, DEFINED IN PUBLIC RESOURCES CODE SECTION 21074 AS EITHER A SITE, FEATURE, PLACE, CULTURAL LANDSCAPE THAT IS GEOGRAPHICALLY DEFINED IN TERMS OF THE SIZE AND SCOPE OF THE LANDSCAPE, SACRED PLACE, OR OBJECT WITH CULTURAL VALUE TO A CALIFORNIA NATIVE AMERICAN TRIBE, AND THAT IS:**
- 1. LISTED OR ELIGIBLE FOR LISTING IN THE CALIFORNIA REGISTER OF HISTORICAL RESOURCES, OR IN THE LOCAL REGISTER OF HISTORICAL RESOURCES AS DEFINED IN PUBLIC RESOURCES CODE SECTION 5020.1(K)?**
  - 2. A RESOURCE DETERMINED BY THE LEAD AGENCY, IN ITS DISCRETION AND SUPPORTED BY SUBSTANTIAL EVIDENCE, TO BE SIGNIFICANT PURSUANT TO CRITERIA SET FORTH IN SUBDIVISION (C) OF PUBLIC RESOURCES CODE SECTION 5024.1? IN APPLYING THE CRITERIA SET FORTH IN SUBDIVISION (C) OF PUBLIC RESOURCES CODE SECTION 5024.1, THE LEAD AGENCY SHALL CONSIDER THE SIGNIFICANCE OF THE RESOURCE TO A CALIFORNIA NATIVE AMERICAN TRIBE.**

**Tribal Consultation**

Chapter 532, Statutes of 2014 (AB 52), requires that Lead Agencies evaluate a project’s potential to impact “tribal cultural resources.” Such resources include “[s]ites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are eligible for inclusion in the California Register of Historical resources or included in a local register of historical resources.” AB 52 also gives Lead Agencies the discretion to determine, supported by substantial evidence, whether a resource qualifies as a “tribal cultural resource.”

Also, per AB 52 (specifically *Public Resources Code [PRC] Section 21080.3.1*), Native American consultation is required upon request by a California Native American tribe that has previously requested that the City provide it with notice of such projects.

While tribal consultation is not required for an Addendum, the City contacted the Native American Heritage Commission (NAHC) in July 2023 requesting a list of potential Native American contacts for consultation. The NAHC provided a Tribal Consultation List to the City on July 27, 2023. In addition, the City reviewed its list of tribes that had requested AB 52 notification.

The City sent letters via email for the purposes of SB 18<sup>1</sup> and AB 52 consultation to eight tribes listed below on August 2, 2023:

1. Muwekma Ohlone Indian Tribe of the SF Bay Area
2. Amah Mutsun Tribal Band – Ed Ketchum, Vice-Chairperson
3. Amah Mutsun Tribal Band – Valentin Lopez, Chairperson
4. Amah Mutsun Tribal Band of Mission San Juan Bautista – Irene Zwierlein, Chairperson

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<sup>1</sup> SB 18 (Chapter 905, Statutes of 2004) (Public Resources Code Section 65352.3) requires cities and counties to contact and consult with California Native American tribes prior to amending or adopting any general plan or specific plan, or designating land as open space.



5. Costanoan Ohlone Rumsen-Mutsen Tribe – Patrick Orozco, Chairman
6. Indian Canyon Mutsun Band of Costanoan – Kanyon Sayers-Roods, MLD Contact
7. Indian Canyon Mutsun Band of Costanoan – Ann Marie Sayers, Chairperson
8. Wuksachi Indian Tribe/Eshom Valley Band – Kenneth Woodrow, Chairperson

The City’s letter specifically noted that the Housing Element is required to be updated every eight years, and within Santa Cruz County, jurisdictions are required to prepare, adopt, and receive certification from the California Department of Housing and Community Development (HCD) of their 6<sup>th</sup> cycle Housing Element by December 15, 2023. As such, the City respectfully requested that each tribe respond within 30 days for the both the SB 18 and AB 32 consultation.

At the conclusion of the 30-day period, the City received no requests for SB 18 or AB 52 consultation. However, the Amah Mutsun Tribal Band of San Juan Bautista and A.M.T.B. Inc. provided a Letter of Response to the City on August 17, 2023. The Letter of Response provided recommendations regarding cultural sensitivity training, qualified California trained archeological monitors to be present during earth movement, and qualified native American monitors during earth movement. In addition, hourly rates for monitoring were provided in the Letter of Response.

### **Impact Analysis**

Whatever the linguistic affiliation, Native Americans in and around the City of Capitola exhibited similar organization and resource procurement strategies. Villages were based on clan or lineage groups. Their home/base sites are marked by midden deposits, often with bedrock mortars. During their seasonal rounds to exploit plant resources, small groups would migrate within their traditional territory in search of specific plants and animals. Their gathering strategies often left behind signs of special use sites, usually grinding slicks on bedrock boulders, at the locations of the resources.

Given the long-standing history of the multiple tribes in and around the City of Capitola, there is the potential that the construction of future development proposals associated with implementation of the proposed project would impact tribal cultural resources. Past construction and development practices in the City were not as sensitive to tribal cultural resources as current practices. Thus, ground-disturbing activities, such as grading or excavation, could disturb previously unidentified subsurface resources.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific tribal cultural resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of tribal cultural resources, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to tribal cultural resources. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.6 ENERGY

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?			✓	
B. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The *GPU EIR* disclosed that buildout of the *General Plan* would entail the commitment of nonrenewable and/or slowly renewable energy resources. As the community continues to develop, the *GPU EIR* noted that both residential and nonresidential development would require further commitment of energy resources in the form of natural gas and electricity generated by coal, hydroelectric power, or nuclear energy. Increased motor vehicle travel within the City resulting from the *General Plan* also would be accompanied by increased consumption of petroleum products. However, the *GPU EIR* did not identify any impacts due to wasteful, inefficient, or unnecessary consumption of energy resources, or due to a conflict with or obstruction of a State or local plan for renewable energy or energy efficiency.

The *AMBAG Regional Energy Plan* was developed and adopted in 2006, and later updated in 2008. The objective of the regional energy plan to lay out the region’s joint approach to establishing an energy vision through objectives, goals, and action plans that will mitigate future energy impacts on the region. This cooperative approach is leveraged to reduce overall costs and challenges of compliance with AB 32 requirements. The 2006 *Energy Plan* laid out a set of four Plan objectives, goals, and action steps for the region, as listed in *GPU EIR* Table 4.15-7. As shown in *GPU EIR* Table 4.15-7, the *General Plan* would be consistent with the *AMBAG Regional Energy Plan*.

The *GPU EIR* concluded less than significant impacts to energy resources.

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the



City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT RESULT IN POTENTIALLY SIGNIFICANT ENVIRONMENTAL IMPACT DUE TO WASTEFUL, INEFFICIENT, OR UNNECESSARY CONSUMPTION OF ENERGY RESOURCES, DURING PROJECT CONSTRUCTION OR OPERATION?**
  
- B. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT A STATE OR LOCAL PLAN FOR RENEWABLE ENERGY OR ENERGY EFFICIENCY?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code* and *California Green Building Standards Code*, along with project-specific conditions and mitigation measures to reduce potential energy impacts required as part of the development review and environmental impact processes. The proposed project would not result in impacts to energy resources, or conflict with or obstruct any plans addressing renewable energy or energy efficiency. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.7 GEOLOGY AND SOILS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			✓	
2) Strong seismic ground shaking?			✓	
3) Seismic-related ground failure, including liquefaction?			✓	
4) Landslides?			✓	
B. Result in substantial soil erosion or the loss of topsoil?			✓	
C. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?			✓	
D. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			✓	
E. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?			✓	
F. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the geology and soils impacts and mitigation measures, if applicable.

GEOLOGY AND SOILS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GEO-1: The proposed Plan would not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving surface rupture along a known active fault; strong seismic ground shaking; seismic-related ground failure, including liquefaction; and landslides.	Less Than Significant		
GEO-2: Implementation of the proposed Plan would not result in substantial soil erosion or the loss of topsoil.	Less Than Significant		





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GEOLOGY AND SOILS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GEO-3: Development under the proposed Plan would not result in a significant impact related to development on unstable geologic units and soils or result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse.	Less Than Significant		
GEO-4: Development under the proposed Plan would not create substantial risks to life or property as a result of its location on expansive soil.	Less Than Significant		
GEO-5: Development under the proposed Plan would not result in impacts associated with the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of wastewater.	Less Than Significant		
GEO-6: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would not result in significant cumulative impacts with respect to geology and soils.	Less Than Significant		

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT DIRECTLY OR INDIRECTLY CAUSE POTENTIAL SUBSTANTIAL ADVERSE EFFECTS, INCLUDING THE RISK OF LOSS, INJURY, OR DEATH INVOLVING:**
  - 1. RUPTURE OF A KNOWN EARTHQUAKE FAULT, AS DELINEATED ON THE MOST RECENT ALQUIST-PRIOLO EARTHQUAKE FAULT ZONING MAP ISSUED BY THE STATE GEOLOGIST FOR THE AREA OR BASED ON OTHER SUBSTANTIAL EVIDENCE OF A KNOWN FAULT? REFER TO DIVISION OF MINES AND GEOLOGY SPECIAL PUBLICATION 42.**

The GPU EIR concluded that no Alquist-Priolo Earthquake Fault Zones have been identified within the City Area. Therefore, the risk of surface fault rupture within the City Area is considered low.



California, including the City of Capitola, is subject to the effects of seismic activity due to the active faults that traverse the area. Active faults are defined as those that have experienced surface displacement within Holocene time (approximately the last 11,000 years) and/or are in a State-designated Alquist-Priolo Earthquake Fault Zone. No Alquist-Priolo Earthquake Fault zones exist within the City of Capitola. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

## 2. STRONG SEISMIC GROUND SHAKING?

The *General Plan* includes goals, policies, and actions relative to seismic ground shaking: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

The City of Capitola, similar to the rest of California, is located within a seismically active region as a result of being located near the active margin between the North American and Pacific tectonic plates. The City is subject to seismic ground shaking due to the close proximity and potential earthquake magnitude of the San Andreas, the Zayante, and the Palo Colorado-San Gregorio faults.

The intensity of groundshaking and degree of impact would depend upon the magnitude of the earthquake, distance to the epicenter, and the geology of the area between the epicenter and the development site. Additionally, the soil and geologic structure underlying a development site would influence the amount of damage that the site may experience. Potential damage to existing and new structures cannot be precluded. Structural vulnerabilities in older buildings that are less earthquake resistant are most likely to contribute to the largest source of injury and economic loss, as a result of an earthquake. Damage to infrastructure, including roadways, bridges, water and wastewater lines, gas lines, power poles, storm drainage, and other public facilities, could also occur due to an earthquake event.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The *California Building Code* includes specific design measures, which are based on the determination of Site Classification and Seismic Design Categories specific to a project site. These design measures are intended to maximize structural stability in the event of an earthquake. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, along with project-specific conditions and mitigation measures, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**3. SEISMIC-RELATED GROUND FAILURE, INCLUDING LIQUEFACTION?**

**4. LANDSLIDES?**

The *General Plan* includes goals, policies, and actions relative to seismic ground shaking: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

Seismic agitation of relatively loose saturated sands, silty sands, and some silts can result in a buildup of pore pressure. If the pore pressure exceeds the overburden stresses, a temporary quick condition known as liquefaction can occur. Liquefaction effects can manifest in several ways including: 1) loss of bearing; 2) lateral spread; 3) dynamic settlement; and 4) flow failure. Lateral spreading has typically been the most damaging mode of failure. In general, the more recent that a sediment has been deposited, the more likely it will be susceptible to liquefaction. Other factors that must be considered are groundwater, confining stresses, relative density, and the intensity and duration of seismically-induced ground shaking.

The geologic and topographic characteristics of an area often determine its potential for landslides. Steep slopes, the extent of erosion, and the rock composition of a hillside all contribute to the potential slope failure and landslide events.

Capitola contains areas with slopes greater than 50 percent, which are susceptible to landslides and mudflows as shown on *GPU EIR* Figure 4.5-3. The majority of these areas are coastal bluffs, escarpments of decomposed rock, or soil resulting from erosion or faulting with a vertical elevation of at least 10 feet. Coastal bluff areas within Capitola that have steep topography include Cliff Drive and surrounding open space as well as shoreline residences and open space areas of the Depot Hill neighborhood, between the Village and New Brighton State Park. In addition to the coastal bluffs, there are areas along Soquel Creek, Nobel Gulch, and Tannery Gulch that have steep slopes that could be susceptible to landslides and mudflows.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, preparation of site-specific geologic studies, project-specific conditions, and mitigation measures as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures seismic-related ensures ground failure impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval, and that earthquake-induced landslides impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**B. WOULD THE PROJECT RESULT IN SUBSTANTIAL SOIL EROSION OR THE LOSS OF TOPSOIL?**

The *General Plan* includes goals, policies, and actions relative to soil erosion or loss of topsoil: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project involving demolition and/or construction activities would be subject to compliance with the *California Building Code*, as well as the requirements set forth in the National Pollutant Discharge Elimination System (NPDES) Storm Water General Construction Permit for construction activities. The NPDES Storm Water General Construction Permit requires preparation of a Storm Water Pollution Prevention Plan, which would identify specific erosion and sediment control Best Management Practices that would be implemented to protect storm and non-storm water runoff during construction and post-development activities, inclusive of low impact development (LID) design considerations and operational and maintenance requirements. Compliance with the *California Building Code* and NPDES would minimize effects from erosion and ensure consistency with the Central Coast Regional Water Quality Control Board Water Quality Control Plan. Thus, adoption and implementation of the proposed project ensures that soil erosion impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT BE LOCATED ON A GEOLOGIC UNIT OR SOIL THAT IS UNSTABLE, OR THAT WOULD BECOME UNSTABLE AS A RESULT OF THE PROJECT, AND POTENTIALLY RESULT IN AN ON-SITE OR OFF-SITE LANDSLIDE, LATERAL SPREADING, SUBSIDENCE, LIQUEFACTION OR COLLAPSE?**

Refer to Responses A.1.3 and A.1.4.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT BE LOCATED ON EXPANSIVE SOIL, AS DEFINED IN TABLE 18-1-B OF THE UNIFORM BUILDING CODE (1994), CREATING SUBSTANTIAL RISKS TO LIFE OR PROPERTY?**

The *General Plan* includes goals, policies, and actions relative to expansive soils: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.9 State Standard, and Action SN-2.3 Data Accuracy. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.



Expansive soils can be a problem, as variation in moisture content will cause a volume change in the soil. Expansive soils heave when moisture is introduced and contract as they dry. During inclement weather and/or excessive landscape watering, moisture infiltrates the soil and causes the soil to heave (expansion). When drying occurs the soils will shrink (contraction). Repeated cycles of expansion and contraction of soils can cause pavement, concrete slabs on grade and foundations to crack. This movement can also result in misalignment of doors and windows.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, preparation of site-specific geologic studies, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that expansive soil impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT HAVE SOILS INCAPABLE OF ADEQUATELY SUPPORTING THE USE OF SEPTIC TANKS OR ALTERNATIVE WASTE WATER DISPOSAL SYSTEMS WHERE SEWERS ARE NOT AVAILABLE FOR THE DISPOSAL OF WASTE WATER?**

All existing development within the City is connected to a sewer system for the disposal of wastewater. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to connect to a sewer system, as well as comply with all applicable regulations, development standards, project-specific conditions, and mitigation measures, as applicable. Thus, adoption and implementation of the proposed project ensures that septic tank or alternative waste water disposal system impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**F. WOULD THE PROJECT DIRECTLY OR INDIRECTLY DESTROY A UNIQUE PALEONTOLOGICAL RESOURCE OR SITE OR UNIQUE GEOLOGIC FEATURE?**

The City of Capitola contains areas identified within the *Local Coastal Program* Map I-1 as having a likelihood of prehistoric cultural resources, including paleontological resources. The entire coastal bluff area in Capitola is composed at least partially of the Purisima Formation. Paleontological resources found within the City have been located in this Purisima Formation. The *GPU EIR* identified that future development and/or redevelopment within Archaeological/Paleontological Sensitivity Areas could potentially destroy a unique paleontological resource, and would be subject to the *Coastal Act*, *Municipal Code*, and *GPU EIR* Mitigation Measure CULT-2 to avoid or mitigate impacts to paleontological resources.



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The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. There is the potential that future development projects could uncover paleontological resources or unique geologic features. Thus, adoption and implementation of the proposed project ensures that unique paleontological resources or geological features impacts remain as less than significant impacts with implementation of regulatory requirements, standard conditions of approval, and *GPU EIR* Mitigation Measure CULT-2.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.8 GREENHOUSE GASES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			✓	
B. Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the greenhouse gas emissions impacts and mitigation measures, if applicable.

GREENHOUSE GAS EMISSIONS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GHG-1: GHG emissions associated with the proposed Plan would exceed MBAUAPCD's proposed GHG significance threshold of 2,000 MTCO <sub>2</sub> e per year.	Significant	GHG-1	Significant Unavoidable
GHG-2: The proposed Plan would not conflict with applicable plans, policies, or regulations adopted for the purpose of reducing GHG emissions.	Less Than Significant	Not Applicable	
GHG-3: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in a significant cumulative impact with respect to GHG emissions.	Significant	GHG-3: Implement Mitigation Measure GHG-1	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate



development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT GENERATE GREENHOUSE GAS EMISSIONS, EITHER DIRECTLY OR INDIRECTLY, THAT MAY HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT?**
  
- B. WOULD THE PROJECT CONFLICT WITH AN APPLICABLE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF REDUCING THE EMISSIONS OF GREENHOUSE GASES?**

The *General Plan* includes numerous policies relative to greenhouse gas emissions, plans, policies, or regulations, which are restated on GPU EIR pages 4.15-17 to 4.15-22. The *GPU EIR* concluded less than significant impacts and significant unavoidable impacts with implementation of *General Plan* policies and actions, and mitigation measures.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code* and *California Green Building Standards Code*, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes.

In addition, the *General Plan* includes goals and policies in the Open Space and Conservation Element that address that following topics:

- General Environmental Sustainability and Stewardship
- Climate Change and Greenhouse Gas Reduction
- Air Quality
- Renewable Energy Sources and Energy Conservation
- Biological Resources
- Water Quality and Conservation
- Food Production
- Waste Reduction

The Open Space and Conservation Element goals and policies support actions to reduce the use of resources and energy, and thus, the creation of greenhouse gas emissions. Future development proposals associated with implementation of the proposed project would be subject to these policies, as applicable.

The *GPU EIR* identified that Mitigation Measure GHG-1 (Preparation, Adoption, and Implementation of Climate Action Plan) would be applicable to future development proposals in the City. The City adopted its first *Climate Action Plan (CAP)* on October 22, 2015. The *CAP* identifies strategies and actions to reduce greenhouse gas emissions from City government operations and community activities to support the State of California’s efforts to mitigate the effects of climate change.



Thus, adoption and implementation of the proposed project ensures greenhouse gas emissions or conflicts with adopted plans, policies, and regulations remain as less than significant impacts with implementation of Mitigation Measure GHG-1 (Climate Action Plan).

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.9 HAZARDS AND HAZARDOUS MATERIALS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			✓	
B. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			✓	
C. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			✓	
D. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			✓	
E. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			✓	
F. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the hazards and hazardous materials impacts and mitigation measures, if applicable.

HAZARDS AND HAZARDOUS MATERIALS– SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HAZ-1: The proposed Plan would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials.	Less Than Significant	Not Applicable	
HAZ-2: The proposed Plan would not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.	Less Than Significant	Not Applicable	
HAZ-3: The proposed Plan would not result in significant impacts associated with hazardous emissions or handling of hazardous or acutely hazardous materials, substances, or waste within ¼-mile of an existing or proposed school.	Less Than Significant	Not Applicable	
HAZ-4: Implementation of the Plan would not create a significant hazard to the public or the environment as a result of development on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.	Less Than Significant	Not Applicable	



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HAZARDS AND HAZARDOUS MATERIALS- SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HAZ-5: Implementation of the proposed Plan would not result in a safety hazard for people residing or working in the area due to development within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport.	No Impact	Not Applicable	
HAZ-6: Implementation of the proposed Plan would not result in a safety hazard for people residing or working in the Plan Area due to development in the vicinity of a private airstrip.	No Impact	Not Applicable	
HAZ-7: The proposed Plan would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.	Less Than Significant	Not Applicable	
HAZ-8: Implementation of the proposed Plan would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.	Less Than Significant	Not Applicable	
HAZ-9: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less-than-significant cumulative impacts with respect to hazards and hazardous materials.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.



- A. WOULD THE PROJECT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT THROUGH THE ROUTINE TRANSPORT, USE, OR DISPOSAL OF HAZARDOUS MATERIALS?**
- B. WOULD THE PROJECT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT THROUGH REASONABLY FORESEEABLE UPSET AND ACCIDENT CONDITIONS INVOLVING THE RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT?**
- C. WOULD THE PROJECT EMIT HAZARDOUS EMISSIONS OR HANDLE HAZARDOUS OR ACUTELY HAZARDOUS MATERIALS, SUBSTANCES, OR WASTE WITHIN ONE-QUARTER MILE OF AN EXISTING OR PROPOSED SCHOOL?**
- D. WOULD THE PROJECT BE LOCATED ON A SITE WHICH IS INCLUDED ON A LIST OF HAZARDOUS MATERIALS SITES COMPILED PURSUANT TO GOVERNMENT CODE SECTION 65962.5 AND, AS A RESULT, WOULD IT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT?**

The *GPU EIR* concluded that buildout of the *General Plan* would result in no impact or less than significant impacts relative to following hazards: a) significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, b) the project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment, c) the project emits hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school, d) the project is located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment.

The *General Plan* includes numerous policies relative to hazards and hazardous materials plans, policies, or regulations, which are restated on GPU EIR pages 4.6-10 to 4.6-22. The *GPU EIR* concluded no impacts or less than significant impacts with implementation of *General Plan* policies and actions.

#### **Routine Transport, Use or Disposal of Hazardous Materials**

The *General Plan* includes policies relative to the routine transport, use or disposal of hazardous materials: Policy SN-4.1 Mitigation Processes., Policy SN-4.3 Sensitive Receptors; Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, and Action SN-4.2 Municipal Code Review. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

Businesses that use, transport, or dispose of hazardous materials are required to comply with Federal, State, and local hazardous materials regulations. Specifically, truck traffic, including trucks that transport chemicals, is restricted to designated routes per *Municipal Code* Chapter 10.48.

A number of facilities currently operate within the City of Capitola that use, store, or dispose of hazardous materials. These operations, if improperly designed or managed, could create a significant hazard to the public or the environment through the routine transport, use, or disposal of such materials. However, compliance with applicable Federal, State, and local laws and regulations regarding the handling of these materials minimize this risk.





The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

### **Hazardous Materials**

The *General Plan* includes policies and actions relative to hazardous materials: Policy SN-4.1 Mitigation Processes, Policy SN-4.2 Site Assessments, Policy SN-4.3 Sensitive Receptors, Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training; Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The *General Plan* would facilitate new development, including residential, commercial, and mixed-use, within the city. Some new development, particularly in non-residential areas, could occur on properties that could be contaminated. Construction of new buildings and improvements would have the potential to release potentially hazardous materials, including contaminated soils, into the environment during site grading and excavation operations. Similarly, demolition of existing structures would potentially result in the release of hazardous building materials (e.g., asbestos, lead paint) into the environment. Use of hazardous materials after construction could potentially include cleaning solvents, fertilizers, pesticides, and other materials used in the regular maintenance and operation of the proposed uses.

Also, a number of sites in the City are listed on the Cortese Database, compiled pursuant to *Government Code* Section 65962.5. Some of the sites are listed as closed, indicating that they have been investigated and/or remediated to the satisfaction of the lead responsible agency (i.e., RWQCB, DTSC, or DEHS). However, compliance with applicable Federal, State, and local laws and regulations regarding the handling of these materials minimize this risk.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.



**Hazardous Emissions, Materials, Substances, or Waste Within ¼-Mile of an Existing or Proposed School**

The *General Plan* includes policies and actions relative to hazardous emissions, materials, substances within ¼-mile of an existing or proposed school: Policy SN-4.1 Mitigation Processes, Policy SN-4.2 Site Assessments, Policy SN-4.3 Sensitive Receptors, Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, Action SN-4.2 Municipal Code Review, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

New Brighton Middle School and Opal Cliff’s Elementary School are located within the City. Both of these school sites are surrounded by residential neighborhoods and are located more than ¼-mile from any existing or planned non-residential land uses.

While the risk of exposure to hazardous materials cannot be eliminated, measures can be implemented to maintain risk at acceptable levels. Compliance with measures established by Federal, State, and local regulatory agencies are considered adequate to offset the negative effects related to the use, storage, emission, and transport of hazardous materials at future development sites within ¼-mile of a school.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable policies, regulations, and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Adoption and implementation of the proposed project would not pose a significant hazard to the public or the environment, or involve the transportation, use, or storage of hazardous or potentially hazardous materials. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. FOR A PROJECT LOCATED WITHIN AN AIRPORT LAND USE PLAN OR, WHERE SUCH A PLAN HAS NOT BEEN ADOPTED, WITHIN TWO MILES OF A PUBLIC AIRPORT OR PUBLIC USE AIRPORT, WOULD THE PROJECT RESULT IN A SAFETY HAZARD FOR PEOPLE RESIDING OR WORKING IN THE PROJECT AREA?**

The *General Plan* included no policies relative to an airport land use plan or safety hazards for people residing or working within two miles of an airport. The *GPU EIR* concluded no impacts.

There are no private airstrips within or in the near vicinity of the City. The nearest airstrip, the Monterey Bay Academy airstrip, is located approximately 6.5 miles southeast of the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.



*Conclusion:* No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**F. WOULD THE PROJECT IMPAIR IMPLEMENTATION OF OR PHYSICALLY INTERFERE WITH AN ADOPTED EMERGENCY RESPONSE PLAN OR EMERGENCY EVACUATION PLAN?**

The *General Plan* includes policies relative to emergency response on evacuation plans: Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The *Santa Cruz County Operational Area Emergency Management Plan* establishes a comprehensive approach to the organizational structure and emergency management responsibilities in Santa Cruz County, including prevention, preparedness, response, and recovery. Capitola is also within the region covered by the Bay Area Urban Area Security Initiative (UASI), which provides federal financial assistance for terrorism preparedness planning.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Adoption and implementation of the proposed project would not impair the implementation of the *Santa Cruz County Operational Area Emergency Management Plan* or interfere with other applicable emergency response or evacuation plans. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

*Conclusion:* No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.10 HYDROLOGY AND WATER QUALITY

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?				
B. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?				
C. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
1) Result in a substantial erosion or siltation on- or off-site?				
2) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				
3) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				
4) Impede or redirect flood flows?				
D. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?				
E. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?				

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the hydrology and water quality impacts and mitigation measures, if applicable.

HYDROLOGY AND WATER QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HYDRO-1: The proposed Plan would not violate any water quality standards or waste discharge requirements.	Less Than Significant	Not Applicable	
HYDRO-2: The proposed Plan could substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.	Significant	No Mitigation Available	Significant Unavoidable
HYDRO-3: The proposed Plan would not substantially alter the existing drainage pattern of the Plan Area or vicinity, including through the alteration of the course of a stream or	Less Than Significant	Not Applicable	



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HYDROLOGY AND WATER QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
river, in a manner which would result in substantial erosion, siltation, or flooding on- or off-site.			
HYDRO-4: The proposed Plan would not create or contribute runoff water, which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.	Less Than Significant	Not Applicable	
HYDRO-5: The proposed Plan would not otherwise substantially degrade water quality.	Less Than Significant	Not Applicable	
HYDRO-6: The proposed Plan would not result in a significant impact with respect to the placement of housing or structures, which would impede or redirect flood flows within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map.	Less Than Significant	Not Applicable	
HYDRO-7: The proposed Plan would not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.	No Impact	Not Applicable	
HYDRO-8: The proposed Plan would not result in significant adverse effects related to inundation by seiche, tsunami, or mudflow.	Less Than Significant	Not Applicable	
HYDRO-9: The proposed Plan, in combination with past, present, and reasonably foreseeable development, could result in significant cumulative impacts with respect to hydrology and water quality.	Significant	No Mitigation Available	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT VIOLATE ANY WATER QUALITY STANDARDS OR WASTE DISCHARGE REQUIREMENTS OR OTHERWISE SUBSTANTIALLY DEGRADE SURFACE OR GROUND WATER QUALITY?**

The *General Plan* includes policies relative to water quality standards, waste discharge requirements, degradation of surface or ground water: Policy OSC-8.1 Creek Areas, Policy OSC-8.2 Non-Point Source Pollution, Policy OSC-8.3



Best Management Practices, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

Surface water and groundwater quality in the City of Capitola is similar to that which is characterized for other urbanized areas surrounding the City and within Santa Cruz County. The City encourages development projects to be designed with pervious materials and landscaped areas to enhance on-site capture and absorption of stormflows. Also, through the implementation of National Pollution Discharge Elimination System (NPDES) program requirements, the City guards against high pollutant loads and erosive materials in surface runoff.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to provide for the elimination/reduction of pollutant discharges, including capture and treatment of dry weather and first flush runoff in a manner consistent with Central Coast Regional Water Quality Control Board (CCRWQCB) requirements. All storm water discharges must comply with applicable provisions of Santa Cruz County's NPDES permit. As a co-permittee, the City is responsible for implementation of the requirements of the NPDES permit issued to the County. Consistent with CCRWQCB/NPDES and City requirements, appropriate Best Management Practices (BMPs) would be required throughout construction processes of future development proposals, thereby controlling potential discharge of pollutants, preventing sewage spills, and avoiding discharge of sediments into streets, stormwater channels, or waterways. In addition, long-term water quality impacts associated with future development proposals associated with implementation of the proposed project would also be avoided through the implementation of structural, non-structural and treatment control BMPs and operational and maintenance requirements that are identified in the Water Quality Management Plan (WQMP) prepared for each future development proposal to ensure that long-term water quality impacts are minimized. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT SUBSTANTIALLY DECREASE GROUNDWATER SUPPLIES OR INTERFERE SUBSTANTIALLY WITH GROUNDWATER RECHARGE SUCH THAT THE PROJECT MAY IMPEDED SUSTAINABLE GROUNDWATER MANAGEMENT OF THE BASIN?**

The *General Plan* includes policies relative to water quality standards, waste discharge requirements, degradation of surface or ground water: Policy OSC-8.1 Creek Areas, Policy OSC-8.2 Non-Point Source Pollution, Policy OSC-8.3 Best Management Practices, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded significant unavoidable impacts with implementation of *General Plan* policies and actions.

The City has been fully urbanized for many years with established hydrology and water quality systems.





The City of Capitola water providers are Soquel Creek Water District (SqCWD) and the City of Santa Cruz Water Department (SCWD). Approximately 90 percent of the total water used by the City of Capitola is provided by the SqCWD, which serves the areas primarily east of 41st Avenue. Approximately 10 percent of the total water used by the City of Capitola is provided by the SCWD, which serves the areas primarily west of 41st Avenue.

The SqCWD relies solely on groundwater from aquifers underlying the Soquel-Aptos area. The SqCWD extracts groundwater from the deep water-bearing zones within the Purisima formation. Several SqCWD wells are located in this unit; however, SqCWD also operates production wells in the other units. The SqCWD also extracts groundwater from the semi-confined and unconfined units of the Aromas, a 400-foot thick aquifer divided into two units. The uppermost unit is about 225 feet thick, and the lowermost unit is about 175 feet thick. All of the SqCWD production wells in the Aromas are located in the lowermost unit.

Water supply for the SCWD relies entirely on rainfall, surface runoff, and groundwater infiltration occurring within watersheds located in Santa Cruz County. No water is imported from federal, State or other outside sources. The supply system is comprised of four main production elements, 1) the North Coast streams, 2) the San Lorenzo River, 3) Loch Lomond Reservoir, and 4) the Live Oak ground water wells.

The *General Plan* could result in an increased demand of up to 124 acre-feet/year (afy), which could indirectly result in the over-drafting of the groundwater table. In addition, other cumulative projects within the Basin could further exacerbate this impact. As such, groundwater impacts were concluded to be significant unavoidable.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be reviewed by the City to determine if there is any change to existing runoff conditions or potential increases in the amount of impervious surfaces. In addition, future development proposals associated with implementation of the proposed project would be required to comply with all applicable policies, regulations, and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as significant unavoidable impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

- C. WOULD THE PROJECT SUBSTANTIALLY ALTER THE EXISTING DRAINAGE PATTERN OF THE SITE OR AREA, INCLUDING THROUGH THE ALTERATION OF THE COURSE OF STREAM OR RIVER, IN A MANNER WHICH WOULD:**
  - 1. RESULT IN SUBSTANTIAL EROSION OR SILTATION ON- OR OFF-SITE?**
  - 2. SUBSTANTIALLY INCREASE THE RATE OR AMOUNT OF SURFACE RUNOFF IN A MANNER WHICH WOULD RESULT IN FLOODING ON- OR OFF-SITE?**
  - 3. CREATE OR CONTRIBUTE RUNOFF WATER WHICH WOULD EXCEED THE CAPACITY OF EXISTING OR PLANNED STORMWATER DRAINAGE SYSTEMS OR PROVIDE SUBSTANTIAL ADDITIONAL SOURCES OF POLLUTED RUNOFF?**

The *General Plan* includes policies relative to runoff capacity or polluted runoff: OSC-8.1 Creek Areas, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, and





Action OSC-8.3. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. As such, the proposed project does not propose to alter the existing drainage pattern of any site in the City, nor does it propose to alter any streams or rivers resulting in substantial erosion, surface runoff resulting in flooding, or runoff existing the system’s capacity. Any future development proposals associated with implementation of the proposed project would occur on urban land consistent with adopted land use policy, which provides for protection of existing drainage courses. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **4. IMPEDE OR REDIRECT FLOOD FLOWS?**

The *General Plan* includes policies relative to runoff capacity or polluted runoff: OSC-8.1 Creek Areas, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, and Action OSC-8.3. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Infrastructure exists with the City, and thus, storm water runoff associated with future development proposals associated with implementation of the proposed project would continue to be conveyed and discharged into the local stormwater system. Additionally, construction of future development proposals associated with implementation of the proposed project would be restricted within the individual site boundary. As such, implementation of the proposed project would not lead to on-site or off-site siltation or erosion impeding or redirecting flood flow. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **D. WOULD THE PROJECT IN FLOOD HAZARD, TSUNAMI, OR SEICHE ZONES, RISK RELEASE OF POLLUTANTS DUE TO PROJECT INUNDATION?**

##### **Flooding**

The *General Plan* includes policies relative to flooding and flood hazards: Policy OSC-8.1 Creek Areas, Policy OSC-8.8 Drainage Plans, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

According to FEMA and shown on *GPU EIR* Figure 4.7-2, all of Soquel Creek (within the City limits) and a portion of Noble Gulch are located within the 100-year flood zone. The flood zone is relatively narrow and generally follows the flow path of the main channel. Moving upstream from the creek mouth, the elevation of the 100-year



flood zone (i.e., the base flood elevation) becomes progressively higher than the water surface elevations associated with the periodic formation of the Lagoon during the summer months.

Noble Gulch is a significant drainage that flows into Soquel Creek at the Village. Approximately 30+ years ago, the last approximately 2,000 feet of the Gulch (east of Bay Avenue) was diverted via a 72-inch drainage pipe that extends under the current Pacific Cove Mobile Home Park. During a heavy storm in March of 2011, rushing water overwhelmed the drainage pipe creating an upwards surge that tore apart the ground beneath several mobile homes. The water cascaded down Capitola Avenue into the Village, causing considerable damage to homes and businesses. This storm event and the failed drainage pipe, demonstrates the potential risks and vulnerability of flooding in the Village. Storm events occur relatively frequently and the Village is located at the end of Soquel Creek which is a very large watershed. Flows associated with large storm events often result in significant amounts of vegetation debris including trees and limbs which can get blocked, particularly at the Stockton Bridge, further exacerbating flood conditions.

### **Dam Inundation**

Based on the *Local Hazard Mitigation Plan*, there are no levees or dams that would impact the City upon failure.

### **Tsunami**

The *General Plan* includes policies relative to tsunamis: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

As shown on *GPU EIR* Figure 4.7-3, nearly all of Capitola Village is located within the tsunami inundation area, as mapped by California Emergency Management Agency (Cal EMA). Other areas include a portion of Soquel Creek, from Capitola Beach to approximately one river mile upstream to Highway 1, and a portion of Noble Gulch (about ¼-mile), which flows into Soquel Creek. The Capitola shoreline would also be inundated. However, while the coastal cliffs would block inland flows, substantial erosion would likely occur as the result of a tsunami.

In the event of a tsunami, people or structures within these areas could be exposed to a significant risk of loss, injury, or death due to flooding. The tsunami inundation area, as mapped by Cal EMA, is considered a maximum estimate (i.e., based upon the maximum tsunami run-up), taking into consideration a number of extreme, yet realistic, tsunami sources.

### **Seiche**

The *General Plan* includes policies relative to seiches: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

A seiche is an oscillation wave generated in a closed or partially closed body of water, which can be compared to the back-and-forth sloshing in a bath tub. Seiches can be caused by winds, changes in atmospheric pressure, underwater earthquakes, tsunamis, or landslides into the water body. Bodies of water such as bays, harbors, reservoirs, ponds, and swimming ponds can experience seiche waves up to several feet in height during a strong



earthquake. The City is located within an inundation zone of tsunamis generated by earthquakes, as discussed above, and includes large bodies of water, such as Soquel Cove and Soquel Lagoon. Therefore, seiches could result along beach areas and creeks within the City in association with a tsunami event.

### **Mudflow**

The *General Plan* includes policies relative to mudflow: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

Mud and debris flows are mass movements of dirt and debris that occur after intense rainfall, earthquakes, and severe wildfires. The speed of a slide depends on the amount of precipitation, steepness of the slope, and alternate freezing and thawing of the ground. Based on the *Local Hazard Mitigation Plan*, due to steep topography, there is a potential for mudflows to occur below Wharf Road and above Soquel Creek, which could impact the Stockton Avenue Bridge and the Village.

### **Impact Analysis**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals.

Implementation of the proposed project could result in the placement of housing within a flood hazard area, as well as subject to a tsunami, seiche, or mudflow hazards. Future development within the City could result in the placement of structures in existing FEMA-designated 100-year Special Flood Hazard Areas (SFHAs). *Municipal Code* Chapter 17.50 includes standards for construction in flood hazard zones. Future development within the 100-year flood zone requires the placement of fill to elevate structures above the 100-year floodplain elevation. In order for a project to be considered outside of the floodplain and no longer subject to special flood hazard requirements, the project applicant has to submit an application to Federal Emergency Management Agency (FEMA) for a Letter of Map Revision – Fill (LOMR-F) after the fill has been placed. After FEMA has revised the Flood Insurance Rate Map (FIRM) to show that the project is now outside of the SFHA, the City would no longer be required to apply the minimum National Flood Insurance Program (NFIP) floodplain management standards to structures built on the land and the mandatory flood insurance requirements would no longer apply.

Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **E. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT IMPLEMENTATION OF A WATER QUALITY CONTROL PLAN OR SUSTAINABLE GROUNDWATER MANAGEMENT PLAN?**

The *Water Quality Control Plan for the Central Coastal Basin (Basin Plan)* is the Regional Water Quality Control Board's master water quality control planning document. It designates beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater. It also includes programs of implementation



to achieve water quality objectives. The current *Basin Plan* consists of the 2019 *Basin Plan* edition and all of the following amendments approved after March 2019.

The *Water Quality Control Plan for the Central Coast Basin Plan*<sup>2</sup> is the water quality control plan for the geographic area that encompasses all of Santa Cruz, San Benito, Monterey, San Luis Obispo, and Santa Barbara Counties as well as the southern one-third of Santa Clara County, and small portions of San Mateo, Kern, and Ventura Counties. Included in the region are urban areas such as the Monterey Peninsula and the Santa Barbara coastal plain; prime agricultural lands as the Salinas, Santa Maria, and Lompoc Valleys; National Forest lands, extremely wet areas like the Santa Cruz mountains; and arid areas like the Carrizo Plain. The *Basin Plan* designates beneficial uses, establishes water quality objectives, and contains implementation programs and policies to achieve those objectives for all waters addressed through the Basin Plan.

In 2014, the Governor signed the Sustainable Groundwater Management Act (SGMA) into law and took effect on January 1, 2015, which requires governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. SGMA empowers local agencies to form Groundwater Sustainability Agencies (GSAs) to manage basins sustainably and requires those GSAs to adopt Groundwater Sustainability Plans (GSPs) for crucial groundwater basins in California. The SGMA is the first legislation in the state’s history to mandate comprehensive sustainable groundwater resources management.

### **Santa Cruz Mid-County Groundwater Sustainability Plan<sup>3</sup>**

The Santa Cruz Mid-County Groundwater Agency (MGA or Agency) was formed under SGMA to develop this Groundwater Sustainability Plan (GSP or Plan) for the Santa Cruz Mid-County Groundwater Basin (Basin). The Basin is classified by the California Department of Water Resources (DWR) as a high priority basin in a state of critical overdraft because of seawater intrusion. Based on this critical overdraft designation, the MGA is required to submit its Board adopted GSP to DWR by January 31, 2020. The MGA initiated development of this GSP in 2017 to guide ongoing management of the Basin with a goal to achieve and maintain groundwater sustainability over a 50-year planning and implementation horizon.

While the SGMA would revolutionize groundwater management in California, MGA member agencies began studying groundwater and managing the Basin long before SGMA was passed into law. The City of Santa Cruz Water Department and Soquel Creek Water District acquired interests in groundwater pumping in the Basin, and together with Santa Cruz County commissioned the first hydrogeologic study of the Basin in the mid-1960s (USGS, 1968).

Seawater intrusion identified in the Basin in the 1980s required water managers to develop an extensive monitoring network of wells to monitor the Basin’s groundwater and to help improve understanding of the Basin, and to implement water conservation and groundwater management strategies to balance groundwater demand with the Basin’s groundwater budget.

A *Groundwater Sustainability Plan (GSP)* was prepared for the Santa Cruz Mid-County Groundwater Basin, and was approved by the California Department of Water Resources in June 2021. The *GSP* presents detailed

<sup>2</sup> [Water Quality Control Plan for the Central Coastal Basin \(ca.gov\)](#), accessed August 16, 2023

<sup>3</sup> Santa Cruz Mid-County Groundwater Sustainability Plan, <https://sgma.water.ca.gov/portal/service/gspdocument/download/3166>, accessed August 16, 2023



information to understand the occurrence of groundwater in the Basin and provides solutions to achieve the Basin’s sustainability goals. The *GSP* and Executive Summary are organized following DWR’s guidance documents (DWR, 2016):

- Executive Summary
- Section 1: Introduction to the MGA
- Section 2: Plan and Basin Setting
- Section 3: Sustainable Management Criteria
- Section 4: Projects and Management Actions to Achieve Sustainability
- Section 5: Plan Implementation, Budget and Schedule
- Section 6: References and Technical Studies used to Develop the GSP

Projected Future Basin Conditions, Land Use and Water Use

The *GSP* includes projects and management actions to stop the advancement of seawater intrusion and to maintain sustainability under future Basin conditions that will be impacted by changes in land use, water use, and climate. The projected climate change effects include 2.3 feet of sea level rise by 2070 and a warmer and drier climate that has an average temperature increase of 2.4°F, a decrease in precipitation of up to 3.1 inches per year, and a 6% increase in evapotranspiration. Land use patterns are assumed to be unchanged while accommodating projected regional population growth of 4.2% pre-2035 and 2.1% post-2035. Projected nonmunicipal groundwater demand for domestic use assumes pre-drought (2012 – 2015) water demand of 0.35 acre-feet per year per household. Groundwater demand for larger institutions such as camps, retreats, and schools, and agricultural irrigation are assumed to remain the same as historical demands.

Future development projects associated with implementation of the proposed project would be subject to applicable requirements from the *GSP* and Santa Cruz Mid-County Groundwater Agency. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The proposed project would not conflict with or obstruct implementation of a water quality control plan or a sustainable groundwater management plan. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.11 LAND USE AND PLANNING

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Physically divide an established community?			✓	
B. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the land use and planning impacts and mitigation measures, if applicable.

LAND USE – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
LAND-1: The proposed Plan would not physically divide an established community.	Less Than Significant	Not Applicable	
LAND-2: The proposed Plan would not conflict with an applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.	Less Than Significant	Not Applicable	
LAND-3: The proposed Plan would not conflict with the Monterey Bay National Marine Sanctuary Management Plan.	Less Than Significant	Not Applicable	
LAND-4: The proposed Plan, in combination with past, present, and reasonably foreseeable development in the surrounding area, would result in less than significant cumulative impacts with respect to land use and planning.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.





The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT PHYSICALLY DIVIDE AN ESTABLISHED COMMUNITY?**

The *GPU EIR* concluded that implementation of the General Plan would result in less than significant impacts.

The City of Capitola has been urbanized for many years with established development throughout the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals nor provide for new land use uses that would physically divide or disrupt established neighborhoods or create physical barriers in Capitola. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CAUSE A SIGNIFICANT ENVIRONMENTAL IMPACT DUE TO A CONFLICT WITH ANY APPLICABLE LAND USE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF AVOIDING OR MITIGATING AN ENVIRONMENTAL EFFECT?**

The *General Plan* includes policies relative to conflicts with an applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect: Policy LU-1.1 Community Character, Policy LU-2.1 Historic Structures, Policy LU-3.3 Infill Development, Policy LU-3.4 Transit and Pedestrian Access, Policy LU-3.7 Regional Outlook, Policy LU-13.4 New Brighton State Beach, Policy LU-13.6 Beach Management, Policy LU-13.7 Beach Structures, and Action LU-14.3 Coastal Recreation. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The City is required by State law to facilitate development commensurate with its allocated share of regional housing needs; however, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. The 2023-2031 Housing Element enhances the General Plan goals and policies calling for additional housing types and expanding the supply of housing.

The adoption and implementation of the proposed project further enhances the goals, policies, and actions in the *General Plan*, would not conflict with goals or objectives contained within regional plans, or cause a significant environmental impact due to a conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.12 MINERAL RESOURCES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?			✓	
B. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

*CEQA Guidelines* Section 15128 allows environmental issues for which there is no likelihood of significant impact to be “scoped out” and not analyzed further in the EIR. It was determined that the *General Plan* would not result in significant impacts with respect to Mineral Resources, and as such were not analyzed in the *GPU EIR*.

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

#### **A. WOULD THE PROJECT RESULT IN THE LOSS OF AVAILABILITY OF A KNOWN MINERAL RESOURCE THAT WOULD BE OF VALUE TO THE REGION AND THE RESIDENTS OF THE STATE?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Within the City, there are no known mineral resource of value to the region and the residents of the State. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT RESULT IN THE LOSS OF AVAILABILITY OF A LOCALLY-IMPORTANT MINERAL RESOURCE RECOVERY SITE DELINEATED ON A LOCAL GENERAL PLAN, SPECIFIC PLAN, OR OTHER LAND USE PLAN?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. There are no known locally important mineral resource recovery sites in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.13 NOISE

Would the project result in:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			✓	
B. Generation of excessive groundborne vibration or groundborne noise levels?			✓	
C. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the noise impacts and mitigation measures, if applicable.

NOISE – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
NOISE-1: Construction-related activities resulting from implementation of the proposed Plan would not result in the generation of noise levels in excess of established standards.	Less Than Significant	Not Applicable	
NOISE-2: Construction-related activities resulting from implementation of the proposed Plan could generate or expose persons or structures to excessive ground-borne vibration.	Significant	Noise 2a Noise-2b	Less Than Significant
NOISE-3: Future noise levels associated with implementation of the proposed Plan could contribute to an exceedance of the City's noise standards resulting in potential noise impacts to sensitive receptors.	Less Than Significant	Not Applicable	
NOISE-4: The Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to noise.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land,



and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT RESULT IN GENERATION OF A SUBSTANTIAL TEMPORARY OR PERMANENT INCREASE IN AMBIENT NOISE LEVELS IN THE VICINITY OF THE PROJECT IN EXCESS OF STANDARDS ESTABLISHED IN THE LOCAL GENERAL PLAN OR NOISE ORDINANCE, OR APPLICABLE STANDARDS OF OTHER AGENCIES?**
  
- B. WOULD THE PROJECT RESULT IN GENERATION OF EXCESSIVE GROUND BORNE VIBRATION OR GROUND BORNE NOISE LEVELS?**

The *General Plan* includes policies and actions relative to noise levels, and groundborne vibration and groundborne noise levels: Policy SN-7.1 Noise Sensitive Land Uses, Policy SN-7.2 Noise Level Standards, Policy SN-7.3 Noise Control Ordinance, Policy SN-7.4 Acoustical Analyses, Policy SN-7.5 Rail Service, and Action SN-7.1 Noise Ordinance Effectiveness. The *GPU EIR* concluded less than significant impacts and less than significant impacts with mitigation incorporated with implementation of *General Plan* policies and actions.

***Increase in Ambient Noise Levels in Excess of Standards Established in the General Plan, Noise Ordinance, or Applicable Standards.*** The *GPU EIR* concluded that construction-related activities resulting from implementation of the *General Plan* would not result in the generation of noise levels in excess of established standards.

While adoption and implementation of the proposed project would not directly result in the construction of housing, implementation of Housing Element policy would facilitate the construction of future development proposals associated with implementation of the proposed project consistent with adopted land use policy. Typically, residential uses do not generate high noise levels. However, individual residential development projects may result in the exposure of persons to noise levels in excess of standards established in the *General Plan* or Noise Ordinance. Without identifying the location of future development proposals associated with implementation of the proposed project, it is not possible to determine if they would be placed near land uses that would generate noise levels or groundborne vibrations that would exceed acceptable standards.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.





**Ground-Borne Construction Vibration Noise.** The GPU EIR concluded that with the imposition of regulatory requirements and Mitigation Measures Noise-2a and Noise-2b, ground-borne construction vibration noise impacts are less than significant.

While adoption and implementation of the proposed project would not directly result in the construction of housing, implementation of Housing Element policy would facilitate the construction of future development proposals associated with implementation of the proposed project consistent with adopted land use policy. However, individual residential development projects may result in the exposure of persons to ground-borne construction vibration noise levels in excess of standards established in the *General Plan* or Noise Ordinance. Without identifying the location of future development proposals associated with implementation of the proposed project, it is not possible to determine if they would be placed near land uses that would generate noise levels or groundborne vibrations that would exceed acceptable standards.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant with mitigation incorporated.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. FOR A PROJECT LOCATED WITHIN THE VICINITY OF A PRIVATE AIRSTRIP OR AN AIRPORT LAND USE PLAN OR, WHERE SUCH A PLAN HAS NOT BEEN ADOPTED, WITHIN TWO MILES OF A PUBLIC AIRPORT OR PUBLIC USE AIRPORT, WOULD THE PROJECT EXPOSE PEOPLE RESIDING OR WORKING IN THE PROJECT AREA TO EXCESSIVE NOISE LEVELS?**

There are no airports in Capitola. The closest airport is the Watsonville Municipal Airport, a public airport in Watsonville located approximately 8 miles to the southeast of Capitola. Any aircraft overflights do not contribute significantly to the ambient noise environment in the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Adoption and implementation of the proposed project would not expose future residents or workers in the City to substantial sources of airport or heliport of noise in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.14 POPULATION AND HOUSING

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			✓	
b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the population and housing impacts and mitigation measures, if applicable.

POPULATION AND HOUSING – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
POP-1: The Plan would not induce substantial unexpected population growth, or growth for which inadequate planning has occurred, either directly or indirectly.	Less Than Significant	Not Applicable	
POP-2: The Plan would not displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.	Less Than Significant	Not Applicable	
POP-3: The proposed Plan would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.	Less Than Significant	Not Applicable	
POP-4: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to population and housing.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.



The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT INDUCE SUBSTANTIAL UNPLANNED POPULATION GROWTH IN AN AREA, EITHER DIRECTLY (FOR EXAMPLE, BY PROPOSING NEW HOMES AND BUSINESSES) OR INDIRECTLY (FOR EXAMPLE, THROUGH EXTENSION OF ROADS OR OTHER INFRASTRUCTURE)?**

The *General Plan* includes policies relative to local and regional population growth: Policy LU-1.3 Compatible Development, Policy LU-1.6 Balanced Community, Policy LU-3.3 Infill Development, Policy LU-5.1 Neighborhood Characteristics, Policy LU- 5.2 Development Impacts, and Policy LU-3.7 Regional Outlook. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies.

The City of Capitola has been urbanized for many years with established development throughout the City.

The Association of Monterey Bay Area Governments (AMBAG) is the responsible agency for developing and adopting regional housing and population forecasts for the Counties and Cities of Monterey, San Benito and Santa Cruz, and provides population projection estimates in five-year increments.

AMBAG developed the *2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (2045 MTP/SCS)*. Federal and state law requires that AMBAG prepare a long-range transportation plan every four years. The draft *2045 MTP/SCS* was released for public review and comment on November 22, 2021. On June 15, 2022, the AMBAG Board of Directors certified the Final Environmental Impact Report (EIR) prepared for the *2045 Metropolitan Transportation/Sustainable Communities Strategy*; adopted CEQA Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; made a finding that the SCS achieves the greenhouse gas reduction targets established by the California Air Resources Board; adopted the *Final 2022 Regional Growth Forecast*; and adopted the *Final 2045 MTP/SCS*.

AMBAG’s Regional Housing Needs Assessment (RHNA) for the Capitola 2023-2031 housing element period is 1,336 housing units.<sup>4</sup>

As of 2020, the City of Capitola included a population of 10,108 and 5,554 households. The *2045 MTP/SCS* projects a 2040 population of 11,049 and 6,017 households for the City of Capitola. Refer to *Table 4.14-1, 2020 and 2040 Population and Household Projections*.

<sup>4</sup> AMBAG, 2022 Regional Growth Forecasts, [Appendix A 2022 RGF \(ambag.org\)](https://www.ambag.org/Appendix-A-2022-RGF)



**TABLE 4.14-1  
2020 AND 2040 POPULATION AND HOUSEHOLD PROJECTIONS**

	2020	2040	Change 2020 - 2040
Population	10,108	11,049	941
Households	5,554	6,017	463
Sources: AMBAG, 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)			

As previously noted, the 2023-2031 Housing Element projects 1,336 housing units during the eight-year period. Adoption and implementation of the 2023-2031 Housing Element provides for adequate sites to accommodate the 2023-2031 RHNA number of 1,336 housing units. Assuming 2.12<sup>5</sup> persons per household, the City’s population could increase by up to 2,832 persons.

AMBAG is responsible for both the developing the Regional Growth Forecast and RHNA, and would be responsible for modifying future population and household growth projections to accommodate the 2023-2031 Housing Element and future housing element RHNA numbers for the City of Capitola. And therefore, the proposed project would not induce substantial unplanned population growth within the City either directly or indirectly.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

<sup>5</sup> [U.S. Census Bureau QuickFacts: Capitola city, California](https://www.census.gov/quickfacts/capitolacalifornia), accessed August 16, 2023



**B. WOULD THE PROJECT DISPLACE SUBSTANTIAL NUMBERS OF EXISTING PEOPLE OR HOUSING, NECESSITATING THE CONSTRUCTION OF REPLACEMENT HOUSING ELSEWHERE?**

The 2023-2031 Housing Element sets forth policies and programs that encourage and facilitate housing production, as well as aim to preserve and enhance the existing housing stock. While no new development would be authorized by the adoption of the 2023-2031 Housing Element, the future development of vacant properties or underutilized properties with existing homes could result in the displacement of existing housing or people necessitating the construction of replacement housing elsewhere.

Displacement would be evaluated, if needed, as part of a future proposal’s development review and environmental impact processes, along with project-specific conditions and mitigation measures to reduce impacts relative to the displacement of people or residential structures.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.15 PUBLIC SERVICES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
1) Fire protection?			✓	
2) Police protection?			✓	
3) Schools?			✓	
4) Parks?			✓	
5) Other public facilities?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the public services impacts and mitigation measures, if applicable.

PUBLIC SERVICES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
SVCS-1: The proposed Plan would not result in the provision of or need for new or physically altered protection facilities, the construction or operation of which could cause significant environmental impacts.	Less Than Significant	Not Applicable	
SVCS-2: The proposed Plan, in combination with past, present, and reasonably foreseeable development would result in less than significant cumulative impacts with respect to fire protection service.	Less Than Significant	Not Applicable	
SVCS-3: The proposed Plan would not result in the need for construction or expansion of police facilities.	Less Than Significant	Not Applicable	
SVCS-4: The proposed Plan, in combination with past, present, and reasonably foreseeable growth, would result in less than significant cumulative impacts with respect to law enforcement services.	Less Than Significant	Not Applicable	
SVCS-5: The proposed Plan would not result in the provision of or need for new or physically altered school facilities, the construction or operation of which could cause significant environmental impacts.	Less Than Significant	Not Applicable	
SVCS-6: The proposed Plan, in combination with past, present, and reasonably foreseeable growth in the SUESD service area, would result in less than significant cumulative impacts with respect to schools.	Less Than Significant	Not Applicable	





**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

PUBLIC SERVICES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
SVCS-7: The proposed Plan would not result in the provision of or need for new or physically altered library facilities.	Less Than Significant	Not Applicable	
SVCS-8: The proposed Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to libraries.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT RESULT IN SUBSTANTIAL ADVERSE PHYSICAL IMPACTS ASSOCIATED WITH THE PROVISION OF NEW OR PHYSICALLY ALTERED GOVERNMENTAL FACILITIES, NEED FOR NEW OR PHYSICALLY ALTERED GOVERNMENTAL FACILITIES, THE CONSTRUCTION OF WHICH COULD CAUSE SIGNIFICANT ENVIRONMENTAL IMPACTS, IN ORDER TO MAINTAIN ACCEPTABLE SERVICE RATIOS, RESPONSE TIMES OR OTHER PERFORMANCE OBJECTIVES FOR ANY OF THE PUBLIC SERVICES:**

- 1. FIRE PROTECTION?**
- 2. POLICE PROTECTION?**

The *General Plan* includes policies and actions relative to fire and police protection: Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Policy SN-6.1 Police Services, Policy SN-6.2 New Development, Policy SN-6.3 Physical Site Planning, Policy SN-6.4 Lighting Plans, Policy SN-6.5 Bars and Nightclubs, and Policy SN-6.6 Crime Prevention Outreach. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies.



Buildout of the GPU could create an increased demand for fire and police protection services in the Central Fire Protection District (CFPD) and the Capitola Police Department service areas. However, the increase in population, units, and jobs would occur throughout a 20-year period, thereby distributing the increase over multiple years. In addition, the potential for increased service calls distributed over a longer period of time reduces impacts to existing facilities.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element include policies and programs to facilitate the production of future housing development. As such, new housing units associated with future development proposals associated with implementation of the proposed project could require additional fire and police protection services and facilities for the Central Fire District of Santa Cruz County (CFD) and Capitola Police Department.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. In addition, as part of its annual budget process and periodic review of its contracts with the CFD and the Capitola Police Department, the City evaluates fire and police protection service levels, and adjusts budgets accordingly to meet identified demand and service goals. This process would continue through the course of the proposed project. With continued application of these programs, the City would be able to address anticipated increased service demands. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **3. SCHOOLS?**

The GPU EIR concluded less than significant impacts to schools.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element includes policies and programs to facilitate the production of future housing development. As such, new housing units associated with future development proposals associated with implementation of the proposed project could require additional school services and facilities within the Soquel Union Elementary School District (SUESD) and Santa Cruz City Schools (SCCS).

New residents in the future housing developments could place an increased demand on school facilities within SUESD and SCCS. As allowed by State law, the Districts collect fees for new residential construction to help offset the costs of providing additional education facilities and services. Such fees would be paid by developers at the time individual building permits are issued. Pursuant to SB 50, payment of fees to the School Districts is considered



full mitigation for project impacts, including impacts related to the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, or other performance objectives for schools. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **4. PARKS?**

Refer to Section 4.16, Recreation.

#### **5. OTHER PUBLIC FACILITIES?**

The *GPU EIR* concluded less than significant impacts to libraries.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The Santa Cruz Public Libraries system consists of 10 branches located at various locations throughout Santa Cruz County. The Capitola Branch Library located at 2005 Wharf Road serves about 9,846 residents in the city of Capitola in Santa Cruz County. The library is a part of Santa Cruz Public Libraries, which maintains over 392,344 volumes and circulates about 2 million items per year, including local history collections and research materials. It provides in-person tech help, homework help, preschool storytime, Bridge club, Youth chess club, and Health Insurance Counseling for all patrons.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.16 RECREATION

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			✓	
B. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the parks and recreation impacts and mitigation measures, if applicable.

PARKS AND RECREATION – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
PS-1: The proposed Plan would not result in substantial adverse physical impacts associated with the provision of new or physically altered parks and recreational facilities in order to maintain an acceptable ratio of parkland per thousand residents.	Less Than Significant	Not Applicable	
PS-2: The proposed Plan would not increase the use of existing neighborhood and regional parks or other recreational facilities, such that substantial physical deterioration of the facility would occur, or be accelerated.	Less Than Significant	Not Applicable	
PS-3: The proposed Plan would not include or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment.	Less Than Significant	Not Applicable	
PS-4: The proposed Plan, in combination with past, present, and reasonably foreseeable growth, would result in less than significant cumulative impacts with respect to parks and recreational facilities.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies,



and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT INCREASE THE USE OF EXISTING NEIGHBORHOOD AND REGIONAL PARKS OR OTHER RECREATIONAL FACILITIES SUCH THAT SUBSTANTIAL PHYSICAL DETERIORATION OF THE FACILITY WOULD OCCUR OR BE ACCELERATED?**

The GPU EIR The *GPU EIR* concluded less than significant impacts to parks and recreation.

Capitola has been urbanized for many years with established development, including park and recreation facilities, throughout the City.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element includes policies and programs to facilitate the production of future housing development. New residents in future development proposals associated with implementation of the proposed project could place an increased demand on City park facilities. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process. Quimby Act park fees paid or other fair share park requirements of new residential developments are used to acquire and/or improve park facilities, which would reduce the impact of additional residents in the City. Potential impacts to recreation facilities associated with future development proposals associated with implementation of the proposed project would be mitigated on a project-by-project basis, as applicable, per *Municipal Code* requirements. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**B. DOES THE PROJECT INCLUDE RECREATIONAL FACILITIES OR REQUIRE THE CONSTRUCTION OR EXPANSION OF RECREATIONAL FACILITIES WHICH MIGHT HAVE AN ADVERSE PHYSICAL EFFECT ON THE ENVIRONMENT?**

The proposed project does not include plans for or construction of any recreational facilities. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.17 TRANSPORTATION

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?			✓	
B. Conflict or be inconsistent with CEQA Guidelines Section 15064.3 subdivision (b)?			✓	
C. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			✓	
D. Result in inadequate emergency access?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the transportation and traffic impacts and mitigation measures, if applicable.

TRANSPORTATION AND TRAFFIC – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
TRANS-1: Implementation of the proposed Plan would cause intersection operations to degrade to unacceptable LOS E at the Porter Street and Highway 1 northbound ramps intersection during the AM peak hour in 2035.	Significant	TRANS-1	Significant Unavoidable
TRANS-2: The proposed Plan would not result in a change in air traffic patterns including either an increase in traffic levels of a change in locations that results in substantial safety risks.	Less Than Significant	Not Applicable	
TRANS-3: The proposed Plan would not substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).	Less Than Significant	Not Applicable	
TRANS-4: Implementation of the proposed Plan would not result in inadequate emergency access.	Less Than Significant	Not Applicable	
TRANS-5: Implementation of the proposed Plan would not conflict with adopted policies, plans, or program regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities.	Less Than Significant	Not Applicable	
TRANS-6: Implementation of the proposed Plan, in combination with past, present, and reasonably foreseeable project, would result in additional cumulatively considerable impacts.	Significant	TRANS 6: Implement TRANS-1	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT CONFLICT WITH AN APPLICABLE PLAN, ORDINANCE OR POLICY ADDRESSING THE CIRCULATION, INCLUDING TRANSIT, ROADWAY, BICYCLE, AND PEDESTRIAN FACILITIES?**

The *General Plan* includes goals, policies, and actions relative to transportation and traffic: Goal MO-1, Policy MO-1.1 Responsive Transportation Services, Policy MO-1.2 Reduced Vehicle Trips, Policy MO-1.3 Regional Collaboration, Policy MO-1.4 Highway 1 Capacity, Action MO-1.1 Funding, Action MO-1.2 Regional Plan Implementation, Action MO-1.3, Goal MO-2, Policy MO-2.1 Complete Streets, Policy MO-2.6 Non-Motorized Connectivity, Goal MO-3, Policy MO-3.1 Arterial Streets, Policy MO-3.2 Street Widening, Policy MO-3.3 Level of Service Standard, Policy MO-3.4 Reduced Standards, Policy MO-3.5 Impact Fees, Action MO-3.1 Neighborhood Traffic, Action MO-3.2 Signal Timing, Action MO-3.3 Traffic Monitoring, Action MO-3.4 Impact Fees, Action MO-3.5 Financing, Goal MO-4, Action MO-4.1 Bay Avenue Roundabout, Goal MO-6, Policy MO-6.1 Traffic Congestion, Policy MO-6.2 Parking Supply, Policy MO-6.3 Signage, Policy MO-6.4 Balanced Parking Approach, Policy MO-6.5 Transportation Alternatives, Policy MO-6.6 Bicycle and Pedestrian Connections, and Policy MO-6.7 General Environment. The *GPU EIR* concluded less than significant impacts and significant unavoidable impacts with implementation of *General Plan* policies and actions.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

All future development proposals associated with implementation of the proposed project would be evaluated, if applicable, for potential conflicts with relevant circulation plans, ordinances, or policies relative to transit, bicycle, pedestrian, and roadway facilities. Thus, it is not anticipated that adoption and implementation of the proposed project would significantly impact the effectiveness or performance of existing pedestrian, bicycle, or multi-purpose trail facilities, nor would it limit the accessibility for pedestrians or future cyclists, or their ability to utilize existing facilities.

In addition, there is the potential for future development proposals associated with implementation of the proposed project at specific locations throughout Capitola to contribute to congestion on roadways and at intersections. The City may also require specific roadway or signal improvements to address impacts directly



attributable to a specific development proposal. In addition, future development would be subject to *GPU EIR* Mitigation Measures TRANS-1 and TRANS-6, as applicable. These practices would continue as a means of addressing potential traffic concerns associated with individual projects.

**Roadway System Level of Service.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded that despite the imposition of regulatory requirements and Mitigation Measures TRANS-1 and TRANS-6, impacts are significant and unavoidable. Thus, adoption and implementation of the proposed project ensures impacts remain as significant and unavoidable impacts.

**Transportation and Traffic.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded less than significant impacts for TRANS-2, TRANS-3, TRANS-4, and TRANS-5. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CONFLICT OR BE INCONSISTENT WITH CEQA GUIDELINES SECTION 15064.3 SUBDIVISION (B)?**

At the time the *GPU EIR* was certified in 2014, SB 743 was not in place and thus, the *GPU EIR* did not evaluate this threshold.

The 2018 updates to the *CEQA Guidelines* included a new threshold requiring a determination of consistency with *CEQA Guidelines* Section 15064.3. *CEQA Guidelines* Section 15064.3 requires an analysis of Vehicle Miles Travelled (VMTs), in accordance with California Senate Bill (SB) 743. Level of Service (LOS) had been used as the basis for determining the significance of traffic impacts as standard practice in CEQA documents for decades. In 2013, SB 743 was passed, which is intended to balance the need for LOS for traffic planning with the need to build infill housing and mixed-use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes-competing needs. At full implementation of SB 743, the California Governor’s Office of Planning and Research (OPR) replaced LOS as the metric against which traffic impacts are evaluated with a metric based on VMTs. The City of Capitola



will implement *CEQA Guidelines* Section 15064.3 for applicable development applications submitted after July 1, 2020 to determine whether the development would have a significant transportation and traffic impact.

*Public Resources Code* Section 21099 defines Transit Priority Areas (TPAs) as an area within one-half mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program. *Public Resources Code* Section 21155(b) defines High Quality Transit Areas (HQTAs) as areas within one-half mile of a fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes or less during peak commuting hours.

All future development proposals associated with implementation of the proposed project would be evaluated, if applicable, for VMT impacts and any development-related mitigation measures.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems. Within the City of Capitola or Santa Cruz County, there are no TPAs/HQTAs.<sup>6</sup> There is the potential that future development proposals associated with implementation of the proposed project would be located within ½-mile of the existing or future TPAs/HQTAs with access to Santa Cruz Metropolitan Transit District (METRO), and thus, would have the potential to reduce vehicle miles travelled (VMT).

METRO offers fixed-route and paratransit services (ParaCruz) throughout Santa Cruz County and operates a commuter service via the Highway 17 Express to San Jose Diridon Station. In addition, Santa Cruz METRO offers a microtransit service, Cruz On-Demand, operated by METRO’s trained ParaCruz operators, extending METRO’s service area three quarters of a mile from any of METRO’s fixed bus routes, excluding Highway 17 and the UCSC campus.

METRO currently operates 24 routes. Routes include 4, 10, 15, 18, 19, 20, 22, 35/35A, 40, 41, 42, 55, 66, 68, 69A, 69W, 71, 72/72W, 74S, 75, 79, 91X, WC, and Hwy-17 Express. In addition, METRO provides four Transit Centers:

- Santa Cruz METRO Center (Pacific Station): 920 Pacific Ave., Santa Cruz, CA
- Watsonville Transit Center: 475 Rodriguez St., Watsonville, CA
- Cavallaro Transit Center: 246 Kings Village Road, Scotts Valley, CA (Not Staffed)
- Capitola Mall Transit Center: 1855 41<sup>st</sup> Ave., Capitola, CA (Not Staffed)

**Roadway System Level of Service.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

<sup>6</sup> [Transit Priority Areas \(2021\) | Transit Priority Areas \(2021\) | Metropolitan Transportation Commission \(ca.gov\)](#), accessed August 16, 2023



The *GPU EIR* concluded that despite the imposition of regulatory requirements and Mitigation Measures TRANS-1 and TRANS-6, impacts are significant and unavoidable. Thus, adoption and implementation of the proposed project ensures impacts remain as significant and unavoidable impacts.

**Transportation and Traffic.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded less than significant impacts for TRANS-2, TRANS-3, TRANS-4, and TRANS-5. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT SUBSTANTIALLY INCREASE HAZARDS DUE TO A DESIGN FEATURE (E.G., SHARP CURVES OR DANGEROUS INTERSECTIONS) OR INCOMPATIBLE USES (E.G., FARM EQUIPMENT)?**

The *General Plan* includes policies and actions relative to design hazards: Policy MO-2.2 Design Standards, Policy MO-2.3 Community Context, Action MO-2.1 Complete Street Standards, Policy MO-4.2 Standards, Policy MO-4.4 Driveways, Policy MO-4.6 Traffic Calming, Policy MO-8.6 Curb Cuts and Driveways, Action MO-8.4 Intersection Standard, Action MO-8.5 Highway 1 Interchanges, Action MO-9.2 Obstacles and Obstructions. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

Future development proposals would be evaluated to determine the appropriate land use permit for authorizing its use and the conditions for their establishment and operation. At a minimum, compliance with relevant *Municipal Code* standards would be required. In addition, future development proposals associated with implementation of the proposed project would be subject to review and approval by the City of Capitola Community Development and Public Works Departments. Access to a future development proposal site would be required to comply with all City design standards, which preclude the potential for dangerous conditions.

Also, future development proposals associated with implementation of the proposed project would be evaluated to ensure that adequate access and circulation to and within the future development site is provided. Access to the site must comply with all City design standards and would be reviewed by the City of Capitola and the Central Fire District of Santa Cruz County (CFD) to ensure that inadequate design features or incompatible uses do not occur and that they are designed to meet adopted standards. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN INADEQUATE EMERGENCY ACCESS?**

The *General Plan* includes policies and actions relative to emergency access: Action SN-2.2 Transportation Infrastructure, Action SN-3.3 Emergency Access, and Policy MO-2.1 Complete Streets. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

No change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. However, the 2023-2031 Housing Element does include policies and programs that would facilitate the production of future housing development. The City of Capitola and the Central Fire District of Santa Cruz County (CFD) would review the future development proposals associated with implementation of the proposed project in order to ensure that they are designed to meet adopted standards and provide adequate emergency access. In addition, roadways and driveways associated with future development proposals associated with implementation of the proposed project would be required to meet CFD emergency access standards, as well as comply with requirements from CFD and Capitola Police Department on a project-by-project basis. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.18 UTILITIES AND SERVICE SYSTEMS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?			✓	
B. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?			✓	
C. Result in a determination by the wastewater treatment provider, which serves or may serve the project, that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			✓	
D. Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?			✓	
E. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the utilities and service systems impacts and mitigation measures, if applicable.

UTILITIES AND SERVICE SYSTEMS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
<b>WATER</b>			
UTIL-1: Buildout of the proposed Plan may result in insufficient water supplies from existing entitlements and resources in 2035.	Significant	None Available	Significant Unavoidable
UTIL-2: The proposed Plan would require the construction of new water facilities or expansion of existing facilities, the construction of which may cause significant environmental effects.	Significant	None Available	Significant Unavoidable
UTIL-3: The Plan, in combination with past, present, and reasonably foreseeable development, may result in significant cumulative impacts with respect to water supply.	Significant	None Available	Significant Unavoidable
<b>SANITARY WASTEWATER (SEWER)</b>			
UTIL-4: The proposed Plan would not exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board (RWQCB).	Less Than Significant	Not Applicable	
UTIL-5: The proposed Plan would not require or result in the construction of new wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.	Less Than Significant	Not Applicable	





**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

<b>UTILITIES AND SERVICE SYSTEMS – SUMMARY OF IMPACTS AND MITIGATION MEASURES</b>			
<b>Impact</b>	<b>Significance Before Mitigation</b>	<b>Mitigation Measures</b>	<b>Significance With Mitigation</b>
UTIL-6: The proposed Plan would not result in a determination by the wastewater treatment provider which serves or may serve the project that it does not have adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments.	Less Than Significant	Not Applicable	
UTIL-7: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to wastewater.	Less Than Significant	Not Applicable	
<b>STORMWATER DRAINAGE</b>			
UTIL-8: The proposed Plan would not require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.	Less Than Significant	Not Applicable	
UTIL-9: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to stormwater facilities.	Less Than Significant	Not Applicable	
<b>SOLID WASTE</b>			
UTIL-10: The proposed Plan would be served by a landfill with sufficient permitted capacity to accommodate the Plan’s solid waste disposal needs.	Less Than Significant	Not Applicable	
UTIL-11: The proposed Plan would comply with Federal, State, and local statutes and regulations related to solid waste.	Less Than Significant	Not Applicable	
UTIL-12: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to solid waste.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.



**A. WOULD THE PROJECT REQUIRE OR RESULT IN THE RELOCATION OR CONSTRUCTION OF NEW OR EXPANDED WATER, WASTEWATER TREATMENT OR STORM WATER DRAINAGE, ELECTRIC POWER, NATURAL GAS, OR TELECOMMUNICATIONS FACILITIES, THE CONSTRUCTION OR RELOCATION OF WHICH COULD CAUSE SIGNIFICANT ENVIRONMENTAL EFFECTS?**

Existing water, sanitary sewer (wastewater, sewer), storm drain, electrical, natural gas, and telecommunications facilities exist in the City of Capitola.

Future development proposals would be required to comply with the applicable water supplier’s rules and regulations regarding water connection, service, and conservation, as well as the Central Fire District of Santa Cruz County’s requirements relative to the size of water lines and systems necessary to provide adequate fire flow service to development.

Future development proposals would be required to install or relocate, as applicable, on-site and off-site water, wastewater, storm drain, street, electricity, natural gas, and telecommunications infrastructure to serve the development. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT HAVE SUFFICIENT WATER SUPPLIES AVAILABLE TO SERVE THE PROJECT AND REASONABLY FORESEEABLE FUTURE DEVELOPMENT DURING NORMAL, DRY, AND MULTIPLE DRY YEARS?**

The *General Plan* includes goals, policies, and actions relative to water supplies: Policy OSC-7.2 Soquel Creek, Policy OSC-8.3 Best Management Practices, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Goal OSC-9, Policy OCS-9.1 Water Use, Policy OCS-9.2 Drought-Tolerant Landscaping, Policy OCS-9.3 Public Outreach, Action OCS-9.1 Greywater, Action OCS-9.2 City Conservation Goals, Action OCS-9.3 Water Efficiency Audits, and Action OCS-9.4 Incentives. The *GPU EIR* concluded significant unavoidable impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola is served by two water districts: Soquel Creek Water District and the City of Santa Cruz Water Department.

**Soquel Creek Water District**

The Soquel Creek Water District (SqCWD) service area encompasses seven miles of shoreline and extends from one to three miles inland into the foothills of the Santa Cruz mountains. The City of Capitola is the only incorporated area in the District. Unincorporated communities include Aptos, La Selva Beach, Opal Cliffs, Rio Del Mar, Seascape, and Soquel. The SqCWD relies exclusively on available groundwater. The table below provides an overview of SqCWD.



Service Area	Aptos, La Selva Beach, Opal Cliffs, Rio Del Mar, Seascape, Soquel, and portions of the City of Capitola
Population	Over 40,600 residents (Per 2020 Annual Report to State Water Resources Control Board)
Community SCWD Serves	Approximately 18,000 jobs, 22 parks, and 18 schools
Housing Units	20,924 (2015); projected to be 20,912 in 2020
Service Connections	Approximately 16,000 (Per 2020 Urban Water Management Plan)
District Personnel	49
Fiscal Year 2022-2023 Budget	\$64.1 million
Annual Water Production	3,062 acre-feet (2020)
Sources of Supply	100% Groundwater (from CA Basin 3-001, Santa Cruz Mid-County Groundwater Basin)
Water Use by Category	Approximately 80% residential (single-family and multi-family), and 20% non-residential (commercial, industrial, schools, governmental, landscape irrigation). SCWD has no agricultural accounts.
Average Water Use per Person	On average about 50 gallons per day per person
Miles of Pipe in System	167 miles
Number of Production Groundwater Wells	16 active, 2 standby, and 2 inactive
Number of Tanks	18
Number of Groundwater Monitoring Wells	80

To support water conservation, the City of Capitola encourages residents to take advantage of residential water rebates offered by the SqCWD.

**City of Santa Cruz Water Department**

The City of Santa Cruz water service is provided to an area approximately 20 square miles in size, including the entire City of Santa Cruz, adjoining unincorporated areas of Santa Cruz County, a small part of the City of Capitola, and coastal agricultural lands north of the city. The Santa Cruz Water Department (SCWD) uses a combination of groundwater and surface water to serve its customers.

Almost 100,000 people rely on the Santa Cruz Water Department for water service. SCWD operates a system that includes more than 300 miles of pipes to bring water to customers, pumps and lift stations to move water where it's needed, and a water storage reservoir that captures our water supply before we purify the water and send it to your faucet.

Per the 2020 Urban Water Management Plan, the current population residing in the Santa Cruz water service area is estimated to be 96,186 people. Approximately two thirds of the total population, over 64,000, live inside the City limits. The University of California, Santa Cruz campus houses about 9,000 students on campus within City limits; although a majority of the campus was closed during 2020 due to the COVID-19 pandemic. It is estimated that almost 32,000 people, or about one third of the service area population, live outside the City limits.



The Water Department’s major water infrastructure facilities include three water treatment plants, including the Graham Hill Water Treatment Plant and two groundwater treatment plants related to the Beltz well system<sup>7</sup>; four raw water pump stations; ten treated water pump stations; 15 distribution tanks with a total maximum capacity of 21.2 million gallons of treated water storage; seven surface water diversions; seven production wells; and approximately 300 miles of treated and raw water pipelines interconnecting the entire system.

To support water conservation, the Santa Cruz Water Department includes rebates on drip irrigation retrofits, graywater landscaping, turf replacement, water efficient toilets and washers, and rain catchments.

### **Urban Water Management Plans**

State law requires an urban water supplier (supplier), providing water for municipal purposes to more than 3,000 urban connections/customers or providing more than 3,000 acre-feet annually, to adopt an Urban Water Management Plan (UWMP) every five years demonstrating water supply reliability in normal, single dry, and multiple dry water years.

These plans support the suppliers’ long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Within the UWMP, urban water suppliers must: 1) assess the reliability of water sources over a 20-year planning time frame; 2) describe demand management measures and water shortage contingency plans, 3) report progress toward meeting a targeted 20 percent reduction in per-capita (per-person), 4) urban water consumption by a specified year (e.g., 2020, 2025, 2030, 2035, 2040), and 5) discuss the use and planned use of recycled water. The California Department of Water Resources (DWR) reviews the submitted plans to ensure they have addressed the requirements identified in the Water Code and submits a report to the Legislature summarizing the status of the plans for each five-year cycle.

Both the Soquel Creek Water District and the Santa Cruz Water Department have an approved *2020 UWMP*. The *2020 UWMP* is a long-range planning document that assesses current water demand, projects future demand over a minimum 20-year planning horizon, and identifies a mix of water resources and conservation efforts to meet future demand. The *2020 UWMP* also includes SCWD’s *Water Shortage Contingency Plan (WSCP)*, which identifies water shortage stages and associated curtailment actions to allow for efficient management of any water shortage with predictability and accountability.

### Soquel Creek Water District

SqCWD relies entirely on groundwater for its water supply, which is overpumped and experiencing seawater intrusion, a condition that allows seawater to enter and contaminate the groundwater supply. However, SqCWD has taken action with the Pure Water Soquel project to increase groundwater replenishment and prevent salt water intrusion. The Pure Water Soquel project takes highly treated wastewater that would have previously been discharged into Monterey Bay and purifies it to replenish the groundwater basin.

Per SqCWD’s 2020 Urban Water Management Plan (UWMP), water use in 2020 was 3,062 acre-feet per year (AFY) and is projected to be 3,655 AFY in 2040. This projection takes into account many factors, including anticipated population growth. The Pure Water Soquel Project is a key component to meeting this demand while protecting

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<sup>7</sup> The City operates four groundwater production wells within the Beltz well system and three production wells at the Tait Diversion wells that are assumed to be hydraulically connected to surface water and considered to be tied to the City’s appropriative rights for surface diversion.



groundwater resources. SqCWD projects that water supply in 2040 would be 3,655 AFY, which is sufficient to meet its projected demand.

**Table 4.18-1**  
**Soquel Creek Water District Projected Demands for Water**

Actual Demand (AFY & MG)	Projected Demand (AFY & MG)			
Year 2020	Year 2025	Year 2030	Year 2035	Year 2040
3,347 AFY 1.09 MG	3,866 AFY 1.26 MG	3,822 AFY 1.24 MG	3,741 AFY 1.22 MG	3,655 AFY 1.19 MG
Population Estimates				
38,706	40,666	42,726	44,890	47,163
Source: Soquel Creek Water District 2020 Urban Water Management Plan, Table 3-2, Table 4-3 and Table 7-3				

*SqCWD Water Service Reliability*

Results of the water supply and demand analysis for normal, single dry, and five-year consecutive droughts are shown in SqCWD 2020 UWMP Tables 7-2, Table 7-3, Table 7-4, and 7-5. SqCWD expects to meet demands under all water year scenarios, implement Pure Water Soquel, pursue further evaluation of supplemental supply options to diversify supply, and promote continued water conservation, to ensure reliability for the SCMC Basin throughout the future.

Results of the water supply and demand analysis for normal, single dry, and five-year consecutive droughts are shown in SqCWD 2020 UWMP Table 7-3: DWR 7-2R Normal Year Supply and Demand Comparison, AFY; Table 7-4: DWR 7-3R Single Dry Year Supply and Demand Comparison, AFY; and Table 7-5: DWR 7-4R Multiple Dry Years Supply and Demand Comparison, AFY.

The baseline demands established in SqCWD 2020 UWMP Section 4 could reach a maximum of 3,866 AFY as shown in SqCWD 2020 UWMP Table 7-2 and can be met with the normal year supplies as described in 2020 UWMP Section 7.1.2 under Sources for Water Data. As shown in SqCWD 2020 UWMP Table 7-4 and Table 7-5, demands during drought are expected to change in single dry and multiple dry years at the same percent of average supply identified for each year type in SqCWD 2020 UWMP Table 7-2.

SqCWD expects to meet demands under all water year scenarios, implement Pure Water Soquel, pursue further evaluation of supplemental supply options to diversify supply, and promote continued water conservation, to ensure reliability for the Santa Cruz Mid-County (SCMC) Basin throughout the future.

City of Santa Cruz 2020 Urban Water Management Plan

Per the City of Santa Cruz 2020 Urban Water Management Plan, water use in 2020 was approximately 2,600 million gallons (2.6 billion gallons). Due to long-term conservation measures, demand is expected to grow very



slowly over the next 25 years. Accounting for projected population growth, demand is expected to reach about 2,765 million gallons (2.8 billion gallons) per year by 2040. Based upon these projections, SCWD can meet future demand with the implementation of its planned supply augmentation strategy if the region experiences typical rainfall.

**Table 4.18-2**  
**City of Santa Cruz Water Department Projected Demands for Water**

Normal Year Supply and Demand Comparison Under a Projected Climate Change Hydrology					
	Year 2025	Year 2030	Year 2035	Year 2040	Year 2045
<b>Supply Total</b>	2,668 MG	2,694 MG	2,704 MG	2,765 MG	2,784 MG
<b>Demand Totals</b>	2,668 MG	2,694 MG	2,704 MG	2,765 MG	2,784 MG
<b>Difference</b>	0 MG	0 MG	0 MG	0 MG	0 MG
Population					
Year 2020	Year 2025	Year 2030	Year 2035	Year 2040	Year 2045
96,168	101,964	106,072	109,193	112,853	113,650
Source: City of Santa Cruz 2020 Urban Water Management Plan, Table 3-2, Table 7-3C					

In 2025, the City of Santa Cruz will have implemented proposed water rights modifications identified and described in the Santa Cruz Water Rights Project Draft Environmental Impact Report, and in 2030, the City will have implemented the Aquifer Storage and Recovery (ASR) in the Santa Cruz Mid-County Groundwater Basin and/or the Santa Margarita Groundwater Basin. Under multi-year drought conditions in the near-term (2025), with proposed water rights modifications but before implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, but would fall short of demand by 27 percent in year five. While the analysis characterizes this vulnerability for year five of the drought period, depending on sequencing of rain years, in reality it is possible that such a shortage could occur sooner and persist longer through a multiple dry year period.

*SCWD Water Service Reliability*

Under multi-year drought conditions after 2030, with implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, and the year five shortage is anticipated to be substantially reduced with projected shortages no larger than a negligible two percent.



### **Impact Analysis**

With the water conservation measures described above, the SqCWD and City of Santa Cruz Water Department would have sufficient water to meet the projected housing demands inclusive of the 6<sup>th</sup> Cycle RHNA. Combined the SqCWD and City of Santa Cruz Water Department project the provision of 2,660.09 MG in Year 2025; 2,695.26 MG in Year 2030; and 2,705.24 MG in Year 2035; and 2,765.22 MG in Year 2040.

In addition, the 2023-2031 Housing Element includes a program for the City to actively pursue water conservation techniques and to notify water service agencies of their obligation to prioritize water allocation to affordable housing projects per SB 1087.

Adoption and implementation of the proposed project would not adversely affect the ability of the domestic water providers - Soquel Creek Water District or the City of Santa Cruz Water Department - to have sufficient water supplies available during normal, dry, and multiple dry year conditions for future development proposals associated with implementation of the proposed project within the City. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **C. WOULD THE PROJECT RESULT IN A DETERMINATION BY THE WASTEWATER TREATMENT PROVIDER, WHICH SERVES OR MAY SERVE THE PROJECT THAT IT HAS ADEQUATE CAPACITY TO SERVE THE PROJECT'S PROJECTED DEMAND IN ADDITION TO THE PROVIDER'S EXISTING COMMITMENTS?**

The *General Plan* includes policies, and actions relative to wastewater: Policy OSC-1.4 Regional Partnerships, Policy OSC-1.5 New Development, Action OSC-1.2 Education Partnerships, and Action OSC-9.1 Greywater. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

#### **Santa Cruz County Sanitation District**

Sanitary sewer service for the City of Capitola is provided under contract through the Santa Cruz County Sanitation District (SCCSD). The SCCSD is a non-profit public agency which provides sewage collection, treatment, and disposal services to the Live Oak, Capitola, Soquel, and Aptos areas. The City of Capitola is not responsible for nor does it have the authority to maintain the sanitary sewers.

The City of Santa Cruz treats sewage from domestic and industrial sources at the Wastewater Treatment Facility near Neary Lagoon and discharges its effluent into the Pacific Ocean under the NPDES permit No CA0048194. The design treatment capacity (wet weather flow) of the City of Santa Cruz Wastewater Treatment Facility (Plant) is 81 million gallons per day (MGD). The NPDES mandatory limit for the average dry weather (ADW) flow is 17 MGD. The average daily flow is less than 10 MGD.





The maximum daily flow in 2019 was 30.6 MGD, and 3.2 billion gallons of treated wastewater effluent gallons was discharged from the Plant at an average daily rate of 8.7 MGD.<sup>8</sup>

### **Wastewater (Sewer) Collection**

Per the *Sewer System Management Plan for the Davenport, Freedom, Santa Cruz County Sanitation Districts and the County of Santa Cruz* (2022), the SCCSD serves a population of 72,200 in a 13-square mile area. SCCSD has 36,000 sewer connections, 186 miles of gravity sewers, 14 miles of force mains, 35 pump stations, and no lateral responsibility.

The SCCSD's customers generate approximately 5 to 6 MGD of wastewater. The main pump station along the transmission main is located at the D. A. Porath Wastewater Facility at 2750 Lode Street off 27th Avenue in Live Oak. This wastewater flows to the Lode Street pre-treatment facility. The SCCSD collection system is then pumped to the City of Santa Cruz Publicly Owned Treatment Works (POTW) for treatment. SCCSD is required to comply with the requirements of the City of Santa Cruz NPDES permit No. CA0048194. SCCSD does not own nor it is responsible for maintenance or repair of any portion of the sewer service laterals (the portion between the building and the public sewer main).

Future development proposals would be required to comply with applicable SCCSD's rules and regulations regarding wastewater connection and service, including the wastewater lines and systems necessary to provide adequate services to the development. In addition, a future development proposal's wastewater (sewer) plans would be reviewed by the City Engineer and would be required to provide sufficient capacity and comply with City standards.

Future development proposals associated with adoption and implementation of the proposed project would result in the generation of raw sewage that would be collected in the existing or new sewer collection facilities to support the development, and then transported to the City of Santa Cruz Publicly Owned Treatment Works (POTW) where it would be treated and ultimately discharged.

The wastewater treatment requirements issued by the Central Coast RWQCB (Region 3) for the City of Santa Cruz POTW that would receive wastewater from the project site were developed to ensure that adequate levels of treatment would be provided for the wastewater flows emanating from all land uses in its service area. Therefore, implementation of the proposed project not adversely affect the ability of the City or SCCSD to provide adequate capacity and service to existing and future developments. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

<sup>8</sup> City of Santa Cruz, 2019 Wastewater Treatment Facility Annual Summary Report & Outfall Inspection Report, <https://www.cityofsantacruz.com/home/showdocument?id=78881>



**D. WOULD THE PROJECT GENERATE SOLID WASTE IN EXCESS OF STATE OR LOCAL STANDARDS, OR IN EXCESS OF THE CAPACITY OF LOCAL INFRASTRUCTURE, OR OTHERWISE IMPAIR THE ATTAINMENT OF SOLID WASTE REDUCTION GOALS?**

The *General Plan* includes goals, policies, and actions relative to solid waste: Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Policy OSC-11.8 Recycling at Events, Action OSC-11.1 Diversion Incentives, Action OSC-11.2 Restaurant Waste, Action OSC-11.3 Recycled Asphalt Pavement, and Action OSC-11.4 City Purchasing Policies. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

Solid waste disposal within the City is subject to the requirements established in *Municipal Code* Chapter 8.04, Solid Waste and Edible Food Recovery.

The *GPU EIR* concluded less than significant impacts with implementation of regulatory requirements.

The City of Capitola has a franchise agreement with GreenWaste Recovery for the collection of refuse, recycling and yard waste. GreenWaste vehicles deliver Garbage and Organics to the Monterey Regional Waste Management District (MRWMD) in Marina for processing and/or disposal, while recyclables are delivered to the GreenWaste Transfer Facility in Watsonville.

Santa Cruz County Recycling and Trash Services is responsible for the operation and administration of solid waste diversion and disposal in the unincorporated area of the County. In addition, the County operates two solid waste facilities, the Buena Vista Landfill west of Watsonville and the Ben Lomond Transfer Station in the San Lorenzo Valley.

Presently, capacity is available at the several solid waste management facilities serving the City of Capitola, and these facilities would be available to service future development proposals associated with adoption and implementation of the proposed project. In addition, future development proposals associated with implementation of the proposed project would be required to comply with the *Municipal Code*, which requires providing adequate areas for collecting and loading recyclable materials in concert with Countywide efforts and programs to reduce the volume of solid waste entering landfills. In addition, the location of recycling/separation areas is required to comply with all applicable Federal, State, public health, or local laws relating to fire, building, access, transportation, circulation, or safety. Compliance with all applicable State, Santa Cruz County, and City regulations for the use, collection, and disposal of solid and hazardous wastes is also mandated. It can be assumed that future development proposals associated with implementation of the proposed project would include adequate, accessible and convenient areas for collecting recyclable materials. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**E. WOULD THE PROJECT COMPLY WITH FEDERAL, STATE, AND LOCAL MANAGEMENT AND REDUCTION STATUTES AND REGULATIONS RELATED TO SOLID WASTE?**

The *General Plan* includes goals, policies, and actions relative to solid waste: Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Policy OSC-11.8 Recycling at Events, Action OSC-11.1 Diversion Incentives, Action OSC-11.2 Restaurant Waste, Action OSC-11.3 Recycled Asphalt Pavement, and Action OSC-11.4 City Purchasing Policies. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

State, County, and local agencies with regulatory authority related to solid waste include the California Department of Resources Recycling and Recovery, Santa Cruz County Recycling and Trash Services, and the City of Capitola. Regulations specifically applicable to the development proposals include the California Integrated Waste Management Act of 1989 (AB 939), *CalGreen Code* Section 4.408, which the *Municipal Code* has adopted by reference, and SB 341, which requires multi-family residential development and commercial uses to implement recycling programs.

The Integrated Waste Management Act, which requires every City and County in the State to prepare a Source Reduction and Recycling Element (SRRE) to its Solid Waste Management Plan, identifies how each jurisdiction will meet the State’s mandatory waste diversion goal of 50 percent by and after the year 2000. The diversion goal has been increased to 75 percent by 2020 by SB 341.

*Municipal Code* Chapter 8.04, Solid Waste and Edible Food Recovery stipulates standards and regulations for the collection and management of solid waste in the City, in accordance with the Integrated Waste Management Act. *CalGreen Code* Section 4.408 requires preparation of a Construction Waste Management Plan that outlines ways in which the contractor would recycle and/or salvage for reuse a minimum of 50 percent of the nonhazardous construction and demolition debris.

Future development proposals would comply with the *CalGreen Code* through the recycling and reuse of at least 50 percent of the non-hazardous construction and demolition debris from the development site during the construction phase.

Future development proposals associated with adoption and implementation of the proposed project are not anticipated to result in unusual waste production characteristics, and thus, would not include any components that would conflict with State laws governing construction or operational solid waste production or diversion. Also, future development proposals associated with implementation of the proposed project would subject to all applicable Federal, State, and local statutes and regulations related to solid waste, including the California Integrated Waste Management Act, Santa Cruz County, and City of Capitola recycling programs, ensuring compliance with Federal, State, and local statutes and implementation requirements related to the management of solid waste. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

**4.19 WILDFIRE**

	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
<b>Would the project:</b>				
A. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?			✓	
<b>If located in or near state responsibility areas or lands classified as high fire hazard severity zones, would the project:</b>				
B. Substantially impair an adopted emergency response plan or emergency evacuation plan?			✓	
C. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?			✓	
D. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?			✓	
E. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?			✓	

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the wildfire impacts and mitigation measures, if applicable.

<b>WILDFIRE – SUMMARY OF IMPACTS AND MITIGATION MEASURES</b>			
<b>Impact</b>	<b>Significance Before Mitigation</b>	<b>Mitigation Measures</b>	<b>Significance With Mitigation</b>
HAZ-8: Implementation of the proposed Plan would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT EXPOSE PEOPLE OR STRUCTURES, EITHER DIRECTLY OR INDIRECTLY, TO A SIGNIFICANT RISK OF LOSS, INJURY, OR DEATH INVOLVING WILDLAND FIRES?**

The *General Plan* includes goals, policies, and actions relative to wildland fires: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development throughout the City. According to the California Department of Forestry and Fire Protection (CAL FIRE), the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA), as shown in *GPU EIR* Figure 4.6-1. These areas contain significant vegetation, in particular large stands of Eucalyptus trees in and around New Brighton State Park and along Park Avenue. These trees are highly flammable due to the large amounts of leaf litter on the ground and the oil content of the leaves.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws and regulations, *California Building Code*, *California Fire Code*, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. As such, future development proposals associated with implementation of the proposed project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are



adjacent to urbanized areas or where residences are intermixed with wildlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, SUBSTANTIALLY IMPAIR AN ADOPTED EMERGENCY RESPONSE PLAN OR EMERGENCY EVACUATION PLAN?**

The *General Plan* includes goals, policies, and actions relative to high fire severity zones: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development throughout the City. According to the California Department of Forestry and Fire Protection (CAL FIRE), the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA), as shown in *GPU EIR* Figure 4.6-1. Thus, the City would be subject to wildfire risks.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Nor would adoption and implementation of the proposed project impair implementation of emergency response plans or emergency evacuation plans. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT, DUE TO SLOPE, PREVAILING WINDS, AND OTHER FACTORS, EXACERBATE WILDFIRE RISKS, AND THEREBY EXPOSE PROJECT OCCUPANTS TO POLLUTANT CONCENTRATIONS FROM A WILDFIRE OR THE UNCONTROLLED SPREAD OF A WILDFIRE?**

**D. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT REQUIRE THE INSTALLATION OR MAINTENANCE OF ASSOCIATED INFRASTRUCTURE (SUCH AS ROADS, FUEL BREAKS, EMERGENCY WATER SOURCES, POWER LINES, OR OTHER UTILITIES) THAT MAY EXACERBATE FIRE RISK OR THAT MAY RESULT IN TEMPORARY OR ONGOING IMPACTS TO THE ENVIRONMENT?**





**E. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT EXPOSE PEOPLE OR STRUCTURES TO SIGNIFICANT RISKS, INCLUDING DOWNSLOPE OR DOWNSTREAM FLOODING OR LANDSLIDES, AS A RESULT OF RUNOFF, POST-FIRE SLOPE INSTABILITY, OR DRAINAGE CHANGES?**

The *General Plan* includes goals, policies, and actions relative to state responsibility areas: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The California Department of Forestry and Fire Protection (CAL FIRE) is focused on fire protection and stewardship of over 31 million acres of California's privately-owned wildlands. Preventing wildfires in the State Responsibility Area (SRA) is a key component of CAL FIRE's mission, and in more recent decades, CAL FIRE has adapted to the evolving destructive wildfires and succeeded in significantly increasing its efforts in fire prevention. CAL FIRE's Fire Prevention Program consists of multiple activities including wildland pre-fire engineering, vegetation management, fire planning, education and law enforcement. Typical fire prevention projects include brush clearance, prescribed fire, defensible space inspections, emergency evacuation planning, fire prevention education, fire hazard severity mapping, and fire-related law enforcement activities. The Office of the State Fire Marshall has the responsibility for Fire and Resource Assessment Program (FRAP), inclusive of the fund preparing the Fire Hazard Severity Zone (FHSZ) mapping.

As shown in *GPU EIR* Figure 4.6-1, the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA). Per the updated CAL Fire Santa Cruz County State Responsibility Area (SRA) Fire Hazard Severity Zones dated June 15, 2023, the City of Capitola is not located within a Local SRA, but is located within a Fire Protection Responsibility Area (Non-SRA) – Local Responsibility Area.<sup>9</sup> The City of Capitola is outside a State Responsibility Area (SRA) per Fire Hazard Severity Zones viewer in State Responsibility Area<sup>10</sup>.

The City of Capitola has been urbanized for many years with established development throughout the City. Due to the urbanized nature of the City, there is potential to expose people or structures to significant wildfire risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws and

<sup>9</sup> CAL FIRE, [Fire Hazard Severity Zones in State Responsibility Area - Santa Cruz County \(ca.gov\)](https://www.fire.ca.gov/fire-hazard-severity-zones-in-state-responsibility-area-santa-cruz-county), accessed August 17, 2023

<sup>10</sup> CAL FIRE, [Fire Hazard Severity Zones \(ca.gov\)](https://www.fire.ca.gov/fire-hazard-severity-zones), accessed August 17, 2023



**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

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regulations, *California Building Code*, *California Fire Code*, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. As such, future development proposals associated with implementation of the proposed project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## **4.20 ADDENDUM DETERMINATION**

As analyzed in this Addendum, potential impacts associated with the proposed changes (2023-2031 Housing Element) are consistent with potential impacts characterized and mitigated for in the Capitola General Plan Update Environmental Impact Report (EIR). The proposed changes would also be subject to the same mitigation measures as the Capitola General Plan Update EIR for Air Quality, Cultural Resources, Noise, Transportation & Traffic, and Greenhouse Gases.

Substantive revisions to the Capitola General Plan Update EIR are not necessary because no new significant impacts or impacts of substantially greater severity than previously described would occur as a result of the proposed changes (2023-2031 Housing Element). Therefore, the following determinations have been found to be applicable:

- No further evaluation of environmental impacts is required for the proposed changes;
- No Subsequent EIR is necessary per CEQA Guidelines Section 15162; and
- This Addendum is the appropriate level of environmental analysis and documentation for the revised project in accordance with CEQA Guidelines Section 15164.



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## 4.21 REFERENCES

Following is a list of reference documents and maps utilized in the preparation of this Addendum.

- Association of Monterey Bay Area Governments (AMBAG), 2022 Regional Growth Forecasts, [Appendix A 2022 RGF \(ambag.org\)](#)
- California Department of Forestry and Fire Protection (CAL FIRE), *Santa Cruz County Very High Severity Zones in LRA (Local Responsibility Area) Map*, [Fire Hazard Severity Zones \(ca.gov\)](#), accessed August 17, 2023
- California Department of Forestry and Fire Protection (CAL FIRE), *Santa Cruz County Fire Hazard Severity in SRA (State Responsibility Area) Map*, June 15, 2023
- California Department of Water Resources, Santa Cruz Mid-County Groundwater Sustainability Plan, <https://sgma.water.ca.gov/portal/service/gspdocument/download/3166>, accessed August 16, 2023
- California State Regional Water Quality Control Board, [Water Quality Control Plan for the Central Coastal Basin \(ca.gov\)](#), accessed August 16, 2023
- City of Capitola, *City of Capitola General Plan*, Adopted June 26, 2014, Updated March 13, 2019
- City of Capitola, *City of Capitola General Plan Update Environmental Impact Report*, June 26, 2014
- City of Capitola, *2023-2031 Capitola Housing Element*, August 2023
- City of Capitola, *Capitola Municipal Code*, codified through Ordinance 1060, passed June 8, 2023
- City of Santa Cruz, 2019 Wastewater Treatment Facility Annual Summary Report & Outfall Inspection Report, <https://www.cityofsantacruz.com/home/showdocument?id=78881>)
- City of Santa Cruz 2020 Urban Water Management Plan, [Urban Water Management Plan 2020 | City of Santa Cruz](#), accessed November 1, 2023
- Metropolitan Transportation Commission, [Transit Priority Areas \(2021\) | Transit Priority Areas \(2021\) | Metropolitan Transportation Commission \(ca.gov\)](#), accessed August 16, 2023
- Soquel Creek Water District 2020 Urban Water Management Plan, [Urban Water Management Plan | Soquel Creek Water District, CA](#), accessed November 1, 2023
- United States Census Bureau, [U.S. Census Bureau QuickFacts: Capitola city, California](#), accessed August 16, 2023



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## **4.22 REPORT PREPARATION PERSONNEL**

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**JULY 2024 ERRATA TO ADDENDUM TO THE CAPITOLA GENERAL PLAN UPDATE  
ENVIRONMENTAL IMPACT REPORT FOR THE 2023-2031 HOUSING ELEMENT, ADOPTED  
NOVEMBER 9, 2023**

The following tables from Addendum Section 2.0, Project Description (see relevant Addendum page numbers next to paragraph headings and table numbers) have been updated to reflect modifications to the 2023-2031 Housing Element made after adoption of the Addendum. The modifications are shown below in **red**, deleted text is shown in double strikethrough (~~example text~~), and page reference text is shown in *italics*.

**Comparison of Sites Inventory and RHNA (page 2-8)**

Properties identified in the sites inventory have the combined capacity to accommodate approximately ~~1,453~~ **2,511** additional housing units on underutilized sites. These sites, and the associated existing land use regulations, can facilitate the production of ~~448~~ **426** extremely low-/very low-income units, ~~298~~ **290** low-income units, ~~239~~ **180** moderate-income units, and ~~468~~ **1,615** above-moderate-income units during the planning period. Refer to *Table 2-2*.

**TABLE 2-2 (page 2-9)  
COMPARISON OF SITES INVENTORY AND RHNA**

	LOWER	MODERATE	ABOVE MODERATE	TOTAL
<b>6<sup>th</sup> Cycle RHNA</b>	712	169	455	1,336
<b>ADUs</b>	<b>10</b>	<b>30</b>	<b>10</b>	<b>50</b>
<b>Remaining RHNA for Adequate Sites</b>	<b>702</b>	<b>139</b>	<b>445</b>	<b>1,286</b>
<b>Sites Inventory</b>				
Recyclable Land*	<del>840</del> <b>716</b>	<del>495</del> <b>180</b>	<del>455</del> <b>1,615</b>	<del>1,490</del> <b>2,511</b>
<del>Rezone/Overlay Sites*</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>Accessory Dwelling Units (ADUs)</del>	<del>40</del>	<del>30</del>	<del>40</del>	<del>50</del>
<b>SITES INVENTORY TOTAL</b>	<del>850</del> <b>716</b>	<del>225</del> <b>180</b>	<del>455</del> <b>1,615</b>	<del>1,530</del> <b>2,511</b>
<b>Additional Residential Buffer**</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>12</b>
Surplus/Deficit	+138 <b>+14</b>	+56 <b>+47</b>	- <b>+1,176</b>	+194 <b>+1,237</b>
Source: City of Capitola, 2023-2031 Housing Element <del>Table 4-7 (October 2023)</del> <b>Table 4-10 (July 2024)</b>				
Notes: *Includes vacant sites, underutilized land, and pending projects <b>**Includes potential units on two School district sites</b>				

**TABLE 2-3 (page 2-9)**  
**INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT SUMMARY**

	EXTREMELY LOW / VERY LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MODERATE INCOME	TOTAL RESIDENTIAL CAPACITY
6 <sup>th</sup> Cycle RHNA	430	282	169	455	1,336
ADUs	6	4	30	10	50
Remaining RHNA for Adequate Sites	424	278	139	445	1,286
R-1 (Churches)	60	40	5	5	10
RM-L	5	3	4	6	18
RM-M	31	21	1	2	55
MU-N	49	33	30	61	173
C-R	297 236	408 157	449 99	274 1,439	888 1,931
C-C	105	76	41	102	324
CF	7	5	—	—	42
ADUs	6	4	30	10	50
<b>TOTAL</b>	<b>506 426</b>	<b>344 290</b>	<b>225 180</b>	<b>455 1,615</b>	<b>1,530 2,511</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-8 (October 2023) Table 4-9 (July 2024)					
Notes: *Includes vacant sites, underutilized land, and pending projects					

**Summary of Residential Capacity on Vacant, Recyclable, and ADU Sites (page 2-10)**

The analysis indicates that the City’s inventory of underutilized/recyclable sites, along with entitled units under plan review and potential Accessory Dwelling Unit (ADU) production has the potential for the development of ~~1,453~~ **2,511** residential units on existing residential properties and within existing zoning categories. A detailed sites inventory table is also presented in 2023-2031 Housing Element Appendix D.

**TABLE 2-4 (page 2-10)**  
**SUMMARY OF HOUSING UNITS**

SUB-AREA	LOW AND VERY LOW INCOME UNITS	TOTAL UNITS	PERCENT OF RHNA
<b>Residential Recycling</b>			
Single Family Zone (Religious Sites Only)	40 0	10	0.7%
Multi-Family Residential Zones	60	73	5.4%
Commercial Zones That Permit Residential Projects	676 393	1,242 1,931	90.8% 20.3%
Mixed Use Neighborhood Zone	82	173	12.9%
Community Facility Zone (Schools Only)	42	42	0.0%
Accessory Dwelling Units (ADUs)	10	50	3.7%
<b>TOTAL*</b>	<b>850 726</b>	<b>1,530 2,561</b>	<b>114.5% 28.3%</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-9 (October 2023) Table 4-11 (July 2024)			
Notes: *Total RHNA for lower and very low: 712; total RHNA is 1,336			

## IMPACT ANALYSIS

*(For all Impact Analysis subsections under Section 4.0 Environmental Analysis > Evaluation of Environmental Impacts; affecting Section 4, pages 8,12,16,22,28,33,36,43,48,54,63,67,69,73,78,81, 86,92,104)*

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites ~~and State land housing~~, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

**RESOLUTION NO. 2024-1****A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CAPITOLA RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ADDENDUM TO THE GENERAL PLAN UPDATE ENVIRONMENTAL IMPACT REPORT AND ADOPT AMENDMENTS TO THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN, AS CONDITIONALLY APPROVED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, the California legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives.” (Gov. Code Section 65589.5.); and

WHEREAS, the legislature has further found that “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.” (Gov. Code Section 65589.5.); and

WHEREAS, the legislature adopted the Housing Crisis Act of 2019 (SB 330) which states that “California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”; and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Capitola’s (City’s) regional housing need allocation (RHNA) of 1336 housing units, comprised of 430 very-low income units, 282 low-income units, 169 moderate-income units, and 455 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City has prepared the Capitola 2023-2031 Housing Element (the Housing Element); and

WHEREAS, as provided in Government Code Section 65350 et. seq., the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Section 65352.3, the City contacted California Native American tribes on the contact list provided by the Native American Heritage Commission and informed them of the opportunity for consultation under SB 18; and

WHEREAS, no California Native American tribe requested consultation; and

WHEREAS, as provided in Government Code Section 65352, the City referred the Housing Element to appropriate agencies;

WHEREAS, the City has prepared the Housing Element in accordance with State Housing Element Law; and

WHEREAS, State law requires that the City take meaningful steps to promote and affirmatively further fair housing (Gov. Code Section 65583(c)(5)); and

WHEREAS, the Housing Element must be adopted to comply with State law, accommodate the RHNA, affirmatively further fair housing, and facilitate and encourage a variety of housing types for all income levels, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted an extensive community outreach program including an conducting an online housing needs survey from November 2022 through March 2023, conducting stakeholder interviews in November 2022, engaging the development community and housing advocates, facilitating community workshops on February 16, 2023 and May 16, 2023, and holding study sessions with the Planning Commission and City Council on February 2, 2023, February 9, 2023, and March 16, 2023; and

WHEREAS, staff published a draft Housing Element on May 10, 2023, for a 30-day public review and comment period. During the public review and comment period, the draft was presented during a virtual community meeting on May 16, 2023, a Planning Commission meeting on June 1, 2023, and a City Council meeting on June 8, 2023; and

WHEREAS, staff received comments and made extensive revisions to the draft in response to public input; and

WHEREAS, in accordance with Government Code Section 65585(b), on July 5, 2023, the City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on July 26, 2023, the City met with HCD to review the draft Housing Element prior to HCD's issuance of its findings letter; and

WHEREAS, on August 29, 2023, the City posted the second draft of the Housing Element on its website, with redlined modifications for public review.

WHEREAS, on September 6, 2023 the City met with HCD to review the draft Housing Element prior to HCD's issuance of its findings letter; and



WHEREAS, on September 19, 2023, the City posted the third draft of the Housing Element on its website, with all additional modifications highlighted in yellow for public review; and

WHEREAS, on October 3, 2023, the City received a letter from HCD providing its findings regarding the draft Housing Element. The findings stated that while the draft Housing Element addressed many statutory requirements, revisions would be necessary to comply with State Housing Element Law (Article 10.6 of the Government Code); and

WHEREAS, on October 5, 2023, the City provided a briefing to the Planning Commission on HCD's findings, and on October 12, 2023 the City provided a briefing to the City Council on HCD's findings, including opportunities for public comment; and

WHEREAS, the City systematically analyzed HCD's findings and identified areas needing responses or revisions and implemented said revisions; and

WHEREAS, on October 19, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider a Resolution regarding the Addendum and the proposed Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report and all attachments, and oral and written public comments.

WHEREAS, on October 19, 2023, the Planning Commission forwarded a unanimous positive recommendation to the City Council to adopt the updated draft housing element; and

WHEREAS, the City Council at a regularly scheduled meeting on November 9, 2023, held a public hearing and adopted the Housing Element and Addendum to the General Plan Final Environmental Impact Report and directed staff to submit the Housing Element to HCD for certification; and

WHEREAS, on January 12, 2024, the City received a comment letter from HCD acknowledging that the adopted Housing Element addressed many statutory requirements, but requesting additional revisions; and

WHEREAS, on February 1, 2024, the Planning Commission held a work session and discussed HCD's requests;

WHEREAS, on February 8, 2024, the City Council conducted a public hearing and received an update on the Housing Element and authorized staff to submit a Housing Element incorporating HCD's requested revisions for review.

WHEREAS, following receipt of the letter, the City worked with HCD toward a conditional letter of compliance. Subsequent drafts of the Housing Element to address compliance issues were published on the City's website for seven days prior to each resubmittal to HCD on April 19, June 13, July 3, July 10, and July 23, 2024; and

WHEREAS, on July 26, 2024, HCD provided a letter notifying the City the July 23, 2024, updated draft Housing Element is in compliance with State Housing Element Law; and

WHEREAS, the City notified all interested parties of the availability of the updated draft, the opportunity to provide comments, and the dates of upcoming public hearings; and

WHEREAS, the City provided notice of the August 8, 2024, Planning Commission special meeting as required by law; and

WHEREAS, a Planning Commission recommendation is required prior to City Council action; and

WHEREAS, on June 26, 2014 the City Council certified a Final Environmental Impact Report (SCH 2013072002) (FEIR) for the General Plan Update, adopting the Mitigation Monitoring and Reporting Program and Statement of Overriding Considerations; and

WHEREAS, an EIR Addendum (Addendum) to the FEIR has been prepared in accordance with Section 15162 of the California Environmental Quality Act (CEQA) Guidelines, which demonstrates that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the changes that are part of the Housing Element update would not result in any significant impacts not considered under the original EIR; and

WHEREAS, an Errata to the Addendum was prepared to reflect the proposed amendments to the 2023-2031 Housing Element as the proposed amendments are also covered by the Addendum and none of the circumstances requiring a supplemental EIR or subsequent EIR exist (CEQA Guidelines Section 15162)' and

WHEREAS, on August 8, 2024, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider this Resolution regarding the Addendum and the proposed amendments to the Housing Element, reviewed the amendments to the Housing Element and all pertinent maps, documents and exhibits, including HCD's conditional approval, the staff report and all attachments, and oral and written public comments.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. The Planning Commission has reviewed and considered the Addendum to the General Plan Update Environmental Impact Report for the amended Housing Element, and recommends that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the amendments to the Housing Element would not result in any significant impacts not considered under the original EIR. No supplemental or subsequent EIR is required

because none of the circumstances requiring a supplemental or subsequent EIR exist (CEQA Guidelines Section 15162):

(a) No substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The amendments to the 2023-2031 Housing Element do not create any additional environmental impacts.

(b) No substantial changes have occurred with respect to the circumstances under which the project is undertaken. No substantial evidence has been submitted showing any change in the circumstances applicable to the project.

(c) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, has been submitted to the City.

3. The findings made by the Planning Commission in Resolution No. 2023-01 are hereby incorporated herein by reference.

4. The City has considered the requests for additional information from the Department of Housing and Community Development and information has been included in the amendments to the 2023-2031 Housing Element that respond to these requests.

5. Based on substantial evidence in the record, the amended Housing Element is consistent with state and local law, including the City of Capitola General Plan and municipal code.

6. Based on substantial evidence in the record, the non-vacant sites identified in the amended Housing Element site inventory to accommodate the RHNA do not constitute an impediment to planned residential development on the site during the planning period.

Section 65583.2(g)(2) of the Government Code requires that any jurisdiction relying on non-vacant sites to meet more than 50 percent of the RHNA for lower-income households must make findings that the existing use on the non-vacant site is not an impediment to residential development during the planning period. The findings must be made on substantial evidence that the existing use is likely to be discontinued during the planning period. The City has provided such substantial evidence in the Housing Element that the existing uses have already been or will be discontinued during the planning period. This is based on the physical characteristics, existing uses, redevelopment potential (including improvement to land value ratio, floor area ratio, and known developer interest), location and context, local knowledge, and environmental and infrastructure constraints.

The sites inventory analysis demonstrates that all of the selected sites represent the best opportunities to add significant numbers of units to the City's housing stock and possess the highest potential for becoming available for residential development over the 8-year planning period. Several non-vacant parcels selected to accommodate lower-income units where a property owner or developer has stated recent interest to the City in developing residential uses include:

- Six parcels along 41st Avenue
- 3720 Capitola Road

- 1404 38th Avenue
- 4148 and 4160 Clares Avenue
- 1098 38th Avenue
- 1840 41st Avenue
- 4243 Capitola Road
- Two sites at 4401 Capitola Road
- 4450 Capitola Road
- 1430 41st Avenue

The sites inventory analysis has also identified at least eight non-vacant parcels, selected to accommodate lower-income units, that already contain discontinued uses (which have a greater likelihood of being redeveloped with residential units):

- 1430 41st Avenue
- 1210 41st Avenue
- 3825 Clares Street
- 1098 38th Avenue
- Four sites at 911 Capitola Avenue

The sites inventory analysis has also identified approximately 23 non-vacant parcels selected to accommodate lower-income units which have the potential for lot consolidation based on adjacency with like properties. Further, sites with newer business or known long-term leases were not included, as they have a lower probability of redeveloping within the next housing cycle. The age of construction, potential for lot consolidation, vacancy rate, under-developed/under-utilized nature of the site, and owner interest where applicable indicate that reuse of these sites with housing or mixed use mixed-use development during the planning period is likely.

7. As required by Government Code Section 65585(e), the Planning Commission has considered the findings made by HCD in HCD's letter to the City dated October 3, 2023, and January 12, 2024, as required by Government Code Section 65585(f). The City has revised the draft Housing Element to address each of the findings in the HCD letters. As such, the Housing Element now substantially complies with all requirements of State Housing Element Law as interpreted by HCD, as substantiated in HCD's July 26, 2024 letter of conditional approval of the amended Housing Element.

8. The amended Housing Element substantially complies with Housing Element Law, as provided in Government Code 65580 et seq. and contains all provisions required by State Housing Element Law.

9. The Planning Commission recommends that the City Council:

- a. Adopt the Addendum to the General Plan Update Final Environmental Impact Report as prepared in compliance with the California Environmental Quality Act, attached hereto as Exhibit "A", and direct the City Clerk to file or cause to be filed a Notice of Determination in compliance with State law.

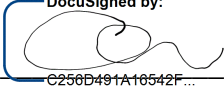
- b. Adopt the amendments to the 2023-2031 Housing Element update in substantially the form attached hereto as Exhibit “B” .
- c. Authorize the Community Development Director to submit the amended Housing Element and all supporting documentation to HCD following City Council Adoption, with a request for certification.
- d. Authorize the Community Development Director to make any non-substantive changes to the Housing Element that may be required by the State to achieve certification or that may be necessary to ensure internal consistency with other planning documents.
- e. Authorize the Community Development Director to distribute and make available copies of the Housing Element in the manner provided in Government Code Sections 65357 (requiring that copies be provided to specific public entities and persons submitting comments, as well as made available to the general public) and 65589.7 (requiring that copies be submitted to water and sewer service providers).

**SEVERABILITY**

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

ADOPTED by the Planning Commission of the City of Capitola, California, at a special meeting thereof this 8<sup>th</sup> day of August, 2024 by the following vote:

**AYES: CHRISTIANSEN, JENSEN, WESTMAN, WILK**  
**NAYS: NONE**  
**ABSTAIN: NONE**  
**ABSENT: ESTEY**

DocuSigned by:  
  
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 Chair

ATTEST:  
 Signed by:  
  
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Katie Herlihy, Community Development Director

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# **Addendum to the Capitola General Plan Update Environmental Impact Report for the 2023-2031 Housing Element**

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## **LEAD AGENCY:**



City of Capitola  
420 Capitola Avenue  
Capitola, CA 95010

*Contact: Ms. Katie Herlihy, AICP, Community Development Director*

## **PREPARED BY:**

Morse Planning Group

Final  
Adopted November 9, 2023

This document has been produced for double-sided printing to conserve natural resources.





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## 1.0 INTRODUCTION

The Capitola General Plan 2023-2031 Housing Element (herein referenced as the “project,” “proposed project,” or “2023-2031 Housing Element”) involves adoption and implementation of these General Plan components. Following a preliminary review of the proposed project, the City of Capitola has determined that the proposed project is subject to the guidelines and regulations of the *California Environmental Quality Act (CEQA)*.

### 1.1 STATUTORY AUTHORITY AND REQUIREMENTS

This environmental document has been prepared in conformance with *CEQA (California Public Resources Code [PRC] Section 21000 et seq.)*; *CEQA Guidelines (California Code of Regulations [CCR], Title 14, Section 15000 et seq.)*; and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City of Capitola.

In accordance with *CEQA Guidelines* Sections 15051 and 15367, the City of Capitola (City) is identified as the Lead Agency for the proposed project. This document has been prepared in accordance with CEQA Guidelines Sections 15164 (Addendum to an EIR on Negative Declaration) and 15168 (Program EIR) to explain the rationale for determining that the proposed Capitola 2023-2031 Housing Element would not create any new or substantially more severe significant effects on the environmental that were not analyzed in the Capitola General Plan Update Environmental Impact Report (EIR).

In determining whether an Addendum is the appropriate document to analyze modifications to the General Plan EIR, CEQA Guidelines Section 15164 states:

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
- (d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency’s required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

Since the Capitola General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162, there are new significant effects or other grounds that require preparation of a subsequent EIR in support of further agency action on the project. Under these guidelines, a subsequent shall be prepared if any of the following criteria are met:



- (a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
- 1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  - 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
  - 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
    - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
    - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
    - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

As demonstrated in the environmental analysis contained herein in the Addendum, none of the conditions that had been analyzed in the Capitola General Plan EIR would change with adoption of the proposed 2023-2031 Housing Element. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified in the environmental analysis.

The environmental documentation, which is ultimately selected by the City in accordance with CEQA, is intended as an informational document undertaken to provide an environmental basis for subsequent discretionary actions relevant to the project. The resulting documentation is not, however, a policy document and its approval and/or certification neither presupposes nor mandates any actions on the part of those agencies from whom permits and other discretionary approvals would be required.



## 1.2 PURPOSE OF AN INITIAL STUDY

The purposes of an Initial Study are to:

1. Identify environmental impacts;
2. Provide the lead agency with information to use as the basis for deciding whether to prepare an EIR or a negative declaration;
3. Enable an applicant or lead agency to modify a project, mitigating adverse impacts before an EIR is required to be prepared;
4. Facilitate environmental assessment early in the design of the project;
5. Document the factual basis of the finding in a negative declaration that a project would not have a significant environmental effect;
6. Eliminate needless EIRs;
7. Determine whether a previously prepared EIR could be used for the project; and
8. Assist in the preparation of an EIR, if required, by focusing the EIR on the effects determined to be significant, identifying the effects determined not to be significant, and explaining the reasons for determining that potentially significant effects would not be significant.

CEQA Guidelines Section 15063 identifies specific disclosure requirements for inclusion in an Initial Study. Pursuant to those requirements, an Initial Study shall include:

- A description of the project, including the location of the project
  - Identification of the environmental setting
  - Identification of environmental effects by use of a checklist, matrix, or other method, provided that entries on a checklist or other form are briefly explained to indicate that there is some evidence to support the entries
  - Discussion of ways to mitigate significant effects identified, if any
  - Examination of whether the project is compatible with existing zoning, plans, and other applicable land use controls
  - The name(s) of the person(s) who prepared or participated in the preparation of the Initial Study
9. With regards to the context of an Addendum, the Initial Study serves as the basis for substantial evidence that none of the elements of CEQA Guidelines Section 15162 requiring a subsequent EIR are triggered.

## 1.3 RESPONSIBLE AND TRUSTEE AGENCIES

Certain projects or actions undertaken by a Lead Agency require subsequent oversight, approvals, or permits from other public agencies in order to be implemented. Such other agencies are referred to as Responsible Agencies and Trustee Agencies. Pursuant to *CEQA Guidelines* Sections 15381 and 15386, as amended, Responsible Agencies and Trustee Agencies are respectively defined as follows:



## Addendum to the Capitola General Plan Update For the 2023-2031 Housing Element

“Responsible Agency” means a public agency, which proposes to carry out or approve a project, for which [a] Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of CEQA, the term “responsible agency” includes all public agencies other than the Lead Agency, which have discretionary approval power over the project. (Section 15381)

“Trustee Agency” means a state agency having jurisdiction by law over natural resources affected by a project, which are held in trust for the people of the State of California. Trustee Agencies include; The California Department of Fish and Wildlife, The State Lands Commission; The State Department of Parks and Recreation and The University of California with regard to sites within the Natural Land and Water Reserves System. (Section 15386)

For this project, the City of Capitola is the Lead Agency and has the sole responsibility of processing and approving the project. There are no Responsible or Trustee Agencies that have oversight, approval, or permit responsibility associated with the project, or require consultation with the City of Capitola. In addition, no other agency is required to approve the 2023-2031 Housing Element, but the 2023-2031 Housing Element will be reviewed by the California Department of Housing and Community Development for the purpose of determining whether it complies with the requirements of State Housing Element law.

### 1.4 INCORPORATION BY REFERENCE

Pertinent documents relating to this Initial Study have been cited in accordance with CEQA Guidelines Section 15150, which encourages incorporation by reference as a means of reducing redundancy and length of environmental reports. The following documents are hereby incorporated by reference into this EIR. Information contained within these documents has been utilized for this Initial Study. These documents are available for review at the City of Capitola Community Development Department located at 420 Capitola Avenue, Capitola, California 95010, and online, if available, with the links provided below.

**The Capitola General Plan.** The Capitola General Plan (General Plan) is the City's "blueprint" for all future development and conservation within the community. The General Plan has seven State-mandated elements: Land Use; Housing; Open Space; Conservation; Safety; Noise; and Mobility, and includes an optional, Economic Development Element.

On June 26, 2014, the Capitola City Council adopted the General Plan Update to replace the City's previous 1989 General Plan. The General Plan Update provides new goals and policies to promote sustainability, improve protections of residential neighborhoods and historic resources, and enhance economic vitality. The 2015-2023 Housing Element was adopted by the Capitola City Council on November 25, 2015 and certified by the California Department of Housing and Community Development (HCD) on February 4, 2016. The Land Use Element of the General Plan was updated on March 13, 2019.

[Capitola General Plan | City of Capitola California](#)

**The Capitola General Plan Update Environmental Impact Report.** The Environmental Impact Report (EIR) for the City of Capitola General Plan Update (State Clearinghouse Number [SCH No.] 2013072002) evaluates the environmental effects associated with the adoption and implementation of the General Plan Update initiated by the City of Capitola.



## Addendum to the Capitola General Plan Update For the 2023-2031 Housing Element

General Plan Update EIR Conclusions. The General Plan Update (GPU) EIR reviewed the following topics: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology, Soils and Seismicity, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services (Fire Protection and Emergency Medical Services, Police Protection, School Services, Library Services), Parks and Recreation, Transportation and Traffic, and Utilities and Service Systems, and Greenhouse Gas Emissions.

The GPU EIR concluded the following significant unavoidable impacts:

- Air Quality – Impacts AIR-2 and AIR-6
- Hydrology and Water Quality – Impacts HYDRO -2 and HYDRO -9
- Transportation and Traffic – Impacts TRANS-1 and TRANS-6
- Utilities and Service Systems – Impacts UTIL-1, UTIL-2, and UTIL-3
- Greenhouse Gas Emissions – Impacts GHG-1 and GHG-3

The GPU EIR concluded all other impacts were less than significant.

The City Council certified the GPU EIR on June 26, 2014, as well as adopted a Statement of Overriding Considerations for significant, unavoidable impacts, and adopted a Mitigation Monitoring and Reporting Program.

The GPU EIR can be found on the City’s website using the following link under the Supporting Documents heading.

[Capitola General Plan | City of Capitola California](#)

**Capitola Municipal Code.** The Capitola Municipal Code (Municipal Code), codified through Ordinance 1060, passed June 8, 2023, consists of codes and ordinances adopted by the City. These include standards intended to regulate land use, development, health and sanitation, water quality, public facilities, and public safety.

Title 15 of the Municipal Code, Buildings and Construction (revised March 2023), specifies rules and regulations for construction, alteration, and building for uses of human habitation and occupation. Title 16 of the Municipal Code, Subdivisions (revised April 2023), regulates and controls the division of land within the city. Title 17 of the Municipal Code, Zoning (revised April 2023), identifies land uses permitted and prohibited according to the zoning category of particular parcels and establishes the development standards and regulations for each zone.

[Capitola Municipal Code \(codepublishing.com\)](#)





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## **2.0 PROJECT DESCRIPTION**

### **2.1 PROJECT LOCATION**

Capitola is a coastal community located along the Monterey Bay. The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz; Refer to [Exhibit 2-1, Regional Location Map](#). With a land area of 1.7 square miles, Capitola is home to a population of approximately 10,000 residents. Highway 1 runs east-west along the northern border of the City. Highway 17 is located northwest of Capitola and connects the coastal communities to Silicon Valley and San Francisco Bay Area to the north.

### **2.2 ENVIRONMENTAL SETTING**

#### **2.2.1 EXISTING LAND USES**

Capitola is a unique coastal community with its own special sense of place. Capitola is a popular visitor destination due to its beaches, historic charm, visitor amenities, and scenic location. The heart of Capitola is the Village, which features an assortment of shops, restaurants, vacation rentals, and recreational amenities. An assortment of residential neighborhoods contributes to the unique identity and family-friendly character of the community. Capitola is also home to the Capitola Mall, King’s Plaza, and other region-serving retail establishments along 41<sup>st</sup> Avenue.

Capitola has been fully urbanized for many years, and development includes a mix of housing types, employment districts with commercial and industrial uses, park and recreational amenities, and convenient transportation choices.

### **2.3 GENERAL PLAN AND ZONING DESIGNATIONS**

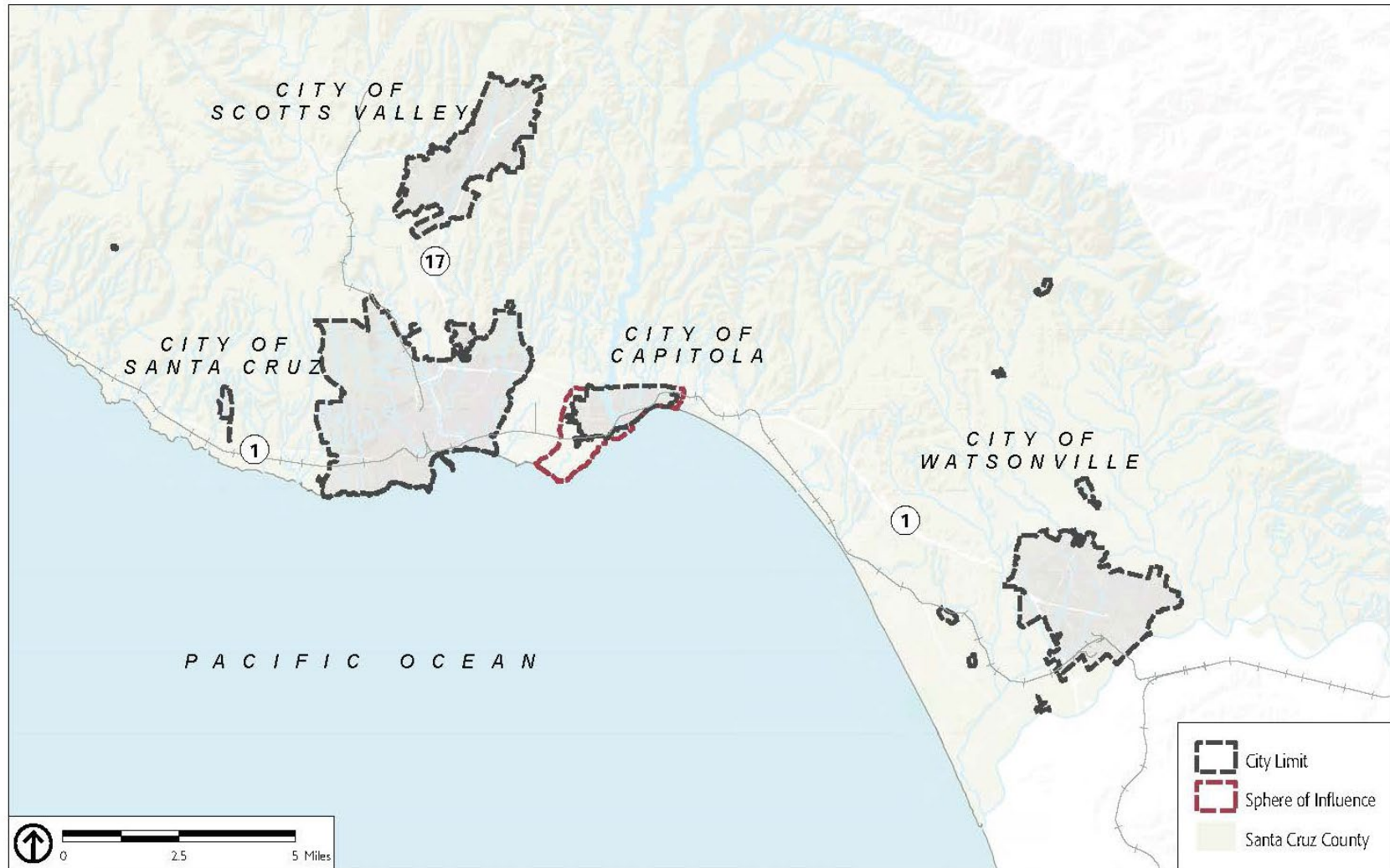
Not Applicable (Citywide).

### **2.4 PROJECT DESCRIPTION**

The project is the adoption and implementation of the 2023-2031 Housing Element. The 2023-2031 Housing Element represents an update of the City’s 2015-2023 Housing Element. The Housing Element is an integral component of the City’s General Plan, as it addresses existing and future housing needs of all types for persons of all economic segment groups in the City. The Housing Element serves as a tool for decision-makers and the public in understanding and meeting housing needs in Capitola. While the law does not require local governments to actually construct housing to meet identified needs, it does require that the community address housing needs in its discretionary planning actions.



### Exhibit 2-1 Regional Location Map



Source: City of Capitola General Plan Update EIR (December 2013)



**PURPOSE AND ORGANIZATION OF THE HOUSING ELEMENT**

The Housing Element is one of the seven mandatory elements of a General Plan. Through policies, procedures, and incentives, it provides an action-plan for maintaining and expanding the housing supply in the City of Capitola.

The Housing Element is organized into the following sections and appendices.

Sections	Appendices
Executive Summary	Appendix A: Glossary of Terms
Chapter 1: Introduction	Appendix B: Community Outreach Summary
Chapter 2: Housing Needs Assessment	Appendix C: 2015-2023 Housing Element Program Evaluation
Chapter 3: Constraints on Housing Production	Appendix D: Sites Inventory
Chapter 4: Housing Need and Opportunities	Appendix E: Affirmatively Furthering Fair Housing (AFFH)
Chapter 5: Housing Plan	

Capitola’s Housing Element for the 6<sup>th</sup> cycle planning period of June 30, 2023 to December 15, 2031 describes policies and programs that include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- Identification of adequate sites for housing; and
- Adequate provision for existing and projected needs of all economic segments of the community.

**Element**

Pursuant to *Government Code* Section 65583, the housing element contains four basic parts:

1. Analysis of demographic, social, and housing characteristics, current and future housing needs due to population growth and change, and other factors affecting housing need;
2. Analysis of governmental and nongovernmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities;
3. Inventory of resources available to address the City’s housing needs, including available land for housing, as well as the financial resources and administrative capacity to manage housing programs; and
4. Specific actions or programs to address the development, improvement, and conservation of housing to meet current and future needs. This includes goals, policies, and specific housing programs.



## **HOUSING GOALS AND POLICIES**

The 2023-2031 Housing Element goals and policies are listed below. Refer to the 2023-2031 Housing Element (separate document) for a full description of the programs associated with each goal.

### **GOAL 1.0 HOUSING PRODUCTION**

***Diversity in housing types and affordability levels to accommodate the needs of Capitola residents.***

#### **Housing Production Policies**

- Policy 1.1 Provide adequate sites and supporting infrastructure to accommodate present and future housing needs of Capitola residents.
- Policy 1.2 Encourage mixed-use developments.
- Policy 1.3 Provide opportunities for the development of alternative housing options, such as Accessory Dwelling Units.
- Policy 1.4 Periodically review development regulations, permit processes, and fees and their effect on development to ensure that such requirements facilitate housing production and rehabilitation.

### **GOAL 2.0 AFFORDABLE HOUSING DEVELOPMENT**

***Increased and protected supply of housing affordable to extremely-low, very-low, low, and moderate-income households.***

#### **Affordable Housing Policies**

- Policy 2.1 Encourage continued affordability of affordable rental housing supply in existing mobile home parks, subsidized rental housing, and special needs housing.
- Policy 2.2 Continue participation in state and federally sponsored programs designed to maintain housing affordability, including the HUD Housing Choice Voucher (HCV) Program.
- Policy 2.3 Preserve existing unrestricted affordable rental housing during the Housing Element planning period.
- Policy 2.4 Promote the development of affordable housing.
- Policy 2.5 Maintain the City’s Housing Trust Fund.
- Policy 2.6 Encourage the production of affordable ownership and rental housing through the City’s Affordable “Inclusionary” Housing Ordinance.

### **GOAL 3.0: HOUSING FOR PERSONS WITH SPECIAL NEEDS**

***Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations.***

#### **Special Housing Needs Policies**

- Policy 3.1 Support and facilitate programs that address the housing needs of special needs groups, including the elderly population, homeless persons, single-parent headed households, large households,



extremely low-income households, and persons with disabilities, including developmental disabilities.

- Policy 3.2 Continue the provision of city-initiated incentives to encourage affordable units in development projects.
- Policy 3.3 Support the development of accessible and affordable housing that is designed to serve all ages and is readily accessible to support services.
- Policy 3.4 Provide assistance for seniors and disabled to maintain and improve their homes.
- Policy 3.5 Facilitate and encourage the development of rental units appropriate for families with children, including the provision of supportive services such as childcare.
- Policy 3.6 Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.
- Policy 3.7 Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.
- Policy 3.8 Investigate and encourage the development of a variety of housing options for seniors including Congregate Housing, Continuing Care Retirement Communities (CCRCs), Assisted Living, Mobile Home Parks, co-housing, accessory dwelling units, and Independent Living.
- Policy 3.9 Encourage the establishment of childcare centers and family childcare homes in all appropriate zoning districts.

**GOAL 4.0: HOUSING ASSISTANCE**

*Increased assistance for extremely low, very low, low, and moderate income residents to rent or purchase homes.*

**Housing Assistance Policies**

- Policy 4.1 Maintain the City’s rental and ownership assistance programs.
- Policy 4.2 Explore and pursue City participation in other affordable homeownership assistance programs in the private market.
- Policy 4.3 Support the provision of childcare services, employment training, rental assistance, and other supportive services to enable households to be self-sufficient.
- Policy 4.4 Seek and support collaborative partnerships of nonprofit organizations and the development community to aid in the provision of affordable housing.

**GOAL 5.0: NEIGHBORHOOD VITALITY**

*Maintain, preserve, and improve the character of existing residential neighborhoods.*

**Neighborhood Vitality Policies**

- Policy 5.1 Ensure a compatible relationship between new housing and circulation patterns and encourage pedestrian and bicycle-friendly communities to minimize traffic impacts on quality of life.



- Policy 5.2 Protect the integrity of existing single-family and multifamily neighborhoods by promoting balanced site design and architecture.
- Policy 5.3 Assist individual neighborhoods in establishing their own identity through the development of neighborhood amenities (e.g., pocket parks, lighting, signs), mixed-use neighborhood nodes, and pedestrian and sustainability improvements.
- Policy 5.4 Promote the repair, improvement, and rehabilitation of housing and encourage replacement of substandard housing to enhance quality of life in neighborhoods.
- Policy 5.5 Improve the quality of housing and neighborhoods by educating landlords, tenants, and property owners about code compliance issues and enforcing compliance with building and property maintenance standards.

**GOAL 6.0: RESOURCE CONSERVATION**

*Fulfill the City’s housing needs while promoting an environ-mentally sensitive, compact community that is pedestrian-oriented and neighborhood-centered, using resources in a sustainable manner.*

**Resource Conservation Policies**

- Policy 6.1 Encourage the use of alternative modes of transportation.
- Policy 6.2 Strive to maintain a jobs/housing balance.
- Policy 6.3 Promote Green Building techniques, development, and construction standards that provide for resource conservation.
- Policy 6.4 Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.
- Policy 6.5 Ensure that adequate water supplies and sewer services continue to be available for residents and businesses.

**GOAL 7.0: AFFIRMATIVELY FURTHERING FAIR HOUSING**

*Equal access to housing opportunities regardless of one’s unique characteristics as protected by local, state and federal fair housing laws.*

**Fair Housing Policies**

- Policy 7.1 Promote meaningful and informed participation of residents, community groups, and governmental agencies in all local housing and community development activities.
- Policy 7.2 Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.
- Policy 7.3 Promote housing mobility by expanding housing choices and increasing housing opportunities in higher resource areas.
- Policy 7.4 Protect tenants from discriminatory housing practices and displacement.





- Policy 7.5 Promote the integration of affordable and special needs housing projects in existing neighborhoods.
- Policy 7.6 Collaborate with and support efforts of organizations dedicated to eliminating housing discrimination.

## **REGIONAL HOUSING NEEDS ASSESSMENT**

California *Government Code* Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in suitable living environments for all communities to meet statewide goals. The 2023-2031 Housing Element is a statement by the City of Capitola of its current and future housing needs identified in a policy document that sets forth the City’s goals, policies, and programs to address those identified needs.

Specifically, *Government Code* Section 65580 states the housing element shall consist of “...an identification and analysis of existing and projected housing needs and a statement of goals, polices, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing.” The housing element must also contain a housing plan with quantified objectives for the implementation of the goals and objectives described in the housing element. State law requires the housing element be updated every eight years or as otherwise required by State law.

*Government Code* Article 10.6, Section 65589 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in all communities to meet statewide goals. This Initial Study evaluates the environmental effects of the adoption and implementation of the Capitola 2023-2031 Housing Element. The planning period is from June 30, 2023 through December 15, 2031.

*Government Code* Section 65583 requires that housing elements include the following components:

- A review of the previous element’s goals, policies, programs, and objectives to ascertain the effectiveness of each of these components, as well as the overall effectiveness of the Housing Element;
- An assessment of housing needs and an inventory of resources and constraints related to the meeting of these needs;
- An analysis and program for preserving assisted housing developments;
- A Statement of community goals, quantified objectives, and policies relative to the preservation, improvement and development of housing;.
- A program which sets forth an eight-year schedule of actions that the City is undertaking or intends to undertake, in implementing the policies set forth in the Housing Element.

Several factors influence the demand for housing in the City of Capitola. Four major “needs” categories considered in the Housing Element include:

- 1) housing needs resulting from overcrowding;
- 2) housing needs that result when households are paying more than they can afford for housing;



- 3) housing needs of "special needs groups" such as the elderly, large families, female heads of households, households with persons with disabilities (including persons with developmental disabilities), and the homeless;
- 4) housing needs resulting from population growth in the City and surrounding region

California housing element law requires that each city and county develop local housing programs designed to meet their "fair share" of housing needs for all income groups. The California Department of Housing and Community Development (HCD), Housing Policy Division develops the Regional Housing Needs Assessments (RHNA) for each region of the State, represented by councils of governments. The Association of Monterey Bay Area Governments (AMBAG) determines the housing allocation for each city and county within its three-county jurisdiction, which includes Santa Cruz County. AMBAG assigned Capitola a housing allocation of 1,336 units, as shown in *Table 2-1, Regional Housing Needs Allocation 2023-2031*. The RHNA covers the period of June 30, 2023 through December 15, 2031.

**TABLE 2-1  
REGIONAL HOUSING NEEDS ALLOCATION 2023-2031**

Income Category	Number of Units
Extremely Low Income	215
Very Low Income	215 <sup>1</sup>
Low Income	282
Moderate Income	169
Above Moderate Income	455
<b>Total Units</b>	<b>1,336</b>
Source: City of Capitola, 2023-2031 Housing Element (July 2023)	
Notes: 1. The City has a RHNA allocation of 430 very low income units (inclusive of extremely low income units). While the RHNA did not separately define housing needs for extremely low income households, the very low income allocation can be split evenly between very low- and extremely low income households.	

### Residential Sites Inventory

The inventory is detailed in 2023-2031 Housing Element Chapter 4: Housing Need and Opportunities.

### Comparison of Sites Inventory and RHNA

Properties identified in the sites inventory have the combined capacity to accommodate approximately 1,453 additional housing units on underutilized sites. These sites, and the associated existing land use regulations, can facilitate the production of 448 extremely low-/very low-income units, 298 low-income units, 239 moderate-income units, and 468 above-moderate-income units during the planning period. Refer to *Table 2-2*.



**TABLE 2-2  
COMPARISON OF SITES INVENTORY AND RHNA**

	LOWER	MODERATE	ABOVE MODERATE	TOTAL
RHNA	712	169	455	1,336
Site Inventory				
Recyclable Land*	840	195	455	1,480
Rezone/Overlay Sites*	0	0	0	0
Accessory Dwelling Units (ADUs)	10	30	10	50
<b>TOTAL</b>	<b>850</b>	<b>225</b>	<b>455</b>	<b>1,530</b>
Surplus/Deficit	+138	+56	--	+194
Source: City of Capitola, 2023-2031 Housing Element Table 4-7 (October 2023)				
Notes: *Includes vacant sites, underutilized land, and pending projects				

An inventory of land suitable for residential development is shown in [Table 2-3](#).

**TABLE 2-3  
INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT SUMMARY**

	EXTREMELY LOW / VERY LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MODERATE INCOME	TOTAL RESIDENTIAL CAPACITY
<b>6<sup>th</sup> Cycle RHNA</b>	<b>430</b>	<b>282</b>	<b>169</b>	<b>455</b>	<b>1,336</b>
R-1 (Churches)	6	4	---	---	10
RM-L	5	3	4	6	18
RM-M	31	21	1	2	55
MU-N	49	33	30	61	173
C-R	297	198	119	274	888
C-C	105	76	41	102	324
CF	7	5	---	---	12
ADUs	6	4	30	10	50
<b>TOTAL</b>	<b>506</b>	<b>344</b>	<b>225</b>	<b>455</b>	<b>1,530</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-8 (October 2023)					
Notes: *Includes vacant sites, underutilized land, and pending projects					



**Summary of Residential Capacity on Vacant, Recyclable, and ADU Sites**

The analysis indicates that the City’s inventory of underutilized/recyclable sites, along with entitled units under plan review and potential Accessory Dwelling Unit (ADU) production has the potential for the development of 1,453 residential units on existing residential properties and within existing zoning categories. A detailed sites inventory table is also presented in 2023-2031 Housing Element Appendix D.

*Table 2-4* shows the distribution of the City’s RHNA allocation and low and very-low income units. While the projects focus on areas rich in transit and other amenities, the projections are spread throughout the City in various districts and neighborhoods. This includes infill single-family, ADUs and multiple-family, high density corridors, urban density corridors, and transit-oriented development.

**TABLE 2-4**  
**SUMMARY OF HOUSING UNITS**

SUB-AREA	LOW AND VERY LOW INCOME UNITS	TOTAL UNITS	PERCENT OF RHNA
Residential Recycling			
Single Family Zone (Religious Sites Only)	10	10	0.7%
Multi-Family Residential Zones	60	73	5.4%
Commercial Zones That Permit Residential Projects	676	1,212	90.8%
Mixed Use Neighborhood Zone	82	173	12.9%
Community Facility Zone (Schools Only)	12	12	0.9%
Accessory Dwelling Units (ADUs)	10	50	3.7%
<b>TOTAL*</b>	<b>850</b>	<b>1,530</b>	<b>114.5%</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-9 (October 2023)			
Notes: *Total RHNA for lower and very low: 712; total RHNA is 1,336			

The 2023-2031 Housing Element identifies sites evaluated previously for potential environmental impacts in the *General Plan Update EIR*. The 2023-2031 Housing Element Update identifies a range of tentatively reserved sites that could be developed to meet the City’s 6<sup>th</sup> cycle RHNA throughout Capitola. Some of these sites may differ from those identified in the *City of Capitola General Plan* and could require land use changes in the future that would allow for increased density or other provisions.

*Government Code* Section 65583 (c)(1)(A) states that cities have up to three years from the time a Housing Element is adopted to rezone sites, including adoption of minimum density and development standards. The sites inventory (provided in 2023-2031 Housing Element Appendix D) yields housing units that provide more than 100 percent of the RHNA requirements. Furthermore, each future development proposal associated with implementation of the Housing Element would be subject to environmental analysis, as applicable, pursuant to *CEQA Guidelines* Section 15168(c) and as required by State law, to evaluate potential impacts specific to that proposal.



## Housing Element Assumptions

This document is based on the following assumptions:

1. **General Plan Consistency.** The 2023-2031 Housing Element is consistent with the adopted *City of Capitola General Plan*. As the General Plan is updated in the future, the City will ensure that the updated General Plan is consistent with the policies contained in the Housing Element.
2. **Purpose of Housing Element Environmental Review.** This Initial Study is not intended to and does not address the particular impacts of future housing projects on any site identified in the 2023-2031 Housing Element. The Initial Study is limited to the review of potential environmental impacts resulting from the adoption and implementation of the 2023-2031 Housing Element and is not intended to analyze impacts of current or future specific development activities.
3. **Project-Specific Environmental Review.** In the City of Capitola, all housing development proposals are subject to a CEQA review process.

## 2.5 PERMITS AND APPROVALS

The City of Capitola is the Applicant. The project requires the following City of Capitola legislative/discretionary approvals:

- General Plan Amendment



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### 3.0 SUPPLEMENTAL ENVIRONMENTAL CHECKLIST FORM

FOR USE WHEN THE CITY IS REVIEWING SUBSEQUENT DISCRETIONARY ACTIONS PURSUANT TO A PREVIOUSLY APPROVED OR CERTIFIED ENVIRONMENTAL DOCUMENT.

<b>1.</b>	<b>Project Title:</b> 2023-2031 Housing Element
<b>2.</b>	<b>Lead Agency Name and Address:</b> City of Capitola 11333 Valley Boulevard Capitola, CA 91731
<b>3.</b>	<b>Contact Person and Phone Number:</b> Ms. Katie Herlihy, AICP, Community Development P: 831.475.7300 ext 216 E: <a href="mailto:kherlihy@ci.capitola.ca.us">kherlihy@ci.capitola.ca.us</a>
<b>4.</b>	<b>Project Location:</b> The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz with a land area of 1.7 square miles; Refer to <u>Exhibit 2-1, Regional Location Map</u> . The project applies to all properties within the municipal boundaries of the City of Capitola.
<b>5.</b>	<b>Project Sponsor’s Name and Address:</b> City of Capitola 420 Capitola Avenue, Capitola, CA 95010
<b>6.</b>	<b>General Plan Designation:</b> Not Applicable (Citywide)
<b>7.</b>	<b>Zoning:</b> Not Applicable (Citywide)
<b>8.</b>	<p><b>Previous Environmental Document: Please describe the previously adopted ND or MND or the previously certified EIR (include the date the document was adopted or certified, the date the project was approved by the City, the date the NOD was filed with the County, and a summary of potentially significant effects identified in the CEQA document).</b></p> <p>The <i>Capitola General Plan Update Environmental Impact Report</i> concluded the following significant unavoidable impacts:</p> <ul style="list-style-type: none"><li>▪ Air Quality – Impacts AIR-2 and AIR-6</li><li>▪ Hydrology and Water Quality – Impacts HYDRO -2 and HYDRO -9</li><li>▪ Transportation and Traffic – Impacts TRANS-1 and TRANS-6</li><li>▪ Utilities and Service Systems – Impacts UTIL-1, UTIL-2, and UTIL-3</li><li>▪ Greenhouse Gas Emissions – Impacts GHG-1 and GHG-3</li></ul> <p>The <i>GPU EIR</i> concluded all other impacts were less than significant.</p> <p>The City Council certified the <i>GPU EIR</i> on June 26, 2014, as well as adopted a Statement of Overriding Considerations for significant unavoidable impacts, and adopted a Mitigation Monitoring and Reporting Program.</p>





<b>9.</b>	<b>Description of the Project:</b> Refer to <u>Section 2.4, Project Description</u> .
<b>10.</b>	<b>Surrounding Land Uses and Setting:</b> Capitola is a coastal community located along the Monterey Bay. The City of Capitola is centrally located in Santa Cruz County, east of the City of Santa Cruz. Highway 1 runs east-west along the northern border of the City. Highway 17 is located northwest of Capitola and connects the coastal communities to Silicon Valley and San Francisco Bay Area to the north.
<b>11.</b>	<b>Other public agencies whose approval is required (e.g., permits, financing approval or participation agreement).</b> Refer to <u>Section 2.5, Permits and Approvals</u> .
<b>12.</b>	<b>Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code Section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality</b> While not required, the City complied with Tribal Cultural Resources consultation requirements and formal notification was sent to eight tribes. The City received no requests for consultation.



## 4.0 ENVIRONMENTAL ANALYSIS

### EVALUATION OF ENVIRONMENTAL IMPACTS

In accordance with CEQA, *Public Resources Code* Sections 21000-21178.1, this Modified Initial Study has been prepared to analyze whether any new or more significant environmental impacts could occur from implementation of the proposed project. The purpose of this Initial Study is to inform the decision makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the proposed project. This section analyzes the potential environmental impacts associated with the proposed project. The issue areas evaluated in this Initial Study include those cited in [Section 3.0](#).

As the General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under *Public Resources Code* Section 21166 and CEQA Guidelines Sections 15162 and 15163, there are new significant effects or other grounds that require preparation of a subsequent EIR or supplemental EIR in support of further agency action on the project. Under these guidelines, a subsequent or supplemental EIR shall be prepared if any of the following criteria are met:

- (a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
  - 1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  - 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
  - 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
    - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
    - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
    - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.



As demonstrated in Environmental Analysis Sections 4.1 through 4.19, none of the conditions that had been analyzed in the General Plan EIR would change with adoption of the 2023-2031 Housing Element. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified.

A Housing Element does not propose or require development of any residential use, rather, it establishes local goals, policies, and actions the City would implement and/or facilitate to address identified housing issues. In accordance with State law, Housing Elements must be updated every eight years to establish current housing and land use strategies reflective of changing needs, resources, and conditions.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes.

- 1) A finding of “No New Impact/No Impact” means that the potential impact was fully analyzed and/or mitigated in the prior CEQA document and no new or different impacts will result from the proposed activity. A brief explanation is required for all answers except “No New Impact/No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No New Impact/No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No New Impact/No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) A finding of “New Mitigation is Required” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document and that new mitigation is required to address the impact.
- 3) A finding of “New Potentially Significant Impact” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document that cannot be mitigated to below a level of significance or be avoided.
- 4) A finding of “Reduced Impact” means that a previously infeasible mitigation measure is now available, or a previously infeasible alternative is now available that will reduce a significant impact identified in the previously prepared environmental document.
- 5) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 6) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analyses Used. Identify and state where they are available for review.



- b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis. Describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the proposed action.
  - c) Infeasible Mitigation Measures. Since the previous EIR was certified or previous ND or MND was adopted, discuss any mitigation measures or alternatives previously found not to be feasible that would in fact be feasible or that are considerably different from those previously analyzed and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives.
  - d) Changes in Circumstances. Since the previous EIR was certified or previous ND or MND was adopted, discuss any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause a change in conclusion regarding one or more effects discussed in the original document.
- 7) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 8) Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 9) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 10) The explanation of each issue should identify:
- a) the significance criteria or threshold, if any, used to evaluate each question;
  - b) differences between the proposed activity and the previously approved project described in the approved ND or MND or certified EIR; and
  - c) the previously approved mitigation measure identified, if any, to reduce the impact to less than significance.



## **NEW SIGNIFICANT ENVIRONMENTAL EFFECTS OR SUBSTANTIALLY MORE SEVERE SIGNIFICANT ENVIRONMENTAL EFFECTS COMPARED TO THOSE IDENTIFIED IN THE PREVIOUS CEQA DOCUMENT**

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances or new information of substantial importance, as indicated by the checklist and discussion in Section 4.1 through Section 4.19.

	Aesthetics		Land Use and Planning
	Agriculture and Forestry Resources		Mineral Resources
	Air Quality		Noise
	Biological Resources		Population and Housing
	Cultural and Tribal Cultural Resources		Public Services
	Energy		Recreation
	Geology and Soils		Transportation
	Greenhouse Gas Emissions		Utilities and Service Systems
	Hazards and Hazardous Materials		Wildfire
	Hydrology and Water Quality		



## LEAD AGENCY DETERMINATION

On the basis of this evaluation:

- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND or MND or previously certified EIR adequately discusses the potential impacts of the project without modification.
- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND, MND or previously certified EIR adequately discusses the potential impacts of the project; however, minor changes require the preparation of an ADDENDUM.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND, MND or EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, all new potentially significant environmental effects or substantial increases in the severity of previously identified significant effects are clearly reduced to below a level of significance through the incorporation of mitigation measures agreed to by the project applicant. Therefore, a SUBSEQUENT MND is required.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, only minor changes or additions or changes would be necessary to make the previous EIR adequate for the project in the changed situation. Therefore, a SUPPLEMENTAL EIR is required.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, a SUBSEQUENT EIR is required.



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**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

**4.1 AESTHETICS**

Would the project, except as provided in Public Resources Code Section 21099:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Have a substantial adverse effect on a scenic vista?			✓	
B. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?			✓	
C. In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). In an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?			✓	
D. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?			✓	

Note: Certain projects within a transit priority area need not evaluate aesthetics (*Public Resources Code Section 21099*).

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the aesthetics impacts and mitigation measures, if applicable.

AESTHETICS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
AES-1: The proposed Plan would not have a substantial adverse effect on a scenic vista.	Less Than Significant Impact	Not Applicable	
AES-2: The proposed Plan would not substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings, within a State scenic highway.	No Impact	Not Applicable	
AES-3: The proposed Plan would not result in substantial degradation of the existing visual character or quality of Capitola or its surroundings.	Less Than Significant Impact	Not Applicable	
AES-4: The proposed Plan would not create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.	Less Than Significant Impact	Not Applicable	
AES-5: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to aesthetics.	Less Than Significant Impact	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON A SCENIC VISTA?**

The *GPU EIR* identified that one of the guiding principles of the *General Plan* includes the protection and enhancement of natural resources including the beaches, creek, ocean, and lagoon which contribute to Capitola’s scenic beauty. Future development under the *General Plan* would be subject to existing laws and regulations that serve to protect scenic vistas in the Plan Area. The City’s zoning ordinance includes provisions that regulate building height, building placement, and establish standards for lot coverage and usable open space.

The *General Plan* includes policies and actions relevant to the protection of scenic vistas: Policy LU-4.7 Planning Projects, Action LU-5.1 Design Review, Policy LU-6.9 Capitola Wharf, Policy LU-7.3 Scenic Resources, Action LU-7.1 Village Design Guidelines, and Policy LU-10.1 New Development. The *GPU EIR* concluded less than significant impacts to a scenic vista with implementation of the aforementioned *General Plan* policies and actions, and regulatory requirements.

The City of Capitola is a largely built out community with a mix of residential, commercial/industrial, and parks/open space uses. One of the *General Plan* guiding principles includes the protection and enhancement of natural resources including the beaches, creek, ocean, and lagoon which contribute to Capitola’s scenic beauty. There are no officially designated scenic vistas or view corridors in Capitola. However, there are many places in the City that allow for expansive views of the community, ocean to the southwest and foothills to the north.

### **B. WOULD THE PROJECT PROPOSED PLAN HAVE A SUBSTANTIAL ADVERSE EFFECT ON A SCENIC VISTA.**

The *General Plan* includes policies and actions relevant to scenic vistas: Policy LU-4.7 Planning Projects, Action LU-5.1 Design Review, Policy LU-6.9 Capitola Wharf, Policy LU-7.3 Scenic Resources, Action LU-7.1 Village Design Guidelines, and Policy LU-10.1 New Development. The *GPU EIR* concluded less than impacts to scenic vistas with implementation of the aforementioned *General Plan* policies and actions, and regulatory requirements.



The proposed project does not involve construction on any particular site in the City. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project.

Adoption and implementation of the proposed project would not substantially alter the visual character of the City, nor would it have adverse impacts relative to the scenic vistas. Thus, impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT SUBSTANTIALLY DAMAGE SCENIC RESOURCES, INCLUDING, BUT NOT LIMITED TO, TREES, ROCK OUTCROPPINGS, AND HISTORIC BUILDINGS WITHIN A STATE SCENIC HIGHWAY?**

The *General Plan* includes policies relevant to scenic resources: Policy LU-10.4 Highway 1 Interchange and Policy LU-12.6 McGregor Property. The *GPU EIR* concluded no impacts to scenic resources within a State scenic highway with implementation of the aforementioned *General Plan* policies and regulatory requirements.

There are no officially designated scenic highways within the City limits of Capitola. However, Highway 1 which passes through Capitola is eligible to become officially designated. No scenic vistas, trees, rock outcroppings, or state scenic highways occur within the City of Capitola. The proposed project applies to the entire City, and the 2023-2031 Housing Element only identifies sites where new housing may be developed consistent with adopted land use policy. The proposed project does not involve construction at any particular site in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. IN NONURBANIZED AREAS, WOULD THE PROJECT SUBSTANTIALLY DEGRADE THE EXISTING VISUAL CHARACTER OR QUALITY OF PUBLIC VIEWS OF THE SITE AND ITS SURROUNDINGS? (PUBLIC VIEWS ARE THOSE THAT ARE EXPERIENCED FROM PUBLICLY ACCESSIBLE VANTAGE POINT). IN AN URBANIZED AREA, WOULD THE PROJECT CONFLICT WITH APPLICABLE ZONING AND OTHER REGULATIONS GOVERNING SCENIC QUALITY?**

The *General Plan* includes goals, policies, and actions relevant to the protection of scenic vistas and the preservation of the character of existing distinct neighborhoods: Policy LU-1.1 Community Character, Policy LU-1.2 Design Quality, Action LU-1.1 Design Guidelines, Goal LU-2, Policy LU-2.1 Historic Structures, Policy LU-2.2 Modification Standards, Policy LU-2.3 Preservation Incentives, Policy LU-2.4 Public Awareness, Policy LU-3.1 Historic Structures, Policy LU-3.3 Infill Development, Goal LU-4, Policy LU-4.2 Neighborhood Diversity, Policy LU-4.3 Existing Housing, Policy LU-4.5 Neighborhood Amenities, Policy LU-4.6 Natural Features, Goal LU-5, Policy LU-5.1 Neighborhood Characteristics, Policy LU-5.2 Development Impacts, Policy LU-5.3 Mass and Scale, Policy LU-5.5 Architectural Character, Action LU-5.1 Design Review, Policy LU-7.1 New Development Design. The *GPU EIR*



concluded less than significant visual character impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.

The City of Capitola is considered an urbanized area. The proposed project involves a policy-level document, and as such, does not include any site-specific development designs or proposals. Therefore, it is not possible at this time to conduct an assessment of potential site-specific visual impacts relative to future development proposals associated with implementation of the proposed project.

However, future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. Thus, adoption and implementation of the proposed project ensures visual character and scenic quality impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT CREATE A NEW SOURCE OF SUBSTANTIAL LIGHT OR GLARE WHICH WOULD ADVERSELY AFFECT DAY OR NIGHTTIME VIEWS IN THE AREA?**

The City of Capitola is located within a moderately urbanized context. Future development under the *General Plan* would create new sources of light and glare. However, regulations in the *Municipal Code* and policies in the *General Plan* would substantially minimize adverse impacts. The *General Plan* includes a policy relevant to light and glare: Policy LU-5.2 Development Impacts. The *GPU EIR* concluded less than significant light and glare impacts with implementation of the aforementioned *General Plan* policy.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals, nor does it address new lighting sources. As such, it is not possible at this time to conduct an assessment of potential site-specific light and glare impacts relative to future development proposals associated with implementation of the proposed project. Generally, potential glare and lighting glare impacts can be mitigated through use of non-reflective building materials and lighting that is shielded downward.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. The case-by-case review of future development proposals associated with implementation of the proposed project ensures that light and glare impacts are addressed through minimization and/or mitigation. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.2 AGRICULTURE AND FORESTRY RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?			✓	
B. Conflict with existing zoning for agricultural use, or a Williamson Act contract?			✓	
C. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?			✓	
D. Result in the loss of forest land or conversion of forest land to non-forest use?			✓	
E. Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

CEQA Guidelines Section 15128 allows environmental issues for which there is no likelihood of significant impact to be “scoped out” and not analyzed further in an EIR. It was determined that the proposed Plan (*General Plan*) would not result in significant impacts with respect to Agriculture and Forestry Resources, and as such were not analyzed in the *GPU EIR*.



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT CONVERT PRIME FARMLAND, UNIQUE FARMLAND, OR FARMLAND OF STATEWIDE IMPORTANCE (FARMLAND), AS SHOWN ON THE MAPS PREPARED PURSUANT TO THE FARMLAND MAPPING AND MONITORING PROGRAM OF THE CALIFORNIA RESOURCES AGENCY, TO NON-AGRICULTURAL USE?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. No properties in Capitola are designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland). Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CONFLICT WITH EXISTING ZONING FOR AGRICULTURAL USE, OR A WILLIAMSON ACT CONTRACT?**

The City and surrounding area are developed and urbanized. No agricultural land exists or is zoned for agricultural use within the City, and no property within the City is under a Williamson contract. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not affect any land zoned for agricultural uses and would not conflict with a Williamson Act Contract. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**C. WOULD THE PROJECT CONFLICT WITH EXISTING ZONING FOR, OR CAUSE REZONING OF, FOREST LAND (AS DEFINED IN PUBLIC RESOURCES CODE SECTION 12220(G)), TIMBERLAND (AS DEFINED BY PUBLIC RESOURCES CODE SECTION 4526), OR TIMBERLAND ZONED TIMBERLAND PRODUCTION (AS DEFINED BY GOVERNMENT CODE SECTION 51104(G))?**

There is no zoning designation for forest land in the City of Capitola, and no areas within the City are classified as forest or timberland as defined by *Public Resources Code* Section 4526. Forestry operations do not occur within the City. Also, no property within the City supports trees capable of 10 percent native tree cover of any species, including hardwoods, under natural conditions, or that allows for management of one or more forest resources, including timber, aesthetics, fish and wildlife, biodiversity, water quality, recreation, and other public benefits. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not result in the rezoning of forest land, timberland, or timberland zoned Timberland Production. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN THE LOSS OF FOREST LAND OR CONVERSION OF FOREST LAND TO NON-FOREST USE?**

Refer to Response 4.2.C.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT INVOLVE OTHER CHANGES IN THE EXISTING ENVIRONMENT, WHICH, DUE TO THEIR LOCATION OR NATURE, COULD RESULT IN CONVERSION OF FARMLAND, TO NON-AGRICULTURAL USE OR CONVERSION OF FOREST LAND TO NON-FOREST USE?**

The City contains no forest land, nor is any property within the City zoned for agriculture. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Therefore, the proposed project would not result in changes to the environment that lead to the conversion of farmland to a non-agricultural use or forest land to a non-forest use. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





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### 4.3 AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.				
Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Conflict with or obstruct implementation of the applicable air quality plan?			✓	
B. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?			✓	
C. Expose sensitive receptors to substantial pollutant concentrations?			✓	
D. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the air quality impacts and mitigation measures, if applicable.

AIR QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
AIR-1: Citywide construction activities under the proposed Plan would result in a considerable increase of criteria pollutants, and thus, could violate air quality standards.	Significant	AIR-1a AIR-1b	Less Than Significant
AIR-2: Implementation of the proposed Plan could result in an overall increase in mobile and stationary source emissions within the City, which could exceed Monterey Bay Unified Air Pollution Control District air quality standards.	Significant	AIR-2: No Mitigation Available	Significant Unavoidable
AIR-3: Implementation of the proposed Plan could result in an overall increase in odors within the City.	Less Than Significant	Not Applicable	Less Than Significant
AIR-4: Implementation of the Capitola General Plan could result in an overall increase in localized and carbon monoxide hotspot emissions within the city, which could exceed Monterey Bay Unified Air Pollution Control District air quality standards.	Less Than Significant	Not Applicable	Less Than Significant
AIR-5: The proposed Plan may conflict with or hinder implementation of the Association of Monterey Bay Area Government’s regional comprehensive plan guidelines and the Monterey Bay Unified Air Pollution Control District Air Quality Management Plan.	Less Than Significant	Not Applicable	Less Than Significant
AIR-6: Regional air quality emissions resulting from operational buildout of the Capitola General Plan could impact regional air quality levels on a cumulatively considerable basis.	Significant	AIR-6	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## **IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT IMPLEMENTATION OF THE APPLICABLE AIR QUALITY PLAN?**
  
- B. WOULD THE PROJECT RESULT IN A CUMULATIVELY CONSIDERABLE NET INCREASE OF ANY CRITERIA POLLUTANT FOR WHICH THE PROJECT REGION IS NON-ATTAINMENT UNDER AN APPLICABLE FEDERAL OR STATE AMBIENT AIR QUALITY STANDARD?**

The *General Plan* includes the following relevant goals, policies, and actions: Goal OSC-3, Policy OSC-3.1 Air Quality Management Plans, Policy OSC-3.2 Development Design, Policy OSC-3.3 Best Management Practices, Policy OSC-3.6 Sensitive Receptors. Policy OSC-3.7 Roadway Materials, Policy SN-4.4 Green Building, Goal OSC-4, Policy OSC-4.1 On-Site Energy Generation, Policy OSC-4.2 Grid-Neutral Development, Policy OSC-4.3 Photovoltaic Panels, Policy OSC-4.4 Solar Heaters, Policy OSC-4.5 Solar Access, Policy OSC-4.6 Passive Solar Design, Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Action OSC-11.1, Action OSC-11.3 Recycled Asphalt Pavement, Goal LU-3, Policy LU-3.1 Land Use Diversity, Policy LU-3.2 Walkability, Policy LU-3.4 Transit and Pedestrian Access, Policy LU-3.5 Pedestrian and Bicycle Connections, Policy LU-3.7 Regional Outlook, Goal MO-1, Policy MO-1.1 Responsive Transportation Services, Policy MO-1.2 Reduced Vehicle Trips, Policy MO-1.3 Regional Collaboration, Policy MO-1.4 Highway 1 Capacity, Action MO-1.2 Regional Plan Implementation, Action MO-1.3 Highway 1 Crossings, Goal MO-2, Policy MO-2.1 Complete Streets, Policy MO-2.3 Community Context, Policy MO-2.4 Maintenance, Policy MO-2.5 Existing Rights-of-Way, Policy MO-2.6 Non-Motorized Connectivity, Action MO-2.1 Complete Street Standards, Action MO-2.2 Capital Improvement Program, Action MO-2.3 Dedications, Action MO-3.2 Signal Timing, Policy MO-6.5 Transportation Alternatives, Policy MO-7.1 Regional Cooperation, Policy MO-7.2 Transit-Friendly Development, Policy MO-7.6 Rail Service, Action MO-7.1 Improved Transit Coverage, Policy MO-8.1 Bicycle Transportation Plan, Policy MO-8.2 Regional System, Action MO-8.3 Bicycle Connections, and Action MO-8.5 Highway 1 Interchanges.

The *GPU EIR* concluded that buildout of the *General Plan* would have significant unavoidable impacts relative to conflicting with an applicable plan and net increase of criteria pollutants under Federal or state air quality



standards with implementation of the aforementioned *General Plan* goals, policies, and actions, regulatory requirements, and mitigation measures AQ-1 and AQ-2.

The Monterey Bay Unified Air Pollution Control District (MBUAPCD) is one of 35 air quality management districts established to protect air quality in California. It is responsible for regulating stationary, indirect, and area sources of pollution within the North Central Coast Air Basin (NCCAB). The MBUAPCD's jurisdiction includes Monterey, Santa Cruz, and San Benito Counties. The City of Capitola is located in the NCCAB.

Construction-Related Impacts. The *GPU EIR* concluded that with the implementation of GPU EIR Mitigation Measures AIR-1a and AIR-1b, impacts would be less than significant.

Operational-Related Impacts. The *GPU EIR* concluded that no mitigation was available to reduce operational-related emissions, thus, impacts associated with the GPU would remain significant and unavoidable.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. And while adoption and implementation of the 2023-2031 Housing Element would not directly result in the construction of new housing or pollutant emissions, it could facilitate housing construction consistent with adopted land use policy, which could then create potential pollutant emissions. A case-by-case review of future development proposals associated with implementation of the proposed project would be necessary to ensure that potential pollutant emissions do not conflict with or obstruct implementation of the applicable air quality plan, result in a cumulatively considerable net increase of any criteria pollutant, or be inconsistent with Federal, State, and local air quality standards; the applicable Air Quality Management Plan; and the *General Plan* goals, policies, and standards relative to air quality.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws, regulations, and air quality standards; applicable Air Quality Management Plan; MBUAPCD rules and programs; *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, relative to air quality.

The previously noted goals, policies, actions, laws, regulations, standards, rules, and programs along with *GPU EIR* Mitigation Measures AIR-1a and AIR-1b ensure proposed project impacts are reduced to the maximum extent feasible, and that ambient air quality standard impacts remain as less than significant, while the air quality plan remains as significant and unavoidable as there are no applicable mitigation measures.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT EXPOSE SENSITIVE RECEPTORS TO SUBSTANTIAL POLLUTANT CONCENTRATIONS?**

Land uses that are considered more sensitive to changes in air quality than others are referred to as sensitive receptors. Land uses such as primary and secondary schools, hospitals, and convalescent homes are considered to be sensitive to poor air quality because the very young, the old, and the infirm are more susceptible to respiratory infections and other air quality-related health problems than the general public. Residential uses are



considered sensitive because people in residential areas are often at home for extended periods of time, so they could be exposed to pollutants for extended periods. Per the *GPU EIR*, sensitive receptors within the City of Capitola include residential uses, schools, and libraries.

The *GPU EIR* determined that implementation of the *General Plan* would not directly result in increased population or new development. However, future development could result in mobile sources of emissions associated with vehicle trips, as well as project-level construction related emissions. Sensitive receptors could be potentially subject to stationary and/or vehicular emissions and pollutants such as toxic air contaminants from stationary sources, carbon monoxide (CO) emissions from vehicular traffic, and/or diesel emissions from construction-related emissions.

The *GPU EIR* concluded that implementation of the *General Plan* could result in increased exposure of sensitive land uses to localized concentrations of TACs that would exceed Monterey Bay Unified Air Pollution Control District's (MBUAPCD) recommended significance thresholds. However, future development within Capitola would be required to comply with MBUAPCD rules and regulations, including Rule 1000: Permit Guidelines and Requirements for Sources Emitting Toxic Air Contaminants. Additionally, any potential source of stationary emissions would be subject to MBUAPCD review and approval to ensure emissions do not create or substantially contribute to air quality violations. Stationary sources with potential toxic air contaminants would also be subject to MBUAPCD review and approval to ensure that there are no significant impacts to adjacent residents, sensitive receptors and/or other land uses. The *GPU EIR* concluded less than significant impacts relative to localized emissions and carbon monoxide impacts to sensitive receptors.

The *GPU EIR* concluded that buildout of the *General Plan* would result in less than significant impacts relative to exposing sensitive receptors to substantial pollutant concentrations.

The *General Plan* includes goals, policies, and actions relevant to substantial pollutant concentrations: Goal OSC-3, Policy OSC-3.5 Health Risk Assessments, Policy MO-3.1 Arterial Streets, Policy MO-3.2 Street Widening, Policy MO-3.3 Level of Service Standard, Action MO-3.1 Neighborhood Traffic, Action MO-3.2 Signal Timing, and Action MO-3.3 Traffic Monitoring. The *GPU EIR* concluded less than significant pollutant concentration impacts with implementation of the aforementioned *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The 2023-2031 Housing Element is a policy document that establishes City direction for facilitating housing development pursuant to adopted land use plans. Future development proposals associated with implementation of the proposed project would be required to comply with the density and intensity standards set forth in the *General Plan* and current Zoning Ordinance.

In addition, future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal, State, and local laws, regulations, and air quality standards; MBUAPCD rules; *Building Code* requirements; *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs; and *GPU EIR* Mitigation Measures AIR-1a and AIR-1b. The *GPU EIR* identified Mitigation Measure Mitigation Measures AIR-1a and AIR-1b would reduce impacts to less than significant for residential and other sensitive land uses. Thus, adoption and implementation of the proposed project would not directly result in the exposure of persons to substantial pollutant concentrations.



The previously noted goals, policies, actions, laws, regulations, standards, rules, programs, and mitigation measure ensure proposed project impacts are reduced to the maximum extent feasible, and that air quality impacts to sensitive receptors remain as less than significant.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN OTHER EMISSIONS (SUCH AS THOSE LEADING TO ODORS) ADVERSELY AFFECTING A SUBSTANTIAL NUMBER OF PEOPLE?**

Potential operational airborne odors could be created by cooking activities associated with the residential and commercial (i.e., food service) uses within the City. These odors would be similar to existing residential and food service uses throughout the city and would be confined to the immediate vicinity of the new buildings. Restaurants are also typically required to provide ventilation systems that avoid substantial adverse odor impacts.

The *General Plan* accommodates the development of residential, commercial, industrial, public/religious, and open space/parks/recreation uses. These uses are not identified by the MBUAPCD as significant odor generators. Additionally, the policies included in the *General Plan* would reduce mobile and stationary source emissions and odors associated with diesel fuel by focusing on land use patterns that improve air quality, reduce air pollution from stationary sources, and encourage/enable more sustainable transit behavior. Consequently, implementation of the *General Plan* would not create operational-related objectionable odors affecting a substantial number of people within the City. The *GP EIR* concluded odor impacts to be less than significant.

The *General Plan* includes a policy relevant to odors: Policy SN-4.3 Sensitive Receptors. The *GPU EIR* concluded less than significant odor impacts with implementation of the aforementioned *General Plan* policy.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The 2023-2031 Housing Element is a policy document that establishes City direction for facilitating housing development pursuant to adopted land use plans. Future development proposals associated with implementation of the proposed project would be required to comply with the density and intensity standards set forth in the *Capitola General Plan* and current Zoning Ordinance.

Adoption and implementation of the proposed project would not directly result in the exposure of persons to other emissions or odors. However, future development proposals associated with implantation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws, regulations, and air quality standards; applicable Air Quality Management Plan; MBUAPCD rules and programs; *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, relative to air quality. The previously noted goals, policies, actions, laws, regulations, standards, rules, and programs along with *GPU EIR* Mitigation Measures AIR-1a and AIR-1b ensure proposed project impacts are reduced to the maximum extent feasible, and that other emissions or odor impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

**4.4 BIOLOGICAL RESOURCES**

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?			✓	
B. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?			✓	
C. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?			✓	
D. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?			✓	
E. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?			✓	
F. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?			✓	

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the biological resources impacts and mitigation measures, if applicable.

BIOLOGICAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
BIO-1: The proposed Plan would not result in significant impacts to special-status plant and animal species in the Plan Area.	Less Than Significant	Not Applicable	
BIO-2: The proposed Plan would not result in significant impacts to riparian habitat or other sensitive natural community.	Less Than Significant	Not Applicable	
BIO-3: The proposed Plan would not result in significant impacts to federally protected wetlands.	Less Than Significant	Not Applicable	
BIO-4: The proposed Plan would not interfere substantially with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.	Less Than Significant	Not Applicable	



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BIOLOGICAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
BIO-5: The proposed Plan would not conflict with Capitola’s Community Tree and Forest Management Ordinance.	Less Than Significant	Not Applicable	
BIO-6: The proposed Plan would not conflict with the Monterey Bay National Marine Sanctuary Management Plan.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT, EITHER DIRECTLY OR THROUGH HABITAT MODIFICATIONS, ON ANY SPECIES IDENTIFIED AS A CANDIDATE, SENSITIVE, OR SPECIAL STATUS SPECIES IN LOCAL OR REGIONAL PLANS, POLICIES, OR REGULATIONS, OR BY THE CALIFORNIA DEPARTMENT OF FISH AND GAME OR U.S. FISH AND WILDLIFE SERVICE?**

Subsequent projects under the *General Plan* that would involve development in areas where special status plant and animal species may occur would be subject to separate project-level environmental review pursuant to CEQA in order to identify and mitigate impacts to special-status species. Applicable federal, State, and local regulations, along with the proposed Plan goals, policies, and actions, would reduce potential impacts to special-status plant and animal species.

The *General Plan* includes goals, policies, and actions relative to special-status plant and animal species: Goal OSC-6, Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Goal OSC-7, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.



Various special status plant and animal species are known to occur or could potentially occur within the City. Although development within natural resource areas or areas potentially containing special-status plant and animal species is not anticipated, there is the potential for future development associated with implementation of the proposed project to significantly impact, either directly, or through habitat modifications, special status plant and wildlife species.

The proposed project would not result in a substantial adverse effect, either directly or through habitat modifications, on any sensitive species. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON ANY RIPARIAN HABITAT OR OTHER SENSITIVE NATURAL COMMUNITY IDENTIFIED IN LOCAL OR REGIONAL PLANS, POLICIES, REGULATIONS OR BY THE CALIFORNIA DEPARTMENT OF FISH AND GAME OR U.S. FISH AND WILDLIFE SERVICE?**

The *General Plan* includes goals, policies, and actions relative to riparian habitats: Policy OSC-6.1 Natural Diversity, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions.

Riparian corridors in the City include the woodland along the west side of Soquel Creek from the Stockton Avenue Bridge to the Highway One overpass (Soquel Creek Riparian corridor), the Noble Gulch Riparian corridor, and the Tannery Gulch Riparian corridor. These corridors provide important natural resources, visual relief, and support for numerous wildlife and native vegetation.

The proposed project would not result in a substantial adverse effect on any riparian habitat or other sensitive natural community. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT HAVE A SUBSTANTIAL ADVERSE EFFECT ON FEDERALLY PROTECTED WETLANDS AS DEFINED BY SECTION 404 OF THE CLEAN WATER ACT (INCLUDING, BUT NOT LIMITED TO, MARSH, VERNAL POOL, COASTAL, ETC.) THROUGH DIRECT REMOVAL, FILLING, HYDROLOGICAL INTERRUPTION, OR OTHER MEANS?**

The *General Plan* includes policies relative to wetlands: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy



OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

Future development activities within the City could potentially result in significant impacts to federally protected wetlands. Existing regulations would help to ensure that development associated with the proposed project would not cause a significant impact to federally protected wetlands. Compliance with the *Local Coastal Plan*, *General Plan*, and *Municipal Code*, would minimize potential impacts to wetlands. Future development associated with implementation of the proposed project could involve development in areas of potential wetlands, and would be subject to separate project-level environmental review pursuant to CEQA in order to identify and mitigate impacts.

The proposed project would not result in a substantial adverse effect on federally protected wetlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT INTERFERE SUBSTANTIALLY WITH THE MOVEMENT OF ANY NATIVE RESIDENT OR MIGRATORY FISH OR WILDLIFE SPECIES OR WITH ESTABLISHED NATIVE RESIDENT OR MIGRATORY WILDLIFE CORRIDORS, OR IMPEDE THE USE OF NATIVE WILDLIFE NURSERY SITES?**

The *General Plan* includes policies relative to native residents, migratory wildlife corridors, or native wildlife nursery sites: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects., Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, Policy OSC-7.1 Riparian Landscaping, Policy OSC-7.2 Soquel Creek, Policy OSC-7.3 Creek Alterations, Policy OSC-7.4 Creek Alteration Impacts, Policy OSC-7.5 Creek Restoration, Policy OSC-7.6 Wetland Protection, Policy OSC-7.7 Biological Study, Policy OSC-7.8 Wetland Habitat, Policy OSC-7.9 Creek Recreation and Access, and Action OSC-7.1 Riparian Plant List. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

Given the urbanized context of the City and the extent of existing development, opportunities for wildlife movement in the urbanized portion of the City are limited. Existing development, including buildings, major roadways, or other similar improvements, represent substantial barriers to wildlife movement. However, Soquel Creek runs through the middle of the City into the Monterey Bay. The creek is a year-round water source for the wildlife in the adjoining riparian corridor as well as an important wetland habitat. The lagoon area of the creek is the only significant habitat for migratory non-marine waterbirds within Capitola. In addition, the Creek and Lagoon supports steelhead with resident trout and non-sport species and southwestern pond turtles.

Monarch butterfly habitats are located along Soquel Creek and in the Escalona Gulch area. These areas provide overwintering sites for the migrating Monarch butterfly and are considered environmentally sensitive habitat areas (ESHA). The orientation of the groves to wind and sun, the size and density of the trees, and the quiet, undisturbed setting are among the factors that make these sites among the few in Santa Cruz County suitable for the butterflies. Both Escalona Gulch and Soquel Creek Monarch butterfly groves lie within areas designated for preservation as open space. Just outside the city limits between New Brighton Road and New Brighton State Park



campground is another overwintering site for Monarch butterflies. This grove is partly on State Park property and partly on private residential parcels.

The proposed project does not propose any changes to Soquel Creek or changes in land uses to areas containing Monarch butterfly habitats. Wildlife would continue to move within these areas.

Compliance with the *Local Coastal Plan*, *General Plan*, and *Municipal Code*, would minimize potential impacts to wildlife movement. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT CONFLICT WITH ANY LOCAL POLICIES OR ORDINANCES PROTECTING BIOLOGICAL RESOURCES, SUCH AS A TREE PRESERVATION POLICY OR ORDINANCE?**

The *General Plan* includes several policies relative to tree management and tree removal: Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, and Policy OSC-6.4 Regulatory Compliance. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

*Municipal Code* Chapter 12.12, Community Tree and Forest Management, establishes regulations relating to the protection, planting, maintenance, removal, and replacement of trees, and sets forth the process for development of a comprehensive plan for the planting and maintenance of a sustained community forest within the City.

The proposed project would not directly involve removal of trees; however, future development associated with implementation of the proposed project could potentially involve the removal of trees within the City. The Community Tree and Forest Management Ordinance requires a tree permit prior to the removal of any non-fruit bearing trees within the City. Permits for heritage tree removal are discretionary and are approved by the planning commission only in accordance with CEQA and if specific findings can be made. Permits for non-heritage tree removal are ministerial and are approved by the community development director or designee if specific findings can be made.

The proposed project would not conflict with any policies or ordinances protecting biological resources or trees. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**F. WOULD THE PROJECT CONFLICT WITH THE PROVISIONS OF AN ADOPTED HABITAT CONSERVATION PLAN, NATURAL COMMUNITY CONSERVATION PLAN, OR OTHER APPROVED LOCAL, REGIONAL, OR STATE HABITAT CONSERVATION PLAN?**

The *General Plan* includes policies relative to an adopted plan: Policy LU-3.7 Regional Outlook, Policy LU-13.4 New Brighton State Beach, Policy LU-13.6 Beach Management, Policy LU-13.7 Beach Structures, Action LU-14.3 Coastal Recreation, Policy OSC-6.1 Natural Diversity, Policy OSC-6.2 Environmentally Sensitive Areas, Policy OSC-6.3 Development Projects, Policy OSC-6.4 Regulatory Compliance, Policy OSC-6.6 Monterey Bay, Policy OSC-6.7 Regional Collaboration, and Policy OSC-6.8 Eco-Tourism. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* policies and actions.

The Monterey Bay National Marine Sanctuary Management Plan is the only conservation related plan that is applicable to Capitola.

The proposed project would not conflict with the Monterey Bay National Marine Sanctuary Management Plan. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.5 CULTURAL AND TRIBAL CULTURAL RESOURCES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Cause a substantial adverse change in the significance of a historical resource as defined in CEQA Guidelines Section 15064.5?			✓	
B. Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines Section 15064.5?			✓	
C. Disturb any human remains, including those interred outside of formal cemeteries?			✓	
D. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
1) Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code Section 5020.1(k)?			✓	
2) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the cultural resources impacts and mitigation measures, if applicable.

CULTURAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
CULT-1: The Plan would not cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5.	Less Than Significant		
CULT-2: Construction activities associated with implementation of the proposed Plan could cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5.	Significant	CULT-2	Less Than Significant
CULT-3: Construction activities associated with implementation of the proposed Plan could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.	Significant	CULT-3: Refer to Mitigation Measure CULT-2	Less Than Significant
CULT-4: Construction activities associated with implementation of the proposed Plan could disturb human	Significant	CULT-4: Refer to Mitigation Measure CULT-2	Less Than Significant





**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

CULTURAL RESOURCES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
remains, including those interred outside of formal cemeteries.			
CULT-5: The Plan, in combination with past, present, and reasonably foreseeable projects, would result in less-than significant cumulative impacts with respect to cultural resources.	Less Than Significant		

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**Tribal Cultural Resources**

Assembly Bill 52 (AB 52) was signed into law in 2014 and added tribal cultural resources thresholds to *CEQA Guidelines* Appendix G.

The *GPU EIR* was certified in June 2014 and was not subject to AB 52. However, the *GPU EIR* included an extensive analysis of potential impacts to cultural resources. The *GPU EIR* found there is the potential for discovering such resources during construction of future development proposals in Capitola.

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A HISTORICAL RESOURCE AS DEFINED IN CEQA GUIDELINES SECTION 15064.5?**

The *General Plan* includes goals, policies, and actions relative to historic resources: Goal LU-2, Policy LU-2.1 Historic Structures, Policy LU-2.2 Modification Standards, Policy LU-2.3 Preservation Incentives, Policy LU-2.4 Public Awareness, Action LU-2.1 Historic Structures List, Action LU-2.2 Public Outreach, Action LU-2.3 Historic Preservation Guidelines, Action LU-2.4, Goal LU-7, Policy LU-7.1 New Development Design, and Policy LU-7.3 Scenic Resources. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions, and regulatory requirements.



There are 65 designated historic structures that are listed or are eligible for listing on the National Register of Historic Places, the California Historic Resources Inventory, or the Capitola Register of Historic Features within the city. In addition to designated historic structures, there are also several potential historic structures that have been identified by the City. Additionally, four areas of the City are identified as National Register Historic Districts. The *GPU EIR* noted that future development and/or redevelopment activities within or adjacent to these sites or districts could potentially cause a substantial adverse change in the significance of a historical resource and concluded impacts to be less than significant.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific historical resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, a case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to ensure that historically significant buildings and resources are preserved, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to historic resources. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF AN ARCHAEOLOGICAL RESOURCE PURSUANT TO CEQA GUIDELINES SECTION 15064.5?**

The *General Plan* includes goals, policies, and actions relative to archaeological resources: Goal LU-2, Policy LU-2.4 Public Awareness, and Action LU-2.2 Public Outreach. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned *General Plan* goals, policies, and actions, regulatory requirements, and mitigation measure CULT-2.

The City of Capitola contains areas identified by the *Local Coastal Program* as having a likelihood of prehistoric cultural resources, including archaeological resources. Future development and/or redevelopment activities within these areas could potentially cause a substantial adverse change in the significance of a known or unknown archaeological resource.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific archaeological resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of archaeological resources, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to archaeological resources, as well as *GPU EIR* Mitigation Measure CULT-2. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**C. WOULD THE PROJECT DISTURB ANY HUMAN REMAINS, INCLUDING THOSE INTERRED OUTSIDE OF FORMAL CEMETERIES?**

The *GPU EIR* concluded less than significant with mitigation impacts with implementation of regulatory requirements and mitigation measure CULT-4.

The *GPU EIR* identified that future development could have a significant environmental impact if it would disturb human remains, including those interred outside of formal cemeteries. The City of Capitola is built on the location of an Indian village that existed for more than a 1,000 years and contains areas identified within the *Local Coastal Program* Map I-1 as having a likelihood of prehistoric cultural resources. There are no other formal cemeteries within the City of Capitola.

Human remains are defined as any physical remains of a human being. The term "human remains" encompasses more than human bones. In ancient as well as historic times, Tribal Traditions included, but were not limited to, the burial of associated cultural resources (funerary objects) with the deceased, and the ceremonial burning of human remains. These remains are to be treated in the same manner as bone fragments that remain intact. Associated funerary objects are objects that, as part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later; other items made exclusively for burial purposes or to contain human remains can also be considered as associated funerary objects.

The Native American Graves Protection and Repatriation Act (NAGPRA) provides guidance that agencies shall consult with organizations on whose aboriginal lands the remains and cultural items might be discovered, who are reasonably known to have a cultural relationship to the human remains and other cultural items.

In the event human remains are encountered during earth removal or disturbance activities associated with future development proposals associated with implementation of the proposed project, all activities would cease immediately and a qualified archaeologist and Native American monitor would be immediately contacted. California *Health and Safety Code* Section 7050.5 states that no further disturbance shall occur until the County Coroner has made a determination of origin and disposition pursuant to *Public Resources Code* Section 5097.98. The County Coroner must be notified of the find immediately. If the remains are determined to be prehistoric, the Coroner would notify the Native American Heritage Commission (NAHC), which will determine and notify a Most Likely Descendant (MLD). With the permission of the landowner or his/her authorized representative, the MLD may inspect the site of the discovery. The MLD shall complete the inspection within 48 hours of notification by the NAHC. The MLD may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific historical resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of human remains, and that the future development proposals comply with *Health and Safety Code* and *Public Resources Code* protocols. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



- D. WOULD THE PROJECT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A TRIBAL CULTURAL RESOURCE, DEFINED IN PUBLIC RESOURCES CODE SECTION 21074 AS EITHER A SITE, FEATURE, PLACE, CULTURAL LANDSCAPE THAT IS GEOGRAPHICALLY DEFINED IN TERMS OF THE SIZE AND SCOPE OF THE LANDSCAPE, SACRED PLACE, OR OBJECT WITH CULTURAL VALUE TO A CALIFORNIA NATIVE AMERICAN TRIBE, AND THAT IS:**
- 1. LISTED OR ELIGIBLE FOR LISTING IN THE CALIFORNIA REGISTER OF HISTORICAL RESOURCES, OR IN THE LOCAL REGISTER OF HISTORICAL RESOURCES AS DEFINED IN PUBLIC RESOURCES CODE SECTION 5020.1(K)?**
  - 2. A RESOURCE DETERMINED BY THE LEAD AGENCY, IN ITS DISCRETION AND SUPPORTED BY SUBSTANTIAL EVIDENCE, TO BE SIGNIFICANT PURSUANT TO CRITERIA SET FORTH IN SUBDIVISION (C) OF PUBLIC RESOURCES CODE SECTION 5024.1? IN APPLYING THE CRITERIA SET FORTH IN SUBDIVISION (C) OF PUBLIC RESOURCES CODE SECTION 5024.1, THE LEAD AGENCY SHALL CONSIDER THE SIGNIFICANCE OF THE RESOURCE TO A CALIFORNIA NATIVE AMERICAN TRIBE.**

### **Tribal Consultation**

Chapter 532, Statutes of 2014 (AB 52), requires that Lead Agencies evaluate a project’s potential to impact “tribal cultural resources.” Such resources include “[s]ites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are eligible for inclusion in the California Register of Historical resources or included in a local register of historical resources.” AB 52 also gives Lead Agencies the discretion to determine, supported by substantial evidence, whether a resource qualifies as a “tribal cultural resource.”

Also, per AB 52 (specifically *Public Resources Code [PRC] Section 21080.3.1*), Native American consultation is required upon request by a California Native American tribe that has previously requested that the City provide it with notice of such projects.

While tribal consultation is not required for an Addendum, the City contacted the Native American Heritage Commission (NAHC) in July 2023 requesting a list of potential Native American contacts for consultation. The NAHC provided a Tribal Consultation List to the City on July 27, 2023. In addition, the City reviewed its list of tribes that had requested AB 52 notification.

The City sent letters via email for the purposes of SB 18<sup>1</sup> and AB 52 consultation to eight tribes listed below on August 2, 2023:

1. Muwekma Ohlone Indian Tribe of the SF Bay Area
2. Amah Mutsun Tribal Band – Ed Ketchum, Vice-Chairperson
3. Amah Mutsun Tribal Band – Valentin Lopez, Chairperson
4. Amah Mutsun Tribal Band of Mission San Juan Bautista – Irene Zwierlein, Chairperson

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<sup>1</sup> SB 18 (Chapter 905, Statutes of 2004) (Public Resources Code Section 65352.3) requires cities and counties to contact and consult with California Native American tribes prior to amending or adopting any general plan or specific plan, or designating land as open space.



5. Costanoan Ohlone Rumsen-Mutsen Tribe – Patrick Orozco, Chairman
6. Indian Canyon Mutsun Band of Costanoan – Kanyon Sayers-Roods, MLD Contact
7. Indian Canyon Mutsun Band of Costanoan – Ann Marie Sayers, Chairperson
8. Wuksachi Indian Tribe/Eshom Valley Band – Kenneth Woodrow, Chairperson

The City’s letter specifically noted that the Housing Element is required to be updated every eight years, and within Santa Cruz County, jurisdictions are required to prepare, adopt, and receive certification from the California Department of Housing and Community Development (HCD) of their 6<sup>th</sup> cycle Housing Element by December 15, 2023. As such, the City respectfully requested that each tribe respond within 30 days for the both the SB 18 and AB 32 consultation.

At the conclusion of the 30-day period, the City received no requests for SB 18 or AB 52 consultation. However, the Amah Mutsun Tribal Band of San Juan Bautista and A.M.T.B. Inc. provided a Letter of Response to the City on August 17, 2023. The Letter of Response provided recommendations regarding cultural sensitivity training, qualified California trained archeological monitors to be present during earth movement, and qualified native American monitors during earth movement. In addition, hourly rates for monitoring were provided in the Letter of Response.

### **Impact Analysis**

Whatever the linguistic affiliation, Native Americans in and around the City of Capitola exhibited similar organization and resource procurement strategies. Villages were based on clan or lineage groups. Their home/base sites are marked by midden deposits, often with bedrock mortars. During their seasonal rounds to exploit plant resources, small groups would migrate within their traditional territory in search of specific plants and animals. Their gathering strategies often left behind signs of special use sites, usually grinding slicks on bedrock boulders, at the locations of the resources.

Given the long-standing history of the multiple tribes in and around the City of Capitola, there is the potential that the construction of future development proposals associated with implementation of the proposed project would impact tribal cultural resources. Past construction and development practices in the City were not as sensitive to tribal cultural resources as current practices. Thus, ground-disturbing activities, such as grading or excavation, could disturb previously unidentified subsurface resources.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific tribal cultural resource impacts relative to future development proposals associated with implementation of the proposed project. Instead, A case-by-case review of future development proposals associated with implementation of the proposed project would be carried out to confirm the absence or presence of tribal cultural resources, as applicable, and that the future development proposals are consistent with all applicable *General Plan* goals and policies and *Municipal Code* regulations relative to tribal cultural resources. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.6 ENERGY

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?			✓	
B. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The *GPU EIR* disclosed that buildout of the *General Plan* would entail the commitment of nonrenewable and/or slowly renewable energy resources. As the community continues to develop, the *GPU EIR* noted that both residential and nonresidential development would require further commitment of energy resources in the form of natural gas and electricity generated by coal, hydroelectric power, or nuclear energy. Increased motor vehicle travel within the City resulting from the *General Plan* also would be accompanied by increased consumption of petroleum products. However, the *GPU EIR* did not identify any impacts due to wasteful, inefficient, or unnecessary consumption of energy resources, or due to a conflict with or obstruction of a State or local plan for renewable energy or energy efficiency.

The *AMBAG Regional Energy Plan* was developed and adopted in 2006, and later updated in 2008. The objective of the regional energy plan to lay out the region’s joint approach to establishing an energy vision through objectives, goals, and action plans that will mitigate future energy impacts on the region. This cooperative approach is leveraged to reduce overall costs and challenges of compliance with AB 32 requirements. The 2006 *Energy Plan* laid out a set of four Plan objectives, goals, and action steps for the region, as listed in *GPU EIR* Table 4.15-7. As shown in *GPU EIR* Table 4.15-7, the *General Plan* would be consistent with the *AMBAG Regional Energy Plan*.

The *GPU EIR* concluded less than significant impacts to energy resources.

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the



City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT RESULT IN POTENTIALLY SIGNIFICANT ENVIRONMENTAL IMPACT DUE TO WASTEFUL, INEFFICIENT, OR UNNECESSARY CONSUMPTION OF ENERGY RESOURCES, DURING PROJECT CONSTRUCTION OR OPERATION?**
  
- B. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT A STATE OR LOCAL PLAN FOR RENEWABLE ENERGY OR ENERGY EFFICIENCY?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code* and *California Green Building Standards Code*, along with project-specific conditions and mitigation measures to reduce potential energy impacts required as part of the development review and environmental impact processes. The proposed project would not result in impacts to energy resources, or conflict with or obstruct any plans addressing renewable energy or energy efficiency. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





## 4.7 GEOLOGY AND SOILS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			✓	
2) Strong seismic ground shaking?			✓	
3) Seismic-related ground failure, including liquefaction?			✓	
4) Landslides?			✓	
B. Result in substantial soil erosion or the loss of topsoil?			✓	
C. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?			✓	
D. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			✓	
E. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?			✓	
F. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the geology and soils impacts and mitigation measures, if applicable.

GEOLOGY AND SOILS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GEO-1: The proposed Plan would not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving surface rupture along a known active fault; strong seismic ground shaking; seismic-related ground failure, including liquefaction; and landslides.	Less Than Significant		
GEO-2: Implementation of the proposed Plan would not result in substantial soil erosion or the loss of topsoil.	Less Than Significant		



**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

GEOLOGY AND SOILS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GEO-3: Development under the proposed Plan would not result in a significant impact related to development on unstable geologic units and soils or result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse.	Less Than Significant		
GEO-4: Development under the proposed Plan would not create substantial risks to life or property as a result of its location on expansive soil.	Less Than Significant		
GEO-5: Development under the proposed Plan would not result in impacts associated with the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of wastewater.	Less Than Significant		
GEO-6: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would not result in significant cumulative impacts with respect to geology and soils.	Less Than Significant		

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT DIRECTLY OR INDIRECTLY CAUSE POTENTIAL SUBSTANTIAL ADVERSE EFFECTS, INCLUDING THE RISK OF LOSS, INJURY, OR DEATH INVOLVING:**
  - 1. RUPTURE OF A KNOWN EARTHQUAKE FAULT, AS DELINEATED ON THE MOST RECENT ALQUIST-PRIOLO EARTHQUAKE FAULT ZONING MAP ISSUED BY THE STATE GEOLOGIST FOR THE AREA OR BASED ON OTHER SUBSTANTIAL EVIDENCE OF A KNOWN FAULT? REFER TO DIVISION OF MINES AND GEOLOGY SPECIAL PUBLICATION 42.**

The GPU EIR concluded that no Alquist-Priolo Earthquake Fault Zones have been identified within the City Area. Therefore, the risk of surface fault rupture within the City Area is considered low.



California, including the City of Capitola, is subject to the effects of seismic activity due to the active faults that traverse the area. Active faults are defined as those that have experienced surface displacement within Holocene time (approximately the last 11,000 years) and/or are in a State-designated Alquist-Priolo Earthquake Fault Zone. No Alquist-Priolo Earthquake Fault zones exist within the City of Capitola. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

## 2. STRONG SEISMIC GROUND SHAKING?

The *General Plan* includes goals, policies, and actions relative to seismic ground shaking: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

The City of Capitola, similar to the rest of California, is located within a seismically active region as a result of being located near the active margin between the North American and Pacific tectonic plates. The City is subject to seismic ground shaking due to the close proximity and potential earthquake magnitude of the San Andreas, the Zayante, and the Palo Colorado-San Gregorio faults.

The intensity of groundshaking and degree of impact would depend upon the magnitude of the earthquake, distance to the epicenter, and the geology of the area between the epicenter and the development site. Additionally, the soil and geologic structure underlying a development site would influence the amount of damage that the site may experience. Potential damage to existing and new structures cannot be precluded. Structural vulnerabilities in older buildings that are less earthquake resistant are most likely to contribute to the largest source of injury and economic loss, as a result of an earthquake. Damage to infrastructure, including roadways, bridges, water and wastewater lines, gas lines, power poles, storm drainage, and other public facilities, could also occur due to an earthquake event.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The *California Building Code* includes specific design measures, which are based on the determination of Site Classification and Seismic Design Categories specific to a project site. These design measures are intended to maximize structural stability in the event of an earthquake. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, along with project-specific conditions and mitigation measures, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**3. SEISMIC-RELATED GROUND FAILURE, INCLUDING LIQUEFACTION?**

**4. LANDSLIDES?**

The *General Plan* includes goals, policies, and actions relative to seismic ground shaking: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

Seismic agitation of relatively loose saturated sands, silty sands, and some silts can result in a buildup of pore pressure. If the pore pressure exceeds the overburden stresses, a temporary quick condition known as liquefaction can occur. Liquefaction effects can manifest in several ways including: 1) loss of bearing; 2) lateral spread; 3) dynamic settlement; and 4) flow failure. Lateral spreading has typically been the most damaging mode of failure. In general, the more recent that a sediment has been deposited, the more likely it will be susceptible to liquefaction. Other factors that must be considered are groundwater, confining stresses, relative density, and the intensity and duration of seismically-induced ground shaking.

The geologic and topographic characteristics of an area often determine its potential for landslides. Steep slopes, the extent of erosion, and the rock composition of a hillside all contribute to the potential slope failure and landslide events.

Capitola contains areas with slopes greater than 50 percent, which are susceptible to landslides and mudflows as shown on *GPU EIR* Figure 4.5-3. The majority of these areas are coastal bluffs, escarpments of decomposed rock, or soil resulting from erosion or faulting with a vertical elevation of at least 10 feet. Coastal bluff areas within Capitola that have steep topography include Cliff Drive and surrounding open space as well as shoreline residences and open space areas of the Depot Hill neighborhood, between the Village and New Brighton State Park. In addition to the coastal bluffs, there are areas along Soquel Creek, Nobel Gulch, and Tannery Gulch that have steep slopes that could be susceptible to landslides and mudflows.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, preparation of site-specific geologic studies, project-specific conditions, and mitigation measures as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures seismic-related ensures ground failure impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval, and that earthquake-induced landslides impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**B. WOULD THE PROJECT RESULT IN SUBSTANTIAL SOIL EROSION OR THE LOSS OF TOPSOIL?**

The *General Plan* includes goals, policies, and actions relative to soil erosion or loss of topsoil: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.3 Seismic Analysis, Policy SN-2.4 Bluff Erosion, Policy SN-2.5 Retrofits, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.8 Critical Facilities and Services, Policy SN-2.9 State Standard, Action SN-2.1 Funding, Action SN-2.2 Transportation Infrastructure, Action SN-2.3 Data Accuracy, and Action SN-2.4 URM Program. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project involving demolition and/or construction activities would be subject to compliance with the *California Building Code*, as well as the requirements set forth in the National Pollutant Discharge Elimination System (NPDES) Storm Water General Construction Permit for construction activities. The NPDES Storm Water General Construction Permit requires preparation of a Storm Water Pollution Prevention Plan, which would identify specific erosion and sediment control Best Management Practices that would be implemented to protect storm and non-storm water runoff during construction and post-development activities, inclusive of low impact development (LID) design considerations and operational and maintenance requirements. Compliance with the *California Building Code* and NPDES would minimize effects from erosion and ensure consistency with the Central Coast Regional Water Quality Control Board Water Quality Control Plan. Thus, adoption and implementation of the proposed project ensures that soil erosion impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT BE LOCATED ON A GEOLOGIC UNIT OR SOIL THAT IS UNSTABLE, OR THAT WOULD BECOME UNSTABLE AS A RESULT OF THE PROJECT, AND POTENTIALLY RESULT IN AN ON-SITE OR OFF-SITE LANDSLIDE, LATERAL SPREADING, SUBSIDENCE, LIQUEFACTION OR COLLAPSE?**

Refer to Responses A.1.3 and A.1.4.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT BE LOCATED ON EXPANSIVE SOIL, AS DEFINED IN TABLE 18-1-B OF THE UNIFORM BUILDING CODE (1994), CREATING SUBSTANTIAL RISKS TO LIFE OR PROPERTY?**

The *General Plan* includes goals, policies, and actions relative to expansive soils: Goal SN-2, Policy SN-2.1 Development Restrictions, Policy SN-2.2 Mitigation, Policy SN-2.6 Hazard Considerations, Policy SN-2.7 Public Outreach, Policy SN-2.9 State Standard, and Action SN-2.3 Data Accuracy. The *GPU EIR* concluded less than significant impacts with implementation of the aforementioned General Plan goals, policies, and actions, and regulatory requirements.



Expansive soils can be a problem, as variation in moisture content will cause a volume change in the soil. Expansive soils heave when moisture is introduced and contract as they dry. During inclement weather and/or excessive landscape watering, moisture infiltrates the soil and causes the soil to heave (expansion). When drying occurs the soils will shrink (contraction). Repeated cycles of expansion and contraction of soils can cause pavement, concrete slabs on grade and foundations to crack. This movement can also result in misalignment of doors and windows.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, preparation of site-specific geologic studies, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that expansive soil impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. WOULD THE PROJECT HAVE SOILS INCAPABLE OF ADEQUATELY SUPPORTING THE USE OF SEPTIC TANKS OR ALTERNATIVE WASTE WATER DISPOSAL SYSTEMS WHERE SEWERS ARE NOT AVAILABLE FOR THE DISPOSAL OF WASTE WATER?**

All existing development within the City is connected to a sewer system for the disposal of wastewater. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to connect to a sewer system, as well as comply with all applicable regulations, development standards, project-specific conditions, and mitigation measures, as applicable. Thus, adoption and implementation of the proposed project ensures that septic tank or alternative waste water disposal system impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**F. WOULD THE PROJECT DIRECTLY OR INDIRECTLY DESTROY A UNIQUE PALEONTOLOGICAL RESOURCE OR SITE OR UNIQUE GEOLOGIC FEATURE?**

The City of Capitola contains areas identified within the *Local Coastal Program* Map I-1 as having a likelihood of prehistoric cultural resources, including paleontological resources. The entire coastal bluff area in Capitola is composed at least partially of the Purisima Formation. Paleontological resources found within the City have been located in this Purisima Formation. The *GPU EIR* identified that future development and/or redevelopment within Archaeological/Paleontological Sensitivity Areas could potentially destroy a unique paleontological resource, and would be subject to the *Coastal Act*, *Municipal Code*, and *GPU EIR* Mitigation Measure CULT-2 to avoid or mitigate impacts to paleontological resources.



The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. There is the potential that future development projects could uncover paleontological resources or unique geologic features. Thus, adoption and implementation of the proposed project ensures that unique paleontological resources or geological features impacts remain as less than significant impacts with implementation of regulatory requirements, standard conditions of approval, and *GPU EIR* Mitigation Measure CULT-2.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





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## 4.8 GREENHOUSE GASES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			✓	
B. Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the greenhouse gas emissions impacts and mitigation measures, if applicable.

GREENHOUSE GAS EMISSIONS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GHG-1: GHG emissions associated with the proposed Plan would exceed MBAUAPCD's proposed GHG significance threshold of 2,000 MTCO <sub>2</sub> e per year.	Significant	GHG-1	Significant Unavoidable
GHG-2: The proposed Plan would not conflict with applicable plans, policies, or regulations adopted for the purpose of reducing GHG emissions.	Less Than Significant	Not Applicable	
GHG-3: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in a significant cumulative impact with respect to GHG emissions.	Significant	GHG-3: Implement Mitigation Measure GHG-1	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate



development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT GENERATE GREENHOUSE GAS EMISSIONS, EITHER DIRECTLY OR INDIRECTLY, THAT MAY HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT?**
- B. WOULD THE PROJECT CONFLICT WITH AN APPLICABLE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF REDUCING THE EMISSIONS OF GREENHOUSE GASES?**

The *General Plan* includes numerous policies relative to greenhouse gas emissions, plans, policies, or regulations, which are restated on GPU EIR pages 4.15-17 to 4.15-22. The *GPU EIR* concluded less than significant impacts and significant unavoidable impacts with implementation of *General Plan* policies and actions, and mitigation measures.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code* and *California Green Building Standards Code*, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes.

In addition, the *General Plan* includes goals and policies in the Open Space and Conservation Element that address that following topics:

- General Environmental Sustainability and Stewardship
- Climate Change and Greenhouse Gas Reduction
- Air Quality
- Renewable Energy Sources and Energy Conservation
- Biological Resources
- Water Quality and Conservation
- Food Production
- Waste Reduction

The Open Space and Conservation Element goals and policies support actions to reduce the use of resources and energy, and thus, the creation of greenhouse gas emissions. Future development proposals associated with implementation of the proposed project would be subject to these policies, as applicable.

The *GPU EIR* identified that Mitigation Measure GHG-1 (Preparation, Adoption, and Implementation of Climate Action Plan) would be applicable to future development proposals in the City. The City adopted its first *Climate Action Plan (CAP)* on October 22, 2015. The *CAP* identifies strategies and actions to reduce greenhouse gas emissions from City government operations and community activities to support the State of California’s efforts to mitigate the effects of climate change.



Thus, adoption and implementation of the proposed project ensures greenhouse gas emissions or conflicts with adopted plans, policies, and regulations remain as less than significant impacts with implementation of Mitigation Measure GHG-1 (Climate Action Plan).

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.9 HAZARDS AND HAZARDOUS MATERIALS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			✓	
B. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			✓	
C. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			✓	
D. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			✓	
E. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			✓	
F. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the hazards and hazardous materials impacts and mitigation measures, if applicable.

HAZARDS AND HAZARDOUS MATERIALS– SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HAZ-1: The proposed Plan would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials.	Less Than Significant	Not Applicable	
HAZ-2: The proposed Plan would not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.	Less Than Significant	Not Applicable	
HAZ-3: The proposed Plan would not result in significant impacts associated with hazardous emissions or handling of hazardous or acutely hazardous materials, substances, or waste within ¼-mile of an existing or proposed school.	Less Than Significant	Not Applicable	
HAZ-4: Implementation of the Plan would not create a significant hazard to the public or the environment as a result of development on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.	Less Than Significant	Not Applicable	



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HAZARDS AND HAZARDOUS MATERIALS- SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HAZ-5: Implementation of the proposed Plan would not result in a safety hazard for people residing or working in the area due to development within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport.	No Impact	Not Applicable	
HAZ-6: Implementation of the proposed Plan would not result in a safety hazard for people residing or working in the Plan Area due to development in the vicinity of a private airstrip.	No Impact	Not Applicable	
HAZ-7: The proposed Plan would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.	Less Than Significant	Not Applicable	
HAZ-8: Implementation of the proposed Plan would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.	Less Than Significant	Not Applicable	
HAZ-9: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less-than-significant cumulative impacts with respect to hazards and hazardous materials.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.





- A. WOULD THE PROJECT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT THROUGH THE ROUTINE TRANSPORT, USE, OR DISPOSAL OF HAZARDOUS MATERIALS?**
- B. WOULD THE PROJECT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT THROUGH REASONABLY FORESEEABLE UPSET AND ACCIDENT CONDITIONS INVOLVING THE RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT?**
- C. WOULD THE PROJECT EMIT HAZARDOUS EMISSIONS OR HANDLE HAZARDOUS OR ACUTELY HAZARDOUS MATERIALS, SUBSTANCES, OR WASTE WITHIN ONE-QUARTER MILE OF AN EXISTING OR PROPOSED SCHOOL?**
- D. WOULD THE PROJECT BE LOCATED ON A SITE WHICH IS INCLUDED ON A LIST OF HAZARDOUS MATERIALS SITES COMPILED PURSUANT TO GOVERNMENT CODE SECTION 65962.5 AND, AS A RESULT, WOULD IT CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT?**

The *GPU EIR* concluded that buildout of the *General Plan* would result in no impact or less than significant impacts relative to following hazards: a) significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, b) the project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment, c) the project emits hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school, d) the project is located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment.

The *General Plan* includes numerous policies relative to hazards and hazardous materials plans, policies, or regulations, which are restated on GPU EIR pages 4.6-10 to 4.6-22. The *GPU EIR* concluded no impacts or less than significant impacts with implementation of *General Plan* policies and actions.

**Routine Transport, Use or Disposal of Hazardous Materials**

The *General Plan* includes policies relative to the routine transport, use or disposal Of hazardous materials: Policy SN-4.1 Mitigation Processes., Policy SN-4.3 Sensitive Receptors; Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, and Action SN-4.2 Municipal Code Review. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

Businesses that use, transport, or dispose of hazardous materials are required to comply with Federal, State, and local hazardous materials regulations. Specifically, truck traffic, including trucks that transport chemicals, is restricted to designated routes per *Municipal Code* Chapter 10.48.

A number of facilities currently operate within the City of Capitola that use, store, or dispose of hazardous materials. These operations, if improperly designed or managed, could create a significant hazard to the public or the environment through the routine transport, use, or disposal of such materials. However, compliance with applicable Federal, State, and local laws and regulations regarding the handling of these materials minimize this risk.



The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.

### **Hazardous Materials**

The *General Plan* includes policies and actions relative to hazardous materials: Policy SN-4.1 Mitigation Processes, Policy SN-4.2 Site Assessments, Policy SN-4.3 Sensitive Receptors, Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training; Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The *General Plan* would facilitate new development, including residential, commercial, and mixed-use, within the city. Some new development, particularly in non-residential areas, could occur on properties that could be contaminated. Construction of new buildings and improvements would have the potential to release potentially hazardous materials, including contaminated soils, into the environment during site grading and excavation operations. Similarly, demolition of existing structures would potentially result in the release of hazardous building materials (e.g., asbestos, lead paint) into the environment. Use of hazardous materials after construction could potentially include cleaning solvents, fertilizers, pesticides, and other materials used in the regular maintenance and operation of the proposed uses.

Also, a number of sites in the City are listed on the Cortese Database, compiled pursuant to *Government Code* Section 65962.5. Some of the sites are listed as closed, indicating that they have been investigated and/or remediated to the satisfaction of the lead responsible agency (i.e., RWQCB, DTSC, or DEHS). However, compliance with applicable Federal, State, and local laws and regulations regarding the handling of these materials minimize this risk.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, including but not limited to the most current adopted version of the *California Building Code*, project-specific conditions, and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures that impacts remain as less than significant impacts with implementation of regulatory requirements and standard conditions of approval.



**Hazardous Emissions, Materials, Substances, or Waste Within ¼-Mile of an Existing or Proposed School**

The *General Plan* includes policies and actions relative to hazardous emissions, materials, substances within ¼-mile of an existing or proposed school: Policy SN-4.1 Mitigation Processes, Policy SN-4.2 Site Assessments, Policy SN-4.3 Sensitive Receptors, Policy SN-4.4 Green Building, Policy SN-4.5 County Coordination, Action SN-4.1 City Staff Training, Action SN-4.2 Municipal Code Review, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

New Brighton Middle School and Opal Cliff’s Elementary School are located within the City. Both of these school sites are surrounded by residential neighborhoods and are located more than ¼-mile from any existing or planned non-residential land uses.

While the risk of exposure to hazardous materials cannot be eliminated, measures can be implemented to maintain risk at acceptable levels. Compliance with measures established by Federal, State, and local regulatory agencies are considered adequate to offset the negative effects related to the use, storage, emission, and transport of hazardous materials at future development sites within ¼-mile of a school.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable policies, regulations, and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Adoption and implementation of the proposed project would not pose a significant hazard to the public or the environment, or involve the transportation, use, or storage of hazardous or potentially hazardous materials. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**E. FOR A PROJECT LOCATED WITHIN AN AIRPORT LAND USE PLAN OR, WHERE SUCH A PLAN HAS NOT BEEN ADOPTED, WITHIN TWO MILES OF A PUBLIC AIRPORT OR PUBLIC USE AIRPORT, WOULD THE PROJECT RESULT IN A SAFETY HAZARD FOR PEOPLE RESIDING OR WORKING IN THE PROJECT AREA?**

The *General Plan* included no policies relative to an airport land use plan or safety hazards for people residing or working within two miles of an airport. The *GPU EIR* concluded no impacts.

There are no private airstrips within or in the near vicinity of the City. The nearest airstrip, the Monterey Bay Academy airstrip, is located approximately 6.5 miles southeast of the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.



*Conclusion:* No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**F. WOULD THE PROJECT IMPAIR IMPLEMENTATION OF OR PHYSICALLY INTERFERE WITH AN ADOPTED EMERGENCY RESPONSE PLAN OR EMERGENCY EVACUATION PLAN?**

The *General Plan* includes policies relative to emergency response on evacuation plans: Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The *Santa Cruz County Operational Area Emergency Management Plan* establishes a comprehensive approach to the organizational structure and emergency management responsibilities in Santa Cruz County, including prevention, preparedness, response, and recovery. Capitola is also within the region covered by the Bay Area Urban Area Security Initiative (UASI), which provides federal financial assistance for terrorism preparedness planning.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Adoption and implementation of the proposed project would not impair the implementation of the *Santa Cruz County Operational Area Emergency Management Plan* or interfere with other applicable emergency response or evacuation plans. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

*Conclusion:* No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.10 HYDROLOGY AND WATER QUALITY

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?				
B. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?				
C. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
1) Result in a substantial erosion or siltation on- or off-site?				
2) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				
3) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				
4) Impede or redirect flood flows?				
D. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?				
E. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?				

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the hydrology and water quality impacts and mitigation measures, if applicable.

HYDROLOGY AND WATER QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HYDRO-1: The proposed Plan would not violate any water quality standards or waste discharge requirements.	Less Than Significant	Not Applicable	
HYDRO-2: The proposed Plan could substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.	Significant	No Mitigation Available	Significant Unavoidable
HYDRO-3: The proposed Plan would not substantially alter the existing drainage pattern of the Plan Area or vicinity, including through the alteration of the course of a stream or	Less Than Significant	Not Applicable	



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HYDROLOGY AND WATER QUALITY – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
river, in a manner which would result in substantial erosion, siltation, or flooding on- or off-site.			
HYDRO-4: The proposed Plan would not create or contribute runoff water, which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.	Less Than Significant	Not Applicable	
HYDRO-5: The proposed Plan would not otherwise substantially degrade water quality.	Less Than Significant	Not Applicable	
HYDRO-6: The proposed Plan would not result in a significant impact with respect to the placement of housing or structures, which would impede or redirect flood flows within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map.	Less Than Significant	Not Applicable	
HYDRO-7: The proposed Plan would not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.	No Impact	Not Applicable	
HYDRO-8: The proposed Plan would not result in significant adverse effects related to inundation by seiche, tsunami, or mudflow.	Less Than Significant	Not Applicable	
HYDRO-9: The proposed Plan, in combination with past, present, and reasonably foreseeable development, could result in significant cumulative impacts with respect to hydrology and water quality.	Significant	No Mitigation Available	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT VIOLATE ANY WATER QUALITY STANDARDS OR WASTE DISCHARGE REQUIREMENTS OR OTHERWISE SUBSTANTIALLY DEGRADE SURFACE OR GROUND WATER QUALITY?**

The *General Plan* includes policies relative to water quality standards, waste discharge requirements, degradation of surface or ground water: Policy OSC-8.1 Creek Areas, Policy OSC-8.2 Non-Point Source Pollution, Policy OSC-8.3





Best Management Practices, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

Surface water and groundwater quality in the City of Capitola is similar to that which is characterized for other urbanized areas surrounding the City and within Santa Cruz County. The City encourages development projects to be designed with pervious materials and landscaped areas to enhance on-site capture and absorption of stormflows. Also, through the implementation of National Pollution Discharge Elimination System (NPDES) program requirements, the City guards against high pollutant loads and erosive materials in surface runoff.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to provide for the elimination/reduction of pollutant discharges, including capture and treatment of dry weather and first flush runoff in a manner consistent with Central Coast Regional Water Quality Control Board (CCRWQCB) requirements. All storm water discharges must comply with applicable provisions of Santa Cruz County's NPDES permit. As a co-permittee, the City is responsible for implementation of the requirements of the NPDES permit issued to the County. Consistent with CCRWQCB/NPDES and City requirements, appropriate Best Management Practices (BMPs) would be required throughout construction processes of future development proposals, thereby controlling potential discharge of pollutants, preventing sewage spills, and avoiding discharge of sediments into streets, stormwater channels, or waterways. In addition, long-term water quality impacts associated with future development proposals associated with implementation of the proposed project would also be avoided through the implementation of structural, non-structural and treatment control BMPs and operational and maintenance requirements that are identified in the Water Quality Management Plan (WQMP) prepared for each future development proposal to ensure that long-term water quality impacts are minimized. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT SUBSTANTIALLY DECREASE GROUNDWATER SUPPLIES OR INTERFERE SUBSTANTIALLY WITH GROUNDWATER RECHARGE SUCH THAT THE PROJECT MAY IMPEDED SUSTAINABLE GROUNDWATER MANAGEMENT OF THE BASIN?**

The *General Plan* includes policies relative to water quality standards, waste discharge requirements, degradation of surface or ground water: Policy OSC-8.1 Creek Areas, Policy OSC-8.2 Non-Point Source Pollution, Policy OSC-8.3 Best Management Practices, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded significant unavoidable impacts with implementation of *General Plan* policies and actions.

The City has been fully urbanized for many years with established hydrology and water quality systems.





The City of Capitola water providers are Soquel Creek Water District (SqCWD) and the City of Santa Cruz Water Department (SCWD). Approximately 90 percent of the total water used by the City of Capitola is provided by the SqCWD, which serves the areas primarily east of 41st Avenue. Approximately 10 percent of the total water used by the City of Capitola is provided by the SCWD, which serves the areas primarily west of 41st Avenue.

The SqCWD relies solely on groundwater from aquifers underlying the Soquel-Aptos area. The SqCWD extracts groundwater from the deep water-bearing zones within the Purisima formation. Several SqCWD wells are located in this unit; however, SqCWD also operates production wells in the other units. The SqCWD also extracts groundwater from the semi-confined and unconfined units of the Aromas, a 400-foot thick aquifer divided into two units. The uppermost unit is about 225 feet thick, and the lowermost unit is about 175 feet thick. All of the SqCWD production wells in the Aromas are located in the lowermost unit.

Water supply for the SCWD relies entirely on rainfall, surface runoff, and groundwater infiltration occurring within watersheds located in Santa Cruz County. No water is imported from federal, State or other outside sources. The supply system is comprised of four main production elements, 1) the North Coast streams, 2) the San Lorenzo River, 3) Loch Lomond Reservoir, and 4) the Live Oak ground water wells.

The *General Plan* could result in an increased demand of up to 124 acre-feet/year (afy), which could indirectly result in the over-drafting of the groundwater table. In addition, other cumulative projects within the Basin could further exacerbate this impact. As such, groundwater impacts were concluded to be significant unavoidable.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be reviewed by the City to determine if there is any change to existing runoff conditions or potential increases in the amount of impervious surfaces. In addition, future development proposals associated with implementation of the proposed project would be required to comply with all applicable policies, regulations, and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as significant unavoidable impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

- C. WOULD THE PROJECT SUBSTANTIALLY ALTER THE EXISTING DRAINAGE PATTERN OF THE SITE OR AREA, INCLUDING THROUGH THE ALTERATION OF THE COURSE OF STREAM OR RIVER, IN A MANNER WHICH WOULD:**
  - 1. RESULT IN SUBSTANTIAL EROSION OR SILTATION ON- OR OFF-SITE?**
  - 2. SUBSTANTIALLY INCREASE THE RATE OR AMOUNT OF SURFACE RUNOFF IN A MANNER WHICH WOULD RESULT IN FLOODING ON- OR OFF-SITE?**
  - 3. CREATE OR CONTRIBUTE RUNOFF WATER WHICH WOULD EXCEED THE CAPACITY OF EXISTING OR PLANNED STORMWATER DRAINAGE SYSTEMS OR PROVIDE SUBSTANTIAL ADDITIONAL SOURCES OF POLLUTED RUNOFF?**

The *General Plan* includes policies relative to runoff capacity or polluted runoff: OSC-8.1 Creek Areas, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, and



Action OSC-8.3. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. As such, the proposed project does not propose to alter the existing drainage pattern of any site in the City, nor does it propose to alter any streams or rivers resulting in substantial erosion, surface runoff resulting in flooding, or runoff existing the system’s capacity. Any future development proposals associated with implementation of the proposed project would occur on urban land consistent with adopted land use policy, which provides for protection of existing drainage courses. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **4. IMPEDE OR REDIRECT FLOOD FLOWS?**

The *General Plan* includes policies relative to runoff capacity or polluted runoff: OSC-8.1 Creek Areas, Policy OSC-8.4 Landscaping and Re-Vegetation, Policy OSC-8.8 Drainage Plans, Policy OSC-8.9 Impervious Surfaces, and Action OSC-8.3. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Infrastructure exists with the City, and thus, storm water runoff associated with future development proposals associated with implementation of the proposed project would continue to be conveyed and discharged into the local stormwater system. Additionally, construction of future development proposals associated with implementation of the proposed project would be restricted within the individual site boundary. As such, implementation of the proposed project would not lead to on-site or off-site siltation or erosion impeding or redirecting flood flow. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **D. WOULD THE PROJECT IN FLOOD HAZARD, TSUNAMI, OR SEICHE ZONES, RISK RELEASE OF POLLUTANTS DUE TO PROJECT INUNDATION?**

##### **Flooding**

The *General Plan* includes policies relative to flooding and flood hazards: Policy OSC-8.1 Creek Areas, Policy OSC-8.8 Drainage Plans, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

According to FEMA and shown on *GPU EIR* Figure 4.7-2, all of Soquel Creek (within the City limits) and a portion of Noble Gulch are located within the 100-year flood zone. The flood zone is relatively narrow and generally follows the flow path of the main channel. Moving upstream from the creek mouth, the elevation of the 100-year



flood zone (i.e., the base flood elevation) becomes progressively higher than the water surface elevations associated with the periodic formation of the Lagoon during the summer months.

Noble Gulch is a significant drainage that flows into Soquel Creek at the Village. Approximately 30+ years ago, the last approximately 2,000 feet of the Gulch (east of Bay Avenue) was diverted via a 72-inch drainage pipe that extends under the current Pacific Cove Mobile Home Park. During a heavy storm in March of 2011, rushing water overwhelmed the drainage pipe creating an upwards surge that tore apart the ground beneath several mobile homes. The water cascaded down Capitola Avenue into the Village, causing considerable damage to homes and businesses. This storm event and the failed drainage pipe, demonstrates the potential risks and vulnerability of flooding in the Village. Storm events occur relatively frequently and the Village is located at the end of Soquel Creek which is a very large watershed. Flows associated with large storm events often result in significant amounts of vegetation debris including trees and limbs which can get blocked, particularly at the Stockton Bridge, further exacerbating flood conditions.

### **Dam Inundation**

Based on the *Local Hazard Mitigation Plan*, there are no levees or dams that would impact the City upon failure.

### **Tsunami**

The *General Plan* includes policies relative to tsunamis: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

As shown on *GPU EIR* Figure 4.7-3, nearly all of Capitola Village is located within the tsunami inundation area, as mapped by California Emergency Management Agency (Cal EMA). Other areas include a portion of Soquel Creek, from Capitola Beach to approximately one river mile upstream to Highway 1, and a portion of Noble Gulch (about ¼-mile), which flows into Soquel Creek. The Capitola shoreline would also be inundated. However, while the coastal cliffs would block inland flows, substantial erosion would likely occur as the result of a tsunami.

In the event of a tsunami, people or structures within these areas could be exposed to a significant risk of loss, injury, or death due to flooding. The tsunami inundation area, as mapped by Cal EMA, is considered a maximum estimate (i.e., based upon the maximum tsunami run-up), taking into consideration a number of extreme, yet realistic, tsunami sources.

### **Seiche**

The *General Plan* includes policies relative to seiches: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

A seiche is an oscillation wave generated in a closed or partially closed body of water, which can be compared to the back-and-forth sloshing in a bath tub. Seiches can be caused by winds, changes in atmospheric pressure, underwater earthquakes, tsunamis, or landslides into the water body. Bodies of water such as bays, harbors, reservoirs, ponds, and swimming ponds can experience seiche waves up to several feet in height during a strong



earthquake. The City is located within an inundation zone of tsunamis generated by earthquakes, as discussed above, and includes large bodies of water, such as Soquel Cove and Soquel Lagoon. Therefore, seiches could result along beach areas and creeks within the City in association with a tsunami event.

### **Mudflow**

The *General Plan* includes policies relative to mudflow: Policy OSC-8.1 Creek Areas, Policy OSC-8.9 Impervious Surfaces, Action OSC-8.1 Stormwater Infrastructure, Action OSC-8.2 Funding for Stormwater Management, and Action OSC-8.3 Stormwater Management Program. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

Mud and debris flows are mass movements of dirt and debris that occur after intense rainfall, earthquakes, and severe wildfires. The speed of a slide depends on the amount of precipitation, steepness of the slope, and alternate freezing and thawing of the ground. Based on the *Local Hazard Mitigation Plan*, due to steep topography, there is a potential for mudflows to occur below Wharf Road and above Soquel Creek, which could impact the Stockton Avenue Bridge and the Village.

### **Impact Analysis**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals.

Implementation of the proposed project could result in the placement of housing within a flood hazard area, as well as subject to a tsunami, seiche, or mudflow hazards. Future development within the City could result in the placement of structures in existing FEMA-designated 100-year Special Flood Hazard Areas (SFHAs). *Municipal Code* Chapter 17.50 includes standards for construction in flood hazard zones. Future development within the 100-year flood zone requires the placement of fill to elevate structures above the 100-year floodplain elevation. In order for a project to be considered outside of the floodplain and no longer subject to special flood hazard requirements, the project applicant has to submit an application to Federal Emergency Management Agency (FEMA) for a Letter of Map Revision – Fill (LOMR-F) after the fill has been placed. After FEMA has revised the Flood Insurance Rate Map (FIRM) to show that the project is now outside of the SFHA, the City would no longer be required to apply the minimum National Flood Insurance Program (NFIP) floodplain management standards to structures built on the land and the mandatory flood insurance requirements would no longer apply.

Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **E. WOULD THE PROJECT CONFLICT WITH OR OBSTRUCT IMPLEMENTATION OF A WATER QUALITY CONTROL PLAN OR SUSTAINABLE GROUNDWATER MANAGEMENT PLAN?**

The *Water Quality Control Plan for the Central Coastal Basin (Basin Plan)* is the Regional Water Quality Control Board's master water quality control planning document. It designates beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater. It also includes programs of implementation



to achieve water quality objectives. The current *Basin Plan* consists of the 2019 *Basin Plan* edition and all of the following amendments approved after March 2019.

The *Water Quality Control Plan for the Central Coast Basin Plan*<sup>2</sup> is the water quality control plan for the geographic area that encompasses all of Santa Cruz, San Benito, Monterey, San Luis Obispo, and Santa Barbara Counties as well as the southern one-third of Santa Clara County, and small portions of San Mateo, Kern, and Ventura Counties. Included in the region are urban areas such as the Monterey Peninsula and the Santa Barbara coastal plain; prime agricultural lands as the Salinas, Santa Maria, and Lompoc Valleys; National Forest lands, extremely wet areas like the Santa Cruz mountains; and arid areas like the Carrizo Plain. The *Basin Plan* designates beneficial uses, establishes water quality objectives, and contains implementation programs and policies to achieve those objectives for all waters addressed through the Basin Plan.

In 2014, the Governor signed the Sustainable Groundwater Management Act (SGMA) into law and took effect on January 1, 2015, which requires governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. SGMA empowers local agencies to form Groundwater Sustainability Agencies (GSAs) to manage basins sustainably and requires those GSAs to adopt Groundwater Sustainability Plans (GSPs) for crucial groundwater basins in California. The SGMA is the first legislation in the state’s history to mandate comprehensive sustainable groundwater resources management.

### **Santa Cruz Mid-County Groundwater Sustainability Plan<sup>3</sup>**

The Santa Cruz Mid-County Groundwater Agency (MGA or Agency) was formed under SGMA to develop this Groundwater Sustainability Plan (GSP or Plan) for the Santa Cruz Mid-County Groundwater Basin (Basin). The Basin is classified by the California Department of Water Resources (DWR) as a high priority basin in a state of critical overdraft because of seawater intrusion. Based on this critical overdraft designation, the MGA is required to submit its Board adopted GSP to DWR by January 31, 2020. The MGA initiated development of this GSP in 2017 to guide ongoing management of the Basin with a goal to achieve and maintain groundwater sustainability over a 50-year planning and implementation horizon.

While the SGMA would revolutionize groundwater management in California, MGA member agencies began studying groundwater and managing the Basin long before SGMA was passed into law. The City of Santa Cruz Water Department and Soquel Creek Water District acquired interests in groundwater pumping in the Basin, and together with Santa Cruz County commissioned the first hydrogeologic study of the Basin in the mid-1960s (USGS, 1968).

Seawater intrusion identified in the Basin in the 1980s required water managers to develop an extensive monitoring network of wells to monitor the Basin’s groundwater and to help improve understanding of the Basin, and to implement water conservation and groundwater management strategies to balance groundwater demand with the Basin’s groundwater budget.

A *Groundwater Sustainability Plan (GSP)* was prepared for the Santa Cruz Mid-County Groundwater Basin, and was approved by the California Department of Water Resources in June 2021. The *GSP* presents detailed

<sup>2</sup> [Water Quality Control Plan for the Central Coastal Basin \(ca.gov\)](https://www.water.ca.gov/water-quality/water-quality-control-plans/), accessed August 16, 2023

<sup>3</sup> Santa Cruz Mid-County Groundwater Sustainability Plan, <https://sgma.water.ca.gov/portal/service/gspdocument/download/3166>, accessed August 16, 2023



information to understand the occurrence of groundwater in the Basin and provides solutions to achieve the Basin’s sustainability goals. The *GSP* and Executive Summary are organized following DWR’s guidance documents (DWR, 2016):

- Executive Summary
- Section 1: Introduction to the MGA
- Section 2: Plan and Basin Setting
- Section 3: Sustainable Management Criteria
- Section 4: Projects and Management Actions to Achieve Sustainability
- Section 5: Plan Implementation, Budget and Schedule
- Section 6: References and Technical Studies used to Develop the GSP

Projected Future Basin Conditions, Land Use and Water Use

The *GSP* includes projects and management actions to stop the advancement of seawater intrusion and to maintain sustainability under future Basin conditions that will be impacted by changes in land use, water use, and climate. The projected climate change effects include 2.3 feet of sea level rise by 2070 and a warmer and drier climate that has an average temperature increase of 2.4°F, a decrease in precipitation of up to 3.1 inches per year, and a 6% increase in evapotranspiration. Land use patterns are assumed to be unchanged while accommodating projected regional population growth of 4.2% pre-2035 and 2.1% post-2035. Projected nonmunicipal groundwater demand for domestic use assumes pre-drought (2012 – 2015) water demand of 0.35 acre-feet per year per household. Groundwater demand for larger institutions such as camps, retreats, and schools, and agricultural irrigation are assumed to remain the same as historical demands.

Future development projects associated with implementation of the proposed project would be subject to applicable requirements from the *GSP* and Santa Cruz Mid-County Groundwater Agency. The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. The proposed project would not conflict with or obstruct implementation of a water quality control plan or a sustainable groundwater management plan. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.11 LAND USE AND PLANNING

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Physically divide an established community?			✓	
B. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

The table below summarizes the land use and planning impacts and mitigation measures, if applicable.

LAND USE – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
LAND-1: The proposed Plan would not physically divide an established community.	Less Than Significant	Not Applicable	
LAND-2: The proposed Plan would not conflict with an applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.	Less Than Significant	Not Applicable	
LAND-3: The proposed Plan would not conflict with the Monterey Bay National Marine Sanctuary Management Plan.	Less Than Significant	Not Applicable	
LAND-4: The proposed Plan, in combination with past, present, and reasonably foreseeable development in the surrounding area, would result in less than significant cumulative impacts with respect to land use and planning.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.



The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT PHYSICALLY DIVIDE AN ESTABLISHED COMMUNITY?**

The *GPU EIR* concluded that implementation of the General Plan would result in less than significant impacts.

The City of Capitola has been urbanized for many years with established development throughout the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals nor provide for new land use uses that would physically divide or disrupt established neighborhoods or create physical barriers in Capitola. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CAUSE A SIGNIFICANT ENVIRONMENTAL IMPACT DUE TO A CONFLICT WITH ANY APPLICABLE LAND USE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF AVOIDING OR MITIGATING AN ENVIRONMENTAL EFFECT?**

The *General Plan* includes policies relative to conflicts with an applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect: Policy LU-1.1 Community Character, Policy LU-2.1 Historic Structures, Policy LU-3.3 Infill Development, Policy LU-3.4 Transit and Pedestrian Access, Policy LU-3.7 Regional Outlook, Policy LU-13.4 New Brighton State Beach, Policy LU-13.6 Beach Management, Policy LU-13.7 Beach Structures, and Action LU-14.3 Coastal Recreation. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions.

The City is required by State law to facilitate development commensurate with its allocated share of regional housing needs; however, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. The 2023-2031 Housing Element enhances the General Plan goals and policies calling for additional housing types and expanding the supply of housing.

The adoption and implementation of the proposed project further enhances the goals, policies, and actions in the *General Plan*, would not conflict with goals or objectives contained within regional plans, or cause a significant environmental impact due to a conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.12 MINERAL RESOURCES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?			✓	
B. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?			✓	

### PRIOR ENVIRONMENTAL FINDINGS

#### General Plan Update EIR

*CEQA Guidelines* Section 15128 allows environmental issues for which there is no likelihood of significant impact to be “scoped out” and not analyzed further in the EIR. It was determined that the *General Plan* would not result in significant impacts with respect to Mineral Resources, and as such were not analyzed in the *GPU EIR*.

### IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

#### **A. WOULD THE PROJECT RESULT IN THE LOSS OF AVAILABILITY OF A KNOWN MINERAL RESOURCE THAT WOULD BE OF VALUE TO THE REGION AND THE RESIDENTS OF THE STATE?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Within the City, there are no known mineral resource of value to the region and the residents of the State. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT RESULT IN THE LOSS OF AVAILABILITY OF A LOCALLY-IMPORTANT MINERAL RESOURCE RECOVERY SITE DELINEATED ON A LOCAL GENERAL PLAN, SPECIFIC PLAN, OR OTHER LAND USE PLAN?**

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. There are no known locally important mineral resource recovery sites in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as no impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.13 NOISE

Would the project result in:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			✓	
B. Generation of excessive groundborne vibration or groundborne noise levels?			✓	
C. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the noise impacts and mitigation measures, if applicable.

NOISE – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
NOISE-1: Construction-related activities resulting from implementation of the proposed Plan would not result in the generation of noise levels in excess of established standards.	Less Than Significant	Not Applicable	
NOISE-2: Construction-related activities resulting from implementation of the proposed Plan could generate or expose persons or structures to excessive ground-borne vibration.	Significant	Noise 2a Noise-2b	Less Than Significant
NOISE-3: Future noise levels associated with implementation of the proposed Plan could contribute to an exceedance of the City's noise standards resulting in potential noise impacts to sensitive receptors.	Less Than Significant	Not Applicable	
NOISE-4: The Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to noise.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land,





and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

- A. WOULD THE PROJECT RESULT IN GENERATION OF A SUBSTANTIAL TEMPORARY OR PERMANENT INCREASE IN AMBIENT NOISE LEVELS IN THE VICINITY OF THE PROJECT IN EXCESS OF STANDARDS ESTABLISHED IN THE LOCAL GENERAL PLAN OR NOISE ORDINANCE, OR APPLICABLE STANDARDS OF OTHER AGENCIES?**
  
- B. WOULD THE PROJECT RESULT IN GENERATION OF EXCESSIVE GROUNDBORNE VIBRATION OR GROUNDBORNE NOISE LEVELS?**

The *General Plan* includes policies and actions relative to noise levels, and groundborne vibration and groundborne noise levels: Policy SN-7.1 Noise Sensitive Land Uses, Policy SN-7.2 Noise Level Standards, Policy SN-7.3 Noise Control Ordinance, Policy SN-7.4 Acoustical Analyses, Policy SN-7.5 Rail Service, and Action SN-7.1 Noise Ordinance Effectiveness. The *GPU EIR* concluded less than significant impacts and less than significant impacts with mitigation incorporated with implementation of *General Plan* policies and actions.

***Increase in Ambient Noise Levels in Excess of Standards Established in the General Plan, Noise Ordinance, or Applicable Standards.*** The *GPU EIR* concluded that construction-related activities resulting from implementation of the *General Plan* would not result in the generation of noise levels in excess of established standards.

While adoption and implementation of the proposed project would not directly result in the construction of housing, implementation of Housing Element policy would facilitate the construction of future development proposals associated with implementation of the proposed project consistent with adopted land use policy. Typically, residential uses do not generate high noise levels. However, individual residential development projects may result in the exposure of persons to noise levels in excess of standards established in the *General Plan* or Noise Ordinance. Without identifying the location of future development proposals associated with implementation of the proposed project, it is not possible to determine if they would be placed near land uses that would generate noise levels or groundborne vibrations that would exceed acceptable standards.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.



**Ground-Borne Construction Vibration Noise.** The GPU EIR concluded that with the imposition of regulatory requirements and Mitigation Measures Noise-2a and Noise-2b, ground-borne construction vibration noise impacts are less than significant.

While adoption and implementation of the proposed project would not directly result in the construction of housing, implementation of Housing Element policy would facilitate the construction of future development proposals associated with implementation of the proposed project consistent with adopted land use policy. However, individual residential development projects may result in the exposure of persons to ground-borne construction vibration noise levels in excess of standards established in the *General Plan* or Noise Ordinance. Without identifying the location of future development proposals associated with implementation of the proposed project, it is not possible to determine if they would be placed near land uses that would generate noise levels or groundborne vibrations that would exceed acceptable standards.

Future development proposals would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant with mitigation incorporated.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. FOR A PROJECT LOCATED WITHIN THE VICINITY OF A PRIVATE AIRSTRIP OR AN AIRPORT LAND USE PLAN OR, WHERE SUCH A PLAN HAS NOT BEEN ADOPTED, WITHIN TWO MILES OF A PUBLIC AIRPORT OR PUBLIC USE AIRPORT, WOULD THE PROJECT EXPOSE PEOPLE RESIDING OR WORKING IN THE PROJECT AREA TO EXCESSIVE NOISE LEVELS?**

There are no airports in Capitola. The closest airport is the Watsonville Municipal Airport, a public airport in Watsonville located approximately 8 miles to the southeast of Capitola. Any aircraft overflights do not contribute significantly to the ambient noise environment in the City.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Adoption and implementation of the proposed project would not expose future residents or workers in the City to substantial sources of airport or heliport of noise in the City. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## 4.14 POPULATION AND HOUSING

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			✓	
b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the population and housing impacts and mitigation measures, if applicable.

POPULATION AND HOUSING – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
POP-1: The Plan would not induce substantial unexpected population growth, or growth for which inadequate planning has occurred, either directly or indirectly.	Less Than Significant	Not Applicable	
POP-2: The Plan would not displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.	Less Than Significant	Not Applicable	
POP-3: The proposed Plan would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.	Less Than Significant	Not Applicable	
POP-4: The proposed Plan, in combination with past, present, and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to population and housing.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.



The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT INDUCE SUBSTANTIAL UNPLANNED POPULATION GROWTH IN AN AREA, EITHER DIRECTLY (FOR EXAMPLE, BY PROPOSING NEW HOMES AND BUSINESSES) OR INDIRECTLY (FOR EXAMPLE, THROUGH EXTENSION OF ROADS OR OTHER INFRASTRUCTURE)?**

The *General Plan* includes policies relative to local and regional population growth: Policy LU-1.3 Compatible Development, Policy LU-1.6 Balanced Community, Policy LU-3.3 Infill Development, Policy LU-5.1 Neighborhood Characteristics, Policy LU- 5.2 Development Impacts, and Policy LU-3.7 Regional Outlook. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies.

The City of Capitola has been urbanized for many years with established development throughout the City.

The Association of Monterey Bay Area Governments (AMBAG) is the responsible agency for developing and adopting regional housing and population forecasts for the Counties and Cities of Monterey, San Benito and Santa Cruz, and provides population projection estimates in five-year increments.

AMBAG developed the *2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (2045 MTP/SCS)*. Federal and state law requires that AMBAG prepare a long-range transportation plan every four years. The draft *2045 MTP/SCS* was released for public review and comment on November 22, 2021. On June 15, 2022, the AMBAG Board of Directors certified the Final Environmental Impact Report (EIR) prepared for the *2045 Metropolitan Transportation/Sustainable Communities Strategy*; adopted CEQA Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; made a finding that the SCS achieves the greenhouse gas reduction targets established by the California Air Resources Board; adopted the *Final 2022 Regional Growth Forecast*; and adopted the *Final 2045 MTP/SCS*.

AMBAG’s Regional Housing Needs Assessment (RHNA) for the Capitola 2023-2031 housing element period is 1,336 housing units.<sup>4</sup>

As of 2020, the City of Capitola included a population of 10,108 and 5,554 households. The *2045 MTP/SCS* projects a 2040 population of 11,049 and 6,017 households for the City of Capitola. Refer to *Table 4.14-1, 2020 and 2040 Population and Household Projections*.

<sup>4</sup> AMBAG, 2022 Regional Growth Forecasts, [Appendix A 2022 RGF \(ambag.org\)](https://www.ambag.org/Appendix%20A%202022%20RGF)



**TABLE 4.14-1  
2020 AND 2040 POPULATION AND HOUSEHOLD PROJECTIONS**

	2020	2040	Change 2020 - 2040
Population	10,108	11,049	941
Households	5,554	6,017	463
Sources: AMBAG, 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)			

As previously noted, the 2023-2031 Housing Element projects 1,336 housing units during the eight-year period. Adoption and implementation of the 2023-2031 Housing Element provides for adequate sites to accommodate the 2023-2031 RHNA number of 1,336 housing units. Assuming 2.12<sup>5</sup> persons per household, the City’s population could increase by up to 2,832 persons.

AMBAG is responsible for both the developing the Regional Growth Forecast and RHNA, and would be responsible for modifying future population and household growth projections to accommodate the 2023-2031 Housing Element and future housing element RHNA numbers for the City of Capitola. And therefore, the proposed project would not induce substantial unplanned population growth within the City either directly or indirectly.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

<sup>5</sup> [U.S. Census Bureau QuickFacts: Capitola city, California](https://www.census.gov/quickfacts/capitolacalifornia), accessed August 16, 2023



**B. WOULD THE PROJECT DISPLACE SUBSTANTIAL NUMBERS OF EXISTING PEOPLE OR HOUSING, NECESSITATING THE CONSTRUCTION OF REPLACEMENT HOUSING ELSEWHERE?**

The 2023-2031 Housing Element sets forth policies and programs that encourage and facilitate housing production, as well as aim to preserve and enhance the existing housing stock. While no new development would be authorized by the adoption of the 2023-2031 Housing Element, the future development of vacant properties or underutilized properties with existing homes could result in the displacement of existing housing or people necessitating the construction of replacement housing elsewhere.

Displacement would be evaluated, if needed, as part of a future proposal’s development review and environmental impact processes, along with project-specific conditions and mitigation measures to reduce impacts relative to the displacement of people or residential structures.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, *Municipal Code* requirements; *General Plan* goals, policies, and implementation programs, including those identified in the proposed project, and mitigation measures. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





## 4.15 PUBLIC SERVICES

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
1) Fire protection?			✓	
2) Police protection?			✓	
3) Schools?			✓	
4) Parks?			✓	
5) Other public facilities?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the public services impacts and mitigation measures, if applicable.

PUBLIC SERVICES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
SVCS-1: The proposed Plan would not result in the provision of or need for new or physically altered protection facilities, the construction or operation of which could cause significant environmental impacts.	Less Than Significant	Not Applicable	
SVCS-2: The proposed Plan, in combination with past, present, and reasonably foreseeable development would result in less than significant cumulative impacts with respect to fire protection service.	Less Than Significant	Not Applicable	
SVCS-3: The proposed Plan would not result in the need for construction or expansion of police facilities.	Less Than Significant	Not Applicable	
SVCS-4: The proposed Plan, in combination with past, present, and reasonably foreseeable growth, would result in less than significant cumulative impacts with respect to law enforcement services.	Less Than Significant	Not Applicable	
SVCS-5: The proposed Plan would not result in the provision of or need for new or physically altered school facilities, the construction or operation of which could cause significant environmental impacts.	Less Than Significant	Not Applicable	
SVCS-6: The proposed Plan, in combination with past, present, and reasonably foreseeable growth in the SUESD service area, would result in less than significant cumulative impacts with respect to schools.	Less Than Significant	Not Applicable	



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PUBLIC SERVICES – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
SVCS-7: The proposed Plan would not result in the provision of or need for new or physically altered library facilities.	Less Than Significant	Not Applicable	
SVCS-8: The proposed Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to libraries.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT RESULT IN SUBSTANTIAL ADVERSE PHYSICAL IMPACTS ASSOCIATED WITH THE PROVISION OF NEW OR PHYSICALLY ALTERED GOVERNMENTAL FACILITIES, NEED FOR NEW OR PHYSICALLY ALTERED GOVERNMENTAL FACILITIES, THE CONSTRUCTION OF WHICH COULD CAUSE SIGNIFICANT ENVIRONMENTAL IMPACTS, IN ORDER TO MAINTAIN ACCEPTABLE SERVICE RATIOS, RESPONSE TIMES OR OTHER PERFORMANCE OBJECTIVES FOR ANY OF THE PUBLIC SERVICES:**

- 1. FIRE PROTECTION?**
- 2. POLICE PROTECTION?**

The *General Plan* includes policies and actions relative to fire and police protection: Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Policy SN-6.1 Police Services, Policy SN-6.2 New Development, Policy SN-6.3 Physical Site Planning, Policy SN-6.4 Lighting Plans, Policy SN-6.5 Bars and Nightclubs, and Policy SN-6.6 Crime Prevention Outreach. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies.



Buildout of the GPU could create an increased demand for fire and police protection services in the Central Fire Protection District (CFPD) and the Capitola Police Department service areas. However, the increase in population, units, and jobs would occur throughout a 20-year period, thereby distributing the increase over multiple years. In addition, the potential for increased service calls distributed over a longer period of time reduces impacts to existing facilities.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element include policies and programs to facilitate the production of future housing development. As such, new housing units associated with future development proposals associated with implementation of the proposed project could require additional fire and police protection services and facilities for the Central Fire District of Santa Cruz County (CFD) and Capitola Police Department.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. In addition, as part of its annual budget process and periodic review of its contracts with the CFD and the Capitola Police Department, the City evaluates fire and police protection service levels, and adjusts budgets accordingly to meet identified demand and service goals. This process would continue through the course of the proposed project. With continued application of these programs, the City would be able to address anticipated increased service demands. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **3. SCHOOLS?**

The GPU EIR concluded less than significant impacts to schools.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element includes policies and programs to facilitate the production of future housing development. As such, new housing units associated with future development proposals associated with implementation of the proposed project could require additional school services and facilities within the Soquel Union Elementary School District (SUESD) and Santa Cruz City Schools (SCCS).

New residents in the future housing developments could place an increased demand on school facilities within SUESD and SCCS. As allowed by State law, the Districts collect fees for new residential construction to help offset the costs of providing additional education facilities and services. Such fees would be paid by developers at the time individual building permits are issued. Pursuant to SB 50, payment of fees to the School Districts is considered



full mitigation for project impacts, including impacts related to the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, or other performance objectives for schools. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

#### **4. PARKS?**

Refer to Section 4.16, Recreation.

#### **5. OTHER PUBLIC FACILITIES?**

The *GPU EIR* concluded less than significant impacts to libraries.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The Santa Cruz Public Libraries system consists of 10 branches located at various locations throughout Santa Cruz County. The Capitola Branch Library located at 2005 Wharf Road serves about 9,846 residents in the city of Capitola in Santa Cruz County. The library is a part of Santa Cruz Public Libraries, which maintains over 392,344 volumes and circulates about 2 million items per year, including local history collections and research materials. It provides in-person tech help, homework help, preschool storytime, Bridge club, Youth chess club, and Health Insurance Counseling for all patrons.

Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact processes. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



## 4.16 RECREATION

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			✓	
B. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the parks and recreation impacts and mitigation measures, if applicable.

PARKS AND RECREATION – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
PS-1: The proposed Plan would not result in substantial adverse physical impacts associated with the provision of new or physically altered parks and recreational facilities in order to maintain an acceptable ratio of parkland per thousand residents.	Less Than Significant	Not Applicable	
PS-2: The proposed Plan would not increase the use of existing neighborhood and regional parks or other recreational facilities, such that substantial physical deterioration of the facility would occur, or be accelerated.	Less Than Significant	Not Applicable	
PS-3: The proposed Plan would not include or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment.	Less Than Significant	Not Applicable	
PS-4: The proposed Plan, in combination with past, present, and reasonably foreseeable growth, would result in less than significant cumulative impacts with respect to parks and recreational facilities.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies,



and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

**A. WOULD THE PROJECT INCREASE THE USE OF EXISTING NEIGHBORHOOD AND REGIONAL PARKS OR OTHER RECREATIONAL FACILITIES SUCH THAT SUBSTANTIAL PHYSICAL DETERIORATION OF THE FACILITY WOULD OCCUR OR BE ACCELERATED?**

The GPU EIR The *GPU EIR* concluded less than significant impacts to parks and recreation.

Capitola has been urbanized for many years with established development, including park and recreation facilities, throughout the City.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

The 2023-2031 Housing Element includes policies and programs to facilitate the production of future housing development. New residents in future development proposals associated with implementation of the proposed project could place an increased demand on City park facilities. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process. Quimby Act park fees paid or other fair share park requirements of new residential developments are used to acquire and/or improve park facilities, which would reduce the impact of additional residents in the City. Potential impacts to recreation facilities associated with future development proposals associated with implementation of the proposed project would be mitigated on a project-by-project basis, as applicable, per *Municipal Code* requirements. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**B. DOES THE PROJECT INCLUDE RECREATIONAL FACILITIES OR REQUIRE THE CONSTRUCTION OR EXPANSION OF RECREATIONAL FACILITIES WHICH MIGHT HAVE AN ADVERSE PHYSICAL EFFECT ON THE ENVIRONMENT?**

The proposed project does not include plans for or construction of any recreational facilities. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





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**4.17 TRANSPORTATION**

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?			✓	
B. Conflict or be inconsistent with CEQA Guidelines Section 15064.3 subdivision (b)?			✓	
C. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			✓	
D. Result in inadequate emergency access?			✓	

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the transportation and traffic impacts and mitigation measures, if applicable.

TRANSPORTATION AND TRAFFIC – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
TRANS-1: Implementation of the proposed Plan would cause intersection operations to degrade to unacceptable LOS E at the Porter Street and Highway 1 northbound ramps intersection during the AM peak hour in 2035.	Significant	TRANS-1	Significant Unavoidable
TRANS-2: The proposed Plan would not result in a change in air traffic patterns including either an increase in traffic levels of a change in locations that results in substantial safety risks.	Less Than Significant	Not Applicable	
TRANS-3: The proposed Plan would not substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).	Less Than Significant	Not Applicable	
TRANS-4: Implementation of the proposed Plan would not result in inadequate emergency access.	Less Than Significant	Not Applicable	
TRANS-5: Implementation of the proposed Plan would not conflict with adopted policies, plans, or program regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities.	Less Than Significant	Not Applicable	
TRANS-6: Implementation of the proposed Plan, in combination with past, present, and reasonably foreseeable project, would result in additional cumulatively considerable impacts.	Significant	TRANS 6: Implement TRANS-1	Significant Unavoidable

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT CONFLICT WITH AN APPLICABLE PLAN, ORDINANCE OR POLICY ADDRESSING THE CIRCULATION, INCLUDING TRANSIT, ROADWAY, BICYCLE, AND PEDESTRIAN FACILITIES?**

The *General Plan* includes goals, policies, and actions relative to transportation and traffic: Goal MO-1, Policy MO-1.1 Responsive Transportation Services, Policy MO-1.2 Reduced Vehicle Trips, Policy MO-1.3 Regional Collaboration, Policy MO-1.4 Highway 1 Capacity, Action MO-1.1 Funding, Action MO-1.2 Regional Plan Implementation, Action MO-1.3, Goal MO-2, Policy MO-2.1 Complete Streets, Policy MO-2.6 Non-Motorized Connectivity, Goal MO-3, Policy MO-3.1 Arterial Streets, Policy MO-3.2 Street Widening, Policy MO-3.3 Level of Service Standard, Policy MO-3.4 Reduced Standards, Policy MO-3.5 Impact Fees, Action MO-3.1 Neighborhood Traffic, Action MO-3.2 Signal Timing, Action MO-3.3 Traffic Monitoring, Action MO-3.4 Impact Fees, Action MO-3.5 Financing, Goal MO-4, Action MO-4.1 Bay Avenue Roundabout, Goal MO-6, Policy MO-6.1 Traffic Congestion, Policy MO-6.2 Parking Supply, Policy MO-6.3 Signage, Policy MO-6.4 Balanced Parking Approach, Policy MO-6.5 Transportation Alternatives, Policy MO-6.6 Bicycle and Pedestrian Connections, and Policy MO-6.7 General Environment. The *GPU EIR* concluded less than significant impacts and significant unavoidable impacts with implementation of *General Plan* policies and actions.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

All future development proposals associated with implementation of the proposed project would be evaluated, if applicable, for potential conflicts with relevant circulation plans, ordinances, or policies relative to transit, bicycle, pedestrian, and roadway facilities. Thus, it is not anticipated that adoption and implementation of the proposed project would significantly impact the effectiveness or performance of existing pedestrian, bicycle, or multi-purpose trail facilities, nor would it limit the accessibility for pedestrians or future cyclists, or their ability to utilize existing facilities.

In addition, there is the potential for future development proposals associated with implementation of the proposed project at specific locations throughout Capitola to contribute to congestion on roadways and at intersections. The City may also require specific roadway or signal improvements to address impacts directly



attributable to a specific development proposal. In addition, future development would be subject to *GPU EIR* Mitigation Measures TRANS-1 and TRANS-6, as applicable. These practices would continue as a means of addressing potential traffic concerns associated with individual projects.

**Roadway System Level of Service.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded that despite the imposition of regulatory requirements and Mitigation Measures TRANS-1 and TRANS-6, impacts are significant and unavoidable. Thus, adoption and implementation of the proposed project ensures impacts remain as significant and unavoidable impacts.

**Transportation and Traffic.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded less than significant impacts for TRANS-2, TRANS-3, TRANS-4, and TRANS-5. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT CONFLICT OR BE INCONSISTENT WITH CEQA GUIDELINES SECTION 15064.3 SUBDIVISION (B)?**

At the time the *GPU EIR* was certified in 2014, SB 743 was not in place and thus, the *GPU EIR* did not evaluate this threshold.

The 2018 updates to the *CEQA Guidelines* included a new threshold requiring a determination of consistency with *CEQA Guidelines* Section 15064.3. *CEQA Guidelines* Section 15064.3 requires an analysis of Vehicle Miles Travelled (VMTs), in accordance with California Senate Bill (SB) 743. Level of Service (LOS) had been used as the basis for determining the significance of traffic impacts as standard practice in CEQA documents for decades. In 2013, SB 743 was passed, which is intended to balance the need for LOS for traffic planning with the need to build infill housing and mixed-use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes-competing needs. At full implementation of SB 743, the California Governor’s Office of Planning and Research (OPR) replaced LOS as the metric against which traffic impacts are evaluated with a metric based on VMTs. The City of Capitola



will implement *CEQA Guidelines* Section 15064.3 for applicable development applications submitted after July 1, 2020 to determine whether the development would have a significant transportation and traffic impact.

*Public Resources Code* Section 21099 defines Transit Priority Areas (TPAs) as an area within one-half mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program. *Public Resources Code* Section 21155(b) defines High Quality Transit Areas (HQTAs) are defined as areas within one-half mile of a fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes or less during peak commuting hours.

All future development proposals associated with implementation of the proposed project would be evaluated, if applicable, for VMT impacts and any development-related mitigation measures.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems. Within the City of Capitola or Santa Cruz County, there are no TPAs/HQTAs.<sup>6</sup> There is the potential that future development proposals associated with implementation of the proposed project would be located within ½-mile of the existing or future TPAs/HQTAs with access to Santa Cruz Metropolitan Transit District (METRO), and thus, would have the potential to reduce vehicle miles travelled (VMT).

METRO offers fixed-route and paratransit services (ParaCruz) throughout Santa Cruz County and operates a commuter service via the Highway 17 Express to San Jose Diridon Station. In addition, Santa Cruz METRO offers a microtransit service, Cruz On-Demand, operated by METRO’s trained ParaCruz operators, extending METRO’s service area three quarters of a mile from any of METRO’s fixed bus routes, excluding Highway 17 and the UCSC campus.

METRO currently operates 24 routes. Routes include 4, 10, 15, 18, 19, 20, 22, 35/35A, 40, 41, 42, 55, 66, 68, 69A, 69W, 71, 72/72W, 74S, 75, 79, 91X, WC, and Hwy-17 Express. In addition, METRO provides four Transit Centers:

- Santa Cruz METRO Center (Pacific Station): 920 Pacific Ave., Santa Cruz, CA
- Watsonville Transit Center: 475 Rodriguez St., Watsonville, CA
- Cavallaro Transit Center: 246 Kings Village Road, Scotts Valley, CA (Not Staffed)
- Capitola Mall Transit Center: 1855 41<sup>st</sup> Ave., Capitola, CA (Not Staffed)

**Roadway System Level of Service.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

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<sup>6</sup> [Transit Priority Areas \(2021\) | Transit Priority Areas \(2021\) | Metropolitan Transportation Commission \(ca.gov\)](#), accessed August 16, 2023



The *GPU EIR* concluded that despite the imposition of regulatory requirements and Mitigation Measures TRANS-1 and TRANS-6, impacts are significant and unavoidable. Thus, adoption and implementation of the proposed project ensures impacts remain as significant and unavoidable impacts.

**Transportation and Traffic.** The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures, as applicable, to reduce potential impacts required as part of the development review and environmental impact process.

The *GPU EIR* concluded less than significant impacts for TRANS-2, TRANS-3, TRANS-4, and TRANS-5. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. WOULD THE PROJECT SUBSTANTIALLY INCREASE HAZARDS DUE TO A DESIGN FEATURE (E.G., SHARP CURVES OR DANGEROUS INTERSECTIONS) OR INCOMPATIBLE USES (E.G., FARM EQUIPMENT)?**

The *General Plan* includes policies and actions relative to design hazards: Policy MO-2.2 Design Standards, Policy MO-2.3 Community Context, Action MO-2.1 Complete Street Standards, Policy MO-4.2 Standards, Policy MO-4.4 Driveways, Policy MO-4.6 Traffic Calming, Policy MO-8.6 Curb Cuts and Driveways, Action MO-8.4 Intersection Standard, Action MO-8.5 Highway 1 Interchanges, Action MO-9.2 Obstacles and Obstructions. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

Future development proposals would be evaluated to determine the appropriate land use permit for authorizing its use and the conditions for their establishment and operation. At a minimum, compliance with relevant *Municipal Code* standards would be required. In addition, future development proposals associated with implementation of the proposed project would be subject to review and approval by the City of Capitola Community Development and Public Works Departments. Access to a future development proposal site would be required to comply with all City design standards, which preclude the potential for dangerous conditions.

Also, future development proposals associated with implementation of the proposed project would be evaluated to ensure that adequate access and circulation to and within the future development site is provided. Access to the site must comply with all City design standards and would be reviewed by the City of Capitola and the Central Fire District of Santa Cruz County (CFD) to ensure that inadequate design features or incompatible uses do not occur and that they are designed to meet adopted standards. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.



**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**D. WOULD THE PROJECT RESULT IN INADEQUATE EMERGENCY ACCESS?**

The *General Plan* includes policies and actions relative to emergency access: Action SN-2.2 Transportation Infrastructure, Action SN-3.3 Emergency Access, and Policy MO-2.1 Complete Streets. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* policies and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development, roads, and transportation systems.

No change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element. However, the 2023-2031 Housing Element does include policies and programs that would facilitate the production of future housing development. The City of Capitola and the Central Fire District of Santa Cruz County (CFD) would review the future development proposals associated with implementation of the proposed project in order to ensure that they are designed to meet adopted standards and provide adequate emergency access. In addition, roadways and driveways associated with future development proposals associated with implementation of the proposed project would be required to meet CFD emergency access standards, as well as comply with requirements from CFD and Capitola Police Department on a project-by-project basis. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.





## 4.18 UTILITIES AND SERVICE SYSTEMS

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?			✓	
B. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?			✓	
C. Result in a determination by the wastewater treatment provider, which serves or may serve the project, that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			✓	
D. Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?			✓	
E. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?			✓	

## PRIOR ENVIRONMENTAL FINDINGS

### General Plan Update EIR

The table below summarizes the utilities and service systems impacts and mitigation measures, if applicable.

UTILITIES AND SERVICE SYSTEMS – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
<b>WATER</b>			
UTIL-1: Buildout of the proposed Plan may result in insufficient water supplies from existing entitlements and resources in 2035.	Significant	None Available	Significant Unavoidable
UTIL-2: The proposed Plan would require the construction of new water facilities or expansion of existing facilities, the construction of which may cause significant environmental effects.	Significant	None Available	Significant Unavoidable
UTIL-3: The Plan, in combination with past, present, and reasonably foreseeable development, may result in significant cumulative impacts with respect to water supply.	Significant	None Available	Significant Unavoidable
<b>SANITARY WASTEWATER (SEWER)</b>			
UTIL-4: The proposed Plan would not exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board (RWQCB).	Less Than Significant	Not Applicable	
UTIL-5: The proposed Plan would not require or result in the construction of new wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.	Less Than Significant	Not Applicable	



**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

<b>UTILITIES AND SERVICE SYSTEMS – SUMMARY OF IMPACTS AND MITIGATION MEASURES</b>			
<b>Impact</b>	<b>Significance Before Mitigation</b>	<b>Mitigation Measures</b>	<b>Significance With Mitigation</b>
UTIL-6: The proposed Plan would not result in a determination by the wastewater treatment provider which serves or may serve the project that it does not have adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments.	Less Than Significant	Not Applicable	
UTIL-7: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to wastewater.	Less Than Significant	Not Applicable	
<b>STORMWATER DRAINAGE</b>			
UTIL-8: The proposed Plan would not require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.	Less Than Significant	Not Applicable	
UTIL-9: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to stormwater facilities.	Less Than Significant	Not Applicable	
<b>SOLID WASTE</b>			
UTIL-10: The proposed Plan would be served by a landfill with sufficient permitted capacity to accommodate the Plan’s solid waste disposal needs.	Less Than Significant	Not Applicable	
UTIL-11: The proposed Plan would comply with Federal, State, and local statutes and regulations related to solid waste.	Less Than Significant	Not Applicable	
UTIL-12: The Plan, in combination with past, present, and reasonably foreseeable development, would result in less than significant cumulative impacts with respect to solid waste.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures

**IMPACT ANALYSIS**

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.



**A. WOULD THE PROJECT REQUIRE OR RESULT IN THE RELOCATION OR CONSTRUCTION OF NEW OR EXPANDED WATER, WASTEWATER TREATMENT OR STORM WATER DRAINAGE, ELECTRIC POWER, NATURAL GAS, OR TELECOMMUNICATIONS FACILITIES, THE CONSTRUCTION OR RELOCATION OF WHICH COULD CAUSE SIGNIFICANT ENVIRONMENTAL EFFECTS?**

Existing water, sanitary sewer (wastewater, sewer), storm drain, electrical, natural gas, and telecommunications facilities exist in the City of Capitola.

Future development proposals would be required to comply with the applicable water supplier’s rules and regulations regarding water connection, service, and conservation, as well as the Central Fire District of Santa Cruz County’s requirements relative to the size of water lines and systems necessary to provide adequate fire flow service to development.

Future development proposals would be required to install or relocate, as applicable, on-site and off-site water, wastewater, storm drain, street, electricity, natural gas, and telecommunications infrastructure to serve the development. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. WOULD THE PROJECT HAVE SUFFICIENT WATER SUPPLIES AVAILABLE TO SERVE THE PROJECT AND REASONABLY FORESEEABLE FUTURE DEVELOPMENT DURING NORMAL, DRY, AND MULTIPLE DRY YEARS?**

The *General Plan* includes goals, policies, and actions relative to water supplies: Policy OSC-7.2 Soquel Creek, Policy OSC-8.3 Best Management Practices, Policy OSC-8.5 Native Plants, Policy OSC-8.6 City Properties, Policy OSC-8.7 Regional Collaboration, Policy OSC-8.8 Drainage Plans, Goal OSC-9, Policy OCS-9.1 Water Use, Policy OCS-9.2 Drought-Tolerant Landscaping, Policy OCS-9.3 Public Outreach, Action OCS-9.1 Greywater, Action OCS-9.2 City Conservation Goals, Action OCS-9.3 Water Efficiency Audits, and Action OCS-9.4 Incentives. The *GPU EIR* concluded significant unavoidable impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola is served by two water districts: Soquel Creek Water District and the City of Santa Cruz Water Department.

**Soquel Creek Water District**

The Soquel Creek Water District (SqCWD) service area encompasses seven miles of shoreline and extends from one to three miles inland into the foothills of the Santa Cruz mountains. The City of Capitola is the only incorporated area in the District. Unincorporated communities include Aptos, La Selva Beach, Opal Cliffs, Rio Del Mar, Seascape, and Soquel. The SqCWD relies exclusively on available groundwater. The table below provides an overview of SqCWD.



Service Area	Aptos, La Selva Beach, Opal Cliffs, Rio Del Mar, Seascape, Soquel, and portions of the City of Capitola
Population	Over 40,600 residents (Per 2020 Annual Report to State Water Resources Control Board)
Community SCWD Serves	Approximately 18,000 jobs, 22 parks, and 18 schools
Housing Units	20,924 (2015); projected to be 20,912 in 2020
Service Connections	Approximately 16,000 (Per 2020 Urban Water Management Plan)
District Personnel	49
Fiscal Year 2022-2023 Budget	\$64.1 million
Annual Water Production	3,062 acre-feet (2020)
Sources of Supply	100% Groundwater (from CA Basin 3-001, Santa Cruz Mid-County Groundwater Basin)
Water Use by Category	Approximately 80% residential (single-family and multi-family), and 20% non-residential (commercial, industrial, schools, governmental, landscape irrigation). SCWD has no agricultural accounts.
Average Water Use per Person	On average about 50 gallons per day per person
Miles of Pipe in System	167 miles
Number of Production Groundwater Wells	16 active, 2 standby, and 2 inactive
Number of Tanks	18
Number of Groundwater Monitoring Wells	80

To support water conservation, the City of Capitola encourages residents to take advantage of residential water rebates offered by the SqCWD.

**City of Santa Cruz Water Department**

The City of Santa Cruz water service is provided to an area approximately 20 square miles in size, including the entire City of Santa Cruz, adjoining unincorporated areas of Santa Cruz County, a small part of the City of Capitola, and coastal agricultural lands north of the city. The Santa Cruz Water Department (SCWD) uses a combination of groundwater and surface water to serve its customers.

Almost 100,000 people rely on the Santa Cruz Water Department for water service. SCWD operates a system that includes more than 300 miles of pipes to bring water to customers, pumps and lift stations to move water where it's needed, and a water storage reservoir that captures our water supply before we purify the water and send it to your faucet.

Per the 2020 Urban Water Management Plan, the current population residing in the Santa Cruz water service area is estimated to be 96,186 people. Approximately two thirds of the total population, over 64,000, live inside the City limits. The University of California, Santa Cruz campus houses about 9,000 students on campus within City limits; although a majority of the campus was closed during 2020 due to the COVID-19 pandemic. It is estimated that almost 32,000 people, or about one third of the service area population, live outside the City limits.



The Water Department’s major water infrastructure facilities include three water treatment plants, including the Graham Hill Water Treatment Plant and two groundwater treatment plants related to the Beltz well system<sup>7</sup>; four raw water pump stations; ten treated water pump stations; 15 distribution tanks with a total maximum capacity of 21.2 million gallons of treated water storage; seven surface water diversions; seven production wells; and approximately 300 miles of treated and raw water pipelines interconnecting the entire system.

To support water conservation, the Santa Cruz Water Department includes rebates on drip irrigation retrofits, graywater landscaping, turf replacement, water efficient toilets and washers, and rain catchments.

### **Urban Water Management Plans**

State law requires an urban water supplier (supplier), providing water for municipal purposes to more than 3,000 urban connections/customers or providing more than 3,000 acre-feet annually, to adopt an Urban Water Management Plan (UWMP) every five years demonstrating water supply reliability in normal, single dry, and multiple dry water years.

These plans support the suppliers’ long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Within the UWMP, urban water suppliers must: 1) assess the reliability of water sources over a 20-year planning time frame; 2) describe demand management measures and water shortage contingency plans, 3) report progress toward meeting a targeted 20 percent reduction in per-capita (per-person), 4) urban water consumption by a specified year (e.g., 2020, 2025, 2030, 2035, 2040), and 5) discuss the use and planned use of recycled water. The California Department of Water Resources (DWR) reviews the submitted plans to ensure they have addressed the requirements identified in the Water Code and submits a report to the Legislature summarizing the status of the plans for each five-year cycle.

Both the Soquel Creek Water District and the Santa Cruz Water Department have an approved *2020 UWMP*. The *2020 UWMP* is a long-range planning document that assesses current water demand, projects future demand over a minimum 20-year planning horizon, and identifies a mix of water resources and conservation efforts to meet future demand. The *2020 UWMP* also includes SCWD’s *Water Shortage Contingency Plan (WSCP)*, which identifies water shortage stages and associated curtailment actions to allow for efficient management of any water shortage with predictability and accountability.

### Soquel Creek Water District

SqCWD relies entirely on groundwater for its water supply, which is overpumped and experiencing seawater intrusion, a condition that allows seawater to enter and contaminate the groundwater supply. However, SqCWD has taken action with the Pure Water Soquel project to increase groundwater replenishment and prevent salt water intrusion. The Pure Water Soquel project takes highly treated wastewater that would have previously been discharged into Monterey Bay and purifies it to replenish the groundwater basin.

Per SqCWD’s 2020 Urban Water Management Plan (UWMP), water use in 2020 was 3,062 acre-feet per year (AFY) and is projected to be 3,655 AFY in 2040. This projection takes into account many factors, including anticipated population growth. The Pure Water Soquel Project is a key component to meeting this demand while protecting

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<sup>7</sup> The City operates four groundwater production wells within the Beltz well system and three production wells at the Tait Diversion wells that are assumed to be hydraulically connected to surface water and considered to be tied to the City’s appropriative rights for surface diversion.



groundwater resources. SqCWD projects that water supply in 2040 would be 3,655 AFY, which is sufficient to meet its projected demand.

**Table 4.18-1**  
**Soquel Creek Water District Projected Demands for Water**

Actual Demand (AFY & MG)	Projected Demand (AFY & MG)			
Year 2020	Year 2025	Year 2030	Year 2035	Year 2040
3,347 AFY 1.09 MG	3,866 AFY 1.26 MG	3,822 AFY 1.24 MG	3,741 AFY 1.22 MG	3,655 AFY 1.19 MG
Population Estimates				
38,706	40,666	42,726	44,890	47,163
Source: Soquel Creek Water District 2020 Urban Water Management Plan, Table 3-2, Table 4-3 and Table 7-3				

*SqCWD Water Service Reliability*

Results of the water supply and demand analysis for normal, single dry, and five-year consecutive droughts are shown in SqCWD 2020 UWMP Tables 7-2, Table 7-3, Table 7-4, and 7-5. SqCWD expects to meet demands under all water year scenarios, implement Pure Water Soquel, pursue further evaluation of supplemental supply options to diversify supply, and promote continued water conservation, to ensure reliability for the SCMC Basin throughout the future.

Results of the water supply and demand analysis for normal, single dry, and five-year consecutive droughts are shown in SqCWD 2020 UWMP Table 7-3: DWR 7-2R Normal Year Supply and Demand Comparison, AFY; Table 7-4: DWR 7-3R Single Dry Year Supply and Demand Comparison, AFY; and Table 7-5: DWR 7-4R Multiple Dry Years Supply and Demand Comparison, AFY.

The baseline demands established in SqCWD 2020 UWMP Section 4 could reach a maximum of 3,866 AFY as shown in SqCWD 2020 UWMP Table 7-2 and can be met with the normal year supplies as described in 2020 UWMP Section 7.1.2 under Sources for Water Data. As shown in SqCWD 2020 UWMP Table 7-4 and Table 7-5, demands during drought are expected to change in single dry and multiple dry years at the same percent of average supply identified for each year type in SqCWD 2020 UWMP Table 7-2.

SqCWD expects to meet demands under all water year scenarios, implement Pure Water Soquel, pursue further evaluation of supplemental supply options to diversify supply, and promote continued water conservation, to ensure reliability for the Santa Cruz Mid-County (SCMC) Basin throughout the future.

City of Santa Cruz 2020 Urban Water Management Plan

Per the City of Santa Cruz 2020 Urban Water Management Plan, water use in 2020 was approximately 2,600 million gallons (2.6 billion gallons). Due to long-term conservation measures, demand is expected to grow very



slowly over the next 25 years. Accounting for projected population growth, demand is expected to reach about 2,765 million gallons (2.8 billion gallons) per year by 2040. Based upon these projections, SCWD can meet future demand with the implementation of its planned supply augmentation strategy if the region experiences typical rainfall.

**Table 4.18-2**  
**City of Santa Cruz Water Department Projected Demands for Water**

Normal Year Supply and Demand Comparison Under a Projected Climate Change Hydrology					
	Year 2025	Year 2030	Year 2035	Year 2040	Year 2045
<b>Supply Total</b>	2,668 MG	2,694 MG	2,704 MG	2,765 MG	2,784 MG
<b>Demand Totals</b>	2,668 MG	2,694 MG	2,704 MG	2,765 MG	2,784 MG
<b>Difference</b>	0 MG	0 MG	0 MG	0 MG	0 MG
Population					
Year 2020	Year 2025	Year 2030	Year 2035	Year 2040	Year 2045
96,168	101,964	106,072	109,193	112,853	113,650
Source: City of Santa Cruz 2020 Urban Water Management Plan, Table 3-2, Table 7-3C					

In 2025, the City of Santa Cruz will have implemented proposed water rights modifications identified and described in the Santa Cruz Water Rights Project Draft Environmental Impact Report, and in 2030, the City will have implemented the Aquifer Storage and Recovery (ASR) in the Santa Cruz Mid-County Groundwater Basin and/or the Santa Margarita Groundwater Basin. Under multi-year drought conditions in the near-term (2025), with proposed water rights modifications but before implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, but would fall short of demand by 27 percent in year five. While the analysis characterizes this vulnerability for year five of the drought period, depending on sequencing of rain years, in reality it is possible that such a shortage could occur sooner and persist longer through a multiple dry year period.

*SCWD Water Service Reliability*

Under multi-year drought conditions after 2030, with implementation of the ASR and planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, and the year five shortage is anticipated to be substantially reduced with projected shortages no larger than a negligible two percent.





### **Impact Analysis**

With the water conservation measures described above, the SqCWD and City of Santa Cruz Water Department would have sufficient water to meet the projected housing demands inclusive of the 6<sup>th</sup> Cycle RHNA. Combined the SqCWD and City of Santa Cruz Water Department project the provision of 2,660.09 MG in Year 2025; 2,695.26 MG in Year 2030; and 2,705.24 MG in Year 2035; and 2,765.22 MG in Year 2040.

In addition, the 2023-2031 Housing Element includes a program for the City to actively pursue water conservation techniques and to notify water service agencies of their obligation to prioritize water allocation to affordable housing projects per SB 1087.

Adoption and implementation of the proposed project would not adversely affect the ability of the domestic water providers - Soquel Creek Water District or the City of Santa Cruz Water Department - to have sufficient water supplies available during normal, dry, and multiple dry year conditions for future development proposals associated with implementation of the proposed project within the City. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

### **C. WOULD THE PROJECT RESULT IN A DETERMINATION BY THE WASTEWATER TREATMENT PROVIDER, WHICH SERVES OR MAY SERVE THE PROJECT THAT IT HAS ADEQUATE CAPACITY TO SERVE THE PROJECT'S PROJECTED DEMAND IN ADDITION TO THE PROVIDER'S EXISTING COMMITMENTS?**

The *General Plan* includes policies, and actions relative to wastewater: Policy OSC-1.4 Regional Partnerships, Policy OSC-1.5 New Development, Action OSC-1.2 Education Partnerships, and Action OSC-9.1 Greywater. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

#### **Santa Cruz County Sanitation District**

Sanitary sewer service for the City of Capitola is provided under contract through the Santa Cruz County Sanitation District (SCCSD). The SCCSD is a non-profit public agency which provides sewage collection, treatment, and disposal services to the Live Oak, Capitola, Soquel, and Aptos areas. The City of Capitola is not responsible for nor does it have the authority to maintain the sanitary sewers.

The City of Santa Cruz treats sewage from domestic and industrial sources at the Wastewater Treatment Facility near Neary Lagoon and discharges its effluent into the Pacific Ocean under the NPDES permit No CA0048194. The design treatment capacity (wet weather flow) of the City of Santa Cruz Wastewater Treatment Facility (Plant) is 81 million gallons per day (MGD). The NPDES mandatory limit for the average dry weather (ADW) flow is 17 MGD. The average daily flow is less than 10 MGD.



The maximum daily flow in 2019 was 30.6 MGD, and 3.2 billion gallons of treated wastewater effluent gallons was discharged from the Plant at an average daily rate of 8.7 MGD.<sup>8</sup>

### **Wastewater (Sewer) Collection**

Per the *Sewer System Management Plan for the Davenport, Freedom, Santa Cruz County Sanitation Districts and the County of Santa Cruz* (2022), the SCCSD serves a population of 72,200 in a 13-square mile area. SCCSD has 36,000 sewer connections, 186 miles of gravity sewers, 14 miles of force mains, 35 pump stations, and no lateral responsibility.

The SCCSD's customers generate approximately 5 to 6 MGD of wastewater. The main pump station along the transmission main is located at the D. A. Porath Wastewater Facility at 2750 Lode Street off 27th Avenue in Live Oak. This wastewater flows to the Lode Street pre-treatment facility. The SCCSD collection system is then pumped to the City of Santa Cruz Publicly Owned Treatment Works (POTW) for treatment. SCCSD is required to comply with the requirements of the City of Santa Cruz NPDES permit No. CA0048194. SCCSD does not own nor it is responsible for maintenance or repair of any portion of the sewer service laterals (the portion between the building and the public sewer main).

Future development proposals would be required to comply with applicable SCCSD's rules and regulations regarding wastewater connection and service, including the wastewater lines and systems necessary to provide adequate services to the development. In addition, a future development proposal's wastewater (sewer) plans would be reviewed by the City Engineer and would be required to provide sufficient capacity and comply with City standards.

Future development proposals associated with adoption and implementation of the proposed project would result in the generation of raw sewage that would be collected in the existing or new sewer collection facilities to support the development, and then transported to the City of Santa Cruz Publicly Owned Treatment Works (POTW) where it would be treated and ultimately discharged.

The wastewater treatment requirements issued by the Central Coast RWQCB (Region 3) for the City of Santa Cruz POTW that would receive wastewater from the project site were developed to ensure that adequate levels of treatment would be provided for the wastewater flows emanating from all land uses in its service area. Therefore, implementation of the proposed project not adversely affect the ability of the City or SCCSD to provide adequate capacity and service to existing and future developments. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

<sup>8</sup> City of Santa Cruz, 2019 Wastewater Treatment Facility Annual Summary Report & Outfall Inspection Report, <https://www.cityofsantacruz.com/home/showdocument?id=78881>



**D. WOULD THE PROJECT GENERATE SOLID WASTE IN EXCESS OF STATE OR LOCAL STANDARDS, OR IN EXCESS OF THE CAPACITY OF LOCAL INFRASTRUCTURE, OR OTHERWISE IMPAIR THE ATTAINMENT OF SOLID WASTE REDUCTION GOALS?**

The *General Plan* includes goals, policies, and actions relative to solid waste: Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Policy OSC-11.8 Recycling at Events, Action OSC-11.1 Diversion Incentives, Action OSC-11.2 Restaurant Waste, Action OSC-11.3 Recycled Asphalt Pavement, and Action OSC-11.4 City Purchasing Policies. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

Solid waste disposal within the City is subject to the requirements established in *Municipal Code* Chapter 8.04, Solid Waste and Edible Food Recovery.

The *GPU EIR* concluded less than significant impacts with implementation of regulatory requirements.

The City of Capitola has a franchise agreement with GreenWaste Recovery for the collection of refuse, recycling and yard waste. GreenWaste vehicles deliver Garbage and Organics to the Monterey Regional Waste Management District (MRWMD) in Marina for processing and/or disposal, while recyclables are delivered to the GreenWaste Transfer Facility in Watsonville.

Santa Cruz County Recycling and Trash Services is responsible for the operation and administration of solid waste diversion and disposal in the unincorporated area of the County. In addition, the County operates two solid waste facilities, the Buena Vista Landfill west of Watsonville and the Ben Lomond Transfer Station in the San Lorenzo Valley.

Presently, capacity is available at the several solid waste management facilities serving the City of Capitola, and these facilities would be available to service future development proposals associated with adoption and implementation of the proposed project. In addition, future development proposals associated with implementation of the proposed project would be required to comply with the *Municipal Code*, which requires providing adequate areas for collecting and loading recyclable materials in concert with Countywide efforts and programs to reduce the volume of solid waste entering landfills. In addition, the location of recycling/separation areas is required to comply with all applicable Federal, State, public health, or local laws relating to fire, building, access, transportation, circulation, or safety. Compliance with all applicable State, Santa Cruz County, and City regulations for the use, collection, and disposal of solid and hazardous wastes is also mandated. It can be assumed that future development proposals associated with implementation of the proposed project would include adequate, accessible and convenient areas for collecting recyclable materials. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



**E. WOULD THE PROJECT COMPLY WITH FEDERAL, STATE, AND LOCAL MANAGEMENT AND REDUCTION STATUTES AND REGULATIONS RELATED TO SOLID WASTE?**

The *General Plan* includes goals, policies, and actions relative to solid waste: Goal OSC-11, Policy OSC-11.1 Solid Waste Diversion, Policy OSC-11.2 City Diversion Rate, Policy OSC-11.3 Demolition Material Recycling, Policy OSC-11.4 Building Design, Policy OSC-11.5 Recycling and Composting Space, Policy OSC-11.6 Reusable Goods, Policy OSC-11.7 Consumption/Waste Reduction, Policy OSC-11.8 Recycling at Events, Action OSC-11.1 Diversion Incentives, Action OSC-11.2 Restaurant Waste, Action OSC-11.3 Recycled Asphalt Pavement, and Action OSC-11.4 City Purchasing Policies. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

State, County, and local agencies with regulatory authority related to solid waste include the California Department of Resources Recycling and Recovery, Santa Cruz County Recycling and Trash Services, and the City of Capitola. Regulations specifically applicable to the development proposals include the California Integrated Waste Management Act of 1989 (AB 939), *CalGreen Code* Section 4.408, which the *Municipal Code* has adopted by reference, and SB 341, which requires multi-family residential development and commercial uses to implement recycling programs.

The Integrated Waste Management Act, which requires every City and County in the State to prepare a Source Reduction and Recycling Element (SRRE) to its Solid Waste Management Plan, identifies how each jurisdiction will meet the State’s mandatory waste diversion goal of 50 percent by and after the year 2000. The diversion goal has been increased to 75 percent by 2020 by SB 341.

*Municipal Code* Chapter 8.04, Solid Waste and Edible Food Recovery stipulates standards and regulations for the collection and management of solid waste in the City, in accordance with the Integrated Waste Management Act. *CalGreen Code* Section 4.408 requires preparation of a Construction Waste Management Plan that outlines ways in which the contractor would recycle and/or salvage for reuse a minimum of 50 percent of the nonhazardous construction and demolition debris.

Future development proposals would comply with the *CalGreen Code* through the recycling and reuse of at least 50 percent of the non-hazardous construction and demolition debris from the development site during the construction phase.

Future development proposals associated with adoption and implementation of the proposed project are not anticipated to result in unusual waste production characteristics, and thus, would not include any components that would conflict with State laws governing construction or operational solid waste production or diversion. Also, future development proposals associated with implementation of the proposed project would subject to all applicable Federal, State, and local statutes and regulations related to solid waste, including the California Integrated Waste Management Act, Santa Cruz County, and City of Capitola recycling programs, ensuring compliance with Federal, State, and local statutes and implementation requirements related to the management of solid waste. Thus, adoption and implementation of the proposed project ensure impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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**Addendum to the Capitola General Plan Update  
For the 2023-2031 Housing Element**

**4.19 WILDFIRE**

Would the project:	New Potentially Significant Impact	New Impact Requiring New Mitigation	No New Impact/ No Impact	Reduced Impact
A. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?			✓	
<b>If located in or near state responsibility areas or lands classified as high fire hazard severity zones, would the project:</b>				
B. Substantially impair an adopted emergency response plan or emergency evacuation plan?			✓	
C. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?			✓	
D. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?			✓	
E. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?			✓	

**PRIOR ENVIRONMENTAL FINDINGS**

**General Plan Update EIR**

The table below summarizes the wildfire impacts and mitigation measures, if applicable.

WILDFIRE – SUMMARY OF IMPACTS AND MITIGATION MEASURES			
Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
HAZ-8: Implementation of the proposed Plan would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.	Less Than Significant	Not Applicable	

Source: Capitola General Plan Update Environmental Impact Report (June 2014), Table 1-1, Summary of Impacts and Mitigation Measures



## IMPACT ANALYSIS

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City’s share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites and State land housing, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.

The 2023-2031 Housing Element is a policy document that would not change land use designations or in and of themselves authorize any development within the City. While the City is required by State law to facilitate development commensurate with its allocated share of regional housing needs, no change in the location or nature of allowable development would be authorized by the 2023-2031 Housing Element.

### **A. WOULD THE PROJECT EXPOSE PEOPLE OR STRUCTURES, EITHER DIRECTLY OR INDIRECTLY, TO A SIGNIFICANT RISK OF LOSS, INJURY, OR DEATH INVOLVING WILDLAND FIRES?**

The *General Plan* includes goals, policies, and actions relative to wildland fires: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development throughout the City. According to the California Department of Forestry and Fire Protection (CAL FIRE), the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA), as shown in *GPU EIR* Figure 4.6-1. These areas contain significant vegetation, in particular large stands of Eucalyptus trees in and around New Brighton State Park and along Park Avenue. These trees are highly flammable due to the large amounts of leaf litter on the ground and the oil content of the leaves.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws and regulations, *California Building Code*, *California Fire Code*, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. As such, future development proposals associated with implementation of the proposed project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are





adjacent to urbanized areas or where residences are intermixed with wildlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**B. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, SUBSTANTIALLY IMPAIR AN ADOPTED EMERGENCY RESPONSE PLAN OR EMERGENCY EVACUATION PLAN?**

The *General Plan* includes goals, policies, and actions relative to high fire severity zones: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The City of Capitola has been urbanized for many years with established development throughout the City. According to the California Department of Forestry and Fire Protection (CAL FIRE), the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA), as shown in *GPU EIR* Figure 4.6-1. Thus, the City would be subject to wildfire risks.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Nor would adoption and implementation of the proposed project impair implementation of emergency response plans or emergency evacuation plans. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.

**C. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT, DUE TO SLOPE, PREVAILING WINDS, AND OTHER FACTORS, EXACERBATE WILDFIRE RISKS, AND THEREBY EXPOSE PROJECT OCCUPANTS TO POLLUTANT CONCENTRATIONS FROM A WILDFIRE OR THE UNCONTROLLED SPREAD OF A WILDFIRE?**

**D. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT REQUIRE THE INSTALLATION OR MAINTENANCE OF ASSOCIATED INFRASTRUCTURE (SUCH AS ROADS, FUEL BREAKS, EMERGENCY WATER SOURCES, POWER LINES, OR OTHER UTILITIES) THAT MAY EXACERBATE FIRE RISK OR THAT MAY RESULT IN TEMPORARY OR ONGOING IMPACTS TO THE ENVIRONMENT?**



**E. IF LOCATED IN OR NEAR STATE RESPONSIBILITY AREAS OR LANDS CLASSIFIED AS HIGH FIRE HAZARD SEVERITY ZONES, WOULD THE PROJECT EXPOSE PEOPLE OR STRUCTURES TO SIGNIFICANT RISKS, INCLUDING DOWNSLOPE OR DOWNSTREAM FLOODING OR LANDSLIDES, AS A RESULT OF RUNOFF, POST-FIRE SLOPE INSTABILITY, OR DRAINAGE CHANGES?**

The *General Plan* includes goals, policies, and actions relative to state responsibility areas: Goal 3, Policy SN-3.1 Cooperative Agreements, Policy SN-3.2 Public Education, Policy SN-3.3 City-Owned Space, Policy SN-3.4 Development Review, Policy SN-3.5 Fire Hazard Risk Assessment, Policy SN-3.6 Fire Safety Plans, Policy SN-3.7 District Support, Action SN-3.1 Invasive Species, Action SN-3.2 Sign/Address Marking Visibility, Action SN-3.3 Emergency Access, Goal 5, Goal SN-5, Policy SN-5.1 Coordination with Other Agencies, Policy SN-5.2 Community Groups, Policy SN-5.3 Emergency and Evacuation Routes, Policy SN-5.4 Urban Area Security Initiative, Action SN-5.1 Emergency Response Plan, Action SN-5.2 County Preparedness Exercises, Action SN-5.3 Preparedness Training, Action SN-5.4 Preparedness Outreach, Action SN-5.5 Critical Facilities, and Action SN-5.6 Local Hazard Mitigation Plan. The *GPU EIR* concluded less than significant impacts with implementation of *General Plan* goals, policies, and actions, and regulatory requirements.

The California Department of Forestry and Fire Protection (CAL FIRE) is focused on fire protection and stewardship of over 31 million acres of California's privately-owned wildlands. Preventing wildfires in the State Responsibility Area (SRA) is a key component of CAL FIRE's mission, and in more recent decades, CAL FIRE has adapted to the evolving destructive wildfires and succeeded in significantly increasing its efforts in fire prevention. CAL FIRE's Fire Prevention Program consists of multiple activities including wildland pre-fire engineering, vegetation management, fire planning, education and law enforcement. Typical fire prevention projects include brush clearance, prescribed fire, defensible space inspections, emergency evacuation planning, fire prevention education, fire hazard severity mapping, and fire-related law enforcement activities. The Office of the State Fire Marshall has the responsibility for Fire and Resource Assessment Program (FRAP), inclusive of the fund preparing the Fire Hazard Severity Zone (FHSZ) mapping.

As shown in *GPU EIR* Figure 4.6-1, the eastern edge of the City is located in a High and Moderate fire hazard severity zone within a Local Responsibility Area (LRA). Per the updated CAL Fire Santa Cruz County State Responsibility Area (SRA) Fire Hazard Severity Zones dated June 15, 2023, the City of Capitola is not located within a Local SRA, but is located within a Fire Protection Responsibility Area (Non-SRA) – Local Responsibility Area.<sup>9</sup> The City of Capitola is outside a State Responsibility Area (SRA) per Fire Hazard Severity Zones viewer in State Responsibility Area<sup>10</sup>.

The City of Capitola has been urbanized for many years with established development throughout the City. Due to the urbanized nature of the City, there is potential to expose people or structures to significant wildfire risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.

The proposed project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the proposed project would be required to comply with all applicable regulations and development standards, along with project-specific conditions and mitigation measures to reduce potential impacts required as part of the development review and environmental impact processes. This can include, but is not limited to, Federal and State laws and

<sup>9</sup> CAL FIRE, [Fire Hazard Severity Zones in State Responsibility Area - Santa Cruz County \(ca.gov\)](https://www.fire.ca.gov/land-use/fire-hazard-severity-zones), accessed August 17, 2023

<sup>10</sup> CAL FIRE, [Fire Hazard Severity Zones \(ca.gov\)](https://www.fire.ca.gov/land-use/fire-hazard-severity-zones), accessed August 17, 2023



regulations, *California Building Code*, *California Fire Code*, *Municipal Code* requirements; and *General Plan* goals, policies, and implementation programs, including those identified in the proposed project. As such, future development proposals associated with implementation of the proposed project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands. Thus, adoption and implementation of the proposed project ensures impacts remain as less than significant impacts.

**Conclusion:** No New Impact. The changes associated with the proposed project would not result in any new impacts or increase the severity of impacts in this regard.



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## **4.20 ADDENDUM DETERMINATION**

As analyzed in this Addendum, potential impacts associated with the proposed changes (2023-2031 Housing Element) are consistent with potential impacts characterized and mitigated for in the Capitola General Plan Update Environmental Impact Report (EIR). The proposed changes would also be subject to the same mitigation measures as the Capitola General Plan Update EIR for Air Quality, Cultural Resources, Noise, Transportation & Traffic, and Greenhouse Gases.

Substantive revisions to the Capitola General Plan Update EIR are not necessary because no new significant impacts or impacts of substantially greater severity than previously described would occur as a result of the proposed changes (2023-2031 Housing Element). Therefore, the following determinations have been found to be applicable:

- No further evaluation of environmental impacts is required for the proposed changes;
- No Subsequent EIR is necessary per CEQA Guidelines Section 15162; and
- This Addendum is the appropriate level of environmental analysis and documentation for the revised project in accordance with CEQA Guidelines Section 15164.



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## 4.21 REFERENCES

Following is a list of reference documents and maps utilized in the preparation of this Addendum.

- Association of Monterey Bay Area Governments (AMBAG), 2022 Regional Growth Forecasts, [Appendix A 2022 RGF \(ambag.org\)](#)
- California Department of Forestry and Fire Protection (CAL FIRE), *Santa Cruz County Very High Severity Zones in LRA (Local Responsibility Area) Map*, [Fire Hazard Severity Zones \(ca.gov\)](#), accessed August 17, 2023
- California Department of Forestry and Fire Protection (CAL FIRE), *Santa Cruz County Fire Hazard Severity in SRA (State Responsibility Area) Map*, June 15, 2023
- California Department of Water Resources, Santa Cruz Mid-County Groundwater Sustainability Plan, <https://sgma.water.ca.gov/portal/service/gspdocument/download/3166>, accessed August 16, 2023
- California State Regional Water Quality Control Board, [Water Quality Control Plan for the Central Coastal Basin \(ca.gov\)](#), accessed August 16, 2023
- City of Capitola, *City of Capitola General Plan*, Adopted June 26, 2014, Updated March 13, 2019
- City of Capitola, *City of Capitola General Plan Update Environmental Impact Report*, June 26, 2014
- City of Capitola, *2023-2031 Capitola Housing Element*, August 2023
- City of Capitola, *Capitola Municipal Code*, codified through Ordinance 1060, passed June 8, 2023
- City of Santa Cruz, 2019 Wastewater Treatment Facility Annual Summary Report & Outfall Inspection Report, <https://www.cityofsantacruz.com/home/showdocument?id=78881>)
- City of Santa Cruz 2020 Urban Water Management Plan, [Urban Water Management Plan 2020 | City of Santa Cruz](#), accessed November 1, 2023
- Metropolitan Transportation Commission, [Transit Priority Areas \(2021\) | Transit Priority Areas \(2021\) | Metropolitan Transportation Commission \(ca.gov\)](#), accessed August 16, 2023
- Soquel Creek Water District 2020 Urban Water Management Plan, [Urban Water Management Plan | Soquel Creek Water District, CA](#), accessed November 1, 2023
- United States Census Bureau, [U.S. Census Bureau QuickFacts: Capitola city, California](#), accessed August 16, 2023





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## **4.22 REPORT PREPARATION PERSONNEL**

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**JULY 2024 ERRATA TO ADDENDUM TO THE CAPITOLA GENERAL PLAN UPDATE  
ENVIRONMENTAL IMPACT REPORT FOR THE 2023-2031 HOUSING ELEMENT, ADOPTED  
NOVEMBER 9, 2023**

The following tables from Addendum Section 2.0, Project Description (see relevant Addendum page numbers next to paragraph headings and table numbers) have been updated to reflect modifications to the 2023-2031 Housing Element made after adoption of the Addendum. The modifications are shown below in **red**, deleted text is shown in double strikethrough (~~example text~~), and page reference text is shown in *italics*.

**Comparison of Sites Inventory and RHNA (page 2-8)**

Properties identified in the sites inventory have the combined capacity to accommodate approximately ~~1,453~~ **2,511** additional housing units on underutilized sites. These sites, and the associated existing land use regulations, can facilitate the production of ~~448~~ **426** extremely low-/very low-income units, ~~298~~ **290** low-income units, ~~239~~ **180** moderate-income units, and ~~468~~ **1,615** above-moderate-income units during the planning period. Refer to *Table 2-2*.

**TABLE 2-2 (page 2-9)  
COMPARISON OF SITES INVENTORY AND RHNA**

	LOWER	MODERATE	ABOVE MODERATE	TOTAL
<b>6<sup>th</sup> Cycle RHNA</b>	712	169	455	1,336
<b>ADUs</b>	<b>10</b>	<b>30</b>	<b>10</b>	<b>50</b>
<b>Remaining RHNA for Adequate Sites</b>	<b>702</b>	<b>139</b>	<b>445</b>	<b>1,286</b>
<b>Sites Inventory</b>				
Recyclable Land*	<del>840</del> <b>716</b>	<del>495</del> <b>180</b>	<del>455</del> <b>1,615</b>	<del>1,490</del> <b>2,511</b>
Rezone/Overlay Sites*	0	0	0	0
Accessory Dwelling Units (ADUs)	<del>40</del>	<del>30</del>	<del>40</del>	<del>50</del>
<b>SITES INVENTORY TOTAL</b>	<del>850</del> <b>716</b>	<del>225</del> <b>180</b>	<del>455</del> <b>1,615</b>	<del>1,530</del> <b>2,511</b>
<b>Additional Residential Buffer**</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>12</b>
Surplus/Deficit	+138 <b>+14</b>	+56 <b>+47</b>	- <b>+1,176</b>	+194 <b>+1,237</b>
Source: City of Capitola, 2023-2031 Housing Element <del>Table 4-7 (October 2023)</del> <b>Table 4-10 (July 2024)</b>				
Notes: *Includes vacant sites, underutilized land, and pending projects <b>**Includes potential units on two School district sites</b>				

**TABLE 2-3 (page 2-9)**  
**INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT SUMMARY**

	EXTREMELY LOW / VERY LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MODERATE INCOME	TOTAL RESIDENTIAL CAPACITY
6 <sup>th</sup> Cycle RHNA	430	282	169	455	1,336
ADUs	6	4	30	10	50
Remaining RHNA for Adequate Sites	424	278	139	445	1,286
R-1 (Churches)	60	40	—5	—5	10
RM-L	5	3	4	6	18
RM-M	31	21	1	2	55
MU-N	49	33	30	61	173
C-R	297 236	408 157	449 99	274 1,439	888 1,931
C-C	105	76	41	102	324
CF	7	5	—	—	42
ADUs	6	4	30	10	50
<b>TOTAL</b>	<b>506 426</b>	<b>344 290</b>	<b>225 180</b>	<b>455 1,615</b>	<b>1,530 2,511</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-8 (October 2023) Table 4-9 (July 2024)					
Notes: *Includes vacant sites, underutilized land, and pending projects					

**Summary of Residential Capacity on Vacant, Recyclable, and ADU Sites (page 2-10)**

The analysis indicates that the City’s inventory of underutilized/recyclable sites, along with entitled units under plan review and potential Accessory Dwelling Unit (ADU) production has the potential for the development of ~~1,453~~ **2,511** residential units on existing residential properties and within existing zoning categories. A detailed sites inventory table is also presented in 2023-2031 Housing Element Appendix D.

**TABLE 2-4 (page 2-10)**  
**SUMMARY OF HOUSING UNITS**

SUB-AREA	LOW AND VERY LOW INCOME UNITS	TOTAL UNITS	PERCENT OF RHNA
<b>Residential Recycling</b>			
Single Family Zone (Religious Sites Only)	40 0	10	0.7%
Multi-Family Residential Zones	60	73	5.4%
Commercial Zones That Permit Residential Projects	676 393	1,242 1,931	90.8% 20.3%
Mixed Use Neighborhood Zone	82	173	12.9%
Community Facility Zone (Schools Only)	42	42	0.0%
Accessory Dwelling Units (ADUs)	10	50	3.7%
<b>TOTAL*</b>	<b>850 726</b>	<b>1,530 2,561</b>	<b>114.5% 28.3%</b>
Source: City of Capitola, 2023-2031 Housing Element Table 4-9 (October 2023) Table 4-11 (July 2024)			
Notes: *Total RHNA for lower and very low: 712; total RHNA is 1,336			

## IMPACT ANALYSIS

*(For all Impact Analysis subsections under Section 4.0 Environmental Analysis > Evaluation of Environmental Impacts; affecting Section 4, pages 8,12,16,22,28,33,36,43,48,54,63,67,69,73,78,81, 86,92,104)*

The 2023-2031 Housing Element includes policies and programs that are applicable City-wide and are designed to facilitate the construction of housing units to meet the City's share of the regional housing need. The 2023-2031 Housing Element Chapter 4, Housing Need and Opportunities identifies potential residential sites and densities, inclusive of recyclable residential land, religious facility sites ~~and State land housing~~, vacant and non-vacant land, and the Capitola Mall site. The 2023-2031 Housing Element Chapter 5, Housing Plan identifies the Goals, Policies, and Programs and Quantified Objectives that are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans.



# City of Capitola Housing Element Re-Adoption

**CITY COUNCIL**  
AUGUST 22, 2024





# Tonight's Topics

- **Housing Element Overview**
- **Revisions to Housing Element**
- **City Council Adoption**



## City of Capitola

# The Team



## Consultant Team

- Bret Stinson RRM Design Group
- Veronica Tam & Associates
- Leila Soshref-Denesh, Burke
- Collette Morse, Morse Planning Group

## Staff Recommendation:

Adopt a resolution to:

- 1) Adopt Addendum to General Plan Update Environmental Impact Report; and
- 2) Amend the 2023-2031 Housing Element of the General Plan, as conditionally approved by California Department of Housing and Community Development, and updating timelines as presented for program 1.7; and direct staff to submit amended Housing Element to the State for certification.



# What is the Housing Element?



One of seven required elements of the General Plan



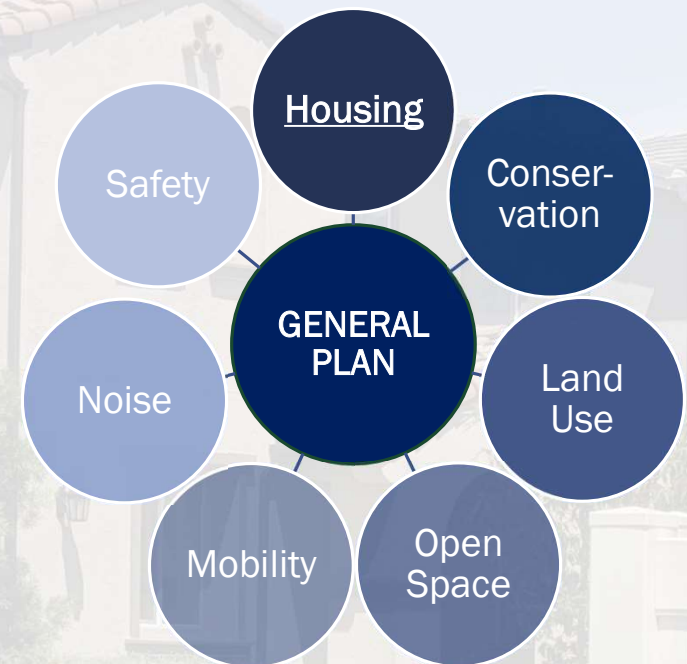
Assessment of City's housing needs and how best to accommodate existing and future housing needs



Update required every eight (8) years - **Deadline: December 15, 2023**



Reviewed for compliance by California Dept. of Housing and Community Development (HCD)



# Housing Element Update Process

Housing Needs Assessment

Draft HEU & Programs

HCD Review of Draft HEU

Adoption

HCD Review  
Conditional Letter of Certification

Re-Adoption

HCD Certification

Outreach

HEU Implementation\*

# Public Outreach

## PUBLIC OUTREACH TO DATE

- Online housing needs survey
- Stakeholder interviews (November 2022)
- Community Workshops 1 & 2 (Feb 16 and May 16)
- Planning Commission Study Session (February 2, 2023)
- City Council Study Session (February 9, 2023)
- Joint PC and CC Study Session (March 16, 2023)
- Public Review of Draft Housing Element (May 2023)



# Previous Adoption Hearings

## Adoption Hearings

- October 5, 2023 Planning Commission Update
- October 12, 2023 City Council Update
- October 19, 2023 Planning Commission recommendation to CC
- November 9, 2023 City Council Adoption



# California HCD Correction Letter

Item 8 A.

January 12, 2024 HCD Letter

Request for Additional Analysis:

1. Capitola Mall Incentives Program – Commitment to Height and Floor Area Benefits
2. Sites Inventory - Non-Vacant Sites Analysis
3. Publicly-owned sites

# Subsequent Drafts

Subsequent Drafts published on the City's website for seven days then submitted to HCD:

April 19, 2024

June 13, 2024

July 3, 2024

July 10, 2024

July 23, 2024

July 26, 2024, HCD - Subsequent Draft Housing Element is in substantial compliance with State Housing Element Law.

August 8, 2024 – Planning Commission recommendation for adoption

# Amendments

1. Analysis of realistic capacity on previously redeveloped sites
2. Analysis of current conditions of sites identified for future lot consolidations
3. Analysis and examples specific to areas and transportation corridors where redevelopment sites are identified
4. Example buildout of a site
5. Analysis of realistic capacity of the Capitola Mall site
6. Update to Program 1.6 Development Regulations related to mall height
7. Update to Program 1.7 Shopping/Commercial Redevelopment related to mall height and monitoring financial feasibility
8. Analysis on site inventory capacity and future housing opportunities
9. Added information related to Program 1.10 Housing on Publicly and Quasi-Publicly Owned Land not being included in the 6<sup>th</sup> Cycle Inventory.
10. Edits to Program 3.1 Emergency Shelters and Low Barrier Navigation Centers to comply with state law.

# Amendments

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2. Analysis of current conditions of sites identified for future lot consolidations
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8. Analysis on site inventory capacity and future housing opportunities
9. Added information related to Program 1.10 Housing on Publicly and Quasi-Publicly Owned Land not being included in the 6<sup>th</sup> Cycle Inventory.
10. Edits to Program 3.1 Emergency Shelters and Low Barrier Navigation Centers to comply with state law.

# Mall Amendments

## 5. Analysis of realistic capacity of Mall site (Pages 4-43 through 4-48)

- Economic feasibility reached with 48 - 60 dwelling units per acre, 75 feet height, and parking not counted toward FAR
- Remove barriers: Update zoning to objective standards, increased incentives, and to allow phased development
- 15% lower income (266 units) and 5% moderate income (89 units)

## 6. Update to Program 1.6 Development Regulations related to mall height. (Page 5-9)

- Commitment to 75 feet

## 7. Update to Program 1.7 Shopping/Commercial Redevelopment related to mall height and monitoring financial feasibility. (Pages 5-10 through 5-11)

- Commitment to revisit financial feasibility annually.



# New Amendment

## Program 1.7 Shopping/Commercial Center Redevelopment: Timeline and Objectives:

- By the end of 2024-2025, develop land use policies to facilitate shopping center redevelopment with a strong sense of urban design cohesion.
- By the end of 2024-2025 as part of the Zoning Code updates, amend the Municipal Code Chapter 17.88 to include the following: i. Establish the Capitola Mall as the area between Clares Street, 41st Avenue and Capitola Road. ii. Allow for building height up to 75 feet for Mall Redevelopment. iii. Define “Mall Redevelopment” to mean a mix of uses that includes residential and retail/commercial components. iv. Exclude parking garages from the project FAR calculations. v. Adopt objective development standards to facilitate mall redevelopment.
- Beginning in 2025-2026, the City will annually monitor impacts on the financial feasibility of the Incentives of Community Benefits. If financial constraints are discovered, modifications will be made within six months.

## Staff Recommendation:

Adopt a resolution approving the Planning Commission recommendation to

1) adopt Addendum to the General Plan Update Environmental Impact Report; and

2) amend the 2023-2031 Housing Element of the General Plan, as conditionally approved by the California Department of Housing and Community Development and updating timelines as presented for program 1.7; and direct staff to submit the amended Housing Element to the State of California for certification.



# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024

**From:** Community Development Department

**Subject:** Affordable Housing Development Loan Amendment

**Recommended Action:** Adopt a resolution authorizing the City Manager to execute an Amended Loan Agreement with MP Rail Trail Associates, LP to increase an existing loan of \$250,000 by \$1,307,808 for a total loan of \$1,557,808 to fund development of 52 residential units affordable to low income households at 1098 38<sup>th</sup> Avenue, Capitola, CA and allocating \$357,807.60 of PLHA Funds and \$950,000 of Housing Successor Agency Funds thereto.

**Background:** On March 10, 2023, MP Rail Trail Associates, LP, an entity controlled by MidPen Housing, a local non-profit affordable housing developer (“MidPen”), acquired 1098 38<sup>th</sup> Avenue, Capitola, CA (“Property”). Upon acquiring the Property, MidPen requested \$250,000 in funding for predevelopment planning costs from the City.

On June 22, 2023, the City Council received a presentation from MidPen regarding a future 100% affordable multifamily rental housing development on the Property and directed staff to prepare a loan agreement to assist with predevelopment activities.

In 2023, MidPen hired Architects FORA to design the future multifamily housing development. MidPen originally requested \$250,000 for predevelopment planning, including \$200,000 for architectural design, \$32,000 for civil and survey costs, and \$19,800 for geotechnical reports and testing, with the expectation that the City would consider providing additional construction funding in the future.

On November 9, 2023, the City Council authorized a loan agreement in the amount of \$250,000 to assist with predevelopment planning of 1098 38<sup>th</sup> Avenue utilizing Housing Successor Agency Funds.

On April 4, 2024, the City of Capitola Planning Commission unanimously approved MidPen’s density bonus application to entitle a 52-unit development affordable to households earning between 30% and 60% of area median income for Santa Cruz County on the Property. The development includes four separate buildings surrounded by two landscaped outdoor community spaces with a community table, play area for children, community garden, dog run, 70 surface parking spaces, and a bike barn (the “Project”).

**Discussion:** Following the entitlement process, MidPen submitted a HOME grant application to the State of California, Department of Housing and Community Development (HCD) for \$12,000,000. The awards will be announced in the fall of 2024.

On June 13, 2024, MidPen submitted a funding request to the City. The request explained that if their HOME application is successful, a funding gap of approximately \$1.35 million will remain. The funding request is for a loan to fully finance the Project and position MidPen to apply for tax credits in 2025.

The City has two funding sources that can be utilized to fund the gap in the Project, Permanent Local Housing Allocation Fund (PLHA) and Housing Successor Agency Funds.

On June 23, 2023, the City was awarded a PLHA grant. The PLHA five-year plan for grant funding allocation includes funding for the development cost of affordable housing rental projects, very low-income homeless assistance Housing for Health Partnership year-round emergency shelter operations in Santa Cruz County, and project administration. The first year of PLHA funding (\$105,092) was allocated for homeless assistance (95%) and administration (5%). The second and third year of PLHA funding was allocated for development costs associated with the Project (\$357,808) and five percent project administration (\$18,832).

The City also has funding available in the Housing Successor Agency fund from a recent loan payoff by Castle Mobile Home Park. These funds are restricted and may be used only for the following purposes:

1. Monitoring and Administration of Redevelopment Agency or Housing Successor affordable units.
2. Homeless prevention and rapid rehousing.
3. Development of housing for households earning 80% or less of the area median income (AMI).

The Project at 1098 38<sup>th</sup> Avenue qualifies for use of the PLHA and Housing Successor Agency funding. The original loan for \$250,000 utilized Housing Successor Agency funding. The remaining Project funding gap of \$1.35 million can be closed by City Council authorization to allocate the combined amount of \$357,808 of PLHA funds and \$950,000 of Housing Successor Agency funds toward the Project.

Fiscal Impact: The loan amendment of \$1,307,808 will be fully funded through the PLHA grant (\$357,808) and Housing Successor Agency (\$950,000). The Housing Successor Agency will have a remaining balance of approximately \$975,000 which will continue to fund multiple housing programs including the Homeless Action Partnership, Security Deposit Assistance, CAB Emergency Housing Assistance, and Administration. A new low-income housing rehabilitation program was included in the FY24/25 budget as programmed in the 6<sup>th</sup> Cycle Housing Element.

Attachments:

1. Resolution
2. MidPen Housing Loan Request
3. PLHA 5-year Plan
4. 1098 38<sup>th</sup> Avenue Development Site Plan and Rendering

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED LOAN AGREEMENT WITH MP RAIL TRAIL ASSOCIATES, LP, A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE AN EXISTING LOAN OF \$250,000 BY \$1,307,808 FOR A TOTAL LOAN OF \$1,557,808 TO FUND DEVELOPMENT OF FIFTY-TWO RESIDENTIAL UNITS AFFORDABLE TO LOW INCOME HOUSEHOLDS AT 1098 38<sup>TH</sup> AVENUE, CAPITOLA, CALIFORNIA AND ALLOCATING \$357,807.60 OF PERMANENT LOCAL HOUSING ALLOCATION FUNDS AND \$950,000 OF HOUSING SUCCESSOR FUNDS THERETO**

**WHEREAS**, MP Rail Trail Associates, LP, a California limited partnership ("**Borrower**"), an entity controlled by MidPen Housing Corporation, a California nonprofit public benefit corporation ("**MidPen**"), is the owner of approximately 1.97 acres of real property located at 1098 38th Avenue, Capitola, California ("**Property**"); and

**WHEREAS**, on November 9, 2023, the City of Capitola ("**City**") entered into a Predevelopment Loan Agreement ("**Loan Agreement**") with Borrower to provide a loan of \$250,000.00 (the "**Loan**") from its Low and Moderate Income Housing Asset Fund, established pursuant to Health and Safety Code § 34176 (d) ("**Housing Successor Funds**"), to fund the costs and expenses that Borrower would incur to assess the feasibility of the development of affordable multi-family residential housing on the Property, design the project, and apply for governmental land use approvals needed for the development and construction of the project; and

**WHEREAS**, on April 4, 2024, the City of Capitola Planning Commission unanimously approved Borrower's application to develop the Property with fifty-two (52) multi-family residential units, comprised of four (4) studio units, twenty-one (21) one-bedroom units, fourteen (14) two-bedroom units, and thirteen (13) three-bedroom units, for a total of fifty-one (51) residential units affordable to households earning between 30% and 60% of area median income for Santa Cruz County, and one (1) unit permitted for a Property Manager, located within four (4) separate buildings which are surrounded by two landscaped outdoor community spaces with a community table, play area for children, community garden, dog run, 70 surface parking spaces, and a bike barn (the "**Project**"); and

**WHEREAS**, in March 2024, Borrower secured a conditional commitment of 25 project-based vouchers for the Project from the Housing Authority of Santa Cruz County for an initial term of 20 years; and

**WHEREAS**, in April 2024, Borrower submitted an application for HOME funds through the State of California, Department of Housing and Community Development ("**HCD**"), with awards to be announced in the fall of 2024, and are intending to apply for funding from CDBG-DR Disaster Relief Funds in September 2024 in the event the HOME fund application with HCD is unsuccessful; and

**WHEREAS**, if either the HOME or CDBG funding application is successful, the Project will still have a funding gap of approximately \$1,350,000; and

**WHEREAS**, the timely appropriation of local housing funds to close the Project funding gap is necessary to enhance the chances that the Project will secure the requested award of HOME or CDBG funds that will then allow the Project to apply for tax credits at the earliest opportunity; now, therefore, be it

**RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CAPITOLA HEREBY DETERMINE AS FOLLOWS:**

1. An additional sum of \$1,307,807.60, consisting of \$357,807.60 of Permanent Local Housing Allocation (“PLHA”) Funds and \$950,000 of Housing Successor Funds, is hereby committed and allocated by the City to the Project in the form of an amendment to the Loan Agreement (“**Amended Loan Agreement**”) to thereby increase the total amount of the Loan to \$1,557,808 (the “**Project Loan**”), in the form of a subordinate construction loan, convertible to a permanent loan, subject to loan terms set forth in Exhibit A of this Resolution, to fund the construction of the Project. The City Manager is hereby authorized to negotiate, execute, enter into and implement all documents associated with or required for the Amended Loan Agreement, including but not limited to an amended promissory note to evidence the Project Loan to be secured by an amended deed of trust to be recorded against the Property, in a form approved by the City Attorney, and to amend the term of the Amended Loan Agreement, as deemed necessary by the City Manager, to require repayment of the Project Loan if Project Funding is not secured by MidPen within five years from the date of the Amended Loan Agreement.
  
2. As a condition of the Project Loan, Borrower shall execute, enter into and record against the Property an Affordable Housing Agreement and Declaration of Restrictive Covenants (the “**Regulatory Covenant**”) with City that requires all residential housing units developed on the Property, excluding one (1) Property manager’s unit, to be available to and rented at rents affordable to households earning between 30% and 60% of area median income for Santa Cruz County for a period of time no less than fifty-five (55) years from the date of occupancy of the Project. The City Manager is hereby authorized to negotiate, execute, enter into and implement all documents associated with or required for the Project Loan and Regulatory Covenant in a form approved by the City Attorney.

**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on August 22, 2024, by the following vote:

**AYES:** BROOKS, CLARKE, PEDERSEN, BROWN, KEISER  
**NOES:** NONE  
**ABSENT:** NONE  
**ABSTAIN:** NONE

\_\_\_\_\_  
 Margaux Keiser, Mayor

ATTEST:

\_\_\_\_\_  
 Julia Moss, City Clerk

<b>Proposed City of Capitola Project Loan Terms</b>	
<b>Item</b>	<b>Term</b>
Borrower	MP Rail Trail Associates, L.P., a California limited partnership
Project Sponsor	MidPen Housing, a California nonprofit public benefit corporation
Project Loan Amount	\$1,307,807.60; to be combined with \$250,000 Predevelopment Loan; Total Project Loan amount of \$1,557,807.60.
Project Loan Term	55 years from Perm Conversion
Security	Project Loan Amount to be evidence by Promissory Note to be secured by a subordinate Deed of Trust recorded against the Property at the time Project construction financing is closed
Eligible Expenses	PLHA Funds: Predevelopment; Housing Successor Agency Funds: Construction and Permanent Financing
Interest Rate	3% simple interest
Amortization	N/A residual Receipts payments
Repayment	Residual Receipts



June 13, 2024

Ms. Katie Herlihy  
 Community Development Director  
 City of Capitola  
 420 Capitola Avenue  
 Capitola, CA 95010

RE: 1098 38<sup>th</sup> Avenue Affordable Housing – Request for Gap Funding

Dear Ms. Herlihy,

In February 2022, the Central California Alliance for Health (the Alliance) reached out to MidPen Housing with an exciting acquisitions opportunity. Many years prior, the Alliance had purchased a skilled nursing facility in the City of Capitola and, after attempting to rehabilitate the aging building, made the difficult decision to demolish the structure and sell the vacant land. Committed to ensuring the property would continue to benefit the community, the Alliance contacted MidPen Housing to inquire about the suitability of the site for affordable housing. After completing a feasibility analysis, including confirming the City's enthusiasm for a 100% affordable development at the site, MidPen moved forward with the acquisition and closed on the land in March of 2023. The affordable housing community currently in development will include 52 homes for low-income families, a community room, property management and services offices, and multiple outdoor community spaces including play areas and gardens.

### **Project Goals and Status**

MidPen Housing is working with Architects FORA to design a community that will provide affordable, inclusive family housing that reflects and supports the Capitola community. Approved unanimously at the Planning commission on April 4<sup>th</sup>, the site plan consists of four buildings surrounding two landscaped outdoor community spaces with a community table, play areas for children, a community garden and a dog run. There will be 70 parking stalls at the rear of the property and a bike barn. The unit mix is as follows: four (4) studio units, twenty-one (21) one-bedroom units, thirteen (13) two-bedroom units, and thirteen (13) three-bedroom units. The community will serve families earning between 30% and 60% of AMI, and rents will range from \$951 (for a 30% AMI studio) to \$2,825 (for a 60% AMI 3-bedroom). Bogard Construction was selected as the project's general contractor, with construction to begin as early as October 2025.

The target population for this development will be low-income families and families at risk of homelessness. A partnership is currently under development between MidPen Housing, Soquel Union School District, and Santa Cruz County Office of Education to pilot a program to refer families that qualify as homeless through the McKinney Vento Act. We are projecting 5-10 units will have a preference for this population, with families receiving supportive services from school district staff. Additionally, all families will have access to supportive services from onsite MidPen Resident Services staff.

303 Vintage Park Drive, Suite 250  
 Foster City, CA 94404

t. 650.356.2900  
 f. 650.357.9766

e. [midpen@midpen-housing.org](mailto:midpen@midpen-housing.org)  
[www.midpen-housing.org](http://www.midpen-housing.org)

**Financing Request**

MidPen Housing staff have worked diligently to apply for all available funds. To date, the following sources have been committed, applied for, and/or are projected. Please see attached summary proforma for a more detailed financial analysis.

*City of Capitola Successor Agency Funds - Committed*

In December 2023, the City of Capitola and MidPen Housing executed a loan agreement committing \$250,000 in PHLA funds for predevelopment.

*HOME – Investment Partnership Program - Applied*

In April 2024, MidPen submitted an application for \$12M in HOME funds through HCD. Award announcements expected Fall 2024.

*Project-Based Vouchers - Committed*

In March 2024 the project received a conditional commitment of 25 project-based vouchers from the Housing Authority of Santa Cruz County for an initial contract term of 20 years.

The HOME application, if successful, will leave the 1098 38<sup>th</sup> Avenue development with an approximately \$1.35M funding gap. If the City of Capitola is able to provide an approximately \$1.35M to the project in the form of a construction to permanent residual receipts loan, the project will be fully financed and ready to apply for tax credits in Round 1 2025.

Key Dates for Capitola Manor	
Date	Milestone
04/12/2024	Applied for State HOME funds
3/2025	Apply for 9% Tax Credits in Round 1
6/2025	Receive Tax Credit Award and Select Lender/Investor
10/31/2025	Pull Building Permits and Start Construction
8/2027	100% Lease Up

If you need any more information, please feel free to contact Vanessa Diffenbaugh at [vanessa.diffenbaugh@midpen-housing.org](mailto:vanessa.diffenbaugh@midpen-housing.org) or (617) 768-7168.

Sincerely,

DocuSigned by:  
  
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Vanessa Diffenbaugh  
 Associate Director of Housing Development  
 MidPen Housing Corporation



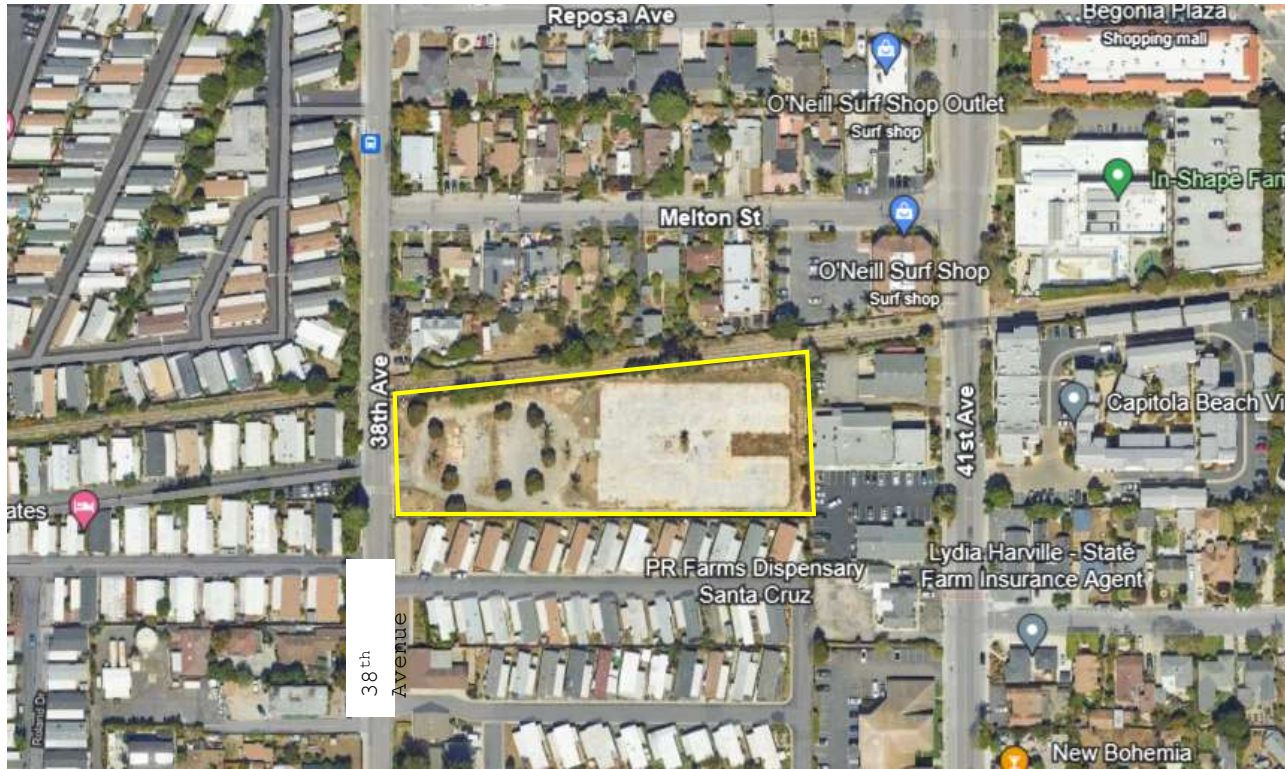
City of Capitola Permanent Local Housing Allocation (PLHA) Five-Year Plan of Activities for Program Funds										
State Projection of Funds by Year (Subject to Change)	\$105,092		\$180,868		\$195,772		\$74,413		\$74,412	
Eligible Activities	Year 1 2020 Percents	Year 1 2020 Dollars	Year 2 2021 Percents	Year 2 2021 Dollars	Year 2022 Percents	Year 3 2022 Dollars	Year 4 2023 Percents	Year 4 2023 Dollars	Year 5 2024 Percents	Year 5 2024 Dollars
Admin	5%	\$5,255	5%	\$9,043	5%	\$9,789	5%	\$3,721	5%	\$3,721
<b>§301(a)(1) Multi-Family Housing Project Investment:</b> The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies. Potential investments could be made within a city	0%	\$0	95%	\$171,825	95%	\$185,983	48%	\$35,346	48%	\$35,718
<b>§301(a)(6) Assisting persons who are experiencing or at-risk of homelessness,</b> including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing	95%	\$99,837	0%	\$0	0%	\$0	47%	\$34,974	47%	\$34,974

1098 38<sup>th</sup> Avenue

Item 8 B.



# 1098 38<sup>th</sup> Avenue



## 1098 38<sup>th</sup> Avenue

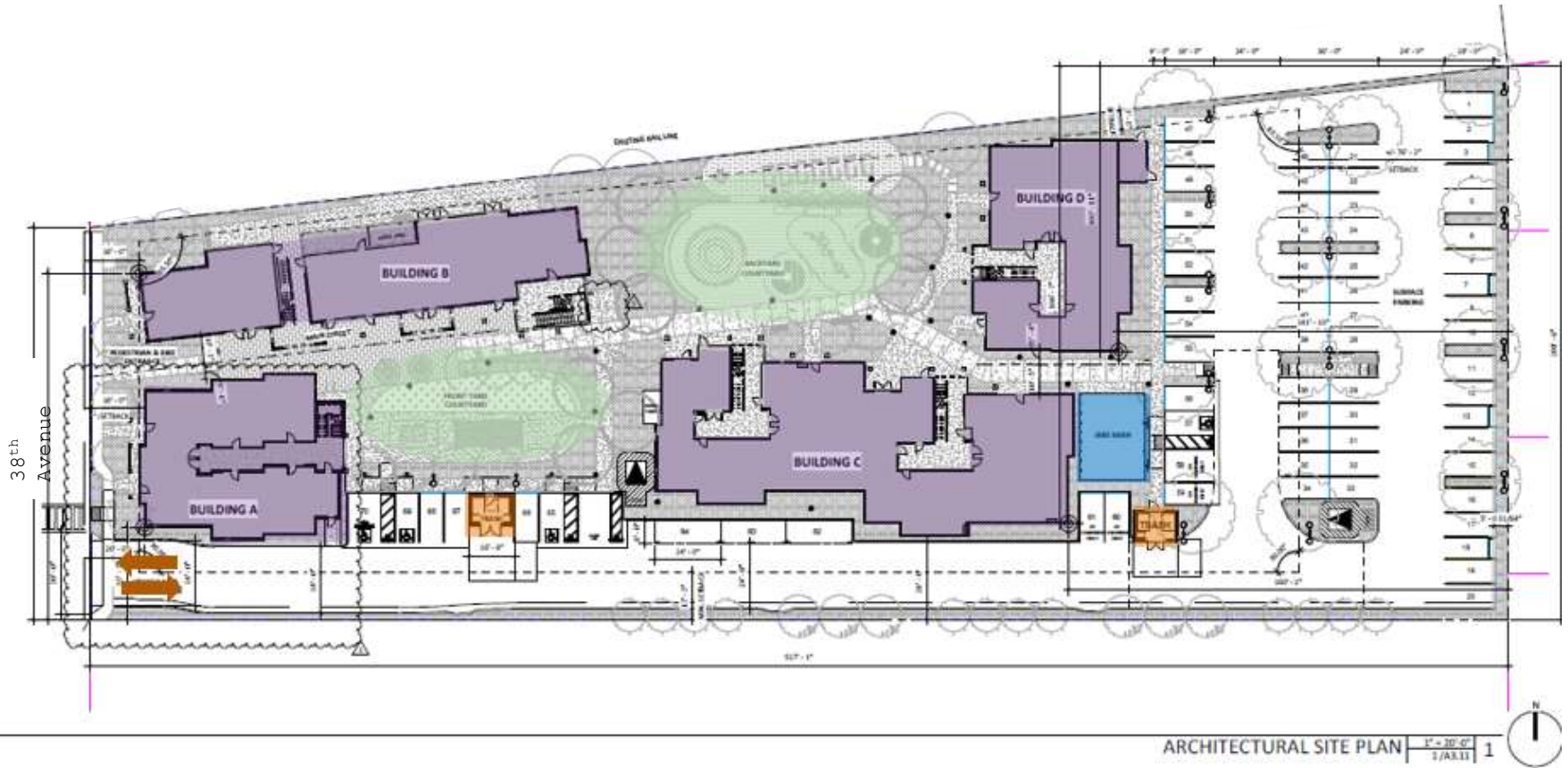
1.97 acres

27 du/acre

52 units - 100% affordable



# 1098 38<sup>th</sup> Avenue



60,805 sf - 4 buildings  
 (A, B, C, D)  
 52 units - 1, 2, 3  
 bedrooms

7 short term bike parking  
 52 long term bike parking  
 4 EV chargers (+7 capable &  
 17 ready)



# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.





# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.

## Recommended Action:

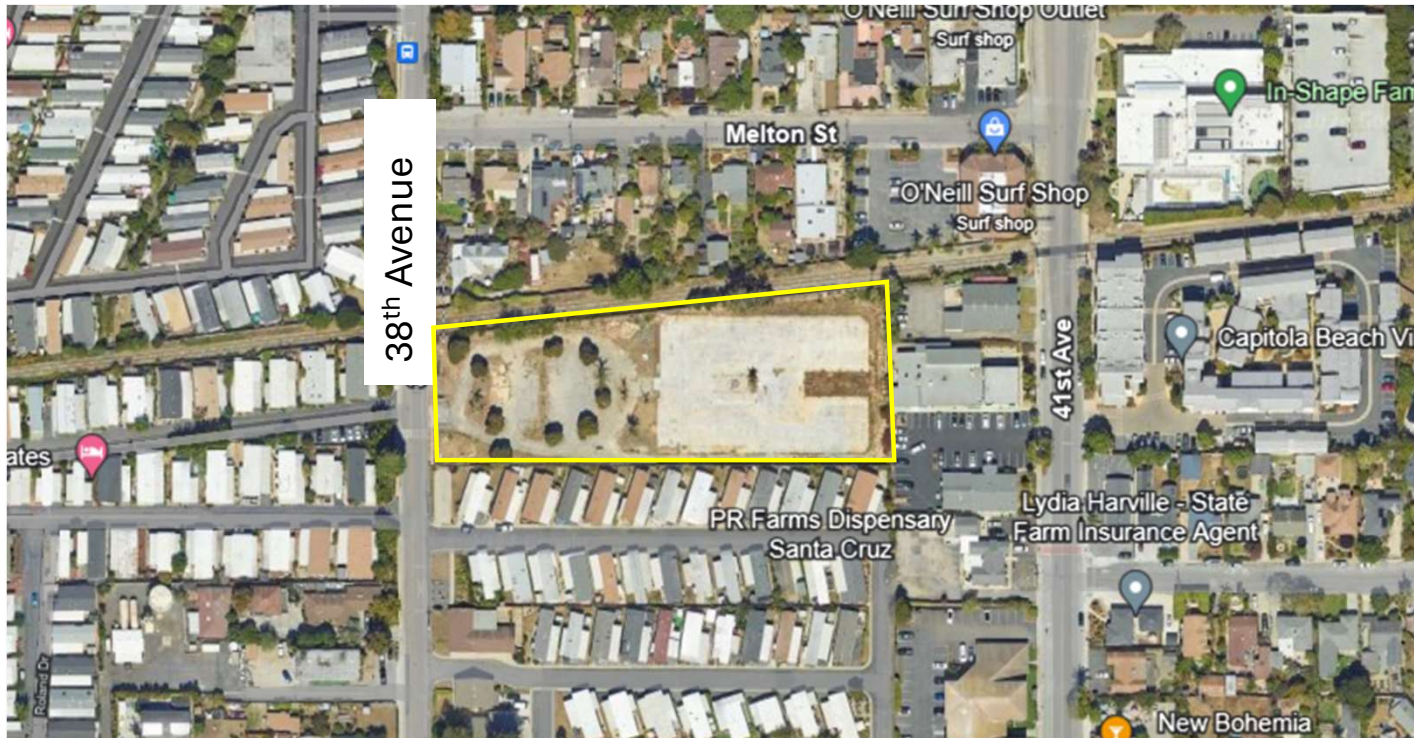
Adopt a resolution authorizing City Manager to execute an Amended Loan Agreement with MP Rail Trail Associates, LP to increase existing loan of \$250,000 by \$1,350,000 for a total loan of \$1,600,000 to fund development of 52 residential units affordable to low income households at 1098 38th Avenue, Capitola, CA and allocating \$428,872\* of PLHA Funds and \$921,128 \* of Housing Successor Agency Funds thereto.

\* Staff report noted \$950,000





# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement



## 1098 38<sup>th</sup> Avenue

1.97 acres

27 du/acre

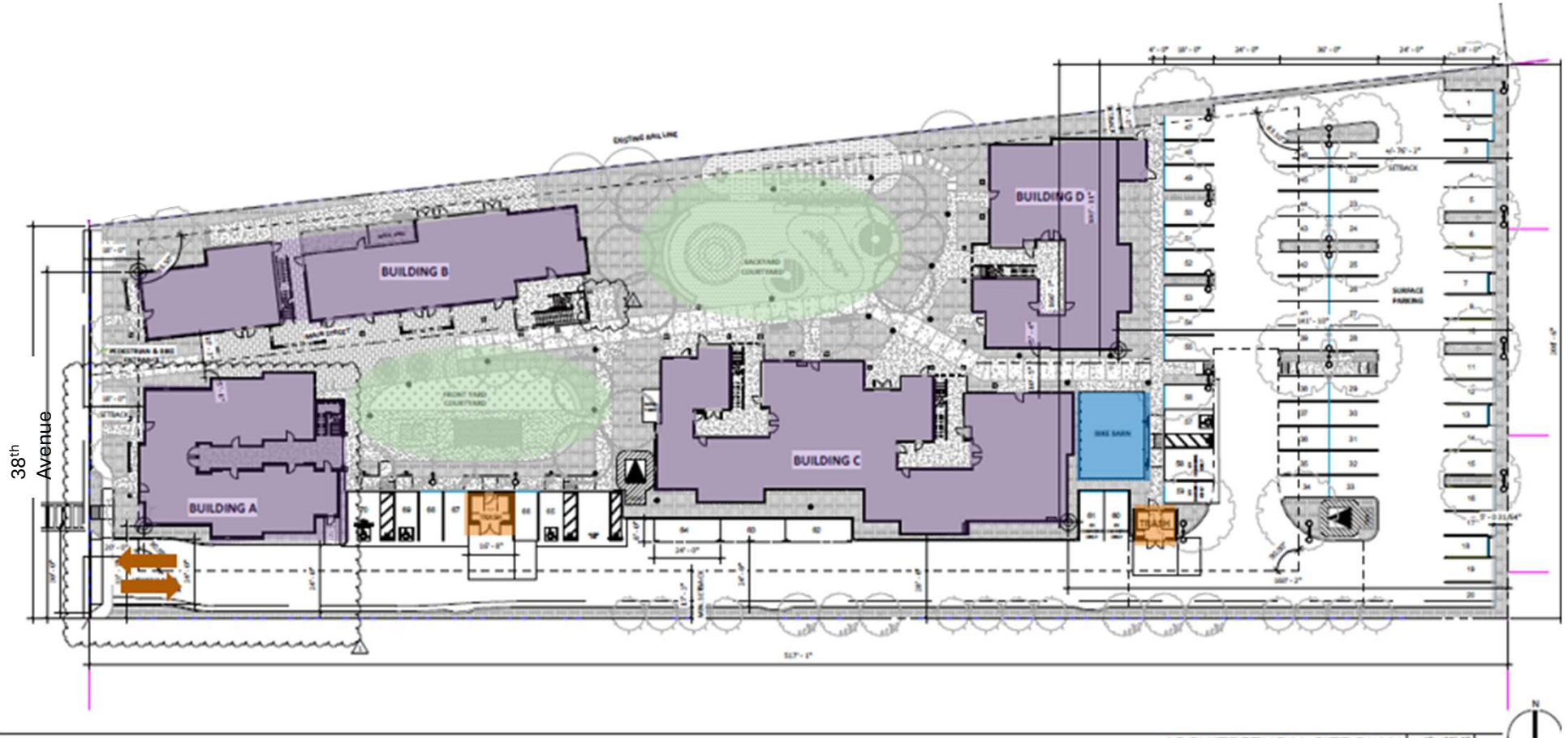
52 units - 100% affordable





# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.



60,805 sf – 4 buildings

52 units – 1, 2, 3 bedrooms

70 parking spaces

7 short term bike parking

52 long term bike parking

4 EV chargers (+7 capable & 17 ready)



# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.



Southeast view from Courtyard



Northwest view from Courtyard



# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.

## Background

- |                  |  |
|------------------|--|
| November 9, 2024 | \$250,000 predevelopment loan from City Housing Successor Agency funds |
| April 4, 2024    | Planning Commission project approval                                   |
| June 13, 2024    | MidPen funding request for \$1.3 million                               |





# 1098 38<sup>th</sup> Avenue

## Amendment to Loan Agreement

Item 8 B.

### Funding Source

Permanent Local  
Housing Allocation  
(PLHA)

- City awarded 5 years funding from property transfer tax
- \$428,872 for project

Housing Successor  
Agency Fund

- Castle Mobile Home loan payoff
- \$1.9 fund balance
- Funds used for Homeless Action Partnership, Security Deposit Assistance, CAB Emergency Housing



# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.

<b>Proposed Funding</b>	<b>\$1,350,000</b>
Permanent Local Housing Allocation	\$428,872*
Housing Successor Agency Fund	\$921,128*

\* Staff report noted \$950,000 for Housing Successor



# 1098 38<sup>th</sup> Avenue Amendment to Loan Agreement

Item 8 B.

## Recommended Action:

Adopt a resolution authorizing the City Manager to execute an Amended Loan Agreement with MP Rail Trail Associates, LP to increase an existing loan of \$250,000 by \$1,350,000 for a total loan of \$1,600,000 to fund development of 52 residential units affordable to low income households at 1098 38th Avenue, Capitola, CA and allocating \$428,872\* of PLHA Funds and \$921,128 \* of Housing Successor Agency Funds thereto.

\* Staff report noted \$950,000

# Capitola City Council

## Agenda Report



**Meeting:** August 22, 2024

**From:** Community Development Department

**Subject:** Coastal Commission Recommended Modifications to Capitola Zoning Code: Monarch Cove Inn

**Recommended Action:** Adopt a resolution accepting the California Coastal Commission modifications to amendments to the City of Capitola General Plan Map, Zoning Map, Municipal Code Chapter 17.28 Visitor Serving Overlay Zones, and removal of Municipal Code Chapter 17.30 Visitor Serving District - Monarch Cove Inn.

**Background:** In 2020, the City of Capitola adopted a comprehensive update to the Zoning Map, Zoning Code, General Plan, and Local Coastal Program. This update also included amendments specific to the Monarch Cove Inn properties, which are within the coastal zone. During the comprehensive update, the owners of the Monarch Cove Inn approached the City requesting the property be rezoned due to the lack of support for the redevelopment of the historic Monarch Cove Inn, related economic challenges of current operations, and their desire to retire from the bed and breakfast industry.

The Monarch Cove Inn properties are the only properties in the City designated with base zoning Visitor Serving (VS). The 2020 comprehensive amendments proposed a change in the base zone from VS to Single Family Residential (R-1), with a Visitor Serving overlay. The proposed amendments include a requirement for a coastal access easement to a viewpoint, should the owner decide to no longer operate the inn.

At its April 15, 2021 meeting, the Coastal Commission certified most of the City's proposed comprehensive amendments, but specifically excluded all changes related to the Monarch Cove Inn properties. At the meeting, Coastal Commission staff recommended the Commission decline to support the proposed policy changes to the Monarch Cove Inn property. The Monarch Cove Inn generated extended and specific discussion. During discussion, several Coastal Commissioners were receptive to the request to change the zoning, and no Commissioners declared opposition. Coastal Commission staff maintained their position and noted loss of Visitor Serving resources, iconic views, and lack of replacement resources as justification for maintaining the property's base zone as Visitor Serving. Ultimately, discussion concluded with the Commission advising the Monarch Cove Inn owner and the City to bring the proposed changes to the Monarch Cove Inn properties for separate consideration.

On June 6, 2021, the Monarch Cove Inn owner filed an application with the City of Capitola for Zoning, General Plan, and Local Coastal Program amendments to initiate separate consideration as advised by the Coastal Commission. Their initial application maintained the same approach that the City had previously submitted to the Commission - changing the Visitor Serving (VS) base zone to an R-1 base zone with a Visitor Serving Overlay. The stipulation for coastal access to a viewpoint was also included.

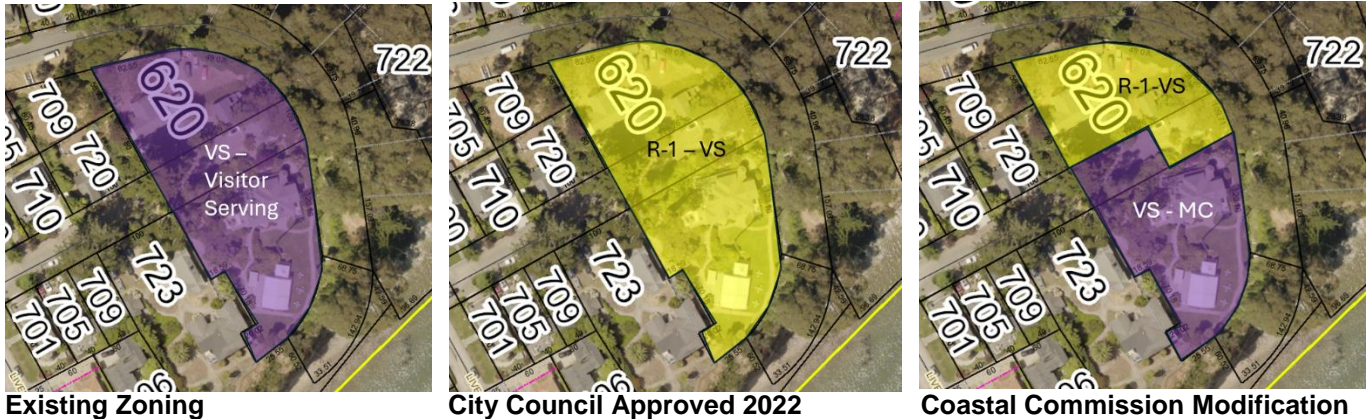
On October 20, 2022, the Planning Commission unanimously recommended the City Council approve the proposed changes.

On November 10, 2022, the City Council adopted a resolution approving the proposed amendments to the Zoning Map, Zoning Code, and LCP. Staff then submitted the amendments to the Coastal Commission for certification.

**Discussion:** Between November 2022 and May 2024 there were extensive discussions between City staff, Coastal Commission staff, and the Monarch Cove Inn owners. Ultimately, these interactions resulted in an agreed-upon alternative to the original proposal, which was then forwarded to the Coastal Commission with a staff recommendation of approval.



In their analysis, Coastal Commission staff made the distinction that the primary Monarch Cove Inn buildings and uses are situated on the seaward side of the site, while the landward side has some undeveloped areas and is otherwise used for parking and hotel-support uses. After making this distinction, Coastal Commission staff and the property owner discussed a compromise that would split the site for purposes of zoning. The landward side would become an R-1 base zone with a Visitor Serving overlay, as was originally proposed by the City and property owner; and the seaward side would remain a Visitor Serving only property. The maps below show the existing and proposed zoning.



**Parking and Access:** Parking for the Monarch Cove Inn is anticipated to be relocated/modified to remove parking from the landward side to the seaward side of the property. There is also a requirement for a public access easement from El Salto Drive to the existing right of way to the east of the Monarch Cove Inn.

On May 9, 2024, the Coastal Commission conditionally certified the alternative policy changes, as agreed upon by the property owner and Coastal Commission staff. Since the alternative is different than the draft adopted by the City in November 2022, it requires final acceptance by City Council prior to taking effect.

Staff recommends the City Council accept the Coastal Commission modifications. Ultimately, the proposal will do the following:

1. Change the Zoning and General Plan designations on the landward side of the properties to R-1 with a Visitor Serving Overlay. This change allows the owner flexibility in managing the estate to continue the existing use of the property with managed nightly rentals and/or to pursue single-family development consistent with the surrounding neighborhood.
2. Retain the seaward side of the properties for the core buildings and uses associated with the Monarch Cove Inn and maintain its status as a visitor serving resource with a public access easement to a viewpoint with a modified parking lot.

**CEQA:** The City found the Zoning Code and General Plan Land Use Map Amendments exempt from the requirements of CEQA pursuant to CEQA Guidelines Sections 15061(b)(3), the commonsense exception. In addition, pursuant to CEQA Guidelines section 21080.9, local government actions necessary for the preparation and adoption of a local coastal program are exempt from CEQA. Consistent with this provision, the Coastal Commission found that there were no other feasible alternatives or mitigation measures under the meaning of CEQA which would further reduce the potential for significant adverse environmental impacts, and the LCP amendment recommended by the Commission conforms with CEQA. Further, the proposed revisions to the amendments have no potential to cause a significant effect on the environment. For these reasons, the proposed revisions are exempt from CEQA.

**Fiscal Impact:** There is no fiscal impact associated with the Coastal Commission modifications.

**Attachments:**

1. Resolution Accepting Coastal Commission Modifications with Code Text and Map exhibits

2. CA Coastal Commission Post-Hearing Letter May 10, 2024
3. CA Coastal Commission staff report – May 9, 2024

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO.  
XXXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
ACCEPTING CALIFORNIA COASTAL COMMISSION MODIFICATIONS TO THE  
CITY OF CAPITOLA LOCAL COASTAL PROGRAM AMENDMENTS TO THE  
LOCAL COASTAL PROGRAM LAND USE PLAN MAP, CHAPTER 17:28 AND  
17:30 OF THE ZONING CODE, AND THE CAPITOLA ZONING MAP, AND  
DIRECTING THE COMMUNITY DEVELOPMENT DIRECTOR TO TRANSMIT THE  
ACCEPTANCE TO THE CALIFORNIA COASTAL COMMISSION**

**WHEREAS**, pursuant to authority delegated to the City of Capitola by the California Coastal Commission, the City of Capitola regulates development in the portion of the coastal zone that lies in the City boundary and that is outside of the original jurisdiction of the California Coastal Commission and the Local Coastal Program; and

**WHEREAS** the Local Coastal Program Implementation Plan establishes specific land use and development regulations to implement the Local Coastal Program Land Use Plan, and Chapter 17: Zoning of the Capitola Municipal Code and the Capitola Zoning Map (Exhibit A) are part of Capitola’s Local Coastal Program Implementation Plan; and

**WHEREAS**, the Local Coastal Program Land Use Plan is a comprehensive long-term plan for land use and physical development within the City’s coastal zone and includes the Coastal Land Use Plan Map, which is the adopted General Plan Land Use Map for the area within the coastal zone and included as Exhibit B; and

**WHEREAS**, the City of Capitola’s Local Coastal Program (LCP) was certified by the California Coastal Commission in December of 1981 and has since been amended from time to time; and

**WHEREAS**, the Capitola City Council adopted the most recent comprehensive update to the City of Capitola Zoning Code (Title 17 of the Capitola Municipal Code) in 2021; and

**WHEREAS**, the City Council adopted the General Plan Update on June 26, 2014; and

**WHEREAS**, the Capitola City Council conducted a duly noticed public hearing on November 10, 2022, at which the City Council introduced and performed a first reading of the revised Zoning Code and Zoning Map. On November 22, 2012, the City Council adopted the revised Zoning Code chapters 17.28 and 17.30, which amended the Capitola Municipal Code (Zoning) and Zoning Map; and

**WHEREAS**, following the City Council’s adoption, Capitola staff submitted the amended Municipal Code and Zoning Map to the Californian Coastal Commission staff for review in preparation for Local Coastal Plan (LCP) certification; and

**WHEREAS**, on May 9, 2024, the California Coastal Commission held a public hearing on the amendments to the Capitola Local Coastal Program, Land Use Map, the Zoning Map, and Chapters 17:28 and 17:30 of the Zoning Code adopted by the City Council and certified the amendments to the Capitola Local Coastal Program with modifications; and

**WHEREAS**, the modifications proposed by the California Coastal Commission to the Capitola Local Coastal Program, Land Use Map, the Zoning Map, and Chapters 17:28 and 17:30 of the Zoning Code, are summarized in a letter dated May 10, 2024 from the Coastal Commission and included as Attachment 3 of the staff report; and

**WHEREAS**, insofar as the proposed changes to the Capitola Land Use Map, Zoning Map, and Zoning Code are amendments to the Local Coastal Program and LCP Implementation Plan, the application of the proposed amendments in the coastal zone is statutorily exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines Section 15265 and the California Public Resources Code Section 21089.9;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the City Council hereby accepts each of the modifications suggested by the California Coastal Commission to the Capitola Zoning Code, the Land Use Map, and the Zoning Map attached and incorporated as Exhibit A.

**BE IT FURTHER RESOLVED AND ORDERED** that the City Council hereby directs the Community Development Director or their designee to transmit this acceptance and any adopted ordinance that incorporates these modifications to the California Coastal Commission for concurrence by its Executive Director.

**I HEREBY CERTIFY** that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 22nd day of August 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

## Exhibit A – Zoning Code Text Amendments and Zoning Map

### Chapter 17.28

#### VISITOR SERVING OVERLAY ZONE

Sections:

17.28.010 Purpose of the visitor serving overlay zone.

17.28.020 Land use regulations.

17.28.030 Development standards.

#### **17.28.010 Purpose of the visitor serving overlay zone.**

A. General. The purpose of the visitor serving (-VS) overlay zone is to provide the visiting public with a range of opportunities to enjoy Capitola's coastal location. The -VS overlay zone accommodates a range of visitor serving uses including overnight accommodations, dining establishments, and active and passive recreational facilities. Specific permitted uses depend on the resources present on the site and the surrounding land use and environmental context. The -VS overlay zone implements policies to maintain and enhance visitor serving uses in Capitola consistent with the general plan and local coastal program (LCP).

B. Visitor Serving Overlay Subzones. The -VS overlay zone is divided into subzones (see Figure 17.28-1) with unique land use and development standards:

1. Visitor Serving – Rispin (VS-R). Applies to the Rispin site (APNs 035-371-01 and 035-371-02).

2. Visitor Serving – Shadowbrook (VS-SB). Applies to the Shadowbrook site (APN 035-111-04).

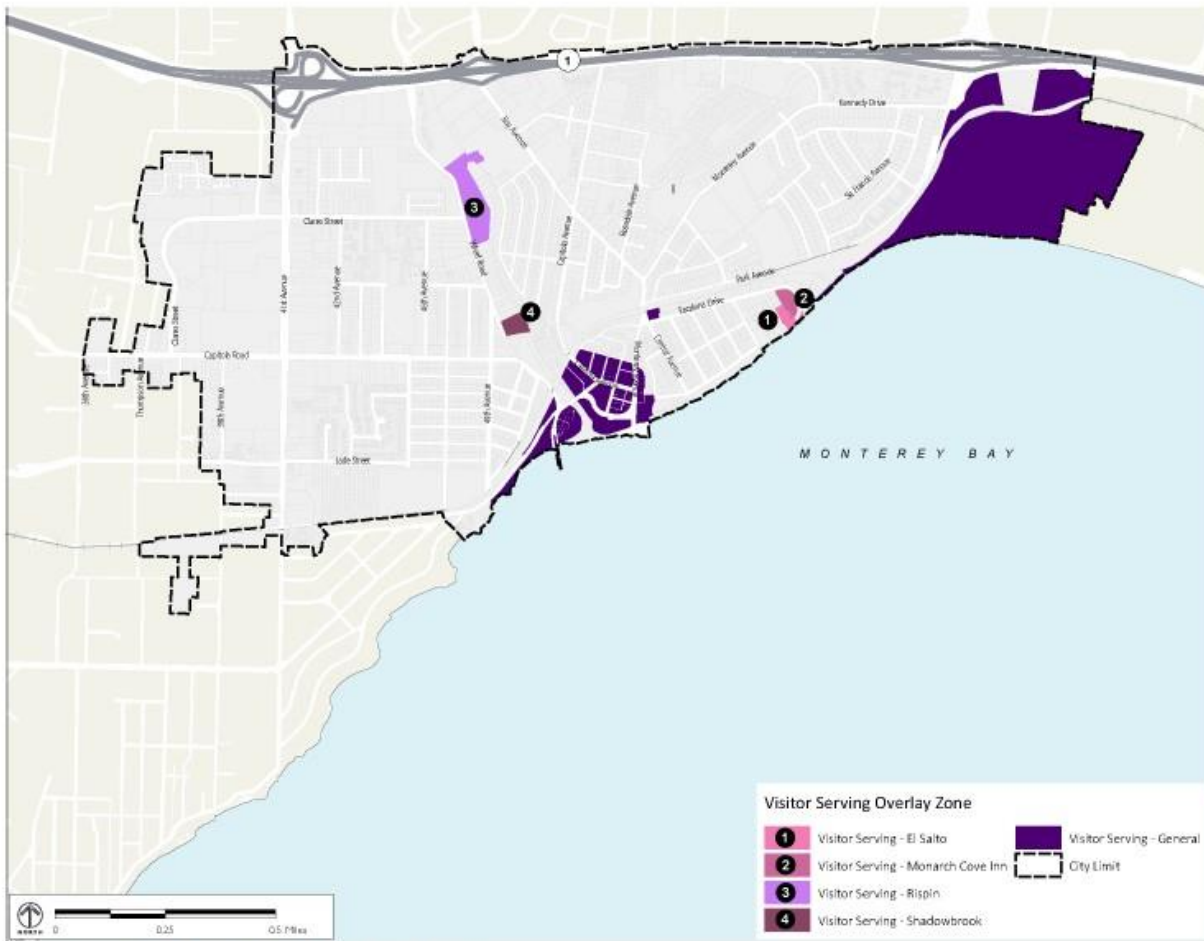
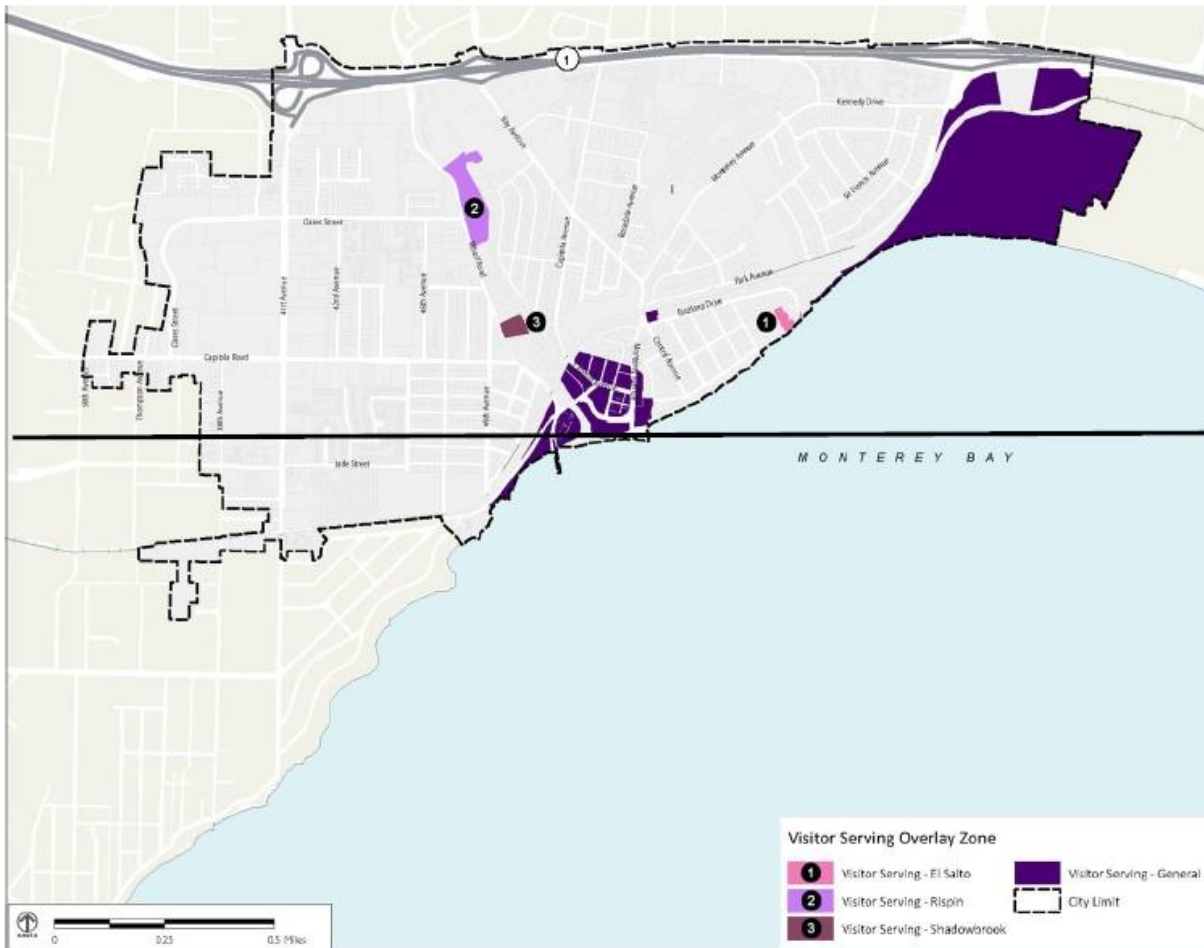
3. Visitor Serving - Monarch Cove Inn (VS-MC). Applies to the Monarch Cove Inn site (APNs 036-143-31 & 036-142-27) and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels.

~~43.~~ Visitor Serving – El Salto (VS-ES). Applies to the El Salto site (APN 036-143-35).

54. Visitor Serving – General (VS-G). Applies to all other parcels with a visitor serving subzone overlay designation. The -VS zoning overlay designation on the Inn at Depot Hill site (APNs 036-121-38 and 036-121-33) acts as both the base zoning district and an overlay district (i.e., the permitted land uses identified in Table 17.28-1 are the only permitted land uses allowable on the site and the applicable land use regulations and development standards are limited to those identified in this chapter).

Figure 17.28-1: Visitor Serving Districts

Item 8 C.



**17.28.020 Land use regulations.**

A. Permitted Land Uses. Table 17.28-1 identifies land uses permitted in the -VS overlay subzones.

**Table 17.28-1: Permitted Land Uses in the Visitor Serving Overlay Zone**

Key P Permitted Use M Minor Use Permit required C Conditional Use Permit required - Use not allowed	-VS Subzones					Additional Regulations
	VS-G	VS-R	VS-SB	<u>VS-MC</u>	VS-ES	
<b>Residential Uses</b>						
Employee Housing	C [1]	-	-	-	-	
Multifamily Dwellings	C [2][11]	-	-	-	C [2]	
One Caretaker Unit for On-Site Security	C	C	C	<u>C</u>	C	
Single-Family Dwellings	C [3][11]	-	-	<u>C [3][12]</u>	C [3]	
<b>Public and Quasi-Public Uses</b>						
Community Assembly	C	C	-	-	-	
Cultural Institutions	C	C	-	-	-	
Day Care Centers	C	-	-	-	-	
Habitat Restoration and Habitat Interpretive Facilities	C	C	C	<u>C</u>	-	
Parks and Recreational Facilities	C	C	-	-	-	
Public Parking Lots	C	C	-	-	-	
Public Paths and Coastal Accessways	C	C	C	<u>C</u>	C	
Public Safety Facilities	C	-	-	-	-	
Public Wharfs	C	-	-	-	-	
Schools, Public or Private	-	-	-	-	-	
<b>Commercial Uses</b>						
Business Establishments that Provide Commercial Places of Amusement or Recreation, Live Entertainment, or Service of Alcoholic Beverages	C [4]	C [4]	C	-	-	
Business Establishments that Sell or Dispense Alcoholic Beverages for On-Site Consumption	C	C	C	<u>C</u>	-	
Restaurants						
Full Service	C [5]	C [5]	C [5]	-	-	
Lodging						
Hotels, Inns, Bed and Breakfast, and Hostels	C	C	-	<u>C</u>	C	
Campgrounds [6]	C	-	-	-	-	
Recreational Vehicle Parks	C	-	-	-	-	
Vacation Rentals with onsite manager	-	-	-	<u>C</u>	-	
Utilities, Major	C	C	C	<u>C</u>	C	



Utilities, Minor	P	P	P	<u>P</u>	P	
Wireless Communications Facilities	See Chapter 17.104			-		
<b>Other Uses</b>						
Access Roadways	C	C	C	<u>C</u>	C	
Accessory Structures and Uses, New	C [7]	C	C	<u>C</u>	C	
Accessory Structures and Uses Established Prior to Primary Use or Structure	C	C	-	<u>C</u>	-	
Change of Visitor Serving Commercial Uses within a Structure	C [8]	-	-	-	-	
Food Service Accessory to a Lodging Use [9]	C	C	-	<u>C</u>	C	
Home Occupations	C	-	-	-	-	Section 17.96.040
Expansion of a Legal Nonconforming Use within an Existing Structure	C	-	-	-	-	
Legal Nonconforming Use Changed to a Use of a Similar or More Restricted Nature	C	-	-	-	-	
Live Entertainment	C	C	C	-	-	
Offices Accessory to Visitor Serving Use	C	C	C	<u>C</u>	-	
Parking Areas to Serve the Primary Use	C	C	C	<u>C</u>	C	
Retail Accessory to a Visitor Serving Use	C	C	-	<u>C</u>	-	
Temporary Assemblages of People, such as Festivals, Fairs, and Community Events	C [10]	C [10]	C [10]	<u>C [13]</u>	-	
Weddings	C	C	C	<u>C</u>	-	

Notes:

- [1] Permitted only as an accessory use.
- [2] Multifamily dwellings shall comply with development standards in the multifamily residential, medium density (RM-M) zoning district.
- [3] Single-family dwellings shall comply with development standards in the single-family residential (R-1) zoning district.
- [4] May not be located within two hundred feet of the boundary of a residential zoning district.
- [5] Drive-up and car service is not allowed.
- [6] May include moderate intensity recreational uses, including tent platforms, cabins, parks, stables, bicycle paths, restrooms, and interpretive facilities.
- [7] Intensification of the primary use is not allowed.
- [8] The new use may not change the nature or intensity of the commercial use of the structure.
- [9] Permitted only to serve guests of the lodging use.
- [10] Events may not exceed ten days and may not involve construction of permanent facilities.
- [11] Prohibited on the former Capitola Theater site (APNs 035-262-04, 035-262-02, 035-262-11, and 035-261-10) and the Inn at Depot Hill (APNs 036-121-38 and 036-121-33).
- [12] Allowed in conjunction with overnight accommodation use (at least one on property) or grant of public access to a viewpoint.
- [13] Limited to a single two-day or less event per year.

B. Civic Uses in the VS-R Overlay Subzone. The planning commission may allow additional civic uses in the VS-R overlay subzone beyond those specifically identified in Table 17.28-1 if the planning commission finds the additional civic use to be consistent with the purpose of the VS-R overlay subzone and compatible with existing uses present on the site. (Res. 4223, 2021; Ord. 1043 § 2 (Att. 2), 2020)

**17.28.030 Development standards.**

A. General. Table 17.28-2 identifies development standards that apply in the -VS overlay zone outside of the mixed use village (MU-V) zoning district.

**Table 17.28-2: Development Standards in the Visitor Serving Zoning Districts**

	<b>-VS Overlay Zone</b>	<b>Additional Standards</b>
Parcel Area, Minimum	5,000 sq. ft.	

Impervious Surface, Maximum	VS-R: 25% VS-SB, VS-MC, and VS-ES: 50% [1] VS-G: No maximum	
Floor Area Ratio, Maximum	0.25	
Setbacks, Minimum	See Section 17.28.030(B)	
Height, Maximum	30 ft.	Section 17.28.030(C)

Note:

[1] In the VS-SB overlay subzone, the impervious surface requirement applies to the parcel located directly adjacent to Soquel Creek. In the VS-ES overlay subzone, the impervious surface calculation excludes the portion of parcel 036-142-28 located outside of the Monarch Cove Inn.

**B. Setbacks.** The following setback requirements apply in the -VS overlay zone:

1. The planning commission may require front, side and rear setbacks through the design review process to provide adequate light and air, ensure sufficient distance between adjoining uses to minimize any incompatibility, and to promote excellence of development. Where a side or rear yard abuts residential property, a setback of at least ten feet shall be provided.
2. Front and exterior side yards shall not be used for required parking facilities.
3. For the visitor serving El Salto parcels located adjacent to the bluff top, new development shall adhere to the setback and development provision provided in the LCP natural hazards policies and in Chapter 17.68 (GH Geologic Hazards District).
4. To protect the waters and riparian habitat of Soquel Creek, new development on the Shadowbrook Restaurant and Rispin parcels shall adhere to the LCP natural systems policies and Chapter 17.64 (Environmentally Sensitive Habitat Areas).

**C. Height Exceptions.** With a recommendation from the planning commission, the city council may approve additional height up to a maximum of thirty-six feet in the -VS overlay zone outside of the MU-V zoning district when all of the following findings can be made:

1. The proposed development and design is compatible with existing land uses in surrounding areas, the general plan, and the LCP.
2. Streets and thoroughfares are suitable and adequate to serve the proposed development.
3. The proposed development does not produce shadows which may adversely affect the enjoyment of adjacent streets, buildings, or open space.
4. Major public views of the shoreline, as identified in Capitola’s local coastal program, are not blocked by the proposed development.

**D. Landscaping.** See Table 17.72-2 in Chapter 17.72 (Landscaping) for minimum required landscaping requirements for visitor serving properties.

**E. Lighting.** In addition to outdoor lighting standards in Section 17.96.110 (Outdoor lighting), the following lighting requirements apply in the -VS overlay zone:

1. All exterior lighting shall be minimized, unobtrusive, down-directed and shielded using the best available dark skies technology, harmonious with the local area, and constructed or located so that only the area intended is illuminated and off-site glare is fully controlled and that light spill, sky glow and glare impacts are minimized.
2. Lighting of natural areas (such as creeks, riparian areas, the beach, etc.) shall be prohibited past the minimum amount that might be necessary for public safety purposes, except when temporarily permitted in conjunction with a temporary event.
3. The location, type and wattage of exterior lighting must be approved by the community development director prior to the issuance of building permits or the establishment of the use.

F. Coastal Development Permit. If a proposed development is located in the coastal zone, it may require a coastal development permit (CDP) as specified in Chapter 17.44 (Coastal Overlay Zone). Approval of a CDP requires conformance with the CDP findings for approval as specified in Section 17.44.130 (Findings for approval). (Res. 4223, 2021; Ord. 1043 § 2 (Att. 2), 2020).

## Chapter 17.30

### ~~VISITOR SERVING DISTRICT— MONARCH COVE INN~~

**Sections:**

- ~~17.30.010— Applicability.~~
- ~~17.30.020— Purpose.~~
- ~~17.30.030— Architectural and site approval.~~
- ~~17.30.040— Conditionally permitted uses— Monarch Cove Inn.~~
- ~~17.30.050— Accessory uses.~~
- ~~17.30.060— Height.~~
- ~~17.30.070— Lot area.~~
- ~~17.30.080— Lot coverage.~~
- ~~17.30.090— Yards.~~
- ~~17.30.100— Parking.~~
- ~~17.30.110— Loading areas.~~
- ~~17.30.120— Landscaping and lighting.~~

**~~17.30.010— Applicability.~~**

~~The regulations set forth in this chapter apply to the Monarch Cove Inn parcels. (Res. 4223, 2021)~~

**~~17.30.020— Purpose.~~**

~~The purpose of the V-S district is to accommodate the visiting public with a range of opportunities to enjoy the city of Capitola's coastal location. (Res. 4223, 2021)~~

**~~17.30.030— Architectural and site approval.~~**

~~A design permit shall be secured for the establishment and conduct of any conditional or accessory use in a V-S district as provided in Chapter 17.120. (Res. 4223, 2021)~~

**~~17.30.040— Conditionally permitted uses— Monarch Cove Inn.~~**

~~The following are the conditionally permitted uses allowed on the Monarch Cove Inn parcels and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels:~~

- ~~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. Nonfamily residential use during the off-season months (November through April). (Res. 4223, 2021)~~

**17.30.050 — Accessory uses.**

The following are accessory uses permitted in a V-S district:

~~A. Signs complying with the applicable regulations set forth in the sign ordinance.~~

~~B. Accessory uses and buildings customarily appurtenant to a permitted use. (Res. 4223, 2021)~~

**17.30.060 — Height.**

~~No structures shall exceed thirty feet in height. Exceptions up to thirty-six feet in height may be granted subject to approval by the city council upon the recommendation of the planning commission when the following findings can be made:~~

~~A. The proposed development and design are compatible with existing land uses of surrounding areas and the general plan;~~

~~B. Streets and thoroughfares are suitable and adequate to serve the proposed development.~~

~~C. The proposed development does not produce shadows which may adversely affect the enjoyment of adjacent streets, buildings or open space.~~

~~D. Major public views are not blocked by the proposed development. (Res. 4223, 2021)~~

**17.30.070 — Lot area.**

The minimum lot area required shall be five thousand square feet. (Res. 4223, 2021)

**17.30.080 — Lot coverage.**

There shall be no specific maximum lot coverage set except as follows:

~~A. Sufficient space shall be provided to satisfy off-street parking and loading area requirements, notwithstanding that all parking may be provided within a structure(s);~~

~~B. Front yard and open space requirements shall be satisfied;~~

~~C. For the Monarch Cove Inn parcels, the allowable impervious site coverage (e.g., buildings, paving, decks, etc.) is fifty percent. (Res. 4223, 2021)~~

**17.30.090 — Yards.**

~~A. Front, side and rear yard setbacks may be required through design permit approval in order to provide adequate light and air, assure sufficient distance between adjoining uses to minimize any incompatibility and to promote excellence of development. Where a side or rear yard abuts residential property a setback of at least ten feet shall be provided.~~

~~B. Front yards and corner lot side yards shall not be used for required parking facilities.~~

~~C. For the Monarch Cove Inn parcels located adjacent to the bluff top, new development shall adhere to the setback and development provisions provided in the LUP's natural hazards policies and in certified zoning~~

~~Chapter 17.68  
(GH Geologic Hazards District). (Res. 4223, 2021)~~

~~**17.30.100 — Parking.**~~

~~Parking standards shall be as provided in Chapter 17.76. (Res. 4223, 2021)~~

~~**17.30.110 — Loading areas.**~~

~~Loading areas shall be as provided in Chapter 17.76. (Res. 4223, 2021)~~

~~**17.30.120 — Landscaping and lighting.**~~

~~A minimum of five percent of the lot area shall be landscaped to ensure harmony with adjacent development in accordance with architectural and site approval standards. For the visitor serving Monarch Cove Inn parcels, fifty percent of the parcels shall consist of landscaped or open space areas. The planting of invasive plant species is prohibited. All exterior lighting shall be unobtrusive, harmonious with the local area and constructed or located so that only the area intended is illuminated and off-site glare is fully controlled. The location, type and wattage of the exterior lighting must be approved by the community development director prior to the issuance of building permits or the establishment of the use.~~

### Zoning Map



Existing Zoning Map



Proposed Zoning Map

**Residential Zoning Districts**

- R-1 - Single-Family Residential
- RM-L - Multi-Family Residential, Low Density
- RM-M - Multi-Family Residential, Medium Density
- RM-H - Multi-Family Residential, High Density
- MH - Mobile Home Park

**Mixed-Use Zoning Districts**

- MU-V - Mixed Use Village
- MU-N - Mixed Use Neighborhood

**Commercial and Industrial Zoning Districts**

- C-R - Regional Commercial
- C-C - Community Commercial

**I - Industrial**

- I - Industrial
- P/OS - Parks and Open Space
- CF - Community Facility
- PD - Planned Development
- VS - Visitor Serving

**Overlay Zones\***

- AHO - Affordable Housing Overlay
- CZ - Coastal Zone
- VRU - Vacation Rental Use
- VR - Village Residential
- VS - Visitor Serving



Exhibit B – General Plan and Local Coastal Plan Land Use Map



Existing General Plan Land Use Map



- |                                 |   |
|---------------------------------|---|
| <b>Residential Designations</b> | <b>Commercial/Industrial Designations</b> |
| Single-Family Residential (R-1) | Regional Commercial (C-R)                 |
| Multi-Family Residential (R-M)  | Community Commercial (C-C)                |
| Mobile Home (R-MH)              | Visitor Accommodations (VA)               |
| <b>Mixed-Use Designations</b>   | Industrial                                |
| Village Mixed-Use (MU-V)        | <b>Overlays</b>                           |
| Neighborhood Mixed-Use (MU-N)   | Visitor Serving (VS)                      |
| <b>Other Designations</b>       | City Limit                                |
| Parks and Open Space (P/OS)     | Coastal Zone                              |
| Public/Quasi-Public (P/QP)      |   |
| Visitor Serving (VS)            |   |

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
WEB: WWW.COASTAL.CA.GOV

**May 10, 2024**

(Sent electronically)  
Katie Herlihy, Community and Development Director  
City of Capitola Planning Department  
420 Capitola Ave  
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**Subject: Coastal Commission Action on City of Capitola Local Coastal Program (LCP) Amendment No. LCP-3-CAP-22-0061-2-Part B (Monarch Cove Inn Redesignation)**

Dear Ms. Herlihy:

At its meeting on May 9, 2024, the Coastal Commission took action on City of Capitola LCP Amendment No. LCP-3-CAP-22-0061-2-Part B (Monarch Cove Inn Redesignation). The Commission approved the proposed amendments to the Land Use Plan and Implementation Plan, if modified as suggested. A copy of the adopted findings and suggested modifications are included as attachments.

This letter formally transmits to you the Commission's resolution of certification and adopted findings pursuant to Section 13544 of Title 14 of the California Code of Regulations. Pursuant to Section 13544, effective certification of LCP Amendment No. LCP-3-CAP-22-0061-2-Part B, whereby the City may begin issuing coastal development permits subject to this amendment, will occur after:

1. The City, by action of the City Council: (a) acknowledges receipt of this resolution of certification, including the suggested modifications; and (b) accepts and agrees to the modifications and takes whatever formal action is required to satisfy the modifications (e.g., implementation of ordinances).
2. The Commission's Executive Director reports to the Commission her determination that the City's actions are legally adequate, and the Commission does not object to the Executive Director's determination.
3. Notice of the certification of the LCP amendment is filed with the Secretary of the Resources Agency.

Coastal Commission staff will take care of items #2 and #3 above, following completion of item #1 by the City. Note that the Commission's regulations provide that the Commission's action of certification with the suggested modifications shall expire six months from the date of the Commission's action, or on November 9, 2024.

**Katie Herlihy, City of Capitola**  
**LCP-3-CAP-22-0061-2-Part B (Monarch Cove Inn Redesignation)**  
**Page 2 of 2**

Please let me know if I can assist you in any way in completing action on this LCP amendment, or if you have any questions. We appreciate the City's close coordination and collaboration on this LCP amendment.

Sincerely,

*Kiana Ford*

Kiana Ford  
Coastal Planner  
Central Coast District Office

Enclosure (Via Email): Adopted Staff Report with Suggested Modifications

**CALIFORNIA COASTAL COMMISSION**

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**ADOPTED**

# Th13a

**Prepared April 19, 2024 for May 9, 2024 Hearing**

**To:** Commissioners and Interested Persons

**From:** Kevin Kahn, Central Coast District Manager  
Rainey Graeven, Central Coast District Supervisor  
Kiana Ford, Coastal Planner

**Subject:** **City of Capitola LCP Amendment Number LCP-3-CAP-22-0061-2-Part B  
(Monarch Cove Inn Site Redesignation)**

## **SUMMARY OF STAFF RECOMMENDATION**

The City of Capitola is proposing to make changes to its Local Coastal Program (LCP) Land Use Designation Map, which is a component of the LCP's Land Use Plan (LUP), as well as the LCP's Zoning Code Map and portions of the Zoning Code text, which are components of the LCP's Implementation Plan (IP), in relation to the Monarch Cove Inn, formerly known as the El Salto Resort. The Monarch Cove Inn site (of which there remain three parcels) is currently zoned VS (Visitor-Serving) with a corresponding visitor-serving land use designation and the City-proposed amendment would convert the entire site to be zoned R-1 (single-family residential) with a visitor-serving (VS) overlay and a corresponding single-family residential land use designation. In other words, the amendment seeks to facilitate the conversion of the site's existing overnight accommodations to residential uses.

The Monarch Cove Inn site is located at the downcoast end of the City's Depot Hill area, itself just downcoast from Capitola Village, and it sits atop 80-foot-tall coastal bluffs overlooking Monterey Bay. The project site is the last visitor-serving overnight accommodation in the area, and it dates back to the late 1800s when it was used as a summer retreat for English families. The property went through various changes over the decades, including diminishing in size as sections were sold off or lost to fires, but it has generally remained in its current state since the current owners acquired the property in 1989. The site consists of a 11-room bed and breakfast inn, comprised of a 9-room Victorian house, two separate stand-alone cottages with one-bedroom suites, an outdoor deck area (used for weddings, etc.), office and storage buildings, two small parking lots, a public walking trail (that winds through the property and along the coastal bluff), and open space areas. The property has a long history of operating as overnight accommodations, both before and since adoption of the Coastal Act, and offers a unique visitor-serving experience with sweeping views of the Monterey Bay. However, in recent years, the financial feasibility of operating the bed and breakfast at the site has been called into question (and several attempts at major development upgrades have

been met with neighborhood opposition) and the owners have sought to convert the entire site to residential uses.

The City sought to change both the land use and zoning designations at the site to better facilitate residential uses when the City's IP underwent a comprehensive update in 2021. However, Commission staff recommended the Commission not certify such designation changes at that time, as doing so would be inconsistent with applicable Coastal Act provisions that prioritize public recreational access and visitor-serving accommodation uses, including specifically oceanfront properties such as this one. Such a conversion would result in the loss of an exceptionally unique offering that is open and available to the general public for overnight accommodations use. At that time, Commissioners were interested in understanding whether a different balancing between visitor-serving overnight accommodations uses and residential uses could be identified for the Monarch Cove Inn site, one that didn't completely change the site to residential uses, and thus the Monarch Cove Inn provisions were removed from the Commission's amendment approval, and the Commission directed staff to work with the City and the property owners to come up with other alternative solutions.

And while the City's proposed amendment is essentially a redo of that which was proposed in 2021, all parties have worked together since the City's submittal to craft an amendment that more appropriately balances visitor-serving and residential needs given the unique context of this site. The site is large, comprised of some 52,000 square feet spread across three separate parcels, with the majority of the visitor-serving components on the seaward parcel. Thus, in analyzing this unique site holistically, it is apparent that the majority of coastal resources and visitor-serving amenities are contained on the seaward-most parcel, including sweeping views of the sea, public walking trails (including to the monarch butterfly grove along the downcoast side of the property), and the overnight accommodations (mostly contained in the large Victorian-era house). In contrast, the most landward parcel mainly contains storage and support services (such as office space) for the Inn, and the middle parcel contains the only ingress/egress to the site and provides parking spaces for both overnight and day-use visitors, and thus provides an important connection point to access the visitor-serving resources on the site. While additional overnight accommodation units and the Inn's storage/office are critical to support the Inn itself and ongoing visitor-serving use of the seaward-most parcel, the storage and office space can likely be reimaged and reconfigured onto the seaward parcel.

Staff is therefore recommending a number of modifications to the proposed amendment to preserve the seaward parcel and a portion of the middle parcel under a visitor-serving zoning designation with a corresponding visitor-serving land-use designation, while converting the landward parcel and a portion of the middle parcel to a residential zoning/land-use designation with a visitor-serving overlay. This change is approvable in that it appropriately provides for a mix of uses, including additional residential uses on the landward property at a similar scale and character to the nearby residences, but also importantly protecting the numerous visitor-serving resources for the public on the seaward property. Suggested modifications are thus included to effectuate this mix, including with policy language that also protects the site's trail connections, ingress/egress, and overall compatibility between residential and visitor-serving uses at

the site and nearby neighborhood. Importantly, and based on a thoughtful collaboration, City staff and the Monarch Cove Inn property owners are in agreement with and amenable to such modifications.

In conclusion, staff thanks the City and property owners for helping craft a mutually agreeable amendment that respects the Coastal Act and LUP, and can provide some finality to the land use questions at this site, including providing for the residential uses the owners seek and the visitor-serving uses the Coastal Act and LUP protect for the visiting public. With the suggested modifications, the LUP would conform to the Coastal Act and the IP would be consistent with and adequate to carry out the LUP, which are, respectively, the standards of review. Accordingly, staff recommends that the Commission approve the amendment with the identified suggested modifications. The required motions and resolutions are found on pages **5-6** below.

**Staff Note: LCP Amendment Action Deadline**

This proposed LCP amendment was filed as complete on March 20, 2024. The proposed amendment affects both the LUP and IP components of the LCP, and the 90-working-day action deadline is July 29, 2024. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until July 29, 2024 to take a final action on this LCP amendment.

Therefore, if the Commission fails to take a final action in this case (e.g., if the Commission instead chooses to postpone/continue the LCP amendment consideration), then staff recommends that, as part of such non-final action, the Commission extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the Commissioners present.

*Alternative Time Extension Motion: I move that the Commission extend the time limit to act on City of Capitola Local Coastal Program Amendment Number LCP-3-CAP-22-0061-2-Part B to July 29, 2025, and I recommend a yes vote.*

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**EXHIBITS**

- Exhibit 1: Project Site Map
- Exhibit 2: Project Site Photos
- Exhibit 3: Proposed Land Use Designation Changes
- Exhibit 4: Proposed Zoning Map Designation Changes and IP Text

**CORRESPONDENCE**



## **1. MOTIONS AND RESOLUTIONS**

Staff recommends that the Commission, after public hearing, approve the proposed LUP and IP amendments with suggested modifications. The Commission needs to make two motions on the LUP amendment and two motions on the IP amendment in order to act on this recommendation. In each case, the proposed amendment in each category needs to first be denied, and then approved if modified, to complete the staff recommendation.

### **A. Deny the LUP Amendment as Submitted**

Staff recommends a **NO** vote on the following motion. Failure of this motion will result in denial of the LUP amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

***Motion:** I move that the Commission certify Land Use Plan Amendment LCP-3-CAP-22-0061-2-Part B as submitted by the City of Capitola, and I recommend a no vote.*

***Resolution to Deny:** The Commission hereby denies certification of Land Use Plan Amendment LCP-3-CAP-22-0061-2-Part B as submitted by the City of Capitola and adopts the findings set forth below on the grounds that the Land Use Plan Amendment as proposed does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan Amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.*

### **B. Certify the LUP Amendment with Suggested Modifications**

Staff recommends a **YES** vote on the following motion. Passage of the motion will result in certification of the LUP amendment with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of the majority of the appointed Commissioners.

***Motion:** I move that the Commission certify Land Use Plan Amendment LCP-3-CAP-22-0061-2-Part B for the City of Capitola if it is modified as suggested in this staff report, and I recommend a yes vote.*

***Resolution to Certify:** The Commission hereby certifies Land Use Plan Amendment LCP-3-CAP-22-0061-2-Part B for the City of Capitola if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan Amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan Amendment if modified as suggested complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there*

*are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Land Use Plan Amendment may have on the environment.*

**C. Deny the IP Amendment as submitted**

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the Implementation Plan amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

**Motion:** *I move that the Commission reject Implementation Plan Amendment LCP-3-CAP-22-0061-2-Part B as submitted by the City of Capitola, and I recommend a yes vote.*

**Resolution to Deny:** *The Commission hereby denies certification of LCP Amendment Number LCP-3-CAP-22-0061-2-Part B as submitted by the City of Capitola and adopts the findings set forth below on grounds that the Implementation Plan Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan Amendment as submitted.*

**D. Certify the IP Amendment with Suggested Modifications**

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Implementation Plan amendment with suggested modifications and the adoption of the following resolution and findings. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present:

**Motion:** *I move that the Commission certify LCP Amendment Number LCP-3-CAP-22-0061-2-Part B as submitted by the City of Capitola if it is modified as suggested in this staff report, and I recommend a yes vote.*

**Resolution to Certify:** *The Commission hereby certifies LCP Amendment Number LCP-3-CAP-22-0061-2-Part B, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.*

## 2. SUGGESTED MODIFICATIONS

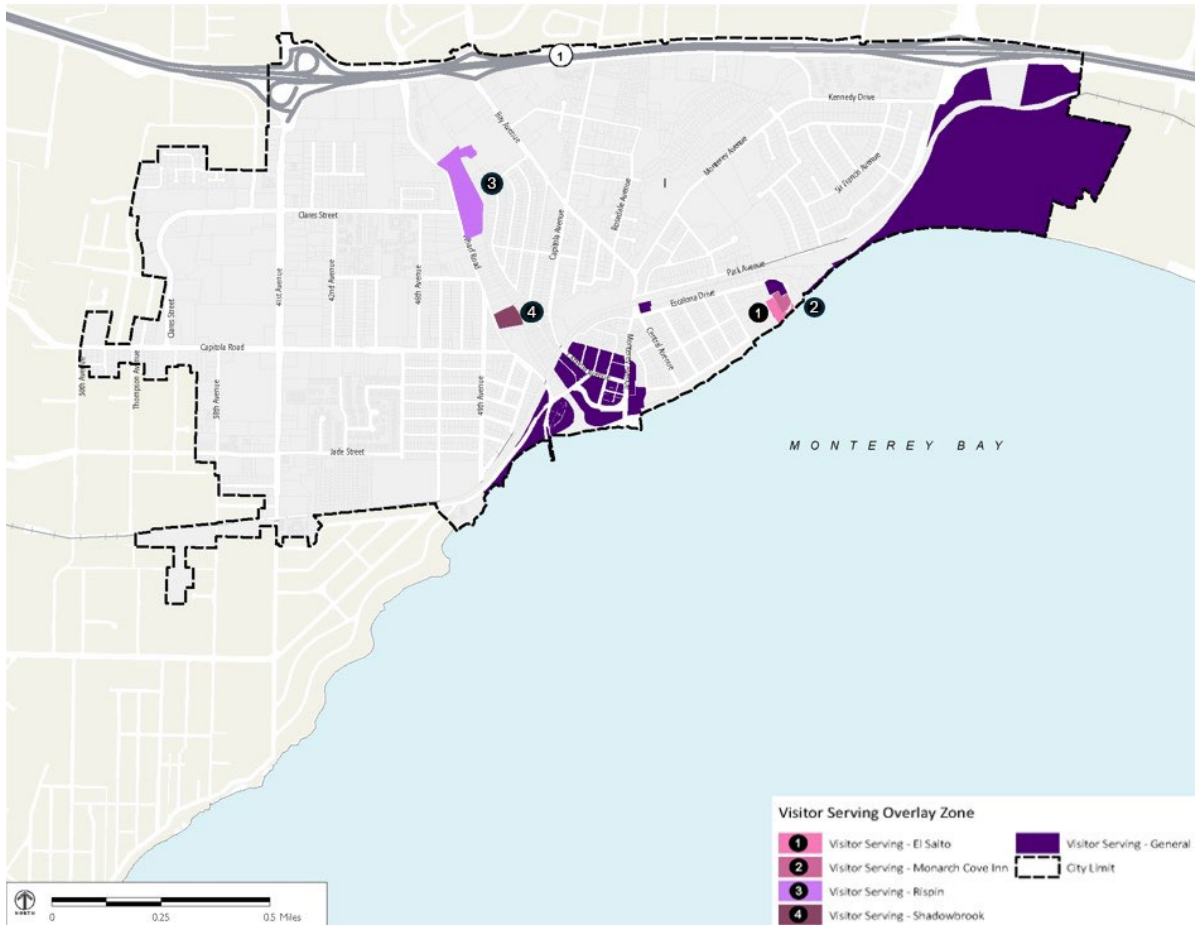
The Commission hereby suggests the following modifications to the proposed Land Use Plan (LUP) amendment, which are necessary to make the requisite Coastal Act findings, and the proposed Implementation Plan (IP) amendment, which are necessary to make the requisite LUP consistency findings. If the City of Capitola accepts the suggested modifications within six months of Commission action (i.e., by November 9, 2024), by formal resolution of the City Council, the modified amendment will become effective upon the Executive Director's notifying the Commission that this acceptance has been properly accomplished. Text in underline and ~~cross-out~~ format denotes proposed text to be added/deleted by the City, and text in double underline and ~~double cross-out~~ format denotes proposed text to be added/deleted by the Commission.

1. **LUP Map Changes.** Modify the proposed LUP Land Use Designations Map for the seaward Monarch Cove Inn parcel (APN 036-143-31) and a portion of the middle parcel (APN 036-142-28) (as shown in **Exhibit 3**) from an R-1 (Single-Family Residential) land use designation with a VS (Visitor-Serving) overlay to a VS (Visitor Serving) land use designation with a VS (Visitor-Serving) overlay.
2. **IP Map Changes.** Modify the proposed IP Zoning Map for the seaward Monarch Cove Inn parcel (APN 036-143-31) and a portion of the middle parcel (APN 036-142-28) from an R-1 (Single-Family Residential) zoning designation with a VS (Visitor-Serving) overlay to a VS (Visitor-Serving) zoning designation with a VS (Visitor-Serving) overlay (as shown in **Exhibit 4**).
3. **IP Text Changes.** Modify proposed IP Sections 17.28.010(B)(3) and 17.28.010(B)(4) as follows:

**17.28.010(B)(3): Visitor Serving – Monarch Cove Inn (VS-MC).** Applies to the Monarch Cove Inn site (APNs 036-143-31 & 036-142-27) and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels and the southwestern portion of APN 036-142-28 as depicted in Figure 17.28-1. The VS zoning overlay designation on the Monarch Cove Inn site acts as both the base zoning district and an overlay district (i.e., the permitted land uses identified in Table 17.28-1 are the only permitted land uses allowable on the site and the applicable land use regulations and development standards are limited to those identified in this chapter).

**17.28.010(B)(4): Visitor Serving – General (VS-G).** Applies to all other parcels with a visitor serving subzone overlay designation including the residentially zoned parcels formerly associated with the Monarch Cove Inn (comprised of APN 036-142-27 and the northeastern portion of APN 036-142-28 as depicted in Figure 17.28-1). The -VS zoning overlay designation on the Inn at Depot Hill site (APNs 036-121-38 and 036-121-33) acts as both the base zoning district and an overlay district (i.e., the permitted land uses identified in Table 17.28-1 are the only permitted land uses allowable on the site and the applicable land use regulations and development standards are limited to those identified in this chapter).

4. IP Map Changes. Modify “Figure 17.28-1: Visitor Serving Districts” as follows:



5. IP Table 17.28-1 changes. Modify Table 17.28-1 as follows:

TABLE 17.28-1: PERMITTED LAND USES IN THE VISITOR SERVING OVERLAY ZONE

Key P Permitted Use M Minor Use Permit required C Conditional Use Permit required - Use not allowed	-VS Subzones					Additional Regulations
	VS-G	VS-R	VS-SB	VS-MC	VS-ES	
<b>Residential Uses</b>						
Employee Housing	C [1]	-	-	<u>-C</u>	-	
Multifamily Dwellings	C [2][11]	-	-	-	C [2]	
One Caretaker Unit for On-Site Security	C	C	C	<u>C</u>	C	
Single-Family Dwellings	C [3][11]	-	-	<u>-C [3][12]</u>	C [3]	
<b>Public and Quasi-Public Uses</b>						
Community Assembly	C	C	-	-	-	
Cultural Institutions	C	C	-	-	-	
Day Care Centers	C	-	-	-	-	

**LCP-3-CAP-22-0061-2-Part B (Monarch Cove Inn Redesignation)**

Item 8 C.

Habitat Restoration and Habitat Interpretive Facilities	C	C	C	<u>C</u>	-	
Parks and Recreational Facilities	C	C	-	<u>C</u>	-	
Public Parking Lots	C	C	-	=	-	
Public Paths and Coastal Accessways	C	C	C	<u>C</u>	C	
Public Safety Facilities	C	-	-	=	-	
Public Wharfs	C	-	-	=	-	
Schools, Public or Private	-	-	-	=	-	
<b>Commercial Uses</b>						
Business Establishments that Provide Commercial Places of Amusement or Recreation, Live Entertainment, or Service of Alcoholic Beverages	C [4]	C [4]	C	=	-	
Business Establishments that Sell or Dispense Alcoholic Beverages for On-Site Consumption	C	C	C	<u>C</u>	-	
Restaurants						
Full Service	C [5]	C [5]	C [5]	=	-	
Lodging						
Hotels, Inns, Bed and Breakfast, and Hostels	C	C	-	<u>C</u>	C	
Campgrounds [6]	C	-	-	=	-	
Recreational Vehicle Parks	C	-	-	=	-	
Vacation Rentals with onsite manager	<del>C[12]</del>	-	-	<u>C[12]</u>	-	
Utilities, Major	C	C	C	<u>C</u>	C	
Utilities, Minor	P	P	P	<u>P</u>	P	
Wireless Communications Facilities	See Chapter 17.104					
<b>Other Uses</b>						
Access Roadways	C	C	C	<u>C</u>	C	
Accessory Structures and Uses, New	C [7]	C	C	<u>C</u>	C	
Accessory Structures and Uses Established Prior to Primary Use or Structure	C	C	-	<u>C</u>	-	
Change of Visitor Serving Commercial Uses within a Structure	C [8]	-	-	=	-	
Food Service Accessory to a Lodging Use [9]	C	C	-	<u>C</u>	C	
Home Occupations	C	-	-	=	-	Section 17.96.040
Expansion of a Legal Nonconforming Use within an Existing Structure	C	-	-	=	-	
Legal Nonconforming Use Changed to a Use of a Similar or More Restricted Nature	C	-	-	=	-	

Live Entertainment	C	C	C	-	-	
Offices Accessory to Visitor Serving Use	C	C	C	<u>C</u>	-	
Parking Areas to Serve the Primary Use	C	C	C	<u>C</u>	C	
Retail Accessory to a Visitor Serving Use	C	C	-	<u>C</u>	-	
Temporary Assemblages of People, such as Festivals, Fairs, and Community Events	C [10]	C [10]	C [10]	<u>C[13]</u>	-	
Weddings	C	C	C	<u>C</u>	-	

Notes:

[1] Permitted only as an accessory use.

[2] Multifamily dwellings shall comply with development standards in the multifamily residential, medium density (RM-M) zoning district.

[3] Single-family dwellings shall comply with development standards in the single-family residential (R-1) zoning district.

[4] May not be located within two hundred feet of the boundary of a residential zoning district.

[5] Drive-up and car service is not allowed.

[6] May include moderate intensity recreational uses, including tent platforms, cabins, parks, stables, bicycle paths, restrooms, and interpretive facilities.

[7] Intensification of the primary use is not allowed.

[8] The new use may not change the nature or intensity of the commercial use of the structure.

[9] Permitted only to serve guests of the lodging use.

[10] Events may not exceed ten days and may not involve construction of permanent facilities.

[11] Prohibited on the former Capitola Theater site (APNs 035-262-04, 035-262-02, 035-262-11, and 035-261-10) and the Inn at Depot Hill (APNs 036-121-38 and 036-121-33). For the residential Monarch Cove parcels (APNs 036-142-27 and the northeast portion of APN 036-142-28), single-family residential uses must meet the provisions of Section 17.28.030(G).

~~[12] Allowed in conjunction with overnight accommodation use (at least one on property) or grant of public access to a viewpoint.~~

~~[12] Vacation rental allowed on VS-MC only with 24-hour, full time onsite staff in residence during times of occupancy. Vacation rental allowed on the residentially zoned parcels formerly associated with the Monarch Cove Inn (comprised of APN 036-142-27 and the northeast portion of APN 036-142-28) without a 24-hour, full time onsite staff in residence.~~

[13] Limited to a single two-day or less event per year.

**6. IP Text Changes.** Add section 17.28.030(G) to IP Sections 17.28.030 as follows:

**17.28.030(G): Monarch Cove Inn/Monarch Cove Residential Properties**  
**Additional Requirements. The following additional requirements shall apply to the VS-MC subzone (i.e., APN 036-143-31 and the southwest portion of APN 036-142-28) as well as the Monarch Cove residential properties (i.e., APN 036-242-27 and the northeastern portion of APN 036-142-28) as depicted in Figure 17.28-1. Approval of any proposed development on these sites shall only be allowed if:**

- a. Adequate parking and fire/safety ingress/egress to serve both inland (residential) and seaward (visitor-serving) properties is provided.
- b. Adequate public access is provided from El Salto Drive to the coastal bluff and to existing rights-of-way along Escalona Drive and area trails, including as may need to be relocated inland due to coastal erosion. Such public access shall, at a minimum, be provided parallel to the northern property boundary of APN 036-143-31 to connect with the existing public rights-of-way.
- c. Unless determined to be infeasible, ingress/egress to any new development on the inland residential property shall be provided from Escalona Drive.

### 3. FINDINGS AND DECLARATIONS

#### A. Background and Description of Proposed LCP Amendment

The City of Capitola is a coastal city seaward of Highway 1 in central Santa Cruz County, located downcoast of Pleasure Point and upcoast of the Seacliff/Aptos areas of unincorporated Santa Cruz County. The City's coastal zone is roughly one square mile, making up approximately 60% of the City, and it is primarily a mix of residential and visitor-serving commercial and recreation uses. The coastal zone includes a mix of residential neighborhoods (e.g., the Jewel Box, the Upper Village, and Cliffwood Heights), visitor-serving commercial and mixed-use neighborhoods centered around Capitola Village (which includes Capitola Beach and the Capitola Wharf, as well as visitor-serving shops, restaurants, and overnight accommodations), and significant public recreational areas (such as at New Brighton State Beach on the City's downcoast end). The City is a very popular visitor destination, and much of its coastal economy is visitor-dependent.

The Monarch Cove Inn is an 11-unit bed and breakfast facility set within multiple buildings on some 1.5 acres of property located at the downcoast end of Depot Hill, a mostly residential neighborhood just downcoast from Capitola Village on top of approximately 80-foot-tall bluffs that offer beautiful sweeping views of the Monterey Bay (see **Exhibit 1** for project site map and **Exhibit 2** for photos of the site). The history of the Monarch Cove site dates back to the late 1800s when two English families seeking a summer retreat locale bought lots throughout Depot Hill and built a settlement called "The English Cottages," which included Victorian era bungalows as well as traditional English gardens. The property was leased in 1909 to a San Franciscan when the owners returned to England for an extended stay, and he ultimately purchased the property in 1911 and renamed the property "El Salto," and enlarged the El Salto estate throughout the 1920s, adding guest cottages, staff living quarters, fruit orchards, and a four-car garage. That owner then sold the property to a local Capitola resident who remodeled the units so that they could be used as summer rentals, then the El Salto Resort. The property was sold again in 1960 to an investment group, and then two years later Elizabeth Blodgett acquired title to a majority of the original holdings. In the late 1970s, Ms. Blodgett purportedly proposed a number of development projects that never came to fruition. By 1982, Ms. Blodgett had sold a number of the lots, and a fire destroyed some of the cottages. In 1989, the City deemed the resort unsafe, and the resort closed temporarily. Ms. Blodgett then sold most of the remaining property to her son, Robert Blodgett, and he completed renovations and reopened the resort in 1989. Ms. Blodgett operated her portion of the resort until 1998 when she sold the last of her property (the three lots immediately west of her son's parcels), which was subsequently converted to residential use.

Thus, most of the original El Salto Resort was converted to residential uses over the years, with the exception of the downcoast-most portion of it (then renamed as the Monarch Cove Inn), which became a 9-room bed and breakfast inn with two separate one-bedroom stand-alone cottages and an outdoor deck area used for weddings. While located about a 15-minute walk to the Village, the Monarch Cove Inn's location on Depot Hill offers sweeping, unparalleled views of the Monterey Bay and coastline and, if visited during the monarch butterfly migration season (mid-October through mid-



January), large clumps of monarch butterflies hanging from the adjacent eucalyptus trees. Thus, the site has a long history of operating as overnight accommodations for Capitola visitors, both before and since adoption of the Coastal Act and it offers a unique visitor accommodation experience. However, in recent years, the overnight accommodations at the site have become outdated and a number of maintenance needs have been identified, thus affecting its appeal as a visitor-serving experience. The current owners explored the possibility of investing in major development upgrades to the site in 2001 and 2014, but both proposals were met with neighborhood opposition and ultimately abandoned.

The City's Local Coastal Program (LCP) was originally certified in 1981 and underwent a comprehensive update of its Implementation Plan (IP), and of the LCP's Land Use Plan (LUP) Land Use Designations map, in 2021.<sup>1</sup> At the time of this update in 2021, in addition to other substantive changes, the City proposed to re-designate and re-zone two existing visitor-serving overnight accommodation operations, the Monarch Cove Inn and the Inn at Depot Hill, to single-family residential (R-1). The City's reasoning for the rezoning of the Monarch Cove Inn site was that it needed substantial work and expansion to keep it operational into the future as a functioning and financially feasible overnight accommodation, and that its location at the downcoast end of a residential neighborhood constrained options, including in terms of residential neighbors' opposition to improvements of this nature. Thus, the City reasoned that the site was better suited to residential uses, which is also what the owners of the site were seeking as well. Staff, recognizing the Coastal Act and LCP's strong protections and prioritization of visitor-serving uses, could not find the City's proposal to re-zone and re-designate the two inns consistent with the Coastal Act and LUP, and instead recommended a number of modifications in an effort to preserve their existing visitor-serving function. However, the Commission opted not to take action on either the staff recommendation nor the City's proposal as it related to the Monarch Cove Inn site.<sup>2</sup> At that time, Commissioners were interested in understanding whether a different balancing between visitor-serving overnight accommodations uses and residential uses could be identified for the Monarch Cove Inn site, one that didn't completely change the site to residential uses, and thus the Monarch Cove Inn provisions were removed from the Commission's amendment approval, and the Commission directed staff to work with the City and the owners of the Monarch Cove Inn to come up with other alternative solutions.

In 2022, the City resubmitted the same language that the Commission considered in 2021. As submitted by the City, the proposed amendment includes land use designation changes, zoning designation changes, and corresponding IP text amendments. As submitted by the City, the land use designation changes entail converting the existing land use and zoning designations for the Monarch Cove Inn site from Visitor Serving (VS) to Single Family-Residential (R-1) with a VS overlay. The proposed IP text amendments also include removing IP Chapter 17.30 in its entirety, and creating a

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<sup>1</sup> See LCP-3-CAP-20-0082-2.

<sup>2</sup> City staff agreed with Commission staff on the modifications for the Inn at Depot Hill, and thus those changes to preserve the visitor-serving uses were adopted by the Commission and are in effect currently.

Monarch Cove subzone (VS-MC) within IP Chapter 17.28. The VS-MC subzone would allow the Monarch Cove Inn site to be used as a single-family residence in conjunction with an overnight accommodation use “or [the] granting of public access to a viewpoint,” whereas the LCP currently prohibits single-family residential uses on the Monarch Cove Inn site. More specifically, the proposed amendment would:

- Identify the three Monarch Cove Inn parcels that would be subject to the newly created VS-MC subzone (i.e., APNs 036-143-31, 036-142-27, and 036-142-28).
- Add a series of allowed/conditional uses in the VS-MC subzone, including single-family dwellings and visitor-serving/overnight accommodation uses.
- Add a new footnote to the “single family dwelling” use in the VS-MC subzone to mandate that single-family dwellings shall comply with development standards in the R-1 zoning district, as well as to specify that single-family dwellings are allowed in conjunction with overnight accommodations or granting of public access to a viewpoint.
- Add a new footnote to the “temporary assemblages of people” use in the VS-MC subzone to limit such events to a single two-day event or less per year.
- Add the VS-MC subzone to the general development standards for visitor-serving zoning districts to identify the maximum impervious surface allowed on the site.

In short, the proposed amendment would allow for residential uses on the Monarch Cove Inn site, whereas currently they are not. The amendment would thus facilitate the conversion of the site from one of a visitor-serving nature to one of residential. See **Exhibit 3** for the proposed land use designation change and **Exhibit 4** for the proposed zoning change and IP text.

## **B. Evaluation of Proposed LCP Amendment**

### ***Standard of Review***

The proposed amendment affects both the LUP and IP components of the City’s LCP. The standard of review for LUP amendments is that they must conform with the policies of Chapter 3 of the Coastal Act. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP, as amended.

### **1. Proposed Land Use Plan Amendment**

#### ***Applicable Coastal Act Policies***

The Coastal Act places a very high priority on public access and recreational opportunities for all. In addition to Coastal Act Sections 30210 through 30214 that require maximum public access to and along the shore, Coastal Act Section 30221 protects oceanfront lands that are suitable for recreational uses. For otherwise allowable development, Coastal Act Section 30222 gives priority to the use of land suitable for visitor-serving recreational facilities over private residential, general

industrial, or general commercial development. Therefore, the proposed LUP amendment must protect oceanfront land, such as the blufftop area in question here, for recreational uses, and must prioritize the use of suitable private lands for visitor-serving facilities designed to enhance public opportunities for coastal recreation. Coastal Act Sections 30221 and 30222 specifically state:

**Section 30221.** *Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.*

**Section 30222.** *The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

### **Analysis**

As submitted by the City, the proposed land use map changes would redesignate the Monarch Cove Inn property (which consists of 3 parcels: APNs 036-143-31, 036-142-27, and 036-142-28) from the current “Visitor-Serving” land use designation to an “R-1” (single-family residential) land use designation with a VS (visitor-serving) overlay. The proposed re-designation would provide for full residential conversion on this important visitor-serving property, thereby raising Coastal Act conformance issues as more fully discussed below.

As submitted by the City, the proposed single-family residential designation would mean that the LCP would prioritize residential uses at the site with the allowance for visitor-serving uses, as opposed to the existing designation, which prioritizes visitor-serving overnight accommodations and related visitor-serving uses and prohibits single-family residential uses (and only allows ancillary residential/caretaker units). It is important to note that, in the Commission’s experience, when such visitor-serving sites are converted to residential uses, they are rarely, if ever, replaced or converted back to visitor-serving uses. Indeed, one need look no further than many of the properties formerly associated with the El Salto Resort that were sold off and converted to residential uses and have since remained that way. Thus, the Commission in implementing the Coastal Act has traditionally taken a fairly strict reviewing lens for proposed conversions such as this one, including to make sure that there is adequate remaining visitor-serving uses in the surrounding area, to replace whatever is lost, or to deny such requests.

As proposed in this case, redesignation of the whole site from VS to R-1 would likely lead to permanent loss of the overnight accommodations at these sites. The City of Capitola, and especially the Village and its adjacent beach area, is a very popular destination for visitors to the Central Coast, and the Monarch Cove Inn is one of only two overnight accommodations in the Depot Hill area of the City (the other being the Inn at Depot Hill with its 13 guest rooms), and the Monarch Cove Inn represents a unique visitor-serving experience with expansive blue water views, a blufftop coastal trail, an adjacent monarch butterfly grove (hence the Inn’s name), and a more rustic and

nostalgic small-scale Inn experience that also offers close access to the Village, Capitola Beach, and New Brighton State Beach, but in a quieter and more serene locale. In sum, the proposed amendment would facilitate the conversion of this important and exceptionally unique visitor-serving space to private residential use, and the general public would lose out on the ability to stay and recreate in this area, all of which raises core Coastal Act compatibility concerns. And to be clear, these are the same concerns Commission staff raised as part of the previous rezoning proposal back in 2021.

That all being said, it is also true that the site is quite large and could likely cater to both residential and visitor-serving uses. The Commission similarly recognized this during the previous proposal in 2021, and thus directed staff to understand whether there were other alternatives that would allow for retention of VS uses at the site while also providing some additional residential uses here as well. In other words, this need not be an all or nothing endeavor, but rather a mix of uses could be potentially appropriate. Commission staff, City staff, and the property owners thus worked together to understand where and how such mix could be effectuated.

To do so, it is important to understand the site's geography and amenities as they exist today. The Monarch Cove Inn is composed of three parcels: a seaward parcel containing the 9-bedroom Victorian house, a carriage house and open air pavilion, walking trails, and open space that overlook the Pacific Ocean and Monterey Bay (APN 036-143-31) and is approximately 24,000 square feet; a landward parcel containing the Inn's office buildings, garden, employee parking spaces, and a smaller auxiliary cottage with a one-bedroom suite (i.e., attached kitchen and bathroom) totaling approximately 18,000 square feet (APN 036-142-27); and a middle parcel sandwiched between the two larger parcels that contains the only ingress/egress to the site, parking spaces, and another small auxiliary cottage with a one bedroom suite, totaling approximately 10,000 square feet (APN 036-142-28) (see **Exhibit 1** for a map of the site).

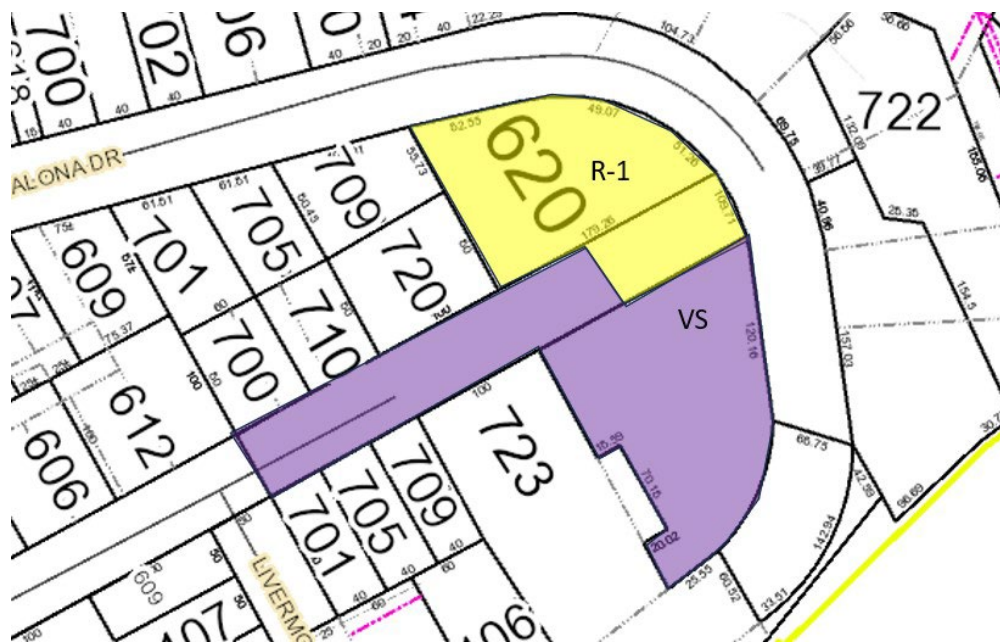
In looking at the site holistically, the majority of the coastal resources and visitor-serving amenities are contained on the seaward-most parcel, including sweeping views of the sea, public walking trails (including to the monarch butterfly grove at the eastern side of the property), and the bulk of the overnight accommodations contained in the Victorian house (nine of eleven units across the entire property).<sup>3</sup> The loss of such coastal visitor-serving amenities to private residential uses would not only be inconsistent with the Coastal Act, but would also impact the public who frequently visit the property to avail themselves of its green spaces and natural environment. In contrast, the landward parcel mainly contains storage and support services to operate the Inn. Lastly, the middle parcel contains the only ingress/egress to the site and provides parking spaces for both overnight and day-use visitors, and thus provides an important connection point to access the visitor-serving uses on the site. While the landward parcel does currently help serve the main Inn facilities, the storage and office space currently on it can likely be reimagined and reconfigured onto the seaward parcel. In other words, the landward

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<sup>3</sup> The Victorian house has nine rooms with queen-sized beds, two of which have attached living rooms, and one of which has an attached kitchen. Each cottage contains one-bedroom suites with attached kitchen and bathroom. Each room (either in the main house or in the cottages) has its own entrance.

parcel does not raise the same degree of Coastal Act conversion issues as the seaward one does, and that understanding can help inform a framework whereby the landward portion of the site is converted to residential uses while the seaward side is retained for visitor-serving purposes.

As such, **Suggested Modification 1** retains the existing Visitor Serving (VS) land use designation on the seaward parcel (APN 036-143-31) and a portion of the middle parcel (APN 036-142-28) (which provides access to it), while allowing the landward parcel (APN 036-142-27) and the remaining portion of the middle parcel to be converted to an R-1 land use designation. The end result is as depicted below, with purple demarcating the VS portion and yellow the R-1:



This configuration/redesignation can be found consistent with Coastal Act Section 30221 since it would protect the oceanfront parcel for public use and visitor-serving overnight accommodations. The Monarch Cove Inn site is well-equipped to enhance such public access opportunities, as it provides the only overnight-accommodation in this part of the City, and provides pathway connections to the blufftop and monarch butterfly grove, and the conversion would ensure these amenities continue at the site. The landward parcel and portions of the middle parcel would thus be available for residential uses<sup>4</sup> and also for limited overnight accommodations uses as well (thereby not affirmatively precluding these uses), and the owners have indicated that they are amenable to the proposed modifications, as is City staff.<sup>5</sup> Accordingly, as modified, the proposed LUP amendment can be found consistent with the Coastal Act.

<sup>4</sup> And may also be eligible to be subdivided, thereby potentially allowing for multiple single-family zoned parcels including opportunities for multiple units (e.g., via the City’s SB9 and ADU ordinances).

<sup>5</sup> In addition, the existing zoning designation currently allows one of the units on the site to be used as a caretaker’s unit, and this allowance for a caretaker’s unit would be retained under the proposed amendments. And thus, the proposed modifications would not affect the ability of the owners or Inn staff

## 2. Proposed Implementation Plan Amendment

### ***Applicable Land Use Plan Provisions***

Similar to the Coastal Act, the LUP contains policies and implementation strategies related to maximizing public access and recreation; protecting environmentally sensitive habitat areas; protecting public views, including to and along the immediate shoreline; and protecting visitor-serving uses, including by ensuring that sites designated for visitor-serving uses and recreation (e.g., visitor-serving overnight accommodations such as hotels, motels, and campgrounds, food/drink establishments, rental facilities, and beaches/parks) remain designated for such uses. These policies include:

***LUP Policy II-1:*** *It shall be the policy of the City of Capitola to provide safe and adequate pedestrian access to and along the shoreline as designated in the Shoreline Access Plan (see Maps II-1, 2, and 3).*

***LUP Policy VI-2:*** *It shall be the policy of the City of Capitola to protect, maintain and, where possible, enhance the environmentally sensitive and locally unique habitats within its coastal zone, including dedication and/or acquisition of scenic conservation easements for protection of the natural environment. All developments approved by the City within or adjacent to these areas must be found to be protective of the long-term maintenance of these habitats.*

***LUP Policy IV-1*** [in relevant part]: *The City shall designate the following areas as visitor-serving and/or recreation uses: The Capitola Village commercial area (retail, restaurants, lodging, etc.) [...] El Salto Resort properties; [...]*

***LUP Policy IV-2:*** *Areas designated as visitor serving and/or recreational shall be reserved for visitor support services or recreational uses. Permissible uses include, but are not limited to hotels, motels, hostels, campgrounds, food and drink service establishments, public facilities, public beaches, public recreation areas or parks, and related rental and retail establishments. Residential uses are also permitted on dual designated “visitor-serving/residential” parcels; specifically, a portion of the El Salto Resort, and in the Village area. Development can be accomplished through private or public means.*

### **Consistency Analysis**

The LUP speaks to protection of locally unique habitat areas, including through ensuring compatible development adjacent to such areas that “must be found to be protective of the long-term maintenance of these habitats”; additionally, the LUP protects public access “to and along the shoreline”. Finally, the LUP specifically states that the Monarch Cove Inn properties (formerly referred to in the LUP as the “El Salto Resort” properties) shall be designated for visitor-serving and/or recreation uses, and that “areas designated for visitor-serving and/or recreation shall be reserved for visitor

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to reside on the property as caretakers, but would require the site to maintain a reasonable number of overnight accommodations that would be served by the caretakers (i.e., the site could not be modified to provide one unit of overnight accommodation and one caretaker unit, rather, the caretaker unit would be understood to service some number of overnight accommodations that is relatively equal to that which exists on the site currently).

support services or recreational uses” and that permissible uses include “hotels, motels, hostels, campgrounds [...]”, etc. It also provides the potential allowance for a dual residential and visitor-serving commercial mix.

The proposed IP amendment would re-zone the Monarch Cove Inn site (i.e., all three parcels) to R-1 with a VS overlay, raising the same visitor-serving conversion issues as discussed in the preceding LUP amendment section. The IP text component of the amendment would also allow single-family residential dwellings as a conditional use on the Monarch Cove Inn site in conjunction with at least one unit of overnight accommodation or the granting of public access to a viewpoint (see IP Section 17.28.020 on pages 4-6 of **Exhibit 4**). In other words, the amendment would allow for a rather significant reduction in the number of overnight accommodation units (from 11 to as little as a single unit) or elimination of all existing overnight accommodation units with a formally recognized public trail/viewpoint. While the language here does mention a trail, it is rather vague and doesn’t specify any performance standards to ensure its protection over time. The access provided here is important, including connecting El Salto Drive and the greater Depot Hill neighborhood with the coastal bluff and Monterey Bay views, as well as connections to the public right-of-way at the downcoast edge of the property, and potential future connections to the planned coastal rail trail.<sup>6,7</sup> Loss or impairment of the access in this area would be significant, as the coastal trail on the property provides benefits similar to the now extinct coastal trail on other portions of Depot Hill, which is no longer in use because of erosion and private residential backyard encroachments into the public right-of-way. The Monarch Cove Inn site provides more flexibility to maintain such public access to the surrounding area given its large size, where other areas in Depot Hill are constrained by private residential dwellings.

As described previously, the majority of the visitor-serving resources at the site, including the overnight accommodations contained in the historic Victorian home, are contained on the seaward parcel, as well as public walking paths, green open space, and access to the monarch butterfly grove. Conversely, the landward parcel mainly contains support buildings, such as offices and storage, and does not provide the same level of visitor resources. Thus, and including to match the LUP as suggested to be modified, the Commission includes **Suggested Modification 2**, which changes the proposed zoning designation for the seaward parcel (APN 036-143-31) and the northwestern portion of the middle parcel (APN 036-142-28) to VS (Visitor Serving). This R-1/VS split is approvable given the context because the LCP speaks to such adjacent visitor-serving and residential uses at the site (see LUP IV-2), would maintain access to the shoreline (see LUP II-2), and would provide for compatible development

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<sup>6</sup> Vehicular access at the site is notably constrained, as the only ingress/egress is via El Salto Drive, which dead-ends at the project site. Available parking for daily visitors, overnight guests, and staff is accommodated via street parking and two small parking lots located on the landward parcel and the middle parcel.

<sup>7</sup> The public pathway was originally formed as a condition of coastal permit P-80-11 as an offer to dedicate for two easements to be made from El Salto Drive to and along the blufftop for views of the shoreline. However, the permit was never exercised, and the easements were never recorded. Nevertheless, the pathway currently exists on the property and is frequently used by the public, constituting an important visitor-serving resource which is afforded protection under the LUP.



adjacent to the bluffs/monarch butterfly grove (see LUP VI-2). Additionally, the landward parcel would maintain a visitor-serving overlay in addition to the R-1 designation, thus not precluding visitor-serving overnight accommodations from existing in the future on the landward parcel.

**Suggested Modification 3** implements the zoning map change into the IP's text, including by clarifying that the proposed R-1 zoning and VS-G (Visitor-Serving-General) overlay only applies to the landward parcels and not the seaward, visitor-serving ones. The end result of this modification is to retain overnight accommodation uses on the seaward parcels while providing for a mix of visitor-serving and residential ones on the landward side. And **Suggested Modification 4** simply depicts these changes into the corresponding IP Visitor Serving District map.

While the above described suggested modifications generally refer to the site's zoning designations and overlays, **Suggested Modifications 5 and 6** make changes to describe the specific site development parameters and allowed land uses. Overall, the changes would remove single-family dwellings as a conditional use on the seaward visitor-serving Monarch Cove Inn site (VS-MC in Table 17.28-1, see **Exhibit 4**) to prevent the applicable parcels from converting to a private, residential use and conversely, to preserve the overnight accommodations and public access at the site. The modifications also require that, as part of any CDP review at the residential or visitor-serving sites, that adequate fire and vehicular ingress/egress is provided to serve all development at the sites (particularly for the Inn site, which may necessitate residential access from Escalona Drive), that public access is provided, including from El Salto Drive to the bluff, adjacent public rights-of-way, and potentially new trail connections along the rail trail, and that there is adequate space for parking. In other words, the language provides an important reviewing lens for future development proposals on both the residential and visitor-serving properties to ensure that uses on both sites remain viable, and that protect and provide for public access in the area.

In sum, the suggested modifications would eliminate the proposed R-1 use on the seaward parcel and portions of the middle parcel at the Monarch Cove Inn site and make clarifying changes to provide for a mix of uses on the inland portion. Such a conversion is appropriate in this context given that doing so maintains the majority of the overnight accommodation units and preserves other visitor-serving amenities (e.g., access to blue-ocean water views and public trails) at this unique site. Additionally, in recent years there has been a push across the state to increase housing stock, particularly in coastal areas,<sup>8</sup> including to help offset skyrocketing rents and home prices and general unaffordability, while still preserving moderate- and lower-cost accommodations. Here, the conversion strikes a balance between these two objectives by preserving overnight accommodations and visitor-serving uses in the coastal zone while allowing for residential uses that would presumably add a number of new units to the area. Lastly, in a City-wide context, there are a number of other overnight accommodations available to visitors within the City (including the Inn at Depot Hill, the

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<sup>8</sup> And the Commission has frequently discussed the balance between encouraging housing and preserving/protecting visitor-serving overnight accommodations in the coastal zone, including during its December 2023 hearing when it held an informational briefing on housing.

Capitola Hotel, and the Venetian, all of which are located within the coastal zone), and visitor-serving uses have historically been preserved in the City, including via Commission action.<sup>9</sup> The modifications identified are thus necessary to ensure that existing lands designated for visitor-serving uses are protected for such uses, while also providing for much needed housing. Thus, the proposed IP amendments with the suggested modifications can be found consistent with and adequate to carry out the certified Land Use Plan.

### **C. California Environmental Quality Act (CEQA)**

Section 21080.9 of the California Public Resources Code—within the California Environmental Quality Act (CEQA)—exempts local government from the requirement of preparing an Environmental Impact Report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of LCPs and LCP amendments. Instead, the CEQA responsibilities are assigned to the Coastal Commission; however, the Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP or LCP amendment action.

Nevertheless, the Commission is required, in approving an LCP or LCP amendment submittal, to find that the approval of the proposed LCP, as amended, does conform with CEQA provisions, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment (see California Code of Regulations Title 14 Sections 13540(f) and 13555(b)).

The City of Capitola's LCP amendment consists of an LUP and IP amendment. In this case, the City exempted the proposed amendment from environmental review (citing CEQA Sections 15061(b)(3)), deeming the modifications to be minor in nature without the potential to cause a significant effect on the environment. This report has discussed the relevant coastal resource issues with the proposal, and has addressed all comments received. All the above findings are incorporated herein in their entirety by reference.

Therefore, the Commission finds that there are no other feasible alternatives or mitigation measures under the meaning of CEQA which would further reduce the potential for significant adverse environmental impacts, and the proposed LCP amendment, as modified, conforms with CEQA.

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<sup>9</sup> In the 2021 IP update, staff recommended modifications to the former Capitola Theater site to ensure future development would be used for visitor-serving uses. See adopted staff report for LCP-3-CAP-20-0082-2 pages 8 and 37.

# CALIFORNIA COASTAL COMMISSION

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# Th13a

## LCP-3-CAP-22-0061-2 PART B (MONARCH COVE INN REDESIGNATION)

MAY 9, 2024 HEARING

EXHIBITS

### Table of Contents

**Exhibit 1: Project Site Map**

**Exhibit 2: Project Site Photos**

**Exhibit 3: Proposed LUP Map**

**Exhibit 4: Proposed IP Map and IP Text**





City of Capitola

Project Site

Item 8 C.

New Brighton State Beach

Soquel Creek

Depot Hill Neighborhood

Capitola State Beach

Capitola Wharf

**Exhibit 1**  
**LCP-3-CAP-22-0061-2-Part B**  
**Page 1 of 2**





Public Right-of-way and Public Trail Item 8 C.

Escalona Drive

Office Buildings

Landward Parcel

Monarch Butterfly Grove

Small Cottages

Middle Parcel

Seaward Parcel

Victorian Mansion

El Salto Drive

Walking Trail

SACRAMENTO AVE

LIVERMORE AVE

Wedding Deck

EL SALTO DR

**Project Site**

**Exhibit 1**  
**LCP-3-CAP-22-0061-2-Part B**  
**Page 2 of 2**



11-bedroom Victorian Mansion





Wedding Pavilion





Wedding Pavilion

Walking Path

View from Victorian Mansion









### General Plan and Local Coastal Program Land Use Map Proposed Modifications for Monarch Cove Inn Parcels

Existing Land Use: Visitor Serving



Proposed Land Use: Single-Family Residential with Visitor Serving Overlay



Residential Designations

- Single-Family Residential (R-1)
- Multi-Family Residential (R-M)
- Mobile Home (R-MH)

Mixed-Use Designations

- Village Mixed-Use (MU-V)
- Neighborhood Mixed-Use (MU-N)

Other Designations

- Parks and Open Space (P/OS)
- Public/Quasi-Public (P/QP)
- Visitor Serving (VS)

Commercial/Industrial Designations

- Regional Commercial (C-R)
- Community Commercial (C-C)
- Visitor Accommodations (VA)
- Industrial

Overlays

- Visitor Serving (VS)



## Zoning Map/LCP-IP Proposed Modifications for Monarch Cove Inn Parcels

### Existing Land Use: Visitor Serving



### Proposed Land Use: R-1 Single-Family Residential with Visitor Serving Overlay



**Residential Zoning Districts**

- R-1 - Single-Family Residential
- RM-L - Multi-Family Residential, Low Density
- RM-M - Multi-Family Residential, Medium Density
- RM-H - Multi-Family Residential, High Density
- MH - Mobile Home Park

**Mixed-Use Zoning Districts**

- MU-V - Mixed Use Village
- MU-N - Mixed Use Neighborhood

**Commercial and Industrial Zoning Districts**

- C-R - Regional Commercial
- C-C - Community Commercial

- I - Industrial

**Other Zoning Districts**

- P/OS - Parks and Open Space
- CF - Community Facility
- PD - Planned Development

**Overlay Zones\***

- AHO - Affordable Housing
- CZ - Coastal Zone
- VRU - Vacation Rental Use
- VR - Village Residential
- VS - Visitor Serving

\*See Local Coastal Program Habitats Map for boundaries of Environmentally Sensitive Habitats Area Overlay Zone.

## Chapter 17.28

### VISITOR SERVING OVERLAY ZONE

Sections:

- 17.28.010 Purpose of the visitor serving overlay zone.  
 17.28.020 Land use regulations.  
 17.28.030 Development standards.

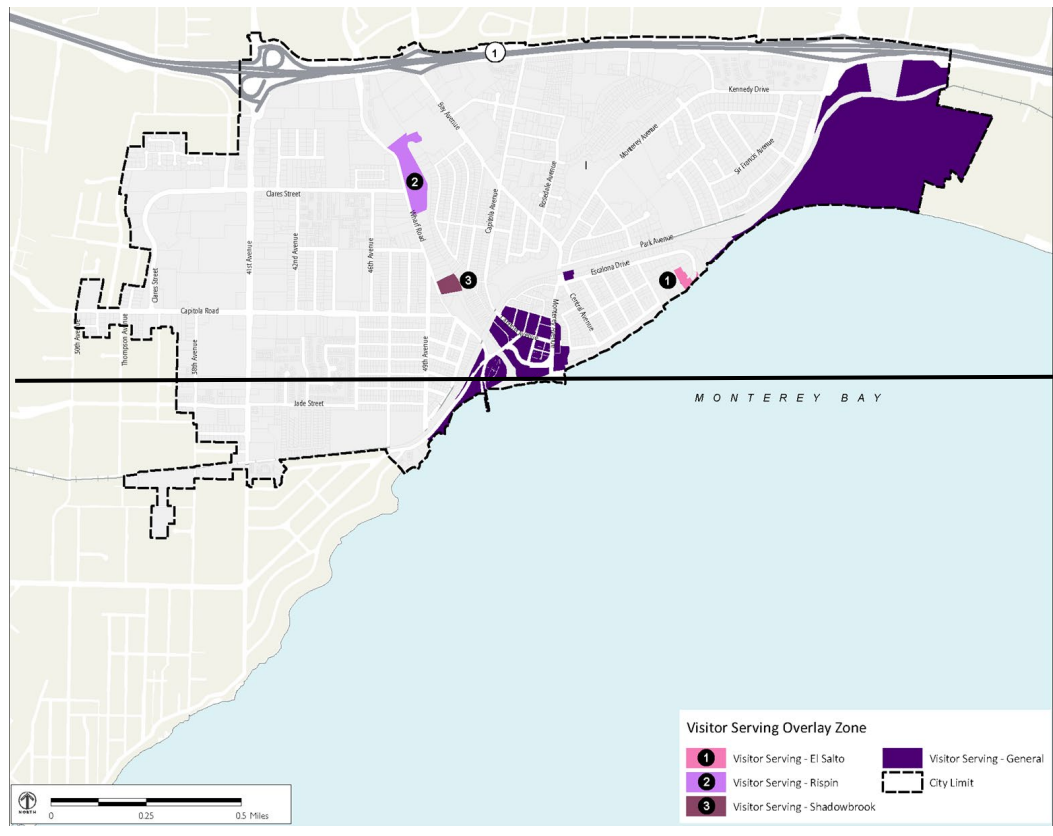
**17.28.010 Purpose of the visitor serving overlay zone.**

A. General. The purpose of the visitor serving (-VS) overlay zone is to provide the visiting public with a range of opportunities to enjoy Capitola's coastal location. The -VS overlay zone accommodates a range of visitor serving uses including overnight accommodations, dining establishments, and active and passive recreational facilities. Specific permitted uses depend on the resources present on the site and the surrounding land use and environmental context. The -VS overlay zone implements policies to maintain and enhance visitor serving uses in Capitola consistent with the general plan and local coastal program (LCP).

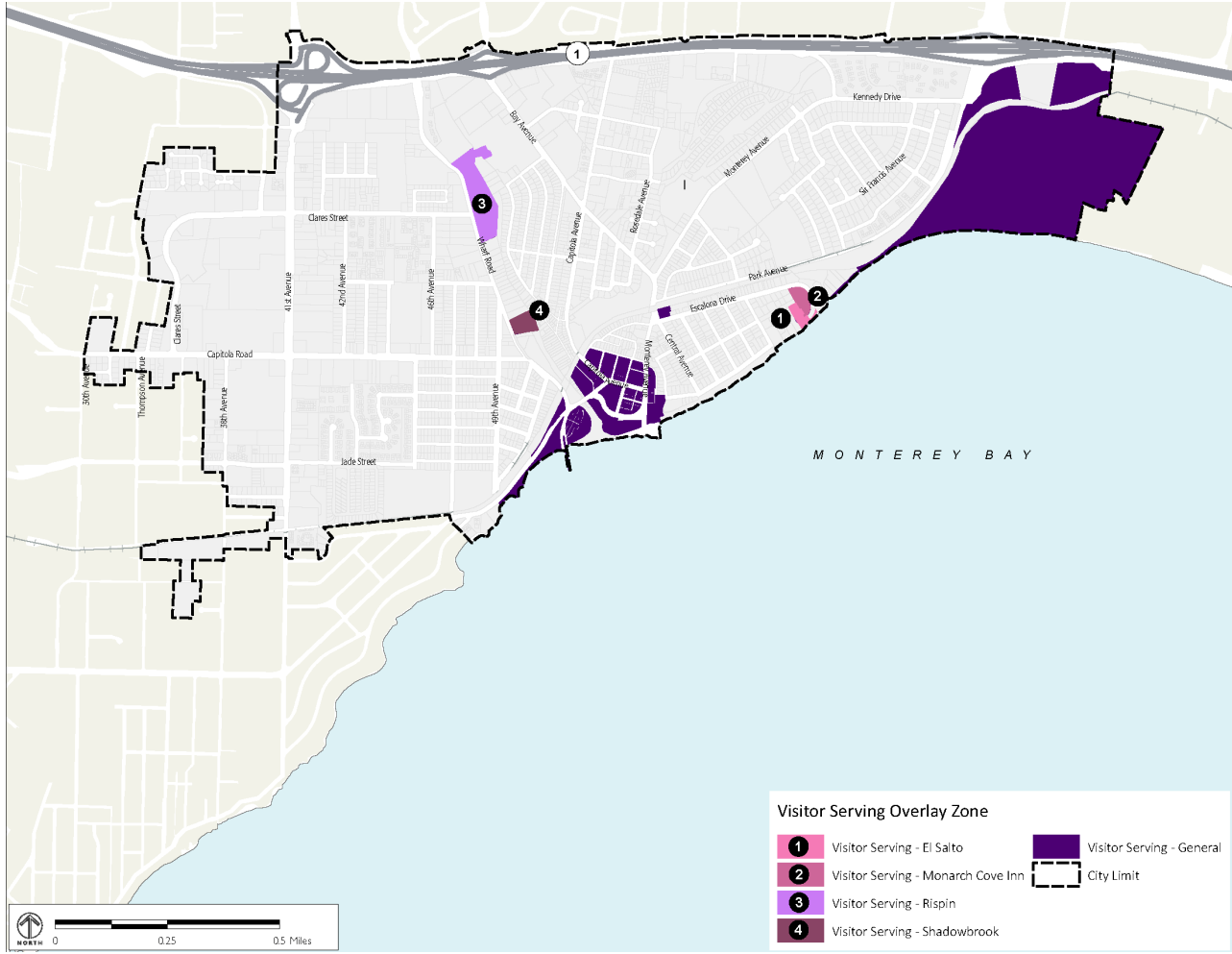
B. Visitor Serving Overlay Subzones. The -VS overlay zone is divided into subzones (see Figure 17.28-1) with unique land use and development standards:

1. Visitor Serving – Rispin (VS-R). Applies to the Rispin site (APNs 035-371-01 and 035-371-02).
2. Visitor Serving – Shadowbrook (VS-SB). Applies to the Shadowbrook site (APN 035-111-04).
3. Visitor Serving - Monarch Cove Inn (VS-MC). Applies to the Monarch Cove Inn site (APNs 036-143-31 & 036-142-27) and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels.
- ~~4~~3. Visitor Serving – El Salto (VS-ES). Applies to the El Salto site (APN 036-143-35).
- ~~5~~4. Visitor Serving – General (VS-G). Applies to all other parcels with a visitor serving subzone overlay designation. The -VS zoning overlay designation on the Inn at Depot Hill site (APNs 036-121-38 and 036-121-33) acts as both the base zoning district and an overlay district (i.e., the permitted land uses identified in Table 17.28-1 are the only permitted land uses allowable on the site and the applicable land use regulations and development standards are limited to those identified in this chapter).

Figure 17.28-1: Visitor Serving Districts







(Res. 4223, 2021; Ord. 1043 § 2 (Att. 2), 2020)

**17.28.020 Land use regulations.**

A. Permitted Land Uses. Table 17.28-1 identifies land uses permitted in the -VS overlay subzones.

**Table 17.28-1: Permitted Land Uses in the Visitor Serving Overlay Zone**

Key	-VS Subzones					Additional Regulations
	VS-G	VS-R	VS-SB	VS-MC	VS-ES	
<b>Residential Uses</b>						
Employee Housing	C [1]	-	-	=	-	
Multifamily Dwellings	C [2][11]	-	-	=	C [2]	
One Caretaker Unit for On-Site Security	C	C	C	C	C	
Single-Family Dwellings	C [3][11]	-	-	C [3][12]	C [3]	
<b>Public and Quasi-Public Uses</b>						
Community Assembly	C	C	-	=	-	

Cultural Institutions	C	C	-	=	-	
Day Care Centers	C	-	-	=	-	
Habitat Restoration and Habitat Interpretive Facilities	C	C	C	<u>C</u>	-	
Parks and Recreational Facilities	C	C	-	=	-	
Public Parking Lots	C	C	-	=	-	
Public Paths and Coastal Accessways	C	C	C	<u>C</u>	C	
Public Safety Facilities	C	-	-	=	-	
Public Wharfs	C	-	-	=	-	
Schools, Public or Private	-	-	-	=	-	
<b>Commercial Uses</b>						
Business Establishments that Provide Commercial Places of Amusement or Recreation, Live Entertainment, or Service of Alcoholic Beverages	C [4]	C [4]	C	=	-	
Business Establishments that Sell or Dispense Alcoholic Beverages for On-Site Consumption	C	C	C	<u>C</u>	-	
Restaurants						
Full Service	C [5]	C [5]	C [5]	=	-	
Lodging						
Hotels, Inns, Bed and Breakfast, and Hostels	C	C	-	<u>C</u>	C	
Campgrounds [6]	C	-	-	=	-	
Recreational Vehicle Parks	C	-	-	=	-	
Vacation Rentals with onsite manager	-	-	-	<u>C</u>	-	
Utilities, Major	C	C	C	<u>C</u>	C	
Utilities, Minor	P	P	P	<u>P</u>	P	
Wireless Communications Facilities	See Chapter 17.104					
<b>Other Uses</b>						
Access Roadways	C	C	C	<u>C</u>	C	
Accessory Structures and Uses, New	C [7]	C	C	<u>C</u>	C	
Accessory Structures and Uses Established Prior to Primary Use or Structure	C	C	-	<u>C</u>	-	
Change of Visitor Serving Commercial Uses within a Structure	C [8]	-	-	=	-	
Food Service Accessory to a Lodging Use [9]	C	C	-	<u>C</u>	C	
Home Occupations	C	-	-	=	-	Section 17.96.040
Expansion of a Legal Nonconforming Use within an Existing Structure	C	-	-	=	-	

Legal Nonconforming Use Changed to a Use of a Similar or More Restricted Nature	C	-	-	=	-	
Live Entertainment	C	C	C	=	-	
Offices Accessory to Visitor Serving Use	C	C	C	<u>C</u>	-	
Parking Areas to Serve the Primary Use	C	C	C	<u>C</u>	C	
Retail Accessory to a Visitor Serving Use	C	C	-	<u>C</u>	-	
Temporary Assemblages of People, such as Festivals, Fairs, and Community Events	C [10]	C [10]	C [10]	<u>C [13]</u>	-	
Weddings	C	C	C	<u>C</u>	-	

Notes:

- [1] Permitted only as an accessory use.
- [2] Multifamily dwellings shall comply with development standards in the multifamily residential, medium density (RM-M) zoning district.
- [3] Single-family dwellings shall comply with development standards in the single-family residential (R-1) zoning district.
- [4] May not be located within two hundred feet of the boundary of a residential zoning district.
- [5] Drive-up and car service is not allowed.
- [6] May include moderate intensity recreational uses, including tent platforms, cabins, parks, stables, bicycle paths, restrooms, and interpretive facilities.
- [7] Intensification of the primary use is not allowed.
- [8] The new use may not change the nature or intensity of the commercial use of the structure.
- [9] Permitted only to serve guests of the lodging use.
- [10] Events may not exceed ten days and may not involve construction of permanent facilities.
- [11] Prohibited on the former Capitola Theater site (APNs 035-262-04, 035-262-02, 035-262-11, and 035-261-10) and the Inn at Depot Hill (APNs 036-121-38 and 036-121-33).
- [12] Allowed in conjunction with overnight accommodation use (at least one on property) or grant of public access to a viewpoint.
- [13] Limited to a single two-day or less event per year.

B. Civic Uses in the VS-R Overlay Subzone. The planning commission may allow additional civic uses in the VS-R overlay subzone beyond those specifically identified in Table 17.28-1 if the planning commission finds the additional civic use to be consistent with the purpose of the VS-R overlay subzone and compatible with existing uses present on the site. (Res. 4223, 2021; Ord. 1043 § 2 (Att. 2), 2020)

**17.28.030 Development standards.**

A. General. Table 17.28-2 identifies development standards that apply in the -VS overlay zone outside of the mixed use village (MU-V) zoning district.

**Table 17.28-2: Development Standards in the Visitor Serving Zoning Districts**

	<b>-VS Overlay Zone</b>	<b>Additional Standards</b>
Parcel Area, Minimum	5,000 sq. ft.	
Impervious Surface, Maximum	VS-R: 25% VS-SB, <u>VS-MC</u> , and VS-ES: 50% [1] VS-G: No maximum	
Floor Area Ratio, Maximum	0.25	
Setbacks, Minimum	See Section 17.28.030(B)	
Height, Maximum	30 ft.	Section 17.28.030(C)

Note:

- [1] In the VS-SB overlay subzone, the impervious surface requirement applies to the parcel located directly adjacent to Soquel Creek. In the VS-ES overlay subzone, the impervious surface calculation excludes the portion of parcel 036-142-28 located outside of the Monarch Cove Inn.

B. Setbacks. The following setback requirements apply in the -VS overlay zone:

1. The planning commission may require front, side and rear setbacks through the design review process to provide adequate light and air, ensure sufficient distance between adjoining uses to minimize any incompatibility, and to promote excellence of development. Where a side or rear yard abuts residential property, a setback of at least ten feet shall be provided.

2. Front and exterior side yards shall not be used for required parking facilities.

3. For the visitor serving El Salto parcels located adjacent to the bluff top, new development shall adhere to the setback and development provision provided in the LCP natural hazards policies and in Chapter 17.68 (GH Geologic Hazards District).

4. To protect the waters and riparian habitat of Soquel Creek, new development on the Shadowbrook Restaurant and Rispin parcels shall adhere to the LCP natural systems policies and Chapter 17.64 (Environmentally Sensitive Habitat Areas).

C. Height Exceptions. With a recommendation from the planning commission, the city council may approve additional height up to a maximum of thirty-six feet in the -VS overlay zone outside of the MU-V zoning district when all of the following findings can be made:

1. The proposed development and design is compatible with existing land uses in surrounding areas, the general plan, and the LCP.

2. Streets and thoroughfares are suitable and adequate to serve the proposed development.

3. The proposed development does not produce shadows which may adversely affect the enjoyment of adjacent streets, buildings, or open space.

4. Major public views of the shoreline, as identified in Capitola's local coastal program, are not blocked by the proposed development.

D. Landscaping. See Table 17.72-2 in Chapter 17.72 (Landscaping) for minimum required landscaping requirements for visitor serving properties.

E. Lighting. In addition to outdoor lighting standards in Section 17.96.110 (Outdoor lighting), the following lighting requirements apply in the -VS overlay zone:

1. All exterior lighting shall be minimized, unobtrusive, down-directed and shielded using the best available dark skies technology, harmonious with the local area, and constructed or located so that only the area intended is illuminated and off-site glare is fully controlled and that light spill, sky glow and glare impacts are minimized.

2. Lighting of natural areas (such as creeks, riparian areas, the beach, etc.) shall be prohibited past the minimum amount that might be necessary for public safety purposes, except when temporarily permitted in conjunction with a temporary event.

3. The location, type and wattage of exterior lighting must be approved by the community development director prior to the issuance of building permits or the establishment of the use.

F. Coastal Development Permit. If a proposed development is located in the coastal zone, it may require a coastal development permit (CDP) as specified in Chapter 17.44 (Coastal Overlay Zone). Approval of a CDP requires conformance with the CDP findings for approval as specified in Section 17.44.130 (Findings for approval). (Res. 4223, 2021; Ord. 1043 § 2 (Att. 2), 2020).

## Chapter 17.30

### ~~VISITOR SERVING DISTRICT — MONARCH COVE INN~~

**Sections:**

- ~~17.30.010 — Applicability.~~
- ~~17.30.020 — Purpose.~~
- ~~17.30.030 — Architectural and site approval.~~
- ~~17.30.040 — Conditionally permitted uses — Monarch Cove Inn.~~
- ~~17.30.050 — Accessory uses.~~
- ~~17.30.060 — Height.~~
- ~~17.30.070 — Lot area.~~
- ~~17.30.080 — Lot coverage.~~
- ~~17.30.090 — Yards.~~
- ~~17.30.100 — Parking.~~
- ~~17.30.110 — Loading areas.~~
- ~~17.30.120 — Landscaping and lighting.~~

**~~17.30.010 — Applicability.~~**

~~The regulations set forth in this chapter apply to the Monarch Cove Inn parcels. (Res. 4223, 2021)~~

**~~17.30.020 — Purpose.~~**

~~The purpose of the V-S district is to accommodate the visiting public with a range of opportunities to enjoy the city of Capitola's coastal location. (Res. 4223, 2021)~~

**~~17.30.030 — Architectural and site approval.~~**

~~A design permit shall be secured for the establishment and conduct of any conditional or accessory use in a V-S district as provided in Chapter 17.120. (Res. 4223, 2021)~~

**~~17.30.040 — Conditionally permitted uses — Monarch Cove Inn.~~**

~~The following are the conditionally permitted uses allowed on the Monarch Cove Inn parcels and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels:~~

- ~~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. ~~Nonfamily residential use during the off-season months (November through April). (Res. 4223, 2021)~~

**17.30.050—Accessory uses.**

The following are accessory uses permitted in a V-S district:

A. Signs complying with the applicable regulations set forth in the sign ordinance;

B. Accessory uses and buildings customarily appurtenant to a permitted use. (Res. 4223, 2021)

**17.30.060—Height.**

No structures shall exceed thirty feet in height. Exceptions up to thirty six feet in height may be granted subject to approval by the city council upon the recommendation of the planning commission when the following findings can be made:

A. The proposed development and design are compatible with existing land uses of surrounding areas and the general plan;

B. Streets and thoroughfares are suitable and adequate to serve the proposed development;

C. The proposed development does not produce shadows which may adversely affect the enjoyment of adjacent streets, buildings or open space;

D. Major public views are not blocked by the proposed development. (Res. 4223, 2021)

**17.30.070—Lot area.**

The minimum lot area required shall be five thousand square feet. (Res. 4223, 2021)

**17.30.080—Lot coverage.**

There shall be no specific maximum lot coverage set except as follows:

A. Sufficient space shall be provided to satisfy off street parking and loading area requirements, notwithstanding that all parking may be provided within a structure(s);

B. Front yard and open space requirements shall be satisfied;

C. For the Monarch Cove Inn parcels, the allowable impervious site coverage (e.g., buildings, paving, decks, etc.) is fifty percent. (Res. 4223, 2021)

**17.30.090—Yards.**

A. ~~Front, side and rear yard setbacks may be required through design permit approval in order to provide adequate light and air, assure sufficient distance between adjoining uses to minimize any incompatibility and to promote excellence of development. Where a side or rear yard abuts residential property a setback of at least ten feet shall be provided.~~

B. ~~Front yards and corner lot side yards shall not be used for required parking facilities.~~

~~C. For the Monarch Cove Inn parcels located adjacent to the bluff top, new development shall adhere to the setback and development provisions provided in the LUP's natural hazards policies and in certified zoning Chapter 17.68 (GH Geologic Hazards District). (Res. 4223, 2021)~~

**~~17.30.100—Parking.~~**

~~Parking standards shall be as provided in Chapter 17.76. (Res. 4223, 2021)~~

**~~17.30.110—Loading areas.~~**

~~Loading areas shall be as provided in Chapter 17.76. (Res. 4223, 2021)~~

**~~17.30.120—Landscaping and lighting.~~**

~~A minimum of five percent of the lot area shall be landscaped to ensure harmony with adjacent development in accordance with architectural and site approval standards. For the visitor serving Monarch Cove Inn parcels, fifty percent of the parcels shall consist of landscaped or open space areas. The planting of invasive plant species is prohibited. All exterior lighting shall be unobtrusive, harmonious with the local area and constructed or located so that only the area intended is illuminated and off site glare is fully controlled. The location, type and wattage of the exterior lighting must be approved by the community development director prior to the issuance of building permits or the establishment of the use. (Res. 4~~



## CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
WEB: WWW.COASTAL.CA.GOV



# Th13a

**Prepared May 6, 2024 for May 9, 2024 Hearing**

**To:** Commissioners and Interested Persons

**From:** Kevin Kahn, Central Coast District Manager  
Kiana Ford, Coastal Planner

**Subject: Additional hearing materials for Th13a  
LCP Amendment Number LCP-3-CAP-22-0061-2 Part B (Monarch Cove  
Inn Redesignation)**

This package includes additional materials related to the above-referenced hearing item as follows:

Additional correspondence received in the time since the staff report was distributed

**From:** [CentralCoast@Coastal](mailto:CentralCoast@Coastal)  
**To:** [Ford, Kiana@Coastal](mailto:Ford,Kiana@Coastal)  
**Subject:** Fw: Opposition to Redesignation Proposal for Monarch Cove Inn  
**Date:** Friday, April 26, 2024 10:30:18 AM

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**From:** Harry <depothill2000@gmail.com>  
**Sent:** Thursday, April 25, 2024 9:42 PM  
**To:** CentralCoast@Coastal <CentralCoast@coastal.ca.gov>  
**Subject:** Opposition to Redesignation Proposal for Monarch Cove Inn

Dear California Coastal Commission,

I am writing to express my strong opposition to the proposed redesignation of Monarch Cove Inn to R1 residential. As a resident of the area, I am deeply concerned about the potential negative impacts that this rezoning could have on our community.

Firstly, El Salto Rd is already a shared space, accommodating pedestrians on public trails, hotel visitors, and local residents alike. Introducing R1 zoning and adding more housing to the area would only exacerbate the issue of overcrowding. The infrastructure and resources along El Salto Rd are already stretched thin, and adding more housing units would only further strain these resources. This would negatively impact the quality of life for current residents and visitors alike.

Secondly, it's important to note that El Salto Rd is a private road and lacks sufficient maintenance compared to public roads. This means that any increase in traffic due to the addition of residential units would put additional strain on the already limited resources available for road maintenance. This could lead to further deterioration of the road and potentially compromise the safety of those who use it.

Given these concerns, I urge the Coast Commission to reject the proposal to rezone part of Monarch Cove Inn to R1 residential. Instead, I believe it is essential to prioritize the preservation of the existing community and infrastructure in the area. Any development plans should be carefully considered to ensure that they are in the best interest of all residents and stakeholders.

Thank you for considering my concerns regarding this matter. I trust that you will carefully evaluate the potential impacts of the proposed rezoning and make a decision that is in the best interest of the community.

Sincerely,

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
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# Th13a

**LCP-3-CAP-22-0061-2 PART B (MONARCH COVE INN  
REDESIGNATION)**

**MAY 9, 2024 HEARING**

**CORRESPONDENCE**

**Ford, Kiana@Coastal**

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**From:** Dan Da Man <awsumd@msn.com>  
**Sent:** Wednesday, April 10, 2024 9:48 AM  
**To:** CentralCoast@Coastal  
**Subject:** Public Comment on April 2024 Agenda Item Thursday 14a - City of Capitola LCP Amendment No. LCP-3-CAP-22-0061-2 Part B (Monarch Cove Inn Site Redesignation).

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Completed

**Categories:** Forwarded

The fact that a simple item has been delayed for several years is a testament to the disfunction of the Commission and it's mission. The owners will be dead by the time you get anything done and not one positive outcome will occur as a result of your inaction!

The property is at the end of a dead end street and the neighbors have complained about the Inn activities for decades and the owners simply want to have it zoned as residential, simple request with City of Capitola concurrence. What is the problem CCC??



## Monarch Cove Inn – Policy Amendments



620 El Salto Drive

- 3 lots

Amendment to:

- General Plan Map
- Zoning Map
- Zoning Code



## Monarch Cove Inn – Policy Amendments

Recommendation: adopt a resolution accepting Coastal Commission modifications to Zoning Code, Zoning Map, and General Plan Map as included in attachment #1.



## Monarch Cove Inn – Policy Amendments

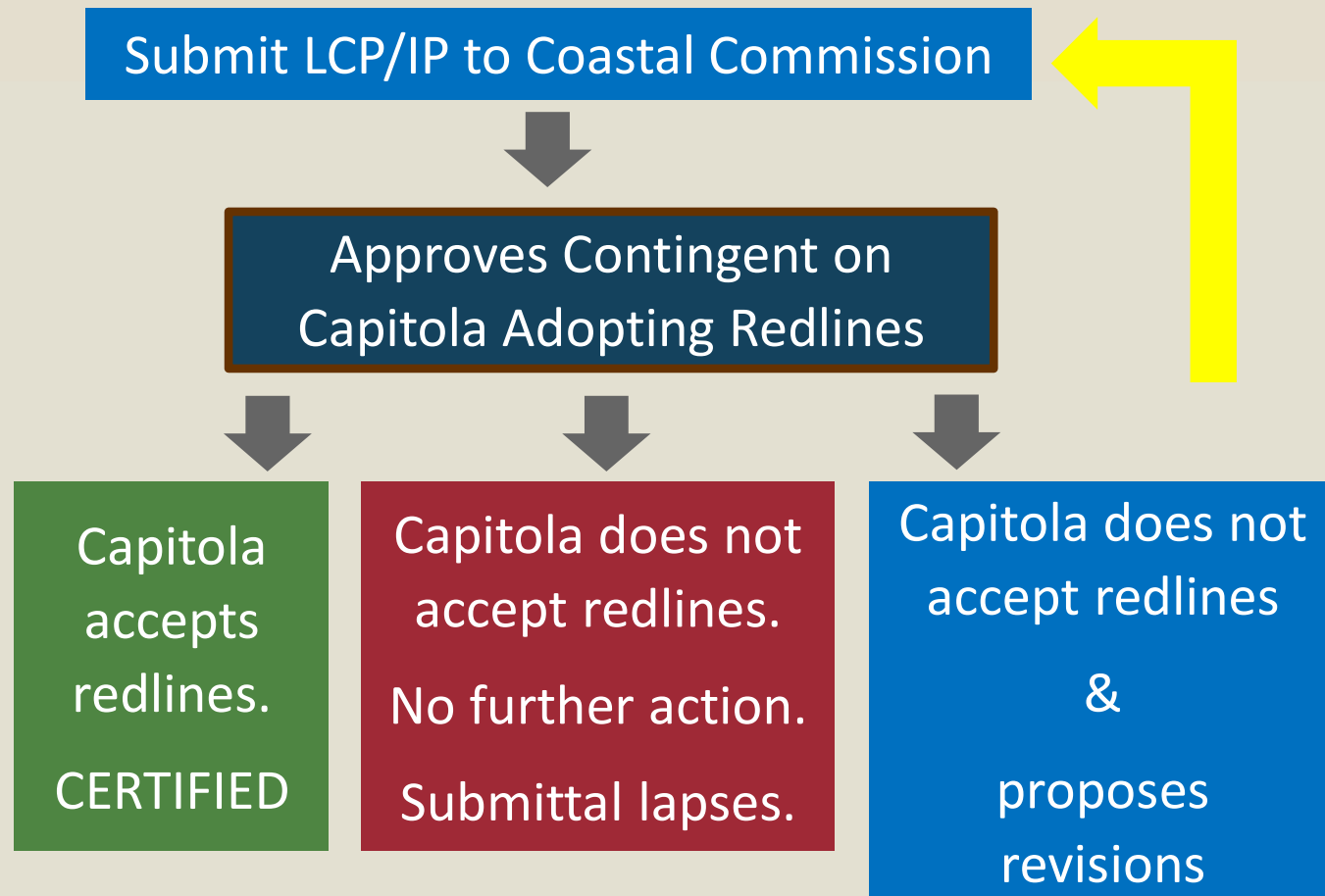
### Background

- 2012-2014 Owner pursued major redevelopment and expansion of Inn. Application withdrawn.
- 2014-2021 Zoning Code Update included Inn property rezone from VS to R-1 with VS overlay
- April 2021 Coastal Commission certified overall update but excluded Inn.
- Late 2021 New application from Inn Owner. VS to R-1 with Visitor Serving Overlay.
- May 2024 Coastal Commission **conditionally certified** with amendments.





# Coastal Commission Zoning Code Certification Process





# Monarch Cove Inn – Policy Amendments

## Proposed Amendments

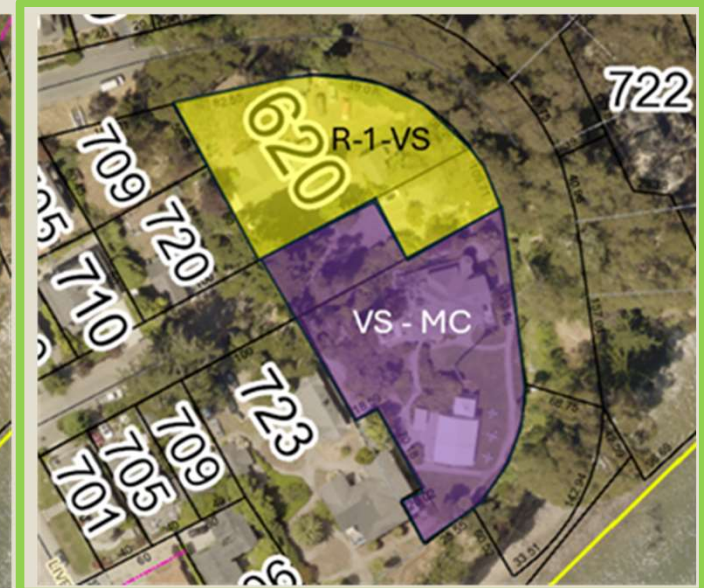
- Zoning Map and GP Map



Existing



Owner/City Proposed



Coastal  
Commission  
Modification



## Monarch Cove Inn – Policy Amendments

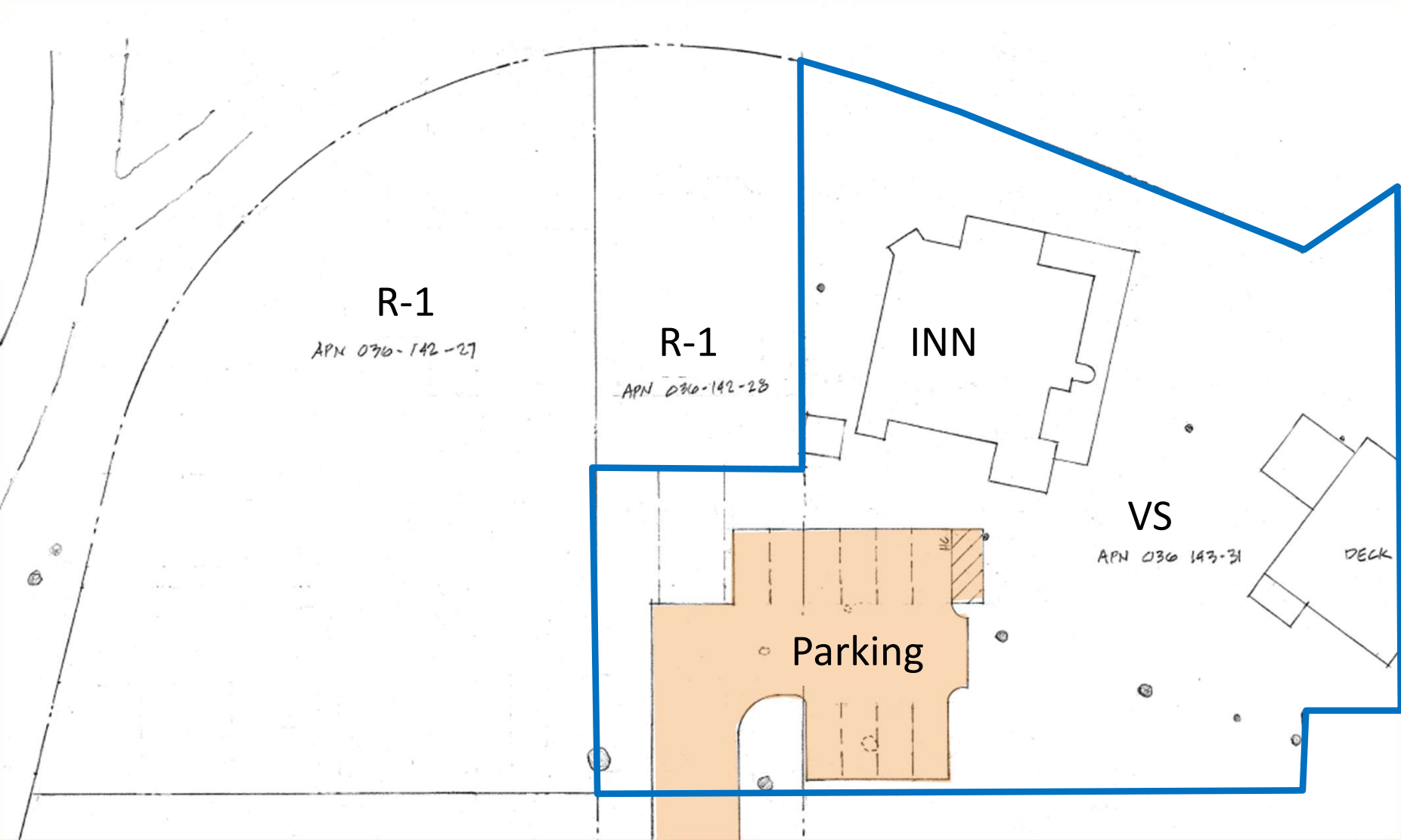
### Proposed Amendments – Summary and Changes

- Repeal Chapter 17.30 Visitor Serving
- Create Visitor Serving – Monarch Cove Inn Overlay
- Residential requires dedication of pedestrian easement
- Allows owner an option to retire and revert part of property to a residential use and increased flexibility of site.
- Retains Monarch Cove Inn as coastal resource.



# Monarch Cove Inn – Policy Amendments

## Parking





## Monarch Cove Inn – Policy Amendments

### Weddings and Events

Existing CUP Condition:

If the Monarch Cove Inn is not operated jointly on all three properties, then lodging may continue, but no weddings or events are permitted.



## Monarch Cove Inn – Policy Amendments

Adopt a resolution accepting Coastal Commission modifications to Zoning Code, Zoning Map, and General Plan Map as included in attachment #1



# Capitola City Council

## Agenda Report

**Meeting:** July 25, 2024

**From:** City Manager Department

**Subject:** League of California Cities Annual Conference Voting Delegate



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**Recommended Action:** Designate the City of Capitola's voting delegate and alternate to the League of California Cities Annual Conference.

**Background:** The 2024 League of California Cities (League) Annual Conference will be held in Long Beach from October 16<sup>th</sup> through October 18<sup>th</sup>. At this meeting, the League holds its annual business meeting to consider and vote on resolutions that establish League policy.

**Discussion:** To vote on these items, the City must designate a voting delegate. Each city should appoint one delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Designation of the voting delegate must be done by City Council action.

The delegate and alternate(s) must be registered to attend the conference, but they need not register for the entire conference; they may register for Friday only. At least one voting delegate or alternate must be present at the General Assembly on Friday and in possession of the voting card to cast a vote. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may not transfer the voting card to another city official.

**Fiscal Impact:** There is no fiscal impact associated with this action. Council Members may use funds budgeted for travel and training expenses to attend the conference.

**Report Prepared By:** Julia Gautho, City Clerk

**Approved By:** Jamie Goldstein, City Manager



Council Action Advised by September 25, 2024

**DATE: Wednesday, July 10, 2024**

**TO: Mayors, Council Members, City Clerks, and City Managers**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference and Expo, Oct. 16-18, 2024  
Long Beach Convention Center**

Every year, the League of California Cities convenes a member-driven General Assembly at the [Cal Cities Annual Conference and Expo](#). The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Oct. 18, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

**Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

**Following council action, please submit your city's delegates through [the online submission portal](#) by Wed., Sept. 25.** When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

**Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the [Cal Cities](#) website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' [event and meeting policy](#) in advance of the conference.

**Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

**Seating Protocol during General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Long Beach Convention Center in Long Beach, will be open at the following times: Wednesday, Oct. 16, 8:00 a.m.-6:00 p.m. and Thursday, Oct. 17, 7:30 a.m.-4:00 p.m. On Friday, Oct. 18, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 25. If you have questions, please contact Zach Seals at [zseals@calcities.org](mailto:zseals@calcities.org).

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly



## General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.
6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.
7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

## Prior to the Annual Conference and Expo

### General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance

to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

### Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members

review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

## During the Annual Conference and Expo

### Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during

the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

### Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved<sup>1</sup> by either a policy committee

or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.<sup>2</sup>

### General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

## Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

**Voting delegates** are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates—one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

<sup>1</sup> The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.

<sup>2</sup> Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).



# LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE VOTING DELEGATE



# Background

- League of CA Cities Annual Conference will be held 10/16-18 in Long Beach
- General Assembly is held during the Conference
  - ▣ If a resolution is approved at General Assembly, it becomes CA Cities policy
- Policy resolutions & petition resolutions may be considered during the conference
- September 25 – Deadline to appoint a voting delegate



# Discussion

- ❑ Voting delegates are appointed by each member City, each City has one voting delegate and up to 2 alternates.
- ❑ Voting delegates must attend the conference for the General Assembly (Friday) but are not required to attend the entire conference.
- ❑ Council Members Brooks is registered to attend.





# Recommended Action

- Appoint 1 member of the City Council as a voting delegate, appoint 1 to 2 members of the City Council as alternates.